

CORPORATE SCRUTINY COMMITTEE

15th September 2003

**PRESENT:-**

**Labour Group**

Councillor Bell (Chair), Councillor Murphy (Vice-Chair) and Councillors Mulgrew and Stone.

**Conservative Group**

Councillors Bale, Ford and Mrs. Hood.

COS/17. **MINUTES**

The Open Minutes of the Meeting held on 4th August 2003 were taken as read, approved as a true record and signed by the Chair.

COS/18. **DEVELOPING FINANCIAL SERVICES – PROGRESS REPORT**

It was reported that the Best Value Review of Financial Services was completed in May 2003. The Finance and Management Committee had approved a Development Plan for Finance Services and Revenues and Benefits. The Development Plan had been circulated with a summary of the progress made to date. A fundamental part of the Plan concerned the implementation of a new Financial Management System. Work on this was well underway and it would form an increasing part of the Division's workload over the coming months.

One of the first major milestones in the Plan was achieved with the production of the Council's Annual Statement of Accounts before 31st July 2003. The one area where progress had been slower than anticipated was on reviewing debt collection, in particular on sharing expertise/resources with Revenue Services.

For the Revenues and Benefits Service, several of the identified projects were on course. However, delays in the implementation of the new Revenues and Benefits IT System were having a significant impact on the delivery timescales shown in the project timetable. It was likely to be June 2004 before the new system was operational and this situation was being monitored by weekly meetings of the Consortium Project Board. Progress was reported on joint and reciprocal working, particularly with East Staffordshire Borough Council, along with the legislation training provided for Benefit staff.

Members reviewed the Development Plan and a question was submitted about the comparative costs of insurance administration.

The delay in implementing the new Revenues and Benefits System was also discussed and this was primarily due to software conversion difficulties. It was confirmed that the agreement included penalty clauses, but given the partnership approach these would not be invoked unless absolutely necessary. The Revenue Manager explained the further conversion work that would be required to enable the assessment of Pension Credits for Benefit

purposes. He stressed the importance of ensuring that the new system was wholly accurate before it was implemented. For 2004/05 existing systems would be used for Council Tax and Benefits administration.

Reference was made to the Information Kiosks and due to the delays with the Revenues and Benefits System, little progress had been made. There were further difficulties in securing appropriate locations in some parts of the District for the Kiosks to be sited. Members discussed the information which could be accessed from the Kiosks and were informed of the security measures in place before residents' personal information could be accessed.

A Member enquired whether information was available on the insurance claims made against the Council. He asked whether this could be reported to a policy committee, to enable assessment and a review, to reduce potential future liability. The Financial Services Manager spoke of known risk areas and information could be provided to Members, if required.

#### COS/19. **IEG PROGRESS REPORT**

The Financial Services Manager presented this item and advised of the progress made to date in implementing of the IEG 2 Action Plan. Appended to the report were details of all 23 projects being undertaken. Key developments were reported for the current quarter on the Member IT pilot and implementation of electronic payments. Officers were working closely with the Derbyshire Partnership of Councils to progress key e-government projects, namely e-forms, customer relationship management and GIS. At the same time, a number of internal projects were being progressed for the National Land and Property Gazetteer, Financial Management System and the Revenues and Benefits System.

The third IEG Statement was due to be submitted in October 2003 and would be more evidence based. Councils would be required to demonstrate the projects that were being implemented and how they were progressing towards targets for e-government transactions. District Audit had recently undertaken a review of the Council's approach to e-government. Its final report would be submitted to the Corporate Scrutiny Committee, in due course.

A question was asked about the potential funding that could result from a "satisfactory" IEG Statement. For each of the past two years, the sum of £200,000 had been received. The IEG Statement was due to be considered by the Finance and Management Committee prior to its submission.

In response to a further question, information was provided about the anti-virus software used to safeguard the Council's systems.

#### COS/20. **PROCUREMENT STRATEGY**

A report was circulated and the Deputy Chief Executive gave a broad background on procurement strategies. The Byatt Report was commissioned by the Government and had identified the need for a strategic approach to Council procurement. This Council's first Procurement Strategy was approved in October 2002. It included an Action Plan detailing various items for implementation over a 12 to 18 month period. However, there had been little progress made to date.

In the Audit Plan for 2003/04, the District Auditor identified procurement as a business risk and made proposals to 'review the Council's procurement strategy, its impact on procurement practice and the effectiveness of the management arrangements which supported it'. A copy of the project brief for the work proposed by the District Auditor was circulated. A "set-up" meeting had taken place and some interviews with Members and employees had been completed. Further interviews were planned over the next six weeks, together with a workshop. The final report was scheduled for November and this would provide the basis for taking forward procurement issues within the organisation and providing evidence to the CPA Inspectors, that the Council had clear "investment plans" for this important area of work.

The Chair questioned the need for training to change views on purchasing methods. This had been recognised and the District Auditor had offered to assist with this process. Training could be provided for Members and Officers on a range of models, to assist the required change of culture. The implementation programme within the Strategy was now out of date, but it had been agreed to undertake some of the identified elements to help achieve the culture change.

It was questioned whether the Council used "approved suppliers". The Deputy Chief Executive confirmed that a range of new procurement options were used and examples were provided for the supply of stationery and the additional refuse freighter acquired recently through a purchasing organisation. A Member felt there was a need for flexibility and he questioned whether there was a centralised approach to procurement. This had been recommended by the Byatt Report, but in its response, the Government felt it was not practical for smaller councils. The Policy and Best Value Manager spoke about service procurement and the opportunities available for partnership working with the voluntary sector. A further report would be made to the Corporate Scrutiny Committee in December, on this topic.

#### COS/21. **BUDGET ISSUES**

The Financial Services Manager circulated the 2004/05 budget timetable. The Chair referred to the budget consultation provided through the Area Meetings. This usually took place after policy committees had determined their base-budgets and he felt it would be more useful to undertake a broader consultation. An exercise had been undertaken to assess residents' views and priorities at the recent round of summer Area Meetings. A Member asked about levels of feedback and details were provided. Historically, parish councils were invited to submit schemes for consideration. Usually, this was oversubscribed, it raised parish councils' expectations and some projects could not be undertaken.

Following a question from the Vice-Chair, there was a discussion about the process undertaken to compile the Council's budget. The Deputy Chief Executive confirmed that the base-budget was prepared, assuming current service delivery levels. An assessment was made of the likely available resources and all service development proposals were assessed using a scoring process. The Chair confirmed that in recent years, the financial crisis had limited the scope for service development. He commented on the

scoring process, feeling that it was finance led and expressed his views on how service developments could be scored to match resources to the Council's priorities. The Vice-Chair commented that staffing costs accounted for a large proportion of Council expenditure. He recognised the personnel implications associated with delivering new services and the need for retraining or recruitment of those with appropriate skills. A risk analysis context was provided and difficult decisions would be involved in any significant shift of resources between service areas.

COS/22. **REVIEW OF 'SCORING' FOR SERVICE DEVELOPMENT PROPOSALS AND CAPITAL PROJECTS**

The Chair referred to the existing scoring system for service development proposals and the review of this scoring system. The Finance and Management Committee was due to consider proposals for updating the scoring mechanism at its Meeting on 16th October 2003. A Special Meeting of the Scrutiny Committee would be held on 6th October and he understood that the Financial Services Manager had prepared a revised scheme. However, he felt it would be worthwhile to hold a further Special Meeting of the Committee for Members to give initial consideration to this topic, before examining the current or suggested revised scheme. The Vice-Chair felt that given the tight timescale, it might be better to hold one joint Meeting.

The Financial Services Manager explained that this 'scoring' model was used by other local authorities and that it had been updated to address the concerns raised by Members previously. The model enabled Members and Officers to compare service development bids. The Deputy Chief Executive confirmed the need for a structured system to assess such development bids. After some discussion, it was agreed that a second Special Meeting of the Committee be held at 4.30 p.m. on Tuesday, 30th September 2003.

COS/23. **RESPONSE TO SCRUTINY REPORTS BY POLICY COMMITTEES**

The Policy and Best Value Manager provided background information and spoke of the work undertaken to assess how Policy Committees had responded to Scrutiny Committee Reports. The exercise had nearly been completed and the information would be available shortly.

Members were reminded of the findings of the Comprehensive Performance Assessment (CPA) Peer Challenge Team. It had recognised the need to strengthen procedures and the powers available to the Scrutiny Committees. These would need to be in place before the next CPA inspection. The Committee discussed how its role could be developed in the future and Members felt in particular that Policy Chairs should be called to Scrutiny Committee and required to give reasons where its recommendations had not been implemented. Mechanisms could be put in place to monitor how Policy Committees responded to Scrutiny recommendations and to request reports back to the Scrutiny Committee. The Chair felt that the confidence of scrutineers had increased and that they rightly needed to know when Scrutiny Committee decisions had not been implemented. He referred to some issues which the Scrutiny Committees had considered and made recommendations on to Policy Committees. In the majority of cases, the recommendations had been accepted or implemented. However, in some instances he felt they had not been so actively pursued. The Vice-Chair felt it would be useful to produce a process flow-chart to show the requirements

placed on Policy Committees. The Scrutiny Committee could also provide periodic reports to Policy Committees, requesting feedback on particular topics.

The Deputy Chief Executive explained that the current Constitution was worded carefully, to avoid possible confrontation. Hence it had been recognised by the CPA Peer Challenge Team as an area that should be strengthened.

COS/24. **WORK PROGRAMME**

The Scrutiny Committee considered the work programme for the coming months. Details were provided of those Best Value Reviews, Policy Framework Documents, Special Projects and Responsive Issues proposed for consideration. As agreed earlier in the Meeting, two Special Meetings would be held to consider the CPA Benefit Fraud Assessment and the review of scoring for service development proposals and capital projects. It was anticipated that the documentation for the Benefit Fraud Assessment would be received next week and Members were reminded of the purpose of this reality check.

R. BELL

CHAIR

The Meeting terminated at 5.40 p.m.