

CORPORATE SCRUTINY COMMITTEE

29th April 2002

PRESENT:-

Labour Group

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

Conservative Group

Councillors Bladen.

APOLOGY

An apology for absence from the Meeting was received from Councillor Douglas (Conservative Group).

COS/41. MINUTES

The Open Minutes of the Meeting held on 11th March 2002 were taken as read, approved as a true record and signed by the Chair.

COS/42. BEST VALUE REVIEWS

(a) Financial Services – Draft Baseline Assessment

The Committee received the Draft Baseline Assessment report for the Financial Services Review. The Review comprised Revenues and Benefits, Accountancy and Exchequer Services and Internal Audit. Appended to the report was the draft baseline assessment and a summary of the issues arising from it. The baseline had been divided between Revenue/Benefit Services and Finance Services.

The Finance Service was governed largely by legislation, rules and procedures. Almost without exception, the major requirements and statutory services were delivered on time. However, it was clear from performance indicators and feedback from the focus groups, that service delivery could be undertaken in a more efficient and effective manner.

One of the objectives included in the scope of the Review was to make better use of new technology. It was clear from the baseline that the current IT system was seen as a weakness. A separate project, with its own terms of reference, had commenced to replace the Council's core financial systems, with a target implementation date of 1st October 2003. Several of the key issues highlighted in the baseline would be addressed by the implementation of a new financial management system.

The Chair enquired whether there were any weaknesses within the Finance Services part of the Review that warranted attention. The Financial Services Manager responded, outlining the results of comparisons undertaken to date with other authorities. The Chief Finance Officer also commented on joint working opportunities and the initial discussions held with neighbouring

authorities. These had been open and positive and further meetings were planned.

Work had continued on the Revenue and Benefits part of the Review, focusing on the 'Invest to Save' bid. The Draft Baseline Assessment had been developed and would be reviewed further, following planned staff and customer focus groups. The results of these focus groups would also be fed into the key issues portion of the baseline assessment. They would provide a reality check on those key issues identified so far and an opportunity for other issues to be identified.

The formal review team would be convened in due course to test the draft baseline and the issues currently arising. It was envisaged that the team would need to confirm the key issues and devise an action plan to address those issues. It would include setting targets for improving performance. The process would be completed in accordance with the agreed timetable and the target date for a final report was December 2002.

The Revenue Manager gave an update on the 'Invest to Save' Bid and progress report on the work of the Consortium and the other services which would accrue from the improved information technology systems. The Chair commented on the positive outcome of the 'Investment to Save' Bid and the progress being made on this part of the Review.

Questions were submitted on the timescale for implementation of the information technology project. The Chief Finance Officer commented on the role undertaken by partner organisations in the Consortium. The capital costs of the information technology system and training requirements were also discussed. It was noted that an allocation of £200,000 was included in the current year's budget towards the cost of this system.

Clarification was given on proposals to develop 'multi-skilling' within the Finance Section to provide cover and meet the needs of service users. The Chief Finance Officer explained that the new financial management system would have an impact on the duties performed by staff in the Section and would enable improved service delivery.

(b) Asset Management

The Policy and Best Value Manager provided an update. The draft final report and action plan for this Best Value Review had now been produced. The documents were to be considered by the Best Value Review Officer Working Group. 'Reality checks' would be undertaken by the Derbyshire County Council and District Audit would consider the Review as part of work on the Best Value Performance Plan. The report and action plan would then be submitted to Corporate Scrutiny Committee and the Finance and Management Committee. The Review remained on timetable.

COS/43. **RECHARGING CENTRAL ESTABLISHMENT CHARGES**

Members were reminded of previous reports about the recharge of Central Establishment Charges (CEC's). At the January Meeting, a revised system was suggested whereby support, management and administrative services would be allocated on a fixed service level recharge basis. The Committee

received a report which set out the principles and some of the implications of using this type of approach to allocating CEC's.

To date, staff had been required to charge their time spent on activities to a corporate time recording system. Consultations had taken place on the usefulness of this system through a questionnaire. An analysis of the responses and main issues arising were appended to the report. As a result, further consultations took place on the opportunity to use pre-set automated timesheets, based on informed estimates. Consequently, from 1st April 2002, approximately 80% of staff would operate on this basis. The staff using the former system were those where the work was changeable, where it was required for external charging or for monitoring work on Government funded capital projects.

The categories of CEC had been divided into three distinct areas for service departments, support services and central expenditure accounts. It was proposed to record costs and share recharges under those headings from 2002/03. There were some changes to allocations and the methodologies used and these were detailed in the report. Frontline service departments recharged their time mainly to the cost centre they served. For support services, a fixed allocation would become the service level recharge for the year. The fixed allocation would be reviewed annually. It might not entirely reflect the actual level of service in any given year, but over time any variances should even out. The system would provide a more predictable and consistent allocation method. The system for central expenditure accounts would be broadly unchanged.

All Council's were permitted to account for certain corporate management costs centrally and not charge them as an overhead to all services. There was a strict definition to be adhered to and an extract of the code of practice was appended to the report. The review of CEC's had identified costs currently charged as corporate which did not meet this definition and would need to be allocated across services. In particular this applied to the costs associated with Best Value Reviews, Service Planning and Corporate Policy. In addition, work on Crime and Disorder and Community Planning could not be considered as corporate costs.

Members discussed the response levels to the consultation on the review of the time recording system. Officers were pleased with the level of response, commenting on the problems highlighted with the previous time recording system. Clarification was given on how the evaluation system would work and Members explored scenarios such as requirements for additional staff and how this would be accounted for. The Financial Services Manager explained that this was an internal recharge and variations in the anticipated costs were permissible within certain tolerances. The Vice-Chair commented on the review undertaken and the extent of changes made. The Chair felt that the review had been positive and would result in time savings and reduced paper generation. Reduced central establishment charges would have a positive impact on all frontline services.

COS/44. **CORPORATE PLAN**

The Policy and Best Value Manager gave a verbal report. The Corporate Plan had been approved in November 2001 and preparation of an improvement plan was underway. A template had been produced to enable monitoring on

a quarterly basis. Meetings with managers would be held over the coming months, with the Development Services Section being reviewed initially. This would enable consideration of corporate and departmental key tasks. A report would be submitted to the first Finance and Management Committee Meeting after the Annual Council. Quarterly progress reports would also be made to the Corporate Scrutiny Committee.

COS/45. **CAPITAL STRATEGY**

The Chief Finance Officer reminded Members that the Capital Strategy had to be submitted to the Government Office for the East Midlands (GOEM) each year. This year the Capital Strategy had been linked to the Asset Management Plan. Guidance had been received and it was reasonably similar to that issued in previous years. As an incentive for all local authorities this year, those achieving a 'good' classification for their Capital Strategy and Asset Management Plan would not be required to submit an annual plan in the future. South Derbyshire's Capital Strategy currently had a 'good' grading whilst the Asset Management Plan was considered to be 'satisfactory'. The Working Groups dealing with the Capital Strategy and Asset Management Plan had been merged and the first joint meeting would be held on 30th April 2002. In general, feedback from GOEM for the Capital Strategy and Asset Management Plan had been very positive. It was noted that some nearby local authorities were not receiving such positive feedback. The submission of the Asset Management Plan and Capital Strategy would take place in July 2002. Progress reports on both documents would be submitted to future Meetings of the Committee.

COS/46. **ANNUAL REPORT**

Note:- At 5.20 p.m., Councillor Mrs. Rose joined the Meeting.

The Policy and Best Value Manager presented the draft Annual Report for the Corporate Scrutiny Committee. This Report detailed the work of the Committee between July 2001 and May 2002 and looked forward to the year ahead. For this year, the Annual Report included background information about the Committee, but this was not likely to be included in future annual reports. The Committee reviewed the content of the Annual Report, noting those best value reviews, policy framework documents and special projects considered. The views and recommendations from the District Auditor's report were also noted.

Looking to the year ahead, comment was made on the working arrangements and the draft Work Programme for 2002/03. An additional Best Value Review would commence for Customer Services and Electronic Service Delivery. Additionally, budget and policy framework documents would be presented on the Capital Strategy, the IEG Statement and the Asset Management Plan. The Chair commented that the work programme was full and the Policy and Best Value Manager explained the quarterly approach proposed to enable Members to select items for discussion.

The Chair spoke of the Committee's role to add value to the decision making process and contribute to policy rather than just receiving information. He encouraged Members to consider the content of the Annual Report and to submit their views and comments to the Policy and Best Value Manager. The report would be considered by the Overview Committee on 2nd May 2002

and then at the Annual Council Meeting. He also drew Members attention to the report of the District Auditor.

COS/47. **“HOW GREEN IS THE COUNCIL”**

It was reported that, following a request made at the last Meeting, provisional arrangements had been made for a visit to High Peak Borough Council on 31st May 2002. Members were asked to confirm their availability and it was agreed to undertake the visit on that date. Mr. Purvis, Environmental Officer at the High Peak Borough Council was happy to answer Members' questions, but it would be preferable to submit these in advance in order that responses could be prepared. Members felt that there would be a benefit in discussing the EMAS arrangements with Councillors from that authority and this would be requested.

At the last Meeting, Members were informed of an initial in-house survey to determine if environmental issues were being addressed by the Council. The results of that audit needed to be compiled. A suggested way forward was submitted which would involve collecting information on range of issues. A number of issues and areas were to be pursued as part of an in depth information gathering exercise. The results from this research would assist the Committee to form the baseline assessment of the Council's current position and the steps required to move forward.

The Chair felt that a small group of Committee Members could undertake this research by visiting the various work areas. He welcomed this opportunity and felt it would be a good public relations exercise for the Committee. The research had shown that responsibility for environmental issues was undertaken by a variety of departments. The Chair felt that the Committee would be better informed once the visit to High Peak Borough Council had taken place. Further research would be required and it might be necessary to submit a service development proposal for funding to enable the appointment of a dedicated officer to work in this area.

R. BELL

CHAIR

The Meeting terminated at 5.50 p.m.