

CORPORATE SCRUTINY COMMITTEE

28th January 2002

PRESENT:-

Labour Group

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

Conservative Group

Councillors Bladen and Douglas.

Contributors

(For Budget Consultation Item)

Councillors Brooks, Carroll, Richards, Mrs. Rose, Southerd, Southern, Wilkins and Whyman (Labour Group), Councillors Lemmon and Mrs. Wheeler (Conservative Group), Councillor Routledge (Derbyshire County Council), D. Frudd (Swadlincote Council of Churches), Mrs. V. Price (Derbyshire Dales and South Derbyshire PCG), Mrs. J. Smith (South Derbyshire CVS) and G. Tansley (Southern Derbyshire Chamber).

COS/24. **APOLOGIES**

Apologies for absence from the Meeting was received from Councillor Stone (Labour Group), R. Crane (Federation of Small Businesses), Mrs. S. Black (Burton Chamber of Commerce and Industry), Mrs. S. Bell OBE (National Forest Company), J. Oake (Made in Swadlincote Partnership), T. Laws (Learning and Skills Council), A. Lanning (Walbrook Housing Association) and Professor Waterhouse (University of Derby).

COS/25. **MINUTES**

The Open Minutes of the Meetings held on 3rd and 19th December 2001 and the Exempt Minutes of the Meeting held on 19th December 2001 were taken as read, approved as true records and signed by the Chair.

COS/26. **MEMBERS QUESTIONS AND REPORTS**

The Chair reported that the Overview Committee had been asked to review proposals for the future management and development of the Swadlincote Woodlands Forest Park.

COS/27. **BEST VALUE REVIEW – FINANCIAL SERVICES**

The Committee received a verbal report from the Financial Services Manager. He explained that the scope for the Best Value Review of Financial Services had been agreed at the last Finance and Management Committee. The departmental management team proposed to establish two focus groups for internal stakeholders and external partners to consider specific aspects of the Review. The next key milestone, at the end of March was to compile the baseline assessment. A meeting of the Working Group would be called when the baseline assessment had been substantially completed.

Questions were submitted about the timetable for the Review, which had been approved by the Finance and Management Committee and whether the Review could lead to the privatisation of this service. The Policy and Best Value Manager explained the requirements to consider a range of service delivery options. It was important for staff to be involved in this process.

Consideration was given to the information technology solutions available for this service area. An “Invest to Save” bid had been submitted on behalf of a consortium of Derbyshire authorities to enable the purchase of the new information technology system for the Revenue Service. Members sought confirmation of the compatibility of any new information technology system installed with those systems already in place.

COS/28. **RECHARGING CENTRAL ESTABLISHMENT CHARGES**

The Committee was reminded of the report submitted to its October Meeting and a subsequent report by the Vice-Chair to the Finance and Management Committee in November 2001. These reports had identified certain issues surrounding the allocation of Central Establishment Charges (CEC). A review of the current system was proposed so that options for change/development could be considered by March/April 2002.

The Committee received a report which set out the initial work undertaken and suggested changes that could be implemented to overcome some of the issues identified. The report had concentrated on the time recording and accountability issues. Details were given of the current system which, fundamentally, was that used in numerous other authorities, together with a number of alternative methods that could be used. The establishment of a service level agreement process would entail setting up individual and discreet trading units. This method had predominantly been used by county and metropolitan authorities and was not felt to be appropriate for a relatively small District Council such as South Derbyshire. A further suggestion was to move towards a Service Level Recharge (SLR) process. Broadly, this would entail support service Managers providing a clear schedule of recharges to their users, possibly as part of the Service Planning process. It would mean that charges to end users could be fixed for the financial year in the Service Plan and become the “price” for the support provided. It should provide more certainty of costs for users of support services, but this would be a broad principle and not suit all elements of CEC. The mechanics and rules for this process would need to be developed and details were given of the areas which would need to be reviewed.

An SLR process would still require some form of time recording, but the issue was how that time would be ascertained. Following informal discussions there were differing opinions on the usefulness of the current time recording system. A questionnaire had been circulated to Divisional and Unit Managers and the Best Value Review Focus Group. A copy of the questionnaire was appended to the report and a full analysis of the responses would be available shortly. To date, approximately half of the responses had been received and an outline of the responses was given. The questionnaire had sought feedback on the scope for an annual “automated” timesheet based on informed estimates. It was noted that the procurement of a new Financial Management System could have an impact on the current time recording system which might need to be replaced in any event after April 2003.

One of the key issues identified from the consultation was the delay before people completed their timesheets. This had a direct impact on the accuracy of time allocated to different functions. Following a question submitted, it was confirmed that all staff were required to complete a weekly timesheet. A useful stage in the research would be to separate departmental support from central support. Members recognised the benefits of accurate time recording, the time taken to complete timesheets, the marginal costs of undertaking additional duties and the need for a transparent system of allocating CECs. Whilst this review would not lead to actual savings, it might give greater efficiency by removing the need to complete and process weekly timesheets.

COS/29. WORK PROGRAMME

The Committee considered the approved Work Programme for the coming months. Details were provided of those Best Value Reviews and Policy Framework Documents to be submitted to each Meeting. An additional Meeting of the Committee was scheduled for 11th February 2002 to consider feedback on the Budget Consultation Process. This would comprise information received from area meetings, the Joint Consultative Committee and the Stakeholder Consultation later in this Meeting.

COS/30. BEST VALUE PERFORMANCE PLAN

The Committee received a verbal report from the Policy and Best Value Manager. The Government had issued a White Paper setting out changes to the Best Value Performance Plan reporting framework. This was a “transitional year” and further clarification was awaited. It appeared likely that the Council would need to publish a Best Value Performance Plan Summary by the end of March 2002 and to circulate the full Plan later in the year. In future years, authorities would have to circulate the Summary Plan with the Council Tax literature. The report was noted.

COS/31. “HOW GREEN IS THE COUNCIL”

Under Minute No. COS/19 of 3rd December 2001 the Chair proposed a special project “How Green is the Council”. To date, the Scrutiny Committee had concentrated on appropriate Best Value Reviews and Policy Framework Documents and he felt that it was now opportune to consider this special project. The Chair referred to policy documents produced by other Councils - Derby City, Erewash Borough and High Peak.

Initially, he felt it would be necessary to consider the scope for this project, to identify how to address the review, the information available in-house and which officers would be able to provide background information. The project could then be developed to generate a greater awareness throughout the Council leading to positive benefits and significant cost savings.

The Committee then viewed an information video by EMAS. Members’ views were sought and it was thought the scope of the project should initially be focused internally. Reference was made to the waste paper generated and possible links to E-government. It was agreed to have detailed discussion on this special project at the next Meeting.

Note:- At 5.30 p.m. The Committee adjourned to the Committee Room to meet representatives of National Non-Domestic Ratepayers, representatives of

commercial and industrial undertakings and partners from the Public, Private and Voluntary Sectors. A number of other Members joined the Meeting to contribute to this final item.

COS/32. **BUDGET 2002/03 - CONSULTATION**

The Chair explained the format of this budget consultation meeting. He welcomed contributors and following introductions, invited the Chief Finance Officer to give a presentation on the Council's budget.

This year, the Council had changed the way it consulted on its budget proposals and it hoped to develop the process further in future years. Mr. Neaves explained the financial crisis which the Council had faced in 1999. Since that time, measures had been taken to ensure sound financial management, including a Best Value Review of Financial Management and Control. Details were given of the Council's medium term financial strategy, the service and financial planning process and the strengthened budgetary monitoring process.

Mr. Neaves indicated that the Council's financial position had stabilised and there was an adequate level of reserves. However, caution was still needed and it was proposed to refocus and reprioritise the services provided. Information was submitted on the financial constraints imposed by Government and the implications of expenditure above Government guidelines. The revenue budget proposals for 2002/03 were reported. These sought to maintain existing services, provide additional resources for service improvement offset in part by savings in existing services. There was the potential for a lower Council Tax increase than in previous years.

The capital spending proposals for 2002/03 were also considered. For this year, there was a single capital allocation which would give authorities greater freedom in allocating resources. Overall, Government allocations were falling and authorities were becoming more reliant on generating their own resources.

The presentation concluded with a summary of the Council's financial position, an outline of how the feedback from the consultation meeting would be fed into the budget process and proposals to seek views during the summer on spending priorities for 2003/04.

The Chief Finance Officer then referred to the detailed reports on the Revenue Budget and Capital Programme for 2002/03. The Chair sought information on the Budget Strategy. Mr. Neaves explained the process undertaken, starting from the Government's anticipated settlement and taking on-board Members' views regarding service developments and possible budget reductions. Clarification was provided on the percentage increases assumed in generating the base budgets for subsequent years.

Mr. Tansley of the Southern Derbyshire Chamber congratulated the Council on its improved financial position. He referred to the completion of the Single Regeneration Budget Scheme and questioned how projects would be affected by the withdrawal of this funding. Information was provided on the exit strategies in place for a number of the key projects. Mr. Tansley explained the possible other funding sources available. This information was acknowledged by the Council's Leader and might provide the opportunity for some joint working in the future. Mrs. J. Smith shared the concerns that the

removal of SRB funding might impact on a number of projects co-ordinated by the Council for Voluntary Services. Further information was provided by the Chief Executive on the exit strategies in place, proposed partner meetings and efforts to identify new income streams.

Mr. Tansley referred to the success of the managed workspace units provided at the George Holmes Business Centre. He enquired whether the Council proposed to repeat this initiative. He also commented on the budget provision for Crime and Disorder Initiatives. The Chief Finance Officer explained the purpose of this budget, the partnership approach and established initiatives. Councillor Wilkins gave further information on the Crime and Disorder Initiatives and the Chief Executive explained the leverage and other benefits secured through the Crime and Disorder Partnership.

Mrs. Smith commented on the contribution made to the area by the voluntary sector. She sought the development of a budget for the voluntary sector, to meet their resource needs. There was recognition of the terrific contribution made by voluntary sector organisations and applications for financial support would be considered alongside other funding requests. The Chief Executive confirmed that the Council was “open for business” not just with the private sector, but the voluntary sector also.

Mrs. Price of the Primary Care Group referred to the budget allocation for a Partnership Funding Officer. The post had now been appointed and it was explained that the officer would take up the duties of this post once existing commitments on the Single Regeneration Budget Scheme had been completed. Mrs. Price referred to the joint working with the Council and sought the identification of a budget for the shared priorities. She explained that other funding sources might be available, if the current arrangements were formalised.

In closing the Meeting, the Chair thank those present for their contributions.

R. BELL

CHAIR

The Meeting terminated at 6.25 p.m.