

CORPORATE SCRUTINY COMMITTEE (SPECIAL)

30th September 2003

PRESENT:-

Labour Group

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

Conservative Group

Councillors Ford and Mrs. Hood.

APOLOGY

An apology for absence from the Meeting was received from Councillor Mulgrew (Labour Group).

COS/25. **REVIEW OF “SCORING” FOR SERVICE DEVELOPMENT PROPOSALS AND CAPITAL PROJECTS**

The Chair reminded Members of the purpose of the Special Meeting and invited the Chief Finance Officer to give an overview of the current scoring system. The Chief Finance Officer explained that the current system sought to provide a rational approach and scoring system to guide the Service and Financial Planning Working Panel when it considered service development bids. He emphasised that the Working Panel had regard to the scoring system, but had discretion to reprioritise bids when making recommendations to the Finance and Management Committee. He felt that the system was transparent and showed why some bids might not be successful. It sought to balance financial considerations with service priorities.

The Chair asked if a different approach was taken to the assessment of capital and revenue bids, but was advised that these were broadly similar. He asked how service development bids were initiated and whilst Members could make proposals through policy committees, practically, it was Divisional Managers that submitted the development bids. The Chair felt that the scoring system tended to guide the types of bids that would be submitted. He displayed the documents for revenue and capital service development proposals for the current financial year and from the size of these documents felt that substantial time would have been spent in compiling the bids. The Chief Finance Officer went on to explain that some of the bids included within the documents may have been resubmitted from previous years. He felt that the process undertaken to secure external funding was far more onerous and that the in-house process provided a good check that bids were viable and therefore the time and effort were worthwhile.

The Chief Finance Officer explained the process used to assess bids through two politically balanced groups. The Vice-Chair noted that some Members were involved at both stages of this process and it might be preferable for distinct panels to consider the bids. Group Leaders nominated the Members for each panel and the Chair advised that previously, the first phase of scoring service bids had been undertaken by Officers.

In response to further questions, it was confirmed that there was a second opportunity for unsuccessful bids to be reconsidered, later in the financial year, if budget underspends occurred. The scoring system had no bias towards projects for urban or rural areas.

The Chair reminded Members of the Committee's bid for an EMAS Officer that had scored poorly against the current system and had been unsuccessful. Subsequently, he had examined the system and felt that it was financially biased, favouring lower cost schemes. The Comprehensive Performance Assessment process provided that funds should be allocated according to the Council's priorities. At present, it seemed that projects were approved based on the funding available. He recognised that the final decision on changing the scoring system would rest with the Finance and Management Committee.

The Chair suggested that the Committee consider the main elements required for an alternate scoring system and reference was made to the Council's four key priorities. The Vice-Chair asked about the proportion of budgets involved in this exercise. The Chief Finance Officer explained that the scoring system was only used for new service development bids, rather than all services and this equated to approximately 5% of total expenditure. It was noted that for revenue bids, there was a year-on-year effect. A question was submitted about how budgets would be reviewed if major service delivery changes took place.

In response, the Chief Finance Officer referred to the financial crisis and the exercise undertaken to determine where posts could be removed from the establishment. It would be possible to apply a scoring system to all Council services, but practically, this could not be undertaken each year. Given the three-year budgetary planning process, perhaps that time frame could be used for such a review.

The Vice-Chair spoke of the value in understanding where resources were directed and how these matched priorities. He then commented on revenue funding commitments, ensuring that these could be sustained and he compared projects which met Council priorities to those of a multi-agency nature.

The Chair noted that the scoring system would need to take account of statutory requirements. He felt that the revised scoring system should focus on service issues and then look at financial aspects as a secondary element. The Policy and Best Value Manager advised that the Corporate Plan and service plans would need a three year focus. It could be questioned whether the Council's priorities accorded with those of local people and as an example, reference was made to the issue of community safety.

The Chief Finance Officer responded to questions, explaining the typical size of service development bid and confirming that income generated from service developments was taken into account. Under any scoring system, he felt there would always be winners and losers, but a scoring system should be transparent so that it would be perceived to be fair.

Further issues suggested for consideration within the system were risk management and a way of comparing national issues, such as recycling with much more localised issues like flood defence measures. The Policy and Best

Value Manager referred to Best Value Performance Indicators and local performance indicators. Members felt that cross-cutting issues and partnership working were further areas to be recognised within the system.

The Chair felt there was a need to assess service development proposals at an early stage to enable consideration of how approved projects would be funded. The Vice-Chair spoke of the inertia and difficulties in achieving substantial change to service delivery.

A Member asked how levels of capacity were identified. The Chief Finance Officer explained that the Council's three-year programme provided stability and enabled an assessment of balances. Target balances were compared to projected funds, to identify the resources available for service developments. The Chair read an extract of the "Councillors Guide" publication regarding the link between policy and available budgets. This supported his view that service development should focus primarily on priorities, rather than just looking at the available resources. The Chief Finance Officer confirmed that this approach could be used, but there was a need to balance extra service delivery costs against cutting existing services.

The Chair closed the first session on the review of the scoring system, asking the Policy and Best Value Manager to compile the views expressed for consideration at the next meeting on 6th October 2003.

R. BELL

CHAIR

The Meeting terminated at 5.45 p.m.