

CORPORATE SCRUTINY COMMITTEE

22nd October 2001

PRESENT:-

Labour Group

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

Conservative Group

Councillor Bladen.

APOLOGY

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

COS/8. **MINUTES**

The Open Minutes of the Meeting held on 10th September 2001 were taken as read, approved as a true record and signed by the Chair.

**MATTERS REFERRED TO COMMITTEE
FOR RECOMMENDATION**

COS/9. **BEST VALUE REVIEWS**

(a) **Financial Services – Revenues and Benefits**

The Scrutiny Committee received a progress report on this aspect of the Financial Services Best Value Review from the Revenue Manager. He explained that the Financial Services Review had commenced in May 2001 and was due to be completed by September 2002. The terms of reference for the Review were appended to the report and in the first instance, it had concentrated on Revenue Services. The Council had been working in partnership with Derbyshire Dales District Council and that Authority had undertaken its Revenue Best Value Review. This Council's Review commenced with a one day seminar for all Review team members to provide an insight into the work of the Section and to explain the concept of Best Value.

Comparisons had been made with other authorities which indicated that the Section was now performing well, in line with upper quartile performance across the Country. A key issue identified early in the Review was how this improved level of performance could be maintained. The Review Team had considered the issue and possible solutions identified were closer working with other partners and the enhanced use of IT. The current issues and challenges for the Revenue Team were outlined and these concerned the partnership with Derbyshire Dales and related IT provision, the benefit fraud inspectorate, the verification framework, Council Tax recovery and continuous improvement/Best Value Performance Indicators. Each of these issues and challenges had been addressed and information collected during the summer months.

The problems with the existing computer system were reported. It was unable to provide management information or to embrace technology advances. Ideas to introduce a proactive approach to Council Tax recovery were limited by the system's time consuming procedures. Consideration had been given to a variety of options to take the Review forward and these options were appended to the report. The Review Team considered that the Implementation Plan should include proposals for replacing the IT system and the financial implications of this option were being investigated. A joint bid for funding with four other authorities within Derbyshire had been approved in principle and, if successful, this would provide funds towards introduction of the new software and associated improvements.

Members sought further information about the costings and the training needs for the new information technology system. The problems of training staff on the current system were reiterated. Details were provided of the other areas to be considered under this Best Value Review, being Accountancy and Audit. Members asked about the timetable for implementation given the joint working with Derbyshire Dales District Council.

(b) Cash Office Services (Action Plan)

It was reported that the Best Value Review of the Cash Office service was completed in January 2001. A copy of the final report had been circulated which included the Improvement and Implementation Plan. The Scrutiny Committee received details of the progress made with the Implementation Plan which were appended to the report. Members were reminded of the revised opening hours for the Cash Office and the introduction of an appointment system for revenue and benefit enquiries.

In considering the Improvement and Implementation Plan, reference was made to those ancillary services proposed to be provided from the Cash Office and the display of performance information.

COS/10. **RECHARGING CENTRAL ESTABLISHMENT CHARGES**

Following a request from Members, a report was submitted on why and how Central Establishment Charges (CEC) were recharged across services. CEC's were broadly shared services, usually delivered centrally to support frontline services. Details of those functions generally classed as CEC's was appended to the report. The requirement for authorities to recharge such costs arose mainly from CCT legislation and more recently from Best Value. The total cost of CEC's was approximately 7.5 million pounds per annum which equated to thirty percent of total Council expenditure. Excluding departmental staffing costs, Central Services accounted for approximately fifteen percent of total expenditure. Further appendices to the report identified specific central expenses and departmental costs. Central departmental costs were recharged across many services areas because by their nature, they supported more than one service area. Service department staff were predominantly recharged across their discreet service areas.

Holding accounts were maintained separately and used as a method of recharging specific activities. These costs were ultimately recharged and reported in summary form as miscellaneous financial/accountancy recharges

and departmental administration. A breakdown of this area was again appended to the report.

The recharging of CEC's had always been a contentious issue in local authorities. It could be a complicated exercise requiring considerable staff time and the present system was detailed and robust. A review was proposed with a target of identifying and implementing any improvements during 2002/03. It would be necessary to continue with the basic principle of allocating all costs in accordance with the current code of practice. A recent change to this code would mean that certain expenditure, including some pension contributions, could now be charged to corporate management costs which would have the effect of reducing CEC's and consequently the recharges across individual services.

COS/11. **BEST VALUE REVIEW – FINANCIAL MANAGEMENT AND CONTROL: PROGRESS**

It was reported that, at its Meeting on 19th July 2001 the Finance and Management Committee approved this Best Value Review and its accompanying Action Plan. A copy of the Action Plan was appended to the report which identified the progress made against the identified key actions within the Review. In particular, the Review had focused on the need to introduce a new service and financial planning regime for the Council, a copy of which was appended to the report. Resources had been devoted to implementing this new regime, evidenced by the production of the Council's first Corporate Plan. Divisional Managers had been trained on the production of Service Plans which would be presented to the November Cycle of Committees. A further key task was to ensure that the Council's accounts were closed within the statutory timescales. This had been achieved well in advance of previous years and reflected the level of commitment of all those involved. The Action Plan had been affected slightly by the change in post of the Financial Services Manager. The new postholder, Mr. Stackhouse, would be reviewing the timetable to assess whether the key dates were still achievable.

The Chief Finance Officer explained amendments to the budget process to include consideration by Scrutiny Committees and the use of Area Meetings. Members discussed appropriate performance indicators, permitted variance levels on budgets and the monitoring arrangements in place. The report was noted.

COS/12. **CORPORATE PLAN**

The Scrutiny Committee considered the first draft of the Council's Corporate Plan for 2001. The document was the Council's business plan and provided a link between the Community Strategy and individual service plans. The Policy and Best Value Manager explained that the document included a proposed new vision for the Council. This sought to "always provide high quality, value for money services which respond to changing needs and improve the wellbeing of the community". The vision was supported by a number of guiding principles, key aims and priorities. Two new key aims had been introduced relating to housing and the development of the National Forest.

Reference was made to Section 8 of the document which considered the Council's proposals and factors critical to their success. The importance was stressed of cascading the vision through the Corporate Plan to departmental plans and service plans.

Members commented on the wording of the proposed vision and the Chair favoured a wider vision and asked officers to consider rearranged wording, possibly including the term "community leadership". Further input was sought from Members in order that the final vision could be approved by the Council.

COS/13. **MEMBERS' TRAINING**

The Council's Employee Development Officer explained that, following the success of last year's Developing the Role of Members in Overview and Scrutiny course, the Council was now to host the advance level Overview and Scrutiny in Local Government Course on Tuesday 20th November 2001.

The objectives of the course were reported and the course was to be led by Councillor Geoff Williams, the Chairman of Overview and Scrutiny of the Planning Function in the City of Worcester.

COS/14. **WORK PROGRAMME**

The Committee considered the approved work programme for the coming months. Details were provided of the Best Value Reviews and Policy Framework Documents to be submitted to each Meeting. It was proposed that an additional item be included on the agenda for the next Meeting to consider the terms of reference for the remainder of the Financial Services Best Value Review.

R. BELL

CHAIR

The Meeting terminated at 6.00 p.m.