

CORPORATE SCRUTINY COMMITTEE

2nd August 2004

PRESENT:-

Labour Group

Councillor Murphy (Chair), Councillor Lane (Vice-Chair) and Councillor Stone.

Conservative Group

Councillors Atkin, Bale and Mrs. Hood.

COS/6. **MINUTES**

The Open Minutes of the Meeting held on 21st June 2004 were taken as read, approved as a true record and signed by the Chair. It was requested that in future, copies of the previous Minutes be circulated with the agenda.

COS/7. **MEMBERS' QUESTIONS AND REPORTS**

A document was circulated which gave guidance for commissioning a Scrutiny Review. The Chair hoped that this template would be used by those requesting Scrutiny Committees to undertake a Review and he outlined the content of the document. The Committee's feedback was sought on the draft document, in order that it could be refined and finalised.

Councillor Lane sought clarification from the Chair regarding the stage in the Scrutiny process where a response was received from stakeholders. Reference was made to reports back from Policy Committees and the current requirement that this be undertaken within six months. The Chair clarified that the Overview Committee was to reconsider and possibly review this timescale.

COS/8. **FINANCIAL ISSUES**

It was reported that the Chair of the Finance and Management Committee had been invited to this Meeting, but unfortunately he had not been able to attend.

The Chief Finance Officer indicated that at the last Finance and Management Committee, consideration had been given to a comprehensive financial report. This outlined the final budget out-turn for 2003/04 and updated the Council's Financial Strategy and current medium term financial forecast. An extract of that report, relating to the Service and Financial Planning Working Panel was circulated for the Scrutiny Committee's consideration.

The Chief Finance Officer explained that a Working Panel had been formed to examine the increasing difference in levels of expenditure and income. The Group's remit was to look at options to bring expenditure and income back into line. This followed a report to the Service and Financial Planning Working Panel about future financial planning and it had looked at issues including expenditure against Council priorities. It was recognised that there were other priorities, including the improvement proposals resulting from the Comprehensive Performance Assessment. Options available to realign

income and expenditure included increasing resources through lobbying Government or seeking to introduce and/or increase charges.

The Chair noted the broad terms of reference of this Group. He questioned how it would focus on specific outcomes and its timescale for reporting back to Finance and Management Committee. He noted that the Scrutiny Committee had similar themes within its proposed Work Programme and it was important that the Scrutiny Committee's work complemented and added value to this process, whilst providing a 'challenge' mechanism. He suggested that the Chair of the Finance and Management Committee be invited to the next Scrutiny Meeting and hoped that by that time, the Working Panel would have been formed and had the opportunity to give initial thoughts to its role. It was also important to look at the 'scoring system' as a matter of policy and not just based on financial issues. He felt that there was a valuable role for the Scrutiny Committee to undertake in this regard.

Councillor Lane commented that this was a fundamental review and Policy Committees would need reassurance that their priorities would be taken into account properly. The Chair agreed that it was a much broader issue, which might ultimately lead to the realignment of resources. Councillor Lane added that 70% of District Council expenditure was on personnel costs. There was the sensitive issue of taking people through any changes resulting from the realignment of services.

Councillor Atkin commented on the Housing Stock Option process and the longer term financial issues, if the Council decided to retain its housing stock. The Chief Finance Officer explained that housing resources were treated separately to the General Fund. Thirty year financial projections had been used for the stock options process. For the General Fund, a three year projection was used and this had shown the widening gap between expenditure and income. The Finance and Management Committee was conscious of options available and the need to reduce costs, whilst being mindful of the personnel and other consequences this would have. However, it was better to look at this issue over a period of time, rather than having to take more serious action over a shorter period. He agreed that it might be possible for Finance and Management Committee to consider some aspects of this process and the Corporate Scrutiny Committee to look at other aspects.

The Chair was surprised that a task and finish working group was being used for an issue of such magnitude. He felt that there was a capacity issue and questioned why this review was not being undertaken by the Finance and Management Committee itself. This might be an issue to be pursued with the Chair of that Committee at the next Scrutiny Meeting.

COS/9. **WORK PROGRAMME**

A document was circulated which listed possible items for the Committee's Work Programme. The Chair highlighted a number of topics and for Best Value Reviews, he felt that the Committee should look at the process itself. Councillor Atkin questioned whether feedback should initially be sought from those departments undertaking Reviews. The Chair explained that the Policy and Best Value Manager had detailed experience of the Best Value Review Process and could give valuable support to the Committee. The Officer explained perceived problems with the Best Value Review Process, giving

examples of the problems experienced with the Sheltered Housing Review, the time taken to complete some Reviews and the difficulties in engaging internal/external stakeholders. She explained that following the completion of the Comprehensive Performance Assessment, Best Value Reviews would be re-commenced.

The Chair then referred to the proposed project for internal consultation and communication. This would complement work by the Community Scrutiny Committee on external consultation. A questionnaire was to be circulated to all Council staff in September. The Chair questioned how the Scrutiny Committee could link into this process, to further the internal communication project. He felt this was an example of how a number of objectives could be achieved through a single review.

The Chair explained that time would be needed within the Work Programme to focus on the Corporate Plan and CPA issues. He referred also to feedback from the Scrutiny Committee on budget issues and particularly the medium term financial projections. Other key areas highlighted were equal opportunities and diversity and the budget “scoring” system. Councillor Lane sought confirmation that these six main project areas would form the basis of the Committee’s workload for the remainder of the municipal year. The Chair clarified how a number of elements of specific projects could be combined and the Policy and Best Value Manager suggested a matrix approach where there was an overlap.

It was suggested that a Special Meeting of the Committee be convened to meet with the Chair of the Finance and Management Committee and this was agreed. The Chair felt that the project to review the Best Value process could be commenced immediately. The Chief Finance Officer felt that data from the staff questionnaire should be available by the end of October. He then responded to a question from Councillor Atkin, giving a broad timetable for the budget preparation process. There was a discussion on the Committee’s review of the budget proposals. The Chair felt that sufficient time should be allowed for this project, even if this meant that the Review would not feed into the budget process until the following year. The Chief Finance Officer explained that the Scrutiny Committee had a formal role in the budget process, which he understood stemmed from legislation for councils operating under the alternative arrangements. The Committee would need to be conscious of this and the short timescales available for feedback, as part of the budget process. This was acknowledged and the Chair was mindful that the Overview Committee was looking at constitutional issues. The Policy and Best Value Manager suggested that this Committee’s terms of reference for the budget consultation could be raised with the Chair of Finance and Management Committee at the Special Meeting.

To complete the suggested projects within the Work Programme, the Chair felt there would be need for Members to meet more frequently and that the formal Scrutiny Committee Meetings should be used to submit progress reports on the various projects. A flexible approach was needed and initially, Meetings could be diaried to look at the Best Value Review process. It was agreed that the first of these Meetings be held on Monday, 23rd August 2004 at 2.30 p.m.

S. MURPHY
CHAIR

The Meeting terminated at 5.00 p.m.

