

ANNUAL SCRUTINY REPORT 2013/2014

Foreword

The past year has seen many positive changes in the way in which Scrutiny operates at Exeter City Council with the appointment of a dedicated Scrutiny Programme Officer in July 2013. The post was created following recommendation by a cross party Task and Finish Group who identified a strong need for dedicated scrutiny support. The new officer role would primarily assist Councillors with their Scrutiny work, whilst facilitating the role of the Scrutiny Committees by providing specific support to Task and Finish Groups, undertaking research and analysis of information, writing reports and presenting findings to the appropriate Committee (if required) and to review the overall effectiveness of the current Scrutiny function at Exeter City Council. In addition to this, the Localism Act 2011 (Section 9FB) now provided Districts with the legislative authority to designate a “statutory scrutiny officer”.

The Role of Scrutiny

The Scrutiny Committees at Exeter City Council consist of Councillors who do not sit on the Executive Committee. The purpose of the Scrutiny Committees is not only described in the Terms of Reference for those Committees (contained in full within the Council’s Constitution) but must also encompass the following principles to ensure the continued delivery of good and effective scrutiny at Exeter City Council:-

1. To provide a “critical friend” approach to Executive policy and decisions – a constructive, robust and purposeful, non-adversarial challenge, holding the Executive and Council officers accountable for policy and service decisions.
2. To provide a platform for the voice and concerns of the public to be heard.
3. To review issues in an a-political manner.
4. To drive improvement of the Council overall by promoting community well-being and working towards improving the quality of life of Exeter residents.
5. To provide strategic review of corporate policies, plans, performance and budgets.
6. To assist in the joining up of public and other services.
7. To review the effectiveness of budget and service prioritisation.
8. To make an impact on service delivery.
9. To set the Council’s Annual Scrutiny Work Programme.

A Synopsis of the Terms of Reference for the Scrutiny Committees at Exeter City Council

Scrutiny Committee – Economy

The Economy Committee evaluates and monitors the performance of all tourism, economic development, transportation, parking, estates, planning (except purely development control matters), markets and events, leisure and museums and technical (including flooding) services. It also considers draft budget proposals which fall within its remit and reviews strategies and policies emanating from the work and functions of those services which it holds accountable (in accordance with the work plan agreed in consultation with the Council and Executive). Scrutiny Economy also assists in the process for adoption and approval of

the Exeter Local Development Framework and for the preparation of other elements of the Development Plan by the Regional Assembly, Devon County Council and other local authorities.

Scrutiny Committee – Community

The Community Committee works with other agencies on issues such as social inclusion and community safety. It undertakes reviews of appropriate strategies and policies emanating from the work and functions of the community and environment services. It evaluates and monitors the performance of all housing, contracts, community engagement, environmental health (including cleansing), river and canal, parks and open spaces, CCTV/Home Call services and reviews the budget and financial performance within these areas. This Committee also scrutinises the work of the Exeter Community Safety Partnership and monitors the effectiveness of the Council's partnerships with other agencies. Health issues are also scrutinised by this Committee particularly in line with the requirement for an annual review of the Health and Well Being Board.

Scrutiny Committee – Resources

The Resources Committee evaluates and monitors the performance of Human Resources, IT, Business Transformation, Finance and all central and corporate services. It advises Executive on staffing issues including industrial relations, health and safety, equalities and diversity, and draft budget proposals which fall within its remit. It reviews progress made within the Corporate Plan.

Scrutiny Committee – Audit and Governance

The Audit and Governance Committee monitor performance against the internal audit plan, reviews any revisions to the plan and considers any issues arising from the half yearly audit reports. It comments on the scope and depth of external audit work to ensure value for money and commissions work from internal and external audit. In addition to this, the Committee monitor the Council's regulatory framework including the effective development and operation of risk management and corporate governance; the Council's compliance with its own and other published standards and controls; advises the Council on the adoption of Codes of Conduct as well as the hearing and determining of allegations of misconduct. It also approves the Council's Statement of Accounts. The Audit and Governance Committee could be perceived as providing the Council with an "inward looking" scrutiny function.

What has Scrutiny Achieved for the Year 2013/2014?

Besides the continuation of the work scheduled on the existing Scrutiny Work Programme the following was achieved:-

- Appointment of a dedicated Scrutiny Programme Officer – July 2013.
- Instigation of the Scrutiny Annual Work Programme Meeting involving Chairs and Deputy Chairs of the respective Scrutiny Committees, Party Leaders and Portfolio Holders.

- The Ancillary Work Programme Meeting involving Chairs and Deputy Chairs of each Scrutiny Committee to discuss any outstanding issues following the Annual Scrutiny Work Programme Meeting and to ensure matters are initially progressing in the right direction.
- Regular Scrutiny Review Group meetings with Chairs and Deputy Chairs of Scrutiny Committees to ensure a “rolling review” of the Work Programme, Task and Finish Groups and suggested improvements to the existing Scrutiny system.
- Scrutiny Training for all scrutiny committee members (highlighted as a priority).
- Revision of Members’ handbook in relation to Scrutiny.
- Scrutiny induction training for Members incorporated into the Members’ induction training programme as from 2014.
- Financial Reporting Task and Finish Group (Resources).
- Finance training for Members (highlighted as a specific requirement).
- Cost of Living Forum (to include Housing and Wages sub groups) (Economy).
- Procurement Task & Finish Group (Audit and Governance).
- Housing Allocation (Devon Home Choice) Task and Finish Group (Community)
- Involvement with the South West Scrutiny Network (with future provision to host regional meetings at Exeter City Council) and building links with other Local Authority Scrutiny Departments ranging from local level to across the country. This presents an ongoing opportunity to compare and exchange ideas on the effective running of scrutiny which can only benefit Exeter City Council.
- Provision of an Annual Report on Scrutiny so that Members, officers and the general public are kept informed of the effective progress and the continued evolution of scrutiny at Exeter City Council.
- Structured timetabling for Scrutiny 2014/2015:-
 - 25/04/14 : Officer pre-election work programme meeting.
 - (03/06/14 : Full Council Meeting).
 - 12/06/14 : Scrutiny induction training for Members.
 - (17/26th June and 2nd July – Scrutiny cycle).
 - 14/07/14 : Scrutiny Annual Work Programme Meeting 2014.
 - 29/07/14 : Full Council : Task & Finish Group Member nominations to be secured by this date.
 - 01/08/14 : Commence with new Task and Finish Group workload with an aim to complete at least 8 Groups within the 2014/2015 municipal year.




Scrutiny 2013/2014 has been very much about “setting the scene”, reviewing current systems, identifying Members’ priorities and improving what the Council already has in place; providing dedicated officer support for Members as well as coordinating Task and Finish Groups on particular subjects specifically brought to the forefront of the existing workload by Members.

A more in depth review of the work of Scrutiny during July 2013 to April 2014 (outside the scheduled Work Programme) is detailed below, which demonstrates the benefits of specific and targeted investigation and the importance of re-thinking (and continually monitoring) the scrutiny system and function at Exeter City Council, as a whole, to ensure a high standard of scrutiny is achieved and maintained.

Scrutiny Systems Review 2013/2014

The appointment of the Scrutiny Programme Officer presented an opportunity to review the effectiveness of the current Scrutiny system already in place at Exeter City Council and to consider whether or not the existing system could be enhanced and improved. A series of meetings were held with Chairs and Deputy Chairs of the Scrutiny Committees to develop possible improvements to the Scrutiny function which were put forward to Scrutiny Economy, Resources and Community during the January 2014 cycle of meetings.

These suggestions encompassed the following proposals:-

- That a new format of Agendas should be trialled for the next cycle of Scrutiny Committee Meetings. The new style would include three main sections:-
 -  Items for discussion.
 -  Items for Executive (recommendations).
 -  Items for information only (accompanied by a link on the Agenda).
- That unless requested by Scrutiny Chairs, the Chief Executive or the Deputy Chief Executive, Council Officers would not present their reports at Committee ensuring better time management of meetings.
- If Members had questions regarding Officer Reports, they could notify the relevant Officer and Committee Services Officer of these questions in good time prior to the Committee meeting. Members would then have the opportunity to put these questions directly to the Officer at the Committee meeting.
- The Scrutiny Chairs would take a more pro-active role in the Committee Meeting “pre-meet” specifically to decide what should be included within the Agenda and what should be excluded.
- Portfolio Holders’ Reports could be separated out from the Scrutiny Committee Work Programme/Agendas and extra time given prior to the Full Council Meetings for Members to address the Reports and ask questions of the Portfolio Holders. This would seem to present an ideal opportunity as all 6 Portfolio Holders would already be available to attend the Full Council meeting together with all other Members. This would free capacity on the Scrutiny Work Programme and free further time at Scrutiny Committee Meetings for other issues to be debated.
- That this concept could be trialled at the next Full Council meeting for Members’ approval.
- That the Scrutiny Chairs, Deputy Chief Executive, Corporate Manager of Democratic and Civic Support and the Scrutiny Programme Officer review how effective these new changes are, once trialled, and consider Members’ comments and any further changes or improvements which would enhance and improve the Scrutiny process and system at Exeter City Council; and continue to monitor the contents of the Scrutiny Work Schedule.
- That a list of scheduled Members’ Briefings be circulated to all Members as soon as possible detailing Presentation topics and dates.

Members of Scrutiny Economy, Resources and Community considered that as previous proposed changes to Scrutiny had been considered and recommended through a cross party working group, a similar group should be re-established to consider these latest proposals. This was accepted by the Executive and Full Council. It was also considered that the presentation of the Portfolio Holder reports prior to meetings of Full Council would mean an additional time commitment, particularly for working Councillors which could present a

problem. Whilst Members acknowledged these concerns, they also welcomed the opportunity to meet with all of the Portfolio Holders in a more informal setting and to look at further ways to develop the scrutiny process.

The cross party Task and Finish Group is due to be founded and initiated following the Local Elections in May 2014. The Group will then meet to address the recommendations put forward.

The Annual Work Programme Meeting : 25th July 2013

This newly devised meeting presented an opportunity for Members to review, prioritise and adapt the existing Scrutiny Work Programme Schedule and to identify those areas and subjects which they felt were of particular concern and to highlight topics which they felt were of sufficient importance to merit Task and Finish Group investigation. All Members were given the opportunity to comment and provide their suggestions prior to the meeting and these ideas and requests were put forward by the Chairs and Deputy Chairs of the Scrutiny Committees, Party Leaders and Portfolio Holders (at the meeting) for consideration and prioritisation.

Task and Finish Groups

Through the Annual Scrutiny Work Programme Meeting, Councillors identified and prioritised various issues for Task and Finish Group investigation which were not already included on the Scrutiny Work Programme. The Scrutiny Programme Officer arranged, initiated and coordinated these Groups.

Financial Reporting (Scrutiny Resources)

Councillors identified a need for clarity within the current financial reporting format which would enable them to have a better understanding of the reports presented to them and would allow them to more easily identify the key issues upon which they needed to take important decisions.

Membership:-

Cllr Baldwin (Chair)
Cllr Ruffle
Cllr Pearson
Cllr Owen
Cllr Donovan
Mark Parkinson, Deputy Chief Executive
Dave Hodgson, Assistant Director of Finance

Remit:-

1. To review the current regime of reporting financial matters.
2. To review the current presentation of financial reports – can they be presented in a more meaningful and user friendly way?
3. Is there any flexibility to alter the presentation of financial information presented?
4. Can reports be simplified whilst still adhering to current statutory requirements and current Council policy?
5. To provide examples of alternative presentation of financial reporting.
6. To clarify figures relating to budget and spend so that it would be easier for Members to identify issues from financial reports which may need attention (for example,

review of management in a particular area or an increase in need which may lead to a budget review).

7. To enhance and simplify financial reports.

This piece of work linked with Council aims and priorities of ensuring a “well run” Council whilst enhancing accountability and transparency.

The Group identified four main areas of specific interest:-

- Budget
- Spend
- Variance
- Income – is income being generated?

The Assistant Director of Finance produced a list of financial reports and confirmed that there would be more flexibility to alter the monitoring financial reports rather than the Statutory reports. Various reports were reviewed by the Group, which included:-

Treasury Management Strategy, Treasury Management Half Year Update Report, Treasury Management Outturn Report, Prudential Code Indicators, Council Tax Base and NNDR1 Report, Annual Governance Statement, Statement of Accounts, Budget Monitoring Reports – general overview, Budget Monitoring Report (30th June 2013), Scrutiny Committee (Resources) Outturn Report April 2012 to March 2013, Overview of General Fund Report, Outstanding Sundry Debts, Creditor Payments Performance, Overview Report, Revisions to Capital Programme, Capital Monitoring to September 2012

Councillors generally placed great emphasis on accuracy, relevance, clarity and simplicity together with a need for Members’ finance training with the overall priority being that all Members should be able to easily identify the information of high concern and should not feel alienated by the way in which the information was presented.

The views of all Councillors were sought and the Task and Finish Group considered that the following points were of particular importance:-

- Significant over and under-spends need to be highlighted.
- There should be comparisons with similar reporting periods in the previous financial year which would help Councillors see how the current situation equates with final out-turn.
- There should be a more obvious tracking of borrowing.
- That Members’ grasp and understanding of the financial reports should be paramount.
- That there should be less use of jargon which can lead to confusion.

Subsequently, the format of the monitoring financial reports was altered to highlight the key variances in the budget monitoring reports and the areas of budgetary risk. The reports were also refined (where possible) and a “key issues” section (particularly within the Statutory reports) was included for the benefit of Members, which highlighted those areas requiring key decisions. The changes to the financial reports were trialled during the September 2013 cycle of Scrutiny Committee meetings so that all Members would have the opportunity to comment upon the new style of financial reporting. Feedback was obtained from Members who commented that the changes implemented to financial reporting so far were very helpful and made the documents much clearer to understand.

In addition to this the Executive Committee commented that:-

- The new style of financial reporting was much easier to understand.
- It would be helpful to have an analysis available over a preceding 5 year period so that any trends could be identified. It was felt that this would be useful information to have for informal budget meetings.
- It would be helpful if visual (colour) charts could be used to relay trend information so that Members could easily identify differences and fluctuations.

It was also suggested that a glossary of financial terms (limited to one page) should be attached to every financial report which would provide further clarity.

Subsequently, the Treasury Management update report (due for submission to Scrutiny Resources in November 2013 and then to Executive in December 2013) was altered so that borrowing and investment figures were reported in a clearer way to ensure that the borrowing figures in particular, were highlighted. Two specific aspects which were seen as requiring particular clarity were:-

- (a) The physical cash borrowed.
- (b) Accounting classification of the borrowing, for example, fixed assets –v- finance.

Further comments were obtained from Members in relation to the new financial reporting format following the January 2014 cycle of Committee meetings and the subsequent Full Council meeting. Members' comments were positive and all agreed that the change in the format of financial reporting was of great benefit and provided much needed clarity.

In addition to the changes already implemented, the following suggestions received from the Assistant Director of Finance were also considered by the Group in order to achieve further improvement:-

- That the half yearly Treasury Management Report should be simplified and adopt a more tabular form, also trialling the inclusion of trend data.
- A front sheet summary should be attached to the Budget Book in respect of each area and movement in budget which would also set out the changes so that Members could focus on what really has changed and the trend data.
- Fees and charges information should remain the same and the format of reporting/information should remain unaltered.
- A key issues page should be introduced in the form of a covering report, in relation to the Statutory Reports (which cannot be altered in content). This would highlight areas of importance and whereabouts in the main document Members could find the necessary information.
- A clearer explanation would be provided to the Audit and Governance Scrutiny Committee in 2014 in respect of the Statement of Accounts. The main area of importance highlighted to Members was identified as the Auditors' report. If Members were not happy with a particular aspect then they would have the opportunity to say so.

It was agreed that because of the nature of some reports (eg, the annual reports) the changes to the format and style of financial reporting would be a work in progress. The key reports for Members to focus upon should relate to budget monitoring.

As a direct result of this Task and Finish Group, financial reporting at Exeter City Council has undergone a successful review and reports have been adapted to clarify information so that Members can easily identify the key issues upon which they need to concentrate so that they can make well informed key decisions. As a result of this Task and Finish Group it was also highlighted that all Members would benefit from finance training and subsequently training was arranged by the Scrutiny Programme Officer who also ensured that Finance training for Members was incorporated into the Annual Induction Training Programme available to all Councillors as from 2014.

Cost of Living Forum (Scrutiny Economy)
(incorporating Wages and Housing Sub Groups)

The Cost of Living, in specific relation to Exeter, was flagged as a high priority subject for further investigation and of particular cross party interest. The overriding objective was to work with a wide range of partners to establish exactly how the Council might assist Exeter residents, with specific attention to the subject of wages (and implementation of the living wage), housing and affordability. Reliable statistical information and research findings were identified as being of paramount importance to the Forum and its ability to consider strategies and solutions in order to provide recommendations to its parent committee (Scrutiny Economy). With the approval of Executive in March 2014, Marchmont Observatory (Exeter University) in partnership with the Forum, are now conducting a local research programme to provide accurate (statistical) information as part of the next stage of investigation. The Forum's work is ongoing and will stretch across the parameters of the local elections in May 2014 with a focus on concluding what practical, innovative steps can be taken by the Council to tackle the difficulties faced by Exeter residents in relation to the cost of living.

Membership:-

- Cllr R.Denham (Chair for Forum and Wages Sub Group)
- Cllr P. Bialyk
- Cllr L. Robson
- Cllr R. Crew (Chair of Wages Sub Group)
- Cllr T. Wardle
- Cllr Mrs Henson
- Cllr A.Leadbetter
- Cllr S. Brock
- Ms Sue Parr (Job Centre Plus)
- Mr Peter Lacey (Lay Lead at University of Exeter on Infrastructure and the Capital Programme, External Affairs and Corporate Social Responsibility and Environmental Sustainability).
- Mr Steve Barriball representing Citizens Advice Bureau.
- Post Graduate Student (University of Exeter/Science Dept.)
- Mr Mark McSheehy representing South West TUC.
- Mr Simon Bowkett representing Exeter CVS.
- Mr Richard Ball (Assistant Director – Economy)
- Ms Nicola Forsdyke (Housing Options Manager)
- Ms Laura Fricker (Housing Benefits Manager)
- Ms Jayne Hanson (Mobile Benefits Training Officer)
- Ms Dawn Rivers (Community Involvement and Inclusion Officer – Policy)
- Ms Melinda Pogue-Jackson (Policy Officer)

Remit:-

- To gather evidence to establish a baseline on wages and cost of living in the City of Exeter.
- To gather and analyse evidence on the impact that low wages and high relative cost of living has on residents in the City of Exeter (taking a broad perspective on impacts and to include Health and Wellbeing).
- To gather and analyse evidence on particular problems (for example, the impact of students on private sector rents).
- To explore (in partnership with a broad range of stakeholders) strategies and solutions to problems identified following the gathering of evidence for this Forum.

Since its inception, the Forum established that it was crucial to identify the potential benefits of the work it could do together with a clear indication of the positive outcomes that could be achieved. The goal of the Forum was to conduct research and investigations so that this piece of work could be used to:-

- Better inform (through the gathering of evidence and multi agency/organisation participation) the City Council and other agencies involved of the difficulties faced and possible solutions relating to the Cost of Living in direct relation to regional wages in contemplation of existing Policies and any proposed Policy changes.
- Improve and enhance the collaborative effort on a cross agency and organisational basis, against continual reduced funding for the public sector.
- Provide innovative ways in which to tackle the difficulties faced by Exeter residents in direct relation to the Cost of Living and reduced public sector funding.
- Build relationships with cross agency partners, organisations and stakeholders, to provide an opportunity to discuss the issues and provide practical coping strategies and solutions (for example, to discuss with local businesses the Living Wage and associated issues with a view to encouraging local businesses to adopt the Living Wage)

With that said, the Forum was still conscious that just because this topic was of substantial cross party interest and currently generated specific public and media interest, it remained important to justify undertaking this work in line with the Council's existing aims and priorities. This point was addressed at the first meeting of the Forum on the 24th October 2013 where it was agreed that this project did comply with those aims and objectives, particularly:-

- ❖ To enhance Exeter as the regional capital and to work in partnership to improve the quality of life for all people living, working and visiting the City. (Vision 20:20/Community Plan).
- ❖ "Help me get back to financial independence" (Corporate Plan 2012 – 2014).
- ❖ "Help me find somewhere suitable to live" (Corporate Plan 2012 – 2014) – *Affordable Housing/set fair and affordable Council Rents/improve access to affordable private sector tenancies/provide financial assistance to those most in need to make private sector homes fit for habitation, safe and decent.*
- ❖ The Core Strategy - 3.4 (The Sustainable Community Strategy) which states that:- 'Sustainable communities are places where people choose to live and work. They are safe places, offering opportunities for everyone, where the environment is respected and with the housing, amenities, schools, hospitals, and transport links that people need to live well. To become a sustainable city, Exeter must balance the economic, social and environmental aspects of the Community'.

The Economy Projects Officer provided the Forum with a brief presentation of statistical data currently available relating to wages and housing trends. However, the Group soon established that the data was unreliable with issues as to accuracy and did not embrace the specific locality of Exeter. Therefore it was of very limited use, but was the only data available at the present time.

The Forum Members identified a wide range of areas which they proposed should be investigated such as:-

- ✚ How do people feel?
- ✚ Equalities.
- ✚ Underemployment/zero hours and the links to part time work.
- ✚ Wages/low pay.
- ✚ People moving out of affordable housing.
- ✚ Sectors and types of employment (jobs by skill/sector).
- ✚ Affordability of housing by sector – growth of private rented sector/housing association (welfare reform action group).
- ✚ Energy/utilities.
- ✚ Transport.
- ✚ Debt – helping people with financial problems.
- ✚ Management of money.
- ✚ Static wages – Chamber of Commerce data
- ✚ Is our skills agenda keeping up or are people outside the City coming in?
- ✚ Econometrics study.
- ✚ Customer service centre data.
- ✚ “Who lives where?” relative to job type and the impact on communities.
- ✚ Impacts such as mental health issues.
- ✚ Access to affordable credit.
- ✚ People moving out of the City for affordable housing.

Members of the Forum suggested that the next meeting should provide an opportunity to explore the definition of poverty and deprivation in Exeter, what this means and to what extent Exeter is affected. It was also agreed that a representative from the research department at Exeter University should be invited to participate together with a representative from the Chamber of Commerce.

The second meeting of the Forum took place in November 2013. Since the first meeting information had been sourced from The Joseph Rowntree Foundation concerning the definition of poverty and the importance of distinguishing between “relative” versus “absolute” poverty was highlighted. Available research on the Living Wage had also been provided by South West TUC; representatives had been invited from Devon County Council and Exeter University together with an Exeter City Council employee currently in receipt of a low wage and a representative from the Federation of Small Businesses.

The Forum was particularly interested to hear from the Council’s employee to understand what life was like for him and what difficulties he faced as a direct result of receiving a low wage coupled with the cost of living. They could also explore what it would mean to this individual if he were in receipt of the Living Wage and what impact this would have for him and his family. This employee felt that the Living Wage should be pushed forward and implemented as it would benefit everyone on a low wage. He commented that the cost of

living is always rising but his wage, in comparison, has not. His input to the Forum, which demonstrated the practical difficulties of his situation, proved extremely helpful and provided Members of the Forum with first hand information and the opportunity to ask many questions.

It was becoming increasingly apparent that the Forum should concentrate on where the Council as a whole (and its partners) could make a difference to Exeter residents and this would involve prioritising the main areas to be investigated whilst also considering impact and baseline.

The priority areas were identified as **Housing** and **Wages**.

It was agreed that two working “sub groups” would be created from the existing Forum Members to discuss and identify research areas whereupon they would feed back their findings to the main Forum.

The specific (but not exclusive) remit of each sub group was defined as:-

Housing

- ✚ Cost of private sector rental and issues surrounding that.
- ✚ Mortgages and issues around other housing options such as affordable housing.
- ✚ Fees and charges.

Wages

- ✚ Are jobs not paid enough and need to be paid better? (Low wages).
- ✚ Availability of higher skilled jobs? (Higher skilled jobs usually equate to higher paid jobs).
- ✚ Underemployment – zero hours contract.
- ✚ Pressure on employers – the impacts and pressures affecting decision making.
- ✚ The impact that the living wage could have in Exeter.

The Forum concluded that that there was a specific need to encompass an “Evidence Based Review” and to consider Business Rates and costs which formed part of the equation.

The Housing Sub Group

The Housing Sub Group met in December 2013 and identified the following issues for research and consideration:-

- The cost of private sector rental.
- Whether students are influencing private sector rental and whether they are better able to afford the cost?
- Condition of rental properties.
- Should Exeter University build further student accommodation this would have an effect on the private rental sector within Exeter.
- What is the standard of living for the individual who lives in Exeter?

- What makes people decide to live in or out of Exeter when they work in Exeter? It was considered that there could be reasons such as family base or schools for children

The Group considered that it would be important to view the whole picture rather than concentrate on isolated areas only but that accurate and local research was required on which the Forum could confidently recommend a way forward.

It was ascertained that two questions should be considered by the main Forum:-

- (a) How far should we go with the research on Housing?
- (b) How much should the Council consider spending on obtaining that research?

Exeter University representatives agreed to provide research recommendations and a costing which the main Forum could consider. They would also formulate research questions based on the Forum's aims and objectives and the information from meetings so far, so that the Forum Members could identify the important questions and ascertain where the Council and respective organisations could make a difference.

The Group highlighted that the Housing Report (which was due to be placed before the Executive Committee in February 2014) dealt with research as to housing need in Exeter, taking into account investing in new housing and the way forward over the next 10 years in this respect. This was viewed as presenting an ideal opportunity for the Cost of Living Forum to feed into this piece of work.

Reference was made to the Welfare Reform Action Group Report which Devon County Council had produced (and which had been circulated to Forum members).

In summary, the Group agreed that an assessment was required as to:-

- *What the housing need and demand is in Exeter and how they differ.*
- *How do we measure that and how do we use this measurement?*
- *Are we meeting need?*
- *How is housing functioning in Exeter and how can we improve it?*

Wages Sub Group

The Wages Sub Group met in January 2014 and was initially provided with an overview on business rates and reliefs by the Senior Rates Officer. This was of particular benefit given that business rates have the potential to greatly influence the relationship between business and wages and more particularly whether employers are in a position to pay higher wages to their staff.

The Group highlighted that employee costs and fixed premises costs are the main expense for businesses and considered whether it would be possible to use the Living Wage to balance out business rates.

It became apparent that there was a real need to investigate what was happening at the lower end of the wages bracket (ie, the lowest 10% as their earnings have not risen since 2004 based on the statistical information available). Zero hours contracts were also discussed in the context of people being unable to obtain mortgages or satisfy private sector

rental prices and there was a concern that this current situation would not promote economic growth.

The Group agreed that they needed to concentrate their efforts on reviewing the situation for people with no options who were in receipt of the minimum wage. Another area which the Group felt could be influenced was encouraging an environment where more money is generated within the Exeter economy which would be good for businesses and therefore the people of Exeter.

It was recognised that Islington, York and Brighton Councils respectively had carried out a lot of work in persuading their local businesses to implement the Living Wage and it would be helpful for the Forum to hear from representatives of these Councils so that they could explain how they have achieved that.

It was agreed that the provision of the Living Wage really depended upon what employers could currently afford and it was recognised that the current margins for small businesses are very tight. However, when the economy starts to recover, and businesses start to do better, how could Exeter City Council encourage this benefit to be passed through to wages?

Following discussion of these points the Group was able to decide that further information was required in the following areas:-

- ✚ Wages data was essential but needed to be presented in a more “broken down way”.
- ✚ People in both the business community and working individuals should be asked whether zero hours contracts work for them.
- ✚ A need to establish what the real impact is in respect of low pay.
- ✚ Find out what the cost of low pay is to the City, economy and local services.
- ✚ Find out what the counter benefits are of higher pay.
- ✚ Establish what the pro’s and con’s are of the Living Wage, bearing in mind that one aspect to consider is that some companies will say that they can’t afford to pay the Living Wage.
- ✚ What areas can Exeter City Council influence in respect of pay?
- ✚ Employers need to be provided with evidence as to why it would be of benefit to introduce the Living Wage.
- ✚ A need to look at household income in tandem with the Living Wage.
- ✚ Obtain specific data regarding the wages of people who live in the City of Exeter.
- ✚ Survey a section of Exeter residents to find out if they work in Exeter and how many are paid below the Living Wage.
- ✚ Find out what the negative impacts of low pay are on businesses, individual and the public sector.
- ✚ Survey businesses to find out the cost of doing business and their thoughts around wages – particularly paying higher wages.
- ✚ Identify a Council that has already addressed these issues - could they visit the Forum to talk about their experiences and what they have done to resolve the issues?
- ✚ Produce an annual survey on earnings.

At the third meeting of the Forum, Members were able to hear from a representative of the Exeter branch of a national company regarding the Living Wage (which had recently been implemented by the company in its London outlets). The representative explained that the reason why they implemented the Living Wage (in London) was because they discovered that a lot of their staff were working three jobs at once – most people employed by them worked on part time contracts and implementation of the Living Wage was seen as allowing their employees to focus on one job and so that they could afford to eat properly. Feedback from staff in receipt of the Living Wage currently indicates that they are now able to concentrate on the one job and they can afford to look after themselves better. The company have also seen a reduction in the figures relating to sickness absence for employees and staff turnover. However, they hadn't rolled out payment of the Living Wage on a national level because it would prove too expensive. The main reason related to premises costs which currently ran at 26%. Taking this into consideration together with the expense of paying the Living Wage, the concept would fall "out of balance". The company would then be in a position where, if they paid the Living Wage nationally, they would be paying their staff more but wouldn't be able to afford the cost of the premises so shops would have to shut.

The Sub Groups also had the opportunity to report back to the Forum. A recurring theme indicated was a lack of accurate statistical data and further research was required and an issue which both Groups had identified. It had become clear that there were substantial gaps in the information and data currently available to the Forum and it would be unwise to base recommendations upon inaccurate information. In relation to what the Forum could hope to achieve within a reasonable timescale it was evident that a reliable baseline of statistics and information would be required (on a local level) so that trends could be monitored over a period of time. It was agreed that the Forum was ultimately looking for strategies and solutions in line with the key objectives they had set and if targeted, accurate evidence was available, this would allow Members to collectively establish a way forward. It was recognised that the success of Council policy and decision making is reliant upon sound and accurate information so that a balanced and informed view can be reached enabling sound policies to be invoked and good decisions to be reached.

More detailed, accurate and local research information could be achieved with assistance from Exeter University (Marchmont Observatory) and the Forum duly considered the University's research proposal.

The Forum established that the main question to ask was:-

"How much research do we need and what do we want to achieve?"

The main requirements were:-

- ❖ ***To obtain a clear set of indicators that we are confident in - a "Cost of Living dashboard" which can be used to inform policy making and decisions outside of the Forum.***
- ❖ ***To obtain a baseline of information on indicators.***
- ❖ ***To formulate a methodology which may be repeatedly used to collect information so that future trends can be measured.***

The Forum agreed to submit an interim report to Scrutiny Economy Committee requesting a recommendation to Executive for funding for the University research proposal. This research was seen as imperative to the continuation of this piece of work and further progression and ultimately recommendations could not be made without it.

The interim report was placed before Scrutiny Economy Committee on the 6th March 2014 and it highlighted that the results of the research could positively influence Council policy decisions in respect of Housing and Economy by:-

- Encouraging other employers to adopt the Living Wage.
- Driving up economic spend within the City if businesses are persuaded to adopt the Living Wage.
- Persuading employers to pay the Living Wage which could potentially decrease the burden on the State and the tax payer.
- To ascertain if improvements would be possible in respect of the Council's Housing Policy to increase affordability of housing thereby assisting Exeter residents.
- Providing good, reliable statistical information which would provide a sound basis for Council decisions in relation to investment.
- The results of the proposed research could be available to feed into and influence the 2014/2015 Scrutiny Work Programme.

The report recommendation was approved by Scrutiny Economy and on the 18th March 2014 the report was submitted to the Executive Committee which broadly welcomed this initiative. It was therefore resolved that the Executive would approve the research proposal and funding.

The Cost of Living Forum – where next?

The Cost of Living Forum represents an ongoing piece of work with Exeter University beginning their research in June 2014. Once the research has been completed the Cost of Living Forum will meet again to consider the results of the research and what potential impact it has in so far as implications are concerned together with establishing how the Council and its partners can make a direct difference to Exeter residents in respect of housing, wages, living costs and affordability.

Housing Allocation Scheme Task and Finish Group (Scrutiny Community)

The housing allocation system was identified as a priority area for review by Scrutiny Community. It was felt that the current system should be reviewed with consideration given to whether a streamlined and direct system for housing would be preferable to the current system. Exeter City Council could consider what schemes and systems other Local Authorities operated and compare these in order to see what worked well, what didn't and whether Exeter's existing scheme needed changing. Issues identified as causing problems with the current system included multiple bids and how Exeter allocates points. One of the main aims of the review was to ensure that a firm, but fair and robust system was in place which would naturally counteract these issues whilst ensuring that the public held a realistic expectation as to what Exeter City Council could offer.

Membership:-

Cllr Shiel (Chair)
Cllr Mitchell
Cllr Morris
Cllr Hannaford
Cllr Crow
Ms Bindu Arjoon (Assistant Director, Customer Access)
Mr Rupert Warren (Devon Home Choice Coordinator)
Mr Lawrence Blake (Housing Needs Manager)
Ms Sarah Richards (Housing Options Manager)

Remit:-

- Review how the Council allocates social housing stock available.
- What do we want any applicable Policy to achieve for us?
- What is the best model to deliver this objective? Does our current model deliver sufficiently or does the Council need to consider implementing a different model (with consideration given to available resources).

Review of this area would link in with the Councils aims and objectives by:-

- ❖ Meeting Housing Needs (Corporate Plan 2012 – 2014/Message from Leader).
- ❖ “Help me find somewhere suitable to live” (Corporate Plan 2012 – 2014/Our purposes).
- ❖ Ensuring that no-one spends a second night sleeping on the streets. (Corporate Plan 2012 – 2014/Key Actions).
- ❖ Preparing and consulting on the Affordable Housing Supplementary Planning Document to guide provision of affordable housing and the introduction of an increased requirement of 35%. (Corporate Plan 2012 – 2014/Key Actions).
- ❖ Setting fair and affordable council rents and using increased flexibility to decide how housing is allocated in Exeter. (Corporate Plan 2012 – 2014/Key Actions).
- ❖ Bringing privately owned empty homes back into use. (Corporate Plan 2012 – 2014/Key Actions).
- ❖ Encouraging the Private Sector Leasing and Extralet schemes to improve access to affordable private sector tenancies and drive up standards in private rental properties. (Corporate Plan 2012 – 2014/Key Actions).
- ❖ Improving the Council’s existing housing stock to high energy efficiency and sustainability standards. (Corporate Plan 2012 – 2014/Key Actions).
- ❖ “Providing suitable housing” and “Being a good landlord” in line with Portfolio Holder’s priorities.
- ❖ Ensuring that “The supply of housing should meet the needs of all members of the Community” (Core Strategy: Submission Core Strategy Policy CP5: Meeting Housing Needs : page 35).

The Group first met in December 2013 and it was soon established that it would be helpful to hear from a representative of a similar Authority to talk about their housing allocation scheme and how it worked. Firstly, the Group needed to review how the current housing allocation system worked in Exeter and the Devon Home Choice Coordinator was asked to provide a presentation which would encompass the history of the Devon Home Choice Scheme for the Group.

One aspect to consider was that as part of the Devon Home Choice Scheme, Exeter City Council enjoys a good working relationship with other landlords in Exeter (such as Housing

Associations for instance) and if the Council decided to depart from the Devon Home Choice Scheme that working relationship could be affected and this should be taken into account within the overall context of other issues.

The Group also identified a need for absolute statistics on why people are bidding and why they are turning down properties.

An overview of the Scheme was provided during the second meeting of the Group where it was explained that Devon Home Choice was a choice based scheme where properties were advertised. The Scheme is overseen by a management board consisting of representatives from all 10 Devon Authorities and 6 of the bigger Housing Authorities and if any changes to policy or approach are suggested the Members of the Board are required to take the proposals back to their individual Local Authority/Housing Association for approval.

The Scheme is meant to allow people the freedom to move around Devon but in actual fact it would appear that most people don't want to do that and would prefer to stay within their locality. Applicants can re-apply as many times as they like and bid for up to three properties a week on line. The Scheme is accessible to all which was construed as a potential flaw in itself because anyone could apply and therefore there are thousands currently on the waiting list. Applicants are placed in "Bands" and although Band E reflects those with no housing need, there had previously been a legal requirement to keep this band. However, since the Localism Act was introduced, this legal requirement became obsolete and therefore the Group considered that this was an aspect that could be changed to save Council resources in dealing with people, when in fact they had no discernible housing need nor chance of successfully bidding for a property.

The Group was interested to hear that other local Councils had recently reviewed this situation in respect of their schemes and some had now decided not to register Band E. Other Local Authorities were currently consulting on this issue particularly since the introduction of the Localism Act.

The figures available indicated that Exeter had more "Band B's" than other Authorities because of the way we assess Health and Well Being in connection with other organisations. It was highlighted that Band B contains a lot of people who are looking to move and contains a lot of "under occupiers", whereas Band A individuals were only in Band A for 4 weeks after which time they are actively reviewed to make sure that they are bidding.

Many aspects were discussed by the Group including preference to those who provide a positive community contribution and those people downsizing because of the tax implications.

It became clear that each individual Local Authority that was party to the Devon Home Choice Scheme could set the criteria of what they wanted as long as it was within the parameters of the Scheme. What became increasingly apparent to the Group was that the Devon Home Choice Scheme for Exeter required tailoring to Exeter's needs.

A representative from the Housing Department at Portsmouth Council attended the next meeting and informed the Group that Portsmouth operated a different housing allocation scheme which they devised themselves on the basis that it would primarily take into account the customers' needs which they felt were not being met under the previous scheme.

Portsmouth's current scheme was described as an "informed choice lettings scheme" working on a "triage" system which came into operation from the customer's first point of contact with the Council.

It was extremely beneficial for the Group to hear from the Portsmouth representative as its Members were able to ask a wide range of questions such as:-

- How does Portsmouth deal with the issue of particular people taking advantage of the system – for instance, people who put in multiple bids and refuse consecutive offers for questionable reasons?
- How does Portsmouth deal with the anti social behaviour issues? Are they tougher on these areas?
- Does Portsmouth have a "Band E"?
- Does Portsmouth award extra points for certain people? For instance, Armed Forces personnel or people in employment?
- How does the Portsmouth system work?
- What are Portsmouth's goals?
- How much interconnectivity is there between housing, council tax support and housing options? How far has Portsmouth gone with this aspect?
- Time taken to house people in relation to Portsmouth.
- How did the Welfare Reform affect Portsmouth?
- What measures do managers focus on at Portsmouth with regards to Housing Options?

As a result of the information provided by the Devon Home Choice Coordinator and the representative from Portsmouth Council, the Group was able to ascertain that Exeter City Council needed to:-

- Correct tenants' expectations to ensure a focus on those with higher need.
- Analyse property needs and housing standards and get the right balance which would be key to the success of the system (as the Council is often battling against limited resources and soaring demand).
- Test the implementation of ideas and changes in a "live" environment so that a proven concept is immediately available to ensure that the proposed changes would be sound. In other words, an absolute knowledge of what will happen is required so that the prospects of success are known beforehand, prior to changes being rolled out on a permanent basis.
- Ask the Customer exactly what they need when they come through the door, obtaining as much information as possible at the outset.
- Stem those who take advantage of the system by placing multiple bids and then refuse consecutive offers for questionable reasons.

The Housing Options Manager (working for Exeter City Council but also in connection with Teignbridge District Council) was able to provide the Group with valuable insight into how a local, neighbouring Authority is dealing with the issues which had been identified by the Group in relation to Exeter.

Following the Group's enquiries, the provision of information and Group discussion it was established that the following recommendations be made to the Scrutiny Community Committee for reference to the Executive for approval:-

- ✚ That the current Housing Allocation model (Devon Home Choice Scheme) should be kept and improved rather than replaced.
- ✚ Band E should be removed.
- ✚ A more efficient, fair, firm and cost effective way of managing the offers should be implemented therefore improving and streamlining service delivery and attracting savings – mainly by speaking with individuals face to face or over the 'phone rather than form filling and duplication of work.
- ✚ A culture change is needed within the Council when dealing with applicants. Changes in the way in which individuals are assessed are necessary, ie, the individual should not solely be assessed for their housing band but have their actual needs assessed and should then be directed towards the right Council Department or Organisation that would be in the best position to assist that individual and meet their "real" needs as this may not necessarily equate to a housing need.
- ✚ Drive towards finding the perfect accommodation for that specific individual first time (as per the Portsmouth model). Refusals are time consuming to deal with from a housing management point of view and finding out far more data at the outset along with multiple viewings should reduce the number of refusals.
- ✚ Three refusals should be the maximum allowed for each individual.
- ✚ The proposed changes should be the subject of a 6 week consultation before implementation, and this could be carried out by utilising mainly on line enquiries to stem the cost of the consultation. The consultation would include external partners such as Devon County Council, voluntary sector agencies, individuals who are on the housing register, partner housing associations and members of staff from whom views would be sought as to the proposed changes.
- ✚ There should be a 2 year residency test in order to establish the eligibility to apply for accommodation (in line with the Government's new Statutory guidance in this respect).
- ✚ Change the way in which properties are advertised – this was suggested as a selective measure rather than a blanket proposal and a change in advertising could be used as a tool with which to keep an area "balanced".
- ✚ Extra points should be made available, for instance, to people if they are able to demonstrate a need to stay in a particular part of the city because it is convenient for work, such as they currently walk or cycle to work, therefore moving would incur extra costs to a low income household, or, in an area/housing complex where there is a high number of long term workless households and the Council needs to help encourage a more balanced and sustainable approach.
- ✚ The Council could amend the current Housing Policy to protect against the concern that an individual could be the subject of

redundancy therefore putting that individual in a “non working” situation which is not of their making and which could, if the Council were not astute, place that individual at a disadvantage for the purposes of the Housing Register.

- ✚ Utilising local lettings plans so that a balance of different individuals with different needs is maintained.

The Assistant Director, Customer Access and the Housing Needs Manager are currently preparing their report encompassing these recommendations.

Procurement Task and Finish Group (Audit and Governance)

The Audit and Governance Committee highlighted Procurement as an area which would benefit from specific review as it was apparent that the current process contained flaws which needed addressing. At present procurement is mostly dealt with on a “department by department” basis which demonstrates a real need to “join up” the areas. The Council needs to be sure that the statutory and legal obligations in respect of procurement are certainly understood by all those dealing with this area. The Legal Services Department and the Housing and Contracts Officer have already carried out work, in the interim, by updating the Council’s contract regulations, but this represented only one aspect of that which required addressing.

At the first meeting of this Group, it became apparent that some progress had already been made as an agreed budget was now in place for a dedicated Procurement Officer. However, that Officer had not been appointed yet and a Job Evaluation exercise was in the process of being set prior to advertisement of the post.

The Group was cautious of progressing this Task and Finish Group because any suggested improvements or changes to the procurement system could not be implemented until a Procurement Officer had come into post. However, the Group was keen to discuss the issues and set a scope.

Two key areas which the Group highlighted as key areas for consideration related to “compliance” and “minimising risk” and it agreed that it may be helpful to look at other Local Authorities to see how they dealt with these issues and the procurement process in general.

Members felt that a more efficient procurement process would potentially maximise the value of contracts entered into by the Council and ensure that the Council is getting the best deal, with the potential to save money in the process.

The Group heard from the Corporate Manager, Legal Services who highlighted points for the Group’s consideration, such as:-

- Part of the role of the Procurement Officer would be to see how the Council can procure goods and services at good value.
- Procurement has to be within a legal framework as the potential litigious and economic risks are high if the Council get it wrong.
- There is an opportunity for the Council to save money on existing contracts.
- The current procurement process could be improved.

- There is a need for a robust training programme for Members and Officers, once a dedicated Procurement Officer is in post. Such training could also be offered within the Induction Training for Members.
- Standing Orders relating to Procurement will need to be the subject of revision and this task will be possible once the Procurement Officer is in post.
- Officers need to work out what the value of the contract is and this is where experience and expertise is currently lacking.
- Effective contract management is required as well as a good procurement process.
- Procurement is a massive area taking into account entering into contracts, the management of those contracts and the relationship with people involved in those contracts both internally and externally.

Following discussions, the Group was able to establish issues which required specific consideration and these related to:-

- Compliance and risk – to minimise the chance of litigation against the Council.
- Value – are we getting the best value out of our contracts?
- Impact of our commissioning decisions.
- Training/member briefing on Procurement.
- Consideration of impact areas.
- Guidelines available for any Service Manager who needs to procure.

The Group also felt that there may be a need to look at commissioning models in order to consider alternative models; to look at how many contracts are outsourced and to review service delivery. As procurement is such a wide ranging subject, the Group identified that it must tailor its review to specific areas. The following questions required answers:-

“What’s out there?”

“What’s acceptable?”

“Are we achieving value for money?”

The Group agreed that it would be helpful to schedule the next meeting once the Procurement Officer was in post as it would be crucial for this Officer to have input into this Group because the Officer would be responsible for implementing changes or improvements to the procurement process.

The Scrutiny Work Programme 2014/2015 : Current Aims, Existing Workload and Target

Following the progress made in respect of the Council’s scrutiny function over the past 10 months and since the appointment of a dedicated Scrutiny Programme Officer, it is now possible to more effectively organise the Scrutiny Work Programme for the year ahead, liaising with Members to identify priority areas for investigation, set tasks, set targets and project some of the existing Task and Finish Group work for the 12 month period ahead.

The following points do not take into account the Task and Finish Group suggestions that will be provided by Members at the Annual Work Programme Meeting (in July 2014), but is designed to provide a flavour of the direction of the Scrutiny Work Programme for the year ahead:-

- Members and Officers to re-assess the existing Scrutiny Work Programme for 2014/2015 through the Annual Scrutiny Work Programme Meeting (14/07/14).
- Members to identify areas for possible Task and Finish Group investigation and prioritise these, particularly against other areas identified during the 2013/2014 programme.
- Scrutiny system changes (already identified) to be implemented subject to Executive and Full Council approval.
- To continue the work of the Cost of Living Forum to identify how Exeter City Council and its partners may improve the quality of life and affordability of living for the residents of Exeter.
- Health and Well Being - to instigate the scrutiny of the Public Health Plans (in line with DLGSG recommendations).
- To instigate scrutiny review of the Housing Revenue Account.
- To conduct a spotlight review of the Council's current twinning arrangement and funding.
- To conduct a spotlight review of Community Patrol and the need for Out of Hours Operatives.
- To continue with the work of the existing Procurement Task and Finish Group.
- To reach and exceed a target of 8 Task and Finish Groups to be completed within the period 1st August 2014 to 30th April 2015.

Possible improvements based on the experiences of 2013/2014

- Task and Finish Group member nominations should be received more quickly. Therefore, nominations will be requested following the Annual Scrutiny Work Programme meeting (scheduled on the 14th July 2014) and will be required by 29th July 2014 (Full Council Meeting). This will enable the Task and Finish Group workload to be structured with the initial Groups commencing from August 2014. This will minimise delay whilst maximising the potential volume of Task and Finish Groups for the period running between 1st August 2014 to 30th April 2015.
- To improve the collaborative working relationship between the Scrutiny Committees and the Executive, inviting Members with a leading role in both Scrutiny and Executive Committees to the regular Scrutiny "rolling review" meetings.
- To encourage Members to utilise "spotlight reviews".

Conclusion and Thanks

Scrutiny is an ever evolving process at both local and national level and improvements to the scrutiny function should be viewed as an ongoing process with continued improvement in mind. The Scrutiny process provides Members with the chance to examine the workings of the Council and get directly involved in the development of Council policy. Through effective scrutiny, Members can ensure that the work of the Council is subject to democratic checks and that the provision and delivery of services is continually improved where possible. It

also presents an opportunity for the views and needs of the local community, stakeholders and local organisations to be taken into account.

Members' suggestions covering all aspects of scrutiny, including topics for potential investigation, are always welcomed during formal scrutiny committee meetings or via direct contact with the Scrutiny Programme Officer or Chairs/Deputy Chairs of the relevant Scrutiny Committees.

Successful scrutiny function depends upon maintaining a good, collaborative working relationship between Members and Officers throughout the Council together with external partners, local people and communities which will serve to maximise the potential benefits in many areas not only for the Council, but more importantly, the residents of Exeter. The Scrutiny Programme Officer would like to take this opportunity to thank all those Members, officers and external organisations who have participated in the Task and Finish Groups and consultations to date.

For further details regarding scrutiny at Exeter City Council please contact the Scrutiny Programme Officer:-

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