

## SCRUTINY COMMITTEE - RESOURCES

19 September 2007

### Present:

Councillor David Morrish (Chair)

Councillors Choules, P Brock, Coates, Cole, Martin, Newcombe, Prowse, Robson, Edwards and Dixon

### Also present:

Director Corporate Services, Head of Treasury Services, Head of Corporate Customer Services, Head of Human Resources and Member Services Officer (SJS)

Councillor Edwards (*Leader*).

Councillor Dixon (*Portfolio Holder for Business Transformation and Human Resources*).

Mr P. Lawrence : District Auditor and Relationship Manager

Mr S. Brown : Audit Manager, Audit Commission

Mr B. Morris : Representative from Grant Thornton, the Council's External Auditor

Ms J Masci : Representative from Grant Thornton, the Council's External Auditor

#### 44. **MINUTES**

The minutes of the meeting held on 20 June 2007 were taken as read and signed by the Chair as correct.

#### 45. **DECLARATION OF INTERESTS**

Members made no declarations of interest.

#### 46. **Audit Commission Annual Governance Report**

The District Auditor informed Members that it was expected that the unqualified audit opinion and the unqualified conclusion on the use of resources would be issued by 28 September 2007. He reported that the only significant matter for the information of Members related to the actual valuation of the pensions fund assets, which varied from the estimate.

The Audit Manager summarised the purpose of the Annual Governance Report and stated that the use of Resource Assessment, Data Quality Work and Best Value Performance Plan was in progress and the anticipated outcome was positive and expected to show that the Council was providing value for money.

The Chair thanked Mr Lawrence, the District Auditor and Mr Brown, the Council's Audit Manager for their presentations.

Scrutiny Committee - Resources noted the report.

(Report circulated)

**47. Audit Commission Audit and Inspection Plan 2007/08**

Representatives from Grant Thornton, Mr Morris and Ms Masci, the Council's External Auditor, presented the report on the Audit and Inspection Plan for 2007/08, highlighting key areas.

Mr Morris outlined the unique risks to Exeter City Council including:-

- the transition to a unitary authority which would present a significant number of challenging issues that would need to be addressed in the lead up to reorganisation; and
- the implementation of a new financial management system.

In response to a Member, he advised that the audit fee had been set within guidelines laid down by the Audit Commission and took into account that Exeter City Council as an 'excellent authority' was considered to be low risk but also had to take account of the unique risks facing the authority in the coming year.

In answer to Members' concern, Mr Morris stated rather than it being unfortunate that a new financial management system was being introduced in the transition period to a unitary authority this new system would be fit for purposes and able to cope with the financial accounting demands of a unitary authority.

The Chair thanked Mr Morris and Ms Masci, from Grant Thornton, the Council's External Auditor for their presentation.

The Scrutiny Committee - Resources noted the report.

(Report circulated)

**48. Management Representation Letter to the Audit Commission**

The Head of Treasury Services presented the draft letter to the Audit Commission in respect of the 2006/07 Statement of Accounts.

He informed Members, that, although at the end of February 2007 there was a change in the value of the pension fund of £274,000, this would not cause any changes to be made to the financial statements. This would be included in the letter submitted to the Audit Commission.

The Scrutiny Committee - Resources supported the proposal to submit the letter.

(Letter circulated)

**49. Portfolio Holder to present her priorities for the forthcoming year**

Councillor Dixon presented the following priorities for the forthcoming year in terms of Business Transformation and Human Resources across the Council's services.

- Home working trial – this would be commencing shortly with 8 staff assessing housing benefits on a 12-month trial. This would result in a savings in office space and projected increases in efficiency and productivity. Also a better work/life balance as a number of staff had childcare responsibilities and one worker presently commuted from Okehampton;

- Mobile working - Anite, the Council's consultants, had carried out an audit for identifying pilot areas for mobile working. Looking at being able to complete survey/ inspection data on site, reducing double entry, accessing files and data while out of office. The intention was to increase productivity and efficiency;
- Moving towards an electronic workplace - a project was underway to copy into electronic format the Council's paper records and automate procedures. A major project had just been agreed in Housing and Human Resources;
- Customer Service Centre - Expansion of the Customer Service Centre and incorporation of housing benefits now underway. This would also provide a switchboard service, fully integrated into the Customer Service Centre. Customer Service Officers would handle calls to the switchboard and try to answer the straightforward queries and deal with service requests. This would reduce the traffic to back offices and automate service requests; and
- Human Resource recruitment review - this was just entering the second year of the project. This would be a significant improvement to the Council's advertising/recruitment and would generate financial savings.

In answer to Members' questions, Councillor Dixon confirmed that on going monitoring of the home working would take place to ensure that output was maintained as the use of the home computers would be monitored at any given time.

## **PERFORMANCE MANAGEMENT**

### **50. AIM Property Maintenance Progress**

The joint report of the Head of Contracts and Direct Services, Head of Housing and Social Inclusion, Head of Treasury Services and Head of Estates was submitted.

The Scrutiny Committee - Resources noted the first quarter financial position of the £15m programme of reactive and planned property maintenance and refurbishment for 2007/2008, as detailed in the report.

(Report circulated)

### **51. Financial Stewardship**

The report of the Head of Treasury Services was submitted.

The Scrutiny Committee - Resources noted the report.

(Report circulated)

## **MATTERS FOR CONSIDERATION BY THE EXECUTIVE**

### **52. Capital Monitoring Statement**

The Head of Treasury Services presented a report on the current position in respect of the Council's revised annual capital programme and to advise Members of the anticipated level of deferred expenditure into future years.

He informed Members that during the first three months of the current financial year the Council had spent £ 2.5 million of the 2007/08 Capital Programme. He informed Members that the overspend on the RAMM off-site store had been reduced from £132,000 to £50,000.

The Scrutiny Committee - Resources supported the report and recommended approval by Executive of the current position in respect of the Council's revised annual capital programme and anticipated level of deferred expenditure into future years.

(Report circulated)

**53. Overview of the General Fund Budget 2007/2008**

The Head of Treasury Services presented a report on the overall projected financial position of the General Fund Revenue Budget after three months, for the 2007/2008 financial year.

In answer to questions from the Chair, the Head of Treasury Services stated that some investment funds had been returned to be managed by the in-house finance team, this amounts involved were £10 million being managed in-house, with £20 million being invested with the Fund Managers. He would circulate to Members the additional income figures for the Scrutiny Committee – Community.

The Scrutiny Committee - Resources supported the report and recommended approval by Executive of the forecast financial position for the 2007/2008 financial year.

(Report circulated)

**MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES**

**54. Review of the Customer Satisfaction Survey**

The Head of Treasury Services presented the report advising Members of the results arising from the latest (2006/7) statutory customer satisfaction survey in respect of the Housing and Council Tax Benefits Service.

The survey questionnaires were sent out in 2 sampling periods during June 2006 and February 2007. In total, 4,334 survey forms were sent out to new benefit claimants and of these 1,824 were returned, a return rate of 42%. In order to meet the requirements of the survey, it was only necessary to achieve a minimum of 625 returns.

The results had been further broken into 3 categories with regard to Ethnicity, Age, and Disability and Illness. Although, with regard to ethnicity some differences in the levels of satisfaction had been identified, although no specific action was proposed in light of the small sample size used for analysing the data.

The results also showed that in all areas respondents over the age of 60 would appear to be far more satisfied with the service provided than those below the age of 60. Further analysis of the results had indicated that younger claimants (up to age of 19) had a much lower level of satisfaction compared with any other age group.

Members discussed the reasons why the younger claimants in particular up to the age of 19 should be less satisfied with the service and that it could be lack of knowledge of the benefit system or the difference in the amount of benefits that under 25 year olds were entitled too.

The Head of Treasury Services stated that the results for the younger claimants were consistent with previous year surveys and the results could be compared to those collated by central government.

Scrutiny Committee - Resources noted the report.

(Report circulated)

#### 55. **Progress on the recruitment web site**

The Head of Human Resources presented the report to update Members on the progress of the ongoing recruitment advertising review and to outline the key improvements to the website development and the ongoing advertising contract.

Following on from a review of the recruitment processes last year a two-year project plan was established in September 2006 to drive forward changes to the electronic method of recruitment and also improvements to the advertising contract currently in place.

The review covered E-Recruitment which included a full rebuild of the Council's on line recruitment process. This facility would provide a more interactive process when applying for a job at Exeter City Council and would provide access to other links such as moving to Exeter, transport and housing in the city and the Council's core values.

Other key features would include the ability:-

- to part save an application form and return to it when convenient;
- for applicants to automatically populate application forms from previous information submitted;
- for a prospective applicant to register interest in a job even if not currently advertised for future alerts; and
- for automated emails to be sent to confirm receipt of application and advise of short-listing process.

Following a full assessment process involving a service specification, expressions of interest and presentations, Tribal Resourcing had been awarded the website contract.

In answer to a question from the Chair, the Head of Human Resources stated that she was confident that the system would be more dependable than the current web system used for recruitment.

The Scrutiny Committee – Resources noted:-

- (1) the progress on the website development and that they would receive further information and feedback when this site is fully developed;
- (2) that the next phase of the project continues to examine improvements for advertising, back office processes and advertising contract variation to seek the most effective solution; and

- (3) that a further update be submitted to Scrutiny Resources at its meeting in June 2008.

(Report circulated)

56. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that, under Section 100A (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the consideration of the following items on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part I, Schedule 12A of the Act.

**MATTERS FOR CONSIDERATION BY THE EXECUTIVE**

57. **Review of Switchboard Services**

The Head of Corporate Customer Services presented a report to seek Members' approval to release the necessary funding to finance the staffing proposals consequent upon changes to the switchboard service.

The Scrutiny Committee - Resources supported the report and requested Executive to approve:-

- (1) the termination of the employment of the holders of the posts of Part-time Telephone Operators CS08118, CS8120 and CS08121 on the grounds of redundancy on the 31 March 2008 with the holders of the posts of CS08120 and CS08121 being terminated in accordance with the provisions of Regulation 26 of the Local Government Pension Scheme Regulations 1997;
- (2) compensation being paid to the holders of the posts of CS08120 and CS08121 in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination) (Discretionary Compensation) (England and Wales) Regulations 2006 in recognition of the fact that they are being made redundant; and
- (3) the deletion of the posts of Part-time Telephone Operator CS08118, CS08120 and CS08121 and the creation of 1.4 FTE Customer Relations Officers at Grade 5.

(Report circulated to Members)

58. **Review of the Visiting Officer function within the Housing and Council Tax Benefit Assessment Service**

The Head of Treasury Services presented a report advising Members of the outcome of a recent review of the visiting function and the recommended way forward and necessary staffing proposals.

The Scrutiny Committee - Resources supported the proposal and requested Executive to approve that:-

- (1) the post CSO6223, currently Visiting Officer (grade 4), is re-designated Visiting Assessment Officer and regraded grade 5 from 1 January 2008;
- (2) the current post holder of CSO6223 be appointed to the post of Visiting Assessment Officer from 1 January 2008;
- (3) the employment of the holder of post CSO6178 be terminated on the grounds of redundancy on 31 December 2007, in accordance with the provisions of Regulation 26 of the Local Government Pension Scheme Regulations 1997 with compensation being paid to the holder of the post in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination) (Discretionary Compensation) (England and Wales) Regulations 2006 and that the post be deleted from the establishment;
- (4) should it not be possible to offer suitable alternative employment to the holder of post CSO6222 , the Director Corporate Services, in consultation with the Portfolio Holder and the Head of Human Resources be authorised to terminate their employment on the grounds of redundancy on 31 December 2007, with compensation being paid to the holder of the post in accordance with the discretion exercised by the Council under the provisions of the Local Government (Early Termination) (Discretionary Compensation) (England and Wales); and
- (5) post CSO6222, currently Visiting Officer (grade 4), is re-designated Assessment Officer and regraded grade 5 from 1 January 2008.

(Report circulated to Members)

**59. Date of Next Meeting**

The next meeting of the Scrutiny Committee – Resources will be held on Wednesday 21 November 2007 at 5.30 p.m.

The meeting commenced at 5.30 pm and closed at 7.00 pm

Chair