

SCRUTINY COMMITTEE - RESOURCES

27 January 2010

Present:

Councillor Coates (Chair)

Councillors D J Morrish, M A Baldwin, P J Brock, Choules, Hobden, Martin, Prowse, Shepherd, Thompson and Wardle

Chief Executive, Director Corporate Services, Assistant Chief Executive, Head of Treasury Services, Head of Contracts and Direct Services, Head of Human Resources and Member Services Officer (SJS)

Also present:

Councillor Cole – Portfolio Holder for Business Transformation and Human Resources

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

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

1 Minutes

The minutes of the meeting held on 25 November 2009 were taken as read and signed by the Chair as correct.

2 Declarations of Interest

Members made no declarations of interest.

3 Financial Statements Plan 2009-10

Mr Morris and Ms Masci of Grant Thornton, the Council's External Auditor, presented the Plan to Members, which highlighted the key elements of the audit work to be undertaken on the financial statements of Exeter City Council for the year ending March 2010.

Mr Morris updated Members on the changes to the Council's Engagement Team and confirmed, that there would be no extra cost to the Council.

In answer to a Member's question, Mr Morris stated that there had been changes in accounting for national non domestic rates and council tax in the Council's financial statements. This meant that local authorities were now required to account for transactions on its own share only of debtors and creditors. There was a risk that the Council might not correctly account for these changes.

The Chair thanked Mr Morris and Ms Masci for their presentation.

The Scrutiny Committee - Resources accepted the Plan.

(Plan circulated)

4 Portfolio Holder to present her half yearly report

Councillor Cole (Portfolio Holder for Business Transformation and Human Resources) presented her half yearly report on the Scrutiny Committee work programme.

Members were circulated with a copy of the work programme, a copy of which is attached to the minutes.

Councillor Cole brought to Members' attention the excellent work of the Customer Service Centre in reducing the average waiting time to well below the Council's target of 10 minutes and the reduction on the time taken to assess new claims, which had reduced from an average of 26 days last year to 20 days this year.

In answer to a Member's question, Councillor Cole commented that the synergies gained by the Information Management Service being integrated into IT Services included the ability to provide wider cover and improved business continuity.

Members expressed their appreciation to the Customer Service Centre staff for the improvement to the service.

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

5 Revenue Budget Proposals 2010/11

The Head of Treasury Services presented the report outlining the strategic framework within which the estimates had been prepared and circulated for discussion and comment during December. He highlighted the issues that would affect the setting of the overall level of council tax.

The Head of Treasury Services stated that the savings proposals to reduce the base budget by £1.008 million had been incorporated within the budget papers presented to the individual Scrutiny Committees. The Government had announced the final local government finance settlement for 2010/11, and for Exeter the guideline figure was £12,089,847. This was an increase of 0.08% against 2009/10 grant. The provisional settlement now indicated that, in cash terms, the Council's grant would increase by £90,995.

Members were updated on concessionary fares, the monitoring of revenue savings 2009/10, budget consultation and council tax. The Head of Treasury Services stated that a 4.5% rise in Council Tax would increase Band D by £5.38 and, of the Devon authorities the Council would receive the second lowest grant settlement.

A Member raised concerns regarding the closure of some of the public conveniences and proposed an addendum to the recommendation regarding discussion with commercial interests in Exeter who may be able to enter into an arrangement for the public to have access to their toilet facilities and that while this investigation was taking place the proposed closure of the toilets be held in abeyance until the result of the investigation was known.

This was seconded, put to the vote and lost.

The Director Corporate Services informed Members of the budget making process and that Council would take the decision regarding the overall budget for 2010/11 at the Council Budget meeting in February.

In response to a question from a Member concerning the CCTV Control Centre, the Director Corporate Services stated that no redundancy figures had yet been calculated as discussions were continuing with staff.

The Chief Executive clarified that the Budget Consultation Exercise was a requirement of the Audit Commission and in keeping with best practice but did not replace any of the Council's budget making processes.

The Scrutiny Committee – Resources noted the report and recommended that:-

- (1) Executive approved the Draft Revenue budget proposals for 2010/11; and
- (2) the minimum level for the General Fund Working Balance remain at £2 million.

(Report circulated)

6 Capital Programme 2010/11 to 2012/13

The Head of Treasury Services presented the report seeking approval of the General Fund and Housing Revenue Account Capital Programmes for 2010/11 along with schemes identified for the following two years.

The Head of Treasury Services stated that a borrowing requirement of £23.9 million had been identified over the next four financial years, which would have an ongoing impact on the Council Tax. The current revenue cost of borrowing was approximately £83,000 for each £1 million that was borrowed.

Members were circulated with further information regarding Well Oak Park and King William Street Car park.

The Scrutiny Committee - Resources supported the following for approval by Executive:-

- (1) the General Fund capital programme for 2010/11, as set out in Appendix 4 of the report;
- (2) the HA capital programme for 2010/11, as set out in Appendix 5 of the report; and
- (3) the Council House Building programme for 2010/11, as set out in Appendix 6 of the report.

(Report circulated)

7 Treasury Management Strategy 2010/11

The Head of Treasury Services presented the report seeking adoption by the Council of the Treasury Management Strategy Report, incorporating the Annual Investment Strategy 2010/11, as required under section 15(1)(a) of the local Government Act 2003.

Members were informed that the economic conditions of the past 18 months had demonstrated the risks involved in Treasury Management. Investment could now only be made in UK-owned banks or banks with a major subsidiary in the UK. In respect of investment in foreign countries there was now a maximum of £2 million

that could be invested per country. The Council had previously invested £20 million but this had now been reduced to £10 million.

Members raised concerns regarding the recent publications regarding the credit rating of the UK Government.

The Head of Treasury Services clarified that currently there was no monetary limit with regards to investment in UK. Updates regarding the risk status on investments were received regularly.

The Scrutiny Committee - Resources noted the report and recommended that the Executive recommend to Council the adoption of the Treasury Management Strategy and delegations contained therein.

(Report circulated)

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES

8 Non-Housing AIM Budget 2010/11

The Head of Contracts and Direct Services presented the report detailing the work proposed to non-housing properties in order to maintain and service such buildings in 2010/11. The work financed from the Asset Improvement and Maintenance fund, referred to as AIM, was contained within the Council's overall revenue budgets.

Members were informed that this budget had been reduced by £50,000 from the previous year.

The Scrutiny Committee – Resources noted the sum of £1,515,000 which had been split into the categories of work in the year 2010/11, as outlined in the report.

(Report circulated)

9 Resources Estimates/Fees and Charges 2010/11

The Head of Treasury Services presented the report outlining the strategic framework within which the estimates had been prepared, changes in accounting practices which affect all budgets and detailed reasons for any significant changes in the Management Unit estimates.

Members welcomed the increase in staffing in Election Services which they felt was necessary due to the additional administrative procedures.

The Scrutiny Committee – Resources noted the draft estimates for 2010.

(Report circulated)

10 Comprehensive Area Assessment 2009 - Organisational Assessment

The Chief Executive presented the report informing Members of the results of the Council's 2009 Organisational Assessment.

He informed Members that the Comprehensive Area Assessment consisted of two elements, the Area Assessment and the Organisational Assessment. The overall score for the Organisational Assessment was 3 out of 4, with good prospects for improvement.

During discussion, Members questioned the need for the continuous assessment of the Council's services and resources and raised concerns about how the scoring process was undertaken.

The Scrutiny Committee – Resources noted the results of the 2009 Organisational Assessment.

(Report circulated)

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

11 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 item on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 1 and 4 of Part I, Schedule 12A of the Act.

12 Human Resources Staffing

The Director Corporate Services presented the report seeking to agree the extension of the post of Temporary Human Resources Advisor for a further period of 12 months from 1 April 2010.

Members noted that the outcome of the Local Government Review could have on the overall structure of the Council and that it could significantly increase workload within the Human Resources Service.

The Scrutiny Committee – Resources noted the report and recommended to the Executive that the post of Temporary Human Resources Advisor (CS03116) be extended for a period of 12 months from 1 April 2010.

(Report circulated to members)

The meeting commenced at 5.30 pm and closed at 7.00 pm

Chair

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Minute Item 4

Portfolio Holder Business Transformation and HR Work Priority Update for 2009/10

Housing Benefits

The excellent performance of the Benefits service was recognised by our external audit and reported to Committee last year. Despite a 7% increase in caseload, the time taken to assess new claims is now averaging 20 days this year compared to 26 days last year. We will still need to work hard to sustain this performance with 3 staff, out of an assessing capacity of just over 21, going on maternity leave this month. Members will recall that approval was given to appoint an additional assessor post, with grant money provided by the government, and this will help. However, management and staff will be working hard to ensure that the improved performance is sustained.

Automated service access and Electronic Records Management (EDRM)

Because of budget pressures it was necessary to change the way the Information Management Service operates and this was reported to Committee just before Christmas. Now that the technical elements of the service will be integrated into IT Services, there should be a better opportunity to add value to the service by exploiting synergies between them.

This area of work is crucial to the aspirations of the Council to modernise and streamline the way it operates. To allow staff to be flexible and more productive, it is essential that the data they use is available electronically so that they can access and process it wherever they are, either working from home, on site or in the office. Considering how this work can be developed in a more challenging budget position will now be a priority for managers.

Mobile and Remote Working

Approval has now been given to the business case for mobile working in Cleansing Services. This project also provides for automated customer facilities which will improve the service to those using it and reduce the staffing resources required. This is a major initiative which involves integrating back-office systems with the Council's customer relationship management system utilised in the Customer Service Centre. A project team has been established and staff are working towards a go-live date later this year.

The work on projects in Housing and Contracts and Direct Services has been suspended pending the letting of the housing maintenance contract later this year and a review of the operation of the residual Building and Electrical Services Team. The new housing contract will employ mobile technologies but it is not possible to take the project further until it is known which system will be used by the successful contractor.

Equalities

It is proposed that the Council will have a peer review in the summer to assess whether it meets the new 'Achieving' standard of the Local Government Equalities Framework. This has been judged to be a far more cost effective way of assessing the Council as a formal review can cost upwards of £6,000. A peer review by the South West Regional Improvement and Efficiency Programme will be at no cost but will still identify those areas which the Council needs to work on. Issues identified will then be formulated into an action plan.

Budget Savings

£573,000 of savings were identified for the current financial year and all the proposals have been implemented except the corporate printer project which is now being rolled out. This proposal will dispense with virtually all desktop printers by the provision of networked, shared printers offering better quality prints, lower operational costs and significantly reduced paper usage as they will automatically print on both sides of the paper. The savings identified were in the order of £33,700 but in order to achieve this it was necessary to source an alternative make of printer. This was done and when fully implemented, in this financial year, the anticipated savings should be realised.

Local Government Review

We await the decision of the Secretary of State which, by law, he is unable to make until 2 February 2010. If there is to be a change of structure within Devon, of whatever kind, there will be a huge workload to cope with, particularly for Treasury and Human Resources.

Customer Service Centre

The recession has seen a sharp rise in visitors to the CSC with many more seeking advice on benefits. Two-thirds of customers who see an Adviser are enquiring about benefits and these transactions take, on average, about 20 minutes to deal with. Despite this, average

waiting times are now down to well below our target of 10 minutes, having peaked at 19 minutes in March last year. The upsurge in visitors coincided with the integration of benefits enquiries into the CSC and the retraining of all staff so this was a particularly difficult time for them. Plans are now advanced for moving more service enquiries into the CSC, for both Home Choice and council tax. This will allow further savings to be achieved in the back offices.

Councillor Natalie Cole

Portfolio Holder, Business Transformation and Human Resources

18 January 2010

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