

SCRUTINY COMMITTEE - RESOURCES

19 June 2013

Present:

Councillor Baldwin (Chair)

Councillors Ruffle, Bowkett, Brock, Bull, Crew, Dawson, Donovan, Macdonald, Newby, Owen, Pearson and Robson

Also present:

Chief Executive & Growth Director, Deputy Chief Executive, Assistant Director Housing and Contracts, Acting Assistant Director Finance, Corporate Manager Democratic and Civic Support, HR Business Manager and Democratic Services Officer (Committees) (SLS)

In attendance:

Councillor Peter Edwards - Leader
Councillor Ian Martin - Portfolio Holder Customer Access

18 **Minutes**

The minutes of the meeting held on 20 March 2013 were taken as read and signed by the Chair as correct.

19 **Declarations of Interest**

No declarations of disclosable pecuniary interests were made.

20 **Leader and Portfolio Holder Priorities for the Forthcoming Year**

Councillors Edwards presented the Leader's priorities for the forthcoming year. A copy of the report is appended to the minutes.

The Leader highlighted the important issue of Exeter's low wage economy and the progress made to establish a Forum to look at low pay within the city. He considered there were greater long term employment and economic benefits and would speak to local business leaders in an effort to encourage them to work together to establish a more appropriate rate of pay for the lowest paid in the city. He recognised that this might present a real challenge for employers. The Leader also confirmed that the City Council would lead the way by offering a living wage, identified as an hourly rate of £7.45 for the 56 lowest paid workers employed by Exeter City Council. The Chair sought clarification on the background to the decision to set up the Forum.

Councillor Martin presented the priorities within the remit of the Portfolio Holder for Customer Access. A copy of the report is appended to the minutes.

A Member welcomed the development of social media by the City Council and the move to a more paperless working environment.

The following responses were given to Members' questions:-

- a full evaluation of the late evening opening of the Civic Centre would be made after the trial period had finished.
- a business case for the delivery of IT Services by DELT offered a new way of working whilst the service had many of the benefits of remaining in-house.

- developing a multi-skilling role for staff would help support the transformation process.

A Member commented on the Housing Need element of the Customer Access Portfolio and with national levels of rough sleeping set to rise, organisations such as CAB had a contribution to make, enabling local authorities to concentrate on their frontline services. Councillor Martin complimented those City Council staff who skilfully supported such vulnerable people.

Members wished to place on record their appreciation for the dedicated support and sound advice given by Rowena Whiter, Member Services Manager, who was leaving the Council after 23 years loyal service. Her particular efforts to encourage training for Councillors had already reaped many benefits. They wished Rowena well in her future endeavours.

21 **Scrutiny Committee Resources - Finance Task and Finish Group**

The Chair referred to the establishment of a Scrutiny Committee - Resources Task and Finish Group to look at the reporting of financial matters in a more meaningful and user friendly way. Nominations were sought for members of the Group and Councillors Donovan, Owen, Pearson, and Ruffle indicated that they wished to be included. It was noted that as part of the protocol for task and finish groups, Councillor Baldwin as Chair of the Scrutiny Committee would be included and an invitation extended to Councillor Edwards as the appropriate Portfolio Holder. The Deputy Chief Executive advised that the work would provide a clear steer for the organisation and offer more clarity around the required financial regulations.

PERFORMANCE MANAGEMENT

22 **AIM Property Maintenance Outturn Report 2012/13**

The Assistant Director Housing and Contracts presented the report, advising Members of the outturn position on the non-housing Property Maintenance revenue budget for 2012/13 as monitored by the Asset Improvement and Maintenance (AIM) Group.

Scrutiny Committee – Resources noted the outturn financial position of the £1.68m programme of reactive and planned property maintenance for 2012/13.

(Report circulated)

23 **Resources Scrutiny Revenue Final Accounts 2012/13**

The Acting Assistant Director Finance presented the report, advising Members of any major differences by management unit to the revised budget.

The total underspend variance of £480,216 comprises cost variances of £204,289 reducing the overall net expenditure for this committee to £5,882,712. There were transfers from revenue reserves totalling £275,928 to fund the following; part of Business Transformation expenditure of £42,239 and New Homes Bonus funding for support to the Exeter Citizen's Advice Bureau £21,285 and to fund City grants £36,000, plus £176,404 to fund redundancies, thus reducing overall net expenditure for this Scrutiny Committee to £5,606,784.

Scrutiny Committee – Resources noted the report.

(Report circulated)

MATTERS FOR CONSIDERATION BY THE EXECUTIVE

24 Capital Monitoring 2013/14 and Revised Capital Programme for 2014/15 and Future Years

The Acting Assistant Director Finance presented the report, advising Members of the overall financial performance of the Council for the 2012/13 financial year, in respect of the annual capital programme, and sought approval of the 2013/14 revised capital programme, including commitments carried forward from 2012/13. He advised that the capital expenditure in the year amounted to £15,859,107, a reduction of £2,287,763 on the planned figure of £18,146,870. The actual expenditure during 2012/13 represented 87.45% of the total approved for the revised Capital Programme, which meant £2.4 million would need to be carried forward to be spent in future years. The report now included details of the actual spend against the budget. He also referred to further funding requests, which were set out in section 7 of the report including an existing budget of £300,000 for the purchase of temporary accommodation, and a requested budget of £120,000 to be added to the 2013/14 HRA Capital Programme to meet the costs of essential structural repairs to four council dwellings. The Assistant Director Housing and Contracts provided the background to these requests.

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

- (1) overall financial position or the 2012/13 annual Capital Programme;
- (2) amendments to the Council's annual capital programme for 2013/14; and
- (3) further funding requests set out in Section 7 of the circulated report.

(Report circulated)

25 Overview of Revenue Budget 2013/14

The Acting Assistant Director Finance presented the report, advising Members of the overall financial position of the HRA & General Fund Revenue Budgets for the 2012/13 financial year. There was an overall increase in the HRA working balance from £5,764,423 to £6,290,297, an increase of £525,874 as compared with the planned increase of £2,320,270. The reduction against budget was approved by the Executive during the financial year and was attributed to the acquisition of additional accommodation at the former Royal Navy Store site and an increase to the kitchen and bathroom replacement programmes.

Members were updated on the earmarked reserves position, which included the Exe Harbour Review and the Exeter Business Against Crime Initiative. A Member referred to the considerable length of time taken to reach any conclusion to the Exeter Harbour Review. The Acting Assistant Director Finance confirmed that there was an existing budget for work attributed to the Harbour Review Order, and the view had been taken that £5,000 was sufficient to cover future costs. He also responded to questions on the allocation of the council tax and the sundry debt position.

The Scrutiny Committee – Resources noted the report and requested that Council note the overview of the Resources Budget for 2011/12 and approve:-

- (1) the supplementary budgets of £287,860 as detailed in paragraph 3.16 of the circulated report;
- (2) Earmarked Reserves at 31 March 2013;

- (3) the Council Tax account and collection rate;
- (4) the outstanding sundry debt, aged debt analysis and debt write-off figures;
- (5) the creditor payments performance;
- (6) having regard to the General Fund working balance of £3,358,047 as at 31 March 2013 and the overall financial position of the Council as set out in paragraph 3.14 of the circulated report; and
- (7) the Housing Revenue Account working balance at 31 March 2013 of £6,290,297 and the Council Own Build working balance of £73,498.

(Report circulated)

26 **Treasury Management 2012/13**

The Acting Assistant Director Finance presented the report, which detailed the overall performance for the 2012/13 financial year and the position regarding investments and borrowings at 31 March 2013. The Council will continue to use short term borrowing to manage its cash flow due to very low interest rates. It was likely to take until 2019 to recover the monies held in the Icelandic Banks. He also responded to a comment about the value of the repayments being liable to foreign exchange fluctuations, and although there had been gains in value, that could change at the final point of recovery. The Local Government Association continued to hold discussions with the Icelandic authorities to repatriate the interest.

Councillor Ruffle wished to ensure that a debt of gratitude was recorded for the professionalism of officers in handling the Council's financial affairs.

The Scrutiny Committee – Resources noted the Treasury Management report for 2012/13 and recommended approval by Council.

(Report circulated)

27 **Consultation & Negotiating Framework**

The Human Resources Business Manager presented the report, which sought to establish a framework for undertaking effective, timely and meaningful consultation and negotiations at the Council. The current arrangement of the Employee Liaison Forum did not provide for a negotiation and collective consultation arrangement and there was no agreed framework with the recognised trades unions to negotiate any changes to existing terms and conditions of employment.

A Member enquired if the GMB union was included in the consultation process. The Business Manager responded that the Council does not recognise the GMB Union. She clarified that all employees, regardless of union membership, had certain statutory rights regarding consultation. A Member considered that ELF had afforded an opportunity for wider discussion, and noted that only the Leader and relevant Portfolio Holder would be included in the new framework. The HR Business Manager replied stating that the decision making would remain in line with delegation in the Constitution, with decisions delegated to officers being made at the new Joint Consultation and Negotiation Committee, and decisions by Elected Members being referred to Scrutiny Committee - Resources or Executive as appropriate. The new framework should be more robust and provide a more holistic provision for consultation in particular. In response to a Member comment, she confirmed that

any impact over the approved budget would come back to Members before implementation.

Scrutiny Committee – Resources noted the report and requested that Council approve the following:-

- (1) proposed constitution for a joint Consultation and Negotiation Committee as set out in Appendix 1, circulated with the report, be agreed for adoption in place of the Employee Liaison Forum, following agreement with the recognised Trade Unions; and
- (2) delegation of all consequential amendments required to the Constitution to the Corporate Manager Democratic and Civic Support.

(Report circulated)

MATTERS FOR CONSIDERATION BY SCRUTINY COMMITTEE - RESOURCES

28 New Homes Bonus Update

The Acting Assistant Director Finance presented the report, updating Members on the latest position regarding the allocation of New Homes Bonus Funding, including the monies spent or committed to date. The Chair thanked officers for the requested report. A Member also welcomed the report and commendable stance adopted by the Council to utilise the funding towards community projects and a contribution to major infrastructure.

Scrutiny Committee – Resources noted the current position regarding the allocation and use of New Homes Bonus Funding up to 31 March 2013.

(Report circulated)

29 Workforce Profile 2012/13

The Human Resources Business Manager presented the report, providing the Committee with an outline workforce profile for the Council as at the end of March 2013 and highlighted any trends and interventions recommended. She referred to a number of issues including the work profile which had changed with a notable reduction in staff since 2008. The gender differential in the higher graded posts had already been picked up as part of an equalities action plan, aimed at encouraging more women into leadership roles. In response to Members' comments, she gave an assurance that staff recruitment would always continue to select the best candidate for the job based on merit and skill. She also responded to a comment on the gender equality target and whether more manual work precluded female employees by virtue of the nature of the tasks.

A Member referred to the importance of raising the profile of equality policies and commended the guidance related to the Investors in Diversity award, a national quality mark. The HR Business Manager confirmed that such data was collected at the point of staff entry to the authority and she would investigate the possibility of an annual survey for more robust data. One option might be to encourage staff to update their own personal data. The HR Business Manager suggested that the low national take up of paternity leave was probably reflected at Exeter City Council, and she would provide the Member with data in this regard directly.

Scrutiny Committee – Resources:-

- (1) noted that the contents of the report would be shared with the Employee Liaison Forum (ELF), and
- (2) supported Human Resources undertaking work to improve the data held in respect of the protected characteristics of the Council's workforce with a view to establishing any further interventions which may be reasonable to increase the Council's diversity, and to support the equality objectives already identified.

(Report circulated)

30 Sustainable Procurement and Commissioning Action Plan Update

The Assistant Director Housing and Contracts presented the report, on the progress made on the Sustainable Procurement & Commissioning Action Plan May 2012 – March 2013. The action plan was attached to the report. A review of the current procurement arrangement to improve consistency and compliance with contract regulations was due to take place shortly, with a report to a future meeting of the Executive. A Member enquired about the nature of the responsibility any contractor had in delivering a service on the Council's behalf. The Assistant Director Housing and Contracts agreed that delivery could often be patchy, but the requirements would be included in a review to ensure improved consistency and compliance.

Scrutiny Committee – Resources noted the progress made on the Sustainable Procurement & Commissioning Action Plan May 2012 – March 2013.

(Report circulated)

31 Members Allowances Paid 2012/13

The Corporate Manager Democratic and Civic Support presented the report advising of the allowances paid to Elected Members and Co-opted Members in the municipal year for 2012/13.

Members referred to the broadband payment and sought information on whether a review was appropriate at this time, and felt it should be acknowledged that not all Members had equipment provided by the City Council. The Corporate Manager Democratic and Civic Support advised that the Remuneration Panel had considered broadband as part of the annual review of Member's Allowances. They had recommended to Members that a small payment towards broadband or IT equipment should be retained to ensure that no individual would be disadvantaged from becoming a Councillor.

Scrutiny Committee – Resources noted the report.

(Report circulated)

The meeting commenced at 5.30 pm and closed at 7.50 pm

Chair