

## **Overview & Scrutiny Committee – Meeting held on Thursday, 9th October, 2008.**

**Present:-** Councillors Grewal (Chair), Basharat, Coad, Davis, Matloob, Munkley and Walsh.

**Also present under Rule 30:-** Councillors Bains, Plimmer and Swindlehurst.

**Apologies for Absence:-** Councillor Dodds and Haines.

### **PART I**

#### **33. Declarations of Interest**

None were declared.

#### **34. Minutes**

The minutes of the meeting of the Committee held on 11<sup>th</sup> September, 2008 were approved as a correct record and signed by the Chair.

#### **35. Consultation Document - "Communities in Control: Real People, Real Power: Improving Local Accountability"**

The Scrutiny Officer reminded the Committee that it had given initial consideration to this government consultation document at its meeting on 11<sup>th</sup> September and had agreed to refer it to the Scrutiny Development Steering Group for comment and report back to this Committee. She introduced a paper bringing together the points raised by the Steering Group on 15<sup>th</sup> September and sought the Committee's endorsement of the document prior to a formal response being made to government.

The main comments brought to the Committee's attention were as follows:-

- Overall enhancement of the visibility and powers of Overview and Scrutiny were to be welcomed, particularly the opportunity to hold partners to account on Local Area Agreement targets and on wider issues, which was important to the place-shaping role of local authorities, through local Overview and Scrutiny.
- As research showed that some of the key barriers to greater participation included lack of interest or understanding about local governance, these provisions should go some way to ensuring that people have the opportunity to play an active role. However, the guidelines on, for example, petitioning needed to be clear and workable and ensure that petitioning is used effectively to raise real issues of concern rather than a means for repetitive or unreasonable requests.

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- The ability to hold local public officers, service providers and agencies to account, via for example public meetings, allowed for public accountability, and the ability to utilise current structures such as Overview and Scrutiny enhanced this function. These proposals would need a strong focus on working with partners to develop protocols for engagement with the Council and community.
- The section on facilitating the work of Councillors warranted closer examination. There were likely to be concerns relating particularly to remote voting by Members and the security of such votes. While the idea of remote means of voting was a recommendation of the Councillors' Commission, local authorities may want to consider the implications of this further.
- Finally, does the provision for "Councillor call for action" fit in with these proposals? This needed to be positioned so that the mechanism was clearly defined and complemented the provisions.

**Resolved** - That the comments as set out in the report be endorsed and the response forwarded to government as the formal response to its consultation document.

### 36. Revenue Budget Strategy - 2009/10 and Future Years

The Director of Resources introduced his report setting out the latest assessment of the Council's budget projection for 2009/10 and future years and considering the opportunities and threats facing the Council in the short to medium term. He highlighted the fact that, without remedial action, there was a significant budget gap for 2009/10 and beyond which was now estimated at some £8m. Accordingly, early discussions and decisions were needed so that a full year's financial effect could be achieved. His report outlined the budget consultation process with Members, the public and other partners as well as the consultation methods being utilised and explained that feedback from these consultation exercises would be reported back to Cabinet in January. This would allow Members sufficient time to take any feedback into account before the Council's revenue budget was finally agreed in February, 2009. In response to a question, he confirmed that Overview and Scrutiny Members would be kept fully informed throughout the budget setting process and a detailed presentation would be made to opposition groups as required. In addition, Officer time and support would be provided for the opposition in any alternative budget that they wished to present.

The report also set out detailed guidance on revenue budget setting for the next three financial years along with detailed information including the following:-

- The funding position 2008/09 to 2010/11.
- Savings targets from 2009/10 to 2011/12.

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- Agreed growth between 2008/09 and 2010/11.
- Agreed savings in the same period.
- Local Area Agreement priorities and outcomes along with the leadership's current priorities.
- Option appraisal.
- Capital approved schemes and reserve list 2008/09 to 2010/11.

The Strategic Director also explained that the increase in the level of resources was expected to increase at less than the current rate of inflation so that the Council would in effect have less resources to provide the same level of service, notwithstanding any growth that it wished to include. Accordingly, given that the authority had achieved its Gershon efficiency savings and more, any further savings would mean looking at how existing services were provided and whether such services were required.

A Member sought clarification as to whether the authority had been affected by the collapse of an Icelandic bank. The Strategic Director confirmed that the authority had some £120m in a number of institutions and, over recent years, had outperformed the market bringing in more than £2m of additional interest for the Council each year. The Council only invested in banks with an A credit rating and had strict rules about the spreading the risk across a number of institutions. However, in March, 2007 £2.5m had been invested in Hertitable Bank which had subsequently been taken over the Icelandic bank in question. It was as yet unclear whether the Council could recoup any of its investment but it would be included on the list of creditors. The worse case scenario would be that the Council could lose all of its investment. This would not however have any effect on service provision by the authority.

A Member sought clarification as to whether, given the current state of the market, it would be preferable to better utilise the space within the old Town Hall. The Director confirmed that the lease of accommodation at Wellington House was nearing its end and it was shortly proposed to move staff from Wellington House into the empty space that had been created in the Town Hall. He added that the tenders for new office accommodation were due to be returned on 10<sup>th</sup> October and a report would be submitted to Cabinet on the outcomes within the next few weeks.

A Member referred to his concern that the proposal to treat a number of specific grants more flexibly, such as for Supporting People, should not lose sight of the reason why such grants were made to the authority and they should not be utilised for other purposes if it was to the detriment of the client groups they were intended for. The Director confirmed that the government was moving away from the previously large number of small grants towards an "area based grant" which enabled more flexibility to meet perceived local needs. However, at the end of the day, the Council would need to ensure that the vulnerable and other groups' needs were met.

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**Resolved** - That the report be noted and that the Committee be kept fully informed of the budget setting process.

### 37. Performance, Financial & HR Reporting for 2008/09

The Strategic Director of Resources submitted his report outlining the Council's overall performance in financial terms and drawing attention in particular to debt recovery; progress with the job evaluation/overview/harmonisation scheme; and the introduction of a Council-wide "balanced scorecard" which would be produced to inform Members of the Council's overall performance in critical service areas. He submitted an example of the document to be presented to future meetings of the Committee for Members' information, which included a "traffic light" element to easily pinpoint those areas that were performing well or poorly.

Members noted the improved performance in the year to date in respect of the collection of Council Tax and the apparent slowing down in the rate of collection of non-domestic rates compared with the previous two years. It was suggested that this may be due to resistance in the business sector to a change in legislation which required the payment of full rates for empty premises.

With regard to the job evaluation, pay review and harmonisation scheme, national agreement had been received from two of the major trades unions but sign off was still awaited from a third union which had sought further legal advice following recent Court cases.

**Resolved** - That the report be noted.

### 38. Forward Agenda Plan

The Committee noted its forward agenda plan for future meetings. It was noted that a special meeting of the Committee had been programmed for 4<sup>th</sup> November, 2008 to consider the post-decision scrutiny on the appropriation of land at Upton Court Park as requested at the last meeting.

**Resolved** - That the report be noted.

### 39. Date of Next Meeting

Special meeting – Tuesday, 4<sup>th</sup> November, 2008.

Next ordinary meeting – Thursday, 20<sup>th</sup> November, 2008.

Chair

(Note: The Meeting opened at 6.30 p.m. and closed at 7.15 p.m.)