

**CORPORATE SERVICES SCRUTINY COMMITTEE
25TH JUNE 2019**

PRESENT: The Chair (Councillor Parsons)
The Vice Chair (Councillor Baines)
Councillors Boldrin, Goddard, Radford and
Shepherd

Councillors Barkley (Deputy Leader of the Council
and Cabinet Lead Member for Finance and
Property Services) and Rollings (Cabinet Lead
Member for Customer Services and Digital
Transformation)

Strategic Director of Corporate Services
Head of Customer Experience
Head of Finance and Property Services
Democratic Services Manager
Democratic Services Officer (LS)

APOLOGIES: Councillor Paling

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

1. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

2. DECLARATIONS - THE PARTY WHIP

No declarations were made.

3. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

4. NEW SCRUTINY COMMITTEE STRUCTURE - TERMS OF REFERENCE

Considered a report of the Head of Strategic Support to provide the Committee with information regarding its own remit and terms of reference and the new scrutiny committee structure in general (item 5 on the agenda filed with these minutes).

Assisting with consideration of the report: Democratic Services Manager.

RESOLVED that the report be noted.

Reason

So that the Committee was aware of its remit and terms of reference and the new scrutiny committee structure in general.

5. REVENUE MONITORING (GENERAL FUND AND HRA REVENUE OUTTURN 2018/19)

Considered a Cabinet report of the Head of Finance and Property Services setting out the revenue outturn position of the General Fund and Housing Revenue Account (HRA) for 2018/19 (item 6 on the agenda supplement filed with these minutes).

Assisting with consideration of the report: Cabinet Lead Member for Finance and Property Services, Strategic Director of Corporate Services, Head of Finance and Property Services.

Summary, key points of discussion:

- (i) The larger variances and the reasons behind those.
- (ii) The need to be more accurate in setting the Medium Term Financial Strategy (MTFS) and yearly budgets, and how that could be assisted.
- (iii) The uncertainties faced in setting budgets and predicting future circumstances, and the generally challenging environment in that respect.
- (iv) The financially sound position of the Council.
- (v) The main risks and opportunities in relation to the Council's income and expenditure, including the effect of other providers reducing services, the move towards a more commercial approach and the savings available from digitalisation.
- (vi) The Council having maintained services and Customer Service Excellence despite the savings it had achieved.
- (vii) The make-up of the Council's funding and how that had changed/was likely to change, also that the Government announced local government funding at a late stage in the process and that the Fairer Funding review was unlikely to be undertaken in the current year.
- (viii) Explanation of how revenue contribution to capital had been budgeted for and funded, and how the capital programme was reviewed and amended throughout the year.
- (ix) Concern regarding the large overspend in the planning service, in particular given the changes that had been agreed to the service structure and its financing and advice that there would be income from major applications that had not then been received. Reference to that income still being expected, just not realised in 2018/19.
- (x) The more detailed information on variances available in the 2018/19 Statement of Accounts, the importance of scrutiny better understanding that detail, the expertise needed to do so, the internal and external checks undertaken to ensure accuracy of the Council's accounts, and the suggestion that the focus be on strategic direction, rather than detail.
- (xi) Whether the large HRA carry forward request (planned maintenance) could be spent in 2019/20, on top of the budget for that year. That was an operational

question for the Head of Landlord Services, although it was understood that the contractor was increasing capacity to enable that.

- (xii) Explanation of how the revenue budget was monitored over the year, including by the Council's Audit Committee.

It was stated that the Cabinet Lead Member for Housing could be contacted directly in respect of Councillor Boldrin's concern that the response given at the Council meeting the previous evening regarding the impact of Universal Credit did not accord with the information provided in paragraphs 25 and 26 of Part B of the report.

RESOLVED

1. that the Head of Finance and Property Services be asked to note that it would be useful for future outturn reports to also include the outturn figures for the previous two years;
2. that the Committee seeks a reassurance that the new planning service structure and its financing are sufficient given the large overspend by the service in 2018/19;
3. that, further to resolution 2. above, the Housing, Planning and Regeneration and Regulatory Services Scrutiny Committee be informed of this Committee's concern as to whether the new planning service structure is enabling the service to progress in the right direction;
4. that the Cabinet report setting out the revenue outturn position of the General Fund and Housing Revenue Account (HRA) for 2018/19 be noted, subject to the resolutions and discussion set out above.

Reasons

1. To assist in making comparison and understanding trends.
2. The Committee wished to be reassured that the overspend would not be repeated in future years.
3. This was of concern to the Committee, but not a matter within its remit.
4. The Committee's remit included receiving regular financial monitoring reports and, having noted matters of concern, it was content to note the revenue outturn position.

6. CAPITAL MONITORING (CAPITAL OUTTURN 2018/19)

Considered a Cabinet report of the Head of Finance and Property Services setting out the capital outturn position for 2018/19 (item 7 on the agenda supplement filed with these minutes).

Assisting with consideration of the report: Cabinet Lead Member for Finance and Property Services, Strategic Director of Corporate Services, Head of Finance and Property Services.

Summary, key points of discussion:

- (i) Areas where spending of the budget was outside of the Council's control, for example Section 106 monies spent by parishes, and the intention to separate out those elements in the future.
- (ii) That contractors did not always undertake work at the agreed time and the extent to which the Council could ensure that.
- (iii) The need to improve project management and for better information/assessment of when a project could be delivered.
- (iv) The need to better manage the capital programme and to use quarterly monitoring arrangements to move and remove items from it where appropriate.
- (v) The pattern of continual and significant underspend on the capital programme over recent years and how scrutiny could act as a critical friend to enable that position to be improved. The intention of this Committee to do so moving forward. Reference to some schemes having been in the capital programme for a number of years without delivery.
- (vi) Concern that it was difficult for councillors to get schemes added to the programme, yet there was continual underspend.

RESOLVED

1. that the Committee's intention of being a better critical friend to the Cabinet in respect of a realistic and deliverable capital programme moving forward be noted;
2. that the Cabinet report setting out the capital outturn position for 2018/19 be noted.

Reasons

1. The Committee agreed with the comments made by the Cabinet Lead Member and the Chair at this meeting regarding the position with the capital programme needing to be improved, in particular its accuracy as to when projects would be delivered, and recognised its role in assisting that.
2. The Committee's remit included receiving regular financial monitoring reports and, having noted its need to be a better critical friend in respect of this matter, it was content to note the capital outturn position.

The Cabinet Lead Member for Finance and Property Services left the meeting due to another appointment.

7. AGENDA VARIANCE

RESOLVED that item 9 on the agenda be considered prior to the remaining items on the agenda.

Reason

The Cabinet Lead Member for Customer Services and Digital Transformation and the Head of Customer Experience were in attendance to assist with item 9 and considering the item next would ensure that they were not detained any longer than necessary.

8. PERFORMANCE MONITORING (PERFORMANCE INDICATORS QUARTER 4 - YEAR END)

Considered a report of the Strategic Director of Corporate Services providing performance information in respect of the Corporate Plan objectives and key performance indicators within the Committee's remit (Quarter 4 2018/19, year end) (item 9 on the agenda filed with these minutes).

Assisting with the consideration of the report: Cabinet Lead Member for Customer Services and Digital Transformation, Strategic Director of Corporate Services, Head of Customer Experience.

The Cabinet Lead Member for Performance of Major Contracts had sent an apology.

Summary, key points of discussion (red indicators):

- (i) ERM5 – CIS (1) (agenda page 19): Red due to criteria B (90% of complaints not proceeding past stage 1 of the process), target had been missed by 0.53%. Disappointing, but there was no clear reason for the outcome, would continue to monitor and work with departments/learn lessons. The Council monitored complaints in several ways, including complaints resolved, satisfaction surveys, upheld complaints. There were numerous ways of approaching, subjective area.
- (ii) ERM5 – SS (agenda page 20): Under remit of the Leader and the Head of Strategic Support. 5.25% below target (52% of customers giving feedback on web-related service they received as "good"). Levels of satisfaction for web-related service were always lower than telephone/face-to-face, reasons for which were outlined. Reference to Govmetric 3 point scale of measuring satisfaction being unusual, usually 7 point scale. There may be better ways of obtaining feedback on web service, would like to do better. Redesign of website had caused dip in satisfaction (change in location of information for regular users).
- (iii) DES2 – CIS (agenda page 21): There had been delays in introduction of webchat and call recording due to the telephony system, officers had been dependent on those issues being resolved. Upgrade to telephony software was due shortly, this would allow progression as detailed in the report. Disappointing that delayed, but progress now happening, weekly meetings being held to ensure that.
- (iv) DES3 – FP (agenda page 24): The Investment Strategy would consider the Council's appetite for risk and set out its approach/policies for investment in assets and what those should be. It would be submitted to Cabinet in September or October 2019.
- (v) DES3 – PROG (agenda page 25): The Customer Service Programme had reached a natural conclusion, objective would be superseded by 2019/20

Business Plan “Digital Transformation Programme”. An important area for scrutiny by the Committee moving forward.

- (vi) BP14 (agenda page 28): As paragraph (ii) above.
- (vii) K18 (agenda page 29): The Council continued to have robust/rigorous process to collect Council Tax. A new reminder service had been implemented and charging order process was being reviewed to ensure it was as effective as possible. Reasons were outlined as to why the percentage collected was higher in earlier quarters of the year, this included that most direct debits over were 10 months. No incentives for different ways of payment. Universal credit did not provide Council Tax support automatically and some were not applying for that. In response to a suggestion, the Chair stated that it was not appropriate to seek to change the target at tonight’s meeting or without sufficient information/evidence to support doing so. Some debt was written off, bad debt figure was not known at this meeting.

RESOLVED

1. that the Committee’s intention to possibly scrutinise performance information in a different way moving forward be noted;
2. that the report providing performance information in respect of the Corporate Plan objectives and key performance indicators within the Committee’s remit (Quarter 4 2018/19, year end) be noted.

Reasons

1. The previous scrutiny structure had received performance monitoring reports on a quarterly basis and had focused scrutiny on the red indicators each time. The Committee followed that practice at this first meeting, but consideration of the best and most effective way of undertaking this part of its scrutiny remit moving forward would be useful and appropriate.
2. The Committee’s remit included receiving regular performance monitoring reports and, having noted the discussion at this meeting and that it may wish to do this differently in future, it was content to note the performance information report.

The Chair thanked Cabinet Lead Members and officers for their attendance and assistance.

9. BUDGET SCRUTINY (2020/21 DRAFT BUDGET)

The Committee was asked to begin the process of scrutiny of the Council’s 2020/21 budget by:

- (i) considering the 2018/19 revenue and capital outturn positions (as context for the development of the Medium Term Financial Strategy and the 2020/21 budget). Those positions were set out under items 6 and 7 on the agenda for this meeting.

- (ii) discussion of the planned methods for development of the MTFS and 2020/21 budget.

The Committee's work programme provided for further scrutiny of the Council's 2020/21 budget at its meetings on 17th September and 3rd December 2019, with an additional meeting of the Committee required in January 2020 to agree any recommendations it wishes to make.

Assisting with the consideration of the item: Strategic Director of Corporate Services, Democratic Services Officer.

The above budget scrutiny process was further detailed by the Strategic Director of Corporate Services. Having been part of the process for several years, the Chair considered that budget scrutiny warranted a separate scrutiny panel or sub-committee to ensure a focused, detailed and comprehensive consideration that would be difficult at meetings of this committee. The Committee agreed that such an approach would be the most effective one. It noted that the Scrutiny Commission, at its first meeting, had agreed that a scrutiny panel could be set up if the Committee considered that to be the best approach to budget scrutiny. It also noted that a scrutiny panel would enable a wider membership than a sub-committee and, therefore, enable best use of financial skills and experience among scrutiny councillors.

RESOLVED

1. that a scrutiny panel be established to undertake scrutiny of the Council's 2020/21 budget, in accordance with the Scrutiny Commission's agreement to this at its first meeting on 3rd June 2019;
2. that the above scrutiny panel be chaired by Councillor Parsons, as Chair of the scrutiny committee responsible for budget scrutiny;
3. that the process for scrutiny of the Council's 2020/21 budget and the meetings required to do so be decided by the Chair and Vice-chair of this Committee;
4. that, in due course, expressions of interest be invited from scrutiny councillors to sit on the above scrutiny panel, with membership to be decided in accordance with the Council's Constitution, but that it be noted that the Committee would wish to make best use of scrutiny councillors' financial skills and experience;
5. that advice be sought from the Democratic Services Manager in respect of the required reporting of the recommendations of the above scrutiny panel via the scrutiny structure and to Cabinet.

Reasons

1. The Committee considered this to be the most suitable and effective approach to budget scrutiny for the reasons set out above.
2. To enable the panel to be progressed.

3. To ensure the process is reviewed to ensure it is as effective as possible and to take account of previous experience of budget scrutiny.
4. To ensure a suitable panel membership for the most effective outcomes.
5. To ensure this matter is clear, can be included in the process and suitably scheduled. The Committee expressed a wish to see the Panel's outcomes before submission to Cabinet, but it might also be a requirement that the Scrutiny Commission did so.

10. WORK PROGRAMME

Considered a report of the Head of Strategic Support to assist the Committee in determining its work programme (item 10 on the agenda filed with these minutes).

Assisting with consideration of the report: Strategic Director of Corporate Services, Democratic Services Officer.

The Chair referred to the current programme having been carried over from the previous scrutiny structure. He hoped that the Committee would take a new, more efficient, effective and prioritised approach to its scrutiny work, including the involvement of the public at a future stage. To that end, he suggested that he and the Vice-chair review the work programme following this meeting and with input from all members of the Committee, with a view to a revised work programme being submitted to the next meeting for consideration. That revised work programme would include amendment to take account of the Committee's earlier decision to transfer budget scrutiny to a scrutiny panel. The Committee supported the suggestion. Reference was also made to the Committee's remit including several areas that were not finance related.

RESOLVED that the Chair and Vice-chair of the Committee review the Committee's work programme following this meeting, with input from all members of the Committee during that process, and the resulting proposed work programme be considered at the next meeting of the Committee.

Reason

To work towards an efficient, effective and prioritised approach to the scrutiny undertaken by this Committee.

NOTES:

1. No reference may be made to these minutes at the Council meeting on 2nd September 2019 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Corporate Services Scrutiny Committee.