



Rutland County Council

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Minutes of a meeting of the **RESOURCES SCRUTINY PANEL** held in the Council Chamber, Catmose, Oakham, at 7.00 pm Thursday, 30 May 2013

PRESENT: Mr J M Lammie - Chairman (in the Chair)
Mr W J Cross
Mr D C Hollis
Mr B A Montgomery
Mr J R Munton
Mr D L Richardson
Mrs C L Vernon
Miss G Waller

In attendance: Mr T C King Portfolio Holder for Finance and Places Asset Management
Mr M Pocock Portfolio Holder for Resources and Places Operations

Officers present: Mr S Della Rocca Interim Strategic Director - Resources
Miss M Gamston Democratic Services Officer
Mrs A Hawkins Accountant
Mrs D Mogg Strategic Director - Resources

Apologies: Mr A S Walters

48 RECORD OF MEETING

The Record of the Meeting of the Resources Scrutiny Panel held on 11 April 2013, copies of which had been previously circulated, was confirmed and signed by the Chairman.

49 DECLARATIONS OF INTEREST

No declarations of interest were made in respect of the items on the agenda for this meeting.

50 PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received from members of the public.

51 QUESTIONS WITH NOTICE FROM MEMBERS

No questions had been received from members.

52 NOTICES OF MOTION FROM MEMBERS

No Notices of Motion had been received from members.

53 CONSIDERATION OF ANY MATTER REFERRED TO THE PANEL FOR A DECISION IN RELATION TO A CALL IN OF A DECISION

No matter was referred to the Panel for a decision in relation to call in of a decision in accordance with Procedure Rule 206.

SCRUTINY

54 Q4 FINANCIAL MONITORING AND DRAFT FINANCIAL OUTTURN 2012/13

Report No. 122/2013 from the Strategic Director for Resources was received.

The Interim Strategic Director for Resources, Mr Della Rocca, introduced the report, the purpose of which was to inform Cabinet of the draft outturn figures (subject to audit) for the financial year 2012/13 and an update on the Council's Medium Term Financial Plan (MTFP).

The following points were noted during the discussion:

- i) That the summary revenue position as at 31 March 2013, paragraph 4.3 of Report No. 122/2013, related to the net costs of all three directorates;
- ii) That there was an under spend of £372,000. The Council had achieved an outturn of £30.81m compared to a budget of £31.18m;
- iii) That there had been little volatility of forecasts between the quarters and that across the Authority budgets were within a reasonable tolerance;
- iv) That the £300,000 budget for Digital Rutland had been carried forward to 2013/14;
- v) That the General Fund balance as at 31 March 2013 was £7,577,000, as shown in paragraph 4.3 of Report No. 122/2013;
- vi) That the total balance for specific reserves as at 31 March 2013 was £1,694,864, as shown in paragraph 4.8 of Report No. 122/2013;
- vii) That there was a budget carry forward of £363,000, for which approval had been sought. These were amounts budgeted for but not spent during the year that the Authority wished to use in future years. A detailed breakdown was provided in paragraph 4.9 of Report No. 122/2013;
- viii) That the Capital Programme position was detailed in paragraph 5.1 of Report No. 122/2013. Members were reminded that a lot of these schemes were never intended to be delivered within the year therefore any under spend would not be known until the completion of a project;
- ix) That amounts carried forward under the Capital Programme had previously been agreed;
- x) That an updated Medium Term Financial Plan would be available with the Quarter 1 report for 2013/14;
- xi) In relation to a question relating to Post 16 and the agreed funding of the revenue deficit of running the Rutland County College and the extent of such support if the College failed to breakeven, Members were informed that there was a cap on the amount of financial support that the Authority would provide, as stated in the contract;
- xii) The question was put as to why the Capital Programme Budget showed carry forward requests for The Little Build and Ketton Surgery Development. The Little Build was included due to legal and land registry costs. Officers to advise Members why Ketton Surgery Development was included;
- xiii) The Portfolio Holder for Finance and Places Asset Management, Mr King, advised Members local government accounting procedures required the Authority to show as borrowing where using cashflow to finance a project until such time as it became necessary to borrow. This was the situation

- with regard to the current financing of Digital Rutland and Oakham Enterprise Park. Oakham town centre was a previously approved project and put in the Capital spend at that time; when the project was approved prudential borrowing had been agreed however Cabinet decided not to borrow until the amount of S106 funding was known,
- xiv) In relation to the question on whether it was possible to know the deficit for the running of the Rutland County College and the contribution from Tresham College Members were advised that this information would be circulated to them;
 - xv) The Strategic Director for Resources, Mrs Mogg, advised Members that Revenue Expenditure Funded by Capital Under Statute (REFCUS) was a technical accounting entry. This would be classed as capital expenditure if spent on the Authority's own buildings. An example would be where a capital grant was passed onto a school;
 - xvi) That funds were transferred from Earmarked Reserves to offset expenditure incurred. If savings were made on revenue budget funds they might be transferred to the earmarked reserve. The transferring of funds to and from the reserves could affect the level of outturn between quarters. Earmarked Reserves had been in place for a period of time; Invest to Save was set up when it was realised that the Council needed to change the way it operated;
 - xvii) That funds from Earmarked Reserves could only be transferred to budget for purposes agreed; had to meet the purpose that the reserve was set up for;
 - xviii) That funds from Invest to Save were for use to fund some of the one off costs associated with dealing with restructure and to fund projects which would give the Council a financial benefit in the future;
 - xix) That it was possible to provide Members with a breakdown of the £850,757 budget carry forward;
 - xx) That Accumulated Absences were included in the Summary Revenue Position as at 31 March 2013, Appendix 1 to Report No. 122/2013, as the Authority was required to show this as a liability although members of staff were not paid for annual leave not taken during their leave year. This was a technical accounting entry;
 - xxi) That further training, in understanding local government finance, could be offered to Members;
 - xxii) That all directorates were to be congratulated for the work undertaken to maintain costs.

AGREED

- 1) The Panel noted the contents of Report No. 122/2013.
- 2) Officers to advise Members why Ketton Surgery Development included in the Capital Programme Budget.
- 3) Information regarding the deficit for running Rutland County College and the contribution from Tresham College to be circulated to Members.
- 4) Members to be provided with a breakdown of the £850,757 budget carry forward.
- 5) Consideration to be given to offering Members training in understanding local government finance.

55 PERFORMANCE MANAGEMENT REPORT – QUARTER 4 2012/2013

Report No. 120/2013 from the Chief Executive was received.

The Interim Strategic Director for Resources, Mr Della Rocca, introduced the report the purpose of which was to report to Cabinet on the Council's performance for the

fourth quarter of 2012/13 and the year to date.

The following points were noted during the discussion:

- i) That overall 66% of performance targets had been achieved;
- ii) That the Authority was currently undertaking a business planning exercise that would look at the Key Performance Indicators (KPIs) to confirm whether there should be any changes for 2013/14 ;
- iii) Paragraph 6.1 of Report No. 120/2013 listed some of the indicators where a review was required. Further development work was to be undertaken on under-represented Strategic Aims with new indicators for Quarter 1 2013/14. The Interim Strategic Director for Resources, Mr Della Rocca, informed Members suggestions could be brought back to this Panel. He was also willing to take suggestions outside of this meeting;
- iv) That the Customer Services team was currently undergoing a review. Upon completion the report would be brought to this Panel;
- v) That a report on how the Authority reports on staffing numbers would be brought to the next meeting of this Panel. The aim of the report would be to help Members better understand how staff numbers were put together;
- vi) LI001 - % of creditor invoices paid within terms. There had been a slight improvement on quarter 3. 96% of invoices were paid within 30 days during quarter 4. This KPI was to be looked at;
- vii) LI004 - % of FOI requests replied to within 20 days. 162 requests received during quarter 4, compared to 128 in quarter 3. 65.43% were answered within 20 days, 9.2% were answered within 21-30 days;
- viii) LI029 - % of sundry debt recovered. Continued to perform well (91.2% cumulative year to date; target 95%);
- ix) LI031 - % of agendas and reports published 5 days before meetings and LI032 - % of draft minutes issued within 5 days of the meeting (or 2 days in respect of Cabinet record). Both these targets related to Democratic Services. This section was undergoing a review together with the Admin Support Team with the new structure being in place at the end of June 2013. It was expected that there would be a marked improvement in performance when the posts were filled;
- x) In relation to LI031 and LI032, Members were informed that the Chief Executive had raised the issue of reports being produced late with the Senior Management Team. It was accepted that there were occasions where issues arise and it is necessary to take papers to Cabinet and Council outside the 5-day target. The delay in the drafting of minutes was a question of resourcing within the department;
- xi) Although Customer Services was within the People Directorate it was noted that that the downward trend in workload had not been maintained and with the team now dealing with housing option enquiries and an increase in benefit claimants there had been an increase in workload;
- xii) That consideration was being given as to how the Council could improve its website to provide a more informative service;
- xiii) Clarification was sought on the definition of long term and short term sickness. Members were advised that where an employee was absent from work for up to 20 days it was classed as short term; 21 days and above was classed as long term;
- xiv) The Senior Management Team had requested, from the Human Resources department, a breakdown of the reasons for sickness to help identify if there was an underlying problem;
- xv) LI004 - % of FOI requests replied to within 20 days. It was noted that requests per quarter varied between 120 and 160. That many of the requests received were from commercial organisations; Scrutiny had

previously discussed the possibility of a question and answer page on the web. That the possibility of recording the cost of time spent per question be considered;

- xvi) That where the information was readily available comparator information was to be made available for Key Performance Indicators;
- xvii) The Interim Strategic Director for Resources, Mr Della Rocca, to provide details of the overdue audit recommendation – a full review of requirements for petty cash to be undertaken.

AGREED

- 1) The Panel noted the contents of Report No. 120/2013.
- 2) The report on the review of the Customer Services team to be brought to this Panel.
- 3) A report on how the Authority reports on staffing numbers to be brought to the next meeting of this Panel.
- 4) Where the information was readily available comparator information was to be made available for Key Performance Indicators.
- 5) Details of the overdue audit recommendation – a full review of requirements for petty cash to be undertaken, to be provided.

56 STRATEGIC RISK REGISTER

Report No. 136/2013 from the Strategic Director for Resources was received.

The Interim Strategic Director for Resources, Mr Della Rocca, introduced the report, the purpose of which was to update the Resources Scrutiny Panel on the current status of the Risk Register.

The following points were noted during the discussion:

- i) The Interim Strategic Director for Resources, Mr Della Rocca, confirmed to Members that there were no added risks this quarter;
- ii) Risk Ref. 5: Media Influence – discussed at the Scrutiny Panel meeting on 11 April 2013. A report from the Communications Officer, addressing some of the issues raised, was to be brought to the next meeting of this Panel;
- iii) Risk Ref. 10: Significant Business Interruption – A Business Continuity exercise had taken place on 22 May 2013 the purpose of which had been to test the robustness of the continuity plans. The Authority had identified areas for improvement;
- iv) Risk Ref. 10: Members requested that a report on the processes in place including loss of key staff or team, be brought to this Panel. The Operational Director for Places, Mr Brown, to be invited to attend this Panel
- v) Risk Ref. 10: The Portfolio Holder for Finance and Places Asset Management, Mr King, advised Members that the Council would be able to relocate to offices at Oakham Enterprise Park, where there would be high speed broadband and a generator on site, once the site had been developed;
- vi) Risk Ref. 15: Contracted Services – at the previous meeting of this Panel had requested that consideration be given to revising monthly checks of key contractors. The Authority was in the process of updating contract rules. Advice taken from the Team Manager, Contracts, Tony Hall regarding the ongoing basis of financial checking. Members were advised that a contractor was classed as a key contractor where the disappearance of that contractor would cause significant issues regarding

- service delivery. It was recognised that there was a need to identify key contractors and review during the contract period;
- vii) Risk Ref. 21: Welfare Reform – a Welfare Reform report was presented at the Senior Management Team meeting on 28 May 2013. Members to be briefed in due course;
 - viii) Risk Ref. 4: Member Development – a list of initial topics for training was being compiled. Under Risk Controls: Job descriptions for portfolio holders was listed; the question was asked whether job description should be written for Chairs of the Scrutiny Panels and other committees. The Portfolio Holder for Finance and Places Asset Management, Mr King, advised that as these were political decision positions it was for Members to write the job descriptions in conjunction with officers. The Interim Strategic Director for Resources, Mr Della Rocca, reminded Members that the roles were set out in the Council’s constitution. This issue would be considered at the next meeting of the Scrutiny Commission;
 - ix) Risk Ref. 3: Organisational Development – clarification to be sought as to whether this risk would cover the problems experienced with the under and over payments of staff salaries; or should there be a further risk of: the Authority ever making an error;
 - x) Controls in place to ensure that correct data was maintained, the question was asked where was the risk relating to this issue. Members were advised that the Senior Management Team would discuss;
 - xi) Risk Ref. 18: Cottesmore Base – the exact pressures on the Local Authority and community, for example, the number of families or singles, whether multi-language, would not be known until the Army arrived. This risk also included St George’s Barracks. Members were advised that the next round of redundancies would be announced on 18 June 2013 and this was expected to effect all military bases;
 - xii) Risk Ref. 20: Political Leadership – risk owned by the Chief Executive. Risk as a small authority if the Leader, elected for 4 years, disappeared. The Chief Executive felt this was a risk given the money spent on political turbulence within Council;

AGREED

- 1) The Panel noted the contents of the risk register and the actions underway to address the risks.
- 2) That a report from the Communications Officer was to be brought to the next meeting of this Panel.
- 3) That a report on processes in place regarding Significant Business Interruption to be brought to a future meeting of this Panel. The Operational Director for Places, Mr Brown, to be invited to attend.
- 4) Job Descriptions for Chairs of Scrutiny Panels and other committees to be considered at the next meeting of the Scrutiny Commission.

57 EXCLUSION OF PUBLIC AND PRESS

It was

RESOLVED

- i) That the public and press be excluded from the meeting during discussion of the following business in accordance with Procedure Rule 239 (Exclusion of Access by the Public and Press)
- ii) That any elected Members present who were not members of the scrutiny panel be allowed to remain during consideration of the following exempt

business in accordance to the access to information provisions of Procedure Rule 239.

58

WRITE OFF OF UNCOLLECTABLE AMOUNTS

Report No. 141/2013 from the Strategic Director for Resources was received.

The Interim Strategic Director for Resources, Mr Della Rocca, introduced the report the purpose of which was to seek Cabinet approval for the write off of uncollectable amounts which fall outside the level of delegated authority awarded to the Strategic Director for Resources.

The Chairman, Mr Lammie, advised Members that the report would be taken at Cabinet on 4 June 2013 with comment from Scrutiny to be fed into the debate in Cabinet.

The following points were noted during the discussion:

- i) That the Council collects 99% of debt in respect of council tax and business rates;
- ii) That the overall level of sundry debtors was c£2m, of which c£1m was payable within 30 days. Members were advised that health, other local authorities and public bodies were amongst some of the slowest payers;
- iii) That there were seven debts for approval for Cabinet to write-off. However, the Authority would continue to attempt to continue the sums;
- iv) That consideration needed to be given to the tightening up of processes including legal action and the possibility of an authority wide debtors list;
- v) That residential fees written off related to situations where there was no estate to collect from;
- vi) It was acknowledged that in terms of when an Executor was appointed it could be a solicitor used to dealing with requests for payment of outstanding debts; that where it was a family member appointed it was different;
- vii) That debts for residential fees occurred by an individual being assessed in terms of financial position to see how much they could contribute. The Local Authority paid the fees and then looked to recover a proportion of the costs. If placed in care by the Local Authority then the Authority was responsible for payment;
- viii) That Adult Social Care was a growing problem and there was a monthly meeting between the Strategic Director for People and the Strategic Director for Resources to review cases.

PROGRAMME OF MEETINGS AND TOPICS

59

REVIEW OF FORWARD PLAN

During discussion it was noted:

- i) That the Forward Plan covered the period prior to the next meeting of this Panel. Should Members wish to scrutinise any of the reports a Special Scrutiny Panel meeting could be called;
- ii) That the Scrutiny Commission was to consider the Aims and Objectives for the Council to prioritise topics and areas for Scrutiny. The majority of these would relate to the People and Places portfolios;
- iii) That the following reports related to Resources:

1. National Non Domestic Rates Discretionary Relief Policy
2. Capital Investment Strategy (part of which related to Finance)

- an email would be sent to Panel members once Cabinet dates were confirmed as it might be necessary to arrange a special meeting of the Panel.

- iv) Council Tax Support Scheme and Relief Funding – update to be taken at the next meeting of this Panel. Citizens Advice Bureau to be invited. A decision would then be taken on whether to look a review of the Council Tax Support Scheme was warranted for 2014/15, or to leave it for a second year. Limited data would be available for August at which stage the decision would need to be made if changes were to be in place for next year;
- v) That the Revenues & Benefits Manager, Mrs Grinney, be requested to attend;
- vi) If the Citizens Advice Bureau was unable to attend on 29 August, Scrutiny Commission to consider a change of date.

60 REVIEW OF RISK REGISTER

Members held no discussion on this item, due to the Strategic Risk Register presentation earlier in the meeting.

61 ANY OTHER URGENT BUSINESS

There was no other urgent business.

62 DATE AND PREVIEW OF NEXT MEETING

Thursday 29 August 2013 at 7.00 pm (subject to consultation with Citizens Advice Bureau)

Agenda items:

- Q1 Financial Monitoring and Performance Management Reports
- Customer Services Team Review
- Report on Staff Numbers
- Risk Register
- Communications Paper
- Update on Council Tax Benefit Reform

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The Chairman closed the meeting at 9.44 pm

Chairman