



# MEETING OF THE RESOURCES DEVELOPMENT AND SCRUTINY PANEL

THURSDAY, 5 OCTOBER 2006 9.30 AM

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## PANEL MEMBERS PRESENT

Councillor Conboy  
Councillor Mrs Dexter  
Councillor Exton  
Councillor Joynson  
Councillor Kerr

Councillor Kirkman (Chairman)  
Councillor Lovelock M.B.E. (Vice-Chairman)  
Councillor Moore  
Councillor GTaylor (note 72 only)

## OFFICERS

Scrutiny Officer  
Financial Services Manager  
Interim Revenues and Benefits Manager (note 70)  
Facilities Officer (note 71)  
Senior Quantity Surveyor (note 71)  
Solicitor to the Council (note 72)  
Scrutiny Support Officer

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## 66. MEMBERSHIP

The panel was informed that Councillor Brailsford had been replaced by Councillor Exton for this meeting only.

## 67. APOLOGIES

Councillor G Taylor had informed the panel in advance that he would be arriving later in the meeting.

## 68. DECLARATIONS OF INTEREST

There were no declarations of interest.

## 69. GATEWAY REVIEW 1: FINANCIAL MANAGEMENT SERVICES

The Financial Services Manager gave a presentation as part of the first gateway review:

- The 06/07 service plan included accountancy, audit, insurance, treasury management, and paymaster services. New areas for the plan were concessionary travel, risk management and exchequer services.

- The service now came under the category A priority 'use of resources', which enabled increased focus on the achievement of excellence for the use of resources assessment.
- An action plan was to be agreed for working towards level 3 of the assessment. This needed to be embedded throughout all services with financial services leading and supporting. Whereas each DSP should be scrutinising financial aspects of their remit, the Resources DSP should take an overarching view.
- Budget consultation had not provided sufficient feedback and so the service plan was looking to address this.
- The staffing situation in the section was explained. Three new staff had been appointed and three vacancies were being re-advertised. The officer suggested that the advertised salaries were only attracting partly qualified staff. The panel discussed this issue and expressed concern about the need to pitch salary levels appropriately.
- The officer outlined key aspects of the action plan for the future of the service. The panel discussed the upgrade of the LACHS claims handling system. The officer clarified that this should not affect claims processing. This led to discussion on funding the insurance reserve and the appointment of a risk management officer.
- Gershon savings had been achieved. New procurement process would provide cashable and non-cashable savings and there was an ongoing saving in respect of the audit contract. The quality of the audit contract would be monitored and reviewed at the end of its three-year term.
- A member of the panel suggested that there should be a type of audit committee to meet with the auditors. The chairman advised that the scrutiny coordinating committee was reviewing the DSP structure and may make recommendations for the next annual general meeting of the council.
- Spend was currently matching budget in all relevant service areas and there was currently no anticipated budget increase required for 2006/07, although salary increases anticipated for 2007/08. The officer clarified that whereas failure to achieve level 3 in the use of resources assessment could have a detrimental effect on recruitment, there was no evidence to suggest that this had been the case at this authority.
- Areas of risk were explained. The officer explained how those areas identified had been dealt with during the current financial year. The panel discussed these in detail. 30% purchase orders were being made using the system and the target was 80% for early next year.
- The officer explained that gateway reviews should not be considered in silos because a lot of cross-boundary movements (such as the move of procurement to assets and facilities) did not affect the council's bottom line budget requirements.

### **Conclusions:**

***The Resources DSP made the following observations on the financial management service plan:***

- 1) A mechanism should be established for DSPs to scrutinise financial aspects (such as overspends and underspends) on***

***services within their remit and for the Resources DSP to take an overarching role to ensure that this scrutiny is undertaken sufficiently.***

- 2) Information on the volume of claims dealt with by the LACHS system to be provided for gateway 2.***
- 3) CIPFA benchmarking information to be provided at a future gateway review.***
- 4) Estimated amounts for non-cashable Gershon savings and updated cashable savings to be included.***

***The DSP also concluded to include on its work programme:***

- Scrutiny of salary levels in high priority services***
- Scrutiny of buy-in of financial system throughout the authority***

## **70. GATEWAY REVIEW 1: REVENUES AND BENEFITS**

The interim Revenues and Benefits Manager gave a presentation on how the service was progressing, its relevance, financial plans, performance and moving forward.

- The completed aspects of the 06/07 service plan were detailed. The Benefits Self Assessment was discussed by the panel. The council had achieved a score of 3 (good) for two years, despite the raise in assessment standards. Those areas that had not been achieved were corporate fraud, a written customer service policy for benefits and a separate costing structure.
- The separation of revenues and benefits was under review but this was difficult given the lack of adequate time monitoring.
- The panel was concerned that the revenues and benefits services was being marked down in assessment because of a lack of a corporate policy on fraud. The officer explained that the section needed to take ownership of this and work with the human resources section to include suitable training through staff induction.
- The national performance management framework was now live and provided an interactive benchmarking tool.
- Ongoing work included a benefits training programme, customer survey, implementing electronic access and review of impact of completed projects, which would feed into the second gateway review.
- Further work was outstanding on electronic access (modernisation). Business process re-engineering had not yet started because planning and waste services were still being completed. The chairman reinforced the point that no service should be moved into the customer service centre until all processes had been established.
- Upon questioning from the panel, the officer explained protections in place against risk.
- In terms of the plan's relevance, the new plan needed to include reference to stakeholders and stronger links to the council's and national priorities.
- The Welfare Reform Bill was currently going through parliament and this would require several changes to the service. It had been proposed, and was being piloted elsewhere, that local housing allowance would be paid to

- customers and not landlords.
- There had been a shortfall in anticipating some Gershon savings. Savings had been achieved in discretionary rate relief, but this was because of its de-prioritisation, not a Gershon saving.
- The original service plan stated that joint working with South Holland would be evaluated. The officer explained that a date had still not been agreed.
- The officer outlined performance which, overall, was good, especially as the service plan had been very ambitious. Future work would involve a complete structure review, investing in risk areas, establishing key links with other services and setting the budget around business objectives.
- Performance information on processing new claims and change of circumstances was presented and explained.

### **Conclusion:**

***The Resources DSP made the following observations on the revenues and benefits service plan:***

- 1) Information on benchmarking from the national performance management framework to be provided for gateway review 2.***
- 2) Any impact on benefits claims from the increase in EU immigration to be investigated and reported back.***
- 3) The implications of the Welfare Reform Bill to be reported in more detail to the DSP at an appropriate time. A briefing paper to be circulated to all members, including an anticipated implementation timescale.***
- 4) To ask the portfolio holder to explain why there had been no progress with joint working with South Holland, as per section 6.2 of the service plan.***

***The DSP also concluded to recommend that other DSPs ensure the robustness of Gershon efficiency savings in their scrutiny of service plans.***

***The DSP decided to include on its work programme: fraud performance measures from Department for Work and Pensions to be scrutinised in January or when published if later.***

***Revenues and Benefits to continue to liaise with the scrutiny section to ensure relevant issues are included on the panel's work programme.***

## **71. GATEWAY REVIEW 1: ASSETS AND FACILITIES MANAGEMENT**

The Facilities Officer and the Senior Quantity Surveyor gave a presentation on the assets and facilities service plan:

- The aims of the plan were to achieve customer focus, good communications, robust performance management and joined up service provision to maximise value for money.
- The SWOT (strengths, weaknesses, opportunities & threats) analysis

- revealed a need for training, flexibility of cover and meetings.
- Progress towards achieving service plan objectives was detailed in a separate report, which was explained further in the presentation. The panel scrutinised this section of the report in detail and various points were clarified for them.
- In relation to the capital and asset monitoring group (CAMG), the panel was concerned that its role in scrutinising disposal of assets needed better facilitation.
- The contribution of the service to category A and B priorities were outlined.
- Compared with budget, the service was just underspending overall. Specific achievements were also described, such as the adoption of a corporate energy policy
- Examples of the estimated Gershon savings were given.
- Additional resources may be required for homogenisation of additional services coming under the remit of assets and facilities, but these should be cost neutral as they were already in other service budgets.

### **Conclusion:**

***The Resources DSP made the following observations on the assets and facilities management service plan:***

- 1) Further explanation needed on section 2.1.1. on progress with ratification from the strategic management team on the restructure.***
- 2) The Resources DSP to scrutinise any recommendation from the capital and asset management group, or elsewhere, to dispose of any land or property asset of significant value, prior to a decision being taken by the portfolio holder or cabinet.***
- 3) Detailed figures on actual income and expenditure compared to budget were required for gateway review 2.***
- 4) The service plan did not provide evidence of actual Gershon savings. Estimated figures and timescales were required for gateway 2 on what the original estimates for 2005/06 were, what the actual figures are likely to be and what is planned for 2006/07.***
- 5) Joint procurement of energy should be investigated, especially opportunities within the Welland partnership.***

## **72. GATEWAY REVIEW 1: LEGAL SERVICES**

The Solicitor to the Council presented the service plan for legal services:

- Staffing levels were reviewed in the previous year. The biggest challenge had been carrying on the work of the Monitoring Officer, following the previous officer's retirement. Staffing, however, remained adequate. The section provided professional services and practice services (case work). LSVT transfer would likely require one third of a case officer.
- There were no national or local performance indicators for legal services so comparisons were mainly used. The service plan showed that the service was low cost compared with other authorities, although accurate comparisons were difficult to make.

- All of the service's customers were internal and the next satisfaction survey would be sent in January 2007.
- In addition to the key achievements and outcomes outlined in the plan, the service had also absorbed the role of the Monitoring Officer, taken on a key role in the Licensing Committee, contractual challenges, successful prosecution on street scene issues and pro-active work on affordable housing.
- Every action point in section 3 of the plan and training requirements in section 6.3 had been achieved. Some planned partnership working had fallen through but work had progressed with the East Midlands Law Share, which had provided free training.
- Estimated Gershon savings had been met for 2005/06 with an indicative saving of £17,000 in relation to planning. Further re-estimates were required, however, for following years.
- There was no indication that significant additional resources would be required for the next service plan.

***Conclusion:***

***The Resources DSP requested that updated information on Gershon savings and resources estimated be provided for gateway review 2.***

**73. CLOSE OF MEETING**

The meeting closed at 2.25p.m.