



Confident, Capable Council Scrutiny Panel

Minutes - 4 February 2015

Attendance

Members of the Confident, Capable Council Scrutiny Panel

Cllr Rita Potter (Chair)
Cllr Ian Angus
Cllr Alan Bolshaw
Cllr Craig Collingswood
Cllr Jasbir Jaspal
Cllr Milkinderpal Jaspal
Cllr Jacqueline Sweetman
Cllr Mary Bateman
Cllr Caroline Siarkiewicz
Cllr Andrew Wynne
Cllr Arun Photay

Employees

Andrew Harvey	Graduate Management Trainee
Claire Nye	Chief Accountant
Mark Taylor	Director of Finance

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies**
Apologies were received from Cllr Haynes.
- 2 Declarations of interest**
There were no declarations of interest.
- 3 Minutes of previous meeting**
Resolved:
That the minutes of the meeting held on 3 December 2014 were approved as a correct record and signed by the Chair.
- 4 Matters arising**
There were no matters arising.

5 **Budget Update and Review**

The report was introduced by Mark Taylor, Director of Finance, which included all financial reports which had been presented to Cabinet and Cabinet (Resources) Panel since the last meeting of Confident Capable Council Scrutiny Panel.

Cllr Potter enquired whether the Council is in the financial situation it wants to be given the difficulties.

The Director of Finance stated that the current financial situation is reflective of the reductions in funding, and additional pressures the Council is facing but that the Council was on target to meet its statutory requirement to achieve a balanced budget for 2015/16. The Director of Finance also made Councillors aware that significant challenges lie ahead and that the Council needs to find a further £40 million worth of spending reductions in the coming years.

Resolved:

(1) That the budget update and review be noted.

(2) To receive further update reports in order to ensure adequate identification and management of budget risks.

6 **Independent Review of Process for Medium Term Financial Strategy and Budget (Eugene Sullivan Report) - Implementation of the Action Plan (update)**

Mark Taylor, Director of Finance introduced the report, which included an update on the progress of the eleven point action plan implemented after the Eugene Sullivan Report. The Director of Finance reminded Councillors that the majority of the recommendations from the Eugene Sullivan report were low level risk.

Cllr Bolshaw highlighted the positive comments in paragraph 2.3 of the report and praised the work of Council employees in making sound financial decisions in the tough economic climate that the Council finds itself in.

The Director of Finance indicated to Councillors that the majority of recommendations from the action plan had either been implemented or are about to be implemented.

Cllr Sweetman brought attention to point six of the reports appendix, and referred to a previous discussion around how the Council can illustrate its narrative in financial reports to residents in an increasingly user friendly way. Cllr Sweetman enquired what progress had been made in relation to this issue. The Director of Finance stated that work had been ongoing with the Communications team and Democratic Services team and that reports are now increasingly streamlined and only contain essential information. The Director of Finance reminded Councillors that links to specific reports are available via the Council website for residents and the Council needs to be transparent with its financial data.

Cllr Sweetman asked whether there had been any move toward using infographics as a way of representing data.

The Director of Finance, stated that infographics had been used to demonstrate cuts in central government grants, but added that it is important for infographics to be used in an appropriate way. Councillors discussed and agreed that infographics could demonstrate the problems the Council is facing in a user friendly way to residents and would like to receive information on how this could be progressed.

The Director of Finance agreed that infographics could be developed where relevant and that it might be possible to incorporate infographics into the next significant budget update in June or July.

Cllr Jaspal queried why the report identified no financial implications.

The Director of Finance stated that was the case as no extra resource is required to implement the action plan.

Cllr Bolshaw questioned point nine of the report appendix, relating to annual increases in fees and charges. Cllr Bolshaw asked if the Council was moving away from rises across the Council to individual rises based on need. The Director of Finance confirmed that the Council has moved away from wholesale rises. The Director of Finance stated that the aim is to ensure full cost recovery and that increases would occur unless this would be counterproductive.

Cllr Bolshaw questioned if Agresso had made any difference. The Director of Finance indicated that Agresso will enable budget holders to more easily manage their own budgets and that therefore the Council will require fewer accountants.

Councillors asked for an update on outstanding Agresso payments. The Director of Finance reminded Councillors that the Council will never be totally up to date due to disputes and other factors. The main issue that departments had faced was the lack of order numbers on invoices, however good progress is being made on this issue.

Councillors highlighted that there would always be issues when implementing new systems and that it was vital that any serial offenders who do not supply order numbers whether internal or external should be engaged with. Councillors enquired whether training on Agresso was on-going. The panel were assured that Agresso training was still a continuing process.

Cllr Bolshaw said that small businesses may not be able to wait for payments, and asked what the standard period was for payment. The Director of Finance stated that the standard terms and conditions for payments is 30 days, but that the Council can vary this and endeavours to pay as soon as possible if given prior notice.

Resolved:

- (1) To note the action plan and steps taken to deliver the recommendations of the Eugene Sullivan as outlined.
- (2) To receive an update on the strategy for including infographics within reports.
- (3) To include infographics in future Budget Update reports.

- 7 **Verbal Update on the Work of the Specific Reserves Working Group**
Cllr Potter, provided the verbal update as chair of the Specific Reserves Working group, and quantified that all reserves had been committed or earmarked.

Cllr Bolshaw reiterated the point that all reserves were earmarked or committed. The Director of Finance advised Councillors that this was still an important process to go through, as Councillors need to be confident that reserves are being managed appropriately.

Cllr Sweetman enquired as to whether or not a reserve for the combined authority had been established. The Director of Finance indicated that there was not a reserve for the combined authority but that £50,000 had been committed from the transformation reserve. The Director of Finance stated that this was not currently reflected in the Medium Term Financial Strategy but that it is being monitored.

The Director of Finance indicated future reports would come forward to Cabinet and that these may also be subject to pre decision scrutiny if there was to be any impact on the structure and strategy of the Council.

Resolved:

- (1) To note the update from the Specific Reserves Working Group.
- (2) To receive updates and reports regarding to the combined authority that may impact on the structure or organisation of the Council.