

Confident, Capable Council Scrutiny Panel

Minutes - 2 December 2015

Attendance

Members of the Confident, Capable Council Scrutiny Panel

Cllr Alan Bolshaw
Cllr Mary Bateman
Cllr Caroline Siarkiewicz
Cllr Andrew Wynne (Vice-Chair)
Cllr Harbans Bagri
Cllr Milkinderpal Jaspal
Cllr Rita Potter (Chair)
Cllr Payal Bedi

Employees

Earl Piggott-Smith	Scrutiny Officer
Claire Nye	Chief Accountant
Mark Taylor	Director of Finance
Sue Handy	Head of Customer Service
Andy Hoare	Head of Services – ICT

In attendance

Cllr Paul Sweet	Cabinet Member for Governance
Cllr Andrew Johnson	Cabinet Member for Resources

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies**
Apologies were received from the following member(s) of the panel:

Cllr Jasbir Jaspal
Cllr Jacqueline Sweetman
Cllr Wendy Thompson
- 2 Declarations of interest**
There were no declarations of interest.
- 3 Minutes of previous meeting (7.10.15)**
That the minutes of the meeting held on 7 October be approved as a correct record and signed by the Chair.

4 **Matters arising**

Minute 6 - Future Money – Income Generation (Savings Proposals)resources

The panel were advised that a briefing paper was sent to members. A more detailed report on the performance of Agresso payment system will be presented to the panel on 3.2.16.

5 **Budget Review - Draft Budget 2016/17**

Cllr Potter invited Claire Nye, Chief Accountant, to present the report to panel. The Chief Accountant gave a brief introduction to the report and explained that members of the panel were invited to provide feedback on the savings proposals. The comments would be presented in a report to Scrutiny Board for their consideration.

Cllr Andrew Johnson, Cabinet Member for Resources, gave a brief introduction to the report and invited panel members to comment on the proposals summarised in Appendix A, B and C. The panel comments on the proposals were as follows:

Customer Services Transformation – accelerate existing savings

The panel asked for an explanation of the “lift and shift” methodology. Cabinet Member for Resources explained that the term refers to the process of bringing in backroom function services to a central location and over a period of time making changes to make them efficient and responsive to customer needs. Sue Handy, Head of Customer Services, gave examples of services where changes had been made to make them more efficient by removing unnecessary stages in the process. This process has led to a reduction in the resources needed and lower administrative costs to the Council.

Review of council tax scheme and discounts

Cabinet Member for Resources explained that the changes are to confirm eligibility and reduce the level of fraud. The process will involve introducing new procedures and the sharing of intelligence. The end of the discretionary council tax discount for the first 21 days will have implications for Wolverhampton Homes and other housing providers in terms of the management of voids. There will be exemptions to the policy if the property needs major work done to meet the necessary standard.

The panel queried the reason for not introducing the policy change earlier. Cabinet Member for Resources explained that there had been discussions three years ago to consider this issue. However, at the time there was a consensus that 21 days was a reasonable time period to grant a discount given for an empty property.

The panel queried if the policy change applies to charities or voluntary sector bodies owning property. Cabinet Member for Resources explained that charities pay business rates and are not affected by the proposed changes and would receive either a discount between of 80% to 100% depending on circumstances on their business rates.

Review of ICT requirements

No panel comments.

Efficiencies within Financial Services

No panel comments.

Revised approach to Procurement

No panel comments.

Review residual fraud resource (within Internal Audit)

Cabinet Member for Resources outlined the change. The proposal has been discussed with the Head of Audit and the Chair of Audit Committee. No panel comments

Charges for late payment of invoices

Cabinet Member for Resources outlined the change. The panel commented that this should have introduced earlier. Cabinet Member for Resources explained that there is an administrative cost involved in chasing late payment of invoices which would have affected the amount of any potential savings. Furthermore, the previous finance systems would not have been able to complete the task. The introduction of Agresso system has made it possible to recommend the introduction of charges for the late payment of invoice.

Review of Staff Training

Cllr Paul Sweet, Cabinet Member for Governance, gave an overview of the proposed change. Cabinet Member for Governance explained that the changes have been discussed with employees and no concerns were expressed. The panel were advised that the reduction of £90,000 was equivalent of 10% of the total budget.

Governance Restructure

Cabinet Member for Governance explained that the changes would affect posts in middle management. The work is part of a process of wanting to deliver a leaner and more effective service. Cabinet Member for Governance acknowledged how well the workforce had responded to the challenge.

The panel queried if the impact of previous restructures had led to increased levels of reported stress related illnesses. Cabinet Member for Governance commented that this issue has been considered in recognition of increased demands. Cabinet Member for Governance explained that a paper proposing changes to the current sickness absence policies will be considered by Cabinet Resources on 15.12.15.

The panel discussed the extent to which the loss of senior staff with knowledge and experience was impacting on efforts to deliver improved quality of services.

The panel commented on the increase in the number of interim posts and the extent to which this had reduced the potential savings from previous restructures. Cabinet Member for Governance outlined the benefits of interims and their role in supporting the work of the Council. Cabinet Member for Governance explained that changes to internal structures were intended to create a leaner and flatter organisation and were not simply a cost cutting measure.

The panel repeated concern about retaining knowledge and experience of local government within the organisation and the importance of keeping it. Cabinet Member for Governance expressed confidence in the recruitment process and that it is delivering the necessary employees with the necessary skills and experience.

Net Employee On-cost Savings due to clearing strain balance owing to West Midlands Pension Fund at the end of 2014/15

Cabinet Member for Resources explained the reasons for proposing the changes and the financial benefits to the Council.

No panel comments.

Review of Centro Levy

Cabinet Member for Resources explained that the proposal follows a recommendation of the leaders of the local authorities that the levy should be reduced.

Review of Pensions costs

Cabinet Member for Resources explained the background to the proposed change.

No panel comments.

Treasury Management savings including Minimum Revenue Provision

Cabinet Member for Resources explained the background to the change and also the work of the treasury management team who look for opportunities to maximise income by taking advantage of changes in interest rates. The task is complicated by the level of uncertainty about the direction of national interest rate policies and their impact on savings rates. The low rates of interest rates presents a challenge in maximising returns on Council funds.

Cabinet Member for Resources expressed his thanks for the work of treasury management team in looking after the Council's finances

Revenues and Benefits – Maximisation of grants and other efficiencies

Cabinet Member for Resources explained the background to the proposed change. The panel queried if the proposal relates to the planned introduction of Universal Credit. Cabinet Member for Resources explained that this proposal was unrelated.

Budget Growth

The panel queried the assumptions in the table. The panel were advised that the growth figure for pay award is based on an assumption about the outcome of national negotiations of a likely 1% increase. Cabinet Member for Resources commented on the challenge that care homes will face in paying the national living wage.

The impact of the proposals detailed in the Autumn Statement is still to be determined. The impact of changes to the business rates policy and responsibility for Public Health is a cause for concern.

Resolved:

The panel's comments on the savings proposal be included in the report to be presented to Scrutiny Board.

6 Terms of Reference and Nominations for Specific Reserves Working Group

The panel accepted the recommendation to set up a specific reserves working group. The Chair made the following nominations:

Cllr Potter
Cllr Bolshaw
Cllr Mary Bateman
Cllr Thompson

Resolved:

A specific reserves working group to be set up . Scrutiny Officer to agree a date for a meeting in January 2016 and contact nominees to advise them.

The meeting closed at 19:03