

## **CORPORATE ISSUES SCRUTINY COMMITTEE**

**24<sup>TH</sup> AUGUST 2009**

Present – Councillors Shaw (Chairman), Ashcroft, Cottam, Mrs. Fairclough (as deputy for Councillor P. Brierley), Hayes, Hollick, Hornby, Mistry, J. Silvester, Spencer, J. Walsh and Zamen (as deputy for Councillor Chadwick)

### Also in Attendance

Councillor Thomas	- Executive Member for Corporate Resources and Health
Councillor Kay	- Executive Member for Human Resources and Diversity
Mr. I. D. Mulholland	- Principal Scrutiny Officer
Ms. S. Johnson	- Deputy Director of Corporate Resources
Mr. A. Eastwood	- Director of the Chief Executive's Department
Ms. C. Hyams	- Assistant Director, Human Resources and Organisation Development

Apologies for absence were received from Councillors P. Brierley, Chadwick and Councillor Morris as Executive Member for Strategy and External Relationships

Councillor Shaw in the Chair

### **6. MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting of the Committee held on 15<sup>th</sup> June 2009 were submitted.

Resolved – That the minutes be approved as a correct record

### **7. MONITORING OF DECISIONS**

The Director of the Chief Executive's Department reported that there were currently no outstanding matters.

Resolved – That the position be noted

## **8. ANNUAL WORK PROGRAMME**

The Director of the Chief Executive's Department submitted a report which set out details of the Committee Work Programme for the 2009/2010 Municipal Year.

Members discussed the Work Programme, in terms of any amendments that could be made.

With regard to the Progress of the Property Maintenance Scrutiny Panel, Members were advised that three productive meetings had focussed in on:-

- buildings in the Council's ownership and the maintenance backlog position;
- Corporate Property Management models;
- Property Performance – targets and reporting mechanisms.

At the next meeting Members would hone in on building scoring for operational and non-operational buildings and indicative views on non-operational buildings.

Resolved – (i) That the consideration of the Sickness Absence item be moved from October to December and the Employment Monitoring item be moved from February 2010 to April 2010.

(ii) That the updated Work Programme be approved.

(iii) That the Progress of the Property Maintenance Scrutiny Panel be noted.

## **9. CENTRAL DEPARTMENTS PERFORMANCE MONITORING REPORT, 2008/09**

The Director of Corporate Resources and the Director of the Chief Executive's Department submitted a report which set out the performance of the Central Departments in delivering Bolton's priorities. It also outlined improvement actions wherever this performance was off track.

Members were informed that as part of the Council's approach to performance management, Executive Members had a key role in driving performance management in their portfolios, working with the Directors to ensure Departments delivered against their agreed priorities.

The joint business planning for the central department worked well as they, collectively, had an important role to play in helping the Council deliver its priorities, such as:

- providing leadership and strategic performance management to the Council and supporting Members in delivering their priorities;
- corporate leadership and delivery on a wide range of key policy areas, such as neighbourhood renewal, value for money, communications, people and property management;
- providing strategic and operational support to key programmes of change such as Building Schools for the Future and the Town Centre Action Framework;
- delivery of a range of high profile and significant front line services including the one stop shop and contact centre, revenues and benefits and elections.

Members in their discussions referred to the lack of guidance available concerning the Local Government and Public Involvement in Health Act.

Resolved – (i) That this Committee notes the submitted Performance Dashboard and continues in the future to monitor the key indicators.

(ii) That an update be given at the next meeting regarding section 4.7.6 (Revenues and Benefits performance) in the report which relates to levels of fraud investigations, recovery of overpayments and the percentage of new claims paid.

## **10. SAVINGS STRATEGY**

The Director of Corporate Resources submitted a report in response to the Committee's request for information on external funding at its meeting on 15<sup>th</sup> June 2009, when considering the Work Programme for 2009/2010. The topics that had been identified were:-

- where savings had been made in the Council over recent years; and
- the identification of targets to inform Value for Money in future years.

Members were informed that the identification of efficiency savings had been a major element of the budget process for several years and the Council had been successful in delivering these savings which met both the need to deliver a sound financial strategy for the Council and also the requirements of the Gershon agenda.

During the budget each year, each services area identified savings that could be achieved and after careful examination and challenge, these were approved by full Council. Key themes had emerged, with predominantly the ability to generate additional income and the adoption of different working practices and service delivery models. There were challenges in achieving all of these and the strategy being adopted towards future savings sought to recognise these challenges and deal with them.

Members in their discussions referred to:-

- budget cuts/better ways of working;
- IT corporate consistency and Savings due to technological advances.
- savings delivery.
- failure to deliver savings.

Resolved – (i) That the report be welcomed.

(ii) That information be provided to future meetings, as necessary, detailing where identified savings have failed to be delivered.

(iii) That details of savings made due to improvements in technology be provided to a future meeting.

## **11. FUNDING SOURCES**

The Director of Corporate Resources submitted a report in response to the Committee's request for information on external funding at its meeting on 15<sup>th</sup> June 2009, when considering the 2009/2010 Work Programme. The topics which had been identified were:-

- £26 million external funding currently received to fund posts and schemes; and
- security of these monies and the options available should the funding end.

Members were informed that during 2009/2010, the Council would receive £26 million under the Area Based Grant (ABG) regime, which was a non-ring-fenced grant made up of former specific grants from government departments. Whilst the Council was free to use ABG to support national, regional and local priorities some of the grants supported statutory requirements and therefore, there was little flexibility in re-directing these resources to other priority areas. The grants could be broken down into those which delivered a statutory activity, for which alternative mainstream resources would need to be found should ABG be used differently, those which delivered activities which supported some of the Departments' greatest priorities or have a degree of expectation from the issuing government department and those funds which could be used more flexibly.

Members in their discussions discussed the need to look at the options for various exit strategies and possible future mainstream revenue consequences. It was indicated that this issue was being discussed by management and strategies being worked out.

Resolved – That the position be noted.

## **12. ACCOUNTING**

The Director of Corporate Resources submitted a report in response to the Committee's request for background information on accountancy issues at its meeting on 15<sup>th</sup> June 2009. The topics that were identified were:-

- International Accounting Standards;
- Cost Centred Accounting; and
- Trade Accounts Operated by the Council.

The report highlighted that Bolton Council along with the rest of local government was required to adopt International Accounting standards from 1<sup>st</sup> April 2010 i.e. for the Financial Year 2010/11. Comparative information would be required for 2009/10.

Although the government had made the decision that the change would be made, detailed accounting requirements had not yet been finalised. Whilst requirements were indicated by the International Financial Reporting Standards (IFRS) themselves, they were expressed as general principles and not framed to take into account financial structures within the public sector. Other parts of the UK public sector (e.g. Health, Government Departments) were required to adopt international standards from 2009/10 thus there was some public sector guidance available although it was not specific to local government.

Private Sector experience had been that the financial statements had become longer, taken more resources to prepare and been harder for the non-specialist to understand.

Members discussed issues around cost central accounting trading accounts and the need to make the true costs clearer.

Resolved – That the position be noted.

## **13. WORK FORCE**

The Director of the Chief Executive's Department submitted a report to update the Committee on the strategies for retraining/succession plan in a value for money environment.

Members were informed that the Council, was facing considerable financial challenges and as a result, Value for Money reviews should be used. The impact on the workforce was as follows:-

- Actual and potential redundancies;
- Limited recruitment to enable re-deployment and remodelling of jobs;
- Service re-design, focussed on reviewed and identified priorities delivered with less staff; and
- Requirement for new and flexible ways of working.

To deliver this, the Council needed to address the challenges of:-

- Cost, whereby there would be a delivery of more was less, therefore reducing workforce costs;
- Performance, by ensuring the workforce delivered performance;
- Motivation and alignment to make sure the workforce delivered the services direct to corporate objectives and continue to be motivated to deliver their best; and
- Capacity, to ensure that the Council had the capacity to deliver current and future objectives.

Members in their deliberations referred to the possible benefits of highlighting the positive experiences of staff working for the Council who had previously worked elsewhere. It was indicated that the Department was always looking at better ways of highlighting the positives.

Members went on to discuss and express some concern regarding the challenges ahead, particularly in relation to capacity issues and micromanagement.

Resolved – (i) That the informative report be welcomed.

(ii) That at the next meeting specific information be provided regarding the Council's plans to manage capacity in the light of the current financial constraints.

#### **14. MEMBERS' BUSINESS**

The Committee received the extract of minutes of other meetings of the Council relevant to the remit of this Committee:-

- a) Extract of the Executive held on 29<sup>th</sup> June 2009;
- b) Extract of the Executive Member for Corporate Resources and Health held on 30<sup>th</sup> June and 28 July 2009;
- c) Executive Member for Strategy and External Relationships held on 29<sup>th</sup> July 2009;
- d) Executive Member for Human Resources and Diversity held on 1<sup>st</sup> and 29<sup>th</sup> July 2009;
- e) Human Resources and Diversity Policy Development Group held on 10<sup>th</sup> July 2009;
- f) Corporate Resources and Health Policy Development Group held on 14<sup>th</sup> July 2009; and
- g) Budget Policy Development Group held on 23<sup>rd</sup> June 2009.

Further to minute 16 of the minutes of the Executive held on 29<sup>th</sup> June, 2009 Members enquired as to the actual amount allocated.

In respect of minute 11, Area Working Update of the minutes of the Corporate Resources, Strategy and Health Policy Development Group held on 14<sup>th</sup> July, 2009, Members referred to the increase in attendance at Area Forum meetings.

Resolved – That the minutes of various meetings be noted.

(The meeting commenced at 6.00 pm and ended at 7.25 pm.)



