

CORPORATE SCRUTINY AND PERFORMANCE PANEL

Monday 26 November 2007 at 6.00 p.m.

Panel Members present Councillor M. Longhi (Chair)
Councillor M. Bird
Councillor J. Cook
Councillor J. Rochelle
Councillor H. Sarohi
Councillor C. Towe
Councillor D. Turner

Officers present Rob Flinter – Assistant Director – Performance Management
Sarah Homer – Assistant Director – Strategic Transformation
James Walsh – Assistant Director – Finance
Lynn Hall – Head of Benefits
Sharon Tait – Head of Revenues
Michael Tomlinson - Central Accounting, Capital & Treasury Manager
Craig Goodall – Scrutiny Officer

29/07 APOLOGIES

Apologies for non-attendance were submitted on behalf of Councillors M. Nazir and J. Phillips.

30/07 SUBSTITUTIONS

There were no substitutions for the duration of this meeting.

31/07 DECLARATIONS OF INTEREST AND PARTY WHIP

There were no declarations of interest or party whip identified at this meeting.

32/07 MINUTES OF PREVIOUS

Resolved

That the minutes of the meeting held on 25 October 2007, copies having previously been circulated, be approved as a true and accurate record.

(annexed)

33/07 FORWARD PLAN

The forward plan as at 9 November 2007 was submitted.

(annexed)

Resolved

That the forward plan be noted.

34/07 WALSALL COUNCIL FINANCIAL POSITION 2008/09

Members considered the financial overview, context and process for setting the Walsall Council 2008/09 budget.

Michael Tomlinson gave a presentation on the expected financial position for Walsall Council during 2008/09.

(annexed)

The following are the principle points from the ensuing discussion:

- In order to assist Members in making recommendations during the budget setting process services had been split into 'must do' and 'could do' services.
- Draft budgets had been prepared on the basis of a 3% council tax rise.
- It was anticipated that a number of grants would combined as part of the Local Area Agreement (LAA).
- A list of services funded by Neighbourhood Renewal Fund (NRF) was considered desirable.
- It was anticipated that there would be a gap in the budget of approximately £4.5m.

In response to a question James Walsh clarified that an indication of the settlement from Government was expected during the first week of December. The final settlement was received at the end of January. There was usually only a small difference between the indicated and final settlements. Members noted that details of grants would not be available until the final settlement was known.

Members proposed considering the budget options again after an indication of the Government settlement had been received so that they could make recommendations to Cabinet based on firm figures rather than officer estimates.

35/07 CORPORATE SERVICES FINANCIAL OVERVIEW 2007/08

Members considered the current financial position for the Corporate Services Directorate at Walsall Council and its likely outturn position.

Michael Tomlinson gave a presentation on the financial overview of the corporate services directorate.

(annexed)

The following are the principle points from the ensuing discussion:

- The base budget for Corporate Services in 2007/08 was almost £25m.
- Use of reserves to fund service areas had been planned.
- There was £4.4m of 'could do' services delivered by the directorate.
- If all proposed expenditure and efficiencies were approved for corporate services there would be a £363,000 net increase on the budget.

36/07 CORPORATE SERVICES BUDGET OPTIONS 2008/09

Members considered the draft budget options for the Corporate Services Directorate at Walsall Council for 2008/09.

The Panel reviewed the list of potential new investments contained in Appendix 1 to the report.

Revenues & Benefits - Reduction in Admin Grant

Members felt that due to the resources provided to the revenues and benefits service to improve performance that this investment should be supported. It was important to capitalise on the success of the electronic document management system and allow the service to maintain the momentum it had gained.

Legal Services - 2 x Conveyancer, Salary Review and Publications

James Walsh informed Members that legal services was suffering from staffing and recruitment difficulties. Current work loads required more staff but as pay levels were lower than other nearby local authorities it was difficult to recruit additional staff. An investment was required for legal publications to bring the legal library up to date.

In response to questions Sarah Homer informed Members that the salary review would have no implications on Single Status arrangements.

The Panel supported all three proposed investments for legal services and commended the current team for the excellent service that they provided.

Strategic Transformation – Transformation Team and Web Development Officer

Sarah Homer informed Members that the investment for two transformation consultants and an assistant would assist in the delivery of producing efficiency and cashable savings across the Council. A web development officer was required to supplement the existing team to provide increased information and facilities on the Councils website. Content editors were being trained across the Council to reduce the need for a central team.

Member supported both proposed investments.

Human Resources and Development – Trade Union Posts and Job Evaluation Manager

Sarah Homer reported that these investments were required to support the introduction of Single Status arrangements to the Council. These costs had previously been met from reserves. It was anticipated that the proposed costs would only be required for one year.

Members expressed concern that these costs would be required for more than one year and asked for the cost to be continued to be met from reserves.

Property Services – Redundant Buildings

Instead of bearing the cost of maintaining the security of redundant buildings the Panel expressed the desire for any redundant buildings in the Councils property portfolio to be sold.

Corporate Equality Learning and Development Plan

In response to a series of questions Sarah Homer clarified that this investment was required to allow the Council to build on its existing corporate knowledge and improve overall awareness of equalities issues up to a level 3 standard. This should help to prevent the Council becoming involved in employment tribunals. The £52,000 investment would provide a member of staff and a training budget.

Members questioned how it was possible to quantify the success or otherwise of the investment. Sarah Homer clarified that it would be difficult to quantify the success of the investment in terms of savings created but the training was a clear sign to external assessors that the Council was committed to training and investing in equalities and its staff.

Members felt that this was a worthwhile investment.

Business Support – Review of Social Care and Inclusion Administration IT Systems

James Walsh explained that this investment was required to ensure the accuracy of accounts payable on the Oracle system and address the current strain on the system. It was clarified that this was proposed investment was for new software.

Members supported the proposed investment.

The Panel reviewed the list of potential efficiencies attached at Appendix 2 to the report.

Revenues and Benefits - Reduction in car mileage claims

Members were informed that this reduction could be created if some staff no longer needed to be essential car users.

Revenues and Benefits – Changes to Out of Hours Payments

A review had created the potential to change out of hours payments to some staff. Out of hours working could be treated in the same manner as other Council staff rather than paid as overtime.

HRD – Employee Services Transactional Services, Transactional Team and Payroll/Pensions Control

It was proposed that five posts could be saved across these three areas.

Business Support – Admin Support to Children & Young People's Services and Social Care & Inclusion Services, accounts payable and accounts receivable savings, efficiencies arising from the Oracle project and admin support to HRD Organisational activity

It was proposed four posts from eighty staff in each service area could be saved.

Members expressed concern about the reductions in staff due to the potential impact it could have on supporting children in the borough.

Members requested a risk assessment on the likely impact of the staff reductions so that they could make an informed recommendation to Cabinet.

Performance Management – Reduction in audit fees following implementation of Corporate Area Assessment

Rob Flinter informed Members that there would be a reduction in Audit Commission fees due the move from corporate performance assessment to corporate area assessment in 2009. This was due to a proposed reduction in inspections and assessments such as corporate assessments and joint area reviews. It was noted that an annual assessment of use of resources and a direction of travel assessment process would be retained.

Internal Audit – reduction in training budgets

Members supported the proposed efficiencies.

Finance – Reduction in debt charge costs for Magistrates courts, restructure of service support finance teams and finance support to services and streamlining of monitoring process due to Oracle improvements

Members supported the proposed efficiencies.

Strategic Transformation – Reduction in training budgets

Following the earlier proposal to make investments into the Strategic Transformation team Members felt that it would be detrimental to reduce the training budget so did not support the proposed efficiency.

Appendix 3 to the report was noted.

The Panel considered the range of 'discretionary services' attached at Appendix 4 to the report.

The Panel supported the retention of all the discretionary services operated by the Council specifically the Welfare Rights Service and secretarial support to senior managers.

Resolved

That following consideration of the draft budget options presented to it the corporate scrutiny and performance panel wish to make the following recommendations, however, the panel wish to reserve the right to alter their recommendations in light of the receipt of an indication from the Government on what the financial settlement for Walsall Council in 2008/09 will be:

Investments

The Panel:

- a) support investment to revenues and benefits to make up for lost finance created by a 3% government reduction in housing benefit administration grant;
- b) support the proposed investment to provide the addition of: two conveyancers plus an improved salary and legal publications budget for legal services;
- c) support the proposed addition of two transformation consultants, a transformation assistant and a web development officer for strategic transformation;
- d) funding for the Job Evaluation Manager and Trade Union posts to support the implementation of single status arrangements be met from reserves and not become a part of baseline funding;
- e) investment funding not be provided for redundant buildings and the Cabinet be encouraged to sell all redundant buildings within its property portfolio;
- f) support the investment for the corporate equality learning and development plan;
- g) support the investment for the review of social care and inclusion financial administration information technology systems;

Efficiencies

The Panel:

- h) support the proposed efficiencies for reduction in car mileage claims and changes to out of hours activity in revenue and benefits;
- i) support the proposed efficiencies in employee services transactional recruitment, administration of the all aspects of the employee life cycle and payroll/pensions control in human resources and development;
- j) support the proposed efficiencies arising from the Oracle project; savings in accounts payable and accounts receivable in business support; and administration support to human resources and development organisational development from business support;
- k) request a risk assessment for their next budget meeting on the likely impact of efficiencies in administration support to Children and Young People's services and Social Care and Inclusion from business support;
- l) support the proposed efficiencies in audit fees following implementation of comprehensive area assessment;
- m) support the proposed efficiencies in reducing training budgets in internal audit;
- n) support the proposed efficiencies in: reduced debt charge costs for magistrates courts; restructure of service support finance teams and finance support to services; and streamlining of financial monitoring process due to Oracle improvements in the Finance Team;
- o) rejected the proposed efficiencies in reducing the training budget in strategic transformation.

Discretionary Services

That:

- p) the panel wish to see the retention of all discretionary services operated by Walsall Council with particular importance paid to the retention of:
 - a. Welfare Rights Service; and

- b. Secretarial support to senior managers.

Future Considerations

That:

- q) the panel reconsider the budget proposals at its meeting on 13 December 2007 following the receipt of an indication from the Government on what the financial settlement for Walsall Council in 2008/09 will be.

09/07 DATE OF NEXT MEETING

The date of the next meeting was confirmed as 6.00pm on Wednesday 26 November 2007.

The meeting terminated at 8.28 pm.

Chair:

Date: