



MINUTES

SCRUTINY COMMITTEE

4.30 p.m. – 6.05 p.m.

27 August 2009

Present: Councillors Stephenson (Chair), Watkins (Vice Chair), Fairbairn, George (substitute for A Little), Gihawi, Jeraj, Offord, Ramsay and Wiltshire

In Attendance: Councillor Morphew

Apologies: Councillor Blower, Driver and A Little

1. MINUTES

RESOLVED to agree the accuracy of the minutes of the meeting held on 16 July 2009.

2. MEDIUM TERM FINANCIAL STRATEGY

The head of finance gave a presentation on the medium term financial strategy. He explained the purpose of the strategy and the way it was used. He said that the strategy was very much a living document and was tested against the corporate plan on a monthly basis as well as when there was any significant movement in finances.

The head of finance answered a number of questions about the latest financial projections. A member expressed concern about the possible reduction in reserves. The chief executive officer said however that action was being taken to achieve savings in the current budget from things such as vacancy management and other efficiency savings which should help the situation. Relevant information was included in the quarterly outturn reports to the executive.

The head of finance also answered questions about the costs of administering the benefits services. An additional grant of £130,000 had been received this year to meet the costs of additional benefits staff.

He said that the council did not have any control over the national non domestic rate which was set nationally. The council collected about £70 million in the city and got back some £12 to £13 million.

The chief executive officer said that no progress had been made in obtaining relief from the costs of concessionary bus fares. The matter was currently in the hands of ministers and civil servants. She was not aware of any legal grounds for challenging the position.

The head of finance said that a consultation document was out at present on the government's proposals for reforming council house finance. Whilst at first sight this seemed a good thing for Norwich given that we currently received a negative housing subsidy, the government was also likely looking to re-distribute the debts of other authorities.

RESOLVED to –

- (1) note the position;
- (2) review the strategy on a quarterly basis for the time being.

3. CORPORATE IMPROVEMENT AND EFFICIENCY PROGRAMME

The director of transformation updated members on progress with the corporate improvement and efficiency programme. There was a funding gap of approximately £8 million now but it was also necessary to plan ahead for possible further future reductions in local government funding. Efficiency savings of approximately £5.5 million had been identified with no or low impact on frontline services and only minor impact on staff. This left a requirement for further savings of some £2.5 million where more difficult decisions would be required involving service reductions to frontline services and implications for staff.

He said it was intended that a report would be submitted to executive in September setting out options for efficiency savings for immediate implementation and service reduction options where further work was required with an implementation date of April 2010. The report would also address consultation arrangements.

He circulated papers setting out the council's direct spend, excluding the housing revenue account, split between statutory/part statutory services, discretionary services and support services. Deloitte had indicated that the council spend on discretionary services was relatively high compared to comparable districts. The discretionary services were however usually high profile and well regarded by local people. Spend on support services had also been found to be slightly higher than comparable authorities.

The head of communications and cultural services answered questions about the arrangements to be made for public consultation. Consultation would be undertaken in a number of different ways. It was however first necessary to decide exactly what questions we wanted to ask. She did not, for instance, anticipate that it would be necessary to consult on the efficiency savings.

In reply to a question the director of transformation said that some efficiency savings, such as the vacancy freeze, savings on postage, savings on travel costs etc, were already being implemented. There were further efficiency savings that could be

introduced almost immediately if agreed by the executive. Savings arising from contractual arrangements could be introduced from April 2010.

A member expressed concerns that details of the proposed efficiency savings were not available at this meeting for pre scrutiny prior to consideration by the executive. The chief executive officer pointed out that long term some of the efficiency savings could affect staff. It would be difficult to bring the savings to scrutiny before consideration by the executive and still have time for staff consultation in the autumn. Scrutiny would, however, have the opportunity to comment alongside staff and other consultees. Councillor Morpew said that he would be happy to hold up the implementation of any of the efficiency savings if particular concerns were raised by the scrutiny committee. He would, however, anticipate that scrutiny would want to concentrate on those savings resulting in service reductions. Executive would consider consultation arrangements in September. Scrutiny would be involved in the process before a final decision was made either before September executive if time was available or afterwards.

The director of transformation said that work was being done with other Norfolk authorities to investigate the possibility of shared services although this was a medium to long term project. The council was also looking to learn from good practice by other local authorities.

RESOLVED to –

- (1) note the report;
- (2) consider income and charging issues relating to the corporate improvement and efficiency programme at the meeting on 15 October 2009.

4. JOHN JONES

The chair pointed out that this was the last scrutiny committee John Jones would be attending before leaving the authority.

RESOLVED to thank John Jones for his past work on behalf of the committee.

CHAIR