

MINUTES OF A MEETING OF THE
CORPORATE BUSINESS SCRUTINY
COMMITTEE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 21 AUGUST 2012, AT 7.00 PM

PRESENT: Councillor D Andrews (Chairman).
Councillors E Bedford, S Bull, K Crofton,
G Jones, W Mortimer, J Ranger,
G Williamson and M Wood.

ALSO PRESENT:

Councillors P Phillips, P Ruffles and
N Symonds.

OFFICERS IN ATTENDANCE:

Chris Cooper	- Information Manager
Marian Langley	- Scrutiny Officer
Alan Madin	- Director of Internal Services
Peter Mannings	- Democratic Services Officer
Ceri Pettit	- Corporate Planning and Performance Manager
George A Robertson	- Chief Executive and Director of Customer and Community Services

257 APOLOGIES

Apologies for absence were submitted on behalf of Councillors J Mayes, T Page, M Pope and J Wing. It was noted that Councillors S Bull, K Crofton and M Wood were substituting for Councillors T Page, J Mayes and J Wing respectively.

258 MINUTES - 17 JULY 2012

RESOLVED – that the Minutes of the meeting held on 17 July 2012 be confirmed as a correct record and signed by the Chairman.

259 FREEDOM OF INFORMATION

The Head of Customer Services submitted a report detailing a summary of the Freedom of Information (FOI) requests received by the Council and also providing an indication of the costs of managing them.

The Information Manager advised Members that this report followed the update that was submitted in May 2011. Members were referred to the Essential Reference Papers for an overview of the current situation regarding FOI requests.

Members were advised that the most FOI requests related to a number of sections, these being Human Resources, Contract Services, Democratic and Legal Support Services, Accountancy and Revenues and Benefits.

The Information Manager advised that the Authority had 20 days to respond to an FOI request and the Council had no authority to enquire as to the capacity of the person making the request or their reasons for seeking the information.

Members were further advised that a new system had gone live in June 2012 for the management of FOI requests. Officers hoped that the average cost of managing each request would fall to £26.56 resulting in total efficiency savings of £11,000 in handling FOI requests.

The Chairman reminded Members that the Authority was obliged to disclose any information that was held in respect of any aspect of Council business subject to

compliance with the Data Protection Act. In response to a query from Councillor M Wood, Members were advised that a name and address was required from the person making the request. The Authority was not permitted however, to seek a business name or seek to ascertain the place of work for the person making the request.

The Information Manager gave a short presentation detailing an overview of how the new FOI system worked. Members were advised that many aspects of the system were automated and saved Officers time when overseeing the management of FOI requests.

In response to a query from Councillor J Ranger, Members were advised that the number of FOI requests was increasing year on year and the actual time spent per request was reducing due to the new system. In response to a query from Councillor G Jones, Members were advised that there were no particular peak periods for FOI requests in a typical year.

Members received the report.

RESOLVED – that the report be received.

260 CORPORATE ANNUAL REPORT 2011/12

The Chief Executive and Director of Customer and Community Services submitted a report providing Members with an initial draft of the Council's Annual Report for 2011/12.

Members were advised that the Annual Report documented key achievements against each of the corporate priorities over the last financial year. The report also contained financial information which provided an overview of the council's financial position for the year in question. There would be further minor changes to the working draft of the report before it was reported to the Executive on 4 September 2012.

In response to a query from Councillor S Bull regarding

Housing Benefit, the Director of Internal Services stated the Council's performance was broadly in line with other Local Authorities.

Councillors G Jones and M Wood stated that the profile of the District in the Annual Report appeared to focus more on the rural areas, whereas the majority of the East Herts population was concentrated in the 5 main towns. They commented on whether the report should be amended to reflect this.

The Committee received the report.

RESOLVED – that the 2011/12 Annual Report be recommended to the Executive for approval.

261 CORPORATE STRATEGIC PLAN 2013/14 - 2016/17

The Chief Executive and Director of Customer and Community Services submitted a report presenting a draft of the Council's Corporate Strategic Plan which outlined the Council's priorities for the next four years and the key outcomes it hoped to achieve. The report also highlighted the high level priorities and identified the key outcomes that will be achieved.

Members were advised that the report set out the developing roles of the Authority in ensuring good services were delivered whilst also acting as an enabler when working with other organisations, such as the Local Strategic Partnership.

Councillor J Ranger commented that the wording of the Council's vision on page 58 of Essential Reference Paper 'B' might be revised to include the words 'best' or 'effectively' when referring to the Council's use of staff resources. The Chief Executive and Director of Customer and Community Services asked Members to e-mail Officers with any further comments in respect of the Corporate Strategic Plan.

The Committee received the report.

RESOLVED – that the Corporate Strategic Plan for 2013/14 to 2016/17 be recommended to the Executive for approval.

262 MEDIUM TERM FINANCIAL STRATEGY (2013/14 TO 2016/17)

The Executive Member for Finance submitted a report inviting Members of the Corporate Business Scrutiny Committee to consider revisions to the Financial Strategy including policy on reserves and the proposed planning assumptions to be used to update the Medium Term Financial Plan and to make recommendations to the Executive.

The Director of Internal Services referred to this report being the prelude to the annual budget round. Members were advised that, due to the added level of complexity of this report, it had been broken up into 4 parts.

Introducing Part 1, The Director of Internal Services reminded Members that the number of benefit claimants was increasing although the rate of increase was falling. He also stated that the risk of increasing entitlement to council tax discount would be shared by East Herts, the County Council and the Police Authority pro rata to each Authority's rate of council tax.

Members were advised that the cost of benefits to be awarded by East Herts in 2012/13 was estimated at £7m, which would reduce to an estimated £6.65m on implementation of the new scheme of council tax discounts. Members were reminded that an allowance would need to be made for some growth in numbers becoming entitled to the new discount.

The Director of Internal Services advised that, for 2013/14, the latest estimate was that the discount scheme would reduce council tax income to East Herts by £733k, which would be offset by a government grant of £675k. Members were advised that each 1% increase in

the cost of discounts above the estimate would cost £7.3k and would not be offset by a grant increase.

The Director of Internal Services further advised that although the business rate retention scheme was starting from 1 April 2013, this did not mean that East Herts Council would be setting business rates. The portion of the rate collected by the Government would be returned to the Authority and there was no risk to East Herts Council in respect of this scheme.

Councillor J Ranger commented on whether the Government's estimate in respect of business rate income was in line with East Herts Council's estimate. The Director advised that until the 2013/14 accounts were closed in June 2014, the Authority would not know whether actual business rate income and the amount retained matched the estimate, although in-year monitoring would alert Officers to significant variations.

Under Part 2, Members were advised that the Financial Strategy and the Medium Term Financial Plan (MTFP) had a 5 year focus and Officers had made reasonable assumptions in terms of expected income and costs.

The Director of Internal Services stressed that it might be appropriate to put the next 5 years into the context of longer term trends given suggestions that austerity might last until 2020. Members were referred to paragraph 3.4 of the report for the most significant service drivers and cost pressures in the period up to 2019/20. Members urged caution when considering any period beyond the 5 year timescale as future changes were too uncertain to be used for any detailed planning.

The Director of Internal Services reminded Members that the Government always took a view on levels of local government spending, in respect of the national spending control for 2013/14. A reduction of Revenue Support Grant by the Government would continue to exert considerable pressure at the aggregate level on Local Authority spending even if Authorities had increased

business rate income.

The Director of Internal Services advised that all other assumptions detailed in Parts 3 and 4 of the MTFP strategy were included on the basis that all identified savings would be delivered. The MTFP also assumed a 0% Council Tax rise in 2013/14, with the potential for increases after that time. Councillor J Ranger sought and was given clarification in respect of future grants to Local Authorities.

The Committee received the report.

RESOLVED – that (A) the proposed financial strategy be recommended to the Executive for approval;

(B) the Executive be requested to be very cautious about adopting a longer planning period;

(C) the planning assumptions detailed in this report be recommended to the Executive for adoption in framing the 2013/14 budget and Medium Term Financial Plan to 2016/17; and

(D) the Executive's attention be drawn towards the increased risk factors in respect of the 2013/14 budget and Medium Term Financial Plan to 2016/17.

263 ANNUAL GOVERNANCE STATEMENT 2011/12

The Leader of the Council submitted a report presenting the 2011/12 Annual Governance Statement and the 2012/13 Annual Governance Statement Action Plan. The supplementary agenda showed the version of the Annual Governance Statement with tracked changes detailing the changes made to the wording of the current document.

Members were advised that, as part of the Council's drive to increase the transparency of its spending, the Authority published all payments on a weekly basis as opposed to

the Government's expectation that spending over £500 was disclosed. This limit had recently come down to £250.

The Director of Internal Services advised that the first 4 issues detailed in the Annual Governance Statement Action Plan for 2012/13 had been carried over from last year and there were 5 additional issues that had been added to the Action Plan.

Councillor J Ranger commented that the wording in respect of the appointment of the Leader and Executive Members should be reworded in the Annual Governance Statement detailed at Essential Reference Paper 'B'.

The Committee received the report.

RESOLVED – the comments on the proposed Annual Governance Statement and Action Plan be passed to the Audit Committee.

264 COUNCIL TAX SUPPORT

The Executive Member for Finance submitted a report inviting Members of the Corporate Business Scrutiny Committee to comment on the draft scheme of Council Tax Support.

The Director of Internal Services advised that the Executive was seeking Members' views on a scheme of Council Tax support to replace Council Tax benefits from 1 April 2013. Members were referred to Essential Reference Paper 'C' for a template for consultation regarding the proposed changes and those who were most likely to be affected.

The Director of Internal Services stated that if the Authority did nothing and kept the rules the same for everybody then council tax payers in general would see a £700,000 increase in their tax bill because East Herts, the County Council and the Police Authority would be forced to put up the rate of Council Tax if other services were not

to be reduced.

Members were reminded that the Government wanted to see a 10% reduction in spending on support for Council Tax and was therefore contributing only 90% of the existing cost towards the new scheme. The Director of Internal Services reminded Members that East Herts Council was committed to not increasing the Council Tax and would therefore need to change the rules for working age claimants.

In response to a number of queries from Councillor N Symonds, the Director confirmed that the benefits system would still support claimants as now but, under the proposed scheme, the maximum grant anyone of working age could get would meet 90% of the cost of the council tax relevant to their particular 'band' of home.

Councillor G Jones stressed the importance of writing to all benefits claimants to articulate what the changes would mean in respect of Council Tax support.

In response to a comment from Councillor D Andrews, the Committee requested that Members be kept informed regarding the timing of any letters that were sent to residents. The Committee agreed that there should be an article in Link magazine as well as wider consultation in respect of the draft scheme of Council Tax support.

The Director of Internal Services acknowledged the extreme sensitivity of the letter that would be sent to recipients of Council Tax benefit and stressed that such a letter would only be signed off at the very highest level of the Authority.

The Committee received the report.

RESOLVED – that the Executive be advised that:

(A) if there were any changes in respect of the draft scheme for Council Tax Support, considerable care should be taken regarding the consultation letter sent to current benefit claimants

and it was essential that the letter should include a number of illustrative examples;

(B) Members be informed of the nature of the letter and the date for when they were due to be sent to current benefit claimants; and

(C) Corporate Business Scrutiny Committee supports the inclusion of an article in Link magazine as well as wider consultation in respect of the draft scheme of Council Tax support.

265 MONTHLY CORPORATE HEALTH CHECK - APRIL TO JUNE 2012

The Leader of the Council submitted an exception report on finance and performance monitoring for the period April to June 2012.

The Director of Internal Services reported that, subject to all other budgets being equal, the figures indicated there could be an overspend of £67,000. Members were advised however, that a positive variance was likely on investment returns with a number of additional fixed term deposits due to be placed which would bring income ahead of the budget. This would be reflected in the next Healthcheck report.

In respect of NI 181, time taken to process Housing Benefit/Council Tax Benefit new claims and change events, the Director of Internal Services stated that performance was 23.56 days and the Authority would address this by utilising specialist agency staff and a bulk contract for processing claims.

In response to a query from Councillor N Symonds, the Director stressed that the agency staff would already be fully trained in processing claims so would not be a distraction for existing Council Officers in training new staff.

Members were advised that a bulk processing contract or

contracts would be issued to 1 or more of the specialist agencies once a quote had been received from the final agency. Members were urged to be patient as Officers took steps to improve performance.

Members received the report.

RESOLVED – that the report be received.

266 SCRUTINY WORK PROGRAMME

The Chairman submitted a report setting out the Committee’s future work programme for 2012/13, the detail of which was set out in Essential Reference Paper “B” to the report now submitted.

The Scrutiny Officer advised that, as the Communications Strategy had only recently been adopted, there would be little for Corporate Business Scrutiny Members to scrutinise in relation to their action plan at the 2 October 2012 meeting of the Committee. Members agreed that, as this was the only substantive item scheduled for that agenda, the Corporate Business Scrutiny meeting scheduled for 2 October 2012 would be cancelled unless there were any urgent items.

Members approved the Work Programme, as amended.

RESOLVED – that (A) the Work Programme as amended, be approved; and

(B) unless there were any urgent items, the 2 October 2012 meeting of the Corporate Business Scrutiny Committee be cancelled.

The meeting closed at 9.42 pm

Chairman
Date