

Review Committee – 19 November 2008

Minutes of the meeting of the **Review Committee** held on **19 November 2008** when there were present:-

Chairman: Cllr Mrs J R Lumley
Vice-Chairman: Cllr Mrs C A Weston

Cllr T Livings
Cllr Mrs G A Lucas-Gill

Cllr M Maddocks
Cllr M J Steptoe

VISITING MEMBER

Cllr Mrs M J Webster

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr P R Robinson.

OFFICERS PRESENT

P Warren - Chief Executive
Y Woodward - Head of Finance, Audit & Performance Management
P Gowers - Overview and Scrutiny Officer
M Power - Committee Administrator

328 MINUTES

The Minutes of the meeting held on 7 October 2008 were approved as a correct record and signed by the Chairman.

329 MEDIUM TERM FINANCIAL STRATEGY

The Committee considered the report of the Head of Finance, Audit & Performance Management on the Medium Term Financial Strategy (MTFS).

The aim of the Strategy was to demonstrate that the Council can set a balanced budget over 5 years to fund its spending plans. Although over the last year investment income has been higher than expected due to higher interest rates, the recent reduction in interest rates and the removal of institutions who are now below the minimum criteria the Council uses to assess who it will invest in, means that future income levels will be lower. There has also been a significant drop in income streams, mainly as a result of the decline in the housing market. The next stage in the budget process is the Member 'Awayday' on 29 November.

In response to questions, the following information was given:-

- The 65% increase in bank charges shown in the report was in respect of credit card charges which, due to a potential legal challenge a few years previously, were not being passed on to the customer. As the challenge came to nothing, the Council will start passing this cost on to those who use credit cards to pay the Council. The date of introducing this is yet to

be decided.

The Council has benchmarked its banking contract and, where tariffs were not in line with market rates, successfully negotiated a reduction in the fees.

- In respect of the possibility of Members deciding to set a lower increase in the Council Tax than the assumed MTFS rise of 4.7%, Members were reminded that any decision taken would have a cumulative effect on income in future years; it would not impact solely on the year in question. It was further noted that the District Council element of the Council Tax is relatively small; the County Council element of the tax made up the bulk of the amount. Any reduction in the Rochford District Council Tax, although resulting in a significant loss of income to the Council, would therefore have a relatively minimal impact on households.
- The significant drop in income from land charges was due to the stagnation of the property market; a situation that it had not been possible to foresee when the estimate was set last year.
- The MTFS had assumed that reimbursement of set-up costs from the Housing Transfer could be brought into the General Fund at the time of transfer. However, the Housing Revenue account balance would not go into the General Fund until April 2009, one full financial year after transfer to Rochford Housing Association; this would have no overall effect on the 5 year MTFS.
- Although the budgeted amount for staff advertising was somewhat high, this expenditure varied from year to year, being dependent on staffing requirements and the type of posts being filled. The Council's aim to keep costs as small as possible was sometimes thwarted by recruiting through the ranks, as this could often result in the Council bearing advertising costs for two posts instead of one. The matter would continue to be reviewed.
- In respect of the considerable increase in the budget provision for contracted accommodation for homelessness, Members were reminded that the Council has a statutory duty to house homeless applicants. Although there were arrangements with Rochford Housing Association (RHA), some applicants would need to be put in temporary/bed and breakfast accommodation. Wherever appropriate, these costs were recharged. There were also often removal and storage costs associated with applicants who had been evicted from their accommodation.
- In respect of the issue of concessionary fares, which had been included in the report to the Executive on 5 November, Rochford District Council is part of an Essex-wide consortium, which had now reached potential agreement on the apportionment of costs for 2008/09; consequently, the outlook for this issue was a little more optimistic than in the report to the

Executive. The actual apportionment costs agreed were slightly below the budget figure. It looked as though the legislation would require the transfer of concessionary fares to Essex County Council in 2011/12; however, strategically it may be advantageous to effect the transfer during 2009/10 if agreeable to ECC, thereby transferring the risk associated with this national scheme.

- Revised estimates in respect of Housing Benefit payment recoveries would be available in December. It was noted that there were circumstances when subsidies could not be recovered by the Council.
- It was suggested that it might be beneficial to include a 'frequently asked' section as part of the Member budget making process.

330 OPERATION OF THE POLITICAL DECISION MAKING STRUCTURE

The Leader of the Council, Cllr T G Cutmore updated the meeting on the new political structure and the Forward Plan.

The Council had moved from a Committee structure to an Executive 'Cabinet' 'strong leader model', for which the Review Committee performs an overview and scrutiny function. The Portfolio Holders who make up the Cabinet are appointed by the Leader and can make individual decisions or meet as an Executive, either in private or in public. All decisions, either by individual Members or by the Executive, can be called in by the Review Committee or by individual Members. The new structure also includes Regulatory and Probity Committees and Area Committees.

The Council's main work programme for the forthcoming 4-month period was outlined in the Forward Plan, which contains key decisions and which is updated each month. The Forward Plan is a public document and was distributed to all Members.

In response to questions, the following information was given:-

- In respect of training for their role, most Portfolio Holders would meet regularly with Council officers and would also gain experience as their role progressed. The IDeA had been approached regarding specialist training for Portfolio Holders; all other training was within the Member learning and development programme. Any Member of the Council could have input into Portfolio decisions and the Leader would oversee most of the decisions that were made. Members should contact Portfolio Holders in respect of issues.
- In the interests of the new structure being able to support a quick decision-making process, it would not be advantageous to increase the length of the call-in period from its current 5 working days. If Members find it difficult to make contact with Portfolio Holders, they could contact the Leader or Deputy Leader. They had the option of calling in a decision or asking for additional information. All Members should keep abreast of

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the Forward Plan and it was incumbent upon Members to adopt a proactive approach and contact Portfolio Holders regarding issues they had with proposed decisions. Portfolio Holders were to ensure that they had consulted with relevant bodies including Ward Councillors prior to making key decisions.

- On the whole the new structure had led to quicker decision making.
- Each Portfolio Holder was accountable to the Leader, who met with individual Portfolio Holders on a regular basis. Some decisions were cross-cutting, covering more than one Portfolio Holder's area.
- If, following a future election, the composition of the Council changed and there was no majority party in power, it was confirmed that the current political structure, as a legal structure, would remain in place and would continue to operate.
- Each year Full Council is notified of the roles and duties of specific Portfolio Holders when the Constitution is confirmed. Any suggestions for changes to future roles of Portfolio Holders should be communicated by Members to the Leader.
- It was recognised that the Forward Plan was a flexible document and dates would move to accommodate changes that had been identified in the consultation process. It was requested that the Forward Plan be altered to include a slightly increased level of detail relating to the key decisions.
- The Area Committees continued to be an effective forum for enabling the public to raise issues and providing an interface between the public and the Council and its partners. It was hoped that increased involvement with NHS South East Essex at the Area Committees might be beneficial.

The meeting closed at 9.04 pm.

Chairman

Date

If you would like these minutes in large print, braille or another language please contact 01702 546366.