
MEETING	EXECUTIVE MEMBER FOR CORPORATE SERVICES AND ADVISORY PANEL
DATE	12 DECEMBER 2006
PRESENT	COUNCILLORS MACDONALD (EXECUTIVE MEMBER), SCOTT (CHAIR), GREENWOOD (AS SUBSTITUTE FOR R WATSON), LOOKER (OPPOSITION SPOKESPERSON) AND MOORE
APOLOGIES	COUNCILLOR R WATSON

26. Declarations of Interest

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Councillor Looker declared a personal non-prejudicial interest in agenda item 7 (Area Asset Management Plan – Tang Hall) as the Chair of the Tang Hall Area Scrutiny Sub-Committee.

Councillor Moore declared a personal non-prejudicial interest in agenda item 10 (Performance and Financial Information – Monitor 2, 2006/07), with regards to the proposed eco-business units at Amy Johnson Way, Clifton Moor, as the Chair of the East Area Planning Sub-Committee, which would be considering the planning application for this development, and did not pass any comment on the scheme.

27. Exclusion of Press and Public

RESOLVED: That the press and public be excluded from the meeting during consideration of the following:

Appendix C to Agenda Item 9 (FMS Replacement Project - Progress Report) (minute 34 refers) on the grounds that it contained information relating to the financial or business affairs of any particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

28. Minutes

RESOLVED: That the minutes of the meeting of the Executive Member for Corporate Services and Advisory Panel held on 12 September 2006 be approved and signed

by the Chair and the Executive Member as a correct record.

29. Public Participation

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

30. Forward Plan Update

Members received an update on the Resources Directorate items which were listed on the Forward Plan.

It was noted that the pre-Council seminar on access to the Staff Warning Register for Members had been cancelled and that no alternative slot was available in the near future. The Assistant Director (Audit & Risk Management) reported that an advisory note was being prepared for Members instead and that this would also ask them if they wished to attend a workshop on the topic in 2007.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the update on the Forward Plan be noted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To inform the Executive Member of the update of the Forward Plan.

31. Resources Directorate Revenue Budget Estimates 2007/08 with Service Plans

Members received a report which presented the 2007/08 budget proposals for the Resources Directorate.

The report included:

- The budget for 2006/07 (at Annex 1 of the report) to show the existing budgets;
- The budget adjusted and rolled forward from 2006/07;
- The allocation of pay and price increases for the portfolio;
- Budget service pressure proposals and savings options for the portfolio area (at Annexes 2 and 3);
- Fees and charges proposals (at Annex 4);
- Service Plans (at Annex 5).

Table 1 provided a summary of the budget proposals:

	£(000)
Base Budget 2007/08	3,092
Provision for pay increases	245
Provision for price increases	112
Other Budget Pressures:	
Staff Increments	130
Rent reviews on administrative accommodation	27
Rates bill at new Depot	133
New expenditure/income due to grant and service transfers	0
Full year effect of 2006/07 growth and supplementary estimate items	132
Service Pressure proposals (Annex 2)	319
IT Development Plan	467
Savings proposals (Annex 3)	-717
Proposed Budget 2007/08	3,940

The Treasury Management function, which managed all of the Council's loans and investments and was part of the Resources Directorate, was so specialised that the budget proposals were shown separately at paragraph 27 of the report:

	£(000)
Base Budget 2007/08	6,875
Full year effect of 2006/07 growth and supplementary estimate items	
Interest on Property sales income (one off saving in 2006/07)	120
Minimum Revenue Provision (MRP)	-180
Other Budget Pressures:	
Capital Programme financing costs	414
Additional cost of MRP - new borrowing	331
Additional cost of MRP - commutation adjustment	99
Savings proposals (Annex 3)	-180
Proposed Budget 2007/08	7,479

The Director of Resources advised Members that they would be receiving fuller Service Plans in March 2007. Some concern was expressed regarding the length of the service plans and that giving too much information to Members may result either in it not being read or in involvement in every detail, which amounted to inappropriate micromanagement. The Director advised that the plans had to be presented to Members to fulfil the requirements of District Audit and the Comprehensive Performance Assessment.

Members of the Labour Group reserved their position on the budget proposals.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the following be recommended to the Executive:
- a) 2007/08 Base Budget as set out in paragraph 10 of the report;
 - b) The Service Pressure Proposals as set out in Annex 2 of the report;
 - c) The Savings Proposals as set out in Annex 3 of the report;
 - d) Fees and Charges as set out in Annex 4 of the report;
 - e) The Treasury Management Budget as set out in paragraphs 27-30 of the report;
- (ii) That the 2007/08 Stage 1 Service Plans for the Resources Directorate, as set out in Annex 5 of the report, be approved.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: (i) As part of the consultation in setting the overall 2007/08 Council Budget;

(ii) As part of the consultation in agreeing the 2007/08 Service Plans for the Directorate.

32. Area Asset Management Plan - Tang Hall

Members received a report which outlined the progress made to date in producing a pilot Area Asset Management Plan (AAMP) for the Tang Hall Area.

The main topics being considered as part of this process included the area to be covered by the AAMP, provision of an integrated children's centre, provision of good quality formal and informal public space, creation of a quality secure allotment site, provision of a library learning centre and sites for affordable housing.

An ad hoc Scrutiny Sub-Committee had been set up to look at the type and method of consultation needed. At its meeting on 27 November 2006, this Sub-Committee had proposed the following:

- That a user friendly briefing note be prepared detailing the main points set out in the report.
- That a meeting be arranged in January at the Tang Hall Community Centre with representatives from the many local community groups to explain the work done so far and the various proposals, to seek their views on this and also the best way to widen the consultation process to residents within the area. Council officers, Ward and Scrutiny Members would be present at this meeting.
- That, depending on the comments received from that meeting, the following possibilities be considered:

- Leaflet/questionnaire distribution;
- An article within the ward newsletter;
- Information and display at local community buildings;
- Ward meetings;
- An open day at community buildings.

The Executive Member indicated that he wished to attend the consultation meeting at the Community Centre to hear people's views first hand.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the contents of the report be noted;
- (ii) That the preferred methods of consultation with the public and community groups, as suggested by the Scrutiny Sub-Committee, be adopted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

- REASON:
- (i) As a record of the progress made on this project;
 - (ii) So the next stage of the AAMP process can be carried out.

33. Future Organisation and Function of Procurement Services in Resources

Members received a report which set out proposals for the restructure of procurement functions and activities within the Resources Directorate.

The proposals for the restructure were set out in paragraphs 8-14 of the report. The creation of the new structure would involve the following:

- a) The deletion of the current post of the Risk & Insurance Manager (PO9-12) within the Risk & Insurances Team;
- b) The deletion of the current post of Procurement Manager (PO21-24) within the Corporate Procurement Team (CPT);
- c) The deletion of the current post of Procurement Advisor (PO12-15) within the CPT;
- d) The deletion of the current post of Procurement Manager (PO6-9) within the Information Technology & Telecommunications (IT&T) procurement team;
- e) The deletion of the current post of Insurance Technician (Sc4-6) within the Risk & Insurances Team;
- f) The creation of a new post of the Risk Management, Insurances & Corporate Procurement Manager (PO17-20);
- g) The creation of a new post of Corporate Procurement Manager (PO14-17);
- h) The creation of a new post of Corporate Procurement Officer (PO6-9);

- i) The creation of a new post of Insurance Manager (PO1-4);
- j) The creation of two new posts of Procurement Assistant (Sc3/4)
- k) The part funded transfer of one of the existing Procurement Trainees to the corporate Chartered Institute for Public Finance & Accountancy (CIPFA) training scheme which would result in the team retaining a CIPFA placement in the corporate rotation scheme whilst extending professional development opportunities for all CIPFA trainees across the organisation.

The report set out three main options:

- Option 1 – to do nothing;
- Option 2 – to approve the proposals set out in paragraphs 8-14 of the report;
- Option 3 – to reject the proposals set out at paragraphs 8-14 of the report.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the proposals for restructuring procurement services within the Resources Directorate, as set out in paragraphs 8-14 of the report, be endorsed, prior to the Director of Resources making his final decision in accordance with the Council's Constitution;
- (ii) That the need for the Assistant Director (Audit & Risk Management) to undertake a full review of how procurement functions and activities may be best managed and delivered across the whole authority in the lead up to one-site operations at Hungate be endorsed, and this work be included in the medium term action plan now being prepared in support of the new Corporate Procurement Strategy for implementation from 1 April 2007.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

- REASON:
- (i)
 - a) To ensure the effective management and organisation of procurement services within the Directorate to better meet the current and future service needs of the organisation;
 - b) To achieve recurring budget savings to the Council of £25k in 2007/08 and thereafter;
 - c) To provide match funding of £10k to the CIPFA training scheme in order to support the planned development of the scheme in 2007/08;
 - (ii) To ensure the effective and efficient management of all procurement activities and functions across the Council, optimise scarce resources, support the

delivery of the Corporate Procurement Strategy and secure full compliance with all regulatory requirements and Council policy.

34. FMS Replacement Project - Progress Report

Members received a report which provided an update on the progress made on the Financial Management System (FMS) Project started in March 2006.

It was reported that good progress had been made in building the requirements documentation but that, following a review of the initial draft, it was felt that additional technical review of the documents was necessary to ensure they were suitably worded to meet contractual arrangements. This extra quality control process and the retirement of the project manager had had an overall impact of moving the completion of Stage 1 by three months to July 2007. The Project Board had agreed to move this by an additional one month for contingency to allow for any further slippage as a result of the closure of accounts work during May and June of 2007 when resources may not be available to meet the demands of the project.

Members emphasised that it was more important to ensure that the new system was fully functional before it went live, than to implement it quickly.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the proposed move of the project completion date be accepted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: As a result of the quality controls that have been included in the plan, delays caused by the departure of the project manager and lack of business resource commitments dedicated to the project because of the statutory closure of accounts process.

35. Performance and Financial Information - Monitor 2, 2006/07

Members received a report which presented performance and financial information for the Resources Directorate.

The Director of Resources reported that the performance of the Directorate overall was extremely satisfactory, with most targets and performance indicators being achieved, and those which had not nearly all showing significant improvement. Most major projects were showing noteworthy improvement, but it was now a key stage for easy@york and substantial management input had been necessary to keep progress on track.

Pressure on the Directorate had eased fractionally since the last monitor with key work on the budget having been completed, together with some vital project implementation work. Resources now needed to turn its attention to some major outstanding issues including:

- a) Getting appraisals done;
- b) Delivering/ making further progress on key projects such as job evaluation, easy@york, the Administrative Accommodation project and the Financial Management System (FMS) replacement;
- c) Addressing some of the underlying expenditure pressures within the Directorate;
- d) Reviewing some structures and addressing recruitment problems in key areas.

It was reported that the Resources Directorate was anticipating to underspend by £178k. This was primarily due to underspends within Information Technology & Telecommunications (IT&T) due to underspends on leasing and a review of IT project budgets. It was also noted that the forecast overspends within Audit & Risk Management and Property Services had reduced since the first monitoring report. Included within the Financial Services Division was an underspend relating to the FMS replacement (£107k) which was anticipated to be carried forward to 2007/08. This meant that the true Directorate projected underspend was £71k. Detailed contract discussions were ongoing with the main supplier in relation to easy@york. The outcome of these discussions could result in significant amendments to the forecast outturn for the current financial year. However if there was any slippage it would be needed for future years.

One of the overspends reported in Property Services was due to the use of additional external consultants working as part of the framework agreement within Strategic Business and Design. The additional cost of £171k was funded from additional income and it was recommended that a virement between expenditure and income of £171k was undertaken to realign the budgets.

Details of the Treasury Management budget, which formed part of the overall corporate budget, had been included in the report at paragraphs 82-88. It was noted that the 5th dividend payment from the Bank of Credit & Commerce International's (BCCI) liquidators would be \$154k, not £154k as stated in paragraph 86.

It was noted that a programme had been scheduled to ensure that 100% of appraisals were completed by March 2007, not March 2006 as stated in paragraph 24. It was also noted that the permanent relocation of business units to Amy Johnson Way, Clifton Moor, referred to in paragraph 48 of the report, was subject to obtaining planning permission.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the current financial projections and the improvement in performance achievements be noted;

- (ii) That the virement of £171k between expenditure on framework consultants and capital income in Strategic Business and Design within the Property Services Division, as set out in paragraph 58 of the report, be approved.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

- REASON:
- (i) In accordance with budgetary and performance monitoring procedures;
 - (ii) As Financial Regulations require the Executive Member to approve all virements between £100k and £250k.

36. Risk Management Development Plan

Members received a report which advised them of the development agenda for risk management.

The key priorities of the development agenda were:

- a) Ensuring the consistency and quality of data entered into the Risk Management system (Magique);
- b) Ensuring all directorates and service areas have the opportunity to consider, record and manage risks using the Magique Risk Management system on an ongoing, as opposed to an annual, basis;
- c) Providing formalised Risk Management training to Officers to ensure that they have an understanding of the role and purpose of Risk Management in delivering their services;
- d) Continuing to build on the pre-Council seminar of 29 June 2006 engaging Members more fully in their understanding of Risk Management and its benefits to the Council;
- e) Developing a risk reporting process that provides information on key risks to inform the decision making process;
- f) Working with the Performance Improvement Team to formalise the relationship and role of risk in business planning and performance management routines.

The Assistant Director (Audit & Risk Management) reported that details of a Member training programme would be circulated when they had been finalised. It was suggested that joint training for Members and officers might be appropriate in the future.

In relation to paragraph 10 of the report, it was clarified that a well described risk on the Magique system should not only identify the risk but also describe its consequences.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the contents of the report be noted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To raise awareness of the Risk Management development agenda and advise Members of the further work now needed to support the effective development of Risk Management at the Council.

37. Presentation on the Collaborative Transport Project

Members received a report which gave a brief background to a presentation that was given by consultants Kendric Ash on their findings to date on the collaborative transport project.

Kendric Ash's brief was to review the transport operations in City of York Council, York Hospital Trust, East Riding County Council and East Riding Primary Care Trust, and then look at opportunities for collaboration between the different organisations. The review was being carried out in several phases and the presentation focused on findings from phase 1, which was to gather information about existing transport operations and then state what feasible operations could be further investigated to improve the quality of services, make them more efficient and reduce costs. The areas covered in York were social services transport of clients, home to school transport, special educational needs (SEN) transport, fleet management and the use of pool cars. In total the Council spent over £3m per annum on these services.

Advice of the Advisory Panel

That the Executive Member be advised:

- (i) That the information contained in the presentation on the collaborative transport review be noted.

Decision of the Executive Member

RESOLVED: That the advice of the Advisory Panel be accepted and endorsed.

REASON: To update the Executive Member on the findings from phase 1 of the review.

Q MACDONALD
Executive Member

D SCOTT
Chair of Advisory Panel
The meeting started at 5.30 pm and finished at 8.05 pm.