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MEETING	EFFECTIVE ORGANISATION OVERVIEW & SCRUTINY COMMITTEE
DATE	12 JANUARY 2010
PRESENT	COUNCILLORS WATT (CHAIR), HORTON (VICE-CHAIR), D'AGORNE, FIRTH, BOYCE, GUNNELL, HYMAN AND HOLVEY (SUBSTITUTE)
APOLOGIES	COUNCILLORS R WATSON

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## **21. DECLARATIONS OF INTEREST**

At this point in the meeting, Members were asked to declare any personal or prejudicial interests they may have in the business on the agenda. None were declared.

## **22. MINUTES**

RESOLVED: That the minutes of the committee held on 24<sup>th</sup> November 2009 be approved and signed by the Chair as a correct record.

## **23. PUBLIC PARTICIPATION**

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

## **24. QUESTION & ANSWERS WITH THE EXECUTIVE LEADER AND THE CORPORATE SERVICES EXECUTIVE MEMBER.**

The Executive Leader and the Executive Member for Corporate Services were in attendance to answer questions with regards to their plans and priorities for the next twelve months.

Members questioned the following aspects:

### **Executive Leader**

- The impact of the Government Grant on City of York Council's forward programme – The Executive Leader advised that the Government Formula grant continues to deny City of York Council £1.115 million of what it should receive. The impact of this is to constrict the funding to future programmes.

- Re the 'More for York' efficiency savings and the current financial situation, the Executive Leader was asked to provide an update on progress and to confirm whether he believes the Council will meet the targeted savings - The Committee was advised that good progress has been made in the work streams since the blue prints were agreed by the Executive at the end of October 2009. Significant financial improvements have been made in relation the management of the Council's Transport Fleet, collection of Council tax and some progress in Procurement.
- Project Management in particular the way forward in regard to Hungate, the Barbican, York North West and the University Pool – The Executive Member referred the Committee to the Executive's Decision on 22 September in relation to the Barbican and Hungate and advised that progress is being made. He advised that discussions are still ongoing in relation to York Northwest and the University Pool.

### **Executive Member for Corporate Services**

- Provide an understanding of the impact of investments on the Council's finances – The Executive Member advised that the impact of investments on the Council's finances has been significant during 2009/10. Currently in 2009/10, the income from interest earned on investments has reduced in comparison to interest that was earned in previous years. This is due to the economic climate and the low base rate of 0.5%. The Council's investment priority is the security of its capital surplus funds and liquidity. The Council will aim to achieve optimum return on investments commensurate with the proper levels of security and liquidity.
- Provide an outline for future IT plans for the Council i.e. what are the plans for pulling the multiple systems currently in use together, and how will this be financed – The Committee were advised that due to the IT investment already agreed for the More for York Programme and the need to restrict budget growth wherever possible there has not been an IT development plan investment cycle for 2010/11. Infrastructure upgrades in the coming year would be funded through existing ICT budgets and would focus on upgrading Microsoft Office suite and improving security as part of the Government Connect project.
- Finally, the executive Member advised that in the next 12 months he would be focusing on 4 main areas - More for York, Organisational Review, Core Accounts & Use of Resources.

The Committee thanked Councillors Waller and Moore for attending the meeting.

Members considered a report which introduced the Annual Audit Letter 2008/09 prepared by the Audit Commission which gives a clear audit opinion on the Council's financial statements for 2008/09.

Members queried whether the report was a matter for the Audit and Governance Committee rather than Effective Organisation Scrutiny. The Scrutiny Officer advised that the report is publicly available elsewhere and that it was brought to the Committee in case Members wished to focus on a specific aspect of the report. If Members felt that they did not need to see the report at this Committee, then it would not be brought again.

Some Members of the Committee felt that they would not see the Annual Audit Letter elsewhere and that it should come to the Committee when available in future.

Members agreed the recommendations contained in the report.

RESOLVED: (i) That Members noted the contents of the report and the Annual Letter.

REASON: To inform Members on future business of the Committee as necessary.

RESOLVED: (ii) That Members noted the Council's response to the issues raised by the District Auditor to be monitored by the Audit and Governance Committee at future meetings as outlined in Annexes B and C to the report.

REASON: To ensure the effective management and follow up of key action to be taken to support on-going development and improvement work at the Council.

## **26. REPORT ON THE 2010/11 BUDGET STRATEGY AND MEDIUM TERM FINANCIAL PLANNING 2011/12 TO 2013/14.**

Members considered a report which presented to them an Executive report dated 15 December 2009 detailing the strategy being adopted for the development of the 2010/11 Revenue Budget which outlined the longer term issues linked to public sector funding and the implications these may have on the Council's medium term financial planning

A report on the arrangements for the development of the 2010/11 Budget was originally approved by the Executive in June 2009 and the report at Annex A provided further information for Members. The report was the first of its type and as it is part of the Committee's remit to consider the Council's budget strategy, it would continue to receive the report annually.

The Committee agreed that in the next financial year, the Committee should see the report prior to the Executive, to enable it to make comments for the Executive to consider.

RESOLVED: (i) That Members note the principles being adopted for the preparation of the 2010/11 budget, in particular the fact that any additional resources will be used to invest in key priority areas across the council.

(ii) That Members note that work is continuing to review the impact of future public spending reductions as part of the ongoing development of the Council's Medium Term Financial Strategy.

REASON: To keep Members informed on the 2010/11 Budget Strategy and Medium Term Financial Planning 2011/12 to 2013 /14.

## **27. REVIEW OF THE EFFECTIVENESS OF THE FORWARD PLAN - INTERIM REPORT.**

Members considered an interim report for the review of the Effectiveness of the Executive Forward Plan.

Members referred to paragraph 17 of the report which referred to the information required by legislation on the Forward Plan. They felt it would be useful for the Committee to have a version highlighting only the required information. The Scrutiny officer confirmed this could be looked into.

It was noted that following the decision taken at the last meeting of this Committee in November 2009, to consult with relevant individuals on the suggested changes to the Forward Plan, an email had been issued to gather their views. Members were disappointed at the limited number of responses received as they had intended using the information provided to inform further consultation. Having considered the responses, the Committee agreed that no further information was required in order to draft the recommendations arising from the review. It was therefore agreed that a Task Group made up of three Committee members would create a list of suggested recommendations for the full Committee's consideration at their next meeting.

RESOLVED: (i) That a Task Group comprising of the Chair, Vice Chair and Councillor Firth, shall meet with the Scrutiny Officer to draft a list of suggested recommendations arising from the work of the review.

(ii) That an additional meeting be scheduled for 16 March to enable the Task Group to report back to the Committee

REASON: To progress the work of this review.

**28. WORK PLAN**

Consideration was given to the committee work plan.

Members agreed that an additional meeting should be set up for 16 March 2010 in order for the Committee to agree the final report from the review of the Effectiveness of the Executive Forward Plan, before the end of the municipal year.

RESOLVED: That the Work Plan be updated to reflect the agreed amendment.

REASON: To ensure that a robust and relevant work plan is in place for the municipal year.

Councillor Watt, Chair

[The meeting started at 6.00 pm and finished at 7.30 pm].