

**MINUTES OF A MEETING OF THE EXECUTIVE SCRUTINY COMMITTEE
HELD AT COUNTY HALL, CHELMSFORD ON 11 SEPTEMBER 2012**

Present

W J C Dick	J W Pike
A M Hedley	J Roberts
M Mackrory (Chairman)	A Turrell
G McEwen	R Walters
Mrs V Metcalfe	J A Young (Vice-Chairman)
M Page	

Councillor M Lager was also in attendance

The following officers were present in support of the meeting:

Robert Fox	Governance Officer
Vivien Door	Principal Committee Officer

1. Apologies for Absence and Substitutions

The Committee Officer reported apologies for absence from Councillors G Butland, N Edey, G L Mitchinson, Mrs I Pummell and B Wood.

2. Declarations of Interest

The following Councillors declared a personal interest for Item 5, The Changing Pattern of Finance within Local Government.

W J C Dick	Personal interest as Member of Castle Point Borough Council and Member of Essex Fire Authority
A M Hedley	Personal interest as Member of Basildon Borough Council and Chairman of the Essex Fire Authority
G McEwen	Personal interest as Member of Essex Fire Authority
M Page	Personal interest as Member of Tendring District Council
J Roberts	Personal interest as Member of Essex Fire Authority
A Turrell	Personal interest as Leader of Colchester Borough Council, Member of the Essex Fire Authority and Member of the Myland Community Council
R Walters	Personal interest as Member of Braintree District Council
J A Young	Personal interest as Member Colchester Borough Council and Member of Essex Fire Authority

3. Minutes

The minutes of the meeting held on 24 July 2012 were approved as a correct record and signed by the Chairman with the following amendment:

Minute 4, 2011-12 Annual Report,

- Third paragraph, “ ... which would provide £5 million savings ...”;
- Fifth bullet point, should read land fill tax.

Minute 5, 2012/13 Financial Overview as at the First Quarter Stage, second paragraph, "Children's Services had an overspend of £1.604 million ..."

Minute 4, the 2011-12 Annual Report, Members requested more information on the interventions made by Essex Trading Standards which provided the £262,555 savings. The Committee Officer would request the information.

In reference to minutes of the meeting held on 3 April 2012, Minute 15, Corporate Human Resources issues, Keir Lynch, Executive Director for Transformation, provided the following response.

"Following the discussion at the last meeting of the Committee, there had been little progress in respect of either negotiation over National Pay Awards or the Government's proposals on Regional Pay. The usual consultation processes around National Pay bargaining would commence in the autumn with no decision on a cost of living offer expected until the New Year. The Regional Pay bodies (Civil Service Pay, Police Pay etc.) were requested to report back to Government on the concept of Regional Pay by the end of the summer. No news had been received on this matter to date although early indications suggest that Regional Pay might not be progressed. Once further information was available on both these issues we would review our situation."

The Committee **Agreed** that it would request an update on this information at a future meeting.

4. The Changing Pattern of Finance within Local Government

The Committee considered the Changing Pattern of Finance within Local Government, (ES/016/12), presented by Anna Casbolt, Senior Financial Analyst. As yet, funding levels have to be confirmed.

National Non-Domestic Rates (NNDR) and Local Council Tax Support (LCTS)

The LGRR (Local Government Rates Retention scheme) consultation was released in July with responses due by September 2012. Council Tax Benefits are being replaced by local council tax support as part of its Welfare Reform changes. The billing authorities are currently consulting on their proposed schemes. The Government will issue responses to consultations in December 2012 together with the funding settlement. Changes will be implemented from April 2013. Borough and District Councils in Essex have been working together with the County to design, develop and deliver a framework for the new LCTS schemes to deal with the reduction in funding. The public consultations are being undertaken by billing authorities and a report will be brought back to Cabinet for information, with the understanding that it was a local decision for all Local Authorities within Essex.

Currently Borough and Districts Councils collect the NNDR; the funds are re-distributed by the Government to the Local Authorities and Fire Authorities.

From 2013/14 all risks regarding poor collection would be borne by the Local Authorities including Counties. Levies and safety nets will be introduced to offset disproportionate levels of change, for example, when a major employer moves location or goes out of business.

Government funding allocated to councils for LCTS would fall to 90% of its current Council Tax Benefit spend. Pensioners were protected from any reduction to their benefit payments; however, the support given to those of working age will need to be reduced, to compensate for reduced funding. The Grants were based on the current population in the authority. The County will have to provide for appeals by setting aside funds to recognise some of the NNDR may be lost at a future date through appeals.

Council Tax Benefit

It is a means tested benefit reducing the council tax liability of low income households, administered by billing authorities on behalf of the Department of Work and Pensions. These billing authorities will receive 90 percent of the grant. Although the 10 percent cut could be closer to 15 percent once growth in demand is accounted for. These schemes will be agreed in January 2013. Each billing authority would make its own decision regarding the Council Tax Benefit. There was a group of Essex Benefit Managers working together across Essex, although due to the differences of demographics in the Districts the same scheme cannot be used throughout although there could be common elements to these schemes.

Community Infrastructure Levy (CIL)

In terms of other funding opportunities the Community Infrastructure Levy (CIL) can be used to support any infrastructure development. Authorities may be able to apply different levy rates to different geographical areas to encourage or discourage development. The Local Development Framework (LDF) enables authorities to locally determine a reasonable levy.

Business Improvement Districts (BIDs)

NNDR payers within an area could vote for an additional levy, to be used to implement specific projects or initiatives within the area within a specific time limit. It could only be implemented if approved in a ballot of the business ratepayers in the area. Money collected must be kept separate and only used for its specific purpose. This would most likely be used by a District, for example, for a set of shops. There was currently a scheme in Witham.

Tax Increment Financing (TIF)

The Tax Increment Financing (TIF) allows the Local Authority to borrow against future growth although it could incur future risks. The TIF would be approved by Government.

Social Investment Bonds (SIB)

This was used to provide a financial return alongside a positive social impact, for example, in relation to Children's Services for the "Edge of Care". Payments to providers were linked to outcomes. This way of working could lead to lower ongoing costs as outcomes improve.

During the discussion the following points were made:

- That all County Councils would be in the same position, the low funding percentage would mean that the County was not subjected to the same reduction in funding that the Districts and Boroughs Councils would be;
- All top up Authorities were not as exposed to funding risks as Districts and Boroughs could be;
- 50 percent of any Business Growth stimulated by the Local Authority would be given to the Government. Any Business Growth would be linked to the baseline spending needs of the Local Authority;
- There was an expectation that the Retail Price Index growth should be achieved before any benefit was given to the Local Authority, the protection would only come into place if the Local Authority had been very disadvantaged and funding had dropped sufficiently below the baseline;
- Members were concerned that Districts that had a larger proportion of older people may have difficulty with their budgets for the LCTS schemes.

The Committee **Agreed** that all Members should receive a briefing on the changes to Local government funding when more information was available.

The Chairman thanked Anna Casbolt for her information.

5. External Communications Task and Finish Group Interim Report

The Committee considered the oral update on the External Communications Task and Finish Group presented by Councillor Pike and Robert Fox, Governance Officer.

The Task and Finish Group had met twice. The External Communications Service had produced a new strategy in line with the new Corporate Vision and Plan 2012-17 in order to: protect and enhance the reputation of the County; support the County to achieve its objectives as outlined in the Corporate Vision and Plan; and to recognise the County's drive towards commissioning services.

The Service would run eight focused campaigns aligned to the Corporate Vision and Plan to:

- Support World Class education;
- Support the infrastructure and environment to enable business to grow;
- Improve health and wellbeing;
- Protect and safeguard vulnerable people;
- Support the Olympics and legacy for the County;
- Work in partnership with districts/boroughs to support the Good for Essex agenda;
- Support the Transformation agenda.

These campaigns would be benchmarked; this process should be completed by the end of September.

The Task and Finish Group discussed the resources and budget of External Communications and how the budget was allocated with respect to staffing, campaigns and savings and the knowledge base within the team. Links were investigated between External and Internal Communication teams. Internal Communications Service were being benchmarked by Price Waterhouse Cooper, a report should be available in October 2012. A solution to the provision of effective communications for Members was being sought. Relationships with the Broadcast media and the Press have been discussed. Discussion centred on the capacity of the team based upon current and increased workloads; marketing skills; team restructure; the procedure related to Press Releases; the number of Press Office enquiries received; and media training for Members.

Related to this the Task and Finish Group have agreed that amongst its recommendations would be that all Members receive an email informing them of a Press release or campaign in advance of it being published to the Press and public; and that Members should receive media training and guidance.

The Task and Finish Group received a report from the Chief Information Officer on social media which was rapidly changing the way in which corporate external communications work. Members expressed their concern that they were not made aware that External Communications had made use of social networking sites to commentate on the Olympic Torch Relay through Essex.

The next meeting of the Task and Finish Group would receive the benchmarking against the eight campaigns. There would also be an invitation to media organisations to enable them to give their views on the County's External Communications. A Price Waterhouse Cooper review on the integration of External and Internal Communications would be received. This meeting would take place in early October

The Committee **Agreed** that the Task and Finish Group's remit should be extended to include the Internal Communications Service.

The Chairman thanked Councillor Pike and Robert Fox for their report.

6. Forward Look

The Committee considered the Forward Look (ES/017/12).

The Committee **Agreed** the Forward Look with the following amendments/additions.

Transformation – Keir Lynch for the December meeting;

Absence Management

The Community Wellbeing and Older Persons Policy and Scrutiny Committee had undertaken the Scrutiny of Absence Management across all Directorates. It had scrutinised the Absence Management for Adults Social Care, Schools Children and Families and Environment, Sustainability and Highways Directorates. The committee proposed to discontinue this work as the County

does not have an issue of high absence rates and was lower in comparison than other Local Authorities. This Committee suggested that Executive Scrutiny should look at this issue annually, and if it finds a problem then to ask the specific Policy and Scrutiny Committee to look at it in detail.

Coroner's Service – a report would be brought to the January 2013 meeting

Procurement Strategy – Scoping Document attached would be presented to the October meeting. Members agreed that the scoping document should include lessons learnt from previous procurements, and also local purchasing to aid local businesses, linking in with the NNDR. The review should take place of the current and future strategy.

Health and Safety – report to be brought to the December meeting.

Member Development – A presentation will to be taken at the March/April meeting from Joanna Boaler.

7. Dates of Future Meetings 2012

The Committee **Agreed** the following dates:

Date	Time	Venue
Wednesday, 24 October	10 a.m.	Committee Room 2
Tuesday, 4 December	10 a.m.	Committee Room 2
Tuesday, 22 January	10 a.m.	Committee Room 2
Tuesday, 25 February	10 a.m.	Committee Room 2
Tuesday, 26 March	10 a.m.	Committee Room 2
Tuesday, 23 April	10 a.m.	Committee Room 2

There being no urgent business the meeting closed at 11.35 pm.

Chairman
24 October 2012