

## North Yorkshire County Council

### Corporate and Partnership Overview and Scrutiny Committee

Minutes of the meeting held at County Hall, Northallerton on 26 November 2012, commencing at 10.30 am.

**Present:-**

County Councillor Liz Casling in the Chair.

County Councillors Val Arnold, Karl Arthur, Bernard Bateman, Robert Heseltine (substitute for Philip Barrett), Neville Huxtable, Andrew Lee, John McCartney, Stephen Shaw, Brian Simpson, Peter Sowray (substitute for David Jeffels).

In attendance:

County Councillor Carl Les.

Officers:

Neil Irving (Central Services), Rob Polkinghorne (Central Services), Jonathan Spencer (Central Services), Geoff Wall (Central Services), Peter Yates (Central Services).

Apologies for absence were received from County Councillors Helen Grant and Geoff Webber.

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**Copies of all documents considered are in the Minute Book**

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**97. Minutes**

**Resolved –**

That the Minutes of the meeting held on 10 September 2012, having been printed and circulated, be taken as read and be confirmed and signed by the Chairman as a correct record.

**98. Public Questions or Statements**

There were no public questions or statements to be put to the Committee.

**99. Executive Member's Oral Update – County Councillor Carl Les: Corporate Services Portfolio Holder**

Executive Member County Councillor Carl Les presented an oral report to highlight current issues relating to his portfolio for Central Services.

The issues reported by Councillor Les were as follows:

- Police and Crime Panel -

The Panel was now fully constituted and had met three times. Councillor Les said that he would be willing to act as the communication link between the Panel and the Corporate & Partnerships Overview and Scrutiny Committee. He went on to explain that the Panel comprised 1 Member from each local authority in York and North Yorkshire and two co-opted members who were independent of the local authorities. Councillor Brian Simpson (Panel Member for Scarborough Borough Council) had resigned from the Liberal Democrat Group to be 'without political affiliation'. This meant that there was now no Liberal Democrat on the Police and Crime Panel. The Panel was required to be politically balanced in line with the proportionality of all elected members from authorities in the Force area. Accordingly the Panel had invited the Borough Council to take the necessary steps to ensure its representative was a Liberal Democrat. In response, the Borough Council had confirmed that because Councillor Simpson was the Council's lead member for Community Safety, it intended to retain him as its appointee. Rather than attempt to re-negotiate membership across all the authorities, the Panel could ask the Home Secretary whether the current absence of a Liberal Democrat on the Panel would be an issue in respect of ensuring a political balance. Another option would be to seek approval from the Home Secretary to increase Panel membership to 13 by adding one more co-opted member. This would be on the understanding that Liberal Democrat Groups throughout the Force area would collectively agree a nominee.

- Police and Crime Commissioner (PCC) -

Julia Mulligan, the newly appointed PCC, had attended the Panel's most recent meeting to provide the opportunity to discuss her vision and priorities for North Yorkshire Police. One of the PCC's key priorities would be to tackle cross-border crime. She also wanted to work closely with the Voluntary Sector and was intending to rollout Parish Constables (specials to be based in villages). The PCC had decided to appoint a new Chief Constable and the successful candidate was expected to be in post by late March 2013. The PCC had been invited and accepted the invitation to share a joint platform with North Yorkshire County Council on its public budget consultation meetings to be held across the county. Four of the seven district councils were planning to share the same platform for their budget consultations.

Members made the following comments:

- The Committee has an important link with the Police and Crime Panel and Police and Crime Commissioner in relation to its Crime & Disorder Committee responsibilities. The Chairman noted that a protocol would be submitted to the next Committee meeting for approval, setting out the working relationship between the Police and Crime Panel and Overview and Scrutiny Committees.
- The hope that the PCC would put the concerns and needs of victims of crime and anti-social behaviour first, and ensure that crimes were followed up.
- The anticipated cost of employing Parish Constables. Councillor Les responded by noting that as volunteers they would not receive a salary but there would be training and equipment costs. The Police Authority had in the

past proposed to recruit an additional 40 special constables and the training and equipment costs had been estimated to be £4,000 per individual.

- There was a concern that because most districts in North Yorkshire were low crime areas, funding that had been used in the past for community projects around crime prevention would be diverted to higher crime areas, chiefly the City of York. It was important that low crime areas were not neglected by diverting resources away from them otherwise they would be at risk of increased crime levels and anti-social behaviour.
- A Member said that he felt that it was unfortunate that as a matter of course Acting Chief Constable for North Yorkshire Police, Tim Madgwick, had not been given a permanent appointment as Chief Constable. It was hoped that the PCC would take advice from people in the Force and actively engage with them.

**Resolved –**

- a) That the Executive Member's update be noted.
- b) That the Police and Crime Commissioner be invited to attend the January 2013 meeting of the Corporate and Partnerships Overview and Scrutiny Committee to discuss her vision and priorities for North Yorkshire.

**100. Scrutiny and the Budget Process – Year 3 and 4 Budget Savings**

Covering Report of the Corporate Development Officer/oral report of the Corporate Director for Strategic Resources

Considered –

The covering report of the Corporate Development Officer/oral report of the Corporate Director for Strategic Services providing a progress update on the Year 3 (2013/14) and Year 4 (2014/15) budget savings for Finance & Central Services.

Geoff Wall, (Assistant Director – Central Finance) explained that the two areas relating to Finance & Central Services were Audit Services (reducing the number of days purchased from Veritau) and ICT (phase 2 review post Microsoft transition).

The saving proposals for Audit Services involved a reduction in two stages of audit days purchased from Veritau. The first stage (2011/12) had been to reduce the number of auditors by one. The next stage (2013/14) was to make savings via a reduction in the number of trainee posts. For a number of years the County Council had seconded accountant technicians into the Audit Team. It had been concluded however that in order to ensure that the Audit Team continued to work effectively on a reduced budget, accountant technicians would no longer be part of the Audit Team. This would allow a core staff of experienced auditors to be retained. The changes in the Audit Service would reduce the audit coverage available for the Annual Audit Plan by approximately 14%. This would be a 'controlled' reduction based on a risk assessment of the possible consequences. Resources would be concentrated on system based audits where significant amounts of money were involved.

The ICT phase 2 review post Microsoft transition was currently being rolled out. The business case for the Microsoft transition had been agreed by the Executive in September 2011 and was in the process of being implemented. The overall saving to be achieved was £250,000. Good progress had been made to achieving the first £100,000 (2013/14). Savings had arisen from implementing the new email 'Outlook' system and related savings in the ICT desk team. £75,000 of £100,000 had been saved to date, equating to one 1.5FTE post. Another post would be deleted leaving a balance of £150,000 to save in 2014/15. There was a high level of confidence that this saving would be achieved. The move from the 'Novell' operating system to the Microsoft operating system would mean that less staff would be needed to maintain the system. There would also be a reduction in licence fees. The County Council was on schedule to have moved in its entirety from a Novell operating systems site to a Microsoft operating systems site by July 2013.

Members made the following comments:

- The Chairman asked if the creation of Veritau, (the shared service company for the County Council and City of York Council for public sector assurance services), had saved the County Council money in comparison with the former, in-house service. Geoff Wall responded by noting that the main reason why Veritau had been set up initially was to ensure that a robust team was put together to work for other local authorities rather than to realise a budget saving for the County Council. Savings to the County Council had been secured by reducing the number of audit days.
- The Chairman raised the point about the potential for further savings to be made in light of the amalgamation of the Finance & Central Services Directorate and the Chief Executive's Group. Geoff Wall replied that the discontinuation of the post of Assistant Chief Executive had provided an initial saving. Other savings relating to the support functions in Central Services would be considered as part of the next stage of the One Council programme. Proposals would be drafted up shortly.
- The impact that the reduction in the number of trainees could have upon apprenticeship opportunities within the County Council. Geoff Wall noted that there would not be a direct impact. The trainees were employed on pay bands four to six prior to qualifying whereas the apprentices were employed up to pay band 4. However some former apprentices had opted, once in a substantive post, to undertake training similar to that provided to accountant technicians, although this was less formalised.

#### **Resolved –**

That Members note the Year 3 (2013/14) and Year 4 (2014/15) budget savings for Finance & Central Services.

#### **101. Localisation of Council Tax Benefit**

Considered –

The report of the Corporate Director (Strategic Resources) briefing Members on the Government's localisation of Council Tax Benefits from 1 April 2013 together with the Localisation of Business Rates, also from 1 April 2013.

Peter Yates, (Assistant Director, Corporate Accountancy) outlined the existing arrangements for how Council Tax Benefit was administered. He noted that from 1 April 2013 support for Council Tax Benefit would be localised and the level of government grant reduced by 10% nationally. For North Yorkshire though, as elsewhere, the funding cut would be greater than 10% after, amongst other things, fully protecting those pensioners who were currently eligible to claim (averaging out at 55% of total claimants across the county) and protecting vulnerable people.

He went on to note the challenges that the change would bring for both the district councils and the County Council if the local schemes were not cost neutral. Billing authorities had until 31 January to adopt a local scheme ready for implementation in April. If this was not possible by that date they would have to implement a national default scheme. This was essentially the current CTB scheme for working age recipients albeit with the 10% cut in grant. If this situation arose the County Council would have to bear the brunt of most of the shortfall.

He went on to explain that initial consultations had been carried out by the district councils with other major precepting authorities in the county on the design of local schemes and how the funding reduction would be managed. However in October the Department for Communities and Local Government (DCLG) had announced that a transitional grant would be paid to councils developing local council tax support schemes. In order to qualify, the local schemes would need to conform to certain conditions as detailed in paragraph 3.19 (g) of the report. This was one-off funding for 2013/14 only. Most of the district councils in North Yorkshire were thinking of taking the funding and amending their proposals accordingly. Harrogate Borough Council was alone in proposing to maintain existing benefit levels and to rely wholly on tightening up Council Tax discounts and exemptions to fully cover the funding cut.

With regards to the localisation of Business Rates (BR), Peter Yates reported that the Government would retain 50% of the business rates raised. This was much less than the full localisation that had initially been proposed. The remaining share would be split to 40% to the district councils in North Yorkshire, 9% to the County Council and 1% to the Fire & Rescue Authority. Future BR growth or contraction would therefore have a small impact for the County Council. District councils would see 40% of growth or losses retained subject to a levy if there was 'too much' growth or safety net payment if there was a significant loss. The final baseline would not be known until 19 December when the Provisional Local Government Finance Settlement was expected to be announced.

Members made the following comments:

- The extent of the consultation undertaken and the extent to which the County Council had had a say in shaping the proposals. Peter Yates referred to paragraph 3.19 of the report outlining the consultation process. He said that the key message from the County Council in response to the proposed schemes was the desire to have a cost neutral outcome for the County Council. Following this consultation, each District Council had been progressing public consultation on their proposed schemes. The district councils were working closely with the County Council and they too did not want a funding gap to arise. All seven district councils had agreed to try to fully absorb the cut in funding through the design of their local schemes together with tightening up on certain discounts and exemptions which had recently been relaxed by the Government. Whether this would be possible remained to be seen.

- The extent to which local authorities would be able to determine the level of Business Rates. Peter Yates confirmed that local authorities would not be able to vary the rate; these would continue to be set nationally. There would be certain flexibilities on providing discounts but not on the overall rate.
- The Police would not share in the BR growth due to the stated reason of having limited levers to influence growth. It seemed illogical therefore for the Fire & Rescue Authority to be eligible to receive a share as it too had limited levers to influence growth.
- A Member noted that Council Tax Benefit was a subsidy for low wages for many working age claimants. The working age population was being hit at a time when economic conditions were particularly difficult. The pressures faced by working age families meant that there would be increasing levels of non-payment, which would result in additional expense to district councils. Peter Yates noted that this was appreciated by the district councils and some of them were suggesting setting up hardship funds as a result; though this in turn would mean that further savings would have to be made in the overall design of their schemes.
- A Member commented that the district councils were also in a difficult position and it was in their interests to adopt a local scheme in advance of the January deadline. There had been a delay in signing off the local schemes because the rules had kept changing at the national level, with the most recent change arising from the DCLG's announcement in October about the transitional funding.
- If the District Councils were not able to produce cost neutral schemes could it necessitate a rise in Council Tax? Peter Yates noted that if the schemes were not cost neutral it would result in another budget pressure that the County Council would have to absorb. A net cost had been factored into the Council's latest Medium Term Financial Strategy forecast but ultimately it would depend upon what the district councils could achieve.

**Resolved –**

That Members note the key details of the localisation of Council Tax Benefits and Business Rates that will start on 1 April 2013.

**102. Council Plan 2013 -2016**

Considered –

The report of the Assistant Director (Policy and Partnerships) to inform the Committee of progress against the priorities in last year's Council Plan; to share the current draft of the Council Plan for 2013 – 2016; and to seek the Committee's comments.

Neil Irving (Assistant Director, Policy and Partnerships) reported on progress of the Council Plan for 2012-2015, referring to Appendix 1 of the report, and sought comments on the draft Council Plan for 2013 -2016. He explained that the bulk of the Council Plan could not be finalised until the Government's budget settlement was known in December. Key sections such as the foreword from the Chief Executive

and the Leader would be written once the County Council had a detailed budget position.

Members made the following comments:

- The feedback from last year with regards to the Council Plan only being made available online. Neil Irving noted that there had been no negative response and there had been *ad hoc* positive comments about the new PDF format being easier to read. The outside audience was in the main outside agencies inspecting what the County Council did; internally managers used the Council Plan to help inform their service plans.
- The best opportunity for the Committee to feed into the finalised draft plan. Neil Irving replied that last year the draft plan had been sent out to Members for comment over the Christmas period. This year this would not be possible because of the expected late announcement from central government. The finalised draft plan could instead be circulated to Members in mid-January before it was submitted to the Executive on 5<sup>th</sup> February.

#### **Resolved –**

- a) That the proposed structure and content of the Council Plan 2013 – 16 and the process for ensuring its development and delivery be noted.
- b) That the finalised draft Plan be circulated to Members of the Corporate & Partnerships Overview and Scrutiny Committee for comment in advance of it being submitted to the Executive.

#### **103. One Council update**

Considered –

The oral report of the Chairman of the One Council Members Task Group and the Organisational Change Programme Director.

Rob Polkinghorne (Organisational Change Programme Director) reported that the One Council Members Task Group had met in September to receive an update on the progress of the Customer Access Workstream and Management & Supervision workstreams. The latter included the rollout of the concept of the 'NYCC Manager' to be introduced through a revised Behaviour and Skills Framework.

To date £2.9m of savings had been cashed, spread out over this year's budget and the next. Overall progress was good but there were challenges to work through if all the savings were to be achieved. The workstreams had identified £7.789m of savings, which was ahead of the overall expectations figure of £7.6m. The Audit Committee had made a request for audit mapping work to be undertaken in relation to the One Council programme. A report had been due to go to the Audit Committee in December but this had now been delayed until March. A quarterly progress report would be submitted to the Executive shortly.

The Chairman mentioned that the task group would be meeting on 30 November to discuss the progress of a number of the implementation plans within the Customer Access work stream, the draft Internet Strategy and the draft Management Framework.

**Resolved –**

That the progress of the One Council programme and the work of the One Council Members Task Group be noted.

**104. Work programme**

Considered –

The report of the Scrutiny Team Leader inviting the Committee to consider the work programme.

Jonathan Spencer noted that further to the Committee's update about the North Yorkshire Credit Union in June, the Credit Union had been placed into liquidation at the end of October. Subsequently, the South Yorkshire Credit Union had extended its service into York and North Yorkshire and was planning to set up branches in York and Scarborough. The Chairman of the Corporate and Partnerships Overview and Scrutiny Committee had suggested that the Committee invited a representative of the SYCU to attend a future meeting to discuss their plans and business strategy for North Yorkshire.

**Resolved –**

- a) That the work programme report be noted.
- b) That a representative of the South Yorkshire Credit Union be invited to attend a future meeting to discuss their plans and business strategy for North Yorkshire.
- c) That an update be provided on the implementation of the local CTB schemes in North Yorkshire.

The meeting concluded at 12.08pm

JS/ALJ