

## MID BEDFORDSHIRE DISTRICT COUNCIL

At a meeting of the **CENTRAL BEDFORDSHIRE SHADOW SCRUTINY COMMITTEE** held in Room 15, Priory House, Monks Walk, Chicksands, Shefford on Thursday, 22 January 2009

### PRESENT

Cllr Mrs P Staples (Chairman)  
Cllr A R Bastable (Vice-Chairman)

Cllrs P N Aldis  
R G Baker BEM  
L Birt

Cllrs A Fahn  
D Hogan  
H J Lockey

Apologies for Absence: Cllrs R A Baker  
R Goodwin  
J Kane  
G Summerfield

Members in Attendance: Cllrs P A Blaine  
D Bowater  
M R Jones  
Mrs J G Lawrence  
K C Matthews  
Miss A Sparrow  
J Street  
Mrs C Turner,

Officers in Attendance: Mr S Andrews – Acting Forward Plans Manager  
Mr M Bowmer – Head of Financial Services  
(including Procurement), CBC  
Mr B Carter – Overview & Scrutiny Manager  
Ms S Frost – Senior Planning Officer  
Mr C Heaphy – Director of Corporate Resources,  
CBC  
Ms D Lester – Committee Administrator  
Mr B Mew – Interim Financial Services Manager

S/08/15

### MINUTES

### RESOLVED

***that the Minutes of the meetings of the Shadow Scrutiny Committee held on 4 September and 11 December 2008 be confirmed and signed by the Chairman as correct records.***

S/08/16 **CHAIRMAN'S ANNOUNCEMENTS**

None.

S/08/17 **MEMBERS' INTERESTS**

Declarations were received from Members as follows:-

(a) **Personal Interests:-**

None.

(b) **Personal and Prejudicial Interests:-**

None.

S/08/18 **DECLARATION IN RELATION TO THE EXISTENCE OF A WHIP**

There were no declarations by Members in relation to the existence of a whip.

S/08/19 **REQUESTS FOR AGENDA ITEMS**

No requests for Agenda Items had been received under the Terms of Procedure Rule No. S10.

S/08/20 **EAST OF ENGLAND PLAN REVIEW TO 2031 - EAST OF ENGLAND REGIONAL ASSEMBLY (EERA) CALL FOR ADVICE**

The Committee considered a report of the Director of Sustainable Communities on a range of matters in relation to the first stage of the review of the East of England Plan. The report also set out a proposed response to the statutory call for advice from EERA to be presented to the Shadow Executive on 17 February 2009.

Members also received a detailed presentation on the key issues arising from the review during which questions and comments were responded to.

The Adopted East of England Plan was published in May 2008. It sets out a development strategy for the region up to 2021 and provides the framework for local authorities in the preparation of the Local Development Frameworks (LDFs) and Local Transport Plans (LTPs).

An early review of the Plan was needed to address the scope for greater housing delivery. The first stage of the review was a 'call for advice' from Strategic Authorities (SAs) in the region. Under the Transitional Arrangements Shadow Central Bedfordshire became an SA on 28 November 2008 and was required to respond to the request.

The timetable for a response to the complex issues was very tight, 17 November 2008 to 6 February 2009. However, a slightly later response for Bedfordshire had been confirmed by EERA because of re-organisation issues.

The submitted report concentrated on the main issue of four key housing growth forecasts and consequential changes that would be needed to the existing East of England Plan.

Four housing scenarios had been put forward by EERA for testing. Scenario 1 was the only scenario for the Mid Bedfordshire area considered to be sustainable and deliverable without departing from the approach of the Mid Beds Core Strategy. For the South Bedfordshire area, Scenario 1 & 2 was a continuation of the emerging Luton & South Bedfordshire Core Strategy approach. It was noted that Luton Borough Council's Executive would also be considering a report on the call of advice at its meeting on 26 January 2009. For Central Bedfordshire, Scenario 1 could be met and, for the Southern part, Scenario 2. However, this would be heavily reliant on receiving funding to support infrastructure and housing market delivery.

Comments were made about the four housing Scenarios to be tested. The ability to provide the necessary infrastructure requirements and employment to sustain even current targets was questioned. Members considered that any increase in current projected housing requirements were unrealistic and a matter of concern.

The Committee was informed that the adopted East of England Plan makes reference to future increases in Green Belt in Mid Bedfordshire. It was noted that land at Cranfield, Southern Marston Vale and Arlesey/Stotfold were identified as potential additional candidates for green belt protection.

Appendix 1 to the report set out possible developments received by EERA resulting from their call for larger scale development sites. Most of the sites were already known about, although considered unsustainable in their current form.

In parallel with the call for advice from SAs, EERA commissioned a Regional Scale Settlement Study assessing the scope for settlement(s)/major urban extensions of 20,000 plus dwellings within the region. SAs had only been able to check factual accuracy on a very tight timescale. The Authority had responded and a response from EERA was awaited. It was not known how much detail EERA had gone into to reach their conclusions and whether the infrastructure needed to support the developments had been looked at. The Authority was questioning Mid Bedfordshire being identified as a potential location and the study's population projections. However, it was not a preferred location due to a lack of economic drivers and impact on existing growth and regeneration proposals.

A Member questioned whether the A1 will become a trunk road if development was to take place in the Ivel corridor. It was noted that the study had been carried out without looking at the impact on the A1 and did not take account of infrastructure requirements. However, Officers were not aware of any plans to improve the A1.

**RESOLVED**

***that the report of the Director of Sustainable Communities be agreed as the basis of a response for Central Bedfordshire providing advice to EERA and that the report be referred to the Shadow Executive for agreement.***

S/08/21

**REVENUE BUDGET**

The Committee received a detailed presentation from the Director of Corporate Resources outlining the 2009/10 Budget and Medium Term Financial Plan.

The presentation covered the following broad areas:-

- The budget setting and approval process
- Outline of the budget proposals
- Indicative Council Tax
- Medium Term Financial Plan (MTFP)
- Explanation on savings
- Limitations, risks and issues in setting the 2009/10 budget.

The Committee was advised that in setting the proposed budget a number of grant assumptions had been made. The formula grant for 2009/10 had been confirmed as £49.4m. This reflected a movement of £6m from Central Bedfordshire to Bedford Borough Council as the Borough had been treated as a high needs/low resources authority. There had been an assumed increase of 2.6% in 2010/11 but falling to a 2% increase thereafter.

A realistic budget and 5 year Medium Term Financial Plan was being proposed. The new Authority's first proposed budget had been set in difficult economic circumstances. It was a pragmatic budget to help establish priorities and actual spend patterns as a Unitary Authority. Service level budgets would require input from the new Council. At this stage shared services with Bedford Borough Council were not fully developed and costed.

The aim was to payback transition costs within 4 years, so a realistic budget from Year 1 would help. An 'Invest to Save' Scheme had been developed with an incentive to reduce costs. Directors must demonstrate at least £2 saved for every £1 invested. It was noted that the proposed budget also realised £11.5m of savings at 2008/09 prices by year.

Members were informed that indicative Council Tax levels achieved the aim of a sub-3% increase. The plan was to reduce levels of increase each year and equalisation of Council Tax rates between Districts within 4 years. It was stressed that whilst there was a political desire to keep Council Tax increases low it was imperative to create financial stability and invest in transformation.

In setting the proposed budget for the new Council a number of assumptions had had to be made and there had been little opportunity for Members to shape service priorities. A key risk was that the budget was not built on historical knowledge and may not reflect actual service costs. There were also limitations and deficiencies in available data and future ways of working had not been fully assessed.

A summary of the initial Draft Capital Programme was presented to the Committee. A £214.2m programme had been put together over a 4 year period. Issues of fundability beyond Year 1 would be resolved in a review to be carried out in Autumn 2010.

The Director of Corporate Resources and the Portfolio Holder for Corporate Resources then responded to questions and comments posed by Members.

It was clarified that in putting together the proposed budget there would not be cuts in services to vulnerable client groups. It was noted that the majority of savings would be met from the Corporate Services Directorate containing support services.

Members were advised that the actual level of the new Council's reserves would not be known until the closedown of the accounts of the three legacy authorities.

It was acknowledged that it will be hard for the new Council to achieve £11m savings a year from Year 1, particularly in the current and challenging global financial downturn. Transformational changes that would lead to savings included running services through a customer service centre. Different ways of working were also being looked at including some very positive work with partner organisations.

Members were advised that the loss of £5m in income from the economic downturn had affected the Council's return on investment. This, coupled with the movement of £6m from Central Bedfordshire to Bedford Borough, had impacted on the ability to decrease Council Tax levels in Year 1.

In response to a question about shared services with Bedford Borough it was clarified that where services are provided on behalf of the other authority, only the actual cost of providing the service would be re-charged.

The Committee was advised that highway services and property maintenance would not be brought back in-house because of the size of the contracts and specialist nature of the work. However, improvements would be made to managing the contracts.

Re-assurance was sought that the proposed budget was adequate to deliver the necessary services. The Committee was advised that with experienced directors in place and using existing budgets as a base line, together with a bench marking exercise with other 'IPF' family unitary authorities, the financial aims of the authority should be realised. Regular budget monitoring would take place and action would be taken to ensure the budget was realised. It was recognised that whilst it was a challenging budget there was potential for savings to be achieved albeit they would not be realised from day 1.

The Committee concluded by praising the Director of Corporate Resources for his helpful and informative presentation.

**RESOLVED**

***that the presentation from the Director of Corporate Resources on the proposed Revenue Budget for 2009/10, to be considered by the Shadow Executive on 17 February 2009, be noted.***

S/08/22

**CAPITAL PROGRAMME 2009/10 - 2011/12**

The Committee considered the draft Capital Programme for the period 2009/10 - 2012/13 which had been approved in principle by the Shadow Executive at its meeting held on 20 January 2009.

The Portfolio Holder for Corporate Resources introducing the draft Capital Programme explained that the Draft Programme was being brought to the Shadow Scrutiny Committee to enable Members to consider the draft proposals. Comments of the Committee would be fed back to the Shadow Executive at its meeting on 17 February 2009, when it considers a further report on the Capital Programme. The Committee was asked to consider whether any schemes were missing from the Draft Programme, or if any scheme should not be included.

In response to a question on the Stotfold Leisure Centre it was reported that it had been included in the Programme for 2010/11, based on a realistic assessment of when this project might be in a position to proceed. The Committee was advised that inclusion in the programme in this year did not preclude the project from being progressed in 2009/10 if circumstances allowed.

A question was raised as to what schemes in the Draft Programme were targeted at promoting economic activity and employment, given the current economic climate. In response, it was noted that there was a Category 3 item of £1m in the Draft Programme for Job Growth Investment Schemes, and that more information on this item would be circulated to the Committee.

In response to a question regarding regeneration of Houghton Regis Town Centre, it was noted that although there was a small second tier Category 6 item in respect of this, there was also an existing Category 1 scheme in respect of Bedford Square, Houghton Regis that would entail investment of £1.1m in 2009/10.

Concluding the discussion the Committee confirmed it was content with the Draft Programme.

**RESOLVED**

***that the Shadow Executive be advised that the Shadow Scrutiny Committee is content with the Draft Capital Programme for the period 2009/10 – 2012/13.***

(Note: The meeting commenced at 6.30 p.m. and concluded at 8.30 p.m..)