

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE** held at Room 15, Priory House, Monks Walk, Shefford on Monday, 6 September 2010

PRESENT

Cllr J G Jamieson (Chairman)
Cllr D J Hopkin (Vice-Chairman)

Cllrs J A E Clarke
P A Duckett
M Gibson

Cllrs R W Johnstone
D Jones
Ms J Nunn

Apologies for Absence: Cllrs A Fahn

Substitutes: Cllrs A D Brown (In place of A Fahn)

Members in Attendance: Cllrs D Bowater
M R Jones
S F Male
R C Stay

Officers in Attendance: Mr M Bowmer – Assistant Director, Finance
Mr R Ellis – Director of Customer and Shared Services
Mr C Jones – Assistant Director Customer and Systems
Mr L Manning – Democratic Services Officer

CCS/10/51 **Minutes**

RESOLVED

that the Minutes of the meeting of the Customer and Central Services Overview and Scrutiny Committee held on 26 July 2010 be confirmed and signed by the Chairman as a correct record.

CCS/10/52 **Members' Interests**

(a) **Personal Interests:-**

None notified.

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

None notified.

(c) **Any political whip in relation to any agenda item:-**

None notified.

CCS/10/53 **Chairman's Announcements and Communications**

The Chairman advised the meeting that the running order of the agenda had been changed and Item 12 (Q1 Budget Monitoring) would now be considered prior to Item 11 (Budget Strategy).

Turning to the minutes of the last meeting the Chairman stated that he had held initial discussions with the Portfolio Holder for Finance, Governance and People on the provision of budget update information for the Committee. He next referred to the Committee's recommendation to the Executive regarding the need to implement processes relating to contracts and the Overview and Scrutiny Manager confirmed that the recommendation had been submitted to the Executive. With regard to the recommendation to the Executive that the number of Key Performance Indicators (KPI's) be reviewed and reduced to a focused set the Portfolio Holder for Policy and Performance stated that action was being undertaken on this matter and he wished to see the revisions in place by the end of September.

In response to a reference to the Q4 budget report the Portfolio Holder for Finance, Governance and People advised that the accounts were currently being audited and it would therefore be premature to reissue the report as the information was subject to possible change. With regard to the Q4 the Chairman queried the increase in employees within the former Corporate Resources Directorate at a time when other employees were being made redundant. In response the Portfolio Holder explained that the numbers had been in flux due to the process of change. He added that he had asked for the total numbers at the end of the last financial year and the current financial year be supplied for comparative purposes and this information would be made available to the next Committee meeting. The Chairman suggested that the information be broken down into Directorates.

CCS/10/54 **Petitions**

No petitions were received from members of the public in accordance with the Public Participation Procedure as set out in Annex 2 of Part A4 of the Constitution.

CCS/10/55 **Questions, Statements or Deputations**

No questions, statements or deputations from members of the public were received in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

CCS/10/56 **Call-In**

No matters were referred to the Committee for a decision in relation to the call-in of a decision.

CCS/10/57 **Requested Items**

No items were referred to the Committee for consideration at the request of a Member under Procedure Rule 3.1 of Part D2 of the Constitution.

CCS/10/58 **Budget Process Task Force (Capital Budgeting Feedback)**

Members were aware that they were due to consider the notes of the Budget Process Task Force held on 20 August 2010 which contained a number of recommendations relating to capital budgeting. However, the Chairman advised Members that as the notes had only just been made available to the Portfolio Holder for Finance, Governance and People it was too early to expect comment. As such the notes and the Portfolio Holder's response would appear as an agenda item for the Committee's next meeting.

RESOLVED

that consideration of the notes of the Budget Process Task Force held on 20 August 2010 be deferred and be submitted to the next meeting of the Committee on 11 October 2010 together with the response of the Portfolio Holder for Finance, Governance and People.

CCS/10/59 **Portfolio Holders' Updates**

The Committee received verbal updates from the Portfolio Holders for Policy and Performance, Customers, Systems and Assets and Finance, Governance and People.

The Portfolio Holder for Policy and Performance reported that the Executive had received the Q1 performance report and the Q2 report was scheduled to be considered at the September meeting. He added that half of the measurements had been on target and others were improving.

The Portfolio Holder reported that a feasibility study was being carried out under Total Place which would examine all public sector partners and the options available for shared services.

The Portfolio Holder reported that by the end of July, and under the 2010-11 efficiencies programme, the Council was on track to make efficiency savings of £12m.

The meeting was advised that on 20 September there would be a 'Show Racism the Red Card' event at Dunstable Community Fire Station

The Portfolio Holder informed Members that the Council's communications had been revamped. There was a commitment to retain 'News Central' and this would be at no cost to the council tax payer. In response to a Member's query regarding the cost of staff time the Portfolio Holder stated that the editorial cost was included within the overall cost of the paper.

The Chairman stated that he would raise Key Performance Indicators (KPI's) at the next meeting in order to establish the actual KPI requirement following the demise of Comprehensive Area Assessments. The Chairman also stated that he would wish to consider underspending on the current 'invest to save' budget and an update on projects and returns.

The Portfolio Holder for Customers, Systems and Assets reported that production of the ICT strategy was progressing. The strategy was composed of two parts – strategy and maintenance. He explained that the workforce would not be split although their time would be allocated. One aim was to gain a clear idea of project costs.

The Portfolio Holder stated that options would be considered in the future which could see the ICT infrastructure moving into the Government 'Cloud' which should lead to lower costs. He also stated that 'hot desks' were now available for Members' use in Ground West at Priory House and he encouraged Member take up of this facility. He added that a Vodafone Sure Signal was to be installed at Priory House to provide better reception in parts of the building.

The Portfolio Holder reported that he had asked for benchmarking on the Registrar's and Coroner's services so these were included within the Council's efficiencies review. A report would be submitted to the Committee if changes were required.

The Portfolio Holder next reported that ways of improving enquiry handling by Members through the use of a case management system were being examined. He also stated that there was currently no budget for the sale of surplus property and assets but that a solution was being worked on.

He added that consideration was also being given to the medium term accommodation strategy and where Council staff should relocate to after leaving Technology House. He also stated that the absorption of Mouchel employees into the Council was on target.

The Chairman welcomed the provision of the new 'hot desks' for Members but queried the absence of Wi-Fi. He asked that it be made available in the Priory House canteen so that the public could also make use of it. The Portfolio Holder stated that Wi-Fi was to be made available in Ground West but that he would investigate its provision elsewhere and report back. Discussion followed on the types of Wi-Fi access available.

In response to a query by the Chairman regarding 'Your Space' the Portfolio Holder stated that there were a few matters still outstanding. The Director of Customer and Shared Services stated that the project had not overrun its budget and a full report would be submitted to Members in due course.

The Portfolio Holder for Finance, Governance and People stated that many points were covered under his attached reports. He then advised that the final accounts were with the auditors and the work was approximately half finished. A report would be submitted to the Audit Committee.

He referred to the work undertaken by Serco on Members' expenses and expressed disappointment at the quality of work. The Assistant Director – Finance advised that the Council was in discussion with Serco regarding their performance.

In response to a query by the Chairman the Assistant Director – Finance explained that the control procedures had been examined at the request of the internal auditors in order to assure the external auditors that the figures supplied were correct. He added that no discrepancies had been found.

Last, the Committee noted the possible changes which could arise from the cessation of the Comprehensive Area Assessment including, for example, the transfer of the District Auditor's work to the National Audit Office.

CCS/10/60 **Q1 Budget Monitoring**

The Committee considered first quarter budget monitoring by reference to the following:

- Quarter 1 Budget Management Report 2010;
- Budget Management Report Quarter ended 30 June 2010 – Office of the Chief Executive;
- Budget Management Report for the Quarter ended 30 June 2010 – Directorate of Customer and Shared Services.

During consideration of the reports Members made a number of comments regarding the form and content and sought assurance from the Portfolio Holder that the accuracy of the data and quality of the commentary would be improved in future reports. The Committee was also of the opinion that the year end forecasting was overly pessimistic as it reflected worst case scenarios rather than knowledge based expectations. In addition the commentary regarding budget variations lacked an explanation of the underlying causes. In response the Portfolio Holder assured the Committee that the Quarter 2 and subsequent reports would take account of the comments made.

The Committee considered a number of recommendations which centred on the need to improve the accountability of budget managers for their own budgets and provide them with the resources and training to undertake this.

Members were aware that this issue had already been raised by the Budget Task Force and included in recommendations considered by the Executive on 8 June.

RECOMMENDED to Executive:

- 1 that the Executive reiterates the need for budget managers to be fully responsible and accountable for the development, accuracy and monitoring of their own budgets and that this responsibility be explicitly included as a target within relevant staff Performance Development Reviews;**
- 2 that the Executive takes steps to improve the SAP reporting system and associated training to ensure the timeliness and accuracy of budget monitoring reports.**

RESOLVED

that the Committee supports and encourages the Directorate Recovery Programme and the examination of alternative methods of service delivery.

NOTED

- 1 the current projected full year overspend of £1,692,000 for the Directorate of Customer and Shared Services;**
- 2 the proposed management actions contained within the report of the Portfolio Holder for Customers, Systems and Assets.**

CCS/10/61 **Budget Strategy**

Members considered a report by the Portfolio Holder for People, Finance and Governance which set out the framework for preparing the Council's 2010/11 budget and the annual update to the Medium Term Financial Plan (MTFP) from 2009/10 through to 2013/14. Whilst the report also provided an update on the current economic situation and the impact on local government finance the meeting noted that its focus was on the revision of the assumptions in the existing MTFP and the proposed strategy to address the Council's financial challenges.

The Portfolio Holder reminded the meeting that there was uncertainty regarding the level of Government funding over the medium term although further details would become available with the publication of the Comprehensive Spending Review on 20 October. He further advised the meeting that, in view of the timescales faced by the authority, the report on the draft budget proposals scheduled for the Committee's consideration in November would now be presented to its December meeting.

The meeting considered the assumptions contained within the update to the MTFP regarding reductions in government funding, including both Formula Grant and Area Based Grant, and the possible actions to address the resulting budget gap with particular reference to efficiencies.

NOTED

- 1 the overall financial outlook and the impact on this authority;**
- 2 the update to the existing Medium Term Financial Plan.**

CCS/10/62

Housing and Council Tax Benefit Anti Fraud Strategy & Policy/Housing and Council Tax Benefit Prosecutions & Sanctions Policy

The Committee considered a report by the Portfolio Holder for Finance, Governance and People which proposed the adoption of the following:

- a Housing and Council Tax Benefit Anti Fraud Strategy and Policy to provide the framework on which the Council would combat and detect fraud;
- a Housing and Council Tax Benefit Prosecutions and Sanctions Policy to provide the framework on which the Council would decide when it was appropriate to prosecute fraudsters.

Copies of the documents were attached as Appendices A and B respectively to the Portfolio Holder's report.

The meeting noted that the Council was the appropriate authority for the purposes of the Social Security Administration Act 1992 and other associated legislation.

The Portfolio Holder advised the meeting that the Audit Commission was due to inspect the Council's service in this area and the documents before Members represented the formalisation of guidelines which the Benefit Fraud Investigators in the Customer Accounts Team had been working to since the Council's inception.

Members referred to the setting of annual targets for each Benefit Investigating Officer and, whilst welcoming the principle of such targets, expressed some concern that the stated target figures had not been based on a thorough assessment of actual benefit fraud levels. In addition, and whilst acknowledging the value of a strong deterrent effect, concern was also expressed at the cost of the service in relation to the low sums recovered when successful action was taken against fraudulent claimants. As such it was felt that there should be an estimate made of the true level of benefit fraud within Central Bedfordshire and that the size of the service and the target figures for the Investigators should arise from this.

With regard to the documents Members referred to paragraph 2.1 of the Housing and Council Tax Benefit Anti Fraud Strategy and Policy and stated that the word 'appoint' should be replaced by 'designate' so that the sentence began 'The Council will designate sufficient number of staff...'. Members also referred to paragraph 1.4 of the Housing and Council Tax Benefit Prosecutions and Sanctions Policy and referred to the reference that '...Administrative Penalties, fixed at 30% of the fraudulent overpayment,...will be considered.' Members asked that clarification of this figure should be given. In response the Assistant Director Financial Services undertook to revise the documents accordingly before submission to the Executive.

RESOLVED

that a verbal update be submitted to the next meeting of the Committee setting out the estimated level of benefit fraud within Central Bedfordshire, the cost of detection and an organisational chart of those officers responsible for investigating and taking sanctions against fraudulent benefits claimants.

CCS/10/63 Treasury Management Quarter One Report

The Committee considered a report of the Portfolio Holder for People, Finance and Governance which provided an update on treasury management activity for the first quarter of the financial year 2010/11 and covered investments, borrowing and cashflow management.

The meeting noted that the report was a requirement of the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Treasury Management'.

In response to a query regarding the provision of information on the cash flow requirements of the Council the Portfolio Holder advised that the Council's financial profile as an established authority would not be known until the end of the current financial year. As such it was not yet possible to supply such information with any certainty.

RESOLVED

that the Portfolio Holder for People, Finance and Governance be requested to continually review the Council's cash holding policy with the aim of minimising the cash and borrowing level, so as to minimise borrowing costs, whilst having regard to a prudent approach to risk and ensuring that the Council always has access to sufficient funds.

CCS/10/64 Work Programme 2010-2011 & Executive Forward Plan

The Committee considered its current work programme and the latest Executive Forward Plan. The meeting noted that the Portfolio Holder for

Customers, Systems and Assets would be absent from the next meeting of the Committee.

RESOLVED

that the Chairman and Vice-Chairman of the Committee, in consultation with the Portfolio Holders for Policy and Performance, Finance, Governance and People and Customers, Systems and Assets, be authorised to determine the Committee's work programme for its next meeting.

(Note: The meeting commenced at 10.00 am and concluded at 12.38 pm.)