

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE** held in Room 15, Priory House, Monks Walk, Shefford on Monday, 25 July 2011.

PRESENT

Cllr P A Duckett (Chairman)
Cllr Miss A Sparrow (Vice-Chairman)

Cllrs L Birt
J A E Clarke
Mrs R J Drinkwater

Cllrs R W Johnstone
J Murray
Mrs M Mustoe

Apologies for Absence: Cllrs Dr R Egan

Substitutes: Cllrs D Jones (In place of Dr R Egan)

Members in Attendance: Cllrs D Bowater
D J Hopkin
M R Jones
R D Wenham

Chairman of Audit Committee
Deputy Executive Member for Corporate Resources
Deputy Leader and Executive Member for Corporate Resources
Deputy Executive Member for Corporate Resources

Officers in Attendance: Ms D Clarke – Interim Assistant Chief Executive (People and Organisation)
Mr P Fraser – Head of Partnerships and Performance
Mrs E Grant – Deputy Chief Executive/Director of Children's Services
Mr A King – Head of Financial Strategy
Mr P Storey – Committee Services Officer
Mr J Unsworth – Interim Assistant Chief Executive (Resources)
Mr C Warboys – Assistant Director, Finance)

CCS/11/12 **Minutes**

RESOLVED

That the Minutes of the meeting of the Customer and Central Services Overview and Scrutiny Committee held on 14 June 2011 be confirmed and signed by the Chairman as a correct record.

CCS/11/13 **Members' Interests**

(a) **Personal Interests:-**

Councillor J Murray declared a personal interest in the Provisional Outturn Budget Management Quarter 4 2010/11 report – Customer and Shared Services as a tenant and one of his constituents was also a tenant.

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

None.

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

None.

CCS/11/14 **Chairman's Announcements and Communications**

The Chairman stated that the Shared Services Task Force would not be meeting again in August as originally planned. Instead, a report on the matter would be submitted directly to this Committee in September 2011.

The Chairman welcomed Councillors L Birt and Mrs M Mustoe, who had been appointed to the Committee by the full Council on 21 July 2011 to replace Councillors A D Brown and I Dalgarno, who had been appointed as Deputy Executive Members for Children's Services and Sustainable Communities respectively. Councillor Miss A Sparrow had also been appointed Vice-Chairman of the Committee at the same meeting of the full Council.

The Chairman stated that the Executive Member for Children's Services would be giving the Committee a report on the Integrated Children's Services (ICS) project and the Ofsted deadline. This project would require detailed scrutiny by the Committee regarding IT and financial issues.

The Chairman informed Members that Peter Storey, Committee Services Officer, would be servicing the Committee for this meeting.

CCS/11/15 **Petitions**

No petitions were received from members of the public in accordance with the Public Participation Procedure as set out in Part D2 of the Constitution.

CCS/11/16 Questions, Statements or Deputations

Six questions had been submitted in writing to the Committee by a member of the public, Mr George Konstantinidis, in accordance with the Public Participation Procedure as set out in Annex 1 of Part A4 of the Constitution.

The issues raised in the questions would be dealt with as part of item 13 – Quarter 4 Customer and Shared Services Budget Monitoring Report 2010/11 on the agenda and written responses would be sent to Mr Konstantinidis (minute 23 below refers).

A copy of the questions and the answers provided is attached to these minutes.

CCS/11/17 Call-In

The Committee was advised that no decisions of the Executive had been referred to the Panel under the Call-in Procedures set out in Appendix “A” to Rule No. S18 of the Overview and Scrutiny Procedure Rules.

CCS/11/18 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. 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/11/19 Executive Member Update

The Executive Member and Deputy Executive Member for Corporate Resources provided the Committee with an update on current activities pertaining to the portfolio, which covered the following issues:-

- The Integrated Children’s Services (ICS) project would be progressed urgently to meet the Ofsted deadline and should be in place by March 2012. The Committee asked for an early overview of the project;
- The CoCo submission for 2011 had now been made;
- A new Head of Service for Operation Systems, Matt Scott, had been appointed on 20 June 2011
- HR were on target on work to change staff terms and conditions and the changes should come into effect on 1 October 2011;
- The outturn for Quarter 1 of 2011/12 was very close to budget;
- The new Equalities Act was now in force and required equality impact assessments to be undertaken to any changes to services. The Council was very diligent in assessing risks prior to the Act coming into force. Training would be provided for Overview and Scrutiny members.

CCS/11/20 **Quarter 4 Performance Monitoring 2010/11**

The Executive Member for Corporate Resources introduced his report, stating that the outturn for 2010/11 of 97.60% was a 0.4% improvement on 2009/10. The overall Council tax debt had also been reduced by £325,000 in 2010/11. There had also been improvements in performance relating to:

- the time taken to assess claims and changes in circumstance;
- paying undisputed invoices;
- reducing the level of debt outstanding;
- monitoring the use of agency staff to seek to make reductions;
- a reduction in sickness absence and improved management action.

There was some discussion on the amount of Council tax uncollected, which at 1.5% amounted to approximately £3m. Efforts were being made to collect this sum and there had been no significant impact resulting from delays in collection.

The performance over Quarter 4 of 2010/11 was considered to be very healthy.

RECOMMENDATION:

That the contents of the report be noted regarding the Council's performance position and any associated actions which need to be taken.

CCS/11/21 **Quarter 4 Corporate Budget Monitoring Report 2010/11**

The Executive Member for Corporate Resources introduced his report, stating that the Council had been one of the first in the country to submit accounts for 2010/11 meeting IRS standards.

A question was asked regarding additional construction works at Technology House. The Executive Member for Corporate Resources stated that this was for repairs to the car park, which was a health and safety issue and the responsibility of the tenant. It was still intended to leave the building by 2014.

It was noted the variance on Learning and Strategic Commissioning was high but that this was partly as a result of issues raised nationally through the Baby P case.

Members asked regarding the financial situation in relation to academies and the Dedicated Schools Grant (DSG). The Director of Children's Services stated that the DSG reduced as schools moved out of local authority control. However, the cost to the local authority dropped if fewer services were provided for schools. Academies could buy in services from the local authority but there would be an impact on Council services, such as HR, if that did not happen. She would be undertaking projections to indicate the likely financial impact on the Council in September/October 2011.

RECOMMENDATION:

That the report be noted.

CCS/11/22 **Quarter 4 Office of the Chief Executive Budget Monitoring Report 2010/11**

The Executive Member for Corporate Resources introduced his report, stating that the total outturn position for the Office of the Chief Executive for 2010/11 was £233k (4.9%) under budget, largely due to under spends against the staff budget and the postponement of the implementation of a small number of schemes and the abandonment of the 2010 Place Survey. The provisional outturn was unchanged against the forecast position reported in December 2010.

It was noted that it would take some time for News Central to generate sufficient advertising income to become self supporting, however costs had been reduced by decreasing the frequency of publication.

RECOMMENDATION:

That the report be noted.

CCS/11/23 **Quarter 4 Customer and Shared Services Budget Monitoring Report 2010/11**

The Executive Member for Corporate Resources introduced his report, stating that the Customer and Shared Services budget for 2010/11 indicated pressures of £2,696k (7.1%), being an increase of £562k since the Quarter 3 report and offset to some degree by the release of the no longer required single status provision. The main areas of overspend related to systems, staff costs, staffing pressures and income levels which proved difficult to achieve.

The questions received from a member of the public, Mr George Konstantinidis (minute 16 above refers) related to items in the report. The Chairman asked officers to respond in writing within five days with answers to Mr Konstantinidis's questions and stated that he would write to Mr Konstantinidis to inform him of that. A copy of the questions and answers are appended to these minutes.

In answer to a question regarding servers located at a number of venues it was noted that there would be costs and risks involved in moving the servers to another location.

The Committee congratulated the officers on a good delivery of service in this budget area.

RECOMMENDATION:

That the report be noted.

CCS/11/24 **Community Engagement Strategy**

The Deputy Executive Member for Corporate Resources introduced the Community Engagement Strategy and gave a presentation. Members supported the empowerment of the community and noted that the Council was “ahead of the field” in this area.

Members received a refresh of the strategy and the Open Public Services White Paper, which was published on 12 July 2011.

The strategy was refreshed to align with the latest policy in the Localism Bill, Health and Social Care Reform Bill and the Education Bill. It also reflected local aspirations to support and facilitate communities to do more for themselves. Community engagement policies were tabled at the meeting for Members’ consideration. An action plan would be produced to give details of how the policies in the strategy would be implemented.

Members commented that there could be differing views within the community as to what action should be taken in their areas. A Member also referred to the comments of the National Association of Local Councils which did not support the community having a veto over Town and Parish Councils. It was noted, though, that Ward Members could act as champions and guides for Town/Parish Councils and local groups. A Member suggested that there could be a possible conflict in the Localism Bill as it allowed the community to challenge excessive Council Tax rises whilst allowing referenda for new items or services which could increase Parish precepts.

The Committee asked that a reference to equality impact assessments, as required by the Equalities Act, be included in principle 3 of the strategy.

It was also noted that the Ward Profiles had been updated but did not contain information from the 2011 Census, which took twelve months to become available. Members asked that updated Ward Profiles be sent to Ward Members and Town/Parish Councils, with an explanation as to why the 2011 Census information was not yet included.

RECOMMENDATIONS TO THE EXECUTIVE:

- 1. That performance against the actions in the first year of the delivery plan be noted.**
- 2. That the draft refresh of the Community Engagement Strategy be endorsed.**
- 3. That the proposed policy statements to ensure the Council applies the principles of the Strategy consistently across directorates be agreed.**
- 4. That the proposal to develop a policy position for the Council to deliver Localism once the legislation in the Bill is better understood**

be agreed.

CCS/11/25 2012/13 Budget Process & Timetable

The Assistant Director, Finance gave a presentation on the way forward on the Medium Term Financial Plan 2012-2016 and Budget 2012/13. It was intended to improve the appearance of the plan and to better integrate it with other strategies and plans. There would be significant changes from April 2012 onwards, including changes to the Housing Revenue Account which would have approximately £158m debt transferred to the authority.

The Executive would consider the Medium Term Financial Plan in November 2011 and papers would be circulated to members of the Committee. An equality impact assessment would be undertaken and the full Council would be asked to approve the Plan and budget on 23 February 2012.

RECOMMENDATION:

That the presentation be noted.

CCS/11/26 Sickness Absence Management

The Interim Assistant Chief Executive (People and Organisation) gave a presentation on the approach taken to managing sickness absence. She stated that the average number of days of sick absence per employee per annum had reduced from ten days in 2009/10 to nine days in 2010/11 (against a target of eight days). This included long- term sickness absence as well as short-term. The improvement had been partly brought about by improving procedures and improving management training. A dashboard would be produced on sickness absence for managers' information.

Members asked how the Council's target of an average of eight days sickness absence per employee per year compared with the private sector and it was noted that the average was four days in the private sector. Local authorities tended to have an average of eight days, which compared favourably with other public sector organisations.

RECOMMENDATION:

That the presentation be noted.

CCS/11/27 Work Programme 2011 - 2012 & Executive Forward Plan

The Committee considered its current Work Programme and the latest Executive Forward Plan and made the following changes to the WP for the Committee's next meeting, to be held on 5 September 2011:

- 1 Recovery programme for Customer & Shared Services Directorate – now to be a presentation;
- 2 Equalities Act (presentation) and dates for training sessions – added to the Work Programme;

- 3 Customer Services Strategy – now to be a presentation;
- 4 Asset disposal programme 2012/12 – now to list the top ten assets for disposal.

Councillor R W Johnstone gave his apologies for the meeting of the Committee on 5 September 2011.

RECOMMENDATION:

That the Committee’s Work Programme be noted.

CCS/11/28 **Vote Of Thanks**

The Committee thanked all officers involved in the reports on the agenda and in the areas considered at the meeting for their hard work and efforts.

(Note: The meeting commenced at 10.00 a.m. and concluded at 12.30 p.m.)

Chairman.....

Date.....

APPENDIX

SPEAK AT OUR MEETINGS

Speaking at Council, Executive and Committee Meetings

Please use this form to request to speak at a meeting of the Council, the Executive or a Committee

I wish to speak at the meeting of: **CUSTOMER AND CENTRAL SERVICES OVERVIEW & SCRUTINY COMMITTEE**
under item 6, public participation on Monday 26th July, 10.00 am

:

I wish to ask the committee the following questions:

1. On item 13, page 84, under asset pressures please explain the reason for £141k variance on unexpected rates on various assets. Rates are known at the beginning of the year and should be no variance. Is this a result of assets been omitted from the register which indicates a further problem with the assets register?
2. Debt management costs £1.154m p.a. Please explain which part of the income is under the control of a debt management company and express this cost as % of that income. Please disclose the name of the debt management company.
3. Reduction of audit fees by £83k as result of the reduced work. Is the reduced work a decision of the auditors, or a decision of this Council in order to save costs? Last year's audit report disclosed material errors in the financial statement and therefore common sense dictates an increase in audit testing and amount of work. However, perhaps reliance was placed in the improved internal audit functionality, but having been restricted from these reports at the last audit committee

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we, the public are unable to determine such an improvement. Please confirm the exact reason for reducing the audit work, and also please confirm if these reports can be available under the Freedom of Information Act in which case the exclusion of press and public is irrelevant.

4. Page 84 “ A release of old balances for un-invoiced goods receipts, together with additional HRA recharges has produced £1.3M, which has been used to make a contribution to the redundancy reserve.” Please confirm that this has been approved by the auditors. Regardless the materiality and the zero effect on profit and loss, it distorts the redundancy costs which will now be understated by £1.3m, so I would like the auditors comment on this please .
5. Last year you reported a capital outturn under spent of £19.6m. This year is again under spent £9.16. It appears that you either have a policy of over providing for capital items for which the tax payers have paid up front, or you unable to provide an accurate capital expenditure forecast, or perhaps combination of both. Please explain why this is a continuing issue.
6. Page 21, item 1.3 over accrual of £1.15m. Is this another accrual in addition to the £1.3m on page 84 which was mentioned above at item 4. I am very concerned that part of the savings you claimed for the year is result of accounting treatments and not actual savings.

APPENDIX

**Central
Bedfordshire**

Capacity in which speaking (personal, representative of an organisation etc):

PERSONAL

Name: (please print)

George Konstantinidis

Address: 6 Greens Close, Sandy, SG19 1AD

Telephone: 07894473730

Date

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Responses to Public Questions

1. Property Services have undertaken a thorough review of the assets held by the authority and the rates obligations associated with these. This has identified a cost pressure that has now been corrected with future years' budgetary assumptions.
2. The authority has achieved an underspending on its debt management costs due to a restructuring of long-term borrowing debt from a fixed to a variable rate of interest. Debt management relates to financing not income due to the Council. The saving is not due to increased income on its investments. All long-term borrowing and investments are made in line with the approved Treasury Management Policy.
3. An underspending has been achieved in Audit Fees due to the cessation of inspection work undertaken by the Audit Commission under the CAA regime that was assumed in the original budget. The revised audit fee structure has been incorporated into the future years' budgetary assumptions as included in the MTFP. There is no significant change in scope
4. The review of the authority's working capital balances identified and remedied in balances between the level of charge recorded on the original purchase orders and the amount invoiced by its suppliers. This review work is in line with best practice and would be a minimum expectation of auditors to ensure robust accounting arrangements. It has resulted in a saving as invoiced costs have been managed and have come in under the original purchase order level. The redundancy costs recorded within the management accounts are a separate matter although this is an additional cost that offsets the purchase order benefit above. The costs arise from an increase to our reserve for redundancy costs to support the council's actions in reducing our cost base.,,. The costs are not understated and the overall redundancy provision is separately disclosed.
5. The capital underspend that is shown is primarily due to delays in implementing schemes that results in slippage to future financial years, in part due to longer implementation of schemes where we work closely with other partners.. It is important to note that the funding of capital schemes will be achieved through borrowing (internal and external), application of usable capital receipts or specific grant, and do not constitute an 'up front' charge to CBCs residents. A Capital Review is being undertaken to scrutinise all existing capital commitments against priorities and identify levels of slippage at the earliest opportunity.

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6. The £1.15m credit to General Fund identified on page 21, item 1.3 is the same as the item identified in point 4.