

Central Bedfordshire
Council
Priory House
Monks Walk
Chicksands,
Shefford SG17 5TQ

**This meeting
will be filmed.***



**Central
Bedfordshire**

please ask for Helen Bell
direct line 0300 300 4040
date 14 September 2017

NOTICE OF MEETING

COUNCIL

Date & Time

Thursday, 28 September 2017 6.30 p.m.

Venue at

Council Chamber, Priory House, Monks Walk, Shefford

Richard Carr
Chief Executive

To: The Chairman and Members of the COUNCIL

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MEETING***

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AGENDA

Prayers

The Reverend Stephen Nuth will take prayers.

Page Nos.

1. **Apologies**

Apologies for absence to be received.

2. **Minutes**

5 - 12

To approve the minutes of the Council meeting held on 20 July 2017.

3. **Members' Interests**

To receive from Members any declarations of interest.

4. **Questions, Statements and Deputations**

To receive any questions, statements and deputations from members of the public in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.

5. **Petitions**

To receive and discuss petitions if any, in accordance with the Public Participation Procedure as set out in Part 4G of the Constitution.

6. **Chairman's Announcements and Communications**

The Chairman to announce any matters of communication.

7. **Leader of the Council's Announcements and Communications**

The Leader of the Council to announce any matters of communication.

8. **Executive Member Presentations**

To receive reports from up to three Executive Members on recent matters of interest and ask questions on matters contained within the reports.

Reports are anticipated from:

- Councillor Hegley, Executive Member for Social Care and Housing and Lead Member for Children's Services; and
- Councillor Dixon, Executive Member for Education and Skills.

9. **Treasury Management Outturn Report 2016/17** 13 - 32

To consider a report of Councillor Wenham, Deputy Leader and Executive Member for Corporate Resources on Treasury Management activities for the year ended 31 March 2017.

10. **Overview and Scrutiny Annual Report (2016/17)** 33 - 50

To receive the Overview & Scrutiny Committees Annual report.

11. **Motions (if any)**

To consider motions by Members of the Council under Part 4A, Rule No. 17 of the Council's Procedure Rules in the order received.

12. **Written Questions**

To answer written questions from Members of the Council under Part 4A, Rule No. 13.2 of the Council's Procedure Rules.

13. **Open Questions**

To answer Open Questions asked by Members of the Council under Part 4A, Rule No. 13.7 of the Council's Procedure Rules.

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **COUNCIL** held in the Council Chamber, Priory House, Monks Walk, Shefford on Thursday, 20 July 2017.

PRESENT

Cllr Mrs C F Chapman MBE (Chairman)
Cllr B Saunders (Vice-Chairman)

Cllrs	R D Berry	Cllrs	Mrs S A Goodchild	Cllrs	I Shingler
	M C Blair		Mrs C Hegley		P Smith
	D Bowater		P Hollick		B J Spurr
	J Chatterley		J G Jamieson		Mrs T Stock
	K M Collins		K Janes		A M Turner
	N B Costin		R W Johnstone		M A G Versallion
	I Dalgarno		K C Matthews		B Walker
	Cllr S Dixon		Ms C Maudlin		N Warren
	Mrs A L Dodwell		R Morris		R D Wenham
	P Downing		T Nicols		J N Young
	P A Duckett		G Perham		A Zerny
	F Firth		A Ryan		Cllr M Liddiard
	E Ghent		J A G Saunders		S Watkins
	C C Gomm		D Shelvey		

Apologies for Absence

Cllrs	Mrs A Barker	Cllrs	Mrs D B Gurney	Cllrs	R C Stay
	A D Brown		J Kane		T Swain
	Mrs S Clark		D J Lawrence		G Tubb
	K Ferguson		Mrs J G Lawrence		B Wells
	Ms A M W Graham		D McVicar		T Woodward

Cllr J Freeman - Absent

Officers:	Mr Q Baker	–	AD Legal Services (Monitoring Officer)
	Miss H Bell	–	Committee Services Officer
	Mr R Carr	–	Chief Executive
	Mr M Coiffait	–	Director of Community Services
	Mrs S Hobbs	–	Senior Committee Services Officer
	Mr A Davie	–	Development Infrastructure Group Manager
	Mr L Jones	–	Assistant Director for Education and Transformation
	Mrs J Ogle	–	Director of Social Care, Health and Housing
	Mrs M Scott	–	Director of Public Health
	Mr C Warboys	–	Director of Resources

C/17/12 Prayers

Prayers were taken by The Reverend Lucy Davis.

C/17/13 Minutes**RESOLVED**

that the minutes of the Council meeting held on 18 May 2017 were approved by the Chairman as a true and correct record.

C/17/14 Members' Interests

No declarations of interest were received.

C/17/15 Questions, Statements and Deputations

The Chairman advised that four members of the public had registered to speak on the draft Local Plan and one member of the public wished to speak on fluoridation.

The Chairman invited the members of the public who had registered to speak to address the Council.

1. Mr Denchfield raised concerns about the draft Local Plan which he considered to contain vague and inaccurate details of the proposed number of homes and exact locations and asked if government models had been used to determine the proposals. Mr Denchfield felt that it was inappropriate at this time to ask residents to comment on the draft Plan. He raised concerns about the focus that there appeared to be on the East of Central Bedfordshire because of its infrastructure links rather than other large conurbations such as Ampthill and Flitwick. Mr Denchfield spoke about how he felt Biggleswade had been unfairly targeted with significant developments already having taken place and as a result how the existing infrastructure was struggling to cope.
2. Mr Lasham spoke about his concerns on the draft Local Plan proposals, particularly for Biggleswade and how he felt Biggleswade has been adversely effected by significant developments that had taken place already. He raised concerns about the impact on wildlife and on agriculture land.
3. Mr Crockart, a Biggleswade resident, spoke about his concerns and the impact of the proposals on the town, in particular the roads and infrastructure in Biggleswade.
4. Mr Rix raised concerns about the road infrastructure and car parks in Biggleswade and how the proposals in the Local Plan would exacerbate existing problems. He asked if there was a plan in place to alleviate the problems and urged the Council to reconsider their proposals.

5. Mrs Williams spoke about the fluoridation of water in Central Bedfordshire and the extent to which those residents affected had been made aware that their water had been fluoridated.

Councillor Young, Executive Member for Regeneration thanked the speakers and responded to concerns about the draft Local Plan as follows:

The public consultation had been extended from six to eight weeks and so far four public drop-in sessions had taken place. He explained why it was important to have a Local Plan as quickly as possible and emphasised that no decisions had been made at this stage. The plan was proposing options for growth over the next 20 years, including homes which were needed.

Councillor Young addressed concerns about the draft plan being unbalanced and focusing on the eastern area of Central Bedfordshire. He advised that development was balanced and gave an example of the 23,000 new homes with planning permission in the southern half of Central Bedfordshire, including 7,000 in Houghton Regis.

Councillor Young responded to concerns about the need for more detail about specific sites and the number of homes. He advised that at this stage the plan set out broad locations for growth and numbers and that the next stage of the plan would be more specific. The current version of the draft plan included space for schools, health provision, shops and community facilities. The community planning events would inform requirements. The next stage of the plan would develop the requirements further.

In terms of infrastructure, feedback from residents indicated that there was a need and desire for development to be located close to road and rail infrastructure. The major growth locations included requirements for improvements to existing infrastructure, such as the A1 and a new bypass at Arlesey. It was noted that infrastructure would have to be in place prior to substantial development taking place. Some of the growth was dependant on the East –West rail.

Councillor Young addressed concerns about protecting the wildlife and agricultural land and advised that it was the intention within the plan to enhance the countryside.

Councillor Spurr, Executive Member for Health responded to Mrs Williams and advised that homes that were affected by fluoridation had been identified and that a map was being produced which would be published. Councillor Spurr referred to work that a neighbouring authority was undertaking into this area of work which Central Bedfordshire hoped to draw on.

C/17/16

Petitions

No petitions were received.

C/17/17 Chairman's Announcements and Communications

The Chairman advised of events that she had attended since the last meeting of Council, including:

- the Sunset Ceremony, Chicksands to mark the armed forces day parade;
- the Topping Out Ceremony and planting of a time capsule at Houghton Park Hall;
- the High Sheriff's Garden Party;
- official opening of the M1/A5 Link Road;
- the funeral of Late Chief Constable, Alfred Hitchcock;
- presentation of the Queen's Award for Enterprise to Peli Bio Thermal based in Leighton Buzzard.

The Chairman spoke about the facilities at the Safety Centre Hazard Alley, Milton Keynes and that she would be planning a visit for all Members to attend.

The Chairman advised that her Civic service would be held on 21 January 2018, 3.00p.m at St Mary's Church, Woburn. The function would be attended by the Bishop of Bedford.

The Chairman advised that she and Vice Chairman would like to meet Members of Central Bedfordshire staff and would be making plans to visit all offices throughout the year.

C/17/18 Leader of the Council's Announcements and Communications

The Leader thanked members of the public who had spoken under agenda item 4, Questions, Statements and Deputations.

The Leader referred to the official opening of the M1/A5 Link Road and the importance of this infrastructure, particularly, the positive impact that this was having on Houghton Regis and Dunstable. The new link would also underpin significant development.

The expansion of homes in Central Bedfordshire had been accompanied by the creation of 925 additional school places. This had contributed to 97% of pupils being allocated to their first choice school.

C/17/19 Executive Member Presentations

Councillor Wenham, Executive Member for Corporate Resources, reported on recent developments in the Revenues and Benefits area of his portfolio including:

- continued improvement in the performance of Council Tax collection and NNDR;
- a new streamlined debt management process, ;
- monthly monitoring of housing and council tax benefit claims;

- fraud investigation successes, including £60,000 of housing fraud prevention, blue badge fraud and school admissions cases;
- digitisation of a new benefits claims form; since its introduction, 2700 claims had been made on line;
- the soft launch of a revenues and benefits portal allowing customers to have access to information about council tax and NNDR accounts. Future developments would include automatic email alerts when new letters and bills are generated;
- plans to automate data transfer to the Valuation Office and e form processing.

The Executive Member for Corporate Resources placed on record his gratitude to the Revenues and Benefits team.

Councillor Dalgarno, Executive Member for Community Services updated Council on Culture and Arts and the ways in which these were delivered by libraries throughout Central Bedfordshire:

- completion of a refresh of a consultation undertaken in 2012 called the 'Big Listen', which would see changes to the service being rolled out soon;
- an increase of online usage, including the substantial uplift in visits to the virtual library;;
- £2 million had been invested in the 12 libraries across Central Bedfordshire libraries, including in refurbishments, improved infrastructure and upgraded data lines;
- an increase in the satisfaction user satisfaction from 93% in 2012 to 97% in 2017;
- an increase in people attending activities in libraries;
- an extension of library opening hours in September 2017;
- the presence of library services throughout Central Bedfordshire in 148 settings;
- increases in ticket sales at the library theatre in Leighton Buzzard since the introduction of on line bookings;
- work that was underway with the Arts Council to conduct a review of cultural offer at the library theatre, Leighton Buzzard and Grove theatre Dunstable;
- work with local and national partners, including an Arts Council grant in conjunction with the Royal Opera House Bridge, linking leisure, libraries and countryside projects to provide vulnerable learners with an opportunity to experience music and arts.

Councillor Dalgarno responded to questions.

C/17/20 Recommendations from the Executive

The Council considered recommendations from a meeting of the Executive held on 20 June 2017 that's set out the provisional capital outturn for 2016/17 as at the end of March 2017.

RESOLVED

that the net overspend on the following items be approved:

- **Woodside Link £8.01M (see paragraph 55 in Appendix A to the report);**
- **New Schools Places £2.32M (see paragraph 21 in Appendix A to the report); and**
- **Stratton Park Infrastructure Works £0.70M (see paragraph 37 in Appendix A to the report).**

Upon being put to the vote all 42 Members voted in favour of the resolution.

C/17/21 Audit Committee Activity - 2016/17 Annual Report

The Council considered a report which summarised the work of the Audit Committee during the 2016/17 financial year.

RESOLVED

That the work of the Audit Committee during 2016/17 financial year be noted.

Upon being put to the vote all 42 Members present voted in favour of the resolution.

C/17/22 Report of the Bedfordshire Fire and Rescue Authority

The Council received a report of the Bedfordshire and Luton Fire and Rescue Authority, following its meeting held on 27 April 2017.

Councillor Downing updated Council on the work undertaken by fire fighters throughout Bedfordshire.

In addition to fire fighting, officers attended road traffic collisions, flooding incidents, special incidents including animal rescue, aircraft and railway rescues. 1900 household safety audits had been undertaken for vulnerable and elderly people. The Fire Authority had been increasing its road safety awareness campaign, particularly working closely with young people for accident prevention.

Following on from the Grenfell Towers fire, a full audit of high rise buildings had been carried out. There were 3 high rise buildings in Central Bedfordshire.

RESOLVED

that the report of the Bedfordshire Fire and Rescue Authority be noted.

C/17/23 Motions

No motions were received.

C/17/24 Written Questions

No written questions were received.

C/17/25 Open Questions

The Chairman invited the Minority Group Leaders to ask a question each, prior to the consideration of questions that had been placed in the Open Questions receptacle.

1. Councillor Zerny asked a question about the attendance of the Leader at a recent function in Cannes on the Kingsland Legacy project.

The Leader explained his attendance which he had funded at his own expense.

2. Councillor Maudlin asked a question about the future of Sandy railway station once the East West Rail station is sited north of Sandy, near Tempsford and about the case for residents to petition for the retention of the station.

The Executive Member for Regeneration advised that the Local Plan identified the need to fully support the infrastructure and transport links in Central Bedfordshire, that there were no plans to close station in Sandy and therefore no requirement for a petition.

(Note: The meeting commenced at 6.30 p.m. and concluded at 8.19 p.m.)

Chairman

Dated

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Central Bedfordshire Council

COUNCIL

28 September 2017

Treasury Management Outturn Report 2016/17

Report of Cllr Richard Wenham, Deputy Leader and Executive Member for Corporate Resources (richard.wenham@centralbedfordshire.gov.uk)

Advising Officer: Charles Warboys, Director of Resources and Section 151 Officer
(charles.warboys@centralbedfordshire.gov.uk)

Contact Officer: Denis Galvin, Assistant Director of Finance
(denis.galvin@centralbedfordshire.gov.uk)

This report relates to a non-Key Decision

The purpose of this report

1. to provide a review of Treasury Management activities for the year ended 31 March 2017 in compliance with relevant codes of practice adopted by Central Bedfordshire Council.
2. The Council's Treasury Management Strategy has been underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in the Public Services: Code of Practice (2011 Edition)*, which includes the requirement for determining a treasury strategy on the likely financing and investment activity for the forthcoming financial year.
3. The Code also requires that all Members are informed of Treasury Management activities at least twice a year. This annual report on Treasury Management activities after the close of the financial year, together with the mid-year report to Council in November, therefore ensures that Central Bedfordshire Council has adopted best practice in accordance with CIPFA's recommendations.

RECOMMENDATIONS

The Council is asked to:

1. **note the report on Treasury Management and the Prudential Indicators performance for the year ended 31 March 2017.**

Overview and Scrutiny Comments/Recommendations

4. Local arrangements require the Corporate Resources Overview and Scrutiny Committee to receive, on a quarterly basis, treasury management performance reports and every year to scrutinise the revised strategy. This activity is scheduled for the Committee's meeting on 25 January 2018.

Background

5. Treasury management is defined by the CIPFA Code of Practice for Treasury Management in the Public Services as:
"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

Summary of Borrowing and Investment Strategies

6. The Council's strategy over the period can be summarised as:
 - i) The Council used internal resources in lieu of borrowing to the full extent as this has continued to be the most cost effective means of funding capital expenditure.
 - ii) The opportunities for debt rescheduling are regularly monitored but, as anticipated, no opportunities materialised.
 - iii) Given continuing economic uncertainty, the security and liquidity of investments were safeguarded by restricting counterparties to those of high creditworthiness and also restricting time periods for investments.
7. Continued uncertainty in the aftermath of the 2008 financial crisis promoted a cautious approach. Investments continued to be dominated by low counterparty risk considerations resulting in relatively low returns, although these were more than offset by low short term borrowing rates from other local authorities and other public sector bodies such as Police and Crime Commissioners. This meant that the Council was not adversely impacted in financial terms.
8. In this scenario the treasury strategy becomes a balance between postponing long term borrowing by utilising our cash balances to fund capital expenditure and avoiding the cost of holding higher levels of cash investments which generate only low returns. This strategy also reduces counterparty risk. The alternative strategy of taking out loans to 'lock-in' long term borrowing at historically low rates mitigates the risk of delaying and borrowing at higher rates in due course. However, the current interest rate outlook (lower for longer) makes the former better value than the latter.

9. The repercussions on economic growth of the Brexit referendum outcome were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August 2016 and embark on further gilt and bond purchases to £435BN (Quantitative Easing) to maintain the supply of credit to the economy (previously £375BN). This policy change was significant given that the Bank Rate had been maintained at 0.5% over an extended period of eight years since 2009.
10. The Council maintained its approach of borrowing from other local authorities on a short term rolling basis in order to achieve significant revenue cost savings over the more traditional route of borrowing long term from the PWLB.
11. Aside from maintaining minimal cash levels for operational purposes, the Council also mitigates its investment risk by spreading its cash balance across a diversified range of investment counterparties.
12. An economic summary of 2016/17 is at Appendix A.

Credit Risk

13. The Council continued to follow external treasury advice from Arlingclose Ltd when placing investments and sought to minimise risk in line with its Treasury Strategy. This involved continuing to diversify investments in 2016/17 by using a wider range of AAA-rated Money Market Funds for Council investments.
14. None of the institutions in which investments were made showed any difficulty in repaying investments and interest in full during the year.
15. A counterparty update is at Appendix A.

Treasury Activities

16. Security of capital remains the Council's most important investment objective. The Council's investment income for the year was £0.3M (£0.3M in 2015/16) and the average cash balance was £22.4M (£22.1M in 2015/16). Details of investment activity in 2016/17 are set out in Appendix B.
17. In line with the approved treasury strategy, the Council used internal resources in lieu of borrowing to the full extent as this has continued to be the most cost effective means of funding capital expenditure. Maturing debt of £281.0M was replaced with new loans on a short-term fixed rate basis from other local authorities, together with net additional short term borrowing of £9.8M. This short term borrowing was secured at rates preferential to the traditional route of borrowing from the Public Works Loan Board.

18. As anticipated, no opportunities for debt rescheduling materialised during 2016/17.
19. Details of borrowing and investment activities are set out in Appendix B.

Prudential Indicators

20. The Local Government Act 2003 requires the Council to adopt the CIPFA Prudential Code and produce Prudential Indicators to support decision making. The Prudential Code was revised in November 2011 and has been adopted by this Council.
21. Prudential Indicators for 2016/17 were approved at the Council meeting of 25 February 2016. The Council's borrowing has not exceeded the various limits determined within the Treasury Management Strategy and any Prudential Indicators relevant to debt. The full details of the performance in respect of all of the 2016/17 approved Prudential Indicators are set out in Appendix C.

Council Priorities

22. The effective management of the combined activities of debt and investments and the associated risks contribute to the Council's financial resources and is a cornerstone to the delivery of the Council's priorities.

Corporate Implications

Legal Implications

23. The Council's treasury management activities are regulated by statute, professional codes and official guidance. The Local Government Act 2003 (the Act) provides the powers to borrow and invest as well as providing controls and limits. Under the Act, the Department for Communities and Local Government has issued Guidance on Local Government Investments (revised March 2010) to structure and regulate the Council's investment activities. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 – Statutory Instrument (SI) 3146 (plus subsequent amendments), develops the controls and powers within the Act. The SI requires the Council to undertake any borrowing activity with regard to the CIPFA Prudential Code for Capital Finance in Local Authorities. The SI also requires the Council to operate the overall treasury function with regard to the CIPFA Code of Practice for Treasury Management in the Public Services (the Code of Practice).
24. CIPFA revised the Code of Practice in November 2011 to reflect developments in financial markets and the introduction of the Localism Act for English local authorities.

Financial Implications

25. The Council's Treasury Management Strategy and Prudential Indicators underpin the Medium Term Financial Plan (MTFP). Performance against the Strategy and the Prudential Indicators is explained within the body of this report.
26. The outturn for Interest Payable in 2016/17 was £5.3M, lower than the 2016/17 budget of £5.8M by £0.5M. This was due to a combination of the Bank of England Base Rate cut to 0.25% in August 2016, whereas the budget had been based on an average Base Rate of 0.6% in 2016/17, a lower level of borrowing than assumed in the 2016/17 budget due to Capital Programme slippage, and new borrowing being taken on a short-term fixed rate basis from other local authorities at minimal cost.
27. The 2016/17 budget for Interest Receivable was £0.3M, compared with the outturn of £0.3M, giving a nil variance.

Equalities Implications

28. There are no equalities implications arising from this report.

Conclusion and next Steps

29. Overall responsibility for treasury management remains with the Council.
30. This report provides Members with a summary of the treasury management activity during 2016/17.
31. The Council can confirm a prudent approach has been taken in relation to its borrowing activities, which were based on market interest rate forecasts, and its investment activities with priority being given to security and liquidity over yield.
32. The Council has duly applied its Treasury Management Strategy for 2016/17 and there were no breaches in its Prudential Indicators.

Appendices

Appendix A – Economic Summary and Counterparty Update
Appendix B – Borrowing and Investment Activities
Appendix C – Prudential Indicators

Background Papers

The following background paper is available on the Council's website:

'Treasury Management Strategy and Treasury Policy for 2016/17'

(Agenda item 12 of Executive meeting of 9 February 2016)

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Appendix A – Economic Summary and Counterparty Update

Economic Summary

Growth and Inflation: The UK economy as measured by its Gross Domestic Product (GDP) expanded by 2.0% for the year to March 2017, down from 2.3% a year earlier.

UK inflation had been subdued in the first half of 2016 as a consequence of weak global price pressures, past movements in sterling and restrained domestic price growth. However, the sharp fall in the Sterling exchange rate following the Brexit referendum had an impact on import prices which, together with rising energy prices, resulted in the Office for National Statistics' new main measure of inflation, the Consumer Price Index including owner occupiers' housing costs (CPIH), rising to 2.3% for the year to March 2017, from 0.3% the year before.

The labour market continued to improve through 2016 and in Q1 2017, the latest figures showing the employment rate at 74.8% (the highest rate since comparable records began in 1971) and the unemployment rate at 4.6%. However, wage growth remained modest at around 2.1% excluding bonuses, which meant that real earnings were negative (i.e., after inflation), suppressing consumers' spending power.

UK Monetary Policy: The repercussions on economic growth of the Brexit referendum outcome were judged by the Bank of England to be sufficiently severe to prompt its Monetary Policy Committee (MPC) to cut the Bank Rate to 0.25% in August 2016 and embark on further gilt and bond purchases to £435BN (Quantitative Easing) to maintain the supply of credit to the economy (previously £375BN). This policy change was significant given that the Bank Rate had been maintained at 0.5% over an extended period of eight years since 2009.

Financial markets: The FTSE All Share Index rose 18% from 3,395 to 3,996 and the MSCI World Index rose 13% from 1,648 to 1,860 over the 12 months to 31 March 2017.

PWLB rates: The movement in rates at which local authorities can borrow from the Public Works Loan Board (PWLB) is set out in the table below.

Period	31 March 2016	31 March 2017
1 year	1.1%	0.8%
3 year	1.3%	1.0%
5 year	1.6%	1.3%
10 year	2.3%	2.0%

The rates above reflect the PWLB's 'Certainty Rate'. The Government after 1st November 2012, reduced by 0.2% the interest rates on loans from the PWLB to local authorities who provide information to Government on their plans for long-term borrowing and associated capital spending. The Council has provided the required information and can therefore access this Certainty Rate.

PWLB interest rates have fluctuated during the year. Overall at the year end the rates were lower than those at the start of the 2016/17 financial year. This gave support to the Council's strategy of sourcing its borrowing from other local authorities on a short term rolling basis in order to achieve significant revenue cost savings over the more traditional route of borrowing long term from the PWLB.

Appendix B - Borrowing and Investment Activities

The Borrowing Requirement and Debt Management

The Council's capital expenditure is financed by external funding, revenue contributions or capital receipts. The Council is allowed to borrow to fund any shortfall in financing, provided the level of borrowing is prudent and sustainable. The Council increases its Capital Financing Requirement (CFR) when incurring any capital expenditure which is not financed by grants, contributions, capital receipts or revenue contributions. In addition to paying interest on debt, local authorities are required to set cash aside annually to repay the principal General Fund debt balance by means of a Minimum Revenue Provision (MRP). The borrowing requirement is reduced by the amount of any in-year MRP.

Borrowing Activity in 2016/17

	Balance on 01/04/2016 £M	Debt Maturing £M	New Borrowing £M	Reclassification £M	Balance on 31/03/2017 £M
CFR	475.8				524.4
Short Term Borrowing ¹	62.5	(281.0)	290.8		72.3
Long Term Borrowing	275.6				275.6
TOTAL BORROWING	338.1	(281.0)	290.8	0	347.9
Other Long Term Liabilities	15.7	(0.4)		1.9	17.2
TOTAL EXTERNAL DEBT	353.8	(281.4)	290.8	1.9	365.1

The Council's underlying need to borrow, as measured by the Capital Financing Requirement (CFR) as at 31/3/2017, was £524.4M – up by £48.6M from the previous year.

The Council did not repay any debt prematurely in the 2016/17 financial year, as discount rates made the costs involved unattractive.

The Council's strategy of borrowing from other local authorities on a short term rolling basis assumes that interest rates will continue to remain low for longer than previously envisaged, in line with advice from the Council's treasury advisers, Arlingclose Ltd. However, the Council will continue to monitor long term rates with a view to fixing a portion of its borrowing if rates are favourable.

¹ Loans with maturities less than 1 year and excludes short term borrowing for cash flow purposes borrowed and repaid in year.

Internal Borrowing

Given the significant cuts to local government funding putting pressure on Council finances, the strategy followed was to minimise debt interest payments without compromising the longer term stability of the portfolio. The differential between the cost of new longer term debt and the return generated on the Council's temporary investment returns was significant, at around 2%. The use of internal resources in lieu of borrowing was judged to be the most cost effective means of funding capital expenditure. This has lowered overall treasury risk by reducing temporary investments to minimal operational levels and has limited the extent of increase in external debt. Internal borrowing has been utilised to the full extent and there will be a need to borrow externally for capital purposes during 2017/18 and beyond.

Lender's Option Borrower's Option Loans (LOBOs)

The CIPFA Treasury Management Code requires the Prudential Indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e., the next call date. LOBO loans with a principal of £13.5M are therefore disclosed as reaching maturity in less than 12 months.

Debt Rescheduling / Restructuring

No debt rescheduling or restructuring was undertaken in 2016/17.

Investment Activity

CLG's Investment Guidance requires local authorities to focus on security and liquidity, rather than yield.

Investment Activity in 2016/17

Investments	Balance on 01/04/2016 £M	Investments Made / Capital Appreciation £M	Investments Repaid £M	Balance on 31/03/2017 £M
Short Term Investments (call accounts, deposits)	3.3	86.1	86.2	3.2
Money Market Funds	5.0	340.5	339.6	5.9
Other Pooled Funds	5.2	0.1		5.3
TOTAL INVESTMENTS	13.5	426.7	425.8	14.4

Security of capital remained the Council's main investment objective. This was maintained by following the Council's counterparty policy as set out in its Treasury Management Strategy Statement for 2016/17.

Investments during the year included:

- Investments in AAA-rated Money Market Funds;
- BBB-rated UK banks and Building Societies.

Credit Risk

Counterparty credit quality was assessed and monitored with reference to credit ratings (the Council's minimum counterparty rating of BBB+ or equivalent across rating agencies Fitch, Standard & Poor's and Moody's), share prices, credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

Liquidity

In keeping with the CLG's Guidance on Investments, the Council has maintained a sufficient level of liquidity through the use of Money Market Funds/overnight deposits/call accounts.

Yield

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The UK Base Rate was reduced to 0.25% in August 2016, down from 0.5%, where it remained unchanged for the rest of the financial year to 31 March 2017.

The Council considered an appropriate risk management response to uncertain and deteriorating credit conditions in Europe was to shorten maturities for new investments. Short term money market rates also remained at very low levels which had a significant impact on investment income, as investments were placed overnight or for short periods.

The Council's investment income for the year was £0.3M, with the Council's long term investment in the Lime Fund providing some cushioning against the low interest rate environment.

The average cash balance representing the Council's reserves, contributions/grants in advance, and working balances, was £22.4M during the period.

Compliance

To support financial strategic planning and decision making, the Council approves annually a series of Prudential Indicators which are regularly monitored. The Council did not exceed any of the various limits determined by the Treasury Management Strategy and specific Prudential Indicators. Full details of performance in respect of all of the Prudential Indicators for 2016/17 are set out in Appendix C.

In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during 2016/17. The Council can confirm it has taken a prudent approach in relation to investment activity with priority being given to security and liquidity over yield.

The Council can confirm that during 2016/17 it complied with its **Treasury Management Policy Statement** and **Treasury Management Practices**.

Other Items

Training: The needs of the Council's treasury management staff for training in investment management are assessed annually as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change.

During 2016/17 staff attended training courses, seminars and conferences provided by Arlingclose Ltd and CIPFA.

Appendix C - Prudential Indicators

The Local Government Act 2003 requires the Council to have regard to CIPFA's *Prudential Code for Capital Finance in Local Authorities* (the Prudential Code) when determining how much money it can afford to borrow. The objectives of the Prudential Code are to ensure, within a clear framework, that the capital investment plans of local authorities are affordable, prudent and sustainable, and that treasury management decisions are taken in accordance with good professional practice. To demonstrate that the Council has fulfilled these objectives, the Prudential Code sets out the following indicators that must be set and monitored each year.

Capital Financing Requirement (CFR)

Estimates of the Council's cumulative maximum external borrowing requirement for 2016/17 to 2019/20 are shown in the table below:

	31/03/17 Actual £M	31/03/18 Estimate £M	31/03/19 Estimate £M	31/03/20 Estimate £M
General Fund CFR	359.4	377.9	402.0	414.6
HRA CFR	165.0	163.5	162.0	159.1
Gross CFR	524.4	541.4	564.0	573.7
Less: PFI liabilities *	(17.2)	(16.6)	(15.8)	(15.2)
Borrowing CFR	507.2	524.8	548.2	558.5
External borrowing	(347.9)	(407.1)	(432.8)	(454.1)
Internal borrowing:				
- Usable Reserves	(102.7)	(92.7)	(90.4)	(79.4)
- Working capital	(56.6)	(25.0)	(25.0)	(25.0)
Total	(507.2)	(524.8)	(548.2)	(558.5)

* PFI liabilities that form part of the Council's debt which includes an upward restatement in 2016/17

The Gross CFR is forecast to rise by £49.3M over the next three years as capital expenditure financed by debt outweighs resources put aside for debt repayment.

Following the external audit of the 2015/16 accounts the longstanding model used to calculate PFI contract related entries within the Council's accounts was restated. As reported to the 26th September 2016 Audit Committee agenda item 8, the PFI financial liability (short and long term) disclosed in the accounts of £15.733M had been understated by £1.929M and the unusable Capital Adjustment Account Reserve of £550.790M had been overstated by the same amount. There is no financial impact on either the Council's General Fund or the two academy schools who use the PFI funded facilities. The difference was not adjusted in 2015/16 on the grounds that the change would not materially impact on the presentation of the Council's financial position at 31st March 2016. It was agreed with external audit that the adjustment would be made in the year ended 31st March 2017.

Gross Debt and the Capital Financing Requirement

The Prudential Code states that the Chief Finance Officer should make arrangements for monitoring with respect to gross debt and the Capital Financing Requirement (CFR) such that any deviation is reported, since any such deviation may be significant and should lead to further investigation and action as appropriate.

In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years. This is a key indicator of prudence.

The Council has had no difficulty meeting this requirement nor are any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

	31/03/17 Actual £M	31/03/18 Estimate £M	31/03/19 Estimate £M	31/03/20 Estimate £M
Capital Financing Requirement	524.4	541.4	564.0	573.7
Gross Debt	365.1	423.7	448.6	469.3
Difference	159.3	117.7	115.4	104.4
Borrowed in excess of CFR? (Yes/No)	No	No	No	No

Authorised Limit and Operational Boundary for External Debt

The Authorised Limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. This is a statutory limit which should not be breached. It is the maximum amount of debt that the Council can legally owe. The Authorised Limit provides headroom over and above the Operational Boundary for unusual cash movements.

The Operational Boundary is based on the Council's estimate of most likely, i.e., prudent, but not worst case scenario for external debt. It links directly to the Council's estimates of capital expenditure, the Capital Financing Requirement (CFR) and cash flow requirements, and is a key management tool for in-year monitoring. Other long term liabilities comprise finance leases, Private Finance Initiatives and other liabilities that are not borrowing but form part of the Council's debt.

The Chief Finance Officer confirms that there were no breaches to the Authorised Limit and the Operational Boundary during the year.

	Authorised Limit (Approved) 2016/17 £M	Operational Boundary (Approved) 2016/17 £M	Actual External Debt as at 31/03/2017 £M
Borrowing	538.3	528.3	347.9
Other Long-term Liabilities	18.7	18.2	17.2
Total	557.0	546.5	365.1

Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

- These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.
- The upper limit for variable rate exposure allows for the use of variable rate debt to offset exposure to changes in short-term rates on our portfolio of investments.

	Approved Limits for 2016/17	Maximum during 2016/17
Upper Limit for Fixed Rate Exposure	100%	73%
Compliance with Limits	Yes	Yes
Upper Limit for Variable Rate Exposure	50%	37%
Compliance with Limits	Yes	Yes

Maturity Structure of Fixed Rate Borrowing

This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

Maturity Structure of Fixed Rate Borrowing	Upper Limit %	Lower Limit %	Actual Fixed Rate Borrowing as at 31/03/2017 %	Compliance with Set Limits?
Under 12 months	20	0	0	Yes
12 months and within 24 months	20	0	0	Yes
24 months and within 5 years	60	0	0	Yes
5 years and within 10 years	100	0	36	Yes
10 years and within 15 years	100	0	21	Yes
15 years and within 20 years	100	0	15	Yes
20 years and above	100	0	28	Yes

(The 2011 revision to the CIPFA Treasury Management Code requires the Prudential Indicator relating to Maturity of Fixed Rate Borrowing to reference the maturity of LOBO loans to the earliest date on which the lender can require payment, i.e., the next call date).

Capital Expenditure

The Council needs to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council tax and in the case of the HRA, housing rent levels.

The Council's actual and planned capital expenditure and financing can be summarised as follows.

Capital Expenditure and Financing	2016/17 Actual £M	2017/18 Estimate £M	2018/19 Estimate £M	2019/20 Estimate £M
General Fund	103.0	95.0	91.0	96.9
HRA	10.2	14.6	22.3	21.9
Total Expenditure	113.2	109.6	113.3	118.8
Capital receipts	(6.9)	(12.0)	(10.0)	(10.0)
Grants and Contributions	(42.4)	(43.0)	(46.4)	(63.5)
Revenue contributions	(3.5)	-	-	-
Minimum Revenue Provision (MRP) / PFI	(1.6)	(9.5)	(10.3)	(10.7)
Borrowing	(48.6)	(30.5)	(24.3)	(12.7)
General Fund sub-total	(103.0)	(95.0)	(91.0)	(96.9)
Capital receipts	(3.4)	(4.0)	(4.7)	(10.2)
Reserves	(4.6)	(6.2)	(14.5)	(11.4)
Revenue contributions	(2.2)	(2.3)	(2.1)	-
Grants and Contributions	-	(2.1)	(1.0)	(0.3)
HRA sub-total	(10.2)	(14.6)	(22.3)	(21.9)
Total Financing	(113.2)	(109.6)	(113.3)	(118.8)

Ratio of Financing Costs to Net Revenue Stream

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs, net of investment income.

Ratio of Financing Costs to Net Revenue Stream	2016/17 Actual %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %
General Fund	5.3	6.6	7.0	7.4
HRA	13.2	13.7	13.7	13.7

It measures the proportion of the revenue budget that is required to meet the ongoing financing costs of past capital expenditure which was funded from borrowing. Future year estimates incorporate the additional financing costs of planned capital expenditure to be funded from borrowing. It is important that the total capital investment of the Council remains within sustainable limits. However, the level of capital investment that can be supported will be a matter for local decision.

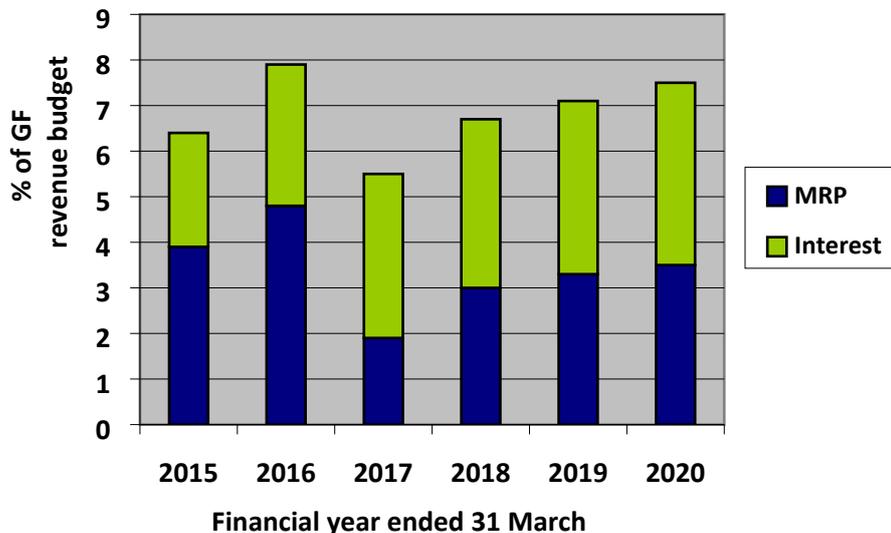
The Prudential Indicators are designed to support and record local decision making in a manner that is publicly accountable. They are not designed to be comparable performance indicators. Nonetheless, it is interesting to note that Central Bedfordshire's Ratio of Financing Costs to Net Revenue Stream (General Fund) is lower than most of its nearest local authority neighbours due, in part, to the recent change in methodology for calculating the Council's Minimum Revenue Provision (MRP):

	2015/16	2016/17
Milton Keynes	11.2%	9.7%
Luton	8.2%	9.4%
Northamptonshire	7.1%	7.4%
Cambridgeshire	9.2%	7.0%
Buckinghamshire	5.5%	6.5%
Central Bedfordshire	7.9%	5.3%
Bedford Borough	5.6%	5.1%

* Comparative figures are based on estimates for 2015/16 and 2016/17 sourced from each local authority's treasury management strategy published on the internet.

Central Bedfordshire's ratio is expected to increase relative to its peers given the Council's significant commitment to capital investment over the next few years.

The impact of the recent change in methodology for calculating the Council's Minimum Revenue Provision (MRP) is shown by the reduction in 2016/17 relative to previous years. However, the growing impact of borrowing to fund new capital expenditure is illustrated from 2016/17 onwards, with MRP and interest costs taking up an increasingly greater proportion of the Council's net revenue budget over time:



The Council will need to carefully consider this increasing cost when determining its future plans for capital expenditure.

Adoption of the CIPFA Treasury Management Code

The Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* in November 2012.

Upper Limit for Total Principal Sums Invested Over 364 Days

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

Upper limit for total principal sums invested over 364 days	2016/17 Approved Limit £M	2016/17 Actual £M	2017/18 Approved Limit £M	2018/19 Approved Limit £M	2019/20 Approved Limit £M
	10.0	0.0	10.0	10.0	10.0

Housing Revenue Account (HRA) Debt

The purpose of this limit is to report the level of debt imposed on the Council at the time of the implementation of self-financing by the Department for Communities and Local Government (CLG).

	2016/17 Actual £M	2017/18 Estimate £M	2018/19 Estimate £M	2019/20 Estimate £M
HRA Debt Cap (as prescribed by CLG)	165.0	165.0	165.0	165.0
HRA CFR	165.0	163.5	162.0	159.1
Difference	0.0	(1.5)	(3.0)	(5.9)

It should be noted that the HRA's Business Plan includes provision for the repayment of debt with effect from 2017/18.

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Central Bedfordshire Council

COUNCIL

Thursday, 28 September 2017

Overview and Scrutiny Annual Report (2016/17)

Report of: Cllr David McVicar (david.mcvicar@centralbedfordshire.gov.uk)

Responsible Director(s): Charles Warboys, Director of Resources
(charles.warboys@centralbedfordshire.gov.uk)

Purpose of this report

1. To summarise the activities undertaken by Overview & Scrutiny in the municipal year 2016/17 and outline the activity anticipated in 2017/18

RECOMMENDATION:

That the Council notes the contents of the Overview and Scrutiny Annual Report for the municipal year 2016/17.

Overview and Scrutiny Comments/Recommendations

2. The attached report has been approved by the OSCP Members for presentation to full Council.

Issues

3. Part 3C of the Council's constitution requires that the Overview and Scrutiny Co-ordination Panel (OSCP) "report annually to full Council on the workings of the overview and scrutiny function and make recommendations for future work programmes and amended working methods if appropriate."
4. The report reflects the outcomes of the Overview and Scrutiny Committees during the 2016/17 municipal year in addition to outlining the activity that we currently envisage being undertaken throughout 2017/18.

Council Priorities

5. The work programme of the Overview & Scrutiny Committees contributes indirectly to each of the Council priorities. Whilst there are no implications arising directly from this report the implications of proposals are detailed in full in each report submitted to the Committees.

Legal Implications

6. The presentation of this report to Council meets the requirement under the Council's Constitution (Part 3C) to present an annual report. There are no other legal implications arising from this report.

Financial and Risk Implications

7. There are no financial implications arising directly from this report.

Equalities Implications

8. Central Bedfordshire Council has a statutory duty to promote equality of opportunity, eliminate unlawful discrimination, harassment and victimisation and foster good relations in respect of nine protected characteristics; age disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
9. Overview and Scrutiny committees provide a valuable contribution to meeting this duty by; providing a forum for discussion in which the public and partners can ask questions and contribute to the decision making process; and reviewing performance and tracking the progress of recommendations as well as encouraging the use of best practice and research from elsewhere

Conclusion and next Steps

10. The Council is asked to note the report and its contents.

Appendices

Appendix A: Overview and Scrutiny Annual Report (2016/17)

Background Papers

The Minutes of all of the Overview and Scrutiny Committees are available online and can be viewed via the following link: -

<http://www.centralbedfordshire.gov.uk/council/committees-meetings-agendas/landing.aspx>

Report author(s):

Jonathon Partridge, Head of Governance Services,
(Jonathon.partridge@centralbedfordshire.gov.uk)

Appendix A



Overview and Scrutiny annual report (2016/17)

The Central Bedfordshire Overview and Scrutiny Committee
annual report for 01 April 2016 to 31 March 2017



Contents

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If you have any comments on this report, or would like to see any of the papers that are referred to, please contact Jonathon Partridge, Head of Governance on **0300 300 4634** or jonathon.partridge@centralbedfordshire.gov.uk

What is Overview and Scrutiny?

Overview and Scrutiny provides an opportunity for elected Councillors and residents to discuss and comment on the Council's policies, plans and strategies before they are implemented. Meetings are normally held in public and residents are encouraged to attend to ask questions and make comments on the reports on the agenda. Overview and Scrutiny Committees (OSCs), made up of non-Executive Councillors and co-opted parent governor representatives and diocesan representatives are held throughout the year to consider proposals and whilst they do not make decisions they provide recommendations to the Executive or full Council. These recommendations will be considered before the Council makes any final decisions.

If committee members feel it is necessary they can also "call-in" decisions of the Executive. During a call-in an OSC re-considers a decision that has been taken to determine whether the decision should be implemented straight away or referred back to the decision maker to be reconsidered.

Scrutiny committees can consider a wide range of issues but they also have statutory responsibilities in relation to scrutiny of health and crime and disorder matters. Issues relating to crime and disorder are considered at least once a year and substantial changes to health services within Central Bedfordshire must be reviewed by one of the OSCs before implementation.

Overview and scrutiny adds value in the following ways:-

- Providing briefings and quarterly updates on matters relating to finance and performance
- Engaging non-Executive Councillors and co-opted members in the process of developing plans and strategies or reviewing the outcomes of decisions and undertaking call-ins.
- Providing a forum for discussion in which the public and partners can ask questions and contribute to the decision making process
- Reviewing performance and tracking the progress of recommendations as well as encouraging the use of best practice and research from elsewhere

The Council's Overview and Scrutiny Committees

There are four OSCs in Central Bedfordshire, each of which meet approximately 8-weekly and are aligned to the Councils services as follows:-

- Children's Services OSC
- Corporate Resources OSC
- Social Care, Health and Housing OSC
- Sustainable Communities OSC

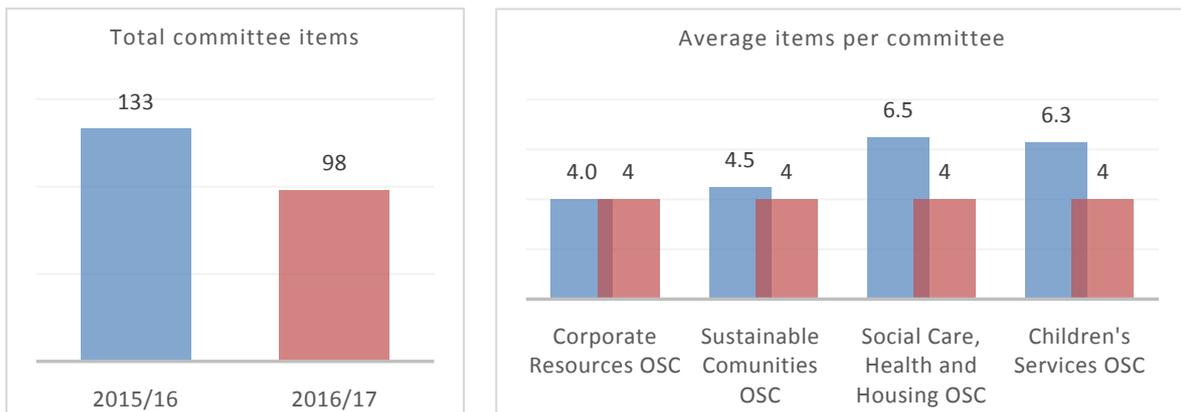
There is also a Co-ordination Panel (OSCP) consisting of the Chairmen and Vice-Chairmen of the OSCs, which co-ordinates the function and matters that are relevant to more than one OSC.

In addition to the elected Members appointed to the OSCs, there are three parent governors and two diocesan representatives, one for each of the Church of England and Roman Catholic churches, appointed to the Children's Services OSC. A representative of Central Bedfordshire Healthwatch also attends meetings of the Social Care, Health and Housing OSC as an observer.

In January 2017 the OSCP agreed four principles by which the OSCs were encouraged to organise their activity. The remainder of this report sets out more detailed information regards the activity of the OSCs during 01 April 2016 to 31 March 2017.

Shorter more focused agendas through prioritisation of items that add value and enable outcomes

Throughout 2016/17 the OSCs have focused on reducing the number of agenda items so as to be able to focus in more detail on those items where they can have a greater influence. Members have been challenged to consider the value of receiving items at OSC to ensure that where an item is for information only it is more usefully discussed at a Member briefing or outside of a formal committee meeting. As a result the total number of agenda items has decreased by 26% on 2015/16 and the average number of items considered at each committee meeting has also fallen when compared to 2015/16:-



As a result of focusing on those items where the OSCs can add most value the total number of items that are *noted* has also fallen, although the proportion of items on which comments/recommendations were provided has remained stable with the number of items endorsed increasing:-

Outcome of item	2015-16		2016/17	
	No.	%	No.	%
No. of items noted	39	29%	22	23%
No. of items items endorsed	9	7%	13	13%
No. of items with comments or recommendations	85	64%	63	64%

OSCs are encouraged to focus their efforts on those items that will support the Council's delivery of the 5-Year Plan or that provide the opportunity for Members and residents to engage on an area of particular concern. Where the OSC provides specific comments or recommendations these are tracked by the Governance Services team to understand how the Committee has influenced the decisions of the Council.

As a result of the focus on outcomes the OSCs agreed a total of 120 recommendations or comments on those items that they received throughout the year aimed at adding value to the work of the Council, of these 97% have been accepted by the Executive and external partners such as the NHS to whom they have been directed. Of those recommendations that have not been accepted each of them fell within the remit of partners, more specifically relating to the structure of reporting health trust performance and the mapping

out of simple citizen pathway to good health. Outlined below are some specific examples where the Committees have been able to influence the activity of the Council and an external organisation.

In May 2016 the Social Care, Health and Housing OSC invited five NHS Trusts, used by residents in Central Bedfordshire, to attend a meeting to deliver their **Quality Account**, a report on their priorities and performance. The Members of the committee undertook detailed scrutiny of specific Quality Accounts prior to the meeting to determine key lines of enquiry to raise at the meeting. The Committee then provided the opportunity for the Trusts to outline the key national indicators and their achievements. There were a number of recommendations agreed by the Committee that included a request to provide a list of 20 comparable indicators that would make it easier for residents to compare each NHS Trust. In May 2017, the Head of Quality & Patient Safety at the East and North Herts NHS Trust provided the Committee with a set of eight comparable indicators that helped the Committee and the public to compare the results of Trusts locally for the first time.

In addition to the specific item on the Quality Account the Social Care, Health and Housing OSC has required a large number of updates from health organisations such as the Clinical Commissioning Group (CCG) and the East London NHS Foundation Trust (ELFT). These updates have been provided to Members on an ongoing basis on several topics but in particular related to concerns such as the closure of a GP surgery, mental health services and the financial position of the CCG. These updates have provided an important mechanism of keeping Members informed of issues of importance to local communities.

In August 2016, the Corporate Resources OSC considered the proposed revised **prices for services traded to schools and academies for 2017/18**. Members of the Committee discussed price differentials and the services the Council proposed to provide and agreed that an exercise to determine the volume of uptake of services ought to be undertaken to explore this further. The Service agreed to analyse the volume of services provided to schools and the associated buy in, in order to evaluate the viability and if necessary re-evaluate the process in future. The outcomes of this process will be reported to the Committee in September 2017.

In August and September 2016, the Sustainable Communities OSC facilitated the contribution from three public speakers in relation to **proposed changes to public transport subsidies and provision**. It also provided Committee Members with an opportunity to scrutinise proposals in much more detail as the speakers raised matters that had not been specifically included within the reports and so provided an alternative, public perspective. As a result the Committee was able to provide robust and clear recommendations to the Executive who in turn took the time to carefully consider them. The speakers expressed their gratitude at the time given to them to put their views across and said that it was the first time they felt they had been properly listened to with the ability to affect change and to be a part of the decision-making process. Ultimately some of the recommendations of the OSC were not accepted, however the Executive was able to demonstrate the reasons behind their decision, also outlining the legalities of the recommended approach. This facilitated a greater understanding of the outcomes for Members and the public speakers, one of whom stated that although the outcome was not

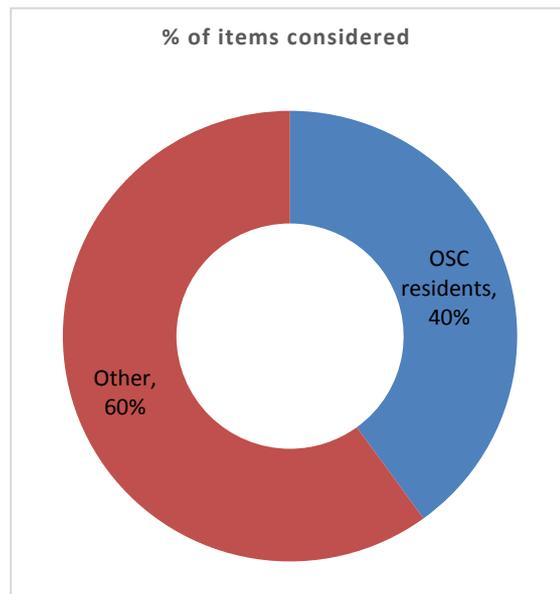
what they had hoped for, they felt they had been listened to and able to have their say. They also understood the reasons behind the decision, appreciated that it was a carefully considered response and that public concerns had not been ignored.

In March 2017, at the request of the Children's Services OSC, a focus was placed on **educational attainment for pupils within Central Bedfordshire**. As a result, it was agreed to undertake an exercise in collaboration with specific Head Teachers, a Chair of Governors, educational and child development professionals and senior Council officers. The aim of this exercise was to better understand the reasons behind educational attainment in some schools, support increased collaboration between the local authority and independently maintained schools, as well as those falling under the responsibility of the Council and increase support where appropriate for vocational subjects and apprenticeships. Following the initial meeting on 22 June 2017 an action plan will be formulated with ongoing monitoring and scrutiny of progress by the Committee.

Activity led by OSCs and residents as well as the Executive Forward Plan

Throughout 2016/17 the OSCs undertook a public consultation process to identify items of interest to the public to be included in the work programmes. This bottom-up approach to work programme is part of ensuring that the OSCs are responsive to communities in Central Bedfordshire and that agendas provide a balance of those items that are important to Executive Members, non-Executive Members and residents. Members have been invited to prioritise those items that were proposed by non-Executive Members or by residents. 40% of the items considered during 2016/17 were proposed by OSC Members or by residents. These included specific reports on: -

- Council responsiveness
- Farming Strategy
- Models of Community Boards
- Police restructures (update)
- Planning enforcement
- Child and adolescent mental health services
- Integration of health and social care
- Education outcomes, progress and attainment;
- Regional Schools Commissioner
- Ofsted Schools performance
- Ofsted Joint Targeted Area Inspection



Each OSC agenda has a standing item for questions, statements and deputations. Residents are encouraged attend meetings to ask questions and contribute to discussions. Throughout 2016/17 there were 5 questions raised, all of which were raised at the Sustainable Communities OSC, resulting in the following: -

- Recommendations to the Executive to consider delaying changes to the community transport element of the Passenger Transport Strategy, specifically the Dial a Ride service for a period of one year in order to allow further discussions to take place.
- Integrated the views of the Head Teachers of two local schools into the Council's approach to parking at schools.

All OSC meetings are usually held in public and residents and partners are welcome to attend meetings. During 2016/17 a total of 46 residents and a range of other organisations attended meetings and task force enquiries to provide their views.

More policy development activity through exploration of proposals and principles at earliest opportunity of commencement of strategy development

During 2016/17 the OSCs have been encouraged to prioritise those items that enable them to explore proposals at the earliest opportunity. This year a total of 15% of the items received by the Committees were regarded as policy development..

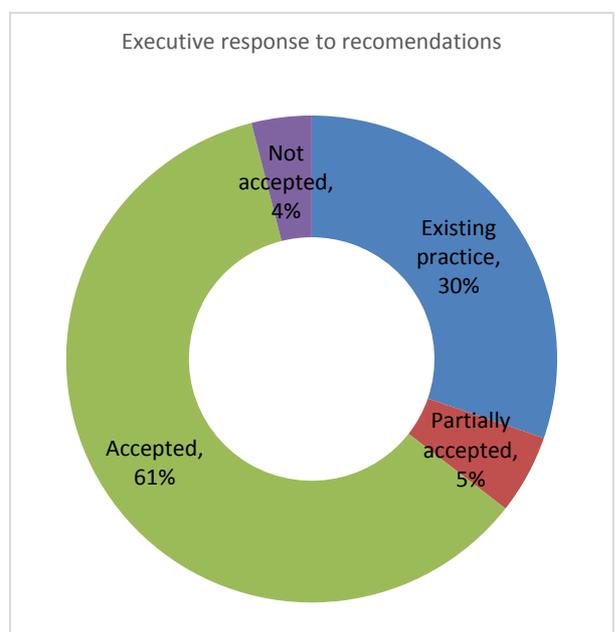
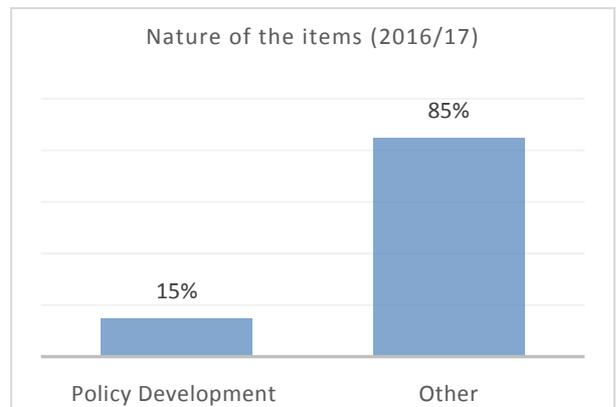
The majority of the policy development activity undertaken by the OSC process was carried out in the form of detailed task force enquiries.

In addition to the formal OSC meetings Members can also undertake in-depth reviews of particular topics, the intention of which is to enable a small group of Councillors to undertake more detailed investigation of a topic, considering evidence from various sources to provide a report and recommendations to inform the Council's future policy approach.

Specific organisations such as the Clinical Commissioning Group and the Kings Fund have also specifically been invited to attend enquiry meetings to provide advice and guidance on specific topics.

The majority of these contributions related to enquiry into integration of health and social care (see elsewhere in the report). In addition, the Regional Schools Commissioner, Department for Education, the Chief Executive of SEMLEP and a range of voluntary and community organisations, set out in detail in the Minutes of the relevant meetings.

There were four task force reviews that took place predominantly in this year, the details of which are set out below. These reviews were undertaken in addition to the formal meetings of the OSCs that also ran concurrently during the year. In response to these reviews 66% of the recommendations were accepted at least partially and 30% were considered to be existing practice. These reviews have affected the Council's future policy and approach as detailed below.



Parking at Schools

The purpose of the enquiry was to determine the best possible solutions with regards to car parking and vehicular access at schools to ensure the free movement of traffic around schools, particularly in light of the implications of school expansion. Many of the

recommendations proposed by the enquiry were already existing practice. Those that were not fell into two broad categories. Firstly, improving communication with and between the Council and schools, particularly in relation to developing sustainable school travel plans; and secondly improving enforcement of inappropriate parking outside of schools.

In light of the enquiry the Executive agreed to enhance communication with schools and to continue to recruit four additional parking officers that would help support the enforcement of parking at schools. It was also agreed to bring forward a report proposing to make it Council policy for all new schools to have 20 mph limits outside of them

Council Responsiveness

The purpose of this enquiry was to review customer experience when contacting the Council and reviewing the extent to which residents could influence council decision-making. Many of the recommendations proposed by the enquiry related to existing practice and as such progress was already underway. However, recommendations did inform the Council's work in two key areas: -

1. Focusing on customer experience to enhance intelligence and tailor services accordingly through several projects that would develop a single view of the customer and the rollout of the Council's digital strategy and new software called 'STORM'.
2. Enhancing the accessibility of the Council's decision-making process in addition to creating a focal point with town and parish councils by making guidance on the Council's decision-making process available on the Council's website and continuing a review of Joint Committees and considering options relating to the creation of Community Boards and the allocation of additional funds

Planning Enforcement

This enquiry focused on a number of areas and agreed recommendations relating to resources and demand management; communication, timescales and prioritisation; and enforcing planning conditions.

In response to this enquiry the Council has undertaken to review the process through which communications are provided to residents who email with concerns, notifications to Town and Parish Councils of matters that have been raised has also been reintroduced. Discussions have also taken place to improve awareness of the Enforcement Plan and a review of standard conditions is planned that will also include training for planning officers on planning enforcement including enforceable conditions. Alongside this a directorate wide restructure is out to consultation which includes proposals relating to enhancing resources within the team.

Integration of Health and Social Care

This enquiry sought to understand the national strategic drivers, barriers and risks and receive evidence, advice and information from sector experts to agree an emerging approach to redesign how residents access health and care services. This review received evidence from a wide range of people and organisations including the health service, Kings Fund and community organisations.

In addition to specific recommendations aimed at enhancing the integration of health and social care the main focus of the enquiry was the agreement of a set of five principles that the enquiry that Members recommended all partners of the health and social care sector adopt and demonstrate a commitment to delivering as follows: -

- Our residents will be at the centre of decision making
- Health and care will be accessed as close to home as possible
- Residents will be able to self-serve and manage their health and care
- Funding and resources should be available at the right time and right place, particularly in relation to locality working.
- Health, care, and housing colleagues will work together to deliver one plan to meet the needs of our residents

As a result of the recommendation of this enquiry the principles will be adopted to form the basis of the vision for Integration of services for Central Bedfordshire residents and will also influence how services are commissioned and delivered. The vision for integration will be produced as part of the Better Care Fund Plan for 2017-2019 and the Central Bedfordshire “Out of Hospital” Strategy.

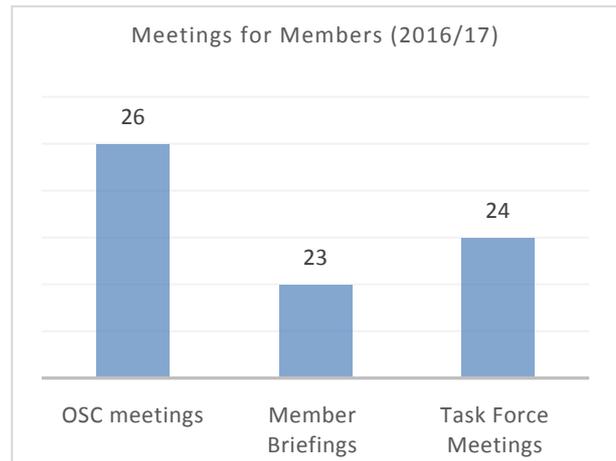
In addition, the Council will review its approach to multi-disciplinary working in the Localities/Quadrants, to secure integrated outcomes, to ensure they are fully embedded over the next two years. A timetable will be determined by senior officers to produce a plan for the delivery of Integrated Health and Social Care hubs in conjunction with NHS colleagues.

Creating more time for Members outside of formal meetings in addition to providing more opportunity to brief Members informally on key topics

During 2016/17 Members were encouraged to identify key topics on which they would like a briefing. These briefings provide the opportunity to share information with Members in advance of meetings to support robust overview and scrutiny of topics at formal meetings. In total there were 73 meetings, task forces and Members briefings. These briefings included topics on the following: -

- Welfare reforms
- Adult safeguarding
- Housing
- Education Partnership Vision
- Sustainable Transformation Plans
- The Care Market
- Economic Insight

Whilst Members were keen to create more time outside of formal meetings to discuss various topics the total body of work has increased during 2016/17 as meetings and briefings have taken place in addition to the planned formal OSC meetings.



Reflecting on the total body of work undertaken by Members it has been agreed that more focus will be placed by the OSCP on prioritising those items that will be considered at OSC meetings. This will ensure that a better balance is struck between the total number of formal and informal meetings undertaken across the year in the future.

Planned activity in 2017/18

Throughout 2017/18 Members have indicated a preference to encourage more overview and policy development activity, whilst also encouraging the use of detailed task and finish enquiries where it provides an opportunity to influence the principles of a policy early in its development.

To support the delivery of the Council's priorities it is currently envisaged the items that will be considered by the Committees during this year will include: -

- Early Intervention
- HMIC report into the support of vulnerable children
- Homelessness Reduction
- Let's Rent Policy
- Local Council Tax Support Scheme
- Local Plan
- Partnership working with Anglian Water
- Performance of Musculoskeletal services (MSK)
- Quality Accounts
- SEND vision and strategy

We also expect to undertake a Joint Health Overview and Scrutiny Committee with other neighbouring local authorities to scrutinise the STP.

If you would like to get involved in any of these items please get in touch with the team using the contact details in this report.

Getting involved

The residents of Central Bedfordshire are Overview and Scrutiny's most useful resource for finding out what the key issues are. Residents, community groups, local businesses and others that live or work in the area can make valuable contributions to much of the work Overview and Scrutiny does.

The work programme of Overview and Scrutiny can be flexible, so if there is an issue that you would like to see tackled or if you would just like to find out more about Overview and Scrutiny at Central Bedfordshire Council please contact the Overview and Scrutiny team at the following address: -

Overview and Scrutiny
Central Bedfordshire Council
Priory House
Monks Walk
Chicksands
Shefford
SG17 5TQ
0300 300 4634

committeemeetings@cenralbedfordshire.gov.uk

Details regarding forthcoming meetings, including copies of the reports and a list of future meeting dates can be obtained from the Overview and Scrutiny website at the following link:

<http://www.centralbedfordshire.gov.uk/council/overview-scrutiny/overview.aspx>

All OSC meetings are open to the public and a list of future meeting dates is available from the Council's website. Residents are also welcome to come and speak and provide their views at meetings. If you would like to speak at a meeting please contact us in advance using the form below: -

<https://www.centralbedfordshire.gov.uk/officeforms/SpeakingAtMeetings.ofml>



A great place to live and work

Contact us...

by telephone: 0300 300 8301

by email: scrutiny@centralbedfordshire.gov.uk

on the web: www.centralbedfordshire.gov.uk

Write to Central Bedfordshire Council, Priory House,
Monks Walk, Chicksands, Shefford, Bedfordshire SG17 5TQ

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