

CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held in Room 14, Priory House, Monks Walk, Shefford on Tuesday, 11 September 2012.

PRESENT

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

Cllrs Mrs R J Drinkwater
Dr R Egan

Cllrs R W Johnstone
I Shingler

Apologies for Absence: Cllrs L Birt
Mrs M Mustoe

Substitutes: Cllrs B Saunders (In place of Mrs M Mustoe)

Members in Attendance: Cllrs P N Aldis
R D Berry
D Bowater
Mrs C F Chapman MBE
C C Gomm
M R Jones
K C Matthews
M A G Versallion
R D Wenham

Chairman of Audit Committee

Deputy Leader and Executive Member for Corporate Resources

Executive Member for Children's Services
Deputy Executive Member for Corporate Resources

Officers in Attendance: Mr B Carter – Corporate Policy & Scrutiny Manager
Ms D Clarke – Interim Assistant Chief Executive (People & Organisation)
Mr A Fleming – Project Director - Business Services
Mr G Muskett – Head of Revenues & Benefits
Mr C Warboys – Chief Finance Officer & Section 151 Officer

Others in Attendance

CR/12/28 Minutes**RESOLVED**

That the minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 31 July 2012 be confirmed and signed by the Chairman as a correct record.

CR/12/29 Members' Interests

Councillor R Egan declared an interest in agenda item 12 due to her receipt of certain benefits referred to in the report.

CR/12/30 Chairman's Announcements and Communications

The Chairman had no announcements.

CR/12/31 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.

CR/12/32 Questions, Statements or Deputations

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

CR/12/33 Call-In

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

CR/12/34 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.

CR/12/35 Executive Member Update

The Deputy Leader and Executive Member for Corporate Resources provided the Committee with an update on current activities pertaining to his portfolio, which were not already included on today's agenda and which covered the following issues:-

- The currently forecasted small overspend with regard to the Council's revenue outturn position for 2012/13, although the Deputy Leader and Executive Member for Corporate Resources was confident that this position would be corrected by year end; and

- The customer services centres consultation, which had closed on 24 August and had resulted in receipt of 362 responses.

With regard to the second item, Members of the Committee discussed the adequacies of the consultation exercise and the concerns some Members had received from members of the public regarding possible closure of facilities. The Committee therefore agreed to receipt of further information at its next meeting regarding the results of the consultation exercise and next steps.

On a related issue, Members of the Committee also discussed the performance of the customer services contact centre, particularly with regard to extended call waiting times caused by a recent issue with the Council's Accolaid software, which supported services within the Sustainable Communities directorate. The Committee therefore agreed to receipt of an update at its next meeting regarding resolution of this issue.

CR/12/36

SAP Optimisation

The Interim Assistant Chief Executive (People & Organisation) delivered a presentation, which provided the Committee with details of the objectives and progress made with regard to the SAP Optimisation programme. Specifically, the presentation covered:-

- The rationale for the optimisation programme;
- The initial evaluation of the current SAP set up;
- The roadmap to improvement (basics, tactical & strategic);
- Programme objectives;
- Key deliverables; and
- The timeline and project plan.

Members of the Committee raised a number of queries during the presentation regarding the following issues, which were addressed by the Executive Member and officers in attendance:-

- Whether any cost v benefit analysis of the SAP Optimisation programme had been undertaken prior to its start. The Interim Assistant Chief Executive (People & Organisation) confirmed that no such analysis had been undertaken on the basis that the SAP system was an existing system (inherited from Bedfordshire County Council), which had been poorly implemented from the outset, with the optimisation programme designed to "get the basics right" so that the system was functionally better able to support the Council going forward. The Interim Assistant Chief Executive (People & Organisation) did confirm however that any strategic improvements to the system following this initial phase (due to be completed in March 2013) would be subject to a full business case, including cost v benefit analysis;
- The Council's ability to work with, and share the resources of, other Authorities also using SAP. The Interim Assistant Chief Executive (People & Organisation) confirmed that partnership working had been explored with a number of Authorities although no progress had been made due to

the reluctance of partners to share highly skilled and scarce SAP expertise; and

- The cost of the SAP Optimisation programme and the Council's ability to reduce existing operating costs such as software licence fees. The Interim Assistant Chief Executive (People & Organisation) confirmed that the cost of the programme was approximately £1M and that the current number of licences, and hence fees, were difficult to reduce due to contract constraints (although this issue was being challenged by other Authorities using SAP and the Council would monitor the situation closely).

In conclusion, the Committee thanked the Interim Assistant Chief Executive (People & Organisation) for the presentation and requested a progress report following completion of the initial phase in March 2013.

RECOMMENDATION:

That the presentation be noted and a progress report be provided following the initial phase of the programme scheduled for completion in March 2013.

CR/12/37

Farm Estate

The Project Director (Business Services) delivered a presentation, which provided the Committee with details of the Council's farm estate portfolio and the issues surrounding management thereof. Specifically, the presentation covered:-

- Statistical information regarding the number of hectares owned (2,514), tenancies managed (120) and rent income derived (£470k gross of costs);
- Key issues including management, repairs & maintenance, rent review negotiations, disaffected tenants and lack of strategy; and
- Actions to address the key issues identified and improve overall management of the portfolio.

Members of the Committee raised a number of queries during the presentation regarding the following issues, which were addressed by the Executive Member and officers in attendance:-

- The economic viability of the portfolio and the quantum of rents charged compared to the market. The Executive Member confirmed that the Council was obligated to maximise its use of resources and employ a "business-like" approach to the management of its farm estate, but that currently rents were approximately 10 – 15% below market rates. A rent review programme was underway, which would address the issue but which would also take account of any repairs and maintenance issues at individual farms;
- The condition of the farm estate. The Project Director (Business Services) confirmed that a programme of condition surveys had commenced to determine the backlog and a capital bid would be made to address priority issues;

- The period of lease agreements and the need to ensure they were of sufficient length to make any farm viable. The Project Director (Business Services) confirmed that short lease terms were currently being negotiated during the review period but acknowledged the need to negotiate longer periods in the future to ensure the farm estate's viability; and
- The identification of some 1,000 hectares of farm estate as possible housing/employment development land post Core Strategy i.e. 2031 and beyond.

In conclusion, the Committee thanked the Project Director (Business Services) for the presentation and requested that a progress report be submitted to an appropriate future meeting.

RECOMMENDATION:

That the presentation be noted and that a progress report be submitted to an appropriate future meeting.

CR/12/38

Council Tax Support

The Deputy Leader and Executive Member for Corporate Resources delivered a presentation, which provided the Committee with details of the draft policy on localised Council Tax support. Specifically, the presentation covered:-

- National government policy regarding the changes;
- Details of the current system of Council Tax Benefits;
- An explanation of localised Council Tax support;
- Statutorily, what the Council must do;
- The 4 principles behind the draft Central Bedfordshire scheme;
- The critical aspects of the draft scheme in terms of protected groups;
- The communications policy and communication thus far; and
- Key risks and mitigating actions;

Members of the Committee raised a number of concerns during the presentation regarding the following issues, which were all comprehensively debated by attendees:-

- The financial impact the draft scheme would have on Town and Parish Councils. The Executive Member confirmed that following further government consideration of this issue, and subsequent revision to the Local Government Finance Bill, no financial impact was now expected. In essence, Town and Parish Council precepts would be calculated as they had been in the past by using a protected tax base;
- The financial impact the introduction of the draft scheme would have on Central Bedfordshire Council and the difficult decisions the Council would have to make regarding management of the funding shortfall of circa £2.5M per annum;
- The flexibility available to the Council to amend Council Tax discounts and exemptions according to local circumstances;

- The protection of groups such as pensioners and other vulnerable people (lone parents with children under 5, carers, those with disabilities and those in receipt of war widows or war disablement pensions), who would be exempt from any contribution; and
- The ability of other working age benefit claimants to make a 25% contribution to Council Tax from an already very low income base.

Whilst the Committee supported the four principles upon which the draft policy was based and acknowledged the difficult financial and moral position the Council found itself in, it nonetheless expressed considerable concern about the detrimental impact it would have on those working age benefit claimants not designated as vulnerable (and therefore protected from the need to make a contribution) such as those persons in receipt of Jobseeker's Allowance and Employment & Support Allowance (Work Component). It was Members opinion that these people, who were perhaps least able to make a contribution, would suffer considerable hardship as a result of the introduction of the draft scheme.

The Committee therefore debated the merits and demerits of exempting those persons in receipt of Jobseeker's Allowance and Employment & Support Allowance (Work Component) from making any contribution at all (or a lesser contribution than the 25% proposed), with the subsequent shortfall in funding being met from the identification of further efficiencies as part of the budget setting process, increases in fees and charges generally or as a last resort, by increasing Council Tax.

During the debate, Members considered issues such as:

- The administrative cost of collection and the diminishing returns that would arise should smaller contributions, such as 5%, be proposed;
- The potential increase in debtors as a result of the introduction of the draft scheme;
- The government's default scheme, which was quickly dismissed;
- The claimant Appeals process that would be introduced to manage individual cases of severe hardship;
- The lack of financial or statistical information regarding the impact of any proposed amendment to the draft scheme; and
- The current recession and economic climate generally, and unemployment rates in Central Bedfordshire.

In conclusion, the Committee unanimously agreed to forward a clear statement of concern to the Executive regarding the detrimental impact the draft scheme will have on those persons in receipt of Jobseeker's Allowance and Employment & Support Allowance (Work Component), and request it to consider exempting such persons from having to make any contribution at all, with the subsequent funding shortfall being met from the identification of efficiencies as part of the budget setting process, increases in fees and charges generally or as a last resort, by increasing Council Tax. In recognition of the current economic climate however, the Committee further agreed to

such exemption being applied on a temporary basis until such time as the recession ended.

Finally, the Committee and Executive Member wished to record their thanks for the hard work of the Head of Revenues & Benefits and his team in preparing the draft scheme under difficult and changing circumstances, and against tight deadlines.

RECOMMENDATIONS:

- 1. That a clear statement of concern be forwarded to the Executive regarding the detrimental impact the draft Council Tax Support Scheme will have on those persons in receipt of Jobseeker's Allowance and Employment & Support Allowance (Work Component);**
- 2. That the Executive considers exempting temporarily, until such time as the recession ends, those persons referred to in (1) above from having to make any contribution at all, with the subsequent funding shortfall being met from the identification of efficiencies as part of the budget setting process, increases in fees and charges generally or as a last resort, by increasing Council Tax.**

CR/12/39

Q1 Revenue Report 2012/13

The Deputy Leader and Executive Member for Corporate Resources presented his report, which set out the Council's revenue position for 2012/13 as at the end of June (Quarter 1) and detailed spend to date against profiled budget and the forecast revenue outturn. He further explained that the forecast revenue outturn for 2012/13 was a £0.8M over spend against budget.

Members of the Committee discussed the contents of the report in detail and raised the following issues, which were addressed by the Executive Member and officers in attendance:-

- The forecast over spend of £0.8M. In this respect, the Deputy Leader and Executive Member for Corporate Resources reiterated his confidence that the position would be corrected by year end; and
- The performance of Central Bedfordshire Council with regard to treasury management and the average interest paid on debt, which compared favourably against other local authorities.

RECOMMENDATION:

That the report be noted.

CR/12/40

Q1 Capital Report 2012/13

The Deputy Leader and Executive Member for Corporate Resources presented his report, which set out the Council's capital position for 2012/13 as at the end of June (Quarter 1) and detailed spend to date against profiled budget and the

forecast outturn position. He further explained that the forecast spend for 2012/13 was £94.3M against a £108.4M approved budget, with proposed slippage of £13.4M into 2013/14.

Members of the Committee discussed the contents of the report in detail and raised the following issues, which were addressed by the Executive Member and officers in attendance:-

- The low level and slow rate of spend to date, which suggested the 2012/13 capital programme was ambitious. The Executive Member acknowledged the issue and referred to the ongoing review of the programme, together with work being undertaken by the Project Director (Business Services), which would improve forward planning and project management to ensure a realistic programme going forward; and
- The possibility of bringing forward those schemes currently ready to start but scheduled for delivery in 2013/14 into the current year. The Executive Member confirmed that this was being investigated as part of the review; and
- The proposed slippage of £2.8M within the Social Care, Health and Housing directorate. Councillor R Egan requested further information regarding what this particular slippage represented. The Chief Finance Officer agreed to provide such information in due course.

RECOMMENDATION:

That the report be noted.

CR/12/41

Q1 Revenue Report 2012/13 - Corporate Services

The Deputy Leader and Executive Member for Corporate Resources presented his report, which set out the revenue position for Corporate Services as at the end of June (Quarter 1) and detailed spend to date against profiled budget and the forecast revenue outturn. He further explained that the forecast revenue outturn for 2012/13 was a £0.36M over spend against budget.

Members of the Committee discussed the contents of the report in detail and raised a number of minor issues, all of which were addressed by the Executive Member and officers in attendance:-

RECOMMENDATION:

That the report be noted.

CR/12/42

Q1 Capital Report 2012/13 - Corporate Services

The Deputy Leader and Executive Member for Corporate Resources presented his report, which set out the capital position for Corporate Services as at the end of June (Quarter 1) and detailed spend to date against profiled budget and the forecast outturn position. He further explained that the forecast spend for 2012/13 was £12.62M, as per the approved budget.

Members of the Committee discussed the contents of the report in detail and raised a number of minor issues, all of which were addressed by the Executive Member and officers in attendance:-

RECOMMENDATION:

That the report be noted.

CR/12/43 **Quarter 1 Performance Monitoring Report**

The Deputy Leader and Executive Member for Corporate Resources presented the first quarterly performance report for Corporate Services, which provided an overview of performance in 2012/13 for the period to 30 June 2012 for those corporate health indicators presented to this Committee. He further stated that, despite the ongoing efficiency savings and continued pressure on budgets, Council performance generally was good and improving.

Members of the Committee discussed the contents of the report in detail and raised a number of queries, which were addressed by the Executive Member and officers in attendance. These queries centred around the following issues:

- The impact on collection rates as a result of the choice the public now had to pay their Council Tax over 12 rather than 10 months. The Executive Member confirmed that, apart from a minor change to cash flow, there would be no impact on collection levels; and
- In terms of the customer service contact centre, the implications of providing an out of office hours service in the evenings at Watling House, Dunstable. The Interim Assistant Chief Executive (People & Organisation) agreed to investigate the matter further.

RECOMMENDATION:

That the report be noted.

CR/12/44 **Work Programme 2012 - 2013 & Executive Forward Plan**

The Committee considered its current work programme and the latest Executive Forward Plan, and agreed to add an item to its October meeting regarding Asset Disposals. The Committee also agreed to expand the Customer First presentation, also scheduled for October, to include those issues referred to in Minute CR/12/35 above. Finally, the Committee agreed to postpone receipt of the final draft of the localised Council Tax Support policy (i.e. following consultation) until its December meeting.

RESOLVED

That the Committee's Work Programme be updated to include the above mentioned amendments.

(Note: The meeting commenced at 10.00 a.m. and concluded at 12.45 p.m.)

Chairman.....

Date.....