

## CENTRAL BEDFORDSHIRE COUNCIL

At a meeting of the **CORPORATE RESOURCES OVERVIEW & SCRUTINY COMMITTEE** held in Council Chamber, Priory House, Monks Walk, Shefford on Tuesday, 27 January 2015.

### PRESENT

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

Cllrs Dr R Egan  
R W Johnstone  
J Murray

Cllrs Mrs M Mustoe  
N Warren  
T Woodward

Apologies for Absence: Cllrs Mrs C F Chapman MBE

Substitutes: Cllrs C C Gomm

Members in Attendance: Cllrs A D Brown Deputy Executive  
Member for  
Regeneration  
J G Jamieson Leader of the Council  
and Chairman of the  
Executive  
D Jones  
M R Jones Deputy Leader and  
Executive Member for  
Corporate Resources  
M A G Versallion Executive Member for  
Children's Services

Officers in Attendance: Mrs D Broadbent- – Director of Improvement and  
Clarke Corporate Services  
Mr R Norris – Team Leader Housing Finance  
Mrs R Preen – Scrutiny Policy Adviser  
Mr N Visram – Financial Controller  
Mr C Warboys – Chief Finance Officer

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CR/14/60. **Minutes**

### RESOLVED

**that the minutes of the meeting of the Corporate Resources Overview and Scrutiny Committee held on 16 December 2014 be confirmed and signed by the Chairman as a correct record.**

CR/14/61. **Members' Interests**

Cllr Dr Egan declared a disclosable pecuniary interest in relation to Item 10 (Draft Budget and Housing Revenue Account 2015/16, MTFP 2014/18) as a Council tenant.

CR/14/62. **Chairman's Announcements and Communications**

None.

CR/14/63. **Petitions**

None.

CR/14/64. **Questions, Statements or Deputations**

Cllr Dr Egan requested to speak on item 10 as a member of the public due to her pecuniary interest. The Chairman agreed to consider the Housing Revenue Account as a separate item and invited Cllr Egan to speak in advance of it.

CR/14/65. **Call-In**

None.

CR/14/66. **Requested Items**

None.

CR/14/67. **Executive Member Update**

The Executive Member for Corporate Resources advised the Committee that action had been taken against a rogue trader within Central Bedfordshire, which had secured the Council £1,300 in legal costs and compensation for an elderly victim.

The General and local elections on 7 May 2015 would be the largest election since the formation of Central Bedfordshire Council and Member Services were working to secure up to 700 staff to facilitate the running of the election.

ICS had been shortlisted as 'Team of the Year' in the Local Government Chronicle awards, which was testament to their hard work this year. The Procurement team were now self-funded and did not cost the Council any money.

CR/14/68. **Draft Budget and Housing Revenue Account 2015/16, MTFP 2014/18**

Due to the pecuniary interests of Cllr Dr Egan it was deemed appropriate to consider the Revenue and Capital items together with HRA as a single, separate item.

The Executive Member for Corporate Resources provided details of total spending for the Council along with identified efficiency savings and delivered a presentation outlining the three main areas of spend:

- Revenue Budget
- Capital Programme
- Housing Revenue Account

In light of the presentation and the Executive report, Members discussed concerns regarding reduced funding for education and how the shortfall would be addressed along with perceived cuts to customer services and front line services.

The Executive Member responded to these queries by explaining that although there was a highlighted shortfall in one aspect of educational funding, the budget presented had to be balanced and so this had been mitigated by ensuring all areas were funded. The Chief Finance Officer explained that the part of the educational grant reflecting a shortfall related to the school support grant, the overall grant paid directly to schools, per capita had increased.

The Director for Improvement and Corporate Services responded that there was not a cut in Customer Services but there had been a previous plan to work alongside the Job Centre Plus and combine certain services. This had not been possible due to certain constraints and so there was a delay in Customer Service staff delivering on this, therefore detailed within the report was a delay in efficiency savings.

The Executive Member also responded to a query regarding timescales for Parking Bays to be granted by explaining that due to required changes on the Highway, there could be lengthy timescales involved when dealing with this issue.

The Chief Finance Officer introduced the Capital Programme and explained that the Annuity method used effectively matched depreciation against asset lives.

In response to a query the Executive Member for Corporate Resources explained the difference between the gross and net expenditure listed. Concerns were raised by a Member of the Committee that regeneration schemes in Houghton Regis and Dunstable, whilst welcome, meant that housing could still be unaffordable for those who currently lived there and asked that the Executive consider this as a potential issue.

Due to the nature of her pecuniary interest Cllr Egan spoke as a member of the public and raised concerns that the proposed rent increase of 2.2% would penalise the poorest residents within Central Bedfordshire as Sheltered Housing residents were already in the higher percentile with regards to rent increases. Cllr Egan felt that a 1% increase was more appropriate.

After delivering her statement to the Committee Cllr Egan left the meeting and the Executive Member clarified that the Council could not increase rents by more than the Consumer Prices Index (CPI) +1% and that the proposed

increases were in line with Central Government recommendations and adhered to guidelines. The Tenant Panel had been consulted with and the proposals ratified by them.

**RECOMMENDED that the Revenue Budget be endorsed by the Committee.**

*(Cllr Egan asked for her dissent to be noted and Cllr Murray abstained from voting).*

**RECOMMENDED that the Capital Programme be endorsed by the Committee.**

*(Cllrs Egan and Murray abstained from voting).*

**RECOMMENDED that the Housing Revenue Account (Landlord Service) Business Plan be endorsed by the Committee.**

*(Cllr Murray abstained from voting.)*

CR/14/69. **Quarter 2 Budget Monitoring**

The Chief Finance Officer delivered two presentations, the first of which highlighted the overall year to date expenditure, reserve budget details, overspends, underspends and the Capital outturn, the second presentation provided the same information for the Corporate Resources Budget.

It was confirmed there were significant pressures in the Social Care, Health and Housing directorate resulting in an overspend. The late arrival of Government grants had also affected slippage.

The Executive Member explained that from the new financial year the Committee would be presented with more timely Budget Monitoring reports.

**NOTED the Budget position as at Q2.**

CR/14/70. **Treasury Management Strategy**

The Executive Member for Corporate Resources introduced the item and explained it was a requirement to present the Treasury Management Strategy to full Council each year. The Chief Finance Officer highlighted changes to the Treasury Management Strategy explaining they were due to downgrades in credit ratings, it was proposed to change minimum criteria from A- to BBB+. Measures were also in place to reduce the Council's credit risk exposure.

With regards to the borrowing strategy, the Committee were provided details with regards to the reduction in long term debt of £20m which had been paid over the past 5 years. Future borrowing would take advantage of low rates for short term loans with a rolling programme of 3-6 month schemes rather than being locked in to longer term loans.

**RECOMMENDED that the Committee endorse the Treasury Management Strategy.**

CR/14/71. **NEPRO Update**

The Chief Procurement Officer delivered a report with regards to the implementation of a new procurement arrangement within the Council for the supply of professional services, including opportunities for enhancing service delivery.

Members expressed concerns that other departments within the Council would not use NEPRO straight away due to existing contracts with other suppliers and a culture of using those which had supplied departments for many years. It was felt that the procurement department must sell the benefits of NEPRO across the organisation in order to see a quantifiable uptake.

The Chief Procurement Officer explained that they were looking to mandate the process whereby if a department wished to use another provider, they must demonstrate the efficiency savings over those which NEPRO would provide. If they were less cost effective there would be no value in using them.

Members queried the length of time for which a contract would be secured. It was confirmed that the standard agreement was approximately 4 years, however the value of the contract would always be carefully considered with the ability to review the arrangement and break early with the supplier if necessary.

It was acknowledged that although the Council used a 30 day payment cycle with their contractors as standard practice, on occasion subcontractors did not receive payment for up to 90 days which was deemed unacceptable. Therefore the Council had implemented a trial of a project bank account approach whereby contractors' sub contractors would also receive payment at the same time which provided safeguards to all parties.

**RECOMMENDED that the Committee endorse the new procurement arrangement.**

CR/14/72. **Supplement 1**

The NEPRO update was considered at reference CR/14/71 above.

CR/14/73. **Work Programme 2014/15 & Executive Forward Plan**

The Committee considered its current Work Programme and the latest Executive Forward Plan.

**RECOMMENDED that the Corporate Resources OSC Work Programme be agreed.**

(Note: The meeting commenced at 10.00 a.m. and concluded at 11.45 a.m.)

Chairman.....

Date.....