

**OVERVIEW AND SCRUTINY COMMISSION
24 SEPTEMBER 2015
7.30 - 9.02 PM**



Present:

Councillors Leake (Chairman), Angell (Vice-Chairman), Mrs Angell, Mrs Birch, Brossard, Finnie, Harrison, Mrs McCracken, Mrs Mattick, Porter, Mrs Temperton, and Thompson (Substitute)

Mr R Briscoe (Parent Governor Representative)

Apologies for absence were received from:

Councillors Allen and Phillips

Executive Member:

Councillor McCracken

Also Present:

Councillors Heydon and Peacey

In Attendance:

Richard Beaumont, Head of Overview and Scrutiny
Alan Nash, Borough Treasurer
Victor Nicholls, Assistant Chief Executive
Amanda Roden, Democratic Services Officer
Alison Sanders, Director of Corporate Services

17. Apologies for Absence/Substitute Members

The Panel noted the attendance of the following substitute member:

Councillor Thompson for Councillor Allen

18. Minutes and Matters Arising

RESOLVED that the minutes of the Overview and Scrutiny Commission meeting held on 9 July 2015 be approved as a correct record and signed by the Chairman.

19. Declarations of Interest and Party Whip

Councillor Mrs Birch declared an interest as the spouse of the Executive Member for Adult Services, Health and Housing. Councillor Mrs McCracken declared an interest as the spouse of the Executive Member for Culture, Corporate Services and Public Protection. There were no indications that Members would be participating under the party whip.

20. Urgent Items of Business

There were no urgent items of business.

21. **Public Participation**

There were no submissions from members of the public in accordance with the Council's Public Participation Scheme for Overview and Scrutiny.

22. **Council Budgetary Position**

The Executive Member for Transformation & Finance and the Borough Treasurer presented the Council's current budgetary position, in preparation for scrutiny of the 2016/17 budget proposals.

The Government pledge was to eliminate the national deficit by 2019/20, and most would be achieved through reductions in public spending. Health, education and overseas aid had been protected in the past. Defence would be protected as well in future. Real term reductions of 25% or 40% over 4 years were being explored, and this followed 5 years of austerity. Local government and Bracknell Forest needed to play its part.

Budget Strategy: Underlying Principles: Recognition of political priorities, for example, 'clean and green'; Efficiencies and savings would be taken as early as possible and would not be constrained by financial years; Savings would be focussed on efficiencies and the back office with the impact on front line services to be minimised; Twin track immediate savings and transformational change; Reserves and balances would be used in a measured way to facilitate the implementation of savings; and Business rates from the regenerated town centre and council tax from housing growth would help to bridge the budget gap.

Key planning assumptions included: a grant reduction in 2016/17 of £3m; a reduction of 6% in government support for each of the remaining 4 years; a pay award of 1% each year; general inflation (CPI) to be below 2% throughout the period and only approaching this level in 2-3 years; pressures consistent with previous years (£2.0m); and a Council funded core capital programme of £8m each year. There was a budget gap of £25 million over the next 5 years.

Bridging the gap for the 2016/17 budget would involve taking a firm line to limit future year's pressures but, they reflected demographic changes and increases in demand for services; increasing Council Tax by 1% would generate £0.5m; a referendum for excessive increases (2%+?); Utilising balances such as £7.0m of accumulated business rates surplus plus £10.0m of general fund balances; £4.0m minimum prudent balance; £13.0m available but only delay the need for alternative measures Identifying savings such efficiencies, back office or front line services; reducing or stopping non-statutory services.

Budget risks included: Local government finance settlement; New Homes Bonus/Referendum criteria; Waste Tonnes; Looked After Children; Deprivation of Liberty Safeguards; Business rate appeals and revaluation in 2017; and the impact of the living wage. There was a contingency of £1 million but this would be reviewed following the settlement received.

Budget Timetable

24 September 2015	Overview & Scrutiny Commission – Budget Prospects
25 November 2015	Spending Review
15 December 2015	Executive – approves budget package for consultation
Late December 2015	Provisional Finance Settlement
28 January 2015	Overview & Scrutiny Commission – review budget proposals

End January 2015	Consultation Closes
9 February 2015	Executive recommends budget to Council
24 February 2015	Budget and Council Tax agreed

In response to Members' questions, the following points were made:

- The budget gap was larger in 2016-17 than later years due to reserves having been used in 2015-16.
- The cost of a 1% pay award was based on the current pay bill with current staffing.
- The general principle was to use CPI as it was relevant to the costs the Council incurred and was lower in terms of inflation but there was also a need to use RPI. Fees and charges would increase in line with RPI; they should charge what the market would bear and were expected to be 2 – 3% over the planning period.
- The revaluation of town centre shops at a reduction of 15% had been taken into account. Allowance had been made for possible revisions and appeals. Rateable values were determined by the Valuation Office. Work was undertaken a few years ago on an estimate of £6 million in additional business rates arising from the regeneration of Bracknell town centre. The Council did not keep all extra income it received. There was a levy on business rates estimated at £1.5 million per year in line with business growth.
- The Council did not expect to hear the outcome of the possible change in government approach to Council Tax until December.
- The majority of additional business rates income was from the transfer of Vodaphone from a central to a local list in 2013. Vodaphone had appealed their valuations, so the £7 million could be used but only as a one-off. It had been accumulated from previous years and it was hoped that there would not be a need to refund it.
- The assumption was that the CPI would be zero. If, however, it went negative it would benefit the Council in budget terms.
- Statutory duties included Education, Social Care, and the maintenance of roads. Much of the Council's spend was statutory.

23. **Introductory Briefing - Transformation and Finance**

The Executive Member for Transformation & Finance gave an introductory briefing on his priorities over the next four years, the differences to be achieved, and the goals for 2015/16. This was dominated by the need to achieve savings of £25 million over the next five years, which meant that change was essential.

Overarching priorities were: Climate of austerity; Government policy and legislative changes; and changes in size and shape of the Council to reflect this.

Areas of responsibility included: Finance, Human Resources, and Property, which were all required to support Transformation.

There was an IESE workshop in November 2013. Innovations could be transitional, transformational, or mould breaking.

A Transformation Board had been established with the Executive Member for Transformation (Sponsor), the Leader, Chief Executive (lead Senior Officer), Corporate Management Team, and supported and challenged by IESE and Activist.

Projects to cover included: cost reviews, alternative provider models, shared services, major property reviews, policy/principle reviews, structure reviews, and service reductions.

Mechanisms to be included were: innovative procurement/ commissioning, business process improvements, service review/redesign, shared services/collaborative working, shared/pooled budgets, benchmarking, social enterprise, working with the voluntary sector, asset sharing/reduction, technology driving change, workforce changes, energy consumption, and customer focus.

Priority actions for 2015/16 were to: support town centre property transactions; support key projects with a property dimension, for example, Coopers Hill youth facility, school sites, Binfield Learning Village, Bridgewell & Ladybank; utilise some Council sites for affordable housing; carry out a property review; and improve the health and wellbeing of staff through health checks and employee engagement groups. Implement a new HR/Payroll system and Learning Management system; implement a new appraisal process and improve; performance management; update the Medium Term Financial Strategy; and develop the Council's annual budget.

In response to Members' questions, the following points were made:

- Activist was a small consultancy which had operated around the public sector for a while in relation to managing change.
- The Transformation Board would report to the Executive for changes and decisions requiring approval.
- Playing fields would not be disposed of. A detailed property review was in progress.
- A comprehensive property review had not been undertaken for some time but property was reviewed regularly as property issues arose.
- There were a number of properties but not much change could be made to school or leisure sites. All property usage was driven by service provision. Consolidation and co-location would be considered, along with opportunities to reduce costs, such as selling the site Easthampstead House was on, and reviewing big opportunity costs such as the Depot site. Some small car parks were poorly used and could provide a better revenue stream or be sold.
- A Member suggested that Human Resources (HR) senior functions within the Council could be amalgamated to create efficiencies as the Chief Officer: Human Resources was due to retire at the end of the year. The devolved staff budget would be reviewed.
- Figures would be requested by the Transformation Board to show how different options could create savings and efficiencies.
- The Adult Social Care, Health and Housing Department worked in conjunction with the voluntary sector to provide large scale services at reduced costs.
- There were joint areas and lists of land, and in addition to this the Council was involved in claw-back arrangements with HCA. It was complicated in Bracknell Forest but if information was requested about a specific property, this could be provided. Many claw-back arrangements in relation to land were due to expire in 2018. This would be part of the property review.
- The covenant had been released on Downside, and Coopers Hill was another example of a property where full ownership would be with the Council but this also had covenants on it.

24. **Quarterly Service Reports (QSRs)**

The Commission noted the latest trends, priorities and pressures in terms of departmental performance as reported in the Quarterly Service Reports for the first quarter of 2015/16 (April to June) relating to the Chief Executive's Office and the Corporate Services Department.

In response to Members' questions, the following points were made:

- The level of media interest could depend on how benchmarks were defined. There had been much media coverage of the town centre generation and it was thought that the Council was receiving good coverage.
- A second electric vehicle had been ordered, an electric courier van which would replace an existing vehicle. The cost savings of using an electric vehicle were requested.
- There had been issues during the trial of the Blackberry service, as part of the ICT Members' implementation arrangements, but a range of devices had been fully tested with Members. Planning demonstrations were due for Members in October with a view to rolling out devices after this training session.
- One or two shop units had been sold to individuals and this had hampered some of the Council's work. An opportunity arose to purchase two shop properties in Wildridings and this was taken as the properties provided a good rate of return and gave the Council a more strategic foothold.
- 23 car parking spaces had been allocated to Oxford Innovations to support their running of an Enterprise Centre in Ocean House. The car parking spaces were offered on flexible terms in the form of passes.

25. **Corporate Performance Overview Report**

The Commission considered the Chief Executive's Corporate Performance Overview Report (CPOR) for the first quarter of 2015/16 (April to June).

In response to Members' questions, the following points were made:

- Further information would be sought for Members on additional temporary accommodation not completed in Quarter 1 of 2015/16.
- Figures would be provided on the number of visits to all libraries in Bracknell. There were different ways to approach people regarding the use of libraries and school libraries were used for this purpose.
- Statutory duties in relation to libraries were clearly defined.
- Further information would be sought for Members in relation to the number of households and nights spend in Bed & Breakfast across the Quarter and figures for Quarter 2 would be sought.
- Staffing figures were reported in Departmental reports and the CPOR.
- Overview and Scrutiny had previously reviewed library provision and other provision under the area of culture.
- The difference between corporate and statutory complaints was that statutory complaints were defined by a regulator and corporate complaints were defined by the Council's complaints process.

26. **Executive Forward Plan**

The Commission noted the forthcoming Key and Non-Key Decisions of a corporate nature.

Item: I056132 Comensura Contract Retender Procurement

This was an example of effective procurement over five years involving bundled agency workers contracts to handle all contracts for agency staff. Comensura had the highest use of agency workers, and there was a need to retender for the contract for 3 + 1 + 1, which would make a five year term.

27. **Work Programme and Panel Activity Update**

The Commission noted the progress against the Overview and Scrutiny work programme 2015-16, and the reports from Overview and Scrutiny Panel Chairmen on each Panel's progress against the work programme.

The covering report referred to the two working groups on Economic Strategy and The Draft Council Plan (Formerly Medium Term Objectives), and the work of these two working groups had both been completed.

In response to Members' questions, the following points were made:

- Concerns raised in relation to the Francis Report being finalised could be raised at the Health Overview and Scrutiny Panel meeting on 1 October 2015. The actions from the working group were of a continuing nature or a one-off, with the remaining actions being a combination of the two. It was thought that this work would be finished before there was a review on GP capacity. The Chairman of the Commission would speak to the Chairman of the Health Overview and Scrutiny Panel to ensure that this was co-ordinated.
- Over the coming 12 – 18 months comments were expected over work programmes and work needed to be undertaken flexibly.
- The Chairman of the Commission had met with Heathwatch representatives regarding a member of Heathwatch possibly being an observer on a number of Overview and Scrutiny Panels. Heathwatch would review their position regarding this.
- The Vice-Chairman of the Commission reported that a visit to Elmbridge Council was being arranged and would be discussed at a working group at the end of September. There would also be a look at the legal input into Section 106 agreements.
- The Chairman of the Commission advised that a working group was looking at planning policy and procedures. If there were any comments or observations, these could be put forward.

CHAIRMAN