

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE OVERVIEW AND SCRUTINY BOARD

MONDAY, 20TH JANUARY 2014 AT 6.00 P.M.

PRESENT: Councillors P. Lammas (Chairman), R. J. Laight (Vice-Chairman), C. J. Bloore, B. T. Cooper, R. L. Dent, K. A. Grant-Pearce, H. J. Jones, L. C. R. Mallett, S. P. Shannon, C. J. Spencer, C. J. Tidmarsh and L. J. Turner

Invitees: Councillor C. B. Taylor

Officers: Ms. J. Pickering, Ms. A. Scarce and Ms. J. Bayley

73/13 **APOLOGIES FOR ABSENCE**

An apology for absence was received on behalf of Councillor J. M. L. A. Griffiths.

74/13 **DECLARATIONS OF INTEREST AND WHIPPING ARRANGEMENTS**

Councillor C. J. Spencer declared a Disclosable Pecuniary Interest as a member of Bromsgrove Arts Centre Trust in respect of Item No. 8. As such Councillor Spencer withdrew from the meeting and took no part in its consideration and voting thereon.

75/13 **MINUTES**

The minutes of the Overview and Scrutiny Board meeting held on 16th December 2013 were submitted.

RESOLVED that the minutes be approved as a correct record.

76/13 **AIR QUALITY TASK GROUP RESPONSE TO CABINET**

Councillor S. P. Shannon, Chairman of the Task Group, explained that the group had reconvened in December 2013 to discuss in detail the response that had been received from the Cabinet in respect of their recommendations.

A few, minor alterations had been made to the group's recommendations, though the majority remained the same. Members had added further information to support the recommendations and, where appropriate, had provided details about how funding could be obtained to cover the costs involved in delivering the actions detailed in the group's recommendations.

During consideration of this item the Portfolio Holder for Planning, Core Strategy, Regulatory and Strategic Housing, Councillor C. B. Taylor, was invited to comment on the Task Group's response. He acknowledged that the group's findings remained worthy of note, though suggested that he would need to seek further specialist advice in respect of the feasibility of recommendation 7. Councillor Taylor advised the Board that he intended to discuss a number of the proposals with the Chairman of the Worcestershire Shared Services Joint Committee. He also confirmed that he was intending to sign the two letters referred to in the group's final report.

The potential for Bromsgrove District Council to apply for funding in any future rounds of the Defra Air Quality Grant Programme was also briefly debated. Councillor Shannon explained that the Council had been eligible to apply for up to £1 million of funding the previous year. It was suggested that applications for funding from this grant programme in future years would help the Council to secure the funding needed to pay for some of the actions identified in the group's final report.

RESOLVED that the Overview and Scrutiny Board agree the recommendations in conjunction with the additional information and pass the report to Cabinet for its further consideration.

77/13 **BUDGET PRESENTATION**

The Executive Director for Finance and Corporate Resources delivered a presentation on the Council's budgetary position as of 20th January 2014 (Appendix 1).

During the delivery of this presentation the following points were highlighted for Members' consideration:

- The Council's budget for the period 2014/15 – 2016/17 had not yet been set. £100,000 of savings still remained to be identified.
- In addition to reductions to the Government grant there had also been a decrease in the amount that the Council received from the Department for Work and Pensions (DWP) in the form of housing benefit.
- Heads of Service had been working to identify potential savings. Many of these savings would be achieved through service reviews and from job vacancies.
- The budget was being planned in accordance with the Council's strategic purposes.
- Every effort was being made to minimise the impact of budget savings on the delivery of frontline services.
- Officers were attempting to identify savings that could be made to enabling services, or services which were not delivered directly to the customer.
- The borrowing costs that had been taken into account by Officers included the costs for Parkside and the costs for a new leisure centre, though Officers recognised that no decision had yet been taken by Members in respect of a new leisure centre.

- A Council Tax increase of 1.9% had been proposed by Officers. This would mean that the local authority would not be eligible to apply for the Council Tax freeze grant.
- The Council would need to meet additional pension costs of £154,000 for 2015/16 – 2016/17.
- The Council's balances were £3 million at the date of the meeting. Officers were keen to maintain balances of at least £1.1 million going forward. There was therefore the potential for £700,000 to be used from balances to help to meet the Council's budgetary requirements over the following 3 year period.
- Heads of Service had been assessing the potential impact of the proposed County Council cuts on services delivered by the district Council. This would include considering the potential increase in demand for district Council services as a result of the removal or reduction of County Council services due to funding cuts.
- A tool had been developed to enable Officers to compare the fees charged by the Council to deliver services with other local authorities in the country and to identify the potential for changes to be made to the Council's current charging levels.

Following the presentation Members raised a number of further points for discussion:

- The arrangements for spending funding secured through the budget bid for economic and cultural events over the following six year period. Members were advised that it was anticipated that this process would be facilitated by Officers rather than in the form of grants to local Voluntary and Community Sector (VCS) organisations. Officers would continue to consider the best way to manage the funding.
- The potential impact of the Longbridge development and internet shopping on custom in Bromsgrove town centre as well as on revenue for the Council from car parking charges. Members were advised that at present the Council was anticipating that a similar amount in revenue would be generated from parking fees in the following financial year.
- The potential impact of efficiency savings for enabling services on frontline services. Officers urged Members to notify senior managers of any instances where cuts to enabling services were observed to have a negative impact on frontline services.

RESOLVED:

- (a) that a further update on the Council's budget for the period 2014/15 – 2016/17 be provided for the Board's consideration on 24th February; and
- (b) that the report be noted.

78/13 SAVINGS MADE IN RESPECT OF SHARED SERVICES REPORT

The Executive Director for Finance and Corporate Resources presented a report detailing the savings that had been achieved by the Council as a result of entering into shared services with neighbouring local authorities.

During the presentation of this report the following matters were outlined for Members' consideration:

- The savings that had been realised from shared services had been detailed for the period 2010/11 – 2013/14.
- In the early years of the process savings had been made through the introduction of a shared management team and a small number of shared services, such as Electoral Services.
- In 2012/13 agreement had been secured for a larger number of services to be shared and this had enabled the Council to achieve significant savings.
- Redundancy costs for staff who had left during this period had been particularly high in 2010/11 and 2012/13 mainly due to the fact that a number of long-serving staff aged 50 years or older had left the organisation in these years and they had been entitled to significant pay outs.
- The recent changes to the Corporate Management Team structure had enabled the Council to achieve further savings, to an estimated £2.369 million by January 2014.

At the end of the presentation a number of additional issues were raised for discussion:

- There remained some services that were not yet shared (below senior manager level). Therefore the Council could explore the potential to share these services with other local authorities.
- It was possible that if more shared service agreements were negotiated the Council would need to meet additional one off costs at a later date.
- The costs involved in working with Vanguard and savings achieved through service transformation had not been provided as the focus of the report had been on the financial implications to the Council of delivering shared services.
- Savings accrued from deleting posts when creating the shared services continued to be taken into account as part of the Council's figures for budgetary savings. The extent to which these savings could continue to be incorporated into the Council's calculations and alternative budget arrangements that could be taken into account were discussed.

RESOLVED that the report be noted.

79/13 **JOINT WRS SCRUTINY TASK GROUP**

Councillor R. J. Laight, Chairman of the Task Group, provided an update on the work of the Joint Worcestershire Regulatory Services (WRS) Task Group.

Members were advised that two meetings of the group had taken place since the last update had been provided. During the first of these meetings, on 18th December 2013, Members had interviewed the Head of Regulatory Services together with a number of senior WRS Officers. The discussions had been full

and frank and a lot of detail had emerged about the operation of WRS services.

At the second meeting Members had considered a written response to a number of questions that had been set for the consideration of members of the WRS Management Board. The group had also interviewed a representative of the Board.

A further three meetings were scheduled to take place together with a visit to Wyatt House, the base for WRS. The group was aiming to complete their investigations by the end of April 2014.

80/13 **ARTRIX OUTREACH PROVISION TASK GROUP**

The Chairman of the Task Group, Councillor Shannon, outlined the work of the group.

There had been two meetings of the group since the last meeting of the Overview and Scrutiny Board. At the first of these meetings Members had interviewed the Council's Arts and Events Officer and Arts and Events Manager. At the second meeting the Chairman of the Artrix Operating Trust and Councillor Spencer, in her role as a Council representative on that trust, had been interviewed.

Councillor Shannon explained that in line with the group's terms of reference Members had been investigating the funding provided by the Council to the Artrix. This had been undertaken both to ensure that the Council received value for money, that the services which were included within the Service Level Agreement (SLA) were delivered to a satisfactory level and that outreach services were provided to customers in greatest need of receiving those services.

Councillor Shannon commented that he was disappointed that at the previous meeting of the Board Members who had not been appointed to the Task Group had commented on the progress of the review. He expressed concerns that this indicated that some of the content of the Task Group meetings had been shared with other Members outside the meetings and he reminded all Members that Task Group meetings were supposed to be treated as private and confidential.

Finally Councillor Shannon requested that, as the review had commenced slightly later than anticipated and the group was consequently a little behind schedule, the deadline for completion of the review be extended from February to April 2014.

RESOLVED that the deadline for completion of the Artrix Outreach Provision Task Group be extended to April 2014.

81/13 **CABINET WORK PROGRAMME 1ST FEBRUARY 2014 TO 31ST MAY 2014**

The Board considered the Cabinet Work Programme for the period 1st February to 31st May 2014.

82/13 **OVERVIEW AND SCRUTINY BOARD WORK PROGRAMME**

Members considered the Overview and Scrutiny Work Programme and noted that the update on flood prevention work in the district, which had been due to take place during the meeting, had been postponed. Officers had suggested this delay was due to a number of Worcestershire County Council budgetary cuts potentially impacting on the service causing imminent changes to strategic service arrangements. As a consequence it had been suggested that an update be provided for the Board's consideration in February on flood prevention projects that the team were delivering to be followed by a further report focusing on the strategic level in June 2014.

Councillor B. T. Cooper, the Council's representative on the Health Overview and Scrutiny Committee (HOSC), confirmed that there had been no meetings of the Committee over the festive period. The following meeting was due to take place on 22nd January 2014.

The meeting closed at 7.06 p.m.

Chairman

BUDGET POSITION 2014/15

2014/15 POSITION

	£'000
Original Estimate:	
Budget	11,340
Funding	(11,180)
Estimated Shortfall	160

2014/15 POSITION

	£'000
Estimated Shortfall	160
Current Position :	
Additional Pressures;	
Further reduction in Government Grant	33
Net Pressures to Budgets	
• borrowing costs	
• County funding reduced	
• Savings Identified (service reviews)	224
Bids	156
Less:	
Council Tax Base & Collection Surplus	-136
Additional New Homes Bonus	- 90
Proposed Use of Balances (Bid + Borrowing)	-250
REVISED GAP	£97K

2015/16 – 2016/17

	£'000
Shortfall 2015/16	686
Shortfall 2016/17	966

Bids

- £6k re free car parking in Bromsgrove Town Centre to support small business Saturday
 - £25k pa for 6 years to promote Bromsgrove Economy via Cultural events to include:
 - International Young musicians Festival
 - Arts Events
- To be funded from balances over 6 years (£150k) to be reviewed annually to promote investment in the District and increase footfall

Balances

- Currently £3m
- Draw down to fund £150k bid for Economic investment in the District via cultural events
- Draw down £945k from 2014/15 – 2016/17 to fund borrowing costs of new Leisure Centre (Business case to be approved)
- Estimated Balances £1.8m
- Insufficient Balances to meet 3 year estimated shortfall

Next Steps

- Impact of County Funding cuts
- Identify Further Savings
- Reducing Cost of Enabling the Council
- Review Income generation where possible
- Review budgets to Strategic Purposes
- Council Tax setting February 2014

DEPARTMENT	£'000
SHARED MGT TEAM	335
PAYROLL	40
CCTV	81
ICT	50
POLICY	40
LEISURE	20
COMMUNITY SERVICES	121
CUSTOMER SERVICES	29
ENVIRONMENTAL SERVICES	30
FINANCIAL SERVICES	50
LEGAL & DEMOCRATIC SERVICES	38
PLANNING & REGENERATION	31
SECRETARIAT	12
	877