

## **Overview & Scrutiny Committee – Meeting held on Thursday, 2nd February, 2017.**

**Present:-** Councillors Nazir (Chair), Strutton (Vice-Chair), Bedi (until 8.20pm), N Holledge, Parmar, A Sandhu, R Sandhu and Usmani

**Also present under Rule 30:-** Councillor Ajaib

**Apologies for Absence:-** Councillor Sadiq

### **PART I**

#### **56. Declarations of Interest**

None were received.

#### **57. Minutes of Meetings held on 20th December 2016 and 12th January 2017**

**Resolved –** That the minutes of the meetings held on 20<sup>th</sup> December 2016 and 12<sup>th</sup> January 2017 be approved as a correct record.

#### **58. Action Progress Report**

The Committee was updated on the activity regarding the Action Progress Report. In relation to the Review of Council's Public Liability / Insurance Services (Minute 49 of the meeting held on 12<sup>th</sup> January 2017), the Assistant Director Finance & Audit informed the Committee that the matter was scheduled for consideration at the April 2017 meeting.

**Resolved –** That details of the Action Progress Report be noted.

#### **59. Member Questions**

None received.

#### **60. Thames Valley Transactional Service Centre: April 2016 - September 2016**

The Committee received a report and presentation providing an overview of contractual performance and wider development of the Thames Valley Transactional Services Public Private Sector Partnership for the period between April to September 2016.

John Wybrant and Peter Schriewersmann, Key Account Directors at arvato, addressed the Committee and summarised the key aspects of the half year review for year 5 of the contract. Revenue and Benefits had progressed well with collections of Council Tax and Business Rates on course to deliver another year on year improvement. Transactional Payroll had been operational on the agresso platform since the end of the reporting period. The

## Overview & Scrutiny Committee - 02.02.17

transfer had presented a number of challenges, however, it was anticipated that a number of benefits would be realised in 2017. It was also noted that the outsourced service portfolio included a new element of Cyber Security. IT services provided to September included 460 new iGels and the fit out of infrastructure and devices at The Curve ready for opening.

There was continued growth of arvato in the Slough Head Office with a range of customers such as BMW, Zara.com, Renault and Telefonica in addition to the Council. The success of arvato's public sector partnerships had been recognised by being shortlisted for three Global Sourcing Association Awards and the Council and arvato had been named as a finalist in the coveted LGC awards in the Partnership of the Year category.

Operational performance to the end of September was reviewed and Members noted that Business Rates collection for the period was 2.35% higher than the previous year at 57.35% and Council Tax collection was 57.67% which was an increase of 1%. Asked about the current position, it was reported that Business Rates collection was ahead of the 91% target and on course to meet the annual target of 97%. A total of £102m was of Business Rates was due to be collected in 2016/17 compared to £92m at the start of the contract. The approach to debt collection was discussed and the Committee was informed that there were six Council Tax cases where a sum in excess of £100,000 was owed. A Member requested further information outside of the meeting, noting that proceedings had begun to recover these debts. More generally, the Committee was reassured that performance on debt recovery had improved markedly since the beginning of the contract with Council Tax collection rising from 94.8% to 97%.

The progress made in relation to the Apprenticeship Commitment was considered and it was noted that the scheme was ahead of target with 46 apprentice positions filled in the past five years against a target of 36. Arvato had been listed in the Top 100 Companies for delivering Apprenticeship Schemes and it was agreed that an article and video on this would be circulated to Committee Members. Following a request, details relating to apprenticeship placements, i.e. the specific business areas within arvato, would also be sent to the Committee.

Members discussed a wide range of issues including data capture, the CRM system, the disposal of old IT equipment and the value for money of the contract. A query was raised about whether payments could still be made over the telephone, which Members considered particularly important for elderly and vulnerable people. It was responded that telephone payments should still be able to be made and any such issues should be looked into. In relation to customer service performance and 'Front of House' issues, Members asked why there had been a reduction in the percentage of customers seen within a 30 minute time period given that there was a reduction in the total number of customers seen in that quarter compared to the same time period for the previous year. It was agreed that an explanation and further information would be provided to the Committee.

## Overview & Scrutiny Committee - 02.02.17

At the conclusion of the discussion, the Committee welcomed the progress that was being made and the report was noted.

**Resolved** – That details of arvato's performance for the period April 2016 to September 2016 be noted.

### 61. Revenue Budget 2017/18 and Medium Term Financial Strategy 2017/21

The Assistant Director Finance & Audit introduced a report seeking the comments of the Committee on the Revenue Budget 2017/18, which included the Medium Term Financial Strategy (MTFS) 2017-21.

The budget had been developed in the context of continuing financial challenges for the Council with further steep reductions in Government grants and rising demands on key services. Total income would reduce by £3.2m from the previous year to £100.48m in 2017-18. Savings had been identified totalling £12.4m and these were detailed fully in Appendix A to the report. They included £4.8m profit share from Slough Urban Renewal, £0.6m reduced spend on Agency Staff and £0.9m from bringing some services back in house. Despite the pressures, it was reported that the revenue budget proposed would put the Council on a sound financial footing whilst protecting front line services wherever possible. It was proposed that Council Tax would rise by a total of 4.71%, of which 3% was the Government's Adult Social Care precept and 1.71% for the Council to fund other services. The budget had £3.2m of growth included £1.050m in adult social care and £1m to provide for actuarial revaluation of the RBWM Pension Fund.

The Committee asked a number of questions and discussed several key aspects of the proposed budget. Members asked how achievable the adult social care savings were in view of the rising pressures. The Director of Adult Social Care stated the Council was two years into a four year transformation programme and savings had been successfully delivered through changes to ways of working, improved systems and enhanced support in communities. However, pressures were increasing from people with more complex needs and the budget growth provided for further investment in this area. Members raised the costs of agency staffing and the Director and Interim Chief Executive explained the steps being taken to increase permanent social work staff and the development of the Slough Academy was cited which would help the Council develop its workforce.

The Committee discussed the proposed increases in a number of fees and charges as detailed in Appendix F to the report. Several Members expressed concerns about the proposed increases of up to 20% in some burial and cemetery fees. It was responded that the proposals followed a benchmarking exercise and Slough's fees would generally remain below neighbouring areas. Running costs had also increased and there had been investment to enhance the facilities. Members felt that the proposed increase in fees was too high, particularly the 20% increase in Public Graves for Adults and the 10% increase for Stillborn to Age 17. It was agreed that the concerns of the Committee on these specific increases be forwarded to Cabinet at its meeting

## Overview & Scrutiny Committee - 02.02.17

on 6<sup>th</sup> February and that details of the comparable fees of neighbouring local authorities be forwarded to the Committee.

Members scrutinised several other increases in fees and charges including the proposed rise in photocopying charges in libraries and the proposed 50% increase in Fees for Land Charges. It was explained that the land charges were increasing as a result of Government legislation and the Committee asked that this be clarified to include details explaining the fee increase in future reports.

At the conclusion of the discussion, the Committee noted the Revenue Budget 2017/18 and MTFs 2017/21 and agreed to advise the Cabinet of its concerns in relation to the significant increase in the fees for Public Graves (Adults).

### Resolved –

- (a) That details of the proposed Revenue Budget 2017/18 and Medium Term Financial Strategy 2017/21, as set out in the report, be noted.
- (b) That Cabinet be advised of the Committee's concerns regarding the 20% proposed increase in fees and charges for Public Graves (Adult Slough resident and non Slough Resident).
- (c) That details of fee charges for Public Graves (Adults) by neighbouring Local Authorities be circulated to the Committee.

*(Councillor Bedi left the meeting)*

## 62. Treasury Management Strategy 2017/18

The Assistant Director Finance & Audit introduced a report that sought the comments of the Committee on the Council's Treasury Management Strategy 2017/18. The Strategy would be considered by the Cabinet on 6<sup>th</sup> February, and if agreed would be recommended to full Council on 23<sup>rd</sup> February 2017.

The Council currently had £209m of borrowing and between £72m and £82m in investments on average throughout the year. There were no significant changes to the strategic approach undertaken in the previous year in relation to treasury management. The Committee asked a number of questions about the level of borrowing and it was confirmed that borrowing had increased by £32m in the previous year with an additional £23m of borrowing planned for 2017/18. The Committee received assurance that the strategy was carefully assessed to consider the most appropriate way to finance borrowing from internal balances, short term or long term borrowing and the Council was assisted by its external treasury management advisors Arlingclose.

The strategic acquisitions strategy was raised including the rationale for investing in out of borough assets. The Assistant Director stated that there was a clear and robust process undertaken to assess potential acquisitions. Purchasing assets outside of Slough would be appropriate where they could

## Overview & Scrutiny Committee - 02.02.17

generate a higher yield and additional revenue to the Council. The Committee also discussed the links to the capital strategy, importance of Slough Urban Renewal and future treasury management outlook and challenges post-Brexit. At the conclusion of the discussion the report was noted.

**Resolved –** That details of the Treasury Management Strategy 2017/18, as set out in the report, be noted.

### 63. Capital Strategy 2017/23

The Assistant Director Finance & Audit introduced a report that sought the comments of the Committee on the Capital Strategy 2017/23 and the capital programme for 2017/18.

The key aspects of the capital programme to 2023 were summarised and it was noted that the total capital expenditure was forecast to be £297m of which £221m was General Fund and £75m was Housing Revenue Account. The total revenue finance required to fund the borrowing requirement of £154m was £57m over 25 years. The programme included £71m for expansion of schools in the borough; £44m for the new leisure centre and other facilities; £29m for highways and transport; and £78m for other schemes such as two new hotels and the development of the regeneration projects including the Thames Valley University site. Members attention was also drawn to the significant increase to £1.050m in the Community Investment Fund which would support neighbourhood enhancements and other appropriate schemes identified locally by ward Members.

A number of specific items of the capital programme were raised including the apparent reduction in capital for SEN resource expansion beyond 2017-18. Officers highlighted the work underway, for example at Arbour Vale, and it was highlighted that there could be more investment in future years if there was demand for more resources. The links to the Five Year Plan were also discussed and the Interim Chief Executive commented that the Capital Strategy and Five Year Plan were closely aligned with investment in new housing and regeneration contributing to a series a strategic priorities to increase the number of new homes, attractiveness of the centre of Slough and contributing to income generation to support the Council's revenue budget.

At the conclusion of the discussion, the Committee noted the Capital Strategy.

**Resolved –** That details of the Capital Strategy 2017/23, as set out in the report, be noted.

## **Overview & Scrutiny Committee - 02.02.17**

### **64. Forward Work Programme 2016/17**

The Scrutiny Officer outlined details of the Work Programme for the remainder of the municipal year and agreed to add the Quarter 3 Performance & Projects Report and Review of the Council's Public Liability / Insurance Services to the agenda for the meeting to be held on 13<sup>th</sup> April 2017.

**Resolved** – That details of the Work Programme be noted and the following items be added to the April 2017 meeting:

- Quarter 3 Performance and Project Report.
- Review of Council's Public Liability / Insurance Services.

### **65. Members Attendance Record 2016/17**

**Resolved** – That details of the Members' Attendance Record be noted.

### **66. Date of Next Meeting**

The date of the next meeting was confirmed as 9<sup>th</sup> March 2017.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.46 pm)