

Overview & Scrutiny Committee – Meeting held on Monday, 13th February, 2012.

Present:- Councillors M S Mann (Chair), Basharat, Davis, Minhas, Munawar, Plenty and Smith (arrived at 6.40pm).

Also present under Rule 30:- Councillors Anderson and Parmar

Apologies for Absence:- Councillor O'Connor.

PART I

76. Declaration of Interest

None were received.

77. Minutes of the Last Meeting held on 17th January, 2012

The minutes of the last meeting held on 17th January, 2012 were approved as a correct record.

78. Member Questions

None received.

79. Forward Work Programme

The Scrutiny Officer outlined details of the Work Programme for the Committee. It was noted that the Indices of Deprivation report would be considered at the first meeting of the new municipal year.

Members were reminded that the Chief Constable of Thames Valley Police was due to attend the meeting of the Committee in March and that any questions should be submitted in writing to the Scrutiny Officer by the 24th February 2012.

Resolved – That details of the work programme be noted.

80. Project, Performance and Financial Reporting for 2011/12

Julie Evans, Director of Resources and Regeneration highlighted the Council's overall performance from delivery of service to financial management covering the period up to and including December 2011, against the following key areas:-

- i. Council's Gold Projects
- ii. Performance Scorecard
- iii. Revenue and capital monitoring position to 31st December 2011.

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It was reported that of the ten active gold projects, seven had been assessed to have an overall 'Green' status and three as 'Amber'. Members' attention was drawn to the fact that no component of any project had been assessed as being of 'Red' status.

With regard to the Britwell Regeneration Project a Member asked for details relating to the relocation of the business premises within the affected area. The Director of Resources and Regeneration informed Members that dialogue had been entered into with all those affected by the project and details relating to the current position would be sent to Members for their information.

A Member asked a question with regard to the Delivering Personalised Services Programme Gold Project and in particular the Voluntary Sector Commissioning aspect. Corporate Director of Community and Wellbeing, Jane Wood, updated Members that evaluation of tenders that had been received had been undertaken and that a final evaluation was close to conclusion.

A number of questions were asked with regard to the gold project relating to School Places in Slough. A Member questioned whether the Local Authority was playing 'catch-up' on school places or whether the projection for school places in the future was accurate. Clair Pyper, Strategic Director Education and Children's Service stated that the demand for school places and the supply of school places was extremely fluid and depended on a number of factors. These included the number of applications received, which varied on a weekly basis and the number of places vacated by families moving their children. The matter was further complicated by movements of people in and out of Slough and changes in parental preference for specific schools. Members were informed that the process of placing children was ongoing and the objective was to maintain a small surplus of places so that supply nominally exceeded demand. However, Members attention was drawn to the concern for secondary school places within the borough for 2014. Members were informed that although the intake at Wexham Secondary school had recently been increased, the Authority still required the equivalent of three secondary schools within the next ten years to cater for demand and that the situation was being closely monitored.

Financial Reporting

The Committee was informed that there was currently a forecast underspend for the 2011/12 General Fund of £2.578m and that this was a reduction in net expenditure of £1,255K since the previous month. It was noted that further details regarding financial reporting would be discussed under agenda item 4.

Resolved – That the report be noted.

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81. **Draft Medium Term Financial Strategy 2012/2013-2015/2016: Presentation by Julie Evans, Strategic Director of Resources**

Julie Evans, Strategic Director of Resources and Regeneration outlined details of the Medium Term Financial Strategy (MTFS) which would deliver the Council's objective to secure a substantial balanced budget position for the medium term. It was highlighted that in doing so, a balanced budget position would be presented across the five year period, accommodating both identified savings and known future challenges.

It was explained that Members of the Council provided the framework for the strategy and that they had set clear objectives for community and service priorities which included:

- Delivering savings requirements resulting from national government cuts in public sector spending
- Protecting frontline services
- Accommodating the withdrawal of government subsidy for housing stock.
- Investing in service improvements to secure improved quality.
- Maintaining and increasing employment opportunities in the town.
- Providing capital investments, major regeneration, housing and infrastructure schemes.
- Investing in local community priorities.
- Increasing general fund balances to provide improved financial security in the current economic climate.

It was noted that the draft MTFS would be submitted to Cabinet for approval at its meeting on 14th February, 2012 in advance of its submission for agreement at Council on 21st February, 2012.

Members attention was drawn to the fact that an alternative approach had been adopted with regards to formulating the MTFS and that the proposed revenue and capital budgets contained within the report were a reflection of the Council's ongoing prioritisation of resources to ensure services were focused on delivering the strategy outlined in the face of significant funding reductions. The MTFS outlined the savings, growth and assumptions and capital financing whilst incorporating new aspects including the housing revenue accounts subsidy removal, fees and charges, debt management and collection and senior officers pay.

The details of the draft five year revenue budget (requirements and resources) were outlined. A Member questioned the area of activity relating to an increase in part time opportunities and how this would reflect in overall savings. It was explained that part-time posts provided a greater degree of flexibility to both employer and employee and that research had indicated that quality of work was not affected whether an individual was employed on a part-time basis.

Details regarding the investment (growth) areas for the forthcoming year were outlined. Significant areas of increased funding included £100k in 2012/13 for

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concessionary fares. It was explained that the Local Authority was recharged by the bus operator on an annual basis and it was anticipated that there would be an increase in cost by £100k. Other areas included the impact of the localisation of council tax benefit which was anticipated to be a £1m for 2012/13 as the government had only provided 90% of funding for this financial year. It was further explained that the contingency fund was reducing and this was primarily due to two factors, firstly, the safety net was growing and robust financial plans were in place. There was also a planned investment in the Community Investment Fund which would enable Members to ensure that community based investments were funded. In response to clarification regarding the carbon emissions levy, it was explained by Roger Parkin, Director of Customer and Transactional Services that this was a Central Government tax which meant that all businesses would be charged retrospectively for a period of two years.

Details of the capital investment programme were outlined. The major sources of funding were external grants and contributions, usable capital receipts and prudential borrowing. Members were reminded that the Council was currently considering the option of procuring a partner to enter into a Local Asset Backed Joint Venture (LABV). Although the procurement process had begun, the decision to proceed would be taken subject to the LABV offering value for money to the Council. If a decision was made to enter a LABV then significant capital projects in future years would be delivered via this route. However, it was stressed that no assumption regarding the LABV had been made.

Members attention was drawn to the HRA (Housing Revenue Account) subsidy implications. It was noted that the Government had ended the housing subsidy scheme and that although a £127m loan would be provided by central government, this left a shortfall of £10m as a total of £137m was required. A robust model was essential in order that the debt could be repaid whilst at the same time continuing to invest and deliver a good service. It was anticipated that future rental schemes would be available at a rate of 3.05% and that the anticipated borrowing date was 26th March for the financial year 2011/12. A government formula would be used to assess and determine the annual rent setting for the Council. In response to what the period of time that the loan would be repayable over was, Members were informed that it was anticipated that the loan would be over a period of twenty-one years which offered the best value for the Council.

A number of new policies were included within the MTFs and included:

- Fees and Charges - Local Councils could charge users for the provision of a wide variety of services. It was noted that the Council raised approximately £18m of its total income from general fees and charges and these charges were a crucial funding source for the provision of services as well as maintaining the council tax at a reasonable level. It was noted that whilst under delegated powers for 2011/12 Strategic Directors could in consultation with the Strategic Director of Resources and Regeneration and the appropriate Commissioner set rent, fees charges and other

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income levels, it was proposed that during 2012/2013 a comprehensive review of fees and charges would be undertaken. Thereafter annual increases to fees and charges would form part of the budget setting process and decided by Members.

- Debt Strategy – As part of the budget strategy Members were provided with details of the Income Collection and Debt Recovery Policy in relation to the collection of the Council's debt. The policy recognised the Council's responsibility to protect the council tax payers by collecting debt whilst at the same time recognising the need to support vulnerable debtors. In the ensuing discussion a number of Members requested that alternative methods of providing an incentive or discount for individuals paying their council tax by direct debit be investigated further.
- Pay Policy Statement – under the recently enacted Localism Act 2011 Local Authorities' were now required to prepare a Pay Policy Statement for the financial year 2012/2013 and each subsequent financial year. Details of the current chief officer salaries and the proposed chief officer salaries for week beginning 1st April 2012 were outlined and within this details of the proposed restructure of the senior management team was noted. It was brought to Members attention that this new structure would achieve a further net saving of £500,000 over two year. Within the policy it was highlighted that any officers who had received redundancy payment and/or early access to their pension would not be engaged by the Council on any consultancy basis.

(Chief Officers left the meeting prior to any discussion regarding the Pay Policy Statement by the Committee).

A number of issues were raised in the ensuing discussion including comparison of chief officers salaries with other local authorities. It was noted that salary levels were in line with other local authorities in Berkshire. Councillor Anderson stated that given Slough's proximity to London Boroughs it was crucial that salaries for chief posts were advertised at the market rate in order to attract and retain the most suitable individual for the job.

The Committee placed on record their thanks to the Director of Resources and Regeneration for her detailed presentation.

Resolved – That the draft Revenue and Capital Budget for 2012/13 and draft Medium Term Financial Strategy for 2015/16 be approved and that Cabinet investigate methods of providing a discount or incentive to individuals to pay for their council tax by direct debit.

82. **Income Collection and Debt Recovery Policy/ Write off of Irrecoverable Debt**

Consideration of this item was discussed within agenda item 4 – the Draft Medium Term Financial Strategy.

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Resolved – That the report be noted.

83. Housing Revenue Account (HRA) Annual Rent Setting 2012-2013

Consideration of this item was discussed within agenda item 4 – the Draft Medium Term Financial Strategy.

Resolved – That the report be noted.

84. Consideration of reports marked to be noted/for information

Details of the following information reports were noted.

- *Police Reform and Social Responsibility Act 2011*: A Member requested that scrutiny of the new Police Commissioners be considered for a Task and Finish Group. The Scrutiny Officer advised that consideration to the request be discussed when further details with regard's to the implications of the Act became available.
- *National Health Service and Public Health Reforms*
- *Asset Disposals 2011*

Resolved – That the information reports be noted.

85. Attendance Record

Resolved - That the report be noted.

86. Date of Next Meeting- 6th March, 2012

The date of next meeting was confirmed as 6th March, 2012.

Chair

(Note: The Meeting opened at 6.35 pm and closed at 9.04 pm)