17. MINUTES

The minutes of the meeting held on 8 September were approved and signed by the Chairman.

18. APOLOGIES

Apologies for absence from the meeting were received from Councillor Mistry.

19. MATTERS ARISING FROM QUARTER 1 PERFORMANCE MONITORING

The Committee considered a report (Part 1 – agenda item 4) concerning a response to two questions raised in relation to Quarter 1 performance monitoring.

It was noted that the Council stopped funding the CAB for homelessness work in June and the prevention work previously carried out by the CAB could no longer be included in the P1E return from which performance indicator LI214 was derived.

It was stressed that the CAB still carried out excellent work in preventing homelessness, as did other organisations such as Shelter.

This situation had also coincided with the removal of the Homelessness Prevention Officer post, and this had exacerbated the situation. A new Homefinder Officer had commenced work in September and it was expected that an improvement in homelessness prevention would result from this.

The Committee noted the problems being experienced capturing the data for performance indicator LI201 – percentage of gas services completed on time, and agreed to monitor the situation and review this again in February.
RESOLVED THAT –

(1) the Committee review performance indicator LI201 – percentage of gas services completed on time – on 9 February 2012; and

(2) the report be noted.

20. BUDGET 2012-13

The Committee received a presentation from the Head of Resources on the budgets for 2012/13 onwards. A copy of the presentation is attached at annex 1 to the minutes.

In addition to the presentation the following points and questions were raised:

Members asked about the progress of the new leisure centre and were informed that a detailed report with options would be considered by Cabinet on 6 February 2012. The preferred option would then be presented to full Council for approval on 23 February.

The council tax freeze grant would only be available for one more year in 2012/13 and members raised concerns regarding future years. Members were informed that mitigation had been built into the long term plans.

Members were also informed that the removal of the council tax freeze grant from 2013/14 and borrowing needed for the new leisure centre and the crematorium would result in an increase in costs, before the bonus of the effects of the reduction in running costs and higher income generation were felt. This situation could continue over the next two years.

The volume of new homes due to be built could impact on resources and new equipment required for waste collection in 2014/15.

It was probable there would be a budget gap of £240-250,000 during 2013/14 and 2014/15.

Members asked about borrowing limits and were informed that the current borrowing level was £9.5m which was relatively small, though the ceiling would need to be raised to incorporate borrowing for the leisure centre and the crematorium and the taking on responsibility for the entire housing debt. A top limit of £101m had been set.

There are a number of risks to factor in including:

- HRA – running the account more like a business and setting rents for homes that may be in poor condition and need repair and maintenance, and there could also be rent collection issues.

- Leisure centre and crematorium – could be issues from lack of income generation in the initial year or so.

It was noted that current interest rates for borrowing were low and that care would be taken to limit any potential risks.

RESOLVED THAT – the Head of Resources be thanked for his presentation.
21. REVIEW OF PROCUREMENT

The Committee considered a report (Part 1 – agenda item 6) concerning the draft review report.

Councillor Mrs Kaur, Chairman of the Procurement Review informed the Committee this was a good review. The group had made decisions as the review progressed that had already been put into place. The Procurement Officer had recently left the authority, which meant that there were some outstanding tasks which could not be completed and the Committee was requested to agree that the task group reconvene in 2012 to complete its work.

Councillor Kaur thanked officers involved in the review for their hard work and stated this had been an enjoyable review which had produced some valuable outcomes.

The Committee was informed that the selection process for a replacement Procurement Officer had begun.

The outstanding tasks included the production of a new compact procurement toolkit. This would encourage officers to seek guidance and expert advice from the procurement team at the earliest opportunity and would include a flow chart to show the procurement process. The action plan extends from 2012-2016 to cover the lifespan of the Procurement Strategy and requires the addition of start and finish dates.

Rugby Borough Council had been selected as a finalist in the Society of Purchasing Officers in Local Government (SOPO) awards with the potential to gain recognition at a national level.

RESOLVED THAT –

(1) the recommendations of the review report be submitted to Cabinet; and

(2) a recommendation be made to the Overview and Scrutiny Management Board that the task group be reconvened in 2012 to complete the outstanding tasks.

[Since the meeting it has been confirmed that Rugby with others as part of the sub-regional Shared Procurement Service has won the award for Outstanding Achievement in Procurement in addition to the outright winner award at the event on 16 November.]

22. ACTION PLAN PROGRESS

The Committee considered a report (Part 1 – agenda item 7) concerning progress being made in the implementation of the Customer Service Reception Review action plan and the six-monthly review of current action plans.

Councillor Peter Butlin, Chairman of the Customer Service Reception task group gave the committee a brief update on progress made.

Customer Service Reception

- Resubmission to Cabinet of recommendation 18 on queue management

It was agreed this recommendation be referred to Cabinet again, with full details of the costs involved.
- The course of action to take regarding jobseekers’ advice

Councillor Peter Butlin informed the group that Jobcentre Plus had also been affected by reduced funding and it was not practicable to continue with the action at present, though this situation may change in the future. It was agreed that this recommendation be suspended for the foreseeable future.

- Whether to remove the National Customer Service Excellence Standard

It was agreed this recommendation should be removed because there was no capacity to take this forward.

End-to-End Service Reviews and Systems Thinking

— Agreement to revised schedule of actions

The Committee agreed the revised schedule of actions.

Public Realm and the Works Services Unit

- Action PRWS11.02.1

The Committee noted there was no legislation in place that officers could quote to developers to require them to keep sites tidy. It was therefore not possible to implement this action. It was noted enforcement powers existed to deal with any land kept in a poor state, for example if it was detrimental to health or affected the local amenity. It was agreed this action should be removed.

RESOLVED THAT –

(1) in relation to the action plan of the review of the Customer Service Reception Area:

   i) recommendation 18 be resubmitted to Cabinet with full details of costings;

   ii) recommendation 24 be suspended for the foreseeable future;

   iii) recommendation 25 be removed;

(2) in relation to End-to-End Service Reviews and Systems Thinking, the revised schedule of actions be agreed; and

(3) in relation to Public Realm and the Works Services Unit, action PRWS11.02.1 be removed.

23. PERFORMANCE REPORTS

The Committee considered a report (Part 1 – agenda item 8) concerning performance in the Sustainable Inclusive Communities portfolio and in relation to council priority 2.

At its last meeting the Committee had agreed to trial a new method of scrutinising performance at each meeting, looking at performance in a single portfolio and in one of the corporate priorities. It was recognised that the priority area selected would not always closely match the portfolio being scrutinised.

Councillor Leigh Hunt answered the following questions from the committee:
Q. Are there any capacity issues affecting the delivery of priority 2, and what issues surround the delivery of the regeneration strategy?

A. The housing inspection unearthed a lot of information and initiated an improvement programme affecting the entire housing service area. A complete restructure has taken place and more changes have occurred in this service area than any other across the council. County reviews and end-to-end reviews have taken place which had an effect on the organisational structure and service delivery. Some recruitment of vacant posts was still needed and the delivery of services continues to be reviewed.

Q. With several issues that impact on performance how can changes be made?

A. The end-to-end reviews remove staff resources from service delivery areas but the outcome of the reviews will result in greater efficiency savings and it is anticipated that raised levels of service delivery will be visible when staff resources are moved back. Helping vulnerable people is the subject of a current countywide review and improvements are expected when this has been completed.

Q. How long before improvements can be seen?

A. All reviews are at different stages. A report can be brought back to this committee on each end-to-end review including estimated completion times.

Members commented that all due dates were in the past and it was acknowledged that more realistic dates were required. The Committee were informed that due dates can be amended on Covalent as long as valid reasons were provided, though the original due date would remain. It was noted there were a number of reasons why actions may not have been completed.

Reviews use significant staff resources. The council are exploring the possibility of obtaining Improvement and Efficiency West Midlands (IEWM) funding to support areas where resources are affected and help ease the strain. Benefits would be felt across all portfolios.

Members considered the red risks linked to the Sustainable Inclusive Communities portfolio at appendix 3 to the report. It was noted that the linked actions for each risk could be complex and may cover several portfolios.

Q. What has been done to investigate ways to minimise fuel poverty?

A. A lot of work has been carried out on new Government initiatives and ways both council and private tenants can access them. There was a need to understand the drivers and what they mean including targets set by Government for energy companies. It was important to identify who was likely to suffer fuel poverty and how to address the issues.

Q. Have winter fuel bonuses been supported by charitable means?

A. Charity schemes can be promoted but moneys claimed could be spent on things other than fuel bills, or passed to less deserving individuals, and this was difficult to control.

The Committee was informed that a light touch review on fuel poverty was in the current work programme for Customer and Partnerships Committee.
Councillor Leigh Hunt extended an invitation to all members to attend the WCAVA Compact event on 11 November where the regeneration strategy action plan would be discussed.

Councillor Leigh Hunt was thanked for attending the meeting.

The Committee discussed what action should be taken to enable members to use Covalent for performance monitoring and agreed that Covalent should be available live at the next meeting to give members an introduction to its use for this purpose.

The Committee requested that the colours of the columns in the status chart match the status symbols.

RESOLVED THAT –

(1) Covalent be made available live at the next meeting on 9 February 2012; and

(2) a report be brought back to the next meeting on each end-to-end review including estimated completion times.

24. COMMITTEE WORK PROGRAMME

The Committee considered a report (Part 1 – agenda item 9) concerning the progress of task group reviews.

The Committee noted the progress of task group reviews within its remit.

The Scrutiny Officer reported that in addition to the four councillors who had originally offered to serve on the Employee Wellbeing task group, Councillors Cranham, Kirby, Miss Watts and D Williams had also put their names forward. Councillors Ms Robbins and Mrs Watson had offered to serve if further members were needed.

The Committee considered which portfolio and priority’s performance to scrutinise at the next meeting.

RESOLVED THAT –

(1) the membership of the Employee Wellbeing task group be Councillors Mrs Bragg, Coles, Mrs O’Rourke, Srivastava, Cranham, Kirby, Miss Watts and D Williams; and

(2) the Chairman and Vice-Chairman agree the corporate priority and portfolio to be scrutinised on 9 February.

CHAIRMAN
Budgets 2012/13 onwards

Corporate Performance Committee
10th November 2011

Adam Norburn
Head of Resources
01788 533430
adam.norburn@rugby.gov.uk
Outline

• General background

• Key revenue budget pressures 2012/13 onwards and budget assumptions

• Indicative General Fund (GF) revenue and capital budget position as per report to Cabinet 21st November 2011

• Key messages

• Next steps and key deadlines
General Background

• Reported budget gap of c£200k previously identified for 2012/13 now closed
• A few voluntary redundancies may be accepted
• Efficiencies and savings of around £300k (c.2.5%) per annum from 2013/14 needed to balance budgets over the medium term
• Good practice to continue to prioritise service provision and make clear spending choices
• Still need to keep an eye on the horizon for economic upturn
### Key GF Revenue Budget Spending Pressures 2012/13

<table>
<thead>
<tr>
<th>Pressures</th>
<th>£000</th>
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<tbody>
<tr>
<td>Minimum contribution to replenish GF balances</td>
<td>250</td>
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<tr>
<td>General inflation (esp. contracts)</td>
<td>136</td>
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<tr>
<td>Lower estimate of anticipated salary savings due to fewer vacancies</td>
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</table>
Key GF Revenue Budget Funding
Pressures/Additions 2012/13

£000

Pressures
• Reduction in RSG  -680
• Anticipated reductions in Building Control, Planning and Car Parking Income  -220
• Potential reduction in WSU operating surplus  -125

Additions
• New Homes Bonus  +900
• Council Tax Freeze Grant  +150
Current Assumptions (1)

- Growth proposals will be approved
- Net revenue contribution to replenish GF revenue balances of around £250k
- Mixture of capital receipts, external funding and borrowing to finance the capital programme, but capital receipts due to run out after 2013/14
Current Assumptions (2)

• Assumed New Homes Bonus Incentive payment of around £900k for 2012/13

• Assumed annual cash reduction in central government funding of 5% from 2013/14 onwards

• Additional taxbase of c.650 Band D equivalent properties in 2012/13

• Assumed one-off Council Tax freeze to be funded centrally (equivalent to 2.5% increase c. £150k)
## Draft GF Revenue Budget 2012/13

<table>
<thead>
<tr>
<th>Description</th>
<th>2011/12 (£000)</th>
<th>2012/13 (£000)</th>
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</thead>
<tbody>
<tr>
<td>Current Indicative Net Expenditure</td>
<td>12,459</td>
<td>12,527</td>
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<tr>
<td>Contributions to reserves/balances</td>
<td>0</td>
<td>327</td>
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<tr>
<td>+ Parish Precepts</td>
<td>619</td>
<td>639</td>
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<tr>
<td><strong>Total Expenditure</strong></td>
<td><strong>13,078</strong></td>
<td><strong>13,493</strong></td>
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<td>Less</td>
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<tr>
<td>RSG+redistributed business rates</td>
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<td>Specific Government Grants</td>
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<td>New Homes Bonus</td>
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<td>Contribution from reserves/balances</td>
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<tr>
<td>Collection Fund surplus</td>
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<tr>
<td>Council Tax</td>
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<tr>
<td><strong>Total Income</strong></td>
<td><strong>-13,078</strong></td>
<td><strong>-13,493</strong></td>
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</tbody>
</table>
Draft GF Capital Budget
2012/13(1)

£000

Expenditure
Economy, Development and Culture  920
Resources and Corporate Governance  1,081
Sustainable Environment  2,331
Sustainable Inclusive Communities  731
Total Proposals  5,063

Funding
External contributions  810
Internal resources  4,253
Total Funding  5,063

Potential Revenue implications  1
Draft GF Capital Budget 2012/13 (2)

• Capital programme still too large to sustain at current levels

• Capital receipts are forecast to run out after 2013/14, so significant ongoing borrowing is unavoidable (especially in light of a new leisure centre and a new crematorium)

• Capital schemes have revenue implications
  - direct running costs
  - loss of interest on balances

• Capital scheme prioritisation just as important as revenue service prioritisation

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Key Messages (1)

- The Council’s base revenue budget will be largely flat for the next 4 financial years.
- Budget reductions required must be planned around spending choices and service prioritisation and be sustainable.
- Budget reductions will impact in the form of stretched efficiency and income targets, reductions in overheads and waste and, most importantly going forward, clear spending choices.
Key Messages (2)

The financial position for future years has improved considerably since this time last year as the Council has ….

– clearly prioritised its services and projects in line with the Corporate Strategy
– stopped trying to do everything (to current levels)
– Put in place the plans and capacity to ensure service delivery
– continued to seek economies and efficiencies in everything it does and drives out waste wherever possible; and
– taken a medium to longer-term view
Next Steps and Key Deadlines

• Cabinet to consider budget report 21\textsuperscript{st} November 2011 and 16\textsuperscript{th} January 2012

• Cabinet to consider final budget report and Medium Term Financial Plan on 6\textsuperscript{th} February 2012

• Council to determine final budgets and set Council Tax on 23\textsuperscript{rd} February 2012

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Any Questions?

• Is there anything you still want to know?