

## **BUDGET SCRUTINY COMMITTEE**

Minutes of a Budget Scrutiny Committee of Bolsover District Council held in Chamber Suites 1 & 2, The Arc, Clowne, on Monday 25<sup>th</sup> November 2013 at 1000 hours.

### **PRESENT:-**

Members:-

Councillors Mrs P. M. Bowmer, R. Brooks, J. A. Clifton, T.J. Connerton, C. P. Cooper, M. J. Dooley, S. W. Fritchley, H. J. Gilmour, J. E. Hall, R.A. Heffer, D. McGregor, V.P. Mills, R. Turner, J.E. Smith, K. F. Walker, S. Wallis, D.S. Watson, G.O. Webster and J. Wilson.

Councillor K. Bowman in the Chair

Officers:-

B. Mason (Director of Corporate Resources), P. Campbell (Head of Housing) and A. Bluff (Governance Officer).

Also in attendance at the meeting was Councillor K. Reid, Portfolio Holder for Housing.

### **0599. APOLOGIES**

Apologies for absence were received from Councillors J.E. Bennett, C. Munks, S. Peake and S. Wallis.

### **0600. URGENT ITEMS OF BUSINESS**

There were no urgent items of business to consider.

### **0601. DECLARATIONS OF INTEREST**

There were no declarations of interest made.

### **0602. MINUTES – 16<sup>TH</sup> SEPTEMBER 2013**

Moved by Councillor M.J. Dooley, seconded by Councillor H. J. Gilmour

**RESOLVED** that the minutes of a meeting of a Budget Scrutiny Committee held on 16<sup>th</sup> September 2013 be approved as a correct record.

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### **0603. CHANGE TO ORDER OF BUSINESS ON THE AGENDA**

It was agreed that the Head of Housing would present the Mobile Working Update presentation before the Housing Revenue Account presentation.

### **0604. UPDATES FROM HEAD OF HOUSING**

- **MOBILE WORKING UPDATE**

The Head of Housing gave a power point presentation to the meeting to provide Members with an update in relation to Mobile Working.

Mobile Working was introduced from 2010 within the repairs service. The project has improved productivity, reduced travel time, included stock on vans, improved flexibility of resource and provided visibility of workload.

Since the introduction of Mobile Working, the average number of responsive jobs had increased from 2 per day in 2008/09 to 2.4 per day in 2012/13. This equated to 499 jobs per year in 2008/09 and 606 jobs per year in 2012/13.

Other statistics and improvements made were;

- Appointments had increased from 5,800 to 10,000
- Non urgent appointments had reduced from 6,600 to 3,100
- 'Right first time' had increased from 85% to 98%
- Improved customer satisfaction from 95% to 100%
- Pre-inspections had reduced by 50% since 2009 (the reduced number of visits to properties allowed more time to supervise and plan works, although it was noted that damp proof courses/kitchens would always need a pre inspection carrying out.
- Number of acknowledgement/customer satisfaction letters reduced from approximately 16k per year to 2k (this has also reduced costs)
- Customer texting; informing and reminding customers of their repair appointments which has reduced the number of 'no access' visits
- Introduction of vehicle tracking
- Software developments;
  - 1<sup>st</sup> Touch Mobile v4.5 - multi platform PDA devices
  - Opti-time v5 – web based browser and enhanced functionality
- Publicity arranged; i.e., number of appointments missed and how much it costs the Authority.
- Lone Worker Safety training carried out for staff

It was estimated that over a 7 year period, savings of £1.5m will be made which is twice the projected amount.

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Other developments being considered are improvements to software, i.e., gas safety certificates to be completed on an Ipad type device by the gas engineer.

Members asked various questions to which the Head of Housing responded.

A discussion took place.

- **HOUSING REVENUE ACCOUNT (HRA) UPDATE**

The Head of Housing gave a power point presentation to the meeting to provide Members with an update in relation to the Housing Revenue Account (HRA).

Under the previous Housing Subsidy system, a proportion of rent was paid to the Government. Bolsover contributed £5.4m in last year (32% of Net Rents). Under HRA Reform, the Authority moved to a self financing HRA system in 2012.

The two main elements of the Reform were that local authorities were required to buy themselves out of the national HRA with a one off payment to be funded by undertaking additional borrowing. Secondly, the future management of the localised HRA needed to be based around a 30 Year Business Plan which demonstrated the sustainability of each local HRA in terms of both service delivery and financial affordability. Graphs providing financial information, including investment needs, ability to fund, viability; 25 year repayment and Balance were provided in the presentation.

There are multiple opportunities from managing the housing business on a better long term footing but there are also challenges and risks, these being;

- Ensuring data about the stock/assets is robust
- Maximising the income due to the Council
- Welfare Reform (Bedroom Tax & Universal Credit)
- Ensuring decisions are taken in appropriate timescales – (avoiding future backlogs)
- Inflation and interest rates
- Service cost management and inflation
- Where Right to Buy might fit in?

*Councillor Connerton entered the meeting at this point.*

Since this time the department has carried out additional work, including developing an Asset Management Plan, its detailed stock condition survey is approaching completion and some new build houses have been added to the Council's housing stock.

Graphs providing financial information regarding the impact of Bedroom Tax and the Government's proposed changes to social rent were also provided in the presentation.

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Next steps were to consult on rent reform, a possible restructure of the Housing department, rent setting for next year (2014), results from the stock condition survey and updating the Business Plan.

With regard to the stock condition survey, the Council was aiming for 100% of Council properties to be surveyed to provide a snap shot of the condition of each property to support long term plans. The Head of Housing circulated a paper to the meeting which provided details of expenditure regarding the Housing Revenue Account.

Further to Members questions, discussion took place in relation to depreciation, HRA pressures, borrowing; rent restructuring, impact on finances regarding Right to buy and consideration of building of new council properties.

Properties sold under Right to Buy were reported as follows;

<b>Year</b>	<b>Number of properties sold</b>
2012/13	25
2011/12	5
2010/11	6
2009/10	7

Members compared these figures to 1988/89 when 303 properties were sold under Right to Buy.

Further questions were raised in respect of smoke alarms and sprinkler systems.

The Council had won a 'Supporting People' tender in relation to the Mobile Warden service and Housing were working with colleagues at Chesterfield Borough Council and South Derbyshire District Council with the aim of setting up a Central Control alarm monitoring service covering the entire Derbyshire area under a long term contract from Derbyshire County Council.

Members thanked the Head of Housing for the presentation and Councillor Reid for attending the meeting.

*The Head of Housing and Councillor Reid left the meeting.*

### **0605. PRESENTATION ON BUDGET MONITORING 2<sup>ND</sup> QUARTER 2013/14**

The Director of Corporate Resources gave a verbal update to the meeting in relation to the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue, Capital Programme and Treasury Management activity.

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In respect of the General Fund Revenue Account, the Council needed to achieve savings of £0.884m. In respect of 2013/14 and to date good progress was being achieved in securing this target.

Expenditure within each of the operating areas of the Housing Revenue Account continued to show under spends at the half year point, therefore, there were no budget pressures to report at this stage on the Housing Revenue Account. It was also noted that there was significant under spend on the Capital Programme. The Director of Corporate Resources added that asset surveys were taking place in respect of both the General Fund and the Housing Revenue Account assets. These surveys would inform future capital investment decisions.

The Council had received notification from the Cooperative Bank that as part of their restructuring proposals they were withdrawing from local authority banking. Officers were looking into other banking options which also included setting up a shadow bank as it was felt that the Authority should have a second account given the recent issues in the news regarding banks IT systems not working.

### **0606. MEDIUM TERM FINANCIAL PLAN (PRESENTED TO EXECUTIVE ON 30<sup>TH</sup> SEPTEMBER 2013) – UPDATE**

Members considered a report of the Director of Corporate Resources in relation to the Council's Medium Term Financial Plan. It was noted that the report had been presented to Executive on 30<sup>th</sup> September 2013.

While the final proposed Medium Term Financial Plan for 2014/15 onwards would not be available until early 2014 it was important that the Council moved at the earliest opportunity to address the financial shortfalls which would arise as a consequence of the reduction in the level of Government funding.

The report set out some of the options it was recommended that the Council considers in order to address the gap between the level of underlying resources and expenditure that the Council would be facing which was likely to be in the region of £0.8m per annum over 2014/15 and 2015/16.

Members' attention was drawn to a timetable in the report which set out key Committee dates around the development of this year's budget. On the basis of the timetable Members would agree a provisional financial outturn in respect of the current financial year in December 2013.

While the Council's financial position had been successfully managed over the initial period of Government funding reductions arising from the Comprehensive Spending Review of Autumn 2010, Members have consistently recognised that the position needs to be actively managed.

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Given that the identified shortfall would continue into 2015/16 and future financial years it was important that the Council began a process of longer term reform to address its financial position. A summary of the measures being proposed over the next two financial years was set out in a table in the report.

Should any of the proposed measures fail to secure the associated savings then the Council would be facing significant financial pressures and would either need to bring further measures forward or would be required to use its limited level of General Fund reserves.

While the Council would continue to work on a range of initiatives it was anticipated that the work of the Peer Review would identify further options for promoting the economic development of the District.

A discussion took place regarding further savings that would be made on the basis that both councils became one Authority. The Director of Corporate Resources replied that this would be for Members to decide but no work had been undertaken on the budgets on this basis.

One of the major options for securing the necessary level of savings over the next two financial years was the Strategic Alliance. If the Strategic Alliance was to continue to deliver savings and efficiencies there would need to be significant closer working between officers across both authorities. There had already been a move to shared ICT systems and officers had also undertaken some work in respect of a shared financial ledger. There would be a number of advantages of adopting a shared financial management system and these were outlined in the report.

Having considered the options, the most appropriate way forward would be to adopt the Civica Financial Management System currently used by Bolsover District Council. The reasons for recommending the adoption of the Civica system are that it has a larger and expanding local authority customer base and it is considered to offer greater functionality in a number of areas. The one off cost of purchasing and implementing a shared financial ledger would be charged against the Efficiency Grant. Without a shared financial ledger many of the benefits of a transformation agenda with our Strategic Alliance partner North East Derbyshire District Council may not be secured.

Members asked questions and a discussion took place.

Members requested that their comments be considered by Audit Committee.

Moved by Councillor D. McGregor, seconded by Councillor H.J. Gilmour  
**RESOLVED** that the report be noted.

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### **0607. UPDATE FROM SCRUTINY CHAIRS**

#### Improvement Scrutiny Committee

The Committee's Review in relation to Discretionary Housing Payments had been presented to Executive on 28th October 2013. The Review had been well received and the recommendations accepted. Executive would provide a response on the review recommendations within six weeks of the date of the meeting in accordance with the Scrutiny Procedure Rules in order that an action plan could be drawn up to monitor implementation.

#### Safe and Inclusive Scrutiny Committee

The Committee's Review in relation to Barriers to Accessing Private Rented Accommodation was complete. A new review regarding Enforcement would start at the next Safe and Inclusive Scrutiny Committee in January 2014.

#### Sustainable Communities Scrutiny Committee

Members from Old Bolsover Town Council had attended a recent Sustainable Communities Scrutiny Committee meeting to give their views on areas of Bolsover Town Centre that were in need of improvement. An extraordinary informal meeting had been arranged for Bolsover Civic Society to attend to give their views regarding the same. Purcell's had carried out a Public Realm and Infrastructure Study on Bolsover and it was important the Committee did not duplicate any of their work, so the Committee was looking at areas of Bolsover outside of Purcell's study.

The meeting concluded at 1230 hours.