

DRAFT

Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

RESOURCE MANAGEMENT SELECT COMMITTEE

MINUTES OF THE MEETING HELD ON TUESDAY, 15 MARCH 2011

Councillors Present: Jeff Brooks (Chairman), Richard Crumly, Dave Goff, David Rendel, Laszlo Zverko (Vice-Chairman)

Also Present: John Ashworth (Corporate Director - Environment), Steve Duffin (Head of Benefits and Exchequer), Mark Edwards (Head of Highways and Transport), Phil Parker (GIS Projects Analyst), Andy Walker (Head of Finance), Stephen Chard (Policy Officer)

Apologies for inability to attend the meeting: Councillor David Holtby and Councillor Keith Chopping

PART I

49. Minutes

The Minutes of the meeting held on 25 January 2011 were approved as a true and correct record and signed by the Chairman.

50. Declarations of Interest

Councillor David Rendel declared an interest in Agenda Item 8, but reported that, as his interest was personal and not prejudicial, he determined to remain to take part in the debate and vote on the matter.

51. Actions from previous Minutes

The Committee considered a report (Agenda Item 4) providing the information requested at the previous meeting.

Economic Development Officer

Concern was again expressed at the loss of this post and that only a proportion of the role would be able to be continued by existing Officers.

It was questioned whether the business sector had been notified as part of the business rate payers consultation process. It was agreed that this point would be clarified.

Corporate Property Asset Management Plan (AMP)

A correction was made to the figure given in paragraph 2.2 (1). This confirmed that the value of properties stated in the accounts as at 31 March 2010 was £297,636k.

John Ashworth confirmed that the AMP would be published on the website alongside the Asset Register and Asset Disposal Register. A version of the Asset Register was being produced for the website.

Youth Service

Clarity was sought on the point made in the report that there would be a greater focus on work with young people rather than the wider community. It was unclear whether this meant disadvantaged young people and it was agreed that Julia Waldman, Acting Head of Youth Services and Commissioning, would be asked to confirm this point.

West Street House and West Point Maintenance Budgets

It was felt that there was an absence of detail on future maintenance work and costs in the report. Andy Walker explained that this was part of the budget proposals for 2011/12 and an ongoing pressure was reflected in the budget.

A concern was raised that a greater understanding of the costs involved was not established at the time of purchase. Although it was noted from the report that this had to be achieved in a very short timeframe and there was not the time to conduct detailed surveys or establish detailed costs for maintenance.

Further detail was requested for next time on future maintenance requirements/costs, and how the value of the properties and their maintenance costs compared with the market rate for similar buildings. A view was given that this needed to be estimated and accepted as a risk due to the timescales involved, but it was also felt that the maintenance history of the buildings should have been analysed to help identify costs.

Andy Walker explained that the estimate was based on the maintenance history of all the buildings previously occupied by Bayer, this was the best estimate available in the short timeframe. Unfortunately this estimate was lower than the reality. John Ashworth added that West Street House was the more costly of the two buildings to run.

Highways and Transport Budgets

Mark Edwards explained that the slowing down of expenditure on some highway maintenance items related to areas including reduced gully emptying and grip cutting which was made possible by the relatively dry start to the year. There were no cut backs to maintenance of, for example, road repairs or pot holes. The street works target had been exceeded which helped to off set overspends.

Discussion then followed on the reasons behind the underspend on concessionary travel including the lower than expected take up of travel tokens and bus passes. Mark Edwards informed Members that approximately 2,000 travel tokens, which were eligible for disabled residents, were claimed compared to the 3,000 budgeted for. It was questioned why analysis from the previous scheme was not undertaken to produce a better estimate and Mark Edwards advised that this was not straightforward as different rules applied between the criteria for the previous and the current scheme. However, he offered to provide further detail to the Committee on the previous uptake from disabled residents.

Mark Edwards added that a government grant had been received for the provision of free bus passes, this enabled a saving to be made. This would again be received in 2011/12, achieving a saving of approximately £100k.

Establishment Report

At the last meeting the Committee resolved to ask Robert O'Reilly, Head of Human Resources, to consider including a year end projection in the report for both Council and joint/externally funded posts. A response had been received which stated the reasons why this request could not be complied with.

Councillor Jeff Brooks was disappointed with this response and felt that the report would benefit from the inclusion of a forecast. It was for Members to make recommendations and Councillor Brooks felt that it was possible to amend the report in this way, he felt that Human Resources should explore the potential to do so rather than say it was not possible. It was accepted that this information would be held within Service Areas and it was felt that this detail should be forwarded by Heads of Service to Human Resources for inclusion in the report.

RESOURCE MANAGEMENT SELECT COMMITTEE - 15 MARCH 2011 - MINUTES

Councillor Brooks asked that these comments be forwarded to the Chief Executive with a request that Heads of Service provide the relevant data to Human Resources to enable a forecast to be added to the report. Councillor David Rendel seconded this proposal which was accepted by the Committee.

RESOLVED that:

- (1) Stephen Chard would confirm whether the business sector had been notified of the loss of the Economic Development Officer post.
- (2) Julia Waldman would be asked to clarify the point made about the work of the Youth Service.
- (3) Steve Broughton would be asked for further detail on the future maintenance requirements/costs of West Street House and West Point, and how the value of the properties and the cost of maintenance compared with the market rate for similar buildings.
- (4) Mark Edwards would provide further detail on the previous uptake of travel tokens from disabled residents. This would help Members understand whether estimates were accurate.
- (5) A letter would be sent to the Chief Executive with a request that Heads of Service provide the relevant data to Human Resources to enable a forecast to be added to future Establishment Reports.

52. Car Park Budgets

The Committee considered a report (Agenda Item 5) providing the information requested at the previous meeting on Car Park Budgets.

A debate was held in relation to the number of car parking spaces available in Newbury Town Centre over recent years. Mark Edwards pointed out that overall this showed an upward trend. The number of spaces that would be available at Parkway had decreased from a previously reported figure by 35, this was due to the application of John Lewis. Overall the number of spaces at Parkway would increase by 419 from the number available in 2007, with the hope that these would be filled by new shoppers attracted to the town. In total, the Council would receive £300k per year from the developer for car parking at Parkway.

A concern was raised that the hoped for success of Parkway could lead to a decreased level of parking in the Council's car parks, although no reduction had been accounted for. Mark Edwards did not feel this was a particular concern, he accepted that the predicted sale of tickets (largely unchanged from previous years) would prove tight to achieve but the level of income was increasing and a good deal had been struck with the developer with the receipt of the annual fee of £300k. Mark Edwards added that it was difficult to predict ticket sales as a number of different elements needed to be considered, most recently the effects of the recession. Predictions were based on the money received in ticket machines and did not take into account, for example, payments made over the phone.

It was queried how the figure of £300k, which would be received from the start of the contract, had been arrived at. The timing of when this figure was agreed was felt to be important as the ticket prices at the time of the agreement would have been used to identify the figure to be received from the developer. If this had been agreed prior to a particular price increase then a higher figure could be negotiated in line with the most recent charges. Mark Edwards explained that 2005/06 was used as a baseline for this

RESOURCE MANAGEMENT SELECT COMMITTEE - 15 MARCH 2011 - MINUTES

figure which was considered to be a successful year for car parking income and was prior to the recession. However, Mark Edwards agreed to investigate what ticket prices the £300k was based on in the original agreement and whether price increases could be considered.

Of the two largest Council owned car parks, Kennet Centre and Northbrook, the Kennet Centre was largely full and had high sales in comparison to Northbrook. It was suggested that a mixed economy approach could be employed for short term ticket sales with a lower price perhaps encouraging shoppers to use Northbrook. It was noted that longer term parking prices were already variable.

The disabled parking provision was discussed. Mark Edwards confirmed that no payment was required for disabled parking, as in some other local authorities, other than a nominal fee for the blue parking badge. It was legally required that 2% of the parking provision be allocated for disabled parking and this was slightly exceeded across Newbury Town Centre. This differed between car parks based on their location in relation to the town centre. Requests were often made for increased provision, for example from the Disability Equality Scheme Board. The level of disabled parking provision was not found to have an implication on the availability of spaces. This was borne out by the findings of a two month audit conducted at the end of 2010 which identified that approximately 35% of spaces were available across the Town Centre on average.

Discussion then turned to the income generated since the Council had employed Civil Enforcement Officers (CEO's). Although income had increased by £530k in 2009/10 it was not sufficient to meet the income target. Mark Edwards explained that precise detail could be provided from the original Executive report when management of CEO's was agreed. The original agreement was for 20 CEO's but this had since reduced to 16. The income target was still not being met, but this was improving and the pressure was therefore reducing.

It was commented that the enforcement income obtained made comparisons with previous (non CEO) years difficult. If it was assumed that the £530k increase in income related solely to the activity of the CEOs and this was deducted from the expected total income for 2010/11 of £2,390k, then the result, approximately £1,860k, was only a minor increase in income from 2005/06. Mark Edwards explained that income included season ticket sales and there was also some income for the car parking enforcement that the Council had always conducted for its car parks.

Mark Edwards advised that the income generated from CEO enforcement activity met CEO staffing costs as well as achieving some additional income. The failure to meet income targets came as a result of less off street parking and it was felt that these ticket sales were down due to the recession and, potentially, car parking price increases. It had been reported at a recent meeting of Car Parks Managers that car park income was down by 10% across the country.

Members felt that some cost analysis was required for CEO's. This needed to include their employment costs, number of fines issued, the cost of the fines and the income received. Mark Edwards was asked to provide this in advance of the elections before any changes could be made to the Governance structures associated with this Committee.

A number of factors were referred to which could help with making a fair analysis and comparison with previous years to help identify any trends. It seemed highly likely that price increases deterred shoppers with the result that hoped for income increases were not achieved, it would also be useful to understand whether usage of public transport had

RESOURCE MANAGEMENT SELECT COMMITTEE - 15 MARCH 2011 - MINUTES

increased at the same time to assess whether the number of people coming to the town had been affected. Mark Edwards was asked to provide further detail covering these points. A breakdown of income for the major car parks was also requested as part of this, as well as a reflection of the income obtained from the introduction of evening charges.

The level of market research conducted with Newbury's shoppers was queried to help to understand their reasons for shopping in Newbury or elsewhere. Mark Edwards was not aware of this being conducted formally, views provided on this matter were often anecdotal. Councillor Jeff Brooks commented on this basis that he was aware of a number of shoppers who came from outside West Berkshire.

RESOLVED that:

- (1) In advance of the local elections, Mark Edwards would:
 - investigate what ticket prices the £300k developer payment was based on in the original Parkway agreement and whether price increases could be considered in future;
 - provide some cost analysis for the CEO's. Covering areas including employment costs, number of fines issued, the cost of the fines and the income received;
 - provide further detail covering the areas described to aid comparisons and help to identify parking trends.

53. Connectivity and Usage of the Local Land and Property Gazetteer (LLPG)

The Committee considered a report (Agenda Item 6) outlining the options and costs for connecting systems to the LLPG as the source of address information within the authority.

The report made clear the benefits of using the LLPG as the sole source of addresses for all systems used across the Council, but it also raised the affordability issues of doing so. Phil Parker explained that this was done were practicable and without cost, i.e. when a system was replaced, as recommended in the report. It had been ICT policy since 2004 for all new systems to be compliant.

The costs involved in upgrading existing systems to use LLPG data could be significant. Generally, an upgrade of a larger system would incur a larger cost. The estimated cost of upgrading the system used, for example, by Revenues and Benefits would be around £25k-£30k. This cost was felt to be unjustified by the service.

The time taken for the alternative approach of conducting manual input/updates between systems was questioned and it was suggested that there could be hidden costs of doing so which had not been considered. It was suggested that investigations should be conducted into whether an investment of capital expenditure to enable systems to link to the LLPG could bring cost benefits over time.

As far as the Revenues and Benefits system was concerned, Steve Duffin advised that he was alerted to different upgrades that could be made from time to time and if a business case was made for doing so this would be looked into alongside the cost. Steve Duffin felt the existing records, which were based on information from the Valuation Office, were accurate and stood up well to routine testing. In addition, it was possible to access LLPG data for cross referencing purposes by sharing an extract of

RESOURCE MANAGEMENT SELECT COMMITTEE - 15 MARCH 2011 - MINUTES

property references. On the basis of these points a significant amount of expenditure was felt to be unnecessary to link to the LLPG.

Phil Parker commented that an upgrade was due to the Electoral Registration system to enable it to link to the LLPG, but this did not take place as the software provider, Northgate, had gone out of business. Northgate had offered the Council money to help fund an alternative system, this had been accepted and investigations were underway to find an alternative with Uniform, a system already well used in the Council, being considered. Some manual updating was currently required, but this was more of a maintenance role and not an extensive time pressure as once an address was recorded it was retained. Any input required was in relation to a change of resident at the address, which was the case for many systems. The level of manual updating required across the Council was unclear. Data held on the Electoral Register in relation to residents could not be shared for data protection reasons, unless a resident had given permission for their data to be shared.

The public sector mapping agreement which provided Office for National Statistics data was due to be replaced from 1 April 2011 by GeoPlace. This was a government led initiative which would create a definitive national address database for England and Wales. This would be provided at zero cost to local authorities based on the expectation that they would continue to manage the LLPG.

Phil Parker went on to say that there were some databases and systems outside the Council's development and control (approximately six). In these cases there was reliance on local authority wide user groups to exert pressure for system upgrades.

There was a view amongst the Committee that a project plan should be put together to make all systems complaint and put to Members to approve investment. This would remove the cost of manual updates. It was felt that the plan should detail the options on what was possible for each system and the potential costs.

Phil Parker advised that a project plan was originally put together ten years ago and work was conducted on tidying up/removing some of the systems inherited from Berkshire County Council, but further work had since stalled.

The Committee was in support of making a recommendation to the Executive for a project plan to be produced that would enable all the Council's systems to be compliant with the LLPG. This needed to include an estimate of the potential cost of doing so with reference made to long term cost benefits. This would be forwarded to the Overview and Scrutiny Management Commission and, subject to approval, sent to the Executive.

RESOLVED that a draft recommendation would be forwarded to the Overview and Scrutiny Management Commission requesting that a project plan be produced that would enable all the Council's systems to be compliant with the LLPG. If agreed this would be forwarded for the consideration of the Executive.

54. Value for Money

The Committee considered a report (Agenda Item 7) providing an update on the Value for Money (VfM) position of the Council's services and the work of the VfM Group.

Steve Duffin introduced the report by making the following points:

- The VfM Group had been in existence for four years. Its work was based on the annual report published by the Audit Commission benchmarking the Council against all other unitary authorities (46 in total). This was well established and helped to achieve a level of consistency.

RESOURCE MANAGEMENT SELECT COMMITTEE - 15 MARCH 2011 - MINUTES

- Information from specific CIPFA benchmarking clubs was also considered. This helped to ensure that support services, such as those in the Chief Executive Directorate, were covered as these were not included in the Audit Commission's work.
- The cost of services was measured by the Audit Commission per head of population. However, a factor taken into consideration by the VfM Group for some of the Council's services was the large geographical area of West Berkshire. Highways and Waste were two examples given.
- If a service was found to be above average cost at minimum then it would be discussed at the VfM Group and added to the work programme if appropriate. Work was currently in progress for Adult Social Care. The majority of the Council's services were found to be average cost or below.
- There was an expectation in the coming few years that the costs and VfM of services would fluctuate in the light of budget cuts.
- The VfM Statement was reported as part of the Medium Term Financial Strategy presented to Executive and to Council. A significant level of further detail was available if required.

The question was asked as to whether the level of affluence was a consideration in the work of the VfM Group as, despite having some pockets of deprivation, West Berkshire was a relatively prosperous area. Steve Duffin advised that this was a factor for some services and was considered for elements of Adult Social Care. Members suggested that a smaller benchmarking group of more like authorities would benefit this work. In response, Steve Duffin informed Members that after receiving data from the Audit Commission and CIPFA the Council would, for some services, conduct further analysis taking into account issues such as prosperity, salaries etc to ensure the VfM measure was as fair as possible in comparison to other parts of the country. For example, West Berkshire's Planning Service was above average for VfM compared to some other local authorities but there was some expectation that this would be the case due to the affluence of the area. Evidence would be required by the VfM Group before deciding whether different factors should be considered. Another potential factor was the difference in salary costs across the country

Steve Duffin pointed out that the way in which the Audit Commission grouped services differed with the Council structure and this also needed to be taken into account.

(Councillor David Goff left the meeting at 8pm).

Not all the Council's support services were detailed in the graphs provided and Steve Duffin advised that smaller services were not necessarily recorded individually. Many were grouped together by the Audit Commission under the heading of Home Office Services. The work of public relations and asset management teams were to be added to CIPFA's benchmarking for 2011/12.

The positive position of Accountancy, which was a fully centralised service, was noted in comparison to elsewhere. Indeed, each of the support services covered in the graphs showed a positive comparison. It was added that some service areas were not centralised and this should be taken into account.

The graphs showed extremely high and low VfM for some unitary authorities. Steve Duffin was of the view that these extremes were likely to be due to poor returns and were not felt to be a sound base for comparison.

RESOLVED that the update would be noted, with a comment from the Committee that the VfM work should continue.

55. Financial Performance Report (Month 10)

(Councillor David Rendel declared a personal interest in Agenda item 8 by virtue of the fact that his wife was a GP in West Berkshire and health related budget issues might be discussed as part of the item. As his interest was personal and not prejudicial he was permitted to take part in the debate and vote on the matter).

The Committee considered the month 10 financial performance report (Agenda Item 8).

Andy Walker introduced the report by making the following points:

- The predicted revenue underspend at month 10 was £537k. This was an increase on the previous month's position of £144k.
- The Council had submitted a claim to the Department for Communities and Local Government requesting the ability to capitalise the costs set against the Economic Downturn Provision for redundancy payments over a longer term period. Unfortunately this application had been rejected and a formal response was awaited that would provide further detail on the reasons why. Therefore the Economic Downturn Provision would need to be used as initially planned.

The benefit felt from the capitalisation of highways expenditure was discussed. This amounted to a net revenue benefit of approximately £1.4m. A view was given that this was a major windfall for the Council. It was added that, in its absence, the Council would still be forecasting a significant overspend due to the pressures in Adult Social Care and this improvement was not achieved by the efforts of the Council. Andy Walker commented that the interpretation of recently revised accounting guidance by Accountancy allowed for highway maintenance funds, previously classed as revenue, to be considered as capital expenditure. This was positive news for the current financial year and beyond. It removed the expenditure from the revenue budget, but created additional costs in the capital budgets. These costs were financed through additional borrowing, with interest needing to be paid over a ten year period.

The increased underspend reported for the Chief Executive Directorate was referred to and a view was given that, although the reasons for the underspend was clearly documented, this was a reoccurring theme and it was suggested that this Directorate's budget was used as a contingency fund. It was felt likely that the underspend would increase beyond month ten as previously experienced. A problem associated with this, year on year, was the fact that the budget for the coming financial year was set based on the position at month nine. This could potentially mean that the Council was overcharging for some of its services and more accurate budget forecasts at an earlier point in the year would enable greater accuracy when setting the budget for the forthcoming year.

John Ashworth responded by saying that the level of movement by Directorate between months three and ten was not significant. This included the Chief Executive Directorate and this looked likely to continue into month eleven. The perceived trend of an increased underspend was certainly less marked than in previous years.

A further comment was made that in recent years the Council's budgets saw an improvement of approximately £0.5m, on average, between month nine and year end. Although it was added that this pattern was likely to be found in many organisations with expenditure being tightened towards the end of the financial year.

RESOURCE MANAGEMENT SELECT COMMITTEE - 15 MARCH 2011 - MINUTES

The reduction to the forecast overspend for Highways and Transport of £25k was noted but there was a lack of clarity on how this was achieved. John Ashworth accepted this point and offered to ensure this type of detail was included in future reports.

RESOLVED that the report would be noted.

56. Work Programme

The Committee considered the Resource Management Select Committee Work Programme (Agenda Item 9).

RESOLVED that the work programme would be noted.

(The meeting commenced at 6.30pm and closed at 8.25pm)

CHAIRMAN

Date of Signature