

**Minutes of the meeting of the
Corporate Services Overview and Scrutiny Committee
held on 11 December 2013**

Present

Members: Councillor Nicola Davies
Councillor Neil Dirveiks
Councillor Martin Heatley (Vice-Chair)
Councillor Phillip Morris-Jones
Councillor Keith Kondakor
Councillor John Horner (substituting for Councillor Chris Saint)
Councillor June Tandy (Chair)
Councillor Richard Chattaway (substituting for Councillor Alan Webb)
Councillor Yousef Dahmash (substituting for Councillor Chris Williams)
Councillor Bernard Kirton

Other Councillors: Councillor Alan Cockburn – Deputy Leader
Councillor Jeff Clarke, Portfolio Holder, Corporate Business and Environment
Councillor Colin Hayfield, Portfolio Holder, Customers

Officers: Sally Baxter, Democratic Services Officer
John Betts, Head of Finance
David Carter, Strategic Director, Resources Group
Phil Evans, Head of Service Improvement and Change Management
Monica Fogarty, Strategic Director for Communities Group
Jim Graham, Chief Executive
Paul White, Strategic Procurement Manager
Andrew Lovegrove, Head of Corporate Financial Services
Spencer Payne, Business and Commissioning Intelligence Service Manager

1. General

(1) Apologies

Apologies for absence were received on behalf of Councillor Alan Webb, Councillor Chris Williams and Councillor Chris Saint.

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interest

Councillor Philip Morris-Jones declared a non-pecuniary interest in so far he was a member of the Solihull and Coleshill branch of the Federation of Small Businesses.

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(3) Minutes of the meeting of the Corporate Services Overview and Scrutiny Committee held on 16th October 2013

The Committee agreed that the minutes of the meeting held on 16th October 2013 be signed by the Chair as a true and accurate record.

2. Public Question Time

There were no public questions received or presented at the meeting.

3. Questions to Cabinet and Portfolio Holders

Members considered the Forward Plan of decisions by Cabinet and the Portfolio Holders. A question was raised regarding the planned update of the Council Tax database and whether it had been completed. All returns had not been received from District Councils therefore available figures were estimated.

With regards to a question about strategic Housing in Warwickshire, historic profiles of growth had been used to inform the quantity of houses to be built in the 2014/15 period. Other factors such as location had yet to be considered. This was also the case for subsequent years.

3. Customer Service Excellence

The Committee considered the briefing note and acknowledged the stage that the Authority was at to achieve the Customer Service Excellence standard corporately across all four groups.

Monica Fogarty, Strategic Director for Communities Group, updated the Committee that the Customer Service Excellence standard had been awarded to the Communities Group following assessment.

A full report including the outcome of the assessment, good practice and areas for improvement, would be considered at the next scheduled meeting of Corporate Services Overview and Scrutiny Committee in February 2014.

5. Organisational Health Report – 2013/14

The format of the report would be changed to contain areas that are within the Committees' remit only. This would ensure that relevant Officers would be in attendance to answer questions and to avoid duplication with other committees.

A discussion ensued regarding progress of the delivery of corporate ambitions with particular focus on the reported progress against 30 of

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54 measures. Of these, 20 of the measures were reported to be on target at the point when the information was collated.

One of the measures not on schedule to meet their target was admissions to residential care homes. In response to a question, it was unknown whether this related to either or both privately and authority owned care homes.

Following discussion and questions from the Committee, the following points were noted:

- 1) The additional expenditure for a replacement farmhouse at Hopkins Farm had been approved at the Cabinet meeting held on 13 December 2012, following a business case. The initial expenditure was included in the Capital Programme.
- 2) Cost Information regarding the use of aerial photography would be provided for Councillors, if required.
- 3) Officers were reminded to be consistent when reporting figures. Some services used exact figures whilst others 'rounded up or down'.
- 4) With regards to Corporate Risk, The Chief Fire Officer had considered utilising privately operated fire services during periods of industrial action. However, was considered to be unfounded and that the Fire Service was confident that public safety would remain of paramount importance and a contingency plan was in place to ensure day to day operations continued albeit on a reduced scale.
- 5) The cost of providing the Mobile Library Service would be provided to members of the Committee.
- 6) To scrutinise the effectiveness of the Schools and Education information, a comparison with previous years attainment both locally and nationally, would be beneficial to get a full picture as to performance of Schools in Warwickshire.
- 7) Due to the complex nature of some complaints, the timescales for responses regarding complaints was under 50% however, it was recognised that performance needed to be improved thus the People Group were working towards improving response rates.

6. Transformation through Strategic Commissioning Programme

Phil Evans, Head of Service Improvement and Change Management, confirmed that the Strategic Transformation Programme would cease at the end of the 2013/14 financial year. All reviews would be concluded at a suitable point which would see existing reviews accelerated, if necessary.

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The Corporate Programme Management Team would continue to support services.

Following discussion, the Committee thanked Phil Evans and the Corporate Programme Management Team for their assistance during the Transformation Through Strategic Commissioning Programme process.

7. The Council's Procurement Procedures

Paul White, Strategic Procurement Manager, provided the Committee with an overview of the continued progress being made in relation to the Council's procurement procedures and the support provided to small businesses when bidding for Council contracts. Whilst support was provided, a series of actions had been developed to further encourage small businesses. Progress on these actions was documented in the report for committee consideration.

An analysis of local authorities total procurement spend was compiled by the Federation of Small Businesses and it was reported that on average, nearly 35% of spend was within their own local authority boundary. In comparison, Warwickshire county Council, for the period 1/4/12 – 31/03/13, procured 55% of its total procurement spend in Warwickshire and 53% in the period 1/04/13 – 30/09/13.

Information as to the actions identified and progress to date was discussed in which the Committee encouraged the approach contained in the procurement procedures. Other organisations procurement procedures were discussed and sub-contracting was identified as an area that would potentially increase small businesses involvement when procuring goods and services. Growth was emphasised of being of particular importance and sub-contracting was being encouraged to achieve this.

Following a discussion the importance of supporting local people and getting best value for money was emphasised. It was important to consider that savings needed to be made thus may have an effect on the awarding of contracts. Existing suppliers were procured through the Espo system which provided assurance that local businesses were utilised including Highways Services. A charter would be established in early 2014 to encourage large companies to provide opportunities for local businesses.

Following discussion and questions from the Committee, the following points were noted:

1. The Communities Group provided support to small businesses particularly when starting up and getting established. Support was provided to both businesses and the voluntary sector to identify opportunities such as tendering for contracts.

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2. It was important that Warwickshire County Council continued to support and encourage local businesses to tender for contracts alongside larger national providers.

8. Treasury Management Monitoring Report

Andrew Lovegrove, Head of Corporate Services, introduced the Treasury Management Outturn Report to date for 2013/14. The In-house operation was currently under performing however, measures had been put in place to address this.

Other investment when compared with last year, was not reaching expected levels however, there was confidence that that the deficit would be recovered. It was reported that the external investor adviser had forecasted interest rates to increase in 2016. It was currently difficult to achieve positive returns due to low interest rates.

A discussion ensued regarding investment and the mechanism for spreading the risk in relation to short term cash and that no borrowing would occur in this financial year.

A question was raised regarding the level of borrowing and the long term impact it would have on the authority in the future in so far the amount of interest repayable on the borrowing. Loan maturity and redemption was discussed in particular, the committee was informed that it would not be advantageous to redeem loans before the end of the term due to the punitive nature of early redemption. John Betts, Head of Finance, provided the following written response:

The current level of capital debt in the Authority is £386m. This requires an annual revenue budget of £40m per annum to maintain it. We do not take loans out each year (only when funding is required) so loans come up for redemption on a "lumpy" basis.

The table below shows the outstanding loans due to be repaid during the period of the 2014-18 Plan. It shows the maturity date, the amount of the loan and the interest we are currently paying.

Loan Number	Maturity Date	Amount Advanced £ million	Interest Rate
465711	31/03/2014	3	9.125%
461764	31/03/2015	2.5	9.000%
466188	31/03/2016	5	9.000%
497552	30/09/2016	10	2.740%
466189	31/03/2017	5	9.000%
497553	31/03/2017	10	2.880%

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Savings arising from redemptions are already built into the savings proposals presented to elected members in September. They form part of the £4.5 million "Other Services" savings.

In response to questioning from the Committee, it was reported that the majority of loans taken by the authority were interest only and the practice of Bond issuing was considered to carry high risks therefore this practice had not been adopted .

It was acknowledged that with regards to paying off loans, prioritisation was being given to those which attracted a higher rate of interest and it was clarified that investing in the stock market was not being considered because short term cash investments attracted a better rate. In light of national publicity regarding the nature of companies that organisations invested in, the committee heard that the authority invested in banking institutions.

The Corporate Services Overview and Scrutiny Committee agreed:

- 1) The Corporate Services Overview and Scrutiny Committee agreed to note the Treasury Management Monitoring Report of 2013/14 to date.
- 2) To receive written responses with regards to further information requested which would be distributed by Democratic Services.
- 3) To receive a briefing note about Pension Funds Investment.

9. Work Programme 2013/14

The Chairman informed the Committee that in response to the Committees suggestions, leaflets had been produced and displayed in Libraries in Warwickshire regarding alternative measures to Payday Loans. This was welcomed by then Committee.

The proposed Work Programme for the remainder of 2013/14 was considered and members were invited to suggest additional items for consideration at future meetings.

The Corporate Services Overview and Scrutiny Committee agreed:

- 1) The proposed Work Programme 2013/14 and;
- 2) The proposed Action Plan.

10. Urgent Matters

There were no urgent matters raised for discussion.

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11. Date of Next Meeting

The Corporate Services Overview and Scrutiny Committee noted that the date of the next meeting had been scheduled for 26th February 2014 at 10a.m.

The Committee rose at 3.05 p.m.

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Chair