

MINUTES OF A MEETING OF THE
CORPORATE BUSINESS SCRUTINY
COMMITTEE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 30 NOVEMBER 2010, AT 7.00
PM

PRESENT: Councillor D Andrews (Chairman)
Councillors M Wood, R N Copping, R Gilbert,
G E Lawrence, J Mayes, J O Ranger and
N Wilson

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Committee Secretary
Lorna Georgiou	- Performance and Improvement Co-ordinator
Marian Langley	- Scrutiny Officer
Alan Madin	- Director of Internal Services
George A Robertson	- Director of Customer and Community Services

413 APOLOGIES

Apologies for absence were submitted on behalf of Councillor R Beeching and J P Warren. It was noted that Councillor N Wilson was substituting for Councillor R Beeching.

414 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded Members that as the Council was in an election period, "purdah" rules applied until the Sawbridgeworth by-election was held on 23 December 2010. Purdah rules ensured that there was no risk of public funds being used and/or actions undertaken to support one

particular political party or individual.

The Chairman stated that he had agreed to admit an urgent item of business onto the agenda which would avoid delay, in relation to the Treasury Management Strategy. This would be considered after the Corporate Healthcheck.

The Chairman suggested that there be a 10 minute adjournment of the meeting to enable Members to consider the contents of the report. The meeting reconvened at 7.15 pm.

415 MINUTES

RESOLVED - that the Minutes of the meeting held on 24 August 2010 be confirmed as a correct record and signed by the Chairman.

416 PARTNERSHIP PROTOCOL

The Director of Customer and Community Services submitted a report on a Partnership Protocol for the risk management of partnership working.

The protocol outlined the process to be followed when establishing or joining new partnerships and a process to enable the regular review of existing partnerships. The protocol had been considered previously by Members who had asked for a number of additional elements to be included. As such, the protocol had been amended to take account of Members' suggestions. The text had also been minimised to make the document more accessible and useable.

The Director of Customer and Community Services reported that the document had been trimmed down and was now a document that would be very useful. The rationale of the filter questions was explained and the need to mitigate risks in relation to those partnerships which were not contractual. The protocol did not affect agency or contractual agreements.

The majority of the relevant partnerships had been registered under the protocol. The register was due to be reviewed

shortly.

The Chairman sought clarification as to whether there was a need to report annually to all the Scrutiny Committees. Members supported a suggestion that the annual report be presented to Corporate Business Scrutiny only and that the timeframe for reporting be aligned to the same cycle as risk reporting.

Councillor J O Ranger stressed that partnership working with other councils was about shared objectives. The Director of Customer and Community Services agreed that shared objectives were important and also highlighted the value of wider partnerships which did not have shared objectives (such as LSPs) but were starting points from which the personalities in the relationship provided the energy to move issues along.

Councillor M Wood queried whether partners needed to give a required period of notice when they left the partnership. The Director of Customer and Community Services confirmed that it was about managing the partnership. Members supported the inclusion of wording which supported the provision of an exit strategy. The Director of Customer and Community Services confirmed that Appendix 'B' should be amended to reflect the purpose of the partnership. This was supported.

The Committee decided to endorse the Partnership Protocol as amended and as detailed below.

RESOLVED – that the Corporate Business Scrutiny Committee endorses the protocol as amended, as a helpful and appropriate management tool for identifying and managing the risks associated with partnership working.

417 WALLFIELDS REFURBISHMENT

The Executive Member for Resources and Internal Support submitted a report on the Wallfields refurbishment. Members were asked to consider upgrading ITC cabling as part of the refurbishment of Wallfields. This would cost less than completing the work at a later date.

The Corporate Business Scrutiny Committee had considered the Wallfields refurbishment in August 2010 when it had asked for further investigations on work on the “greenhouse” roof, cooling system and lighting/energy system controls and an additional lift for disabled access. The process of drawing up the tender specification for the refurbishment had revealed that the standard of ITC cabling, amongst a number of other issues, needed to be addressed.

Following the completion of the tender exercise it was clear the budget would cover all the elements deemed essential but would not cover all the optional work. Details were given of certain items which would not be pursued but some of these could be included in ongoing maintenance.

The Director of Internal Services explained that Officers had tried to squeeze a lot into the budget when it had gone out to tender. The scope of the works and the options were set out in the report now submitted. The scope of works set out the minimum the Council expected within the contract plus those works which if affordable, would be included. The situation now was that only essential works were considered affordable within the existing budget.

The Director of Internal Services referred to the replacement cabling and the options to pursue either Cat 5e or Cat 6a. He explained that officers had assessed that Cat 5e would be suitable for all the Council’s foreseeable needs. Cat 6a was a specification applicable to very large corporations with thousands of employees and huge volumes of transactions. Officers were not able to justify Cat 6a other than it perhaps being an insurance against unknowable changes in technology.

Members felt that £15k was not an unreasonable sum to invest if it mitigated the risk of a later cost of over £300,000. They supported upgrading to Cat 6a cabling given the fast moving pace of technology and the unforeseeable and increasing future demands.

The Chairman referred to how technology had advanced over

the last 30 years and supported the opportunity to add the cabling whilst the refurbishment was ongoing as this opportunity would not be possible later.

Members considered other options which had been added to the scope of the work including. These were set out in the report now submitted. Of particular concern to Members was a suggestion that the installation of a disabled access lift within the rear stairwell be deferred. The Director of Internal Services stated that to include all the works around the stairwell including the lift to avoid later disruption in that part of the building could amount to approximately £70,000 subject to negotiation.

Councillor J O Ranger noted that the building was DDA compliant but that the existing lift must be made consistently reliable.

Councillor J Mayes expressed concern at the lack of facilities for the disabled. She referred to the fact that there was only one lift, which had been out of order for some time until she had complained. The logistics of where this was placed meant that access had to be via the Council Chamber and a second lift should be regarded as essential. Councillor J Mayes also supported refurbishment works to the toilets and the positive effects this would have on staff. Councillor M Wood suggested that the refurbishment to the toilets take place sooner given the transfer of staff to Wallfields in 2011.

The Director of Internal Services explained that a business case had not been made in relation to the solar collectors to heat water in the toilets, as this would only generate savings of about £1500 a year. A £70,000 investment would need to be justified other than on financial grounds.

The Director of Internal Services stressed that the budget for the planned refurbishment of Wallfields had been increased to allow for staff relocation. He suggested that Members might look to a commitment to have the toilet refurbishment set as a priority call on the maintenance programme and that there should be adequate funding to ensure the existing lift was refitted to improve its reliability.

The Committee decided to recommend to the Executive that the following proposals detailed below be supported;

- Works on cabling be upgraded to Cat 6A during the Wallfields refurbishment and the additional funding of £15,000 be met by further virements from IT budgets.
- There should be sufficient funds in the 2011/12 budgets to ensure that the existing lift be given major repairs as necessary to ensure consistent and reliable disabled access.
- The refurbishment of the toilets and stairwell be included in the annual maintenance programme at the earliest opportunity to be completed over the shortest possible time period.
- The installation of mechanical cooling and natural ventilation to the reception area be deferred.

RESOLVED that - the Executive be informed that the Corporate Business Scrutiny Committee considers that:

(A) virements should be approved to meet the cost of upgrading cabling to Cat 6a during the Wallfields refurbishment but with an additional £15,000 of funding if virement is not feasible;

(B) there should be sufficient funds in the 2011/12 budgets to ensure that the existing lift be given major repairs as necessary to ensure consistent, reliable disabled access;

(C) the refurbishment of the toilets be included in the annual maintenance programme at the earliest opportunity over the shortest possible time period;

(D) the installation of mechanical cooling and natural ventilation to reception area be deferred;

and

(E) other works as explained in paragraphs 2.15 to 2.19 of the report now submitted should be deferred.

418 2010/11 SERVICE PLANS - SUMMARY OF PROGRESS AND EXCEPTIONS REPORT

A report was submitted by the Leader of the Council on 2010/11 Service Plan Actions that had been achieved and those which required a revised completion date.

The Service Plans had been scrutinised by the joint meeting of Scrutiny committees in February 2010 and approved by the Executive in March. The report covered the period 1 April to 30 September.

The details of the Service Plan Actions relevant to the Corporate Business Scrutiny Committee were given. An overview of achievements by Corporate Priority was summarised in the report.

The Chief Executive reported that of the 57 actions relevant to Corporate Business Scrutiny Committee; 7% (4) had been achieved; 81% (46) were on target; and 12% (7) had had their completion dates revised.

Councillor M Wood referred to Action code 10-BSS04 specifically in relation to the Environmental Impact adding that staff travelling from Bishop's Stortford would not be reducing their travelling to work but increasing the carbon footprint.

The Committee decided to note progress made on Service Plan Actions.

RESOLVED - that the Committee note the progress on 2010/11 Service Plan Actions including those which had their completion dates revised.

419 CORPORATE HEALTHCHECK - QUARTER TO

SEPTEMBER 2010

The Leader of the Council submitted an exception report on finance and key performance indicators relating to Corporate Business Scrutiny Committee up to September 2010. The report contained a breakdown of information where remedial action was needed on salary, capital and revenue variances.

It was noted that performance for EHPI 2.15(42) (Health and Safety Inspections) was “red” attributable to sickness and absence and one particularly complex case which had taken up significant staff time. The target would be reviewed as part of the estimate process. Members were informed that there had been a further £40,000 income investment adverse movement. Measures to address this would be considered in relation to the urgent item of business elsewhere on the agenda.

Councillor N Wilson sought clarification regarding the loss of parking fees. The Director of Internal Services explained that the Council was not increasing charges but that more would have to be paid to the government in VAT when it was increased in 2011.

The Director of Internal Services agreed to write to Councillor M Wood regarding an investigation in relation to properties in multiple occupation in his ward.

The Committee noted the budget variances and performances as detailed in the report now submitted.

RESOLVED – that the report be noted.

420 AMENDMENT TO THE TREASURY MANAGEMENT STRATEGY

The Chairman agreed to accept an urgent item of business to be considered onto the agenda on the grounds that the Council might assess its investment strategy in order to increase its returns and to mitigate against any further adverse variances. The next meeting of Corporate Business

Scrutiny Committee was programmed for March 2011 and delay to that date would further exacerbate reductions in investment returns during 2011 if consideration of the report was taken at that meeting.

The report of Executive Member for Resources and Internal Support recommended permitting investments additional to those authorised by the current Treasury Management Strategy to enable enhanced returns to be made.

The Council's two fund managers had advised that there was little scope for optimism that returns on investments would improve in the near future.

Officers and Sector had therefore examined various options by which improved investment returns could be achieved.

Details of the preferred option "a structured deposit" proposal were given. It was explained that the Council would need to be prepared to take greater risk to receive higher returns. The pros and cons of this were outlined.

Councillor J O Ranger explained that the Council had approximately £70M in investments. Sector had provided the Council with a scheme whereby the Council could invest some of its funds over a period of four years to achieve higher returns of a minimum of 2.6% compared to the 0.6% it was achieving at the moment. To mitigate exposure to risk, it was recommended that funds would be released in tranches of approximately £10M over three month periods and placed with multiple counter parties none having more than £10M and up to a total of £30M. He stressed that only UK banks should be used such as Lloyds and Barclays.

The Director of Internal Services explained the features of the medium fixed term deposits and LIBOR. He advised Members that whilst this was a scheme suggested by Sector, they were not changing their advice, that having regard to the primary aim of preserving capital the duration of deposits with banks should be for no more than three months to one year, depending on the counter party. The Director stated that it was a significant step for Members to take to go beyond the

limits advised by Sector. The Director referred to the possible damage to the Council's reputation if anything went wrong as the Council would be exposed to criticism.

Councillor J O Ranger stated that he felt that Sector were "ultra prudent" but that they had been asked for investment schemes and had provided alternatives as detailed in the report now submitted.

The Director of Internal Services explained that to achieve a reasonable return, banks wanted security of funds for at least three years hence the higher rates. He suggested that only the largest top four or five UK banks would be used and those with Government support and that not more than £10M be placed with each.

In response to a query from Councillor J Mayes, the Director explained that interest would be paid quarterly.

The Chairman stated that by investing as proposed, the Council would get the benefit and certainty of income.

Members felt that the proposal was a balanced risk and decided to recommend to the Executive that there should be an amendment as detailed below to the Treasury Management Strategy to permit in house investment in medium term fixed deposits as set out in the report now submitted.

RESOLVED – that the Executive be informed that Corporate Business Scrutiny supports an amendment to the Treasury Management Strategy to permit in house investment in structured deposits as set out in the report now submitted.

421 SCRUTINY WORK PROGRAMME 2010/11

The Chairman of the Corporate Business Scrutiny Committee submitted a report inviting the Committee to review its work programme.

The Scrutiny Officer asked the Committee to consider adding

a report on Freedom of Information requests to the meeting on 31 May 2011, which was agreed. She gave dates for scrutiny training, planning and evaluation.

The Committee decided to amend the work programme as now detailed.

RESOLVED – that the work programme now submitted be amended by the inclusion of Freedom of Information requests report.

The meeting closed at 9.07 pm

Chairman
Date