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## OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 3 January 2006.

**PRESENT:** Councillor Carr (Chair), Councillors Mawston, McTigue, Rogers, Rooney and T Ward.

**OFFICIALS:** J Bennington, G Brown, P Clark, A Crawford, P Slocombe, and E Williamson.

**\*\* PRESENT AS AN OBSERVER:** Councillor B Thompson (Executive Member for Social Care and Health) and Councillor N J Walker (Executive Member for Resources).

**\*\* APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Cole and Dryden.

### **\*\* DECLARATIONS OF INTEREST**

No declarations of interest were made at this point of the meeting.

### **\*\* MINUTES**

The minutes of the meeting of the Overview and Scrutiny Board held on 29 November 2005 were submitted and approved.

## **EXECUTIVE FEEDBACK – YOUTH SERVICE ACTION PLAN**

As part of the scrutiny process and in a report of the Executive Manager it was reported that the Executive had considered the Board's findings on the Final Report on the Youth Service Action Plan.

The Executive had considered and supported the responses of the Service and the Corporate Management Team and had also agreed the proposed Action Plans.

**AGREED** as follows: -

1. That the information provided be noted.
2. That the Executive Feedback report in respect of the NHS Acute Services Review and its implications for Middlesbrough residents be submitted to the next meeting of the Board.

## **REVENUE SUPPORT GRANT SETTLEMENT 2006/2007 AND 2007/2008**

The Director of Resources presented a report, which gave an outline of the proposals, set out in 2006/2007 and 2007/2008 Revenue Support Grant Consultation paper.

Middlesbrough had received details on 9 December 2005 of the proposed settlement in respect of the annual revenue grant, which was now called Formula Grant.

To assist councils with medium term financial planning proposed allocations of Government funding had been provided for the next two years. The approach was to be developed further during 2006/2007 to provide three-year indicative allocations of Central Government support to individual authorities.

Reference was made to significant changes, which had been made to the ways in which the grant was allocated. Formula Spending Share no longer existed but had been replaced by a new system consisting of four blocks as follows: -

- a relative needs block aimed to protect each authority's ability to deliver individual services;
- a relative resources amount which took into account the different capacity of councils to raise income from council tax;

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- a central allocation which was allocated on an amount per head of population basis;
  - a floor damping block which ensured that all authorities received a minimum grant increase and acted as a safety net to ensure no authority received less than a set minimum increase in Central Government support.

Under the revised approach Middlesbrough was entitled to a Formula Grant of £71.2m for 2006/07 which represented a 2.1% increase over 2005/06 on a directly comparable basis.

It was noted that as a result of the Council successfully winning the population case regarding the assumptions made by the Office of National Statistics, additional resources had been allocated to Middlesbrough.

Representations were to be made to Central Government in respect of the following factors: -

- a) expressing support for the retention of a minimum increase (floor) but outlining concern that it had been set too low for those authorities providing Education and Social Services and should be increased as a minimum to 3%;
- b) consideration should be given to maintaining a maximum increase 'ceiling' in line with policies of sustainability and some guaranteed level of funding;
- c) raise concerns as to the net population assumptions;
- d) outline the impact of the funding allocation on the residual Education service following the introduction of Direct Grant to Schools;
- e) request additional funding for Social Services (Children and Adults) demand led pressures.

The impact of the changes on the current projected figures had resulted in a revised gap of £2.3m for 2006/2007.

In commenting on the changes the Executive Member for Resources confirmed the increased flexibility for the Council to allocate funding according to its priorities.

**ORDERED** as follows: -

1. That the information provided be noted, in particular, recognition that the overall proposals would provide greater stability with regard to long term financial planning.
2. That the inclusion within the 2006/07 scrutiny work programme of the potential issues surrounding changes to education funding be examined further.
3. That the representations to be made to Central Government as outlined be supported including a reference to recommendation 1 above.

## **MEDIUM TERM FINANCIAL PLAN 2006/2007 TO 2009/2010 – REVENUE BUDGET 2006/2007**

The Director of Resources submitted a report, which outlined the medium term financial position for 2006/2007 to 2009/2010 and set out the estimated draft 2006/2007 revenue budget.

Overall the Council had made approximately £800,000 net savings against its General Fund Budget for 2004/2005.

The Council set its revenue budget at £17,080 million in 2005/2006 and no balances were utilised to support the overall expenditure level of the Council.

The second quarter's budget monitoring clinics had been held during November 2005 and a summary was outlined in the report submitted of the projected year end position by service. Since the budget clinics, additional inflationary pressures of (+ £100,000) had been identified in respect of the Social Care Independent Sector and additional payment to consider the impact

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and timing of the increase in the minimum wage which may need to be applied from 1 October 2005.

The 2006/2007 projected revenue budget was outlined in Appendix A of the report submitted the main variances on which were summarised and included the following: -

- a) pay awards had been provided for at the approved rate;
- b) an additional inflationary provision had been made for the assessed impact of increased prices in the Social Care Independent Sector together with the effect of higher energy prices that were expected to be applied during 2005 and 2006;
- c) provision had been made for the full year effect in 2006/2007 of previous Council decisions in respect of the additional revenue costs associated with the new Art Gallery (+£386,000);
- d) an allowance of (+ £70,000) had been made within next year's draft budgets on the basis of no-increase in 2005/06 to allow a medium to long term car parking charging strategy to be developed for which an assumption of a 2.5% increase on an annual basis from 1 April 2005 had been included into the Medium Term Financial Plan;
- e) education spending had been assumed to be in line with the FSS as outlined and with a reported gap of £500,000;
- f) within Children, Families and Learning Services, a number of demand led pressures following an increased number of placements Children Looked After residential placements (+£160,000) , Agency Fostering Placements (+£190,000) and Adoption Placement Fees (+£40,000);
- g) Social Care services had similar demand led placement pressures relating to residential placements (+£138,000), Nursing placements (+£197,000) and Mental Health residential care placements (+£140,000);
- h) in respect of the current warden service, provision had been made for grant fallout during 2006/07 (+£1,012,000), an additional provision (+£209,000) had also been made within Environment for the phased fall out, over three years of Lane Rental income and costs associated with the ongoing funding of the Rapid Response Team (+ £200,000) had also been included;
- i) an additional (+£30,000) had been included for a contribution towards the successful management, administration and marketing of the Stockton Middlesbrough Partnership;
- j) costs relating to increased pension fund contributions (+£437,000), the continued development of funds (+£200,000) to maintain and develop existing systems and process within the Middlesbrough Partnership contract, and a provision (approximately +£250,000) to underwrite Building Schools for the future costs.

Reference was made to a number of potential pressures in respect of Social Care, which were the subject of further analysis.

A Medium Term Financial plan, outlining a broad financial position for the period 2006/2007 to 2009/2010 had been prepared on the basis of current information. Appendix B of the report submitted set out the expected position over the Medium Term.

The 2006/2007 projected revenue budget and medium term financial plan had been prepared on the basis of the principles consistent with previous years budget strategies and statements made by the Executive with the addition of a reference to evidenced and established external demand pressures in respect of Social Care, and Children, Families and Learning.

Since the circulation of the report it was noted that the potential gap projected for 2006/2007 was now £2.3m. It was proposed that all services identify Gershon savings 1.25% cashable and 1.25% non cashable.

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An indication was given of the overall budget consultation process which included Community Councils.

NOTED

## **DEVELOPING LEARNING DISABILITY SERVICES – FINAL REPORT**

The Chair of the Social Care and Adult Services Scrutiny Panel presented the findings of the Panel's investigation into how Social Services met the needs of young people making the transition from Children's Services to Adult Services.

The Board considered the following recommendations of the Panel: -

- a) That whilst it is recognised that transitions procedures are in place the Panel suggests that consideration be given to investigating the potential benefits of an overlap between young people's Children's Services Social Worker and their new Adult Services Social Worker, subject to individual needs.
- b) That work continues to increase the numbers of people being offered a Person Centre Plan and an update on the numbers be provided to the Panel in 6 months time.
- c) That in order to highlight to parents the benefits of person centres planning, that work be undertaken to provide information on Person Centre Planning to parents prior to the child turning 14.
- d) That agencies involved in the Person Centred Planning process meet to discuss the format of Person Centre Planning meetings to ensure the best use is being made of those meetings.
- e) That Adult Services continue to work with the Connexions Service to encourage the use of Person Centred Planning within schools.
- f) That Adult Services ensure that consideration is given to working with training providers to commission additional training courses for people with learning disabilities. That the Government and the Learning Skills Council consider the impact on cuts in funding on the Council's statutory duty to provide training courses for people with learning disabilities.
- g) That the needs of Middlesbrough service users continue to be explored and where possible services developed that can also be offered to other local authority service users.
- h) That the department continues to pursue the policy direction that ensures that, for those people that want them, and depending on individual circumstances, that services are available in their own area.

**ORDERED** that the findings and recommendations of the Social Care and Adult Services Scrutiny Panel be endorsed and referred to the Executive subject to the recommendations in (f) above being more clearly defined.

## **SCRUTINY REVIEW – MEMBER OF THE PUBLIC – REGENERATION – NEIGHBOURHOOD RENEWAL**

The Senior Scrutiny Officer submitted a report, which outlined a request received from a member of the public for a review to be undertaken into the following: -

'With regards to Redevelopment and Regeneration Neighbourhood Renewal, how are these social issues being tackled? Are good operating standards being observed? With regard to the demolition of homes is a fair price being paid?

Are the public being informed about these issues correctly?'

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**ORDERED** that approval in principle be given to the inclusion of the above as a scrutiny topic within the work programme of the Economic Regeneration and Transport Scrutiny Panel for the next Municipal Year 2006/2007.

**SCRUTINY REVIEWS - CONSIDERATION OF REQUESTS**

It was confirmed that no requests for scrutiny reviews had been received from the Executive, Executive Members or Non Executive Members since the last meeting of the Board.

NOTED

**SCRUTINY PANELS - PROGRESS REPORTS**

A report of the Chair of each Scrutiny Panel was submitted which outlined progress on current activities.

NOTED

**CALL IN REQUESTS**

It was confirmed that a meeting of the Board had been arranged for 9 January 2006 to review the decisions made at an Individual Executive Decision-Making Meeting by the Mayor held on 15 December 2005 regarding recruitment and retention.

**ANY OTHER BUSINESS – SCRUTINY TRAINING**

The Chair encouraged Members to attend the Training Seminar to be held on 25 January 2006 with Prof. Leach, Prof. of Local Government in the Department of Public Policy at De Montford University (Leicester).

NOTED