

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 9 January 2007.

PRESENT: Councillor Carr (Chair), Councillors McTigue and Rooney.

OFFICIALS: J Bennington, G Brown, P Clark, J Ord, K E Robinson, P Slocombe and E Williamson.

****PRESENT BY INVITATION:** Councillor N J Walker (Executive Member for Resources).

****APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Cole, Harris, Mawston and T Ward.

**** DECLARATIONS OF INTEREST**

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

**** MINUTES**

The minutes of the meetings of the Overview and Scrutiny Board held on 7 and 12 December 2006 were submitted and approved.

REVENUE SUPPORT GRANT SETTLEMENT 2007/2008

The Director of Resources submitted a report, which provided an outline of the proposals, set out in the 2007/08 Revenue Support Grant Consultation paper.

Central Government had released details for the proposed Revenue Support Grant settlements for 2007/08 on 28 November 2006. Provisional figures for 2007/08 had been released with the 2006/07 settlement in January 2006. It was noted that there had been no significant changes from that indicated earlier in the year.

Details were provided of the system of Formula Grant specifically for 2007/08 which consisted of four blocks; a relative needs block (£56.507m); relative resource amount (-£5.238); central allocation (£22.890); and less damping arrangements (-£0.932).

In accordance with the revised approach, it was reported that Middlesbrough was entitled to a Formula Grant of £74.160m in 2007/08, which had been reduced to £73.227m under the damping arrangements representing a 2.1% increase over 2005/06.

It was confirmed that the approach and the methodology had been the same as that applied in 2006/07 and that further work and analysis was being undertaken on the grant which would be considered further by the Executive. The increase in Formula Grant on a directly comparable basis represented 3.3% in 2007/08. It was confirmed that under the revised Formula Grant the Council was a net contributor to the damping arrangements of £0.932m in 2007/08.

No additional resources had been provided above that identified in January 2006. It was confirmed that significant resources had not been made available within the Formula Grant for Social Services (Social Care and Children Families and Learning). It was also noted that the residual Education Function had received a particular poor increase in funding given the level of change being imposed by Direct Grant to Schools.

The Board was advised of representations, which had been made to the Government on the Consultation Paper required by 5 January 2007 in respect of the following: -

- a) supporting 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) raising concerns as to the net population assumptions;

- c) outlining the impact of the funding allocation on the residual education service following the introduction of Direct Grant to schools;
- d) requesting additional funding for Social Services (Children and Adults) demand led pressures;
- e) request that consideration is given to the impact of equal pay;
- f) assumptions made in respect of the Authority's Council Tax Base;
- g) raising concerns as to the timing and release of three year planning figures for Local Government.

ORDERED as follows: -

1. That the information provided be noted.
2. That the representations made to Central Government as outlined be supported.

MEDIUM TERM FINANCIAL PLAN 2007/2008 TO 2010/2011-REVENUE BUDGET 2007/2008

A report of the Director of Resources was presented which outlined the medium term financial position for 2007/2008 – 2010/2011 and set out the estimated draft 2007/8 revenue budget.

As the 2005/06 Final Outturn was reported to the Executive in June 2006 all services maintained their expenditure within budgets allocated to them. Overall the Council had made approximately £728,000 net savings and efficiency savings of £3.6m had been identified and applied.

The report outlined the Council's revenue budget for 2006/7 at £114.5m which had incorporated a Council Tax increase of 4.7% and gave details of the Government's spending review and Revenue Support Grant.

In setting the budget as outlined in Appendix A of the report, identified structural budget issues had been addressed; no cuts in services had been proposed and extra investment of £6m had been placed in key services including free travel for pensioners (£1.3m), street wardens (£1.0m), regeneration (£1.0m), services for vulnerable children (£0.8m), social care for older people and disadvantaged groups (£0.5m) and £0.5m towards school improvement plans.

It was noted that the Executive at its meeting held on 19 December 2006 had agreed to the temporary use of balances in 2007/2008 to support Children, Families and Learning spending pressures.

The main variances from the current year's budget were summarised in a table contained within the submitted report, which included: -

- 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 2006 and 2007;
- 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 (+£100,000); the full year effect of the investment in the development and delivery of the Cultural Vision (+£85,000); and the revenue impact of the sale of Cleveland centre Car Park (+£330,000);
- d) within Children, Families and Learning Service, a number of demand led pressures following an increased number of placements Children Looked After residential placements (+£266,000), Agency Fostering Placements (+£713,000), Adoption Placement Fees

(+£55,000), Family Support Services and other (+£114,000) and Home to School Transport (+£151,000);

- e) Social Care services had similar demand led placement pressures of (£332,000) for which measures had been put in place like the above Children, Families and Learning to mitigate costs;
- f) in respect of the current warden service, provision had been made for grant fallout during 2007/08 (+£167,000);
- g) an additional provision (+£209,000) had also been made for the phased fall out, over three years of Lane Rental income;
- h) an additional £51,000 had been provided to meet increased CCTV and warden coverage to the on site support at Prissick Park with a further £51,000 for increased warden coverage in respect of the Civic Square;
- i) current take-up of the free off-peak travel for persons over the age of 60 had indicated that the provision could be reduced from £1.3m to £180,000;
- j) measures taken to restructure the Council's debt portfolio had been estimated to generate £500,000 savings per annum;
- k) other costs included increased pension fund contributions (+£450,000), continued development of funds (+£250,000) to maintain and develop existing systems and process within the Middlesbrough partnership contract and the net revenue impact of Housing Stock Transfer (-£136,000).

Reference was made to spending pressures identified by the Social Care Department and of significant work which was being undertaken on a regular basis to identify potential costs and ways to mitigate the impact and identify opportunities for efficiencies over the short, medium and long term. Significant pressures were also identified within the Vulnerable Children's budget and it was not expected that increased costs could be maintained within existing budgets over the short term.

The 2007/20087 projected revenue budget and medium term financial plan had been prepared on the basis of the principles consistent with previous year's budget strategies and statements made by the Executive with the additional temporary use of balances as outlined for 2007/08.

An indication was given of the overall budget consultation process which included People of Middlesbrough in 4 geographical areas.

Members sought clarification on a number of areas including the following: -

- a) in response to an overspend on Home to School Transport as a result of additional transport needs for pupils with special needs a value for money study was to be carried out including discussions with other local authorities;
- b) reference was made to extensive work being undertaken and assessment of the medium term position in respect of the Vulnerable Children's budget and measures to assist in identifying potential problems at an earlier stage;
- c) confirmation was given of an additional £51,000 to provide an increased level of CCTV and warden coverage on the Prissick Park site.

NOTED

ONE STOP SERVICE – REVIEW FOLLOW UP

In a report of the Corporate Performance Manager the Board was advised of the progress made in implementing the actions arising from a review of the One-Stop service in 2005 and an evaluation of the outcomes.

All Councillors interviewed as part of the follow-up review had stated that the service provided by the One-Stop had improved following the 2005 review. In particular, Councillors had noticed that all queries now received a response and the timeliness of such responses had shown a significant improvement.

It was recognised, however, that there was still scope for further improvements to the One-Stop service, in particular the quality of the feedback.

The Board was advised of deliberations between Members' Services and the Environment Department regarding the most appropriate technological way forward for the One-Stop system. It had been suggested that the two departments undertake a feasibility study on migrating the One-Stop system to a Seibel platform.

The Board acknowledged the improvements which had been achieved and supported the continued efforts to improve the quality of the service responses.

Whilst it was recognised that responses were made on behalf of particular service areas a Member suggested that it would be more helpful if the individual responding was identified which was not standard practice under the current system.

It was also suggested that all Councillors should have been interviewed and/or contacted as part of the follow-up review.

ORDERED that the information provided be noted and the Executive be advised of the Board's comments as outlined.

CALL IN OUTCOME – SITE 44 LONGRIDGE DISPOSAL

A report of the Chair was presented regarding the outcome of the meeting of the Board held on 7 December 2006 which had been arranged in accordance with the Authority's call-in procedure to review the decisions made at an Individual Executive Meeting by the Executive Member for Economic Regeneration and Culture on 20 November 2006 relating to the selection of preferred developer of Site 44 (Longridge).

Taking into account the evidence presented in particular the appropriate assurances given which would ensure that the requirements of the Council regarding the development would be adhered to it had been agreed that the decisions taken at the above meeting should not be referred back

NOTED

SCRUTINY REVIEWS - CONSIDERATION OF REQUESTS

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

NOTED

SCRUTINY PANELS – PROGRESS REPORTS – SOCIAL CARE AND ADULT SERVICE SCRUTINY PANEL WORK PROGRAMME

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

The Board was advised that the next scrutiny item for investigation by the Social Care and Adult Services Scrutiny Panel was to be consideration of the development of the Social Care

Department's Telecare strategy. It was pointed out, however, that during the course of the programme, the service area had now developed the strategy and it had been approved by the Executive Member for Social Care and Health.

It was confirmed that the Panel would review its future work programme at its next meeting.

NOTED

CALL IN REQUESTS

It was confirmed that no requests had been received to call-in a decision.