

## OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 2 March 2009.

**PRESENT:** Councillor Williams (Vice-Chair) (In the Chair), Councillors Cole, Dryden, C Hobson, Ismail, Khan, McPartland (as substitute for Councillor Brunton), Purvis, Sanderson and Williams.

**OFFICERS:** B Baldam, J Bennington, G Brown, P Clark, J Ord, K Robinson, J Shiel, P Slocombe, P Stephens and E Williamson.

**\*\* PRESENT BY INVITATION:** Councillor N J Walker, Executive Member for Resources.

**\*\*APOLOGIES FOR ABSENCE** were submitted on behalf of the Chair (Councillor Brunton) and Councillors Cox, J Hobson and J A Walker.

### \*\* DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item / Nature of Interest
Councillor Dryden	Personal/Non Prejudicial	Agenda Item 3: any matter relating to Levick House in respect of the 3 <sup>rd</sup> Quarter Revenue Budget Projected Outturn- member of Levick Trust.

### THIRD QUARTER - REVENUE BUDGET PROJECTED OUTTURN

The Director of Resources presented a report on an estimate of the annual projected outturn for 2008/2009 based on the third quarter review of revenue expenditure against the current year's Revenue Budget.

The Council at its meeting held on 7 March 2008 had set its revenue budget at £126.3 million for 2008/2009. A Council tax increase of 4.9% for Middlesbrough Council had been applied. In setting the 2008/2009 budget, approximately £4.5 million of efficiency savings had been identified. (Appendix B). The Council had approved an extra £5.1 million for key services including £0.8m for Children, Families and Learning; £3.4m for Social Care for older people and disadvantaged groups; £0.6m for investment in the Environment; and £0.3m for new investments.

The projected outturn position for 2008/2009 was reported as a net budget pressure of (+£269,000) which represented a 0.2% pressure against the £126.3million 2008/2009 budget. It was noted that following a number of actions in order to mitigate the budget pressures significant savings of £700,000 had been achieved.

A detailed breakdown of gross expenditure and income budgets against projected expenditure and income outturns was outlined in Appendix A.

The Board was advised that excluded from the provisional outturn figures were a number of requests for carry forward of grants as summarised in Appendix B and placed into the following categories: -

- a) grant funding which if not carried forward would have to be repaid to the funding body;
- b) grant funding which needed to be carried forward to cover expenditure commitments already in place in 2009/2010;
- c) grant funding which was currently totally uncommitted and would not be repaid.

A summary was provided of the overall projected outturn position and an indication given of the action to be taken in order to mitigate the identified budget pressures. The Board's attention was drawn to a number of areas as outlined in the report upon which Members sought clarification.

Specific reference was made to the following:-

Children, Families and Learning (+ £1,127,000):

- specifically in relation to Family Services;
- it was confirmed that the Service was undertaking significant work on a number of initiatives one of which included further utilisation of Five Rivers accommodation and negotiated fee resulting in savings;

Social Care (-£390,000):

- reference was made to resources successfully negotiated from the Primary Care Trust;

Environment (+£56,000):

- careful attention would be given to the timing of undertaking repair works some of which may necessitate closure of leisure facilities and similar buildings in order to minimise costs and mitigate the loss of income;
- with an estimated pressure of +£46,000 the Golf Centre continued to be a concern;

Regeneration (-£178,000):

- specific reference was made to additional grant income received which would be used to address pressures in relation to planning and regeneration;
- reference was made to ongoing work to address the pressures in terms of MIMA and the Dorman Museum;

Corporate Services (- £732,000):

- specific reference was made to anticipated savings to be made in relation to Members' expenses and basic and special responsibility allowances as current allocations were lower than the budgeted level;
- the level of recovery of overpayments in relation to Housing Benefits was forecast to exceed the budgeted target by -£288,000.

The report summarised the projected movements on reserves and provisions for 2008/2009 as shown in Appendices F and G respectively. It was acknowledged that in the current financial climate with ever decreasing reserves such an area remained an increasing challenge for the foreseeable future.

The Board was advised that the Executive at its meeting to be held on 3 March 2009 would be asked to approve the carry forwards as outlined in Appendix B and the virements as shown in Appendix H.

It was noted that future financial reports submitted to the Board would include a reference to the recommendations which the Executive would be asked to consider.

**ORDERED** that the information provided be noted including the ongoing work and proposed action plans.

### **THIRD QUARTER – CAPITAL MONITORING AND REVIEW**

In a report of the Director of Resources the Board was advised of the latest position in respect of the Council's capital programme (2008/2009 to 2012/2013) for which a fundamental review was undertaken approximately every five years. The last review of the capital programme had been a fundamental review in September 2008.

The capital programme had an agreed time line to 2012/2013 and a gross programme of expenditure of £327.304 millions.

Confirmation was given that the change in overall net expenditure across all schemes since the last review was a reduction of £53,000 and there was currently no call on Council wide resources required to fund any part of the capital programme.

The Board was advised however that changes in gross expenditure and resources could arise as a result of the cost of a scheme changing through either planned or unplanned additional project costs or cost reductions. The change in gross expenditure since the last review in July 2008 as shown in Appendix A of the report submitted was reported as a decrease of £0.518 million. Resources had decreased by £0.465million resulting in a net difference of £53,000.

Members' attention was drawn to significant variations in the programme in respect of the following:-

- Building Schools for the Future (-£3,523,000);
- Capital Improvements (£2,783,000);
- Children's Centres Phase 3 (£147,000);
- Purchase of New Vehicles (-£450,000);
- Invest to Save Carbon Reduction (£146,000);
- Inner Middlesbrough Implementation (£163,000);
- LABGI Grant (-£440,000);
- Boho Core Building 1 (£276,000).

Reference was also made to other variations relating to changes in existing projects that did not have an impact in the overall gross expenditure as outlined in Appendix B of the report.

The profiling of expenditure over the programme period was considered important as it needed to be realistic and achievable in terms of what could be delivered and matched with the timing of available capital resources. In overall terms it was reported that £20.216 million had been re-profiled from 2008/2009 to 2009/2010 and future years as shown in Appendix B of the report submitted.

The re-profiled gross expenditure and resources since the second quarter review were shown by service and individual scheme in Appendix C of the report.

The Board noted that in overall terms that there had been a small decrease in the need for Council wide resources to support the capital programme of £53,000.

**ORDERED** that the information provided be noted.

## **CONSOLIDATED PERFORMANCE CLINIC APRIL TO DECEMBER 2008**

The Chair welcomed Paul Stephens who was attending his first meeting of the Board since his recent appointment as Corporate Performance Team Leader.

The Corporate Performance Team Leader presented a report which provided an overview of the Council's performance for the period 1 April to 31 December 2008.

The report gave a summary of the Council's performance against LAA targets and contributory Planned Actions by theme of the Sustainable Community Strategy.

In its Strategic Plan, the Council had identified 193 Planned Actions to progress its contribution to the achievement of the Sustainable Community Strategy themes. It was acknowledged that the Council continued to perform well in quarter three in achieving Planned Actions with 85% on target (163).

Middlesbrough's Local Area Agreement included 35 designated targets and 16 statutory targets relating to attainment. A local target had been developed for those strategic priorities where

there was no designated target, resulting in 66 measures of performance overall. For the third quarter, 37 targets (56%) had been reported, 29 (44%) were not known. Of the 37 where information was known 14 (38%) were on target and 23 (62%) not on target.

Where possible, further work was to be undertaken within the Council and with the Middlesbrough Partnership to develop and prioritise actions that would impact on targets in the short to medium term.

It was noted that a full picture of performance against LAA targets was not yet available as many were measured later in the year but it seemed clear that the Council and its partners would be off-target for a significant number of the indicators at the end of the first year of the LAA. It was confirmed that further work would be undertaken in the forthcoming revision of the Strategic Plan to ensure that the actions taken by the Council to contribute to LAA targets were both plausible and specific about the time frame for impact.

A brief summary of performance against the Sustainable Community Strategy themes was provided.

An overview of the Council's contribution to the SCS themes was shown in Appendix A. of the report submitted.

The Board was advised that the implementation of the National Indicator Set remained challenging, with only a limited amount of data available at the end of quarter three. Of the 209 measures, 86 (41%) had not reported in the quarter, largely as survey and annual data had not been available. In addition, the figure included 13 indicators that were deferred by Government until 2009/2010.

Table 2 of the report showed performance to date by Community Strategy theme for those indicators where data was available. Details of performance against those NIs not on target were provided in Appendix B of the report.

In addition to performance against LAA targets, each department reported a summary of other key performance issues. Significant achievements for quarter three included the achievement of a CPA Corporate Assessment score of 4, a Use of Resources score of 4 and an 'improving strongly' rating for Direction of Travel. It was confirmed that these were the highest possible scores and placed the Council amongst the very best performers nationally.

The Council had retained 62 former Best Value Performance Indicators to provide ongoing monitoring of performance in key areas. Of the 58 reported this quarter, 25 (43%) were on target. A review of the continued use of former BVPIs would be undertaken as part of the revision of the Strategic Plan.

The Council was undertaking a programme of reviews to ensure continuous improvement and Value for Money. Specific reference was made to notable reviews, which had been completed by the third quarter.

**ORDERED** that the information provided be noted.