OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 18 November 2010.

PRESENT: Councillor Brunton (Chair), Councillors Cole, C Hobson, Kerr, McPartland (as substitute for Councillor Khan), Purvis and Williams.

OFFICERS: B Baldam, J Bennington, P Clark, J Ord and J Shiel.

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

**** APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors J Hobson, Khan, Mawston, Sanderson and J A Walker.

**** DECLARATIONS OF INTERESTS**

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

SECOND QUARTER – REVENUE BUDGET PROJECTED OUTTURN

A report of the Director of Strategic Resources was presented which provided an estimate of the annual projected outturn for 2010/2011 based on the second quarter review of revenue expenditure against the current year's Revenue Budget.

The projected outturn position for 2010/2011 was reported as a net budget saving of (-£400,000) which represented a 0.30% saving against the £133.575 million 2010/2011 budget. The report included a summary of the outturn position in respect of the service areas. A breakdown of Gross Expenditure and Income budgets against projected Expenditure and Income outturns was provided at Appendix A of the report submitted.

The Council had embedded within its budget monitoring procedures, reporting on efficiency savings. The Board was advised that the Council was projected to over-achieve its efficiency savings target by (-£109,000) as outlined in the report.

The report gave a summary of the Corporate Initiatives 2010/2011 as outlined in Appendix D and projected movements on reserves and provisions for 2010/2011, a detailed breakdown of which was provided in Appendices E and F respectively. Appendix G provided information on requests for virements.

The Board's attention was drawn to a number of key budget pressure areas and Members sought clarification on the action being taken to address the identified pressures.

It was noted that in relation to Children, Families and Learning the service had predicted a net budget pressure of +£605,000 which reflected a decrease from +£1,064,000 at the end of Quarter 1. Such figures included a reduction in respect of Safeguarding from £1,579,000 down to £1,383,000 at the end of Quarter 2. The Board was also advised that the restructuring of the Safeguarding service area had not achieved the efficiency savings target reflecting the continuing caseload pressures being experienced within the service.

It was reported that whilst the Children Looked After section had a net pressure of (+£1,016,000) there were projected savings of (-£277,000) on in-house fostering as a result of a reduction in the number of carers and placements. The report gave a breakdown of the Independent Fostering agencies budget which was currently projecting a pressure of (+£493,000) but was subject to change as a demand led service.

Whilst Members were pleased at the improvements achieved further clarification was sought as to the action being taken to tackle the shortfall in the efficiency savings. In response specific reference was made to the Corporate Administration Review currently being undertaken.

As previously indicated the shortage of social workers still remained an issue as experienced elsewhere in the UK and the higher costs involved when engaging Agency staff was acknowledged. Although the Council had been successful in recruiting social workers the Board was advised of the various levels of training and experience which had to be achieved before they became involved in the often very complex cases. It was agreed that further information be sought from the Service Area in this regard and circulated to Members.

The Board referred to certain budget pressures within the service, which were being offset by staff savings across Sure Start. Given the current need to improve access to hard to reach children in terms of such a programme Members expressed disappointment that the respective funding was not ring-fenced and asked for further details around this issue.

In relation to Social Care, specific reference was made to the impact of the economic downturn on sales at Ayresome Industries particularly in relation to UPVC window and door production. Significant pressures were also reported in respect of Ayresome Community Transport Service budget mainly as a result of lower income and unbudgeted Fleet Management charges. An indication was given of some of the measures being pursued in order to alleviate the situation. Members supported the efforts being made to identify alternatives and agreed that the situation should continue to be examined closely.

Although the Service had predicted a net saving of -£32,000 at the end of the second quarter this compared to -£224,000 savings at the end of Quarter One. Taking this into account and increasing demands arising from an increasing number of vulnerable and older people it was suggested that such areas be closely monitored.

In relation to Environment it was noted that the Service had predicted a reduced pressure of + £184,000 at the end of the second Quarter in comparison with +£311,000 at the end of the first Quarter.

Specific reference was made to a net pressure of +£69,000, which mainly related to income shortfalls in the Decriminalised Parking Enforcement budget and car park income, which was also projected to be down owing to the impact of new car parks operating in the Town. Details were also provided of under-achieved efficiency savings relating to the Bus Station review of operating arrangements and income shortfalls from rents and service charges.

The Board discussed the budget pressure of +£332,000, which was projected in relation to Waste Disposal, in particular, increased costs arising from the frequent breakdowns of the SITA Incinerator plant resulting in waste being sent to landfill with consequential increased costs. It was requested that further information on a breakdown of costs be provided to Members in respect of the overall Waste Disposal Contract.

In commenting on the budget pressures in relation to the Sport and Leisure service with particular regard to the Golf Centre (+£117,000) it was noted that the Centre had been included in the scrutiny work programme of the Environment Scrutiny Panel.

The Board noted that in respect of Regeneration the service had predicted an increase in net savings of -£136,000 at the end of the second quarter in comparison with -£136,00 at the end of the first Quarter.

Corporate Services had predicted an increased net budget saving of -£530,000 at the end of the second quarter. Specific reference was made to savings of -£56,000, which was predicted in respect of Members' allowances, Members' car allowances and Member development budgets further details on which was requested over the last three years.

In terms of Central Costs and Provisions it was reported that there was a projected net budget saving of -£26,000 at the end of the second quarter.

Reference was made to miscellaneous reserves available in the changed programme in order to provide flexibility to deal with further pressures and ongoing service reviews.

ORDERED as follows: -

1. That the information provided be noted.

2. That further information be provided to Members in respect of the areas outlined.

SECOND QUARTER – CAPITAL MONITORING AND REVIEW 2010/2011

A report of the Director of Strategic Resources was presented which provided an update on the Council's capital programme (2008/2009 to 2012/2013) based on the second quarter review of capital expenditure.

As part of the background information it was noted that the current capital programme commenced in April 2008 and ran to 2012/2013 and had a gross programme of expenditure of £339,505 million. The capital programme was funded from a number of sources including government grants; affordable borrowing, capital receipts, external funding and direct revenue funded contributions.

It was reported that the change in overall net expenditure across all schemes since the last review was an increase of £222,000 in Council wide resources to support the capital programme (0.07% of the total programme) as outlined in Appendix A.

The report reflected all of the changes agreed and reported through the Quarter 2 budget update meetings and a review of some of the key capital programme provisions and resources available to the capital programme.

Specific reference was made to significant variations to the programme in respect of the A66 Interchange, North Ormesby Access (£188,000) following negotiations with One North East regarding a drainage issue.

The changes in gross expenditure since the last review was reported as an increase of £5, 142,000 with resources having increased by £4,920,000, thus a net difference of £222,000.

Details of changes in gross expenditure and resources by service and individual scheme were outlined in Appendix A of the report submitted.

The Board's attention was drawn to significant variations to the programme as outlined in the report, which included the following: -

(a) Low Carbon Communities £391,000
(b) Cycle Circuit Development – Phase Two £604,000
(c) Metz Bridge Gypsy and Travellers Site £584,000
(d) Purchase of new vehicles £504,000
(e) Housing – Regeneration -£313,000
(f) Improve Crown House Public Realm £700,000
(g) Levick House Site Development £2,390,000.

Reference was made to other variations relating to changes in existing projects that did not have an impact on the overall gross expenditure as shown in Appendix B of the report submitted. A key transfer was reported as Development of Workspace to Business Workspace Fund of £200,000.

In terms of re-profiling capital expenditure, £3,532 million had been re-profiled from 2010/2011 to 2011/2012 and future years details of which were shown by service and individual scheme in Appendix C of the report submitted.

The Board's attention was drawn to the reasons for material re-profiling into 2011/2012 and future years from 2010/2011 as outlined in the report.

The detailed allocation of block budgets held by service areas was shown by individual schemes in Appendix E of the report submitted. Such allocations had already been included within the gross expenditure of the capital programme and had no impact on the net expenditure of the programme.

In overall terms there was an increase in the need for Council wide resources to support the capital programme of £222,000. The gross expenditure had increased from £334,363 million to £339,505 million and the level of over-programming was currently estimated at £2.044 million (0.6%). The overall programme position as at the Quarter 2 review was shown at Appendix F.

Members sought clarification with regard to a number of areas including the purchase of new vehicles. It was confirmed that as part of the transformation review of fleet and transport it had been recommended that seven of the older leased vehicles should be replaced resulting in savings of £91,000 per annum in leasing charges and lower running costs. The Board was advised of changes from leasing to purchasing arrangements for such vehicles.

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COUNCIL PERFORMANCE – QUARTER TWO 2010/2011

A report of the Assistant Chief Executive was presented which provided an overview of the Council's performance at Quarter Two 2010/2011.

The 2010/2011 Strategic Plan set out the Council's key performance targets and the actions it planned to take during the year to contribute to the achievement of such targets.

The report summarised the Council's performance against its key targets and planned improvement actions at the end of Quarter Two 2010/2011.

In recent years, performance management within the Council (particularly in respect of the performance indicators used) had been largely influenced by central government and audit and inspection regimes through the national performance framework for local government and its partners.

It was confirmed that the Coalition Government was committed to reducing significantly bureaucratic demands on local government and had announced significant changes to the national performance framework including the immediate abolition of Comprehensive Area Assessment and Local Area Agreements and the replacement of the current national Indicator Set with a streamlined government data list by April 2011.

In response to such action the Council's Corporate Management Team had agreed a number of recommendations to streamline Middlesbrough's local performance framework, including the following: -

(a) An immediate end to the monitoring of the current LAA which would not be replaced. A simple statement on Middlesbrough's local priorities in the medium-term would be included in the next iteration of the Sustainable Community Strategy.

(b) An immediate end to the monitoring of National Indicators that were not useful and the development of a local indicator set more reflective of the Council and its plans.

(c) Further streamlining of the Council's Strategic Plan from 2011/2012 focussing on frontline service performance and transformation programmes and projects.

(d) A move to the timely online publication of performance information of interest to local people, in line with the government's 'transparency' agenda.

It was confirmed that further information regarding the Council's setting of its own targets would be submitted to Scrutiny Panels.

The Board considered the key points of progress and discussed the key areas for improvement.

In overall terms the report summarised progress at the end of Quarter Two at which 86.5% of actions had been either completed or were on target. It was confirmed that 15 actions (8%) had been affected by changes introduced by the new Government with further cancellation of actions in delivery likely during the remainder of the year.

Specific reference was made to the Creating Safer Communities theme in particular the serious violent crime rate, which continued to increase, and was higher than at Quarter One. It was confirmed that the Council was continuing to work with partners in order to address such issues which included alcohol related anti-social behaviour.

It was noted that although some progress had been made on safeguarding actions with particular regard to front of house and CAF promotion, performance on the majority of safeguarding indicators had deteriorated from Quarter One as shown in the report submitted. Although the measures being pursued as part of the Improvement Action Plan were noted Members still expressed concerns and agreed that such areas should continue to be closely monitored.

As previously indicated reference was made to the impact of the economic downturn on securing employment for vulnerable adults with particular regard to Ayresome Industries and its business model which were under review.

It was noted that the gap in unemployment rates between Middlesbrough and the Tees Valley average remained 1.4% in the second quarter and was wider than the same period last year. In terms of Youth employment which was currently at 30.8 % the gap between Middlesbrough and Tees Valley average had narrowed considerably and was currently at 0.4%.

Reference was made to EN27 in respect of the programme for 20mph speed limit initiatives, which had been affected by in-year grant reductions. Members sought clarification on the extent of such a programme and given the significant costs involved asked for further information on evidence that such measures reduced road accidents or lessened the impact of such incidents.

Further information was also requested in relation to the implementation of EN25, the residents parking scheme at Beechwood and indicators in respect of recycling and waste landfill.

ORDERED as follows: -

1. That the information provided be noted.

2. That further information be provided to Members in respect of the areas outlined.