

## OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 15 March 2011.

**PRESENT:** Councillor Brunton (Chair), Councillors C Hobson, Kerr, McPartland (as substitute for Councillor Khan), Purvis, Sanderson, J A Walker and Williams.

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

**\*\* APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Cole, Dryden, J Hobson and Khan.

### **\*\* DECLARATIONS OF INTERESTS**

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

### **THIRD QUARTER – REVENUE BUDGET PROJECTED OUTTURN**

A report of the Director of Resources was presented which provided an estimate of the annual projected outturn for 2010/2011 based on the third 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 (-£411,000) which represented a 0.31% 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 Board's attention was drawn to a number of main changes and key budget pressure areas.

It was noted that in relation to the Children, Families and Learning service net savings on Home to School Transport were estimated at -£270,000 following the setting up of the Integrated Transport Unit. Members reiterated their concerns at the continuing increased budget pressures with regard to Children Looked After. The Board was advised that there was an ongoing review of the service and alternative ways to achieve savings were being examined. An indication was also given of protracted negotiations with the Primary Care Trust around backdated financial contributions of the health element in respect of children looked after. Whilst there had been recruitment of in-house foster carers it was noted that given the current number of complex and larger families it continued to be necessary in the short term to use more experienced Independent Fostering Agencies.

In relation to Social Care, it was noted that since Quarter Two, Middlesbrough Primary Care Trust had provided funding for residential re-ablement placements to facilitate early discharges from hospital (-£117,000). The Board was also advised that £520,000 had been received from Middlesbrough Primary Care Trust in respect of winter pressures. It was proposed to create a balance sheet reserve to cover the risk of Winter Pressures in 2011/2012.

It was noted with concern that the economic downturn had continued to affect sales at the workshop of Ayresome Industries. The Board was advised however of a revised business model that would transfer the service to Environment and an indication was also given of future contracts including the development of waterproof doors. Members supported the efforts being made to identify alternatives and agreed that the situation should continue to be examined closely.

In relation to demand led budgets it was explained that the budgeted provision for demand had been set at £1,538,000 based on the pilot for personal budgets. Demand pressures were currently estimated at £1,001,000 a saving of -£537,000.

The Board noted a net pressure of -£181,000 in respect of the Environment service. It was pointed out however that within Community Safety, savings of -£109,000 had been identified in the Preventing Violent Extremism budgets, as a number of schemes which had originally been

planned had not proceeded because of the uncertainty around the availability of the required funding.

Reference was made to a projected pressure of +£80,000 in relation to Transport and Design Services mainly due to a reduction in Architect's fee income of +£165,000 partially offset by a projected income surplus and expenditure savings within Engineers' Services of -£85,000. An indication was given of an ongoing staffing review in this area.

Specific reference was made to a net pressure of +£298,000, 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 and closure of Garlands Call Centre.

Concerns were expressed regarding the reliance of achieving certain targets in respect of the environment budget. In response to clarification sought from Members it was confirmed that the pressure of +£61,000 in respect of the street lighting maintenance contract related to the changing to more energy efficient street lamp posts.

In commenting on the £137,000 budget pressure in relation to the Golf Centre which was mainly due to an income shortfall the Board was advised of the intention to review expenditure and examine the bar and catering facilities.

In response to a Members' question regarding the level of income received from bungee jumps off the Transporter Bridge for 2010/2011 it was confirmed that clarification would be sought from the respective Service area and such information would be circulated to the Board.

In terms of the Regeneration budget savings were noted of -£98,000 projected on the Working Neighbourhood Fund grant after meeting redundancy costs and commitments for future year's schemes.

With reference to the Corporate Services budget it was noted that savings were expected following a review of Housing Benefit overpayment outlay and projected savings on Council Tax Collection costs as a result of court fee income recovery exceeding the budgeted target.

Following a Members' query further clarification was provided around Electoral registration costs some of which were as a result of a Government directive in terms of the overall process with specific regard to the printing of ballot papers.

In relation to Central Costs. Reserves and Provisions it was reported that there was a projected net budget saving of -£1,514,000 as outlined in the report submitted together with the projected variances.

The Council had embedded within its budget monitoring procedures, reporting on efficiency savings. The Board was advised that the Council was projected to exceed its efficiency savings target by -£17,000 as outlined in the report.

Specific reference was made to Appendix H of the report which outlined grant funding carry forward requests for each service area based on the following:-

- Grant funding which if it wasn't carried forward would have to be repaid to the funding body; or
- Grant funding which needed to be carried forward to cover expenditure commitments already in place in 2011/2012.

**ORDERED** as follows: -

1. That the Officers be thanked for the information provided which was noted.
2. That further information be provided to Members in respect of the areas outlined.

**THIRD QUARTER – CAPITAL MONITORING AND REVIEW 2010/2011**

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

It was reported that the change in overall net expenditure across all schemes since the last review was a decrease of £2,783,00 in Council wide resources to support the capital programme (0.85% of the total programme) as outlined in Appendix A. Gross expenditure had decreased from £339,505 million to £327,899 million and the level of under-programming at Quarter 3 was currently estimated at £4,827 million (1.4%).

The report reflected all of the changes agreed and reported through the Quarter 3 budget update meetings and a review of some of the key capital programme provisions and resources available to the capital programme. It also reflected the changes to the programme announced as part of the Comprehensive Spending Review and the Local Government Finance Settlement.

Specific reference was made to the significant variations to the programme in respect of the following:-

- (i) outcome of a review of the capital programme removing contractually un-committed projects from the capital programming totalling £2,417,00;
- (ii) loan facility offered to West Middlesbrough Neighbourhood Trust of £600,000 no longer required as expected capital receipts had now been received;
- (iii) a sum of £389,000 following a Capitalisation Directive to contribute to costs incurred through the implementation of the voluntary redundancy scheme;
- (iv) a decrease of £-4,386,000 following the Government Spending Review in October 2010 and the decision by the Department of Transport to fund the Local Transport Plan by means of a grant rather than by supported borrowing as was currently the case.

The changes in gross expenditure since the last review was reported as a decrease of £11,606,000 with resources having increased by £2,710,000 thus a net difference of £8,896,000. 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) a net reduction of -£148,000 as a result of School's capital allocations for 2011/2012 which involved a reduction in Supported Capital Expenditure (Supported Borrowing) -£1,864,000; reduction in Devolved Formula Capital (Grant) -£2,866,00; increase in Supported Capital Expenditure (Grant) £4,582,000.
- (b) £1,028,000 in respect of the Local Transport Plan, an increase in gross expenditure reflected the Government's allocations announced as part of the Local Government Finance Settlement;
- (c) as part of the Government's spending cuts the Housing Market Renewal Grant would not be renewed and as such an indicative value of futures year's grants of £6,512,000 had been removed from the capital programme;
- (d) the Homes and Communities Agency had offered the Council a grant of £2,200,000 which was available for an estate renewal scheme in the Gresham area;
- (e) as part of the Government's spending cuts the Single Housing Investment Programme would not be renewed and as such an indicative value of future year's grants of £6,214,000 had been removed from the capital programme.

It was pointed out that it was hoped that in relation to the Housing Market Renewal Grant and Single Housing Investment Programme such funding would be replaced by successful bids for Regional Growth Fund.

In terms of re-profiling capital expenditure, £12,338 million had been re-profiled from 2010/2011 to 2011/2012 and future years of which £0.057 million related to block budget provisions. Details were shown by service and individual scheme in the report submitted. Specific reference was made to the following key areas:-

- Myplace YCC (£1,622,000) mainly as a result of significant delays from the DfE in signing off the capital delivery and business plans and the building had been found to be in a worse state structurally than first envisaged;
- BSF – D & B – Trinity RC College (£996,000) following delays due to adverse weather conditions;
- the uncommitted programme allocation in respect of Equal Pay would be re-profiled to cover potential claims in future years;
- Housing – Regeneration (£2,649,000) as a result of uncertainty regarding specific funding.

Members sought clarification with regard to a number of areas including further information which would be circulated to Members regarding a new canopy at Middlesbrough Railway Station.

Concerns were expressed with particular regard to the reduction in Devolved Formula Capital under the Schools' Capital Allocations having regard to the building condition of a number of primary schools.

**ORDERED** that the Officers be thanked for the information provided which was noted.

### **COUNCIL PERFORMANCE – QUARTER THREE 2010/2011**

A report of the Assistant Chief Executive was presented which provided an overview of the Council's performance against the Strategic Plan at the end of Quarter Three 2010/2011.

As previously reported the Coalition Government had commenced a radical overhaul of the national performance framework for local government and the wider public sector. As a result, Local Area Agreements and Comprehensive Area Assessment had been abolished and the current National Indicator Set would be replaced with a Single Data List by April 2011. Consequently, the Council had made a number of in-year changes to its corporate performance arrangements as outlined in the report submitted.

The Board considered the key performance issues at the end of Quarter Three by Sustainable Community Strategy theme.

In terms of the Creating Stronger Communities theme specific reference was made to the Prevent Action plan which following funding reductions had been succeeded by a new action plan linked to the Counter Terrorism Local Profile. Progress on remaining actions was considered to be good with 88% of actions either completed or on target. It was noted that there were two off-target actions relating to visitors to libraries and in relation to neighbourhood plans.

It was reported that the single cancelled action under the Creating Safer Communities related to improving local perceptions of anti-social behaviour which were to be measured by the 2010 national Place Survey which had subsequently been cancelled by the Government. The Environment Department had now introduced localised perception surveys for specific areas of the Town following ASB interventions by the Neighbourhood Safety Team. Excellent progress had been made in respect of the remaining planned actions with 100% completed or on target. It was noted that overall crime reduction was on target and all key indicators with the exception of one in respect of serious violent crime were on target.

The Board was advised that six actions had been cancelled with regard to the Supporting Children and Young People theme, largely as a result of changes in national policy and partners' structural changes. Progress in respect of the remaining actions was considered to be excellent with 96% either completed or on target. The two off target actions related to the development of a 'team around the school' approach to address attendance issues and the commissioning of provision for NEETs. It was pointed out that the approach in many areas in respect of school improvement was under fundamental review owing to changes in Government policy on schools and children's services and associated funding arrangements. The Council was working with local schools on a proposal to develop learning collaborative for Middlesbrough.

Specific reference was made to the Safeguarding targets. The Government commissioned review of child protection, led by Professor Eileen Munro had recommended that safeguarding performance be weighted towards outcomes for children, rather than processing measures in future. Further information on this matter would be submitted in the future.

In relation to the Promoting Adult Health and Wellbeing, Tackling Exclusion and Promoting Equality one action relating to the development of community stroke rehabilitation services had been cancelled due to the lack of NHS funding. Progress on the remaining actions was considered to be generally positive with either 82% either completed or on target. Reference was made to six actions which were off target in respect of East Middlesbrough pitch provision, Healthy Towns programme, user-led quality assessments, personal budgets for carers and actions relating to increasing employment rates among vulnerable groups.

Although no actions had been cancelled in respect of the Enhancing the Local Economy theme progress in this theme had slowed with 76% of actions either completed or on target. Seven of the nine off-target actions related to transport priority with most slipping through delays in agreements. Two actions in respect of cycleway improvements and 20 mph speed limits had been directly affected by funding reductions. It was expected that the current economic downturn would continue to impact on the local economy for some time and continuing Government policy changes would result in changes to the way services were delivered in future years.

It was reported that progress had slipped in respect of the Securing Environmental Sustainability theme with seven actions (50%) reported as being off target. Such actions included the recycling and landfill indicators. It was confirmed that further information in respect of these areas would be provided to Members.

In terms of the Fit for Purpose theme four actions had been cancelled to date owing to changes to the national performance framework for local government.

It was recognised that national policy and funding changes had begun to impact on the Council's plans for physical regeneration of some areas. Details of affected schemes were outlined in the report.

The report outlined the key elements of the Council's new corporate performance framework.

Members sought clarification on a number of areas including further information on the need for additional indicators in terms of the Council's future responsibility in respect of public health. It was confirmed that further clarification would be provided and also in respect of the level of sickness absence. The report submitted had shown significant reductions by the end of December 2010 although reference was made to recent information in the local media which had indicated that such levels together with other neighbouring authorities were above the national average.

**ORDERED** as follows: -

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

**ANY OTHER BUSINESS – ENERGY EFFICIENT STREET LIGHTING - FINAL REPORT OF THE ENVIRONMENT SCRUTINY PANEL**

Given current timescales and with the approval of the Chair of the Board, Members considered a Final Report in relation to energy efficient street lighting in Middlesbrough.

The Chair of the Environment Scrutiny Panel outlined the Panel's conclusions and recommendations in respect of the scrutiny investigation.

The Board considered the following recommendations of the Panel based on the submitted evidence: -

1. That the invest to save approach in respect of street lighting is continued as this will realise energy savings over the longer term. This should involve regular reviews of the Street Lighting Energy Reduction Plan and continued development of the Five Year Renewal Programme on a rolling basis.
2. That targets are set for street lighting energy reduction so that progress can be measured in future.
3. That, subject to consultation with the public and emergency services and the Authority being satisfied in respect of any risk factors involved, the Council undertakes a trial of switching off some areas of street lighting for part of the night.

**ORDERED** that the findings and recommendations of the Environment Scrutiny Panel be endorsed and referred to the Executive.