

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 23 August 2011.

PRESENT: Councillor Brunton (Chair), Councillors Cole, Kerr, C Hobson, McIntyre, P Purvis, Sanderson, J A Walker and Williams.

OFFICERS: B Baldam, J Bennington, C Breheny, P Clark, A Crawford, J Ord, J Shiel and P Stephens.

**** PRESENT BY INVITATION:** Councillor Budd, Deputy Mayor and Executive Member for Resources.

**** APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Dryden, McTigue, Mawston and Saunders.

** DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item / Nature of Interest
Councillor Brunton	Personal/Non-Prejudicial	Agenda Item 7: 1 st Quarter Capital Monitoring and Review 2010/2011 in so far as it related to City Learning Centre Acklam Grange School – School Governor.
Councillor J A Walker	Personal/Non-Prejudicial	Agenda Item 10 (c): Economic Regeneration and Transport Scrutiny Panel Progress Report in so far as it related to the Medical Practice – registered at GP Practice.

** MINUTES

The minutes of the meeting of the Overview and Scrutiny Board held on 26 July 2011 were submitted and approved as a correct record.

EXECUTIVE MEMBERS – ATTENDANCE AT MEETINGS OF THE OVERVIEW AND SCRUTINY BOARD

The Senior Scrutiny Officer referred to the schedule outlining the proposed attendance by Executive Members to meetings of the Board which had been agreed at the meeting held on 26 July 2011.

Members were advised that the Executive Member for Children, Families and Learning had subsequently indicated that he was unable to attend this meeting but that the Deputy Mayor and Executive Member for Resources was in attendance to provide updates and report on emerging issues.

It was confirmed that a revised schedule detailing attendance by Executive Members to meetings of the Board would be submitted to the meeting to be held on 20 September 2011.

The Chair welcomed the Deputy Mayor and Executive Member for Resources to the meeting. In his introduction the Deputy Mayor referred to a number of reports which would be the subject of Members' consideration at meetings of the Council, Executive, Overview and Scrutiny Board and as part of the overall budget consultation process. Given such difficult financial circumstances facing the Council it was considered crucial not only to establish an appropriate way forward but to ensure effective engagement with the public.

The Board sought clarification around such arrangements. It was confirmed that the overall process had started earlier than in previous years and further details would be known following the Members' Briefing to be held on 25 August 2011.

An indication was given of regional updates with specific reference to the Association of North East Councils, Regional Development Agency and in particular useful research which was being undertaken by the Institute of Local Governance as to what was required by local authorities alongside other useful research such as that involved with issues of employment/unemployment. The lack of uncertainty around regional development agencies, European and Department of Transport funding was acknowledged.

In discussing the national and regional situation in general terms it was considered that Middlesbrough had an important role along with other local authorities in the Tees Valley to continue to work closely together as shown in recent years.

The Deputy Mayor gave an indication of a significant range of impending legislation which would impact on the way local authorities operated. The extent of such changes and overall lack of uncertainty and detail was a concern in respect of such legislation.

Reference was made to the proposals of the Local Government Resource Review and of potential changes to business rates which it was hoped would improve or at least not significantly impact on Middlesbrough's current position. Whilst the approach of the Localism Bill to devolve power away from central government to councils and communities was not seen as being fully conducive to the current situation of Middlesbrough it was nevertheless hoped that it would not be too prescriptive and allow appropriate localism.

Confirmation was given of the recent announcement of a new Tees Valley Enterprise Zone which included two sites, namely South West Ironmasters and Middlehaven. Members welcomed such an announcement and the opportunities to offer financial incentives and stimulate businesses and attract economic growth. Members discussed the extent to which local authorities could influence the scope for improvements at Durham Tees Valley Airport to assist both business and leisure opportunities.

An assurance was given that the Board would continue to receive updates on the progress of the impending legislation as outlined.

ORDERED that the Deputy Mayor and Executive Member for Resources be thanked for the information provided.

EXECUTIVE FORWARD WORK PROGRAMME

The Chair reported that the agenda item relating to the Executive Forward Work Programme had been withdrawn.

NOTED AND APPROVED

FIRST QUARTER – REVENUE BUDGET PROJECTED OUTFURN

A report of the Director of Strategic Resources was presented which provided an estimate of the annual projected outturn for 2011/2012 based on the first quarter review of revenue expenditure against the current year's Revenue Budget. In overall terms the projected outturn reflected a large pressure on financial resources and included significant pressures within services.

The projected outturn position for 2011/2012 was reported as a net budget pressure of (+£1,651,000) which represented a 1.2% pressure against the £136.508 million 2011/2012 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 and the action to be taken arising from the budget clinics was outlined in Appendix C of the report submitted. The Council had embedded within its budget monitoring procedure reporting on efficiency savings. The Board was advised that the Council was projected to under achieve its efficiency savings target by (+£820,000) as outlined in the report.

The report gave a summary of the Executive Initiatives 2011/2012 as outlined in Appendix D and projected movements on reserves and provisions for 2011/2012, a detailed breakdown of which was provided in Appendices E and F respectively. Appendix G provided information of requests for virements. Details were also given of bad debt provision across services and impact on budgets as summarised in the report submitted.

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 such identified pressures which included the following:-

Children, Families and Learning:

- (a) Implementation of the Cross Departmental Administration Team review had been brought forward to mitigate a + £123,000 pressure as the original review was to recharge expenditure to a number of external grants which had now ceased.
- (b) Members expressed concerns that the main pressures related to an increase in the number of Looked After Children placements. The Board supported a number of ongoing activities to reduce the cost of some placements and endorsed the need for greater co-ordination and integration of early intervention and prevention services.
- (c) Reference was made to a pressure of + £805,000 which was forecast on Children's Agency Residential Schools budget involving children and young people with complex and high level needs both education and health requirements.
- (d) In response to a Member's query regarding the forecasted pressure of + £118,000 in relation to the Management Support Section in respect of legal fees the Officers confirmed current arrangements in that, as such fees directly related to children as referred to above such costs were attributed to the service area and not on a corporate basis.
- (e) Comparative information was provided on the current number of families with complex needs and number of children in care across the Tees Valley which demonstrated that Middlesbrough had a higher number of such placements than other local authorities with similar demographics. It was confirmed that the Service Area had been asked to provide further information on the reasons for such an increase and comparative high level of families with complex needs.

Social Care:

- (a) The main anticipated budget pressure was reported as + £613,000 on the Supporting People budget for which there was an ongoing review of all contracts currently in place.
- (b) Other anticipated pressures of + £327,000 were reported in relation to demand led budgets largely as a result of changing demographics and with advanced medical science.
- (c) It was noted that significant work was being undertaken to negotiate savings with suppliers where possible.
- (d) Members acknowledged that the Social Care budget had been managed very well over recent years but nevertheless required close monitoring given the changing demographics.
- (e) In response to Members' questions it was confirmed that further information would be provided in relation to the take-up of Telecare and an update provided in respect of Ayresome Industries.

Environment:

- (a) As previously indicated the main budget pressure of + £484,000 related to Waste Disposal largely due to the increased cost of alternative arrangements for the disposal of waste due to the refurbishment of the Energy from Waste Plant. An indication was given of actions being taken in order to mitigate such pressure.

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- (b) Reference was made to a projected budget pressure of + £246,000 in respect of Waste Collection the majority of which related to a forecasted income shortfall owing to efficiency targets for charging for replacement wheeled bins and charges for non-domestic waste being only partially achieved.
 - (c) Details were provided of a significant projected pressure of + £510,000 on Parking Solutions arising from income shortfalls of + £350,000 on Off-Street Parking and + £170,000 on Decriminalised Parking Enforcement. It was confirmed that the service area was continuing to examine ways of addressing the situation. Members suggested that consideration be given to measures being pursued by other authorities as outlined be explored in this regard.

Regeneration:

- (a) Reference was made to an anticipated pressure of + £290,000 in respect of the Architects service owing to a reduction in fee income. It was reported that a review of the service was currently being undertaken to reduce costs.
- (b) A projected pressure of + £34,000 was also reported in relation to the festivals and events budget in respect of Intro. The Board requested that further information be provided on the costs to the Council over the last five years in respect of Music Live/Intro. Although difficult to ascertain Members were keen to identify the overall economic benefits of the festival to the Town Centre.

Corporate Services:

- (a) Reference was made to a pressure of + £125,000 owing to a shortfall of rent income for the Enterprise Centres.

The Board noted the ongoing work being undertaken by Service Areas to mitigate the anticipated budget areas which would impact on next year but expressed concerns about dealing with the current year's budget pressures.

ORDERED as follows:-

1. That the information provided be noted.
2. That further information be provided in respect of:-
 - (a) the take-up of Telecare;
 - (b) costs to the Council over the last five years in respect of Music Live/Intro.

FIRST QUARTER – CAPITAL MONITORING AND REVIEW 2011/2012

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 first quarter review of capital expenditure.

It was reported that the change in overall net expenditure across all schemes since the last review had resulted in an increase of £2,000 in Council wide resources to support the capital programme (0.001% of the total programme) as outlined in Appendix A. Specific reference was made to significant variations to the programme relating to the Government's Comprehensive Spending Review, £7,402,000 in respect of:

Harnessing Technology (ICT) Grant	- £582,000
City Learning Centre: Acklam Grange	- £300,000
Youth Capital Fund	- £116,000
Primary Strategy for Change Block Budget	-£6,404,000

Details were also given of other variations relating to changes in existing projects which did not impact on the overall gross expenditure as shown in Appendix B of the report submitted. In terms of re-profiling capital expenditure, £8,045,000 million had been re-profiled from 2011/2012 to 2012/2013 and future years as shown by service and individual scheme in the report submitted Appendices C and D. In overall terms £0.064 million had been re-profiled from 2012/2013 and future years to 2011/2012 the details of which by individual scheme were outlined at Appendix D of the report.

Gross expenditure had decreased from £329,717 million to £326,176 million and the level of under-programming at Quarter 1 had currently been estimated at £5,047,000 million (1.55%). The overall programme position as at Quarter 1 review was shown as Appendix F of the report.

ORDERED that the information provided be noted.

COUNCIL PERFORMANCE – FIRST QUARTER 2011/2012

A report of the Assistant Chief Executive was presented which provided an overview of the Council's performance at Quarter One 2011/2012.

The report outlined the Council's performance against the 2011/2012 Strategic Plan at the end of Quarter 1 and summarised progress at the end of June 2011 by Department and Service against the Council's corporate performance measures and improvement actions.

The Council's floor target for achievement of improvement actions was reported as 85%. It was noted that only seven actions had been reported as off target. The Board was advised that the overall position was now more complex as many indicators were annual and/or were not scheduled to report to Quarter One. It was anticipated that the current overall performance level of 31% was likely to increase by the end of the year.

The Board considered the key performance issues at the end of Quarter One as discussed at recent budget and performance clinics.

Specific reference was made to the following:-

- (a) It was noted that whilst Waste performance was broadly on target there was a concern that recycling had plateaued as shown in the report submitted and further increases were unlikely given the limited collection of recyclables under the current contract and lack of participation in some areas of the Town, an issue which would be addressed in the ongoing development of the sub-regional waste strategy. Members suggested that Officers investigate the feasibility of incentives to assist in increasing the waste recycling targets.
- (b) The number of Looked After Children had continued to rise increasing by 9% to 367 since the start of the financial year. It was noted that action to reduce the number of children coming into the child protection and looked after systems had started to have an impact with the number of child protection plans reducing further. As previously indicated steps were being taken to improve the co-ordination of early intervention and preventative work to reduce looked after numbers.
- (c) Reference was made to other performance issues which were the subject of review and action to address the issues in respect of an increase in the number of Homeless acceptances; speed of processing indicators around planning applications process; lower attendances at arts events and at mima.

Members were advised that the greatest area of uncertainty related to legislation changes proposed by the Government the detail of which was yet to be determined. It was acknowledged that the funding cuts continued to impact both across the board and more specifically to areas such as housing. It was noted that a new Corporate High risk related to the removal of Housing Benefits Administration from October 2013.

The Board noted the areas of progress and factors impacting on the performance of certain targets. Members acknowledged that there were a number of areas which could be the subject of further scrutiny investigation alongside reductions in Council budgets.

ORDERED that the information provided be 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 – ACKLAM HALL

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

With specific reference to the progress report of the Economic Regeneration and Transport Scrutiny Panel the intention for the Council's Chief Executive to liaise with the Interim Chief Executive of NHS Tees with regard to the funding arrangements in relation to the proposed medical facilities in respect of Acklam Hall was noted.

NOTED

CALL IN REQUESTS

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