

**OVERVIEW AND SCRUTINY BOARD**

A meeting of the Overview and Scrutiny Board was held on 30 August 2012.

**PRESENT:** Councillors Brunton (Chair), Cole, Dryden, Harvey, Kerr, McIntyre, P Purvis, Sanderson, J A Walker and Williams.

**OFFICERS:** B Baldam, J Bennington, P Clark, M Padfield and P Stephens.

**APOLOGIES FOR ABSENCE** were submitted on behalf of Councillors Arundale, C Hobson and Mawston.

**DECLARATIONS OF INTERESTS**

| <b>Name of Member</b> | <b>Type of Interest</b> | <b>Item/Nature of Interest</b>  |
|-----------------------|-------------------------|---|
| Councillor Brunton    | Non-Pecuniary           | Agenda Item 4: 1st Quarter Capital Monitoring and Review 2012/2013 in so far as it related to Levick Trust - Trust Member   |
| Councillor Brunton    | Non-Pecuniary           | Agenda Item 4: 1st Quarter Capital Monitoring and Review 2012/2013 in so far as it related to The Manor YCC - Member of Management Committee  |
| Councillor Brunton    | Non-Pecuniary           | Agenda Item 4: 1st Quarter Capital Monitoring and Review 2012/2013 in so far as it related to Acklam Whin School, Ashdale, Complementary Education Management Board - School Governor |
| Councillor Dryden     | Non-Pecuniary           | Agenda Item 4: 1st Quarter Capital Monitoring and Review 2012/2013 in so far as it related to Levick Trust - Trust Member   |

12/28

**1ST QUARTER REVENUE BUDGET PROJECTED OUTTURN**

The Director of Strategic Resources presented a report on an estimate of the annual projected outturn for 2012/2013 based on the first quarter review of revenue expenditure against the current year's Revenue Budget.

It was reported that an overall net budget saving of £229k was currently forecast on revenue expenditure which represented a 0.2% pressure against the 2012/2013 revenue budget of £133,588.

The Board's attention was drawn to major variances with regard to each service area.

It was reported that a net budget pressure of +£172,000 was predicted in respect of Children, Families and Learning with the main pressure of +£1,816,000 being forecast in relation to the safeguarding service with particular regard to the Independent Fostering and Residential Schools agency budgets. An indication was given of some of the measures being taken to address such pressures. A request had been made that demand led pressures within Children, Families and Learning totalling £1.6 million be funded from the Social Care and Vulnerable Children demand led pressures balance sheet reserve (-£1,604, 000).

Specific reference was made to the current contractual arrangements with Five Rivers which was due to cease in September 2013. Officers were examining options for future provision including the Council and other organisations. Members were keen to ascertain the reasons for Five Rivers not renegotiating a new contract and the potential impact on the Council in terms of future provision.

Reference was made to the anticipated pressure in relation to the Children's Agency Residential Schools budget and the difficulties in projecting the number of children with complex needs.

Although it was noted that additional resources had been allocated within the Medium Term Financial Plan given the increasing number of Looked After Children and children with complex needs the Board reaffirmed their concerns at the significant costs involved and the potential impact if there were insufficient resources to cope with demand.

In commenting on the higher than expected room hire costs in respect of the Locality, Enquiry and Assessment Team Members referred to recent accommodation reviews and the scope for utilising alternative available accommodation.

It was reported that the Social Care service predicted a net saving of (-£52,000) at the end of the 1st Quarter. Although demand led pressures of +£731,000 were predicted reference was made to savings arising from additional service user or Middlesbrough PCT contributions on Older People, Learning Disabilities and Mental Health budgets which more than offset the pressures.

Specific reference was made to Ayresome Industries which demonstrated a surplus for the first time in a number of years. It was noted that the service was still being reviewed in order to make it more sustainable.

In response to Members' clarification regarding a budget pressure of +£731,000 in relation to demand led budgets it was explained that such an amount may not necessarily involve large numbers of people. As medical advances continued to be made there was an increasing number of people with very complex care needs. Following a request by Members it was agreed to provide further information on future budget projections in this regard.

In commenting on the current situation with regard to the Integrated Transport Unit it was agreed that further information be provided when considering the Quarter 2 budget report.

It was reported that within Environment pressures of +£510,000 were forecast in relation to Environment Services. Budget reduction targets for wheeled bins, junk jobs, non-domestic waste and Building Cleaning costs would not be achieved in full. It was also noted that an income shortfall was predicted in respect of Car Parking and Facilities Management. Such pressures were partially offset by projected savings totalling -£411,000 on Community Protection budgets. A number of reviews had taken place within Sport and Leisure resulting in substantial savings with particular regard to staffing costs.

The Board discussed the current situation in relation to car parking with particular regard to charges and the potential for scrutiny to examine such aspects. Members were advised of similar circumstances being experienced across the UK including towns in the North East such as Newcastle, York and Durham where income from car parking had significantly reduced following decreases in the number of people shopping in town centres.

Members noted that within Regeneration savings of -£86,000 were forecast on Housing Services staffing cost budgets although this would be offset by income shortfalls in Estates and Community Regeneration.

Although a number of proposals were being pursued it was noted that a pressure of +£204,000 was projected on the Mouchel Partnership budget within Corporate Services as the Partnership savings target would not be achieved in full.

A breakdown of Gross Expenditure and Income budgets against projected Expenditure and Income outturns were outlined in Appendix A of the report submitted.

In overall terms, Members referred to the impact of changes which had been made by certain service areas with regard to higher fees and charges which as indicated in the examples given had resulted in reduced demand for certain services and less income in some cases.

**ORDERED** as follows:-

1. That the Officers be thanked for the detailed information provided which was noted.
2. That the comments of the Board be referred to the respective budget clinics and that further information be provided to Members on the areas requested as outlined.
3. That the Deputy Director Safeguarding and Specialist Services be invited to attend the next meeting of the Board to clarify the estimates on future demand, the current budget pressures and the measures being pursued to mitigate such circumstances in respect of the Safeguarding Services within Children, Families and Learning.
4. That the scope for scrutiny to be involved in some of the areas highlighted such as the impact of certain fees and charges and current car parking charges be considered further.

12/29

### **1ST QUARTER CAPITAL MONITORING AND REVIEW 2012/2013**

A report of the Director of Strategic Resources was presented which provided an update on the Council's capital programme (2008/2009 to 2013/2014) 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 a decrease of £190,000 in Council wide resources to support the capital programme (0.05% of the total programme) as outlined in Appendix A.

The Board was advised that the change in net expenditure was due to the final cost of Levick House replacement being £500,000 less than forecasted previously. It was also noted that in addition to the £190,000 Council wide funding there was £310,000 of Capital Investment in Community Capacity grant which was to be reallocated to other schemes within service.

It was reported that in overall terms £861,000 had been re-profiled from 2012/2013 to 2013/2014 and future years of which £600,000 related to block budget provisions. The re-profiled gross expenditure and resources since the last review were shown by service and individual scheme in Appendix B of the report submitted.

The detailed allocation of block budgets held by service areas were shown by individual scheme in Appendix C of the report submitted.

It was reported that the gross expenditure had increased from £350,371 million to £356,914 million and the level of under-programming at Quarter 1 was currently estimated at £1,327 million (0.37%).

The overall programme position as at Quarter 1 review was shown in Appendix D of the report submitted.

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

12/30

### **COUNCIL PERFORMANCE AND RISK UPDATE QUARTER ONE 2012/2013**

The Policy and Improvement Manager presented a report of the Assistant Chief Executive which provided an overview of the Council's performance and its corporate risk register at Quarter One 2012/2013.

The report summarised the Council's performance against the 2012/2013 Strategic Plan and the Board's attention was drawn to those KPIs which were off target.

In terms of Environment specific reference was made to recycling of domestic waste which remained below target at Quarter One although it was anticipated that performance would increase in the next Quarter as a result of seasonal green waste collections and improved

resident awareness. It was noted that the decision to charge for junk jobs had seen a significant drop in demand but had not resulted in an increase in fly tipping at this stage.

In relation to Children, Families and Learning it was noted that the numbers of Looked After Children continued to rise with a 9% increase between Quarter Four 2011/2012 and Quarter One 2012/2013. The Board was advised of ongoing work to reduce the number of children requiring a safeguarding service in future and to better manage the current volume of cases. It was noted that the Executive at its meeting held on 14 August 2012 had agreed to the proposal to recruit 11 new social worker posts.

It was noted that the number of young persons not in education, employment or training (NEET) had reduced by 1.2 percentage points when compared with Quarter One 2011/2012 which had represented one of the highest rates of improvement nationally. It was noted, however, that the current overall rate remained one of the highest. Reference was made to a range of transformation projects relating to educational attainment which were being pursued including a proposal for a Middlesbrough Achievement Partnership.

Following a request from the Board it was confirmed that further information would be provided in respect of mima and the partnership arrangement with Teesside University.

Following the quarterly risk review the total number of corporate risks was reported as 22 an increase of three from Quarter Four. Welfare Reform remained the area of greatest uncertainty and although further details were still awaited it was considered likely that the administration requirements relating to changed planning would exceed available resources.

Reference was also made to a significant change in the Quarter which related to the £6 million likely reduction in funding for public health. If the weighting adjustment for such funding was likely to be based on age rather than deprivation profile then Middlesbrough would be disadvantaged and the 'Health Premium' funding element which was intended to support areas of greatest need was unlikely to make up the shortfall.

**ORDERED** that the Policy and Improvement Manager be thanked for the information provided which was noted.

12/31

**ANY OTHER BUSINESS - AD HOC SCRUTINY PANEL MEMBERSHIP**

Further to the meeting of the Council held on 16 May 2012 and the meeting of the Board held on 24 July 2012 the Chair referred to the proposed membership of the Ad Hoc Scrutiny Panel in respect of the scrutiny topic on 'Paperless Committee Meetings'.

**ORDERED** that the membership of the Ad Hoc Scrutiny Panel in respect of the scrutiny topic 'Paperless Committee Meetings' be Councillor Brunton (Chair) and Councillors Harvey, J Hobson, Hubbard, Mawston, McPartland, G Purvis, J Sharrocks and P Sharrocks.