

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 14 March 2013.

PRESENT: Councillors Brunton (Chair), Arundale, Harvey, C Hobson, Kerr, G Purvis (as substitute for J A Walker), P Purvis (as substitute for McIntyre) and Williams

PRESENT AS OBSERVERS: Councillors Junier and McPartland.

ALSO IN ATTENDANCE: J Daniels, Citizens Advice Bureau.

OFFICERS: B Baldam, J Bennington, P Clark, S Nelson, J Ord, N Sayer, J Shiel, P Stephens and T Todisco.

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors Cole, Dryden, Mawston, McIntyre, Sanderson, J Sharrocks and J A Walker.

DECLARATIONS OF INTERESTS

There were no declarations of interest made at this point of the meeting.

12/112 THIRD QUARTER REVENUE BUDGET PROJECTED OUTFURN

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

Members noted the improved situation at Quarter Three with a projected outturn position for 2012/2013 of a saving of £169,000 in comparison with a break even position reported at Quarter Two.

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

In relation to Children, Families and Learning it was noted that there was a net budget pressure of +£1,850,000 a reduction from Quarter Two when a pressure of +£2,153,000 had been predicted. The Department had made significant savings on staffing of -£602,000 and supplies and services -£187,000 across the service. It was indicated that there was likely to be an improved situation at the end of the financial year with regard to the efficiency and administrative savings identified. In commenting on the staffing position reported it was agreed that further information would be provided to Members on the overall average age profile of staff within the Department.

In terms of Looked After Children attempts were being made to accommodate as many placements as possible in house to reduce the impact on the Independent Fostering Placement budget.

In response to a Members' query it was agreed that further information would be provided including the scope for joint arrangements regarding the future use by Stockton Council to transform a derelict school in to a purpose built facility for children with special education needs. Members were reminded of a previous decision to request the Deputy Director Safeguarding and Specialist Services to a future meeting of the Board to provide an update regarding service budget pressures.

It was reported that the Social Care Service predicted a net saving of (-£1,560,000) at the end of the third quarter as summarised in the report submitted. One off savings had been made of £213,000 on Physical Disabilities, -£532,000 on Learning Disabilities, -£354,000 on Mental Health, -£128,000 on Domiciliary Care and a large saving on Supporting People contracts of -£360,000 following a review in 2012/2012. Savings had been made of -£448,000 from the negotiation of price increases with the independent sector, -£341,000 from additional one off

Fairer Charging income and £109,000 back dated contributions from the Shaw Trust.

An update was provided in terms of the current position in relation to Ayresome Industries with particular regard to the possibility of additional contract work and transfer of staff to Environment. Following a Members' request it was agreed that further information would be provided in respect of the number of employees.

In relation to Environment a net saving was predicted of -£360,000 at the end of the third quarter. Within Environment the pressures on Parking Solutions had increased by +£83,000 since Quarter Two and the full budget savings on Cargo Fleet Lane Depot would not be achieved resulting in a pressure of +£180,000 partly offset by savings of -£200,000 on the Kerbside Recycling Contract. Such pressures were offset by projected savings totalling -£591,000 on Community Protection budgets making substantial savings on staffing costs. It was acknowledged that a significant number of staff within the Department had taken early retirement and voluntary redundancy and that the Environment Scrutiny Panel was continuing to examine savings and service standards within the Department.

The Regeneration service predicted a net saving of -£174,000 at the end of the third quarter. Savings had been secured on staffing of -£270,000 partly offset by pressures of +£66,000 on supplies and services across the service. There were also pressures on income for Development Control +£11,000, Cultural services +£47,000 and Valuation and Estates +£41,000.

Corporate Services predicted a net budget saving of -£310,000 at the end of the third quarter as summarised in the report. A pressure of +£312,000 was projected on the Mouchel Partnership budget as the £150,000 savings on VOIP Telephones system would not be achieved in 2012/2013 but it would be offset from savings from staff vacancies.

It was noted that Enterprise Centres and other property across the services were currently being reviewed. Further information would be provided as to what incentives were being offered within the Enterprise Zone and other commercial property. Following a Members' query it was agreed that further information would be provided in respect of savings achieved on Members' Services costs over the last five years.

The Board was advised of a projected net pressure of +£627,000 on Central costs and Provisions at the end of the third quarter. It was noted however that there were predicted savings of -£387,000 on central costs particularly on capital financing and ex trading pensions back funding.

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

ORDERED as follows:-

1. That the Officers be thanked for the detailed information provided which was noted.
2. That further information be provided to Members on the areas requested as outlined.

12/113

THIRD 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 based on the third quarter review of capital expenditure.

The Board was advised of an ongoing review of capital priorities to establish the full capital programme over the next five years. Although such work had not yet been completed there were some key capital schemes which were regarded as essential or statutory the financing costs of which had been included within the Revenue Budget and the medium term financial plan.

In addition to the extension to the programme reference was made to significant Quarter

Three revisions arising from additional grant or from other additional contributions.

The report submitted showed the reductions to the programmed costs recommended at Quarter Three.

Since Quarter Two the level of under-programming (resources exceeding expenditure) had increased by £7.171 million and was now £8.888 million which was largely as a result of the Equal Pay provision of £4.610 million and the BSF provision of £2.57 million no longer being needed.

It was noted that work was underway to identify further capital priorities early in the new financial year.

The Board referred to the new format of the report and expressed a preference for more detailed information to be provided in future reports.

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

12/114

COUNCIL PERFORMANCE AND RISK UPDATE QUARTER THREE 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 Three 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.

Within Environment it was reported that only domestic waste recycled was off target and that the year-end target would not be achieved with projected performance 3% under target at 22%. It was noted that street cleanliness targets continued to be met despite budget reductions in such areas.

In relation to Regeneration the speed of processing major planning applications measure failed to meet target in Quarter Three owing to a small number of complex applications.

It was reported that the number of contacts with libraries was below target at Quarter Three owing to the extended closure of branch libraries before and during their move into community hubs.

In terms of Wellbeing, Care and Learning personal budgets and direct payments were slightly off target although the number of eligible people receiving self directed support, current performance was 67.5% (against a target of 70%) and would be exceeded by year-end.

Members suggested that consideration be given to the establishment of a local measure in relation to the target regarding the number of older people remaining at home after discharge from hospital.

Admissions to residential/nursing care were off target with greater pressures from people entering long-term placements. Further investigations to understand the impact of the extra admissions was ongoing.

Both Looked After Children and Child Protection Plan numbers showed a small reduction since the beginning of the year but both were well above national averages and still showing significant growth over the long term. Work continued to reduce the number of young people entering the care system including Families Forward and the implementation of the Government's Troubled Families Programme.

Members focussed on the final education attainment results released in December 2012. Whilst there were improvements the headline measure for the Foundation Stage Profile had shown a drop in performance from 53% in 2011 to 51% in 2012 and widening the gap on the national average from 6% to 13%.

Specific reference was made to the indicative trends shown in the breakdown of education attainment with particular regard to downward trends in respect of Early Years, KS2, KS4 and progression between KS2 and KS4.

The Board suggested that the Deputy Director Achievement be invited to attend a future meeting of the Board in order to clarify the position.

In relation to Corporate/Central Services it was noted that employee sickness absence was slightly lower than Quarter Three and although NNDR collection rates were slightly down on Quarter Three at 88.62% it was still above target on last year's actual collection at the end of Quarter Three.

Following the quarterly risk review the total number of corporate risks was reported as 23 the highest risk to the achievement of the Council's objective being:

Budget -inability to achieve a balanced budget due to reducing settlement
Welfare Reform -withdrawal of funding to administrative Housing Benefit
Local Economy -no or limited growth due to Government austerity measures
Housing Market Renewal -lack of progress due to reduced national funding
Education Reform -loss of influence/funding as schools convert to academy status.

ORDERED as follows:-

1. That the Policy and Improvement Manager be thanked for the information provided which was noted.
2. That further information be provided to Members on the issues raised as outlined.
3. That the Deputy Director Achievement and Deputy Director Safeguarding and Specialist Services be invited to attend a future meeting of the Board in order to clarify the current situation.

12/115

WELFARE REFORM - WORK CAPABILITY ASSESSMENTS FOR EMPLOYMENT AND SUPPORT ALLOWANCE

The Middlesbrough Partnership Manager presented a report which identified emerging issues in connection with Work Capability Assessments, which people could undergo in seeking an Employment and Support Allowance.

As part of the background information it was confirmed that given the Government's significant reforms to the welfare benefits system and implications for Middlesbrough the Council together with its partners had been working together through a jointly agreed action plan and communications strategy to put in place a number of actions to help mitigate the impact of such changes.

The report submitted focussed on one element of the reforms relating to Employment and Support Allowance (ESA) which replaced Incapacity Benefit and Income Support and had a focus on helping people with an illness or disability to move into work.

Whilst the Department for Work and Pensions (DWP) was responsible for its delivery, Healthcare professionals employed by ATOS Healthcare provided medical services to the DWP. Their main role was to give medical advice to help decisions being made on entitlement to the benefit and therefore a key part of their involvement was in the assessment process as outlined in the report submitted.

Reference was made to two elements to ESA:

Contributory - awarded if enough national insurance contributions had been paid by the claimant.

Income-related- awarded if the claimant's income and savings were low enough and not provided if there were savings of more than £16,000.

The amount of ESA was provided on different factors as outlined and for both elements of ESA the claimant would usually have to undertake Work Capability Assessments (WCA), effectively medical tests in two parts to prove that they had limited capability for work.

The Board was advised of a number of concerns which had been expressed both locally and to some degree nationally in relation to the following aspects:-

- (a) in making a claim, does the claimant have access to IT and the appropriate IT skills;
- (b) the standard of advice being provided by the DWP to claimants;
- (c) the new assessment criteria was stricter resulting in a greater number of claimants being turned down at the initial assessment stage;
- (d) there was a higher level of appeals being lodged within a strict timetable which was also resulting in a high level of success;
- (e) if people needed to appeal a decision the chances of success were greater if they were represented but there was limited capacity for agencies to provide representation;
- (f) if a person was successful at appeal, they were then provided usually under short time scales with a new assessment which could lead to them being found fit for work;
- (g) it would appear that some people with serious health conditions could be assessed as being fit for work;
- (h) whether or not claimants with possible mental health conditions were being provided with the necessary support to help them through the assessment process;
- (i) does the person undertaking the medical assessment always have the appropriate medical qualification/experience to allow accurate assessments to be made;
- (j) were Government targets impacting on the decision making process and as such do the targets reflect what the actual level of eligibility to the Allowance might be;
- (k) possibility of such issues being replicated when the Disability Living Allowance was replaced by Personal Independence Payments later this year.

Officers reported on specific cases which demonstrated the increasing difficulties for individuals and the impact on the Council in terms of incurred costs as a result of additional support required at home. Evidence had shown that people with serious illness had been found fit to work in accordance with the DWP criteria. There were incidences where claimants had been given zero points at an assessment despite having a serious disability preventing them from working.

Members sought clarification on the contractual arrangements by which ATOS Healthcare provided medical services to the DWP and were keen to seek assurances that the persons undertaking any medical assessment had the appropriate medical qualification and experience to cope with an increasing number of individuals with complex medical conditions.

The Board was provided with statistical information from the Citizens Advice Bureau which illustrated the increasing number of enquiries following the ESA reforms. In 2010/2011 there had been 1,100 enquiries, in 2011/2012, 2,200 and 2,800 enquiries so far in respect of 2012/2013. An indication was also given of an increasing number of people enquiring about Disability Living Allowance.

From evidence available there was a concern about the clarity of the DWP guidance and accuracy of the recording of basic fundamental information compiled on individuals.

In terms of the wider implications the Board agreed that the following were issues for further examination:-

- (i) the impact on the claimant and given the possibility of it being a stressful process do they have the necessary access to support;
- (ii) implications of the changes for Council services;

- (iii) impacts on Council partners;
- (iv) wider impact on local economy.

Other areas for possible examination included:-

- (a) need to raise public awareness to the difficulties;
- (b) appeals process and impact of current delays in terms of individuals and for the Council;
- (c) circumstances around Work-Related Activity Group;
- (d) time-limit of ESA to one year and affect on individuals should the claimant's partner be working resulting in the loss of benefit.

ORDERED as follows:-

1. That the Officers be thanked for the information provided which would be incorporated into the overall review.
2. That further information be provided at the meeting of the Board to be held on 2 April 2013 regarding possible terms of reference for the scrutiny investigation.
3. That a representative from the Department for Works and Pensions be invited to attend a future meeting.