

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 21 October 2014.

PRESENT: Councillors N J Walker (Chair); J G Cole, E Dryden, C Hobson, L Junier, F McIntyre, M Thompson and J A Walker

PRESENT BY INVITATION: R Mallon - Elected Mayor

OFFICERS: B Carr, A Crawford and M Padfield

APOLOGIES FOR ABSENCE Councillor T Mawston, Councillor P Purvis, Councillor P Sanderson, Councillor P Sharrocks, Councillor M B Williams.

DECLARATIONS OF INTERESTS

There were no Declarations of Interest made at this point of the meeting.

1 MINUTES - OVERVIEW AND SCRUTINY BOARD - 24 SEPTEMBER 2014

The minutes of the meeting of the Overview and Scrutiny Board held on 24 September 2014 were taken as read and approved as a correct record.

SUSPENSION - COUNCIL PROCEDURE RULE NO. 10 - ORDER OF BUSINESS

ORDERED that in accordance with Council Procedure Rule No. 10, the Overview and Scrutiny Board agreed that the order of business be varied so that Agenda Items 4, 6 and 8(e) be dealt with as the first items of business.

2 ATTENDANCE OF EXECUTIVE MEMBER - THE MAYOR

The Scrutiny Support Officer advised that a schedule had been prepared for arrangements for individual Members of the Executive to attend meetings of the Overview and Scrutiny Board to provide updates on their respective work in terms of their aims, aspirations, objectives, priorities and any emerging issues or pressures. The process was part of the scrutiny arrangements of holding the Executive to account and also provided the opportunity for the Board to identify or highlight any issues of concern or difficulty.

The Chair welcomed Ray Mallon, the Elected Mayor to the meeting who indicated that his intention was to focus on a number of key strategic and operational priorities but in particular the political direction and the direction of travel in respect of the authority.

The Board were reminded that in the Chancellor of the Exchequer's speech on 22 October 2010 regarding the Government's Comprehensive Spending Review he referred to the following:

- The Deficit and Public Borrowing;
- Austerity Measures;
- Re-balancing the Economy;
- Public Sector Financial Cuts; and
- Economic Growth.

The financial impact of the above had resulted in the Council having to make the following budget cuts:

2011/2012	£15m
2012/2013	£13m
2013/2014	£13m
2014/2015	£19.5m

The above savings amounted to £60.5m plus an additional £8.9m because of the abolition of the Working Neighbourhoods Fund.

The Board was advised that In addition to the above, further savings were required to be made up until 2019/2020 as follows:

2015/2016	£14.1m with mitigation
2016/2017	£17.9m without mitigation
2017/2018	£15.6m without mitigation
2018/2019	£15.1m without mitigation
2019/2020	£14.5m without mitigation

This amounted to potential further savings of £77m plus up until 2019/2020

The overall total from 2011/2012 to 2019/2020 would be £145m without mitigation or £121m with mitigation respectively.

The impact on Council services in terms of job losses was as follows:

728 job losses since 2010 (as at September 2014)
235 job losses during 2015/2016
365 job losses plus from 2016/2017 until 2019/2020

The reduction in staffing would require the Council to reconfigure services. The biggest challenges facing the Council in terms of budgetary pressures included Childrens' Safeguarding and Adult Social Care where the demand was increasing at a rate of £5.3m year on year.

It was highlighted that Childrens' Services referrals remained high at 2,300 per year. The number of children in need of Social Care services had increased by 5% and children requiring to be looked after had increased by 0.3% respectively. It was anticipated that this trend was likely to continue at the same rate or higher for a number of years to come. It was commented that for every 16 children taken into care, it cost the authority over £1.2m per year. The Board was advised that there was also an additional demand in respect of children with (Special Educational Needs and Disability) SEND with 700 young people with statements of special need.

The number of older people requiring support in care homes had increased by 9% over the last 3 years, with an additional cost of £1.5m. The authority was spending almost £15.5m on this area of social care. The demand for care at home from older people had increased by 2,500 hours per week, which equated to an increase of 45% at a cost of £1.5m per annum. The Council was spending over £3.8m on this area of social care. The Elected Mayor estimated that the cost to the Council to fund the above two areas of social care equated to approximately 14% of net Council spend.

It was highlighted that the Care Act 2014, was an important and vital piece of legislation, however the implications of the Act would likely have serious financial implications on the adult social health care agenda.
 

The Board was advised that as people lived longer, the number of people suffering from Dementia was likely to increase. Middlesbrough Council's current projections and planning was based on the following assumptions up to 2020:

- The number of adults aged 65+ was likely to increase by 15% to 25,000;
- The number of people suffering from Dementia, requiring Local Authority care was likely to increase by 25% to 375;
- The number of adults with a physical or increased learning disability requiring Local Authority care was likely to increase by 19% to 1450; and
- The number of adults with a mental health problem requiring Local Authority care was likely to increase by 130% to almost 2,600.

The impact of the above would require additional funding in the region of £1.9 million per year.

The average cost of providing residential care for an individual requiring residential care is as follows:

- Dementia £22,700
- Physical Disability £36,500
- Learning Disability £90,000
- Older people in Middlesbrough were 83% more likely to require residential care than the all England average.
- Older people in Middlesbrough were 77% more likely to require Social Care support at home than the all England average.

It was highlighted that 53% of the Council's budget was spent on children and adult social health care. By 2020, due to the overall reduction in the Council budget as a result of government austerity measures; together with the rise in demand for children and adult social care services, it was anticipated that 73% of the Council's budget would be spent on these two areas, which would leave 27% to fund the remainder of Council services.

The Council currently received funding through the following:

- a) The Government Formula Grant;
- b) Council Tax;
- c) Business Rates; and
- d) Fees and charges

In respect of the budget for 2014/2015, the Government Formula Grant amounted to £70.3 million, which equated to 35% of the Council's budget. The Council Tax revenue amounted to £41.1 million, which equated to 21% of the budget. Business rates amounted to £19.1 million, which equated to 10% of the budget and the income from fees and charges amounted to £67.9m, which represented 34% of the total budget.

The possible measures that the Council could take to remedy the shortfall in the budget included:

- a) Increase the number of residents in the town - the Formula Grant was allocated on the basis of per head of population. Middlesbrough Council had a population of 160,000 residents in the 1970's however the population had reduced to 139,500 which meant that the Council received a reduced Formula Grant of approximately £8 million less per year due to the decline in the town's population.
- b) Build more houses - it was pointed out that the housing stock must be balanced. At the current time 53.7% of houses were in Council Tax Band A compared to 7.8% in Council Tax Band D. The Council needed to increase the number of properties in Bands D and E to increase the amount of Council Tax revenue. The increase in the number of houses would increase the number of residents and therefore increase the Formula Grant from Government.

According to the Local Development Framework it was anticipated that 7,495 houses would be built between 2012 and 2029 at an average of 440 per year as follows:

up to 2019,	3,006 properties
2019-2024,	2,614 properties
2025-2029,	1,813 properties

If the average of new build houses were in Council Tax Band D the financial impact would mean that the Council could claim a New Homes Bonus which would equate to £10.8m. Council Tax receipts would increase by £10.1m and the Government Formula Grant would increase by £4-5m, as a result of the increase in residents (10,800).

Reference was made to the offer by the Government of a Council Tax Freeze Grant which

would be guaranteed for a two year period. If the Council chose to accept the Council Tax Freeze grant, it could mean that the authority would be required to find additional savings of £18m over the next 10 years. The Elected Mayor emphasised the importance of raising the Council Tax which would mean that the Council would receive a larger Government Formula Grant.

The Board was advised that the other big challenge facing the authority was the Skills agenda. By 2021, there was likely to be 125,000 vacancies in the Tees area as a result of retirement or people moving away. Many of the jobs however required skilled labour and in order to meet the demands, the town was required to grow its workforce by 25,000 per year.

It was acknowledged that there would always be a demand for jobs in the advanced engineering, technical or digital sector however there was a shortage of candidates for traditional jobs such as plumbers, electricians and brick layers etc. The importance of having a streamlined planning regime and a skilled workforce was important if the economy was to get better.

The Council was currently working with Tees Valley Unlimited, colleges and schools with regard to the skills agenda. Businesses needed to be encouraged to take on apprentices to develop skills and experience over a period of time. It was suggested that a number of the SME's should be encouraged to join together and put £10k each to employ 3 apprentices to invest to gain.

The Elected Mayor advised that a report would be submitted to Executive in the near future with regard to the Skills agenda.

The Chair of the Overview and Scrutiny Board suggested that the Board might want to scrutinise the key strategic and operational priorities but in particular the political direction and the direction of travel in respect of the authority. A Member suggested that the scrutiny should involve round table discussions between all the partners involved in the process. Consideration would need to be given on how this would be progressed.

ORDERED as follows:-

1. That the Elected Mayor be thanked for the information provided.
2. That the Overview and Scrutiny Board consider the issue of the key strategic and operational priorities but in particular the political direction and the direction of travel in respect of the authority as a possible topic for investigation by the Board.

3 **PROJECTED REVENUE OUTTURN - 2014/2015 - FIRST REVIEW**

The Executive Director Commercial and Corporate Services the Board submitted a report, the purpose of which was to present the first review of the estimated revenue outturn position for 2014/2015.

On 3 March 2014 the Council had set its revenue budget for 2014/2015 at £130.6 million and a Council Tax increase of 1.82% had been approved. In setting the 2014/2015 budget, reductions of approximately £14.8 million had been identified and £1.8 million of demand mitigation for Wellbeing Care & Learning.

The Council had approved additional gross investment in key areas of £7 million (before any budget reductions) including the following:-

- £3,400 million for care for children and young people;
- £2.400 million for care for older people and vulnerable adults
- £1.165 million for income shortfalls.

A net revenue pressure of £338,000 was projected for 2014/15. This represented a 0.26% pressure against the 2014/15 revenue budget.

The report provided explanations for the major variations from budget for each service area

and a full analysis was given in Appendix A of the submitted report.

Overall savings of (-£754,000) were forecast across the Council on key service area budgets. This was however offset by a predicted net pressure of (+£1,092,000) on budgeted savings targets resulting in a net projected pressure of (+£338,000).

General balances of £9.295 million were forecast as at 31 March 2015. The savings generated in 2014/15 would be used to help mitigate future budget reduction requirements over the medium term.

ORDERED that the information provided be noted.

4 **TEES SUICIDE PREVENTION IMPLEMENTATION PLAN**

The Chair of the Health Scrutiny Panel presented a report, the purpose of which was to provide members of the Overview and Scrutiny Board with an update on the findings of the Health Scrutiny Panel, following their meeting regarding the Tees Suicide Prevention Implementation Plan.

Members were advised that the Health Scrutiny Panel had received a presentation from the Director of Public Health which referred to the levels of deprivation across Middlesbrough. The Panel was particularly interested in whether there was a link between the pattern of deprivation across the town and the levels of suicide.

The Panel was advised that a Tees Suicide Implementation Plan had been developed to address these issues. At a meeting of the Health Scrutiny Panel held on 15 September 2014, members had received further information and discussed the contents of the plan.

Following their examination of the plan, the Health Scrutiny Panel had made the following recommendations:-

- a) That a recommendation be made to the Planning Authority in relation to the Tees Suicide Prevention Implementation Plan, asking that the Planning Authority should receive the details of the action developers will take in terms of suicide prevention e.g. safety fencing;
- b) That other scrutiny panels across the Tees area be asked to explore the same issues with a view to making a similar recommendation;
- c) That a copy of the Tees Suicide Prevention Implementation Plan be circulated to all Members of the Council;
- d) Those Councillors are made aware of the mental health first aid training, ASIST Training and on-line training;
- e) That the Public Health Team be invited back to the panel in 6 months' time, along with representatives of MVDA in order for the panel to consider the progress with social prescribing.

The Chair of Overview and Scrutiny Board advised that the report would be submitted to the relevant Executive Member for information only as many of the above recommendations had already been actioned.

The Chair of the Health Scrutiny Panel advised that those members that had already attended the mental health first aid training course had provided very positive feedback.

NOTED

5 **EXECUTIVE FEEDBACK**

The Executive Office Manager submitted a report with regard to the decisions of the Executive in relation to the following Final Reports:-

- Community Safety and Leisure Scrutiny Panel - Protecting Children from Sexual Exploitation;
- Economic Regeneration and Transport Scrutiny Panel - Business and Job Creation;
- Health Scrutiny Panel - Access to GP Surgeries;
- Social Care and Adult Services Scrutiny Panel - Continuing Health Care (CHC) Provision - To Ensure the Health Economy Funds Health Needs.

NOTED**6 SCRUTINY PANEL - PROGRESS REPORTS**

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

The Chair congratulated the Chair of Community and Safety Leisure Scrutiny Panel and officers on behalf of the Board, for all their work in relation to their recent investigation into the scrutiny topic of Protecting Children from Sexual Exploitation, in particular the way in which the huge media attention was handled

NOTED**7 CALL-IN**

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