

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 2 October 2018.

PRESENT: Councillors J Sharrocks (Chair), M Storey (Vice Chair), D P Coupe, E Dryden, A Hellaoui, T Higgins, L Lewis, J McGee and M Saunders.

ALSO IN ATTENDANCE: J. Cain (Press).

OFFICERS: S. Bonner, A. Humble and P. Stephens.

APOLOGIES FOR ABSENCE Councillors T. Mawston, L. McGloin, P. Purvis, J. A. Walker..

DECLARATIONS OF INTERESTS

None were declared.

18/21 MINUTES - OVERVIEW AND SCRUTINY BOARD - 4 SEPTEMBER 2018

The Minutes of the meeting of 4 September were accepted as a true record.

18/22 BUDGET AND BALANCED SCORECARDS - POSITION AT QUARTER 1 2018/19

The panel commended the new report format and commented that the information presented was now more accessible and understandable.

The Head of Strategy, Information and Governance and the Head of Financial Planning provided OSB with an overview of the Council's budget and performance position at Quarter 1 against the Council's Strategic Plan.

Broadly speaking, the Council's financial position was positive although there were some pressures in Children's Social Care. The Chair queried if there were any actions in place to mitigate those pressures and it was noted initiatives to mitigate those pressures included a Placement Panel that was looking at individual costs of residential care placements and the Believe in Families Transformation programme. It was also noted such initiatives were not taking part in isolation and were all part of a joined up approach.

It was agreed that representatives from Children's Services should attend a future meeting of OSB to discuss their financial pressures and actions being put in place to mitigate them.

A Member commented that the number of children in care was very high and this pressure was also being felt regionally, and nationally, with Local Authorities exploring ways of collaborative working to combat the issue. It was also commented that, given the financial pressures in Children's Care, Members of OSB and Chairs of Scrutiny Panels should be more involved with decisions made by service areas to facilitate effective scrutiny processes.

The Quarter 1 position also showed there had been an acceleration of capital schemes resulting in 13% of capital investment brought forward from 2019/20 budgets. The Council's borrowing remained within agreed limits and the investment strategy received an additional £9.1 million from various grants.

Performance against the Strategic Plan was good, albeit with only 1 financial quarter into delivery. It was commented that until the Social Regeneration strategy was put into place there would be uneven performance in this regard. Issues surrounding the Social Regeneration agenda included life expectancy, Health Inequalities and the link between this and an individual's financial circumstances.

It was queried if the introduction of Universal Credit would affect the Council's budgets. It was noted that there had been an impact on Children's Care and this would need to be monitored.

It was queried if growth in population and housing developments would also have an impact on demand within Adult Social Care and Children's Care. It was confirmed that a growth in population was being projected and these factors would likely have an impact on demand. It was agreed that Children's and Adult Services would be invited to attend OSB to provide an update on this matter.

A Member commented that the Director of Adult Social Care had previously reported the South Tees Clinical Commissioning Group (CCG) was now in special measures and how it may potentially look to the Local Authority to bridge any gaps in service provision.

A discussion took place regarding Continuing Health Care provision and potential pressures on Council budgets. It was clarified that funding for this is a negotiation between the Local Authority and CCG and in cases where disputes arose there was a possibility of legal action being taken. It was agreed that the Health Scrutiny Panel would examine this issue further as part of its work programme.

A Member updated OSB on recent structural changes to regional CCGs, namely that 5 Accountable Officers had been merged into a single Accountable Officer who had responsibility across a wider geographic area ranging from Hambleton district in North Yorkshire to Durham Dales.

It was queried how risk mitigation was demonstrated using the new risk format. It was clarified that a detailed risk register is maintained showing risk controls and could be provided should it be requested by Members.

It was noted that actions in the performance report could be more preventative in nature if possible.

ORDERED:

1. **For Children's Services to explore ways to regularly update Scrutiny Chairs of issues within the department.**
2. **For Children's Care to attend a future meeting of OSB to discuss the department's financial pressures and actions being taken to mitigate them, including the Believe in Families transformation programme.**
3. **Children's and Adult Services to attend a future meeting of OSB to discuss the Department's respective approaches to the impact of Universal Credit and future housing growth.**
4. **Health Scrutiny Panel to examine the issue of Continuing Health Care budgets.**

18/23

FINAL REPORT - ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL - HOUSING DELIVERY VEHICLE

The conclusions and recommendations of the Economic Development, Environment and Infrastructure Scrutiny Panel were outlined following a scrutiny investigation of Housing Delivery Vehicles.

The Chair of OSB thanked the Economic Development, Environment and Infrastructure Scrutiny Panel and the Democratic Services Officer for the work undertaken on producing the report.

A Member queried if the Housing Delivery Vehicle (HDV) could purchase existing housing stock for this purpose. It was confirmed that other Local Authorities' HDV practiced this already and this was noted in the report. It was agreed that this should be made more explicit and form a recommendation.

A discussion took place regarding how the HDV needed to ensure it did not work in isolation and considered wider regeneration issues.

The Economic Development, Environment and Infrastructure Scrutiny Panel recommended to

the Executive:

1. In order for Middlesbrough Council to take pro-active role in re-shaping the local housing market, as well as Middlesbrough's landscape, the Council should establish its own Housing Delivery Vehicle (HDV) in the form of a wholly owned Company Limited by Shares (CLS).
2. The Council will provide the initial capital required to establish the Company with a loan from the Public Works Loan Board (PWLB). The Company will repay the loan to the Council at a higher interest rate, and the profit should be re-invested into housing provision.
3. Council-owned land will be transferred to the Company for housing development. Efforts should be made to unlock unused sites which are not attractive to Developers and maximise the delivery of houses on brownfield sites.
4. The Company will provide mixed tenure housing for sale and rent, in the first instance, ensuring affordable, innovative, sustainable and excellent quality provision, which contributes to the social and physical regeneration of Middlesbrough in line with the Council's Strategic Plan 2017-20212 .
5. Through its HDV, Middlesbrough Council will strive to be an exemplar landlord, retain control over rents, and provide high customer service standards that other landlords will aspire to achieve. Tenancy agreements will include requirements in relation to the standards expected of tenants in respect of their accommodation.
6. The Council will use its HDV to expand training opportunities for local people, provide apprenticeships and, where possible, employ local people.
7. The Council should consider utilising its own in-house architectural services to provide greater control over the quality, size and design of builds. Having modern, innovative and attractive designs is crucial to developing a housing offer that appeals across different demographics and encourages inward migration to Middlesbrough. An in-house service can also trade in the private sector and realise additional revenue for the HDV.
8. The Council should also consider providing an in-house property maintenance service to ensure that all properties remain in good condition and tenants receive high quality and reliable provision.
9. All new development by the HDV should be demand-led with an effective marketing strategy in place, to ensure that accommodation is not unoccupied for any length of time once completed, since this will impact on a scheme's profitability.
10. When planning new housing developments, the Company should engage with Middlesbrough residents and/or potential tenants to ensure that the accommodation provided meets local needs.
11. The Council will ensure that the Infrastructure Delivery Plan supports Middlesbrough's Local Plan's proposals so that the requisite open spaces, transport, highways, education, utilities and community facilities associated with providing a further 5,500 dwellings by 2029 are provided.
12. Once the wholly owned Company is settled, consideration should be given to expanding into building and managing social housing stock, possibly through a separate Housing Delivery Vehicle.

ORDERED:

1. **That the findings and recommendations of the Economic Development, Environment and Infrastructure Scrutiny Panel be endorsed and referred to the Executive.**
2. **An additional recommendation be added to the final report: "The Company should purchase suitable empty properties that become available on the open market, carry out any renovations required and make them available for rent."**

18/24

EXECUTIVE FORWARD WORK PROGRAMME

The Chief Executive submitted a report which identified the forthcoming issues to be considered by the Executive as outlined in Appendix A to the report.

The report provided the Overview and Scrutiny Board with the opportunity to consider whether any item contained within the Executive Forward Work Programme should be considered by the Board or referred to a Scrutiny Panel.

NOTED

18/25

SCRUTINY PANEL PROGRESS UPDATES

The Economic Development, Environment and Infrastructure Scrutiny Panel were starting a new topic on Air Pollution and its next meeting would be receiving an overview of the topic. As part of the topic it was intended to examine hydrogen and carbon capture and storage.

The Children and Young People's Social Care and Services Scrutiny Panel had recently visited 6 children's centres as part of their investigation into school readiness and early help. The panel were pleased with the visits and would be meeting the Family Case Work Manager at their next meeting.

The Culture and Communities Scrutiny Panel were examining Adult Education and Learning and what the Council offers in this regard. As part of this the panel had met a number of learners to gain their input.

The Adult Social Care and Services Scrutiny Panel were continuing with their investigation into Lesbian, Gay, Bisexual and Transgender issues in the Care Home system. The panel had met several times and it was proving to be very interesting. At its next meeting the panel would speak to the Council's procurement manager for their input.

The Children and Young People's Learning Scrutiny Panel was continuing to examine food and activities available during school holidays. The panel were going to look at the provisions for adolescents which will then provide a picture of what activities are available across a range of ages. The Panel's next topic would focus on young people and mental health and how this affects their learning.

The Health Scrutiny Panel's last meeting considered the Council's Local Plan and how it could inform health issues in the Town. Its next meeting would focus on continuing health care budgets and the pressures they face. The South Tees Health Scrutiny Panel will be examining CCG reorganisation and looking at its impact. The Tees Valley Health Scrutiny Panel would be examining the current Audiology contract. It was commented that likely future issues Health Scrutiny may need to consider were the best vehicle to deliver integrated health partnerships. It was commented that due to the structural changes in Health Services maintaining effective scrutiny was crucial, albeit challenging.

NOTED