

SCRUTINY BOARD (CENTRAL AND CORPORATE)

MONDAY, 6TH DECEMBER, 2010

PRESENT: Councillor P Grahame in the Chair

Councillors S Bentley, B Chastney,
A Lowe, N Taggart, J Hardy, K Groves,
J L Carter and R Grahame

47 Declarations of Interest

There were no declarations of interest.

48 Apologies for Absence and Notification of Substitutes

Apologies for absence were submitted on behalf of Councillors A Gabriel and R Wood. Councillor R Grahame was present as substitute member for Councillor A Gabriel.

49 Minutes - 1 November 2010

RESOLVED – That the minutes of the meeting held on 1 November 2010 be confirmed as a correct record.

50 Scrutiny of the Budget and Performance Reports

The report of the Head of Scrutiny and Member Development requested members to note the Council's Financial Performance, Performance Report and highlight any further related areas for scrutiny. The following reports were appended to the Agenda:

- Appendix 1 – Government Spending Review 2010
- Appendix 2 – Financial Health Monitoring 2010/11 – Half Year Report
- Appendix 3 – Council Business Plan Performance Report Quarter 2 2010/11

The Chair welcomed the following officers to the meeting:

- James Rogers, Assistant Chief Executive (Planning, Policy and Performance)
- Doug Meeson, Chief Officer (Financial Management)
- David Almond, Head of Human Resources
- Alex Watson, Human Resources Manager
- Paul Broughton, Chief Customer Services Officer

Doug Meeson gave the Board an overview of Appendix 1, Government Spending Review 2010. He reported that it covered the main aspects of the Comprehensive Spending Review and implications on Local Authority funding but did not give further detail at individual authority level which would emerge from the Local Government Financial Settlement which was due the following week. He also referred to other significant aspects of the review including the proposed grant reductions for Local Authorities, the freeze on Council Tax, funding for affordable housing and changes to the setting of social sector rents.

In response to Members comments and questions, the following issues were discussed:

- Precise details of how formula based allocations would be made were not yet known.
- Councils who froze Council Tax would receive funding from the Government to the equivalent of a 2.5% increase and the Government still retained capping powers. There are also discussions on bringing business rates back to the use of local authorities in the longer run..
- Pooled budgets and more flexible working across different organisations – there were already examples of this in Leeds with health partners.
- Concern regarding the timing of the financial settlement and potential impact on the Council's budget setting timetable, It was acknowledged that this could cause a problem, but budget proposals, based on the Spending review assumptions, would be considered at the Executive Board on 15 December 2010 and be available to Scrutiny thereafter.
- The need for the setting of the budget to reflect priorities.
- Proposals under social housing reforms, particularly changes to rents, would only apply to new tenants.
- Housing finance issues – it was reported that the new Housing Bonus would affect all new properties that came into taxation and match fund the Council Tax for each new home. Members also discussed the implications of the proposals to increase rents and the changes to benefits and it was suggested that Steve Carey, Chief Revenues and Benefits Officer be consulted for further information.
- Cuts to the Building Schools for the Future – the council's wave 1 schools were close to completion with just three schools to reach financial completion. It is understood that discussions are on going, but given the closeness to financial completion there is limited opportunity to make significant reductions. Ministerial agreement was still awaited for these schools to enable them to progress..

The Board then focussed on Appendix 2, Financial Health Monitoring 2010/11 – Half Year report. It was reported that there was a projected overspend of £8.5 million mainly in Adult's (Domiciliary and Residential Care) and Children's (Foster Care and external placements) Services. The Board was also informed that the Council reserves were considered to be relatively low and that actions were being considered to ensure that they do not fall below a minimum reserve level. In terms of action taking place, there had a been a

general freeze on external staff recruitment and the use of agency staff apart from that required to maintain critical front line services,

In relation to the Financial Health Monitoring paper and Members' comments and questions, the following issues were discussed:

- Main areas of spending where saving could be made included the reduction of the Council's workforce – around 1,700 people had shown an interest in the Early Leaver's Initiative or reducing their working hours..
- Concern that not enough had been allocated to the budgets for Adult's and Children's Services. It was hoped that demand on these services had peaked but allocations did need further consideration. There was also a need to look at the value for money provided by these services and a need to look at work with other partners such as Health Service providers to investigate best use of resources.
- Members discussed the potential of the Council having its own agency or pool of staff. It was reported that this would not necessarily be more cost beneficial due to issues such as equal pay. Options would be pursued.
- Projected savings on pension contributions following the implementation of the Early Leavers Initiative and subsequent reduction in staff.
- It was recognised that the current and future reductions being faced by the council were unprecedented and that there were challenges for both officers and Elected Members in balancing the Council's budget position whilst maintaining and improving services.

Members gave consideration to Appendix 3, the Council Business Plan Performance Report, Quarter 2 2010/11 which presented an overview of performance against the Council's priority outcomes.

In response to Members comments and questions, the following issues were discussed:

- Issues regarding the Westgate Contact Centre included service provision and staff training. Members were briefed on services available and the successful contribution of the centre to council services. Members requested that congratulations be passed to those involved.
- Progress on the Council's financial plan. Although there had been a deterioration since the last quarter, partly due to financial issues already mentioned, it was hoped that the position would be improved by the next quarter.
- Procurement issues – re-negotiation of contracts was ongoing and Members discussed the possibility of collective procurement between different service areas and bulk buying to reduce costs.
- Value for Money Training – Members to be given training in the New Year

The Chair thanked those present for their attendance.

RESOLVED – That the Council's Financial and Performance Reports be noted.

(Councillor Taggart joined the meeting at 11.05 am. During the discussion on this item)

51 Work Programme

The report of the Head of Scrutiny and Member Development outlined the Board's Work Programme and also contained the Council's Forward Plan of Key Decisions and recent Executive Board Minutes.

Members were informed of forthcoming issues to be considered at Board meetings which included Initial Budget Proposals and ICT Services. It was also reported that a request had come from the North West Inner Area Committee to scrutinise the management of sites that were surplus to requirements.

RESOLVED –

- (1) That the Forward Plan of Key Decisions and Executive Board Minutes be noted.
- (2) That the Board's Work Programme be agreed.

52 Date and Time of Next Meeting

Monday, 10 January 2010 at 10.00 a.m., pre-meeting for all Board Members at 9.30 a.m.

The meeting concluded at 11.50 a.m.