

# Overview and Scrutiny Committee

**9 January 2012**

Present: Councillor C B Pickard (Chair)  
Councillors J M Allan, K Barrie, J Bell, L Birkenfield,  
G Brett, B Burdis, R Glindon, J Harrison, F Lott,  
M McIntyre, D McLellan, T Mulvenna, M Rankin  
and N Redfearn.

## **OV45/01/12 Apologies**

Apologies for absence were received from Councillor C A Gambling and Rev M C Vine.

## **OV46/01/12 Substitute Members**

Pursuant to the Council's Constitution, the appointment of the following substitute members was reported:

Councillor T Mulvenna for Councillor C A Gambling

## **OV47/01/12 Declarations of Interest**

There were no declarations of interest reported.

## **OV48/01/12 Minutes**

**Resolved** that the minutes of the meeting held on 15 December 2012 be confirmed.

## **OV49/01/12 2012/13 Council Strategic Plan and Budget**

On behalf of the Budget & Council Plan sub group, Councillor Pickard expressed its appreciation to all those officers who had contributed to the compilation of files, background information and supplementary information requested by members throughout the course of the study.

As convenor of the sub group he presented the findings and recommendations of the Budget & Council Plan sub group that was established to undertake the examination and contribute to the formulation to the Cabinet's budget and strategic planning proposals 2012/13.

At its meeting on 5 September 2011, the committee had agreed to appoint a study group to exercise these responsibilities. The study group had met on two full day and three evening sessions and had focussed its attention on examining and challenging the detailed business case documentation relating to the budget proposals for each Directorate.

The areas of concern were:

## **Council Strategic Plan**

1. The Council Strategic Plan outcomes and outcome measures needed to be SMART and the Action Plan to be fuller.
2. The Council Strategic Plan should contain all the outsourcing plans, with timelines, clear outcomes and outcome measures.
3. The vagueness of some outcomes in the Council Strategic Plan made it impossible to judge whether they were realistic or not.

## **Relationship between Council Plan and Budget**

4. The Budget could not readily be mapped to the Council Plan. The two documents needed to be cross-referenced and plans needed to be established to cover all services and activities funded by the budget.
5. There were many examples of actions proposed in the budget that are at odds with the aspirations of the Council Plan – for example providing support for people in their homes but cutting £2m of floating support.

## **Budget – Missing Detail**

6. Then need of a section on the Corporate Core – what would it look like if outsourcing goes ahead? What evidence was there that it is resourced to cope with the new ways that services will be provided?
7. Need an assessment of the geographical impact of the cuts – how would the different parts of the borough be affected?
8. Need an impact assessment of local job loss and increase in benefits claims as a consequence of the cuts proposed.
9. The proposal to reduce housing-related support needed to be clearer and the impact of the cuts on the people who currently receiving floating support should be described
10. The capacity of the Gateway Service to cope with the increased demand resulting from the proposed cuts in housing-related support needed to be described in detail to see if it was credible.
11. The impact of National Non Domestic Rates on viability of the Leisure Trust needed to be clarified
12. Need a summary of proposals by risk rating and £ saving compared to total budget in order to assess the areas likely to have greatest impact on service users

## **Budget - Evidence Base**

13. Where was the evidence that the outsourcing savings in the budget are achievable?
14. How were the ways that contractors could save on energy, NNDR, etc been factored into the budget?

## **Budget – Contingencies**

15. Need to see the fallback position should the Leisure Trust, Business and Technical Package outsourcing not proceed on time or if the hoped for savings can't be negotiated.
16. Need to say how the Council will be insured in the event of failure by contractor to deliver an outsourced package of services.

## **Budget - Consultation**

17. Consultation has not been satisfactory. We need meaningful consultation where people are made aware of the issues and have the chance to set Council priorities
18. The list of people and organisations consulted appears to have missed some important ones. Consultation in the north-west appears to have been solely through the Area Forum.

## **General Observations**

19. Where was the evidence to show how Cabinet had challenged officers over the content of both the Council Strategic Plan and the budget?
20. The unplanned use of £2.2m of reserves in 2011/12 had translated into a growth bids for 2012/13 – how had the cabinet satisfied themselves that the bids are robust?
23. Why were Business Cases on pink paper when we were talking to various groups of people about the proposals?

Members raised concerns to when Cabinet would respond to the recommendations and asked the Chief Executive if he could give assurances that responses could be given in good time.

Cllr Pickard stated that he would convey the committee's request that responses be made at the earliest opportunity when he presents the Committees findings to the Cabinet meeting schedule for the 18 January 2012. The Chief Executive stated that he would advise the Mayor and Cabinet to respond if possible within a 7 to 10 days timeframe.

Members raised concerns that mainly large organisations had been approached to provide future services through outsourcing.

The Chief Executive informed the Committee of the position the Council was in with regards to finding possible and potential partners. Partnerships with neighbouring authorities had been investigated and some had been viable such as Audit but others had not been practicable. However, it was emphasised that work was still taken place, looking at the possibility of shared services with neighbouring authorities.

It was stressed that the Council had not only looked exclusively at the private sector to partner services and all other models would be considered, however, no other models had showed interest.

It was raised that it was not clear the relationship between the Housing Revenue Account (HRA) and the capital plan and how a change with one would affect the other.

The Chief Executive informed that an explanation on the methodology and clarification would be provided to Members.

It was **agreed** that (1) the recommendations of the Budget and Council Plan Study Group, incorporating the comments of the Overview and Scrutiny Committee, be approved and referred to the Cabinet; and (2) a explanation to the methodology and clarification be provided to Members on the relationship between the Housing Revenue Account and Capital Plan.

### **OV50/01/12 Exclusion Resolution**

**Resolved** that under Section 100A(4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 2 of Schedule 12A of the Act, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act.

### **OV51/01/12 Change Efficiency and Improvement Programme – Progress update (Previous Minute OV36/11/11)**

An overview of progress across the three themes of the Change, efficiency and Improvement (CEI) programme presented to the committee.

Members were reminded that previous progress reports had been based on the budget set for 2011/12 and the CEI target across the four year programme 2011/15 was £39.758m. As a consequence of emerging pressures the target had increased and the current CEI Target for the same four year period was £47.606m.

Progress against the 2011/12 position for the CEI programme was monitored via the in year budget monitoring process where in year pressures were managed through appropriate corrective action and was attached to the report.

An overview of progress per project within each of the three themes for 2012/13 was attached to the report. The project plans in place for 2012/13 would deliver the full target of £16.180m savings.

The report indicated that in terms of 2013/14 and 2014/15 there was a savings gap of £4.994m (£3.536m for 2013/14 and £1.458m for 2014/15) to find and work was ongoing to address the gaps.

The Chief Executive indicated that that the decision had been taken not to distribute the savings evenly across the three themes but to make greater savings from Theme B – Business.

It was also stated that there was still £1m of savings needed for the current year 2011/12, however there was confidence the savings would be in place. The Committee was also informed that the required savings for years 2013/14 & 2014/15 could also increase following recent indications from the Chancellor of the Exchequers autumn statement.

With regards to progress against 2011/12, members raised concerns with areas with status 'Red' and stated that in future progress reporting all status red areas should have an supporting explanation to its position.

Clarification was given with regards to the status ratings of Green, Amber and Red. It was stated these were confidence levels Green - savings made, Amber - saving expected to be met and Red - saving not be met.

Members raised concerns to the amount of information that was classified exempt. An example was given where information was classed as exempt however the actual change had been implemented and was therefore in the public domain. The Chief Executive stated that all information should be open to the public unless the access to information criteria had been met.

Members asked that in future update reporting, the Financial Plan Business Case Number and the CEI Progress Reports reference number be correlated for easier cross referencing.

Members questioned to the Councils position if the planned savings through the CEI programme were not made. The Chief Executive informed the Committee that there were contingency plans if this occurred and that the plans had been shared with the Overview and Scrutiny - Budget and Council Plan task group.

Members requested that all members be given assurance that contingency plans were in place and that this information be provided. The Chief Executive stated that this could be provided, however he emphasised that the information was confidential.

Members enquired to the position of possible outsourcing of services and if the trade unions had put forward any alternative suggestions. The Chief Executive informed members of the current position and that the no alternative suggestion had been put forward by the trade unions and that all possibilities had been shared with them.

It was **agreed** that (1) the Change Efficiency and Improvement Programme – Progress update be noted; and (2) contingency plan information be circulated to all Members.

### **OV52/01/12 Independent review of the provision of support to the role of the Elected Mayor of North Tyneside (Previous Minute OV44/12/11)**

The Chief Executive gave a verbal update to the Independent review of the provision of support to the role of the Elected Mayor of North Tyneside. The task group set up by Overview and Scrutiny to investigate the Mayoral Support had received full referenced chronology of events. Full responses to all questions that had been raised would also soon be available.

A further issue regarding a staffing issue had been raised, which was currently being considered and it was hoped that this issue would be completed by the end of January where it would be reported to the task group. As a consequence of the new issue the membership of the task group needed to change. Councillor Allan indicated that he would inform Democratic Services of the name of the replacement member.

The Chief Executive stated that following the consideration of the new issue that it would be for the Appointments and Disciplinary Committee to consider.

It was **agreed** that (1) the update by the Chief Executive on the independent review of the provision of support of the role of the Elected Mayor of North Tyneside be noted: and (2) the name of the replacement Labour group member be forwarded to the Chief Executive.

**OV53/01/12 Forward Plan**

The Committee were presented with the Forward Plan covering the period January – April 2012 to identify any issues for inclusion in the committee’s work programme.

No Items were identified.

It was **agreed** that the January – April 2012 Forward Plan be noted.