

Overview and Scrutiny Committee

2 December 2013

Present: Councillor S Graham (Chair)
Councillors J Allan, B Burdis, A Cowie, S Day,
John Hunter, Marian Huscroft, P Mason, D McGarr,
P McIntyre, A McMullen, and J O'Shea

Church Representatives
Rev Vine

Others in attendance
Councillor E Darke, I Grayson, J Harrison
and B Pickard

OV42/12/13 Apologies

Apologies for absence were received from Councillor M Rankin and School Governor Representatives Mrs M Ord and Mrs J Little.

OV43/12/13 Substitute Members

There were no Substitute Members.

OV44/12/13 Declarations of Interest

There were no declarations of interest reported.

OV45/12/13 Minutes

Resolved that the minutes of the meetings held on 4 November 2013 be confirmed.

OV46/12/13 Housing and Environment – Cabinet portfolio

Councillor John Harrison, Cabinet Member for Housing and Environment attended the meeting to deliver a presentation on his portfolio responsibility.

The portfolio comprised of:

- housing service, including strategic housing and the Kier Joint Venture Partnership.
- environmental services, including street cleaning, waste collection, recycling and disposal, bereavement service, street lighting CCTV and security services.
- arrangements for Emergency Planning (in conjunction with the Cabinet Member responsible for Community Engagement).
- partnership with Capita and the services inside that arrangement including consumer protection, planning and building control, highways and engineering, property and facilities management.

In total the portfolio area was responsible for over 700 people and over £86M of Council spend including £57M associated with the Housing Revenue Account.

Cabinet Member priorities

The portfolio contained a range of services that needed to show excellent performance and value for money for residents. The Mayor had also been clear on the portfolio priorities, which were;

- **Affordable Homes;** the need more affordable homes. Cabinet had agreed to a programme that would deliver 3000 affordable homes by 2023
- **Quality Homes for Older People;** the delivery of the Quality Homes for Older People project would transform the sheltered housing offer to over 1,000 of our older residents. The programme would see the construction of 10 new sheltered schemes including a group of bungalows and the refurbishment of 16 of our existing schemes
- **Delivering the Local Plan;** the long term plan for land in North Tyneside. The Unitary Development Plan had expired and the Council did not have a Local Development Framework. The Local Plan delivery by 2015.
- **Keep the Borough attractive with less money;** the need to find savings in all services whilst maintaining North Tyneside as an attractive place to live, work and visit
- **Develop new plan for waste;** there was a need to make North Tyneside a sustainable place, taking advantage of new technologies and new ways of working. In particular the need to replace the current waste collection and processing arrangements before the current contracts expire
- **Lead work on flooding;** delivering the partnership arrangements and investment plans. Working with the Cabinet Member responsible for Community Engagement to make sure our communities are engaged in protecting themselves and working with us to increase resilience
- **Make the Capita Partnership work;** delivering the savings and growth planned in the original deal
- **Make the Kier Joint Venture work;** making sure the Joint Venture delivers the right performance for all its customers and value for money to tenants and other tax payers.

Progress so far

- **Affordable Homes;** the delivery of the first council houses in 24 years at Swan Close in Wallsend. Work had started on site at Byrness Court in Battle Hill and have a further 120 homes were in the pipeline and plans for wider delivering at scale
- **Quality Homes for Older People;** Cabinet had appointed the preferred bidder. A significant amount of consultation had been undertaken with residents. In line with the Mayoral pledge to restore the sheltered housing service.

- **Delivering the Local Plan;** formal consultation had started. Listening carefully to the Overview and Scrutiny Task Group it had been decided to consult on all the potential housing sites to seek residents' views across the Borough. Cabinet had agreed the necessary Memorandum of Understanding to handle cross-border cooperation with other councils
- **Keep the Borough attractive with less money;** the delivery of 26 Estate Clean Ups tasking the housing and environment teams to work together with residents to clean up their areas
- **Develop new plan for waste;** a new recycling contract had been signed that would make significant savings for the Council. Cabinet had agreed the Waste Strategy with the aim to help North Tyneside see rubbish as a resource
- **Lead work on flooding;** the Surface Water and Drainage Partnership had published the three year investment programme showing residents the progress made and signalling the connection of investment across the partnership
- **Make the Capita Partnership work;** working with the Capita team looking at how they are making progress with service delivery, securing the additional jobs they have committed to and understanding the overall commercial picture.

Making the Kier Joint Venture work

Since taking up the Cabinet Portfolio for Housing and the Environment the following had taken place;

- **Examined the evidence;** working with Officers in housing, legal, finance and across the wider council, briefed on performance over the last four years of the Joint Venture, what had been achieved and what had been done to deliver on the original intent
- **Listened to customers of the Joint Venture;** working with tenants, head teachers and other customers on their thoughts of the Joint Venture
- **Asked Finance Sub-Committee of Overview and Scrutiny to test the value for money of the Joint Venture;** to help to reach a view on how it is performing
- **Expressed disappointment to the senior Kier team;** explaining clearly just how the Joint Venture was meant to work and what it has actually achieved; seeking their response to how to make it work more effectively
- **Developing an improvement plan;** working with the senior Kier team to agree a plan that will review and revise the Joint Venture to deliver for tenants and other customers.

Next steps on the Kier Joint Venture

- **Regular monitoring of that Improvement Plan;** working with the senior Kier team to make sure they keep their promises and a difference is seen

- **Making the most of the Joint Venture;** working with Kier in its wider sense to ensure they benefit of small local opportunities (e.g. fencing programme), they contribute to the plans to deliver affordable homes and, in the context of the acquisition of May Gurney, they understand the opportunities North Tyneside represents to a company centralising and reconfiguring its back office
- **Speak to Overview and Scrutiny Committee;** seeking to attend a future meeting in early 2014 with the senior Kier team to ask the Committee for its views on the improvement work

Conclusions on the Kier Joint Venture at this stage

Having worked at this problem for 6 months the Cabinet Member concluded the capital works were generally to the right quality – however there was work to do on value for money. Housing repairs and maintenance had seen some specific improvements but were not what was expected across the board. It was acknowledged the Council's contribution to the value for money equation that may have been more helpful.

Working with Overview and Scrutiny and its sub committees

As well as the Joint Venture, there are important issues where the Cabinet Member would ask the support of Overview and Scrutiny and its sub committees. Some of that work had begun

- **The Local Plan;** Overview and Scrutiny Committees views were taken carefully into account by Cabinet as they began the formal consultation process
- **Street lighting;** the Environment and Culture Sub Committee had already delivered a very helpful piece of work to help Cabinet frame its policy on street lighting in a way that meets the needs of residents but also saves energy and money
- **Affordable Homes;** the Housing and Economy Sub Committee and its Affordable Homes Sub Group continues to work hard to understand the options and issues associated with delivering affordable homes
- **Waste;** plans were being developed to deliver the waste strategy, it was hoped Overview and Scrutiny help in the design of new ways to reduce, reuse and recycle.

A Member asked the Cabinet Member to clarify the position of the Local Plan consultation. The Cabinet Member assured the Committee that no decision had been taken in relation to any part of the Local Plan. He stated that after taking views of the Overview and Scrutiny Task Group it had been decided to consult on all the potential housing sites to seek residents' views across the Borough. He added that it was a requirement of the Authority to demonstrate that a full consultation had been carried out to enable the necessary authorisation of the Local Plan by the Secretary of State.

A Member questioned the responsibility of dealing with incidents of flooding in the North Tyneside area.

The Cabinet Member clearly stated that the Council did not own all the land in the borough and that partnership working was needed to find alternative methods to tackle and ensure flooding resilience in the future.

With regards to the building of new homes it was asked how the Council would guarantee value for money and how the Council would balance the selling of land with the need to build new homes.

It was stated that a lot of analysis work had been carried out and there were areas that would be considered in particularly the risk costs for each build and it was stated the need for the Council to work in partnerships to build new homes without the need to sell land to raise capital.

Agreed that the briefing on the portfolio area – Housing and Environment be noted.

OV47/12/13 Change, Efficiency and Improvement - Trading Opportunities

The Committee received a report on Trading Opportunities, which had been requested from its meeting on 4 November detailed responses and information to the questions posed at the meeting.

The aim for the Change, Efficiency and Improvement (CEI) project for Trading Opportunities was to generate savings through further exploration of trading opportunities across the Council in terms of sales and included both the North Tyneside Trading Company and new service trading opportunities.

The project had achieved £105k of the £250k target which was set for the 2013/14 financial year and work was ongoing to secure a further £50k. The project was rated as a 'red' risk as £95k of the target was still at risk. The shortfall was able to be covered by other efficiencies including vacancy savings for 2013/14. The Committee was informed that the 2014/15 budget had been amended to £100k based on what had been realised in 2013/14.

The report detailed the individual activity where income had been achieved.

At the time the £250k target was set, it was envisaged that savings would be generated through further exploration of trading opportunities across the Council in terms of new or increased sales from trading activities.

It was anticipated that income would come from 3 sources:-

- a) Increasing sales (over and above budgeted income) from existing Council traded services;
- b) New trading activity going through the newly formed North Tyneside Trading Company and its subsidiary; and
- c) New trading opportunities developed in Service Areas and directly delivered by the Council.

However, any increased income from service areas had gone towards existing service targets and pressures. The Trading Company had pursued a number of potential opportunities without success that were detailed in the report.

The company is called North Tyneside Trading Company Limited with the Council being the sole shareholder and was established by Cabinet at its meeting on 12 October 2012.

Cabinet decides the Directors of the company that is comprised of 4 Directors and a Company Secretary (2 Directors being Cabinet Members and 2 Directors senior officers of the Council who serve on the Senior Leadership Team).

The Directors and Company Secretary are not employed by the Trading Company and receive no remuneration for carrying out these roles.

The Trading Company's Annual Business Plan and a Strategic Business Plan were appended to the report.

The Committee was informed that to the deliver the Affordable Homes Strategy, Cabinet agreed, at its meeting on 14 October 2013, to grant delegated authority to the Strategic Director of Community Services, Head of Law and Governance, Strategic Director of Finance and Resources in consultation with the Cabinet Member for Finance and Resources to take any necessary steps to allow the North Tyneside Trading Company to support the delivery of affordable homes in addition to other suitable projects which include:

- (i) the creation of appropriate structures and subsidiaries as required;
- (ii) altering the Director Structure to reflect the changed responsibilities and the need for separation of powers;
- (iii) transferring working capital into the company as required;
- (iv) All steps be undertaken in accordance with all necessary legal requirements and in compliance with the Authority's Financial Regulations, Officer Delegation Scheme and Contract Standing Orders;

Members raised their concerns that £95k of the proposed £250k trading opportunity target in the CEI had not been achieved and asked if the Trading Company was the right vehicle to achieve income.

Members were reminded that the CEI detailed £250k savings from trading opportunities and these would not all be realised through the established Trading Company. Councillor B Pickard, Cabinet Member with Performance Management responsibility stated that Cabinet and senior officers were carrying out a review to the future trading structures and how they would be used and the outcome of the review would be reported to Overview and Scrutiny Committee once completed.

Agreed that (1) Change, Efficiency and Improvement - Trading Opportunities be noted; and (2) following the review to the future trading structures by Cabinet that the findings be reported to Overview and Scrutiny Committee.

Cllr Mason left the meeting at this point

OV48/12/13 Our North Tyneside Plan – Performance Measures

The Committee was presented the Our North Tyneside Performance report and was reminded that Council agreed the new Council Plan, 'Our North Tyneside' and that it could not be delivered just by the Authority working on its own.

The Our North Tyneside plan focused on the outcomes that the Authority and partners wish to see in the borough, reflecting the priorities of the Council that would continue to deliver high quality, value for money services.

In developing an approach to performance managing the plan there was a need to focus on outcomes and the delivery of high quality services.

The proposed performance management approach was separated into two levels;

- Our North Tyneside Strategic level – Target audience were residents, elected members and other stakeholders. This would be accessible for all showing clear aims of the plan and if they are being met or not.
- Service level – Target audience were Cabinet members and Heads of Service. These would be produced on a monthly basis, be more detailed and would available to other stakeholders and the public via the Council's website.

A Member questioned to the timing of when data would be available with respect to each of the measures, stating data would not be available till far in the future and would not be helpful to residents etc in seeing if the Council was performing well.

In response the Manager Policy & Performance stated that the Our North Tyneside level shows what the aims are of the plan with the service level plans detailing the performance of services. It was stated that the plan was a working document that would be updated periodically when data was available and had been validated.

Members raised that it was the wish that the performance for the outsourced companies would be available for scrutiny.

The Chair stated that it was Cabinets responsibility to monitor the outsourced services performance and that discussion were taking place, to enable the performance of the outsourced services to be presented at Overview and Scrutiny.

The Strategic Manager Policy & Partnerships stated that all services that are provided by the Authority would be measured and it was the expectation that the scrutiny sub-committees would look at the service level performance and Overview & Scrutiny Committee the strategic level.

Agreed that (1) Our North Tyneside Plan – Performance Measures be noted; and (2) Overview and Scrutiny be presented the performance of the outsourced services.