

MINUTES of the meeting of Overview and Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 29 November 2010 at 9.30 am

Present: Councillor PJ Edwards (Chairman)
Councillor WLS Bowen (Vice Chairman)

Councillors: PA Andrews, AE Gray, KG Grumbley, TM James, RI Matthews, PM Morgan and AT Oliver

In attendance: Councillor MAF Hubbard

35. APOLOGIES FOR ABSENCE

Apologies were received from Councillor PJ Watts. Councillor JP French (Cabinet Member – Corporate and Customer Services and Human Resources) also sent apologies.

36. DECLARATIONS OF INTEREST

Councillor PJ Edwards declared a personal interest in agenda item 5: Update on Accommodation Programme because of a job held by a relative.

Councillor TM James declared a personal interest in agenda item 8: Budget Monitoring Report 2010/2011 because of the nature of a relative's employment.

37. MINUTES

RESOLVED: That the Minutes of the meeting held on 18 October 2010 be confirmed as a correct record and signed by the Chairman.

38. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

There were none.

39. UPDATE ON ACCOMMODATION PROGRAMME

(Councillor PJ Edwards declared a personal interest.)

The Committee considered an update on progress with the proposed joint office accommodation strategy for the Council and NHS Herefordshire.

The Head of Asset Management and Property Services (HAMPS) presented the report. He highlighted that the work of EC Harris, consultants, had confirmed that consolidation of office accommodation onto a single site at Plough Lane remained viable and that the space requirement was less than that originally envisaged. The Joint Corporate Property Strategy provided for a “hub and spoke” model of service delivery for office accommodation in the County based on the new headquarters at Plough Lane.

He outlined the main elements of the accommodation programme and the wider organisational benefits in addition to the benefits of property rationalisation. He noted that a

change in organisational culture would be required to support the more flexible working arrangements required by the accommodation strategy.

In discussion the following principal points were made:

- The replacement of Garrick House, Hereford with a facility to provide accommodation for the Council, NHS Herefordshire, West Mercia Constabulary and HM Revenues and Customs was discussed. The HAMPS commented that Garrick House would be subsumed within the Edgar Street Grid retail quarter development. The Council was looking to use an existing building within the City Centre instead. The preferred option was not in the Council's ownership but an alternative site was. A Member questioned whether it was a sound option to rent a site rather than using Council owned accommodation. The HAMPS said the options were still under consideration.
- That all Members of the Council needed to be kept more informed of the proposals within the accommodation project, including the proposals for locality working, to ensure that there was a clear, shared understanding of what was being delivered. In support of this comment Members noted that it was intended that Brockington would be disposed of and proposed improvements to the Shirehall included provision of a "demountable" Council Chamber to allow flexible use of space.

Observations on the development of a future Council Chamber included support for a public space that carried a sense of civic pride; and a view that the essential requirement was that the Council's buildings were a vehicle for service delivery and it was important to maintain focus on ensuring the Council's property holding was fit for that purpose. Officers were being required to change their working practices and Members might similarly need to consider how they worked.

The efficiency of the Shirehall as a building was questioned. It was also emphasised that it was important that nothing was done that jeopardised the use of the building by the Crown Court which brought economic benefit.

The HAMPS commented that proposals for both the Town Hall and Shirehall were at an early stage.

- It was asked why the Council had engaged a second firm of consultants in connection with the accommodation project. The Director of Resources replied that the scale of the project and the in-house capacity meant that external expertise was required to deliver the project. The firm EC Harris had carried out a peer review of the work of the first consultants. This had confirmed the original work had been thorough, however, circumstances had changed. The finding that only one additional block would be required at the Plough Lane site rather than two was significant. He confirmed that the proposed provision of car parking on the site was also to be reduced and that public use at weekends would be considered as part of the Council's car parking strategy. Members requested a briefing note on the costs incurred in employing the two consultants.
- It was asked whether there was scope for increasing provision at Plough Lane in future in response to changing circumstances. The HAMPS said that EC Harris had considered whether there would be advantage in providing more space than was currently required. However, they had concluded that providing spare capacity would not be financially beneficial. The building it was proposed to provide would have sufficient flexibility for current needs and the fact that it was now proposed to build one additional building rather than two meant that there was further capacity on the site.

- Clarification was sought on the financing of the accommodation programme. It was noted that costs could not be defined at this stage. The Director of Resources commented that provision of £17.3m had been made in the Capital Programme, £4.3 m of which had been spent on Plough Lane. There would be revenue savings associated with the move to that building. The generation of capital receipts by disposing of surplus Council owned buildings would be an important part of the financial package. However, it was important to note that receipts would be generated over time to ensure appropriate value was obtained, mindful that demand for such property was limited. It was not known what percentage of the cost of the programme might be met by disposal, but it was estimated at between 30-40%.
- The HAMPS acknowledged that the accommodation project was dependent on ICT infrastructure being in place supported by appropriate HR policies. The Deputy Chief Executive reported that the Joint Director of ICT was on the Accommodation Board and that the Joint Management Team, in discussing future ICT strategy, had emphasised the need to be more proactive to take advantage of the benefits to working practices that IT was already delivering in the private sector.
- The plans for the replacement of the Thorn Data Centre were discussed. The HAMPS commented that the Data Centre was leased until 2017 and the pace of technological change was so fast, that it was unclear at this stage what the future requirement for data storage might be. The proposed replacement for the archive facility could contain provision for data storage if it were to be required. The Joint Director of ICT was involved in discussions about the requirements.

RESOLVED:

- That (a) **the issues raised by the Committee be taken into account by the Accommodation Board;**
- (b) **consideration be given to communication with all Members about the accommodation programme and the localities project to ensure that Members were appropriately briefed;**
- (c) **the critical role of ICT provision to the success of the accommodation programme be highlighted and full account taken of this in developing the accommodation proposals; and**
- (d) **a briefing note be circulated on the costs of consultants employed on the accommodation programme.**

40. SCRUTINY REVIEW OF COMMUNICATION WITH THE PUBLIC ABOUT SERVICES AND ACCESS TO THOSE SERVICES - EXECUTIVE'S RESPONSE

The Committee considered Cabinet's response to the recommendations made to it in the Scrutiny Review of communication with the public about services and access to those services.

It was noted that an external review of the communications function had been undertaken by consultants alongside the scrutiny review and that this had made a number of recommendations to improve the organisational impact and value for money of communications across the Council and the Primary Care Trust. A summary of the recommendations of the external review was appended to the report.

In discussion the following principal points were made:

- Concern was expressed that the publication Herefordshire Matters might be open to criticism for its tone, having regard to the Audit Commission's guidance on the need

for such publications to be politically neutral and publicly defensible. The Head of Communications replied that careful consideration was given to the tone of the publication. The publication necessarily had to report on actions being taken by the elected administration to deliver its programme, including statements by Cabinet Members. This did not mean it was a politically biased document. There was scope for additional reporting on the work of Councillors, especially on the role of the scrutiny function. The Chairman commented that in his view there was a question of balance. He continued to consider that insufficient weight was given to reporting on the work of the scrutiny function.

- The Chairman of the scrutiny review group that had undertaken the review emphasised the need to reduce the proliferation of leaflets and other publications and for the Council's communications to be written in comprehensible language. The Head of Communications commented that he recognised the need for communications to be written with the audience in mind. The proposed strengthening of the central Communications Unit would reduce the proliferation of leaflets, which were often not the best means of communication, and improve the quality of communication. There was a readers' panel for health documents and consideration could be given to extending its use to include Council publications.
- The quality of press releases was questioned and it was also suggested they were too staid. The Head of Communications replied that over 90% of releases were used. Their tone had to be balanced and objective.
- A Member observed that in terms of the findings in a benchmarking exercise that Herefordshire's communications function was in the top quartile for productivity and output, whilst in the bottom quartile in terms of cost it was important that quality was borne in mind.

RESOLVED:

That (a) Cabinet's response to the findings of the review of communication with the public about services and access to those services be noted; and

(b) a full progress report in response to the scrutiny review be made in the Summer of 2011, with consideration then being given to the need for any further reports to be made.

41. INTEGRATED CORPORATE PERFORMANCE REPORT - QUARTER 2 2010-11

The Committee considered an overview of performance in the first half of the year against the Joint Corporate Plan 2010-13.

The report to Cabinet on 25 November was appended. In accordance with the Committee's request in July 2010, the outcome of the Children's Services Scrutiny Committee's consideration of early years and primary school performance was reported to the Committee.

The Policy Officer presented the report. He noted that of the 63 indicators for which performance data was available now, 37 were showing performance as on or above target, with 26 behind, or failing to achieve, target. This represented a decline in performance since the report on performance for the first quarter of the year.

In the course of discussion the following principal points were made:

- The reduction in road accidents was welcomed. It was suggested that the Environment Scrutiny Committee had contributed to this success, in part by urging

that speed cameras be relocated with a clear focus on where they could prevent most accidents.

- The Performance Improvement Officer (Early Years, Schools, 14-19) confirmed that the creation of a stronger school governor support service was proceeding and this would enable more training to be provided for school governors.

Asked about the allocation of local authority consultants to drive improvement at key stage 1 and whether this was sufficient resource she explained that 2 consultants, part of the local authority school improvement team would work with designated lead teachers to cascade training. The programme was to be completed by July 2011.

It was proposed that the Children's Services Scrutiny Committee should be requested to continue to give consideration to educational performance.

- National Indicator (NI) 39, the number of alcohol related admissions to hospital was discussed. The Policy Officer confirmed that it was one of the priorities in the public health agenda in the County. Whilst performance to date was behind target it had improved compared with the previous year. The Deputy Chief Executive added that renewed focus was being given to this issue as a matter of priority.
- It was noted that the Safer Herefordshire Scrutiny Review Group had been satisfied that Safer Herefordshire (the Crime and Disorder Reduction Partnership) had appropriate mechanisms in place and had correctly assessed its priorities at a strategic level in relation to dealing with alcohol misuse and anti-social behaviour.

Concern was expressed that there were still issues to be addressed on the ground and the accuracy of data collection on anti-social behaviour due to alcohol was questioned.

- Particular concern was expressed about performance against NI 59: initial assessments for children's social care carried out within 7 working days of referral, mindful of Councillors' roles as corporate parents. The unannounced OFSTED inspection at the end of June had highlighted a number of initial assessments that had been closed down and moved to a core assessment prematurely. It was noted that a core performance improvement team and action plan was in place and an upward trajectory of improvement was planned to the end of the year. The importance of this being monitored was emphasised.

RESOLVED:

- That (a) the Committee's observations on performance be sent to the Leader of the Council;**
- (b) the Children's Services Scrutiny Committee should be requested to continue to give consideration to educational performance as part of its work programme; and**
- (c) the Committee's concerns about the monitoring of performance against National Indicator 59: % of initial assessments for children's social care carried out within 7 working days of referral be highlighted.**

(The Committee adjourned between 11.20 and 11.30 am)

(Councillor TM James declared a personal interest.)

The Committee considered the forecast financial position for both revenue and capital expenditure to 31 March 2011, an update on Directorates' recovery plans instigated to address projected overspends; treasury management activities; and amounts written off for individual debts.

The report to Cabinet on 25 November was appended.

The Head of Financial Services presented the report. The projected overspend on the revenue budget was £2.4m. She reported that the main overspends were in the Integrated Commissioning and Children and Young People's directorates. Both directorates had recovery plans in place, although the new Interim Director of Adult Social Care was reviewing the Integrated Commissioning recovery plan. In any event the proposals would not take effect until the next financial year. The recovery plan in Children's Services had already delivered savings but these had been in part offset by increased additional external placements and placements for children with special needs.

Additional savings targets had been set for directorates supported by a restriction on discretionary expenditure. This combination of targets together with additional central financing activity would deliver a balanced budget if directorates took the necessary action.

In relation to write offs she highlighted that the Council was performing far above average in collecting council tax and above average in collecting on other debts.

In the ensuing discussion the following principal points were made:

- It was noted that the Revenues and Benefits Team performed well in comparison with other authorities for the collection of debt. It was proposed that the work of the Revenues and Benefits Team in collecting debts was to be commended. In response to a question the Director of Resources confirmed that where people did default on debts a range of options were explored. This included looking at attachment orders on property in order to avoid people being forced to lose their homes.
- The potential for additional costs to be incurred under the waste disposal contract if waste growth between Herefordshire and Worcestershire varied by more than 1% was highlighted. The Executive was urged to give careful consideration to whether additional cost effective action could be taken to avoid incurring additional costs under the waste disposal contract;
- The financial implications of schools being granted academy status were discussed. The Director of Resources commented that there was a potential implication for the sustainability of functions supplied centrally by the Council. The Council and the Shared Services Joint Venture Company would clearly be seeking to attract business from the academies.

The Deputy Chief Executive added that services provided by the Council inevitably carried an overhead cost, as to a lesser extent would those provided by the Joint Venture Company. Whilst the Joint Director of ICT considered that schools who chose not to use Council Services simply on grounds of cost were not taking full account of the level of service the Council provided he recognised the need to ensure costs were competitive.

A Member observed that note should be taken that it was not important who provided services. The key was that the services provided represented value for money.

- It was noted that the first stage of negotiations on the Shaw Contract had been completed and would deliver some savings in the current financial year. The contract was a long term one and negotiations with the contractor, in whose interests it was to deliver service improvements, were continuing. A briefing note was in preparation.
- The perennial overspend on the Integrated Commissioning budget was questioned. The Director of Resources commented that, whilst increased demand was part of the problem, additional resources had been made available for social care over the years. In particular £3.3m had been allocated based on a needs analysis to change the direction of care. These measures had not been progressed as planned. Whilst he considered additional resources would need to be made available for social care in the 2011/12 budget, the approach to provision of care did need to change, with a greater emphasis on personalisation.

It was suggested that a more realistic approach to the social care budget was needed, bearing in mind the persistent overspend by a similar amount year on year, and noting that costs were incurred in preparing and implementing recovery plans.

A view was expressed that there was scope for efficiencies and it was to be hoped that the development of locality working would, for example, reduce travel costs and inefficient use of time spent travelling.

- The Director of Resources confirmed that a seminar on the Council's financial prospects would be held for all Members once the details of the imminent financial settlement were known.

RESOLVED:

That (a) the Revenues and Benefits Team be commended for its work in collecting debts;

(b) the Executive be urged to give careful consideration to whether additional cost effective action could be taken to avoid incurring additional costs under the waste disposal contract;

(c) the implications of schools achieving academy status be noted and monitored; and

(d) the Committee's observations be reported to the Executive.

43. BUDGET UPDATE 2011/12

The Committee considered arrangements for the preparation of the 2011/12 budget.

The Director of Resources presented the report. He drew attention to the complexity of the task that lay ahead, the budget setting principles and a series of planned engagement events.

The intention to include an additional 0.7% of pay for the outcome of the actuary's revaluation of the pension fund was questioned. The Director of Resources replied that the revaluation was not complete but there was a longer term deficit that would need to be addressed over time. In part this would be done through increased contributions by employees but he also believed decisions would need to be made on when benefits

could be drawn and the level of those benefits. The principle of an Employer's contribution was set by national agreement.

In relation to provision for inflation it was noted that this was on the non-pay budget. The Council's contracts with external providers contained specific provisions regarding inflation which would need to be met.

RESOLVED: That the approach to engaging with the Community in preparing the 20011/12 budget and the underlying principles for that budget be noted.

44. WORK PROGRAMME

The Committee considered the work programmes of the scrutiny committees.

It was noted that clarification was still required on when the Executive's proposals for making the Council's own holdings available for affordable housing would come forward.

It was proposed that the Community Services Scrutiny Committee should consider proposals for the future management of Commons as these were generating comment in the community.

RESOLVED: That the current work programmes as amended be approved as a basis for further development.

The meeting ended at 12.35 pm

CHAIRMAN