



**MINUTES OF A MEETING OF THE ENVIRONMENT CAPITAL SCRUTINY COMMITTEE
HELD AT THE BOURGES/VIERSEN ROOM - TOWN HALL ON 6 JANUARY 2010**

Present: Councillors D Day (Vice-Chairman), R Dobbs, J A Fox, N North,
J Wilkinson and N Sandford

Also Present: Councillor Seaton – Cabinet Member for Resources
Councillor S Dalton – Cabinet Advisor for Environment Capital and
Culture
Councillor Allen
Councillor Rush
Councillor Saltmarsh
Councillor Thacker

Officers Present: John Harrison, Executive Director of Strategic Resources
Denise Radley, Executive Director of Adult Social Care
Steven Pilsworth, Head of Corporate Services
Jonathon Lewis, Assistant Director of Resources, Children's Services
Claire Boyd, Senior Lawyer
Louise Tyers, Scrutiny Manager

1. Apologies for Absence

Apologies for absence were received from Councillors Burton and Goodwin.

Apologies were also received from Councillor Holdich, Cabinet Member for Education, Skills and University and Councillor Lamb, Cabinet Member for Health and Adult Social Care.

2. Declarations of Interest and Whipping Declarations

Councillor Dobbs declared a personal interest in item 3 as he was employed within the burial sector.

Councillor Sandford declared a personal interest in item 3 as he was a member of the Peterborough Environment City Trust (PECT).

3. Scrutiny of the Budget 2010/11 and Medium Term Financial Plan to 2014/15

The proposed budget 2010/11 and Medium Term Financial Plan to 2014/15 had been considered by the Cabinet on 14 December 2009 where they had resolved that the proposed budget now be consulted upon.

It was within the Environment Capital Scrutiny Committee's terms of reference to receive and consider the Executive's budget proposals and to make any recommendations. In previous years each of the scrutiny committees considered the relevant parts of the budget proposals and made comments individually. As the remit was now within one committee, a new approach was being taken to scrutinise this important issue. Undertaking scrutiny of the budget in this way would enable the budget to be looked at as a whole rather than as individual parts. This would lead to a better understanding of where one part of the budget might have an impact on another part.

A briefing session on the budget had been held for all members prior to this meeting and tonight's meeting would look at the aspects of the budget in relation to the following areas:

- Creating Opportunities and Tackling Inequalities Scrutiny Committee
- Scrutiny Commission for Health Issues
- Overall financial plans and Council Tax level

The meeting on 14 January would consider:

- Scrutiny Commission for Rural Communities
- Sustainable Growth Scrutiny Committee
- Strong and Supportive Communities Scrutiny Committee
- Environment Capital Scrutiny Committee (operational issues)

The relevant Cabinet Members, Directors and relevant scrutiny committee/commission had been invited to attend and themed scrutiny would be undertaken aligned to the terms of reference of each scrutiny committee/commission and relevant recommendations would be agreed at the end of each session.

Creating Opportunities and Tackling Inequalities

The Assistant Director for Resources advised that the budget showed a huge investment in education in the City. Resources would also be put into supporting children in care.

Observations and questions were asked around the following areas:

- Why was there such a drop in the capital programme for children's services between 2010/11 and 2014/15? *The first couple of years would be delivering Phase 2 of the Secondary School Review and the Primary Capital Programme. In further years it would revert to the standard funding for maintenance etc.*
- How much of the dedicated schools grant was held back by the Council? *About £11.7m was retained for areas such as support to special educational needs, pupil referral units, alternative education provision and early year's education.*
- What was the Green Shoots pilot? *It was an exciting project working with Westminster City Council which looked at the families who had need for most support. It would be looking at targeting those families in a different way and looking at better ways of delivering services across departments.*
- What was the reasoning behind the decision to remove the subsidy from school meals? *It was a business decision of City Services which had contracts with a number of schools. City Services was now looking to bring in new contracts with an aim of breaking even. A number of schools had already opted out of the service and free school meals would still be provided at cost.*
- Parents would see the decision to stop the subsidy as an educational issue. How would the decision affect the charge that parents would be required to pay? *Each school set their own charges for school meals and they would decide how much would be subsidised. Schools were keen to see the take up of school meals improve and officers were talking to them about how this could be achieved.*
- How much was the subsidy for school meals? *The figures varied quite significantly. We would be encouraging the schools not to pass the cost of the rise of the meals onto parents. About 40 schools obtained their meals from City Services and we were confident that any increase could be absorbed by the schools. About 50% of all the schools in the City were not supported as they paid private rates to other suppliers. Some schools did make a profit from the meals and employed their own catering staff. All of the secondary schools made their own arrangements.*
- Hereward College would be reopening in 2012, would there be a pressure on the current provision of places until then? *We would like to open the school quicker but*

there was a process which had to be followed. It would be a permanent reopening and the decision had not been taken lightly. Work had already started on how to take this forward and how the school would run. There would be sufficient places available for next year.

- *Members asked for further explanation as to what the savings would be within adult social care. It would be looking at how we worked with intensive families, procurement savings, prevention, investing to save by establishing an Intensive Community Support Team and more collaboration between public services.*
- *When would the fees and charges for adult social care be confirmed? They would be set over the next few weeks and were expected to rise by the cost of living, about 2.5%. Some fees and charges would not rise.*
- *What type of business transformation savings were Children's Services looking to make? It would be around the areas of business support, management information systems – the department would be looking to procure one system, better procurement, electronic document and records management, agile working and office accommodation. The department would be looking to establish a training and development centre and a centre for teacher training.*
- *What was the thinking behind the closure of the children's centre at Copeland? We were currently trialling a temporary closure of the centre but we were not assuming it was an efficiency saving. We were not looking to make any savings around play centres.*
- *What was meant by delivering efficiencies via Natural Alliances and when would further information on what it would entail be circulated? It would be looking at the savings previously mentioned along with looking to deliver services within localities. Further details could be provided when details were being fully developed.*
- *The details of savings and transformation only detailed the major headings but more detailed information was needed to enable full scrutiny to take place.*

RECOMMENDATIONS

That the Cabinet is recommended that future budgets must contain more detailed information on proposed areas of savings, business transformation initiatives and changes to fees and charges so that effective scrutiny can be undertaken of the proposals as part of a more transparent decision-making process.

Scrutiny Commission for Health Issues

The Executive Director for Adult Social Care advised that a number of growth items had been included within the budget to look to support the pressures brought by the growing number of older people and the safeguarding adults' agenda.

Observations and questions were asked around the following areas:

- *Members were pleased to see that within the Annual Accountability Agreement the needs of carers were being considered as these were very special people. Officers thanked members for their comments about carers. The Creating Opportunities and Tackling Inequalities Scrutiny Committee had recently held a fantastic session with carers, both adult and young carers, and the session had been very challenging.*
- *There was concern that some parts of the Annual Accountability Agreement were still showing as 'to follow', when would this information be available? An updated version of the Annual Accountability Agreement was available and could be provided.*
- *Members had concerns that increases in fees and charges for adult social care were showing as 'to be confirmed'. Scrutiny could not do its job effectively if not all of the information was provided. For future years we should look at integrating the budget processes of the Council and NHS Peterborough to ensure that the work was done at the same time to ensure effective scrutiny. Officers accepted that this was a fair point and work was already being done within the two organisations to better align*

processes. Information on fees and charges could be circulated prior to the meeting next week for any additional questions.

RECOMMENDATIONS

That the Cabinet is recommended that the Council and NHS Peterborough must look to integrate their budget setting processes in future years so that effective scrutiny can be undertaken of service provision, particularly in areas of joint activity.

Overall Financial Strategy

The Executive Director for Strategic Resources advised that the grant the Council would be receiving was as expected but approximately £4m had been held back by the Government. The Council would continue to drive up efficiency along with trying to balance these issues with the needs of the Council Tax payers.

Councillor Seaton, Cabinet Member for Resources, stated that this budget was all about balance. The Administration had a commitment to services and would be investing for the future. The Council could not do everything but the Executive believed that a balance had been achieved with this budget.

Observations and questions were asked around the following areas:

- Some members had concerns at how the information was put forward within the budget papers, for example, in some cases single phrases were being used for areas which had large commitments. There was a lack of detail around savings and business transformation savings and it was written in such a way that members of the public would not be able to understand what it was saying. *Further details on the proposed efficiencies would be provided at the meeting next week. Councillor Seaton advised that he would be happy to work with the Committee on the format of the budget for future years. He and officers would also be happy to provide extra detail on the budget if required and they were also happy to receive suggestions on how to improve public consultation. This was an ongoing process and the Executive would continually bring forward efficiency savings.*
- To meet the Capital Programme there would be large borrowing requirements over the next few years. Was there a danger of the Council borrowing too much money as this could lead to problems for the revenue budget? *To deliver the Capital Programme the Council had a choice to either invest or not and this could only be done by either borrowing or by selling assets. If it was the view of the Council not to sell then the only option was to borrow. We were required to have a Prudential Code and Treasury Management Strategy and this stated our levels of capital investment and associated borrowing. Major programmes such as the Secondary Schools Review and Waste 2020 could not happen without borrowing. The Council was seen as a well managed organisation to lend money to.*
- Councillor Sandford asked for a reassurance from Councillor Seaton that at the Council Budget Meeting in February there would not be any headline grabbing proposals tabled without having been scrutinised. *Councillor Seaton gave an assurance that he was not aware at this time of any additional proposals.*
- How was the Community Leadership Fund linked to the proposed delegation of budgets to the Neighbourhood Councils as the Leadership Fund could only be used in specific wards? *The issue of the Community Leadership Fund had been posed to the Neighbourhood Councils and it was agreed to maintain the existing arrangements. It was the view of officers that it would be a lost opportunity if members did not use the Community Leadership Fund to support the Neighbourhood Plans. Members could, if they wanted, agree to give their part of the Fund to the Neighbourhood Council.*

- How were the possible financial delegations to the Neighbourhood Councils made up? *The possible delegation of £5m would be from existing budgets, including parks and play areas, grounds maintenance and cleansing hot spots. The £25,000 would be additional funding. The Administration would like to delegate as much as possible to the Neighbourhood Councils as they gave a flavour of the local communities. It was important that the Councils moved forward with their Neighbourhood Plans as soon as possible and the Chief Executive had asked for plans on how these could be developed by the relevant Director.*
- How confident were the Executive and officers that a 2.5% Council Tax increase was sustainable over the term of the Financial Plan? *It was the Executive Director's view that the proposed Council Tax increases would be sustainable but they were dependent on the level of savings and grant funding. Overall it was a broad, sustainable strategy.*
- What would the impact be on the Strategy if the level of savings was not achieved? *The Council was good at achieving its efficiency targets and had won a number of national awards. There was a need to keep up the existing level of savings but also to make additional ones.*
- To make the proposed additional savings would it be necessary to make any staff redundant? *It would be virtually impossible to make the level of efficiency savings proposed without losing people but this would likely be by removing vacancies and placing people on short term contracts. A large proportion of our costs were staffing and we were keen to look at retraining staff to move into vacancies.*
- How many full time equivalent posts were likely to be deleted from the structure? *This was still being worked through as we were looking at a number of initiatives such as shared services and joint working.*

RECOMMENDATIONS

- (i) That the Cabinet is advised of scrutiny's support for the commitment given to delegate budgets to the Neighbourhood Councils.
- (ii) That the Cabinet is recommended that once details of the number of full time equivalent posts that are required to be deleted from the staffing structure is known, this is communicated to all Members of the Council.

Summary of Recommendations

- (i) That the Cabinet is recommended that:
 - (a) future budgets must contain more detailed information on proposed areas of savings, business transformation initiatives and changes to fees and charges so that effective scrutiny can be undertaken of the proposals as part of a more transparent decision-making process.
 - (b) the Council and NHS Peterborough must look to integrate their budget setting processes in future years so that effective scrutiny can be undertaken of service provision, particularly in areas of joint activity.
 - (c) once details of the number of full time equivalent posts that are required to be deleted from the staffing structure is known, this is communicated to all Members of the Council.
- (ii) That the Cabinet is advised of scrutiny's support for the commitment given to delegate budgets to the Neighbourhood Councils.

4. Date of Next Meeting

Thursday 14 January 2010 at 6.30pm.

CHAIRMAN
7.15 - 8.35 pm