



**MINUTES OF A MEETING OF THE JOINT MEETING OF THE SCRUTINY
COMMITTEES AND COMMISSIONS - BUDGET
HELD AT THE COUNCIL CHAMBER- TOWN HALL
ON 30 JANUARY 2012**

Present: Councillors C Burton (Chairman), S Allen, N Arculus, F Benton, G Casey, D Day, S Day, G Elsey, M Harper, D Lamb, Nadeem, P Nash, J Peach, B Rush, G Simons, J Stokes, M Todd, JA Fox, JR Fox, B Saltmarsh, E Murphy, Shabbir, J Shearman, Martin, N Sandford

Also Present: Niamh Kingsley, Youth Council
Peter Godly, Youth Council
Councillor Scott, Cabinet Member for Children's Services
Councillor Holdich, Cabinet Member for Education, Skills and University
Councillor Fitzgerald, Cabinet Member for Adult Social Care
Councillor S Dalton, Cabinet Member for Environment Capital
Councillor M Dalton, Cabinet Member for Communications
Councillor Seaton, Cabinet Member for Resources
Councillor Khan, Leader of the Labour Group

Officers Present: Gillian Beasley, Chief Executive
Paul Phillipson, Executive Director for Operations
Terry Rich, Director for Adult Social Services
Malcolm Newsam, Executive Director for Children's Services
John Harrison, Executive Director for Strategic Resources
Steven Pilsworth, Head of Corporate Services
Vicky Palazon, Financial Services Manager – Planning and Reporting
Dania Castagliuolo, Governance Officer
Paulina Ford, Senior Governance Officer, Scrutiny

1. Apologies for Absence

Apologies were received from Councillors Harrington, Sharp, Jamil, North and Over. Councillor Martin attended as substitute for Councillor Jamil. Apologies for absence were also received from the following Cabinet Members: Councillor Cereste, Leader of the Council and Cabinet Member for Growth, Strategic Planning, Economic Development and Business Engagement. Councillor Lee, Deputy Leader and Cabinet Member for Culture, Recreation and Strategic Commissioning, Councillor Hiller, Cabinet Member for Housing, Neighbourhoods and Planning and Councillor Walsh, Cabinet Member for Community Cohesion and Safety.

2. Declarations of Interest and Whipping Declarations

Councillor Murphy declared a personal interest in that he worked for a Regeneration Partnership in Peterborough. Councillor Sandford declared a personal interest in that he was a board member of the Peterborough Environment City Trust.

3. Budget 2012/13 and Medium Term Financial Plan to 2012/22

The Chair welcomed everyone present and explained that the purpose of the meeting was to provide an opportunity for all Members of each Scrutiny Committee and Commission to scrutinise the 2012/13 Budget and Medium Term Financial Plan to 2012/22 as part of the formal consultation process before being presented to Cabinet for approval on 10 February 2012. Prior to the formal meeting the Director for Strategic Resources had given members a briefing on the budget book in the form of a power point presentation.

Members were given an overview of the Medium Term Financial Plan and Budget by the Cabinet Member for Resources. He informed Members that in order to meet the financial challenges the Council was making £28m worth of savings. There were significant pressures in Adult Social Care and additional savings had been delivered to mitigate those pressures but it had not been enough. Reserves would have to be used to cover the current issues. Future challenges included a grant reduction of £5.6M equating to a £15M reduction over two financial years and would increase to £25M in four years time.

Questions and observations were made around the following areas:

Budget Section	Question / Comment	Response
Adult Social Care	How do our figures compare to other Authorities?	Peterborough had experienced around a 10% increase in costs associated with providing care for older people. The strategy that was being adopted was around reablement which aims to ensure that as many of those older people requiring care have short bursts of care to reable them to allow them to return home to live independently. There had been an increase in the over 85 population in Peterborough and this would therefore put pressure on the social care budget going forward.
Adult Social Care	The budget mentions that there are plans to close the two remaining residential care homes owned by the Council. Will this increase the pressure to spend more money at places like Southern Cross homes?	Adult Social Care had featured heavily in the press nationally and there had been a lot of discussions on looking at new ways to fund Adult Social Care. A review was being conducted into the remaining council run care homes to work out the best way forward. It would be a balance of making savings and investment. There was a need to reprovise the remaining facilities. There would be an investment in the service which might mean closing the existing facilities and opening a new one but this decision would not be taken until the review had taken place and recommendations had been put forward.
Adult Social Care	Are there any increases in fees and charges for Adult Social Care in this year's budget?	There were no new increases in fees and charges in this budget paper. Any increases that had been implemented this year were from last years budget and only apply to those who could afford to pay.
Adult Social Care	What credibility can be given to the current figures being put forward in this year's budget?	There was a need to review adult social care services and budgets. Further detail of this had been included within the budget consultation document. A combination of an increasingly elderly population, with people living longer, and other adults developing more complex needs was placing significant pressure on adult social care budgets. The council currently operated a pooled arrangement with the Primary Care Trust (PCT) who manage the budget on our behalf. The data and information was maintained by the PCT.

Budget Section	Question / Comment	Response
	<p>It is difficult to forecast expenditure. Every year there seems to be a loss on the forecasting. Do you feel that you have the forecasting right this time? How realistic is the pressure of the £9.4m and what is being done about it. Can you give us assurances that the standard of care will not be reduced?</p>	<p>A significant amount to work had been done with the PCT to prepare for transferring the service back to the council from March 2012, including understanding the pressures and how these pressures could be mitigated in future. The estimates included were reasonable based on the known information.</p> <p>Some services would continue to be delivered by independent providers, but it was important to get value for money. The aim was to improve the standard of care.</p> <p>To deliver an effective Adult Social Care Service there needed to be an effective commissioning organisation and there would be a need to intelligently manage the market.</p>
Capital Programme	<p>As part of the Capital Programme there is £3m allocated this year and £3m for next year on residential homes replacement. Is there a way of staggering the investment or structuring the specifications for the nine additional extra care facilities in such a way that we could get some efficiency on the capital spend?</p>	<p>The budget was not necessarily the finite figure for the reprovision of the facility, merely the council's contribution to the project. The budget was originally allocated for improvement to existing homes. Professional advice was now suggesting that the whole situation should be looked at as part of the review of home and residential care. Discussions were taking place with the private sector about the best way to provide care for the people that were currently in the Council owned care homes. The extra care was not being funded by the Council.</p>
Capital Programme	<p>The £6m budget allocated for residential homes replacement is showing that it is being met by corporate reserves not by a third party. Can you clarify if this is correct?</p>	<p>The £6m allocated is the whole amount that the council will pay for and this money comes from corporate resources not corporate reserves. This means that the money would come from borrowing or disposal of assets. Any additional costs over the £6m would have to be funded by the private sector.</p>

Budget Section	Question / Comment	Response
Capital Programme	Children's Services has a large capital budget which was heavily front loaded for the schools side of Children's Services. Would it be possible to get a breakdown cost of the build projects for each individual school so that we can assess the efficiencies being gained from the programme?	The projects were based on the need for school places and were listed within the budget book. The capital programme cost was reduced by 25% operating a framework contract which has now come to an end. A new framework agreement was being put in place for school builds. Six firms had attended a presentation to hear about the new projects and they would bid on a square foot basis. The square foot basis had come down significantly.
Capital Programme	The Capital Budget for children's services (non schools) seems very light considering the difficulties it is currently in.	The biggest capital investment in recent years had been in Children's Centres and refurbishment of two children homes. This work had now been completed. There were no major plans for capital investment at the moment but this may change.
Capital Programme	The Council is proposing in two years time to invest in water based taxi park and ride. When the idea was floated a few years ago members were told that water taxis would not be provided unless they could be run on a commercial basis. Why are you bringing this forward at a cost of £600k.	The Water taxis were a shift away from car transport and included within the capital programme as this project formed part of the council's Integrated Development Plan but it would not be funded unless it was from a developer or other external funding. It would also need to have its own revenue funding stream to be self sufficient. The £600k was an estimated cost for a developer or anyone else wishing to put the infrastructure in for water taxis. It would not be council money.

Budget Section	Question / Comment	Response
Capital Programme	Councillor Khan advised that some of the work on the street light column replacement had stopped. He requested assurance that the money in the budget would ensure that the areas where the work had stopped would continue.	The Director for Operations advised that he would go through the street light column replacement programme with him to identify where the work had stopped. The budget had identified £870k for the continuation of this work.
Capital Programme	Councillor Khan requested that the removal of the Russell Street subway and replacement with a crossing be reconsidered as he felt it would cause further problems.	The Russell Street subway had caused considerable safety problems over the years and therefore the removal of it and replacement with a crossing would provide a safer route across Bourges Boulevard to Mayors Walk for pedestrians and cyclists. Bourges Boulevard cut across the heart of the city and acted as a 'rat run'. Putting a crossing in place would cut down on this and encourage motorists to use the park ways.
Capital Programme	In the Capital Programme there is an item on Repair Assistance of £1.02m a year for the next ten years. Is that a real cost or is it a cash cost? Was it actually a capital item and do we get a return on this? Could this item be reduced and therefore reduce the borrowing.	The Repair Assistance grant was a grant that was provided to the housing team to reduce the risk of homelessness across the city. The purpose of this was to work with category 1 risk properties occupied by low income individuals to do small grants of work up to £20k per household which would ultimately prevent them from becoming homeless. Based on previous experience within the council, the cost of preventing homelessness and providing alternative accommodation had significantly reduced the council's revenue spend, therefore providing value for money.

Budget Section	Question / Comment	Response
Capital Programme	Members had been advised that the £7,485k budget over the ten years for Capital Cost of Disposals was the likely cost of delivering £36m of asset disposals over ten years. It did not seem likely that 20% of proceeds of sale going on the cost of disposal were efficient. Could the Cabinet Member comment on where the anticipated costs would come from.	The cost of capital disposals was an annual budget set aside in the capital programme. Presently, the asset disposal programme only reflected the known assets that had been determined to be disposed of and there was likely to be further assets identified as being able to be disposed in future budget plans. The ratio between the cost of disposal and actual asset disposal would therefore be reduced from 20%. You are correct to point this out.
Capital Programme	Councillor Arculus recommended that the Invest to Save Scheme be presented in more detail before it could be approved. In particular each project should be costed to ensure they satisfy the council's internal rate on returns criteria. Approvals of major capital items of spend without costings should not take place.	The purpose of putting the money in the budget was to seek the authority of Full Council to include within the overall borrowing limits up to £100m on invest to save renewable energy projects. Invest to save will be around making a better return as a result of that investment financially to the councils budget. There was no benefit or cost allowed for. Any scheme that was implemented would follow the normal process via a Cabinet or Cabinet Member Decision and have no adverse financial impact on the tax payer.
Capital Programme	On the summary of capital and treasury prudential indicators table in the budget the Invest to Save project does have an incremental	There was no secret list of projects and therefore there were no costings to provide more detail. There was no impact in this budget of spending £100m because there were no proposals to actually spend it. It was therefore neutral and it would only be spent if it had a positive impact. Any spend over £500k would need a decision notice.

Budget Section	Question / Comment	Response
	<p>impact on the level of Council Tax. The intention of invest to save is not just to cover its own cost it is also to drive down cost and generate efficiencies both capital and revenue.</p>	
Capital Programme	<p>Councillor Arculus seconded by Councillor Peach recommended that the draft budget to be presented before Cabinet should under the Invest to Save item of £100m include details of the criteria used to judge how the money would be spent.</p> <p>The recommendation was put to the vote and approved.</p> <p>(23 in favour, none against, 2 abstained)</p>	<p>Principles and criteria of the £100m invest to save capital monies would be presented to February Cabinet and made available to members as part of the budget consultation.</p> <p>An outline of these principles will be included for approval by Cabinet in their report of 10 February, and will form part of the approved MTFS.</p>
Capital Programme	<p>Was there a claw back mechanism allowing the council to receive a percentage of the capital efficiency savings made by our partners Enterprise and Serco?</p>	<p>Enterprise acts as the client for the commissioning department so any savings they make in terms of advice go through to the main council department.</p> <p>Serco have a specific role on procuring capital projects. The council would receive any savings made through capital projects and an estimate of this saving was included within the budget book. If the capital programme was to be reduced, there would be a negative consequence on the revenue saving included within the budget book.</p>

Budget Section	Question / Comment	Response
Children Services	Can you assure members that the dates for the opening of the new schools this year will be met?	The special school on Hereward College site would be opened in September. The Hereward College Secondary School would not open until Autumn 2013. The schools that the Council were in control of would open at the times stated in the budget.
Children Services	Do you believe that you have put enough money in the budget to improve our educational results?	There was enough money in the budget to increase our effectiveness. The budget was well balanced to give the schools the support they would require to achieve what the council would like them to achieve for the young people.
Children Services	The Government has introduced a pupil premium which will not go directly to the Local Authority and will go directly to the schools. What assurance can you give members that the money will be used on the young people for whom it was intended?	Schools were run by their School Leadership teams and Governors. The pupil premium had been increased from £460 to £600.
Children Services	Are there any future plans for more respite care facilities in Peterborough for children with severe disabilities?	Heltwaite Special School was being extended by an extra four classrooms providing approximately 30 extra school places. The new school that was opening on the former Hereward School site would specialise in autism and provide 90 places which would help those children who were currently being taught out of the city as it would allow them to be taught within the city.
Children Services	Have you set aside any budget to alleviate the pressure of finding school places for the further 800 places that will be required in the PE1 / City Centre area.	There were enough places overall for those children currently in the system. The main pressures were in PE1 and Hampton and a number of sites were being looked at as potential sites for additional places within those areas.

Budget Section	Question / Comment	Response
Children Services	Child Poverty was high in the PE1 / Central ward. What steps have you taken within the budget to reduce child poverty in the Central Ward?	Another review was being undertaken of poverty in the city and a new action plan was being put in place which incorporated working with all partners. Once this had been completed it would be brought to scrutiny.
Children Services	The budget proposals highlights a lot of support for schools, what other support will be provided for young people such as those children not in education (NEETS).	There was a team who looked after NEETS who were providing extensive support. The money was still in the budget for this team to operate.
Children Services	Councillor Murphy wished the following to be considered by Cabinet: The deletion of senior posts through the joint delivery of Children Services and Education with another authority and therefore not having to do so many out of authority fostering and adoption placements.	<p>Whilst sharing of senior posts was a good way to gain external expertise quickly for improvement programmes, this would be a policy issue that the Cabinet and Council would need to take. This would provide a major diversion from the improvement programme and could jeopardise progress - as such would not be advisable at the present time. Options for different operating models had been reviewed and were ruled out for a number of legal / operational reasons. An out of authority placement is one purchased from the independent sector and the costs would therefore be the same as would the volume irrespective of any joint delivery. The route to reducing out of county placements is to grow the in-house fostering and adoption service which we intend to do. Moving forward, the council would look at all opportunities to deliver Children Services.</p> <p>There was a need to focus on the delivery of the improvement plan and the permanent employment of a Director of Children's Services in December 2012. The budget did provide a reduction of £1.2m though the restructure of senior posts.</p>
Children Services	To what extent does the provision of school places in this budget reflect not just the current demand but also	Provision was based on birth rates and it was difficult to predict the influx of new arrivals into the city. However, planned growth of the city could be provided for. For example the building of Stanground St Michael's, the council had acquired land adjacent to the school should expansion in the future be required.

Budget Section	Question / Comment	Response
	future demand?	
Community Cohesion	What impact would the efficiency savings have on the Cohesion programme?	The Cohesion programme has had excellent results over the past two years and because of this the Cohesion programme was far more sustainable. The Government had announced a change in the focus on funding for violent extremism and moved towards moving the funding to the Police rather than the Local Authority. The council's budget was reflecting this change.
Council Finances	Members commented that in many cases where services had been outsourced the service had declined.	
Cultural Services	It mentions in the budget that the Arts Council would provide funding for an arts organisation called Metal to carry out its work in Peterborough. With the recent cuts from the Government towards the Arts Council can you assure us that this funding will be provided?	The funding from the Arts Council was predicated on the reduction in the budget that the Arts Council had received nationally. This was a secure pot of money and was allocated to Peterborough. Providing the Council put the money in as allocated then the Arts Council would put their money in.
Enterprise	There has been a reduction in funding to Enterprise of £420k. Can you advise what implications this will have on service delivery?	Discussions were currently being held with Enterprise to establish where the savings would be. Proposals would be brought forward within the next week to the Cabinet Member for Resources and they will be out before any final decision is taken by Full Council. Initial proposals did not include buses.
Family Recovery Project	The Family Recovery Project is a trial scheme with no money allocated for future years.	The Family Recovery Project was already up and running and was working with nineteen families. The finance would continue until 2012/13 The Government have articulated a new programme called the Troubled Families Programme. They were looking at providing funding for that programme each year for the next three years. The council had identified that it would be eligible to receive this funding. There would also

Budget Section	Question / Comment	Response
		be grant funding of 40% to come into the Authority to support the work with troubled families.
Neighbourhood Committees	Can you explain how the saving of £31k for the Neighbourhood Committee administration costs is going to be achieved?	This was budgeted money that was not being used and has therefore been removed.
Operations	In previous years we have overspent on the concessionary fares. Are we improving now?	This year there would be a capped rate for concessionary bus fares therefore there will not be an overspend.
Operations	Now that a decision has been made to keep the school crossing services in the budget where is the £43k going to come from.	In relation to the £1 in £1 out budget process there will be further negotiation around the Neighbourhood restructure to identify the £43k savings
Operations	Can you confirm that it is the Cabinet Members who put forward the budget proposals and not the officers?	Officers had put forward the recommendations; Cabinet then agreed them to go out to consultation.
Operations	To what extent are Peterborough's Environment Capital and transport aspirations being reflected in this budget?	<p>All of the work required on the network infrastructure was predicated on a 12% modal shift of transport towards buses, walking etc. The figures in the budget are indicative of working towards that modal shift. It is a Long Term Transport Plan which had just been refreshed. The investment in the parkways and the circular system of roads around the city after 35 years need a large amount of infrastructure update. The £13m would not be just council money it would also come from developers and the Department of Transport. The works would only go ahead if the appropriate level of transport increase occurs with the growth of the city.</p> <p>Members were informed that the Council had just won a substantial amount of money to go towards sustainable transport including cycling, walking and the new railway station. Christmas Park and Ride had been removed from the budget as it was not being used.</p>

Budget Section	Question / Comment	Response
Property Rationalisation	Strategic property proposals within the budget propose to keep the Town Hall and move as many people into the Town Hall and dispose of the other buildings. Keeping the Town Hall represents poor value for money as it requires a large amount of investment and provided no support to the environmental agenda of the Council. The building was completely energy inefficient. Why don't we move out of the Town Hall in to purpose built accommodation?	The Councils policy regarding property rationalisation had been put forward in the budget book. Part of the budget discussion was about strategy not just about numbers. If the proposed strategy was approved we would be looking at the most optimum use of the Town Hall and would deal with issues such as energy performance to bring it up to standard. Until a decision was made on the future use of the Town Hall you would not put investment into a property with a limited time span. The office space within the Town Hall could only accommodate around 275 people. There was a desire to retain the Civic elements of the Town Hall. There was a Salix fund pot of money to spend on green projects and this was being used on managing energy use in the Town Hall.
Queen's Jubilee and Olympic Torch	Why can't the £30k for the Queen's Diamond Jubilee, the £93k for the Olympic Torch and £50k for the Christmas Illuminations be funded by private investors instead of using council funds?	The Olympic Torch was part of a National Event and there was no additional sponsorship for this. The Christmas lights had received some sponsorship and so had the New Years Eve events. The Olympic Torch was a relatively small investment for the amount of publicity that the city would receive. It would attract more people to the city who would then spend money in the shops.
Queen's Jubilee and Olympic Torch	Councillor Nash requested that further details be given with regard to how the money for the Olympic Torch would be spent.	The Olympic Torch plans could not be discussed as the Olympic organisation had requested that all plans be kept secret to provide an element of surprise. Councillor Seaton informed Members that he would circulate a note to Members on the restriction.

Budget Section	Question / Comment	Response
Queen's Jubilee and Olympic Torch	Clarification was sought on how the £30k for the Queens Diamond Jubilee would be spent. Would it be used just for the City Centre or would it be used in the wards?	The money would be put towards a central event the location of which had not been decided yet. There was also the opportunity for Councillors to use their Community Leadership funding to help support local events.
Queen's Jubilee and Olympic Torch	<p>Councillor Murphy seconded by Councillor Sandford requested that a recommendation be put forward to remove the following amounts from the budget:</p> <ul style="list-style-type: none"> • £93k for the Olympic Torch • £30k for the Queens Diamond Jubilee. <p>The recommendation was put to the vote and refused. (2 in favour, 4 abstained, 19 against)</p>	
Restructure of Operation Services	The budget indicates that there will be savings of £204k with the closure of the Emergency Planning Office and that the responsibilities for emergency planning will be spread out across the authority. Can you assure	There was a keenness to ensure that the council fulfilled all of its legislative requirements with regard to emergency planning. A consultation process was currently being undertaken with staff affected. Assurance could be given that there would be the same level of performance provided going forward with regard to emergency planning.

Budget Section	Question / Comment	Response
	Members that present efficiency and effectiveness of that department will not diminish through this saving?	
Trees and Woodland Strategy	The council do not have a current Trees and Woodlands Strategy. There is a draft strategy that has not yet been presented. You are asking the Scrutiny Committee to agree to £1m expenditure on trees but have not given any detail on what the money will be used for. The Strategy should have been presented before the money was allocated.	The Trees and Woodlands Strategy had been out for consultation and the results of this will be presented to Scrutiny in March. At the same time there was a need to ensure that there was funding in the budget to delivery the Trees and Woodland Strategy. Work would be done with Enterprise to produce a risk management strategy to ensure the Trees and Woodland Strategy would be put in place. The Strategy could not be delivered without the funding. Time needs to be spent on cataloguing the trees in the city. There were a lot of big old trees in public places that need maintaining.
Trees and Woodland Strategy	Councillor Murphy seconded by Councillor Sandford requested that a recommendation be put forward to remove the following amount from the budget: Trees and woodland strategy - £1000K The recommendation was put to the vote and refused. (4 in favour, 4 abstained, 17 against)	

Additional questions that had been asked by Members of the Scrutiny Committees and Commissions and sent to the relevant officers and Directors prior to the meeting were tabled at the meeting with responses.

The Chair thanked all members of the Scrutiny Committee and Commissions for attending the meeting and the Cabinet Members and Directors for attending and responding to the questions.

RECOMMENDATIONS

The Committee recommends that:

1. All comments made at this meeting to be forwarded to the Cabinet for consideration at their meeting on 10 February.
2. That the draft budget to be presented before Cabinet should under the Invest to Save Capital Expenditure item of £100m include details of the criteria used to judge how the money would be spent.

ACTIONS

The Committee requested that the Cabinet Member for Strategic Resources provide the Committee with a briefing note detailing the restrictions imposed on the council by the Olympic Organisation with regard to the Olympic Torch plans.

CHAIRMAN 7.10 - 9.55 pm