

SCRUTINY MANAGEMENT BOARD

Minutes of the meeting of the Scrutiny Management Board held on Friday, 14th September 2012 at 10.30am in the Scrutiny Meeting Room Civic Offices, Telford

PRESENT: Councillors D. White (Chair), V. Fletcher, A. McClements, S. Reynolds, C. Turley, C. Mollett

IN ATTENDANCE: Cllr. B. McClements, Cabinet Member Resources and Service Delivery; Fiona Bottrill, Scrutiny Group Specialist; Stephanie Jones, Scrutiny Officer.

SMB-10 MINUTES OF THE LAST MEETING

RESOLVED – that the minutes of the meetings of the Scrutiny Management Board held on the 4th July 2012 be confirmed and signed by the Chairman subject to clarification provided by Cllr. McClements on the funding for regeneration programmes.

Members were told that schemes were funded from a mix of borrowing, capital receipts and other income. Members were reminded that the 100-Day review of the 2011/12 budget had led to a scaling back of the capital programme to reduce borrowing requirements and the cost of borrowing on the revenue budget. The following revision had been made:

Wellington - only £900k had been allocated

Oakengates – the scheme would continue but had been scaled back

Hadley – the external money was identified while negotiating with Government on the Gorge funding.

Brookside – of the £6.5m of funding for the regeneration of Brookside, £3.5m was new money.

The Cabinet member recognised that capital receipts are a big issue for the Council and it is planned that over several years the Council will achieve £110 million. The changes to the funding mechanism for business rates would also affect Council income. The Government was currently consulting on a mechanism to replace part of local authorities' grant funding with funding from business rates. Initial proposals had been scaled back and the current proposal was that Council's would keep half of the business rates generated.

SMB-11 APOLOGIES FOR ABSENCE

Cllr. Mike Ion.

SMB-12 DECLARATIONS OF INTEREST

Cllr. S. Reynolds declared a pecuniary interest in Item 4.

SMB-13 HOLDING THE EXECUTIVE TO ACCOUNT

The Chair informed the Committee that Item 5 on the agenda would be taken next as the Cabinet Member was present.

The Chair welcomed Cllr. McClements to the meeting. This was the first Cabinet 'Holding to Account Session'. Cllr. Bill McClements circulated the response he had drafted to the questions agreed by the Scrutiny Management Board.

The first question was "What were your priorities when you became Cabinet Member?"

Cllr. B. McClements introduced himself and explained that his background had

been as a mechanical engineer and that mathematics had been his strength. He had worked at Director level in industry and having retired wanted to take a

leading role in difficult times. He set out his priorities were to ensure that cost savings continue. Following his election he met with the Chief Executive and made it clear that no changes would be made until the new administration had come to a view. The priorities that were identified were:

- To find cheaper accommodation to replace the Civic Offices – this has been delivered
- Reduce the impact of the capital debt on the revenue budget – this was a long-term problem and had been discussed at the start of the meeting
- To protect front line services – of £21m savings found so far only £2.1m had been taken from front line services. The issue was that it would be more difficult to continue to make savings from non-front line services.
- Building Schools for the Future – the priority was to develop a balanced programme to protect children in the most vulnerable parts of the borough. The government was changing the funding formula for schools so that social deprivation was no longer a criterion which meant the BSF funding should be used to balance the position. The BSF funding had been cut by 30% and the Council had allocated £2m of Council capital to the scheme.
- Senior Management Restructure – To introduce a flatter management structure with a more 'hands on' person at the top.

In preparing for this meeting Cllr. McClements had identified areas that he wanted to monitor more closely and meetings would be set up to put this into action.

The Chair asked if the new structure is working?

Cllr. B. McClements responded that he felt the new structure was working.

The Council is smaller and so there is less bureaucracy and the Council is closer to the people. Larger organisations get out of touch – this is my experience in other organisations.

The Chair asked if there are currently too few Directors?

Cllr. B. McClements responded that this could be a concern but could be managed through delegating and setting targets. For example the Managing Director has been given specific tasks as part of his contract.

Members asked about the move to new office accommodation.

Members were informed that the Managing Director and Senior Management Team will be on the 3rd floor at Addenbrook House along with legal and Member services.

Cllr. A. McClements commented that Members had not been informed of the accommodation moves and that it would be important to monitor the moves to make sure the changes were right.

Cllr. B. McClements responded that changes had been made in response to comments from staff and Members. Members will also have to change the way they work to adapt to the changes.

In response to questions about communication, once staff are in different buildings it was commented that Addenbrook House will be closer to Darby House than the current Civic Offices. The staff based at Wellington are more technical but some people will still need to travel for meetings.

The Chair asked about the use of teleconferencing following a visit to the hospital trust where they are looking at using telemedicine to reduce the need for staff travel and providing services closer to home.

Cllr. B. McClements responded that this is something that the Council could look at post January 2013 when the Civic Offices have been vacated.

However staff will continue to move as the accommodation at White Chapel is temporary while the Hub in the Town Centre is built to provide better public access to Council services. The Hub will include a new library and there are plans for a cafe franchise to generate revenue.

Cllr. V Fletcher requested that the members of the Board receive a copy of the accommodation plans.

The Chair asked about the progress with Single Status.

Cllr. B. McClements acknowledged that Single Status has been a long process but that the aim is to deliver it in 18 months.

The Chair highlighted that Scrutiny had looked at the process 8 years ago and

had recognised that national scheme would not work locally. He also raised concern that staff have already been through restructures and re-grading and many staff had to re-apply for posts, and that the Single Status process will de-motivate staff again.

Cllr. B. McClements responded that Single Status was agreed nationally and if we were starting the process again, we may not start here. There is an issue with staff on different terms and conditions across the organisation that needs to be resolved.

In response to further questions regarding Single Status Cllr. B. McClements said that :

- Some Job Evaluation had been done as part of the restructure and further work was on-going.
- There would be a cost to Single Status but up until 2011/12 a contingency had been set aside each year towards the costs.
- The provision of staff pensions will not be affected and will continue to be provided by Shropshire County Pension Fund.
- Additional support (1 person) is being provided for 6 months to support Single Status
- Some staff will be negatively affected. Other councils that have been through the process have found that if over 20% of staff are negatively affected the process breaks down. The Council is aiming to get this figure to 15-16%. Staff who are negatively affected will receive some pay protection.
- It was confirmed that the aims for Single Status are that similar jobs should receive similar pay and equal pay for men and women. Scrutiny Members agreed that these principles were correct but the Chair commented that this should have been achieved through the restructure. The Council does not have 'blue collar' issues as these services have been outsourced. Other Council's have had big issues in these services.
- In terms of timing there will be detailed discussions with staff from Spring 2013.

In response to the question "How did you communicate your priorities" Cllr. B. McClements explained that he had met with relevant Directors and Senior staff once the new administration was in place to understand the financial pressures, planned savings and alternative accommodation options. Members were informed that prior to May 2011 some information provided about Capital Receipts had not been correct – but he was not able to provide the correct information to the Committee as this is commercially sensitive information.

Cllr. B. McClements informed Members that he did 'walk abouts' without senior staff present which he found very informative.

Cllr. Angela McClements asked if these walk abouts included outreach areas e.g. cleaners who work in schools.

Cllr. S Reynolds reported that the Co-operative Commission is looking at communication.

Cllr. B. McClements responded that a meeting has been held with catering staff – but more could always be done

The Chair asked if the Executive had considered transferring council services rather than making further savings through cuts in all service areas.

Cllr. McClements responded that this was not planned – but in his view it would be good if some staff wanted to take over running some services e.g. leisure or care services. There are opportunities for local providers who do not have to include the cost of running a national organisation.

The Chair commented that people want local services and in many cases low level intervention is enough. He gave the example of a self-help and support group for young people and adults with autism/aspergers that had been considered by the Health Scrutiny Committee.

Cllr. B. McClements said that when he considered his responses to the questions put by scrutiny, he had identified some areas where he was not monitoring costs regularly enough and he had now set up a programme for regular monitoring. For example, in children's services the weekly unit costs for children in care placements ranged from £279 for internal foster care, £804 for external foster care to £3070 for external residential care. This identified the need to reduce average unit costs by reducing reliance on external care. The allowance for internal foster carers had been increased to attract more internal foster carers which would reduce the need for external placements and reduce costs. There had been investment in early intervention and preventative support which was aimed at reducing the need for these costly interventions. There was also an issue with the use of agency social workers.

Cllr. V Fletcher commented that hospital have reduced their need for agency nurses by setting up their own 'nursing banks' could the council use this model?

Cllr. B. McClements replied that the recruitment of social workers remains a national problem.

In response to the question "What lessons have you learned?" Cllr. B. McClements answered that being a Cabinet Member involved hard work and that it is important to treat all people with respect and honesty. It takes time for people to build up trust and this is important when relying on the correct information to make decisions.

Cllr. B. McClements set out his priorities for the next 12 months as:

Delivering this year's budget. There had been a good outturn for 2011/12. A contingency of £7 million had been set aside for 2012/13. £2.6 million of this has been used to date, and part of the remaining £4.2m would be carried forward to support the 2014/15 budget.

Cllr. V. Fletcher requested clarification on the decision made by Audit that there will be no contingency funds available at the end of the term.

Cllr. McClements replied that it would be disappointing if this happened.

The Chair asked how the use of reserves compared to other authorities e.g. Shropshire?

Cllr. B. McClements responded that he was not able to comment on the budget of other Council's. He informed Members that the Assistant Director Finance, Audit & Information Governance is reviewing reserves to determine what level of reserves is needed and whether any should be put into contingencies. A report would be taken to Cabinet over the next few months.

Members were also informed that the Government was not going to transfer the Homes and Communities Agency (HCA) land to the Council as previously expected. The Council can take over managing the land which could help the Council to work better with businesses, but receipts from sales will go to the government.

The Chair asked about the role of the HCA in regeneration programmes.

Cllr. B. McClements answered that the HCA does not have to participate in the schemes – the involvement of the HCA in schemes is taken on a case by case basis and they can decide whether to put funding into schemes.

The Chair asked about the impact of Continuing Healthcare Funding (CHC) on the Council and any other health costs that are being transferred to the Council?

Cllr. B. McClements responded that in 2009/10 the PCT spent £13.9 million on CHC funding. This funding covered costs for patients who are assessed as having a primary healthcare need. Within 2 years the funding for CHC care was reduced to £3.8 million. In his view Cllr. B. McClements said that this cannot be accounted for through efficiency savings. He outlined a case in his ward where the family believe that the fact that a patient did not receive CHC funding was a contributory factor in his death.

The Chair commented that at a visit to the stroke units at the Royal Shrewsbury (RSH) and Princess Royal (PRH) hospitals Members of the Joint Health Overview & Scrutiny Committee were informed that the lack of appropriate care and support at home was delaying discharges.

Cllr. B. McClements informed the Board that the PCT is currently providing

some one-off funding to enable the Council to provide the support that patients need. However, there is no guarantee that this money will be available in the future. The Council recognised that the PCT had provided CHC funding at a higher level than other areas – but the reduction in this funding over the last 2 years has meant that the rate of CHC funding is now one of the lowest in the country.

The Chair informed the Committee that he had written to the Chief Operating Officer at the Clinical Commissioning Group (CCG) and has had a response. This issue has been included in the work programme for the Health and Adult Care Scrutiny Committee.

Cllr. B. McClements commented that this is one of the most important areas for scrutiny this year.

Another area of concern is the transfer of Public Health to the Local Authority. The PCT currently spend £10.8 million on public health but the proposals are that the Council will receive £7.2 million to do the same work. There are issues around the contracts that public health hold as these are worth £7.5 million. The Board were informed that the current public health staff will be TUPEd across to the Council. Discussions were taking place as to how these roles will fit with the Council's structure and responsibilities.

Cllr. B. McClements said that accommodation will be a priority as we have to be out of the Civic Offices by January. Addenbrook House is about 20 years old but is being refurbished. The move to Addenbrook House would make big savings on business rates which are most expensive in the Town Centre. New Invest to Save initiatives had been set up in 6/7 capital areas to generate £0.25m savings each year for example from lighting or energy.

Cllr. A McClements asked about the Council will deliver the priority on being a business friendly council and how this will be different from other authorities?

The Council is looking at ideas to generate money. One example could be to become a housing provider again as the government has changed the rules enabling local authorities to borrow money at rates lower than the private sector. The Council could set up its own care homes to drive down the cost of care or have its own B&B to reduce costs of emergency accommodation.

The Chair asked whether the Council could work with other like-minded Councils to procure or provide these kinds of services.

Cllr. B. McClements informed Members that Telford & Wrekin have one of the lowest unit costs of care in the West Midlands. The only authority in the West Midlands that has lower costs is Walsall. There was a risk that working with other authorities could disadvantage Telford & Wrekin and increase our costs. In relation to procurement, the Council has set up a Procurement Task Force to look at driving out savings from procurement. In some areas such as schools the Council had to use the government's approved list so there were limitations on procurement. New posts had been created as an "Invest to Save" initiative to increase procurement resource particularly looking at the

care sector.

Cllr. B. McClements gave some feedback on the scrutiny process and said that he has found preparing for the Holding to Account Session a useful process and as described earlier it has prompted closer monitoring of some areas. Cllr. McClements commented that if he cannot explain what he is doing to the Scrutiny Management Board how can he answer to the public?

The Chair and all the Members thanked Cllr. B. McClements for attending and answering all the questions so fully and openly.

SMB-14 APPOINTMENT OF TOWN AND PARISH COUNCIL CO-OPTees TO SCRUTINY COMMITTEES

Cllr. S. Reynolds declared a pecuniary interest and left the room.

The Scrutiny Group specialist presented the report. Seven nominations had been received from Town and Parish Councils. As there had been more nominations for the Housing, Economy and Infrastructure Scrutiny Committee than there were places, the Scrutiny chairmen met and recommended the nominations as set out in Section 5.1 of the report.

RESOLVED:

- **That the recommendation be agreed and the co-optees be appointed as set out in Section 5.1 of the report.**

SMB-15 UPDATE FROM SCRUTINY CHAIRS

The Chair informed that Board that item 7 would be taken before Item 6. A summary of the work of the Scrutiny Committees was circulated by the Scrutiny Group Specialist.

Cllr. S. Reynolds reported on the work of the Budget and Finance Scrutiny Committee. The majority of the work for this Committee will take place during the budget consultation process. However, as the work of this Committee cuts across the work of other Council Committees, work had been joined up to avoid duplication. Members of the Committee had been invited to attend the Children and Young People Scrutiny Committee to look at value for money of Care Placements and to the Audit Committee to consider a report on Capital Receipts. Attendance at meetings has been good.

Cllr. A. McClements reported on the work of the Co-operative and Communities Scrutiny Committee. The new members are gaining an understanding of the work of the Committee and its role in challenging the Executive. The Committee had made reports to Cabinet on changes to the leisure concessions policy and the establishment of a First Point (single point of contact) for businesses. There had been good cross-party working on some controversial issues. The Committee would now monitor the

implementation of the recommendations agreed. Cllr. A. McClements reported that during the year she had met informally with the Managing Director and relevant Cabinet Members which had helped to ensure that scrutiny was involved early in the policy development process.

The Chair suggested that the Scrutiny Chairmen should take responsibility for monitoring the implementation of previous recommendations and bring updates to the Committee if this is needed.

Cllr. A. McClements informed the Board that the report on the Management of Community Centres will be taken to Cabinet in October. The Members had visited many Community Centres managed by both the Council and other organisations. Recommendations had been made that the Council should make a concerted effort to develop the centres, working co-operatively with partners and local people. It was found that the Community Centre in Priorslee was not operating as a community centre as it is used by a nursery Monday to Friday. Cllr. V. Fletcher commented that it is a community centre but the take up of other activities provided at the Centre has not been good e.g. dance mats that have been bought. Cllr. A. McClements said that the report and recommendations were based on the evidence the Committee received which showed that there had been little take up of the activities at the Centre.

Cllr. C. Turley reported on the work of the Housing Economy and Infrastructure Scrutiny Committee. The Committee met informally for a briefing on the procurement process for the waste management services so that members understand the elements of the process. Members also had a further confidential briefing on the selection process for the bidders. The Committee will undertake a site visit in October to a recycling facility to see the materials recovery and paper recycling processes. The other topics agreed informally for the work programme are the Community Infrastructure Levy (CIL), Business Improvement Districts and housing issues. Attendance at the meeting has been good.

The Chair reported on the work of the Health and Adult Care Scrutiny Committee. The committee has met and agreed the work programme and received a report from the Hospital Trust. This report included a presentation on the review of Urgent Care and Stroke Services. The Committee was aware that there had been some concerns that one of the A & E services would close. However the Chair of Telford and Wrekin Clinical Commissioning Group is chairing a group looking at the provision of A& E services

Other work undertaken by the Committee has been a visit to the stroke units on both hospital sites. Following the visit members were of the view that there is a single stroke service across the county and it is vital that this service is maintained.

SMB – 16 SCRUTINY MANAGEMENT BOARD WORK PROGRAMME

RESOLVED

Members agreed the Work Programme for the Scrutiny Committee as set out in the document tabled under the previous agenda item.

TIME AND DATE OF NEXT MEETING

The time and date of the next meeting at 10.30am on Friday, 16th November in the Reception Suite at Civic Office was noted.

The meeting ended at 12.00pm.

Chairman:

Date: