



SCRUTINY COMMITTEE

4.30 p.m. – 7.55 p.m.

16 July 2009

Present: Councillors Stephenson (Chair), Watkins (Vice Chair), Bradford, Cannell, Driver, Fairbairn, Little(A), Llewellyn (substitute for Councillor Jeraj), Offord, Ramsay and Wiltshire

In Attendance: Councillors Arthur, Waters and Lubbock

Apologies: Councillors Blower, Gihawi and Jeraj

1. MINUTES

RESOLVED to agree the accuracy of the minutes of the meeting held on 18 June 2009.

2. CORPORATE IMPROVEMENT AND EFFICIENCY PROGRAMME

The Director of Transformation referred to the discussion at the last meeting and updated members on progress with the Corporate Improvement and Efficiency Programme. The council had to make savings of around £8.5 million next year.

To date a range of potential relatively easy and low impact efficiency savings had been identified of around £2.5 million including potential efficiencies from the Steria contract, the current vacancy freeze and the fact that the annual pay rise was likely to be less than had been budgeted. Further moderately difficult efficient savings of around £3 million had also been identified including potential savings through the CityCare re-let process and controlling costs. It was anticipated that these efficiency savings would not have an impact on frontline services or staffing.

However, a further £3 million savings would still be needed to close the budget gap. It was anticipated that these would be much more likely to involve cuts or reductions to frontline services. Deloitte were currently undertaking a diagnostic analysis of how the council spent its money compared to similar authorities and would be putting together a list of potential options for service cessation, service reductions or doing things differently. They were confident that they could identify potential savings of more than £3 million, in order to provide choices for members.

The Director of Transformation, however, pointed out that the figures were all subject to change and did not take account of additional monies likely to be received at some point for concessionary bus fares. Also any increase in interest rates would result in a windfall bonus to the council.

A member asked why the easy and moderate efficiency savings had not been found before. The Director of Transformation explained that there had been considerable work to identify efficiency opportunities, and to focus on savings which would not impact on frontline services. Many of the savings opportunities could not have arisen previously – for example, the re-letting of the CityCare contract and the breakpoint and benchmarking provisions within the Steria contract. He also answered questions about the risk that the savings would not succeed.

Discussion took place on the current vacancy freeze. A member said he was surprised that the freezing of what was effectively a ninth of all council posts had not had any affect on frontline services. The Deputy Chief Executive Officer explained whilst some of the frozen posts were completely vacant, some had been covered on a temporary basis. The Director of Transformation said that it would be necessary to monitor the affects of vacancies on the council's performance.

In reply to questions the Director of Transformation said that he understood that the Executive wanted to agree and implement some efficiency savings as soon as possible. However, savings which would affect frontline services would need more care and consultation. This was the area where he anticipated that the Scrutiny Committee could become more involved.

A member pointed out that if all of the efficiency savings were introduced this year it would reduce the level of savings involving cuts/service reductions. The Deputy Chief Executive Officer pointed out however that whilst some of the efficiency savings could be brought in immediately, others, such as those relating to the re-let of the CityCare contract would take some time. She suggested that members of the committee might find it helpful to have a presentation on the council's medium term financial strategy which set out the budget position over the next three to five years.

A member suggested that it was important for Scrutiny Committee to look at the detail of the efficiency savings including the impact of the vacancy freeze before they were agreed by Executive. It will be possible to have an additional meeting of the committee in August in order to avoid any delays in implementing the savings.

RESOLVED to –

- (1) ask Executive to agree that details of the proposed efficiency savings are referred to this committee for pre Scrutiny prior to formal consideration by the Executive;
- (2) ask that the latest version of the medium term financial strategy is emailed to members of the committee as soon as possible prior to a presentation on the strategy at a future meeting.

3. HOUSING IMPROVEMENT PROGRAMME

The Project Coordinator – Housing Improvement Plan presented the report and referred to progress being made on the Housing Improvement Programme. The committee was being asked to endorse the plan and consider receiving bi-monthly reports monitoring the progress. Councillor Arthur referred to the officer, member and tenant commitment to the programme. The Housing Improvement Board was proving very supportive and would be looking at performance monitoring the

following week. It was a political imperative to achieve a two star service by the end of 2010/11.

Discussion took place on the need for the Scrutiny Committee to be represented on the Housing Improvement Board. The Chair said that the Executive would shortly be considering a recommendation from the Audit Committee on the appointment of a councillor from one of the minority groups to both the Housing Improvement and Corporate Improvement and Efficiency Boards. The Audit Committee were however recommending that this representative should not be a member of the Scrutiny Committee given that the committee was already monitoring both programmes.

A member suggested that there was also a place for a specialist housing scrutiny panel to monitor the Housing Improvement Programme. Whilst he would ultimately like to reach a stage where there were a number of scrutiny panels specialising in different service areas, the establishment of a housing scrutiny panel would be an initial step forward towards this. The Head of Legal and Democratic Services however referred to the potential resource implications of establishing a separate housing scrutiny panel. He suggested that it would be sensible to defer a decision on this issue pending a report on the implications and possible terms of reference.

Discussion then took place on the progress made in implementing the Audit Committee's recommendations following their unplanned inspection of Goldsmith Street/Greyhound Opening. A member referred to the need for this committee to formally consider the motion referred from Council earlier in the year on whether a full independent investigation was still required bearing in mind the finding of the Audit Commission inspection and other relevant information.

RESOLVED to –

- (1) nine members voting in favour and one against with one abstention, recommend the Executive to appoint a representative from the Scrutiny Committee to serve on both the Housing Improvement and Corporate Improvement and Efficiency Boards;
- (2) ask the officers to prepare a report on the implications of establishing scrutiny panels for all service areas starting with Housing for submission to this committee at the first possible opportunity;
- (3) ask for a report to the next meeting on the seven key recommendations of the Audit Commission so that a decision can be made on the motion referred from Council in January this year.

4. REPORTS BACK FROM TASK AND FINISH GROUPS

The committee received update reports from Task and Finish Groups as follows:-

Cycling

The Scrutiny Officer said that the next meeting of this group would be held on 10 August.

Allotments

Councillor Offord said that the next meeting on 15 July would consider the issue of consultation with allotment holders. A questionnaire was being prepared for this purpose. The Head of Legal and Democratic Services referred to the need for consultation with the communications team on the questionnaire. They would be able to offer support in co-ordinating with any related consultation and the subsequent analysis of responses.

City Centre Toilet Provision

The Scrutiny Officer said that this group were hoping to report back to Scrutiny in November.

Burial Provision

Councillor Driver said that the group was currently looking at possible sites for a new cemetery. A meeting with interested parties had been arranged for the end of August.

RESOLVED to note the report.

5. NORFOLK COUNTY STRATEGIC PARTNERSHIP JOINT SCRUTINY PANEL

The Chair said that the meeting scheduled for 6 July had been cancelled.

RESOLVED to note the position.

6. NORFOLK HEALTH OVERVIEW AND SCRUTINY COMMITTEE

Councillor Bradford updated members on issues being discussed by this committee. A new clinic was being considered for the Bowthorpe Hospital site. There was also a proposal to close the Octagon Centre at Hellesdon Hospital and embed the service within the Julian Hospital.

RESOLVED to note the position.

7. SCRUTINY WORK PROGRAMME

RESOLVED to –

- (1) note the Scrutiny Work Programme;
- (2) ask that some of the items currently scheduled for the September meeting are brought forward if an additional meeting is required in August.

8. EXCLUSION OF THE PUBLIC

RESOLVED to exclude the public for the meeting during consideration of item 9 below on the grounds contained in paragraph 3 of Schedule 12A to the Local Government Act 1972 (as amended).

***9. STRATEGIC WORKING TO DELIVER BENEFITS FOR HOMES AND COMMUNITIES – NEXT STEPS AND LEGAL AGREEMENT (PARA 3)**

(The Chair agreed to take this item as urgent business in order to enable comments to be submitted to the Executive on 22 July 2009.)

The City Growth and Development Manager presented the report and referred to the background to the proposal and the main implications for the council.

A member said that whilst he recognised the potential benefit to the council, he had reservations about the implications in terms of future control by the council. He was also concerned about funding after 2011 and what would happen if there was a change of government given that the Conservatives were looking to abolish the HCA. The City Growth and Development Manager said that the agreement would bring certainty in terms of the £8 million. The agreement would also provide a model for re-investment beyond 2011. Councillor Waters said that the agreement would enable the Executive to carry out the will of the council in terms of capital programmes.

In reply to a question the City Growth and Development Manager said that the list of small sites for development was a notional list at this stage. The sites would be subject to decommissioning and planning processes in the normal way. They were the kind of sites that would otherwise have been developed with RSL's. The agreement provided a guarantee that grant aid would be available to enable development to happen quickly. The precise details of the partnership board had yet to be worked up. In terms of an exit strategy the council would not be required to repay monies if it delivered the relevant projects. If projects were not delivered the council would be required to repay the money with interest from the date received. No further penalty charge would be imposed under the principles agreed to date. The intention was however for a long term partnership.

Councillor Lubbock expressed concerns that the scheme would only be self financing if there was uplift in land values. This would not happen if there was a long recession. Whilst the proposal would deliver more council housing, it would not achieve self determination or a simpler system of housing finance. It was necessary to look carefully at what was being given up for the £8 million.

A member stressed the importance of development at Three Score being undertaken in accordance with the original master plan. This included infrastructure which had not materialised. A lot of good things in terms of community would be lost if the land was simply used for housing. The City Growth and Development Manager said she could not say categorically what the £2.5 million would be used for at this stage. The intention was however still to develop in accordance with the master plan. The Assistant Director City Development said that the work was moving forward incrementally and the next stage would look at what was to be done at the Three Score site in more detail.

RESOLVED to submit the following comments to Executive –

- (1) there is a need for reassurance that the new homes will be built to the highest environmental standards;
- (2) there is a need to ensure that any retrofitting is to eco standards;
- (3) there is a need to ensure that community facilities are included as part of the development at Three Score and are provided in consultation with the Bowthorpe Community Partnership.

CHAIR