

## **Overview & Scrutiny Committee – Meeting held on Wednesday, 10th November, 2010.**

**Present:-** Councillors M S Mann (Chair), Bains, Basharat, Coad, Haines, O'Connor and Walsh

**Apologies for Absence:-** Councillors Bal and Shine

### **PART I**

#### **29. Declarations of Interest**

Councillor Basharat declared a personal interest in that a member of his family worked for Slough Borough Council.

#### **30. Minutes of the Last Meeting held on 7th October, 2010**

The Minutes of the last meeting held on 7<sup>th</sup> October, 2010 were approved as a correct record.

##### Matters Arising

It was noted that responses in respect of the new Independent Residential Facility and the outcome and likely costs of two ongoing Employment Tribunal claims had not been received from the relevant directors. It was agreed that the Scrutiny Officer would follow up and seek responses.

##### Census 2011

The Scrutiny Officer tabled copies of correspondence between the ONS and SBC which he believed indicated that an impasse was forming. The Officer suggested that a meeting be held with the ONS to include two representatives from the Committee.

**Resolved** - That Councillors Haines and Mann, the Leader of the Council, the Chief Executive and relevant Officers meet with the ONS to discuss further outstanding issues and that the Scrutiny Officer would make the necessary arrangements. (Councillors Bains and O'Connor indicated their willingness to join the meeting if one of the appointed Committee Members was unable to attend).

#### **31. Financial and Performance Monitoring Reporting for 2010/11**

The Strategic Director of Improvement and Development outlined a report covering the Revenue and Capital Monitoring position to September 2010.

The Director advised that LAA targets had now come to an end and no further payments would be made for performance reward. In respect of grants for the 2008-11 LAA targets, the Minister had stated that indicators would be

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replaced with an agreed single list of White Hall data requirements for local government. New transparency arrangements would ensure that Councils remained accountable to local people. It was anticipated that the completion of statutory statistical returns would still be required of local government due to the increased activity of some regulatory bodies such as Ofsted and DEFRA.

The Director referred the Committee to the Gold Project update section of the report and summarised the detail of the six highlighted reports received. It was noted that two projects were green, three projects had an amber status, one had a red status and four had an unknown status.

In the ensuing debate Members raised a number of comments/questions regarding the Gold Project, including the following: (responses in italics)

- It was stated that the ONS was waiting on data information from SBC – what was the position regarding this?  
*The Director advised that the response had been provided and this had been tabled at the beginning of the meeting.*
- The report stated that the Britwell and Haymill Regeneration Scheme could not be progressed in its current form prior to the CSR and no new expenditure was therefore being committed until clarification on future funding options had been received. A number of Members were concerned that the area desperately required regeneration and questioned the current position.  
*The Director advised that the status of the project was red due to the original target dates that had been set. Officers would need to restart the programme in November and this is how the system operated under Prince 2. The Director confirmed that there was still a commitment to proceed with the Britwell Project and this would be discussed when as agreed, the relevant Assistant Director would attend the next meeting to provide an update report in this area.*
- A Member expressed the concern that there were insufficient senior Officers in attendance to respond to Members questions and this was unsatisfactory as this was the main Overview and Scrutiny Committee.  
*The Director advised that he would respond as best as he could and written responses would be secured where necessary. It was agreed that the Scrutiny Officer would take measures to ensure better attendance at meetings in future.*

### Balance Score Card

The Committee was referred to the Corporate Balanced Score Card set out in an appendix to the report and the relevant exception summary showing indicators with red rag status. The Committee also noted areas of significant

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improvement within the national indicators and the detail of the new benefits indicator which showed the processing time for benefit claims.

In the ensuing debate Members raised a number of questions/comments including the following: (responses in italics)

- Would the number of performance management staff be reviewed?  
*The number of staff in post in the relevant area was under review. The Chief Executive highlighted that there were relatively few staff operating in a performance management role and for example members of the team were engaged in scrutiny or other areas of work.*
- In respect of the Housing Futures project, a recent audit report had highlighted significant problems: further detail of the relevant timescales were requested.  
*There had been questions regarding the ALMOs finances and management of the housing revenue account but these aspects were well on the way to being under control. People 1<sup>st</sup> staff were integrated back into SBC on 1<sup>st</sup> July 2010 and there was an ongoing consultation to consider how staff would be reintegrated within the Council. The response on the housing services was due the previous day and a decision on where staff would be going would be made in the next few days.*
- The report stated that there was currently a projected underspend position of £175,000 from the budgeted surplus position of £213,000 agreed at the start of the year on the Housing Revenue Account. What was the reason for this?  
*It was highlighted that this was a very small percentage of the whole amount but it was agreed that a full response would be provided for the member.*
- The report had stated that discussions with neighbouring Councils were taking place to develop initiatives to help bring down waste management costs. Which particular Councils was SBC currently in discussion with?  
*Special areas of activity were currently being identified, for example, in the case of vehicle purchasing where savings could be made when there was a joint purchase. In these circumstances SBC could join services with other Councils or vice versa where savings could be identified. The Council was also looking to identify public or private sector partners to share transactional services. Other discussions would be held to explore a range of possible shared services with partners in Berkshire.*
- A member commented that everyone was in the same position in the current economic climate and there was a unique opportunity to explore shared services. It was highlighted that most people would like to see results on waste and recycling which presented the

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opportunity to move faster in these areas – why wasn't the Council expediting this?

*Discussions were ongoing with a variety of partners in this area but there were often issues with timings. It was highlighted that the transfer of the library service with Essex Council had been adopted and it appeared that significant savings had been made whilst retaining frontline staff.*

- A member was concerned regarding the amount of continuing health care funding received from the PCT as historically there had been problems with this area.  
*It was confirmed that there had been a history of tension in this area around which organisation should bear the cost and it was agreed that the Director of Community and Wellbeing would provide a fuller response to the question. It was highlighted that the PCTs would be abolished in 2013 and the bulk of future funding would sit with GP Consortia. It would be important to carry on negotiations with the PCT but it was clear that the dynamics would change.*
- The Community and Wellbeing Directorate faced potential pressure from a new independent residential facility where placed clients became “ordinary residents” and therefore became a liability for the Council. Could more information be provided on this?  
*It was agreed that the relevant director would provide a response to this question to the relevant member.*
- The report had highlighted that a new interim contract was awaited from the Valuation Team in respect of the Bus Station in order that a charge could be made. No billing had been made since November 2009 and it was estimated that income amounting to £60,000 was at risk. Could more information be provided on this?  
*It was agreed that the relevant Officer would provide a response to the member.*
- A member wished to ask a number of further questions but due to time constraints the Chair suggested that these be put in writing to the relevant Officer.

**Resolved** - That the Assistant Director, Housing Strategy and Renewal be requested to attend the next meeting on 2<sup>nd</sup> December 2010 and provide reports on the current position with the Britwell and Haymill Regeneration Project and the Reintegration of People 1<sup>st</sup> back into SBC.

### 32. **Medium Term Financial Strategy- (A) Medium Term Financial Plan 2011/12 to 2014/15**

The Chief Executive submitted apologies on behalf of Councillor Anderson, Leader of the Council who was unable to attend the meeting.

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The report highlighted the key announcements of the 2010 Comprehensive Spending Review (CSR), and summarised the forecast impact on the Council's revenue and capital budget requirements for the period 2011-12 to 2014-15, in light of the information available to date.

The Chief Executive advised that the Council had been planning its finances based on its predictions for CSR cuts. Announcements made in late October had provided headline details of the review and the key message was that local government was facing one of the biggest proportionate cuts in services. It was clear that lesser cuts would be made in other services such as the Police.

The Committee noted the real term reductions of 26% in local authority budgets over the next 4 years and that core funding would reduce from £28.5 billion in 2010/11 to £22.9 billion in 2014/15. It had been anticipated that there would be a degree of frontloading and the percentage decrease in the formula grants allocated for the year 2011/12 was 10.71% reducing to 0.85% in the year 2013/14, and rising to 5.6% in the year 2014/15. The implications for the authority would not be fully known until the provisional settlement in late November but it would be necessary to take account of specific grant transfers, the formula grant flow and the average change in the formula grant to decide the budgetary impact on the Authority. It was also highlighted that the impact of the release of the ringfenced grant was not known and there would be falls in real terms on capital spending by 29%, from £51.6 billion in 2010/11 to £40.2 billion in 2014/15.

The Committee noted the revenue budget projection for 2010/11 to 2014/15 and it was highlighted that the budget gap predicted at £7m would be £5.59m meaning that the plans for the current year could be achieved with a small surplus remaining. It was highlighted that there would be accumulative budget deficit of £16.64m by 2014/15 and the agreed savings were noted. The Chief Executive was confident that the first year savings and the part of the next year's savings could be achieved but concerns remained regarding future years.

The Committee noted the progress to date on the year 1 saving which required potential savings of £6.9m.

The Committee was referred to the proposed elements of savings opportunities for 3 support service areas; Legal Services (savings of £227k), Human Resources (savings of £223k) and Internal Audit (savings of £234 k). The savings had been considered at a special meeting of the Cabinet on the 9<sup>th</sup> December and agreed.

In the ensuing debate Members raised a number of comments/questions as follows: - (responses in italics)

- A Member was concerned that the outcome of the CSR would have a huge impact on the town and her constituents. She asked how

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prepared the Council was in dealing with the increased pressures such as those that would be placed on housing.

*It was felt that the impact of bringing housing back in-house should not impact on housing benefit pressures but there would be an opportunity to improve on administration in this area. There were concerns surrounding the housing benefit cap, particularly in the South-East and London areas where it was felt that the figures quoted would have a disproportionate effect. It was estimated that in Slough 200 families could be affected by a gap in benefits of £100 per week. It was also possible that residents in London and other parts of Berkshire who could be more adversely affected would move to areas like Slough where rents were slightly lower.*

In the ensuing debate members raised a number of questions / comments including the following:- (responses shown in italics)

- What was the future of PFI schemes and would they disappear?  
*It was agreed that a response to this question would be forwarded to the member directly.*
- Clearly there was a shortage of social housing in Slough but the ability to build further housing in future would be difficult. What would the Council do to overcome this problem?  
*The number of required social homes build had been met in recent years in Slough but the numbers were modest against the significant number of homes needed. There was however an opportunity for other neighbouring Councils to deliver housing and this would be pursued.*

**Resolved** - That the Committee notes the forecast impact of the comprehensive spending review on the Council's revenue and capital budget requirements, the savings plan for 2011/12, and, regrets but understands the necessity to reduce full time support staff levels, and notes the updated Revenue Budget from 2011/12 to 2014/15.

### 33. **Medium Term Financial Strategy - (B) Future Provision of Transactional Services for Slough Borough Council**

The Chief Executive outlined a report setting out the Council's plans to make further savings during the following three years through the externalisation of Transactional Services. It was noted that the report and its recommendations had been agreed at a special meeting of the Cabinet held on 9<sup>th</sup> November, 2010.

The Committee expressed its concern that the financial reports had not been submitted to the Committee first for comment prior to consideration by Cabinet. The Chief Executive advised that in normal circumstances this would not happen but on this occasion the subject of the report was urgent

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and the Cabinet meeting had been called to consider the item at the earliest opportunity.

The Committee noted that initial research carried out by Officers had indicated that delivering Council Transactions Services via a private sector company in other locations had led to a significant reduction in costs and improved performance. The relevant transactional service areas would include housing benefits, council tax collection, business rates, cashiers, and recruitment; telephone contact centres would also be incorporated. Whilst the current levels of service had improved in recent years, the related operational costs could not be sustained in the present or future financial climates. The Committee noted the two options for procuring a private sector service provider and the relevant procurement timescales. It was highlighted that if the Council was unable to attract a partner and savings were compromised then savings of between £1.5m and £2m per annum would need to be identified from other internal sources.

In the ensuing debate a Member asked how much My Council was costing at present? The Chief Executive commented that the Council was not contemplating moving a large portion of My Council into Transactional Services and it was agreed that any further questions regarding the Transactional Services item be forwarded to the Scrutiny Officer so that a response could be secured.

**Resolved-** That the report be noted.

### 34. Effect of Economic Downturn on the Economy of Slough

The Committee received an update report on the Effect of the Economic Downturn on Slough's Economy. It was noted that since the meeting of the Committee on 1<sup>st</sup> July 2010 when an update had been requested, there was little discernable change on unemployment but concerns remained following the impact of the public sector job losses following the CSR announcements in late October.

The Committee was concerned that there was no Officer present to respond to specific questions and this was regrettable particularly as a reporter from the Slough Express newspaper was in attendance to cover this item.

Resolved –

- (a) That the report be noted including the positive news regarding new jobs.
- (b) That an update report be provided in June 2011.
- (c) That an update report be provided at the next meeting in respect of the situation regarding the long-term unemployed in the Borough and in particular those over the age of 50.

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### **35. Attendance Record**

**Resolved** - That the report be noted.

### **36. Executive Forward Plan**

Resolved – That the report be noted.

### **37. Forward Work Programme**

**Resolved** – That the report be noted and that the following items be added:

- Current position with the Britwell and Haymill Regeneration Project- 2<sup>nd</sup> December 2010.
- The Reintegration of People 1<sup>st</sup> back into SBC-2<sup>nd</sup> December 2010.
- The situation regarding the long-term unemployed in the Borough and in particular those over the age of 50- 2<sup>nd</sup> December, 2010.
- Effect of Economic Downturn on the Economy of Slough-Update Report- June 2011.

### **38. Date of Next Meeting- Thursday, 2nd December, 2010**

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.40 pm)