

## **Overview & Scrutiny Committee – Meeting held on Thursday, 20th January, 2011.**

**Present:-** Councillors M S Mann (Chair), Basharat, Coad, Haines, Shine and Walsh (arrived at 6.50 pm)

**Also present under Rule 30:-** Councillors Anderson and Parmar

**Apologies for Absence:-** Councillor Bal and O'Connor

### **PART I**

#### **51. Declarations of Interest**

None received.

#### **52. Minutes of the Last Meeting held on 2nd December 2010**

Minutes of the last meeting held on 2<sup>nd</sup> December, 2010 were approved as a correct record.

#### **53. Performance and Financial Reporting 2011/2012**

Julie, Evans, Strategic Director of Resources and Roger Parkin, Strategic Director of Improvement and Development, outlined a report highlighting the Council's overall performance from delivery of service to financial management covering the period up to and including November, 2010. The key areas measured were performance monitoring against the Corporate Balanced Score Card and the LAA Balanced Score Card to November, 2010 and the revenue and capital monitoring position to November, 2010.

##### Performance

The Strategic Director of Improvement and Development advised that the corporate scorecard drew attention to areas of exception, improved performance, and an assessment of where improvement actions were needed for performance to achieve end of year targets (providing the most up to date detail). The Committee noted that the report comprised exceptions from the Balanced Scorecard relating to performance indicators selected by CMT members to determine the organisational health of the council and the LAA Scorecard which related to indicators in the LAA. It was noted that several of the indicators were scheduled to be updated at the end of December, reporting quarter 3, and these would be reported at a future meeting.

The Committee was advised that 10 highlight reports had been received during the relevant period and of these 4 projects had an overall green status, 5 amber and 1 red. The Strategic Director discussed the position on the 10 highlighted areas which had been circulated within the agenda papers in advance of the meeting.

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The Committee considered the detail of the various projects and the suggested recommendations therein.

In the ensuing debate members asked a number of questions regarding the project, including the following (responses in italics):-

- In relation to the school places in Slough project, a member advised that a number of residents had complained to him that their children were unable to obtain a place in local schools but immigrants were obtaining places. He asked why this was the case?

*The Director advised that he was unable to respond to this question in detail and it was agreed that the Strategic Director, Education and Children Services would provide a response for the member in questions.*

- In respect of the Housing Futures (ALMO move) a member was concerned that the move had not been completed and a number of areas including an accommodation review to confirm the location of the housing service and how many staff would be relocated had not been completed. He asked why this was the case?

*The Strategic Director of Resources advised that the ALMO was a separate company and a process had been agreed to TUPE staff across on current terms and conditions. All of the staff had been involved in the formal consultation and she accepted that although it appeared to have taken a long time the matters had been outside of the Council's control. The member suggested it was the case that the council had not been sure what it wanted to do in the first place and the Director advised that the decision had been taken to bring across staff and their roles would be incorporated into roles within Slough Borough Council. It had been necessary however to fit this move into a broader corporate restructure and members had taken the decision that staff would be offered the opportunity to consider voluntary redundancy. It was confirmed that the former restructure remained incomplete. The member concluded that in his opinion the council had not been efficient in this area and was unhappy that the overall status of the project was amber.*

- In response to a question regarding the number of schools which had been identified as completion centres, under the 2011 census project, the Committee was advised that there would be a full report on the position at the next meeting on 27<sup>th</sup> January, 2011. The Chief Executive advised that the list would be reviewed on the following Monday and highlighted that SBC had taken the lead role in community planning to cover the involvement of particular groups within the population. The Committee was advised that the fire service would provide a bus and driver which would be strategically

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placed in the town at various times to provide leaflets and other literature to promote awareness of the census.

### Financial Reporting

The Strategic Director of Resources outlined the Council's financial position, advising that the Council's net revenue budget for 2010/11 was £103.9m and the Housing Services agreed net operating budget for the same period was a surplus of £213k. The Committee was advised that there was currently a projected under spend position for the general fund of £744k but this position would change as work was underway to create a provision to mitigate an expected future liability in respect of looked after children. This figure compared to a reported overspend at the same stage in the previous year of £854k reported at the end of November, 2009. The Committee was advised that for the Housing Revenue account, there was currently a projected under spend position of £142k from the budgeted surplus position of £213k at the start of the year and this presented an adverse movement of £106k from that reported in the previous months. The Committee noted the detail of the month on month movement in variances within each directorate, as set out in the agenda papers. The Committee also noted the Treasury Management position regarding refinancing and the impact of capital reprogramming. The Director concluded that at present the financial performance position was as planned and that services were being delivered in accordance with budget that had been set.

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

- In response to a question about Sure Start funding the Director was pleased to advise that although there had been an expected reduction in Sure Start funding, this had been protected in the draft Budget. It was anticipated that approximately £400k of grant funding would be used to fund frontline child protection social worker posts but this was dependent on the funding being available beyond March 2011.
- In response to a question regarding the number of foster carers, the Committee was advised that there were an equal number of joiners and leavers in this area but full details of the relevant costs could not be provided at this stage.
- In response to an outstanding question regarding the cost of the new pest control contract, it was agreed that the Director of Resources would provide the detail of the disparity between the cost to the Council of rat treatment against the charges made to customers in causing this pressure and this would be forwarded to the member in question.
- A Member questioned why Slough BC had paid more for foster carers than every other Borough?

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*The Chief Executive advised that several years ago there was a shortage of foster carers in Slough and it was believed at that time that by increasing the allowances, it would be possible to recruit more foster carers.*

- It was highlighted that a young peoples substance misuse worker post had remained vacant since October, and this would remain vacant until the end of the financial year saving £17k, why was this the case?

*The Director advised that this service area was under considerable pressure and cuts had to be made. Further pressures had been realised following the announced government settlement and the Director of Education and Children Services had protected all service arrangements where possible.*

Returning to the Gold Project update, a member commented that five projects were amber in status and one was red and he considered that this was the worst position he had ever seen. The Committee was advised that the point of the various status levels was to draw attention to problematic areas or areas of slippage. An amber status was to be viewed as an area of concern but not a serious problem. A red status was problematic but often caused by unavoidable reasons, for example targets were not being met within the Britwell and Haymill Regeneration Project (BHR) but this was outside of the Council's control. Plans would be put in place to further review those projects with an amber status. The Leader of the Council in attendance under Rule 30, commented that most of the items which were not at the green status were in this position due to the current financial situation. In the case of BHR project the council was awaiting on further direction from the Homes and Community Agency and this was outside of the Council's control. Many other projects were at the green status and it was important to highlight that the council was trying to deliver a whole range of services across the town. The census project was amber but this was attributed to the way that the ONS was managing the scheme and again this was outside of the council's control.

A member highlighted that within the performance status and improvement report (page 35 of the agenda) a summary of the status for the 48 national indicators at 30<sup>th</sup> November, 2010 showed that there were 14 indicators with a green status, 6 amber, 9 red and 19 indicators awaiting final results. He was concerned at the number of amber and red indicators. The Chief Executive explained that several years previously the Council had selected indicators from a range of 190 and the Council had chosen more challenging targets – it was therefore to be expected that not all of the current statuses would be green. It was also highlighted that originally there was a financial reward system in place but all funding for this had been removed

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during the summer of 2010. She concluded that the position of having 14 green and 6 amber projects was not a bad position to be in and accepted that there were 9 indicators with a red status but these were largely due to financial restraints. It was also highlighted that Slough BC had in many cases exceeded targets met by other Berkshire Authorities.

- A member advised the Committee that several burglaries had taken place in the Britwell over the previous weekend and he was concerned that any cuts in public protection would contribute to this problem rising.

*In response the Chief Executive advised that Members were right to be concerned that budgets for community safety were under threat and it was clear that some issues of resources could be outside of the council's control.*

- The Treasury Management Section of the report had indicated that in relation to the heritable bank, to-date £1.17m of the original deposit of £2.579m had been repaid. A Member questioned whether the total balance would be recouped or were the monies at risk?

*The Director of Resources advised that the Council was on course to recoup all of the money that it had planned to recoup and the amount exceeded the amount that was expected in the area of 1 or 2%.*

**Resolved** – That the Committee note the current position regarding Performance and Project Management and Financial Performance (Revenue and Capital).

### 54. Medium Term Financial Plan-2011/12 to 2014/15

Julie Evans, Strategic Director of Resources, outlined a report and presentation setting out the latest projections of the council's revenue budget for the period 2011/12 to 2014/15. The report followed the previous Cabinet report of 13<sup>th</sup> December, 2010 and the Policy, Performance and Review Group (PPRG) on 10<sup>th</sup> January, 2011.

The Committee received a presentation detailing the outcome of the Government's settlement which provided clarity on the levels of national grant the council could expect to receive over the next two years. It was noted however that some element of the funding notably relating to schools would provide only a one year settlement position. Some uncertainty remained regarding the elements of grant funding outside of the Comprehensive Spending Review (CSR) and information was currently awaited on the allocation from a number of Government Departments including the Home Office and the Department for Work and Pensions. The report therefore provided members with progress against the savings targets and estimates of savings requirements in the light of the information known to date.

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Within the presentation the Committee was advised that the Council's planned response to cut in public expenditure had been £19,487,000 against an actual outcome of CSR confirmed funding of £18,921,000. The Director advised that financial planning was on track, the population increase had been recognised to some degree, and schools funding had been maintained. It was pleasing to advise that Sure Start funding had been protected and new people premiums would cushion the impact on schools to largely inflationary pressures. In respect of council tax it had been assumed that there would be 2 year freeze but it was confirmed that this would actually be only for a period of one year. The Committee noted the areas of the settlement which were not as good, including that there was a smaller funding pot provided to deliver early intervention activities, and there was a greater allocation of cuts in early years than previously indicated. The Director advised that approximately £2.7m in grant funding had ended and therefore schools services operated by the Local Authority would no longer be funded (£1.6m Schools Development Grant). It was also unfortunate that the local authority DSG allocation had been top sliced to fund the national academy programme which equated to a loss of circa £400k. It was clear that there was therefore £2m of unfunded education/schools services and the council would need to address this. It was highlighted that over the following four years the Council's spending ability would be reduced overall by £25.2m and this would impact on local tax payers.

The Committee was reminded that the balanced budget must be set by Council at its meeting on 21<sup>st</sup> February, 2011. It was noted that additional savings of £6m for year one had been secured to date and the Council would need to find £2.7m in funding for services where the grant funding had ended, otherwise the services would end.

The Committee noted the progress on reducing the future funding gap and the detail of the first tranche of savings representing an estimated savings value of £6.9m with effect from 1<sup>st</sup> April, 2011 (as set out within Appendix A of the report). The Committee was advised that the focus of the savings was in line with members requirements and was focused away from customer facing frontline services, requiring reductions in corporate areas such as management costs and support services. The Committee noted proposed additional elements of savings regarding the finance service and property services which if agreed would be subject to the required consultation and impact assessment process.

The Committee noted that the Council was currently undertaking a review of its assets and this would be reported to Cabinet in February 2011. Trading functions, would also be reviewed to, for example, review fees and charges and this would contribute to the 2012/2013 forecast shortfall.

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

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- A member asked the Director to clarify the statement regarding the top slicing of the Authority's DSF allocation to fund the National Academy Programme.

*The Council had a statutory duty to schools and the Government had assumed that support would be reduced due to authority's having a number of academies. Whilst some authorities were unaffected by this position because they had several academies within their area, Slough BC at present only had one academy and therefore the Council was adversely affected by this situation.*

- A member questioned the position regarding zero based budgets and the possibility that the Committee would be better placed to scrutinise how money was spent in future years over a longer period of time.

*The Council did have a real opportunity to challenge why it spent money in particular services and it would be important to have a radical look at spending over the next three years or so, giving rise to potentially to big changes. The Director of Resources advised that for example support services finances had completely been revisited so in effect an element of zero based budget process had applied in this area.*

- A member suggested that if the Council became leaner it could be in growth in three years time. How could scrutiny contribute in a positive way to achieve the best outcome for the Town?

*The Committee was advised that very stringent targets had been met in the current year and reductions would continue in the following year. It was accepted that being able to design and shape the Council gave members considerable freedom in this area.*

**Resolved** – That the Committee note the recommendations set out in the report that will be considered by Cabinet at its meeting on 24<sup>th</sup> January, 2011.

### 55. Housing Capital Programme- Future Strategy and Direction

Neil Aves, Assistant Director, Housing Services, outlined a report to provide Committee the opportunity to comment on the Housing Capital Programme - Future Strategy and Direction prior to its consideration by Cabinet on 24<sup>th</sup> January. The report considered the priorities within the Housing Capital Investment Programme in light of the closure of the Council's ALMO and the loss of the final tranche of Decent Homes funding. The report also set out the possible strategic changes in the procurement or delivery of future work programmes.

The Committee noted that the Housing Investment Strategy had over the past 4 years primarily focused on meeting the requirements of the Government's Decent Homes standard. It was noted that the Council was able to draw

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down the Government's additional £45.4m funding allocation to meet the Decent Homes standard after the ALMO was awarded the Audit Commission's 2 star quality standard in October 2007. The Government had subsequently extended their original 2010 deadline for achieving the Decent Homes standard to 2012 and as such alter the Council's funding profile over this period. This meant that the Council was obliged to deliver a larger programme of work than originally envisaged and meant that the Council had to reprioritise some of its financial resources within the Capital Programme over and above assumptions made.

The Committee was advised that the optimum sequencing of the work required meant that a typical internal package of work could include elements that had already failed the Decent Homes standard, for example, kitchen and a bathroom and that other elements that were going to fail during the 5 year programmes, for example, boiler or electrics, or in some cases in subsequent years. The use of resources was therefore optimised to carry out the full volume of work per property at the same time. Packaging the work in this way had resulted in greater savings per property and had helped to minimise the disruption to tenants.

The impact of the investment strategy and the options appraisal of possible future investment strategy were noted. The Assistant Director discussed the six options for future investments against the council's key priorities going forward. It was considered that whilst there was an immediate financial pressure to deliver Decent Homes compliance by the 2012 deadline, once this had been achieved the level of financial resources required to maintain this standard across the Borough over the next five years was affordable within the Government's current housing subsidy allowance. Further it was considered that a number of substantial external and estate improvement work programmes improving roof covering and estate improvement schemes would remain affordable.

The Assistant Director advised the Committee that Members and the Council's Corporate Management Team would strongly recommend Cabinet to support option 6 as the preferred way forward. Members noted the revised five year Housing Capital Programme (Appendix 1 of the report) which estimated a projected finer outturn of £7.95m for the 2010/11 year against the £10.9m budget.

The Committee noted that if Cabinet approved the recommendation the transfer from HRA balances would be reflected in the HRA budget reports for 2011/12 due to be considered at the February meeting.

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

- The report stated that the warden call alarm system had become a priority scheme for the council due to the national BT network upgrading programme. What was the current position on this?

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*The Assistant Director advised that BT had announced in summer of 2010 that the project had been abandoned until future years and the concerns that any major investment to the systems had been deferred until the Council had completed the wider review of the supported housing service that would determine the requirements of the future systems. The system would continue to be supported by BT for the next few years.*

- A survey had concluded that in respect of external wall finishes and roof coverings the majority of properties were not failing the DH standard and it would be appropriate to defer any works over the next 3-5 plus years. A member was concerned at the length of this period.

*The Committee advised that this was a subjective matter and was much dependent on weather conditions over the next few years. It was clear however the none were in desperate need of replacement at this time.*

- A member asked what had happened to the money that should have been allocated to the refurbishment of flats in Wentworth Avenue under the scheme?

*The Committee was advised that Decent Homes funding did not include the flats because it was felt that this was "putting good money after bad". If the Britwell and Haymill Regeneration Scheme had been cancelled then it would have been necessary to set aside money for the flats. It was highlighted that the Decent Homes programme did not cease in 2012 and from 2012 every council would be obliged to fund the programme.*

- Whenever a home was purchased under the Right to Buy Scheme, was the purchase price given to the Council?

*The Committee was advised that only 25% of the net sale price realised was allocated to the Council, therefore in practice every four houses sold would equate to the cost of building one new home.*

- Did the three contractors who had been approved to carry out the Decent Homes work still exist and continue with works?

*This was the case but only until next year when two of the three contractors would decide if they wished to continue. It was noted that the contract ended in March, 2011. The Committee was advised that future government proposals which would take effect in March 2012 would mean that the Council would retain the rent and take on an element of the original national debt which covered in part the cost of building the council properties.*

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- A Member considered it was important to protect the roofing and guttering of properties for the long term and asked what assurance there was that this would be done within the next five years?

*It was possible that new funding would be received in the following year and from the evidence available it was thought that these were sustainable.*

- A Member questioned whether the Council would see more housing subsidy coming back and was advised that an announcement regarding this would be made in the following month.

**Resolved** – The Committee notes the results of the Housing Capital Programme option appraisal and the recommendations that will be considered by Cabinet on 24<sup>th</sup> January as follows:-

- (a) That the Committee note that the Future Housing Capital Programme will be planned, procured and funded based upon option 6 as set out in the report.
- (b) That an additional funding requirement of £2.85m to fund the 2011–12 HRA Capital Programme is met from the Housing Revenue Account (HRA) Revenue balances as set out in the report.

### 56. **Britwell and Haymill Regeneration-Project Update**

Neil Aves, Assistant Director, Housing outlined a report to update the Committee on the latest position regarding the Britwell and Haymill Regeneration (BHR) Project and to discuss the next steps to achieve the successful regeneration of the area.

The Committee was advised that since the last update report in April there had been a major contraction of the Government's commitment to future levels of public expenditure and capital investment and this had had a negative effect on the delivery of the regeneration project, not only in terms of long term viability but the delays caused as each government department reviewed its priorities and expenditure commitment. The Assistant Director advised that planning consent was granted in March, 2010 and the Project Team had expected to move quickly into the procurement phase when preferred development partners would be engaged to deliver the retail and residential developments within Phase 1. It had however not been possible to procure a partner because no retail developer would be currently interested in the investment potential of the new facility until there was some certainty over the deliverability of the housing regeneration which would bring with it the population to make the shops profitable.

The Committee was advised that progress on the scheme remained dependent upon the funding of the housing development of 71 affordable rent homes. It may have been possible under other circumstances to build the

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homes for market sale rather than for affordable rent but this was no longer an option as the property market was already depressed and any sales at this stage would be significantly undervalued and would not represent best value in terms of utilising the Council's assets. Furthermore the majority of the proposed terms on Kennedy Park were required to be build for affordable rent to allow the decanting of the substandard housing currently existing in Wentworth Avenue and Marunden Green.

The Assistant Director concluded that the Regeneration Project remained a corporate priority for the Council and the funding priority for the Homes and Communities Agency (HCA) and the delay in progress was due to national and regional issues and not lack of effort on the part of the project team. It was also emphasised that the delay was due to the restructuring and reorganising of HCA and hence the absence of a bidding process to secure funds rather than a negative decision or the lack of funds available.

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

- A Ward Member was particularly concerned about the delay in the regeneration of the site and stated that the purpose of the scheme was to re house residents. He asked why it was not possible to demolish the existing houses and flats and build on the footprint of the site? He also reminded the Committee that a 800 signature petition had been received from residents stating that they did not want the shops to be moved from their existing position. He asked whether it would be necessary to call a referendum to force the Council to act on this issue.

*Communications with the HCA continued on a weekly basis and an answer had been promised – it was hoped that this would be received by the end of March 2011.*

- A member questioned the possibility of placing residents in mobile homes while the existing site was redeveloped. The Assistant Director commented that it would not be possible to force people to live in mobile homes and in any event he doubted that this would be a satisfactory resolution. He also confirmed that if the whole area were developed then it would be possible to build 120 homes but if the shops were retained then only 71 homes could be achieved.

**Resolved** – That the progress on the delivery of the Britwell and Haymill Regeneration be noted.

## 57. Executive Forward Plan

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

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### **58. Forward Work Programme**

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

### **59. Attendance Record**

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

### **60. Date of Next Meeting- 27th January, 2011**

The date of the next meeting was confirmed as 27<sup>th</sup> January, 2011.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.50 pm)