



Minutes

Name of meeting	OVERVIEW AND SCRUTINY COMMITTEE
Date and time	WEDNESDAY, 29 SEPTEMBER 2010 COMMENCING AT 6.00 PM
Venue	COUNCIL CHAMBER, COUNTY HALL, NEWPORT, ISLE OF WIGHT
Present	Cllrs Jonathan Bacon (Chair), Reg Barry George Cameron, Vanessa Churchman, John Hobart, Heather Humby, Julie Jones-Evans, Colin Richards, Arthur Taylor, Gary Taylor, Ian Ward, Margaret Webster
Cabinet Members (non voting)	Cllrs Tim Hunter-Henderson, David Pugh
Other Members (non voting)	Cllr Paul Fuller,
Officers Present	Ian Anderson, Jonathan Baker, Steve Beynon, Dave Burbage, Roger Edwardson, Marcus Elsom, Stuart Love, Colin Peak, Paul Thistlewood

6. **Minutes**

RESOLVED:

THAT the Minutes of the meeting held on [10 June 2010](#) be confirmed.

7. **Declarations of Interest**

There were no declarations at this time.

8. **Second Budget Review – 2010/11**

(During the debate Cllr Arthur Taylor declared a personal and prejudicial interest in the item as a close family member worked at Westminster House in Newport. Cllr Taylor subsequently left the room for the duration of the subject under discussion.)

The Committee noted the report that was considered by the recent meetings of Cabinet and full Council relating to the budget. The Strategic Director of Resources provided members with a PowerPoint presentation which gave an overview of the key messages on the Council's financial position.

Members were advised on the key messages which included a high underlying revenue net spend base prior to any future government cuts, a sustained need to provide capacity to deliver key projects, limit capital programme to priority areas and a limited ability to absorb overspend. There were concerns that if expenditure was

above anticipated for areas such as waste and concessionary fares then the savings required would be even greater.

The current budget monitoring position for 2010/11 was explained and this indicated how the known projected risks would be offset by savings and overspends in other areas. The increasing budget pressures for 2011/12 and 2012/13 required a major change in service delivery in order to reach a balanced budget.

Although the Council's gross spend was £344m the actual base figure from which savings could be found was £107m. It was predicted that to accord with the government's request for a 20% reduction a saving of £22m would be necessary. A breakdown of the effect of this on Directorate/service basis was given.

The Strategic Director for Community Services advised that three separate consultations would be carried out simultaneously. These would be around the transfer of the day care services provided at Westminster House to the Gouldings and the Adelaide, the review of the Charging Policy and the proposals to raise the eligibility threshold to "Critical".

The timescales for this were outlined leading to proposals being presented to full Council on 23 February 2011 with an implementation date of 1 April 2011. The Adult Social Care, Health and Housing Scrutiny Panel would be kept advised of emerging issues and recommendations.

A Consultation Reference Group would be established under the chairmanship of the Cabinet Member for Adult Social Care. The group's main duty would be to provide assurance on the process of consultation and not to provide recommendations to council.

On the areas of savings around the Children and Young People Directorate, the Head of Learning & Achievement reported on the review of the discretionary travel subsidy for post 16 travel and also that for travel to denominational schools. Any changes would be introduced with effect from September 2011.

The Leader of the Council advised that consideration had been given to increasing the termly post 16 contribution towards home to school transport for the spring and summer terms of 2011. This was not being pursued following representations already received from the IW College and various forums. It was therefore proposed to introduce any increase from September 2011 in order to provide students more time to adjust and meet the increased cost. The consultation arrangements were explained and the Children and Young People Scrutiny Panel would be kept advised.

Following the presentation the Chairs of the four Scrutiny Panels would be invited to highlight relevant budget areas which needed to be addressed either at the meeting or at their forthcoming panel meetings.

The Chair of Adult Social Care, Health and Housing Scrutiny Panel indicated that she would like her panel to be advised of whether the difference in home care costs with the average in England, as contained in paragraph 21 of the report, could be attributed to the Council's free home care policy for the over 80's.

(Cllr Taylor declared a personal and prejudicial interest in this part of the item and left the room).

With regard to issues around the transfer of services from Westminster House, members were assured that all options had been and will continue to be explored. The Strategic Director for Community Services also advised that Westminster House was a short stay and respite centre for Island residents with specialist needs. Vulnerable people who were sent off Island for specialist care received long stay treatment which could not necessarily be provided on the Island. However, the council would continue to look at delivering as many services on the Island as possible in order to help keep minimise costs.

Members noted from paragraph 26 of the report the weekly costs for care per person at Westminster House. The Strategic Director believed that these could be reduced by an average of £200 per week per person. The Committee queried the effect of occupancy figures on the costs quoted and felt that this should be looked at further. Regarding transport costs for service users, these would be financed via the personal budget scheme and there was also the option that service users could also take advantage of the Concessionary Fares scheme.

The Chief Executive suggested that the Panel should visit Beaulieu House in order to judge how well effective services could be delivered in alternative premises.

(Cllr Taylor re-entered the room).

The Chair of the Children and Young People Scrutiny Panel, requested that his panel be given a breakdown of the reasons for the additional costs of £370,000 for safeguarding.

Whilst noting that the Leader had indicated that implementation of the proposed increase in post 16 home to school charges would be delayed until September 2011 the Committee queried whether in the light of the financial situation this was wise. The Leader responded by indicating that the impact upon students had been taken into account. Given the limited additional revenue such a move would have raised and the consultations being undertaken on related issues the matter had been delayed.

The Chair of the Economy, Environment and Transport Scrutiny Panel requested that the assumptions supporting the projected car parking income when setting the budget for 2010/11 should be reported to the next Economy, Environment and Transport Scrutiny Panel. The Strategic Director of the Economy and Environment also agreed to provide information on the proposed changes to the leisure centres improvement programme to a future meeting of the Panel.

With regard to concessionary bus fares the Committee requested that the cost to the council in dealing with the appeal process should be supplied.

On the issue of the Highways Private Finance Initiative (PFI) it was noted that the scheme did get Treasury and Department for Transport approval and was awaiting the final sanction in the spending review. There was a possibility that the project could be approved but at a reduced level of financial credit. Should the PFI not be given final approval, then the council would need to look at its own resources to

address highway maintenance. However, given the reduced resources available, there would be no comparable fall back plan should the PFI not be agreed.

The Committee raised the assumptions that had been made about the income generation arising from the revised parking charges introduced in 2010, particularly in relation to permits. Whilst it appeared that many other authorities across the country had experienced a drop in the level of income from car parking charges the Strategic Director was requested to outline the assumptions that had been made at the next meeting of the panel.

The Chair of the Fire and Community Safety Scrutiny Panel asked if details of the performance of the second appliance attendance response rates could be provided at the next panel meeting as well as the an update on discussions with Surrey about a shared control room and the additional costs being incurred by the council in relation to the delays in the regional control facility.

With regard to a shared call centre on the Island with all other blue light services the Strategic Director advised that such proposals were not acceptable to the Police and given the different IT systems used by the other services, any rationalisation would not prove to be cost effective.

The Committee had some concerns that the decision on a combine fire control facility would be taken by way of a Cabinet Member delegated decision. The Leader of the Council reminded members that full council had already made an “in principle” decision. The delegated decision process was transparent and enabled representation to be made and was came within the “Call In” procedure.

The Leader of the Council stated that following discussions with Southampton and Portsmouth unitary authorities on joint working arrangements connected with the Local Enterprise Partnership these was being expanded to look at the sharing of other services. These were mainly related to back office services as it was the intention to keep all frontline services on the Island.

The Committee was assured that the council was on track to deliver the corporate savings as outlined in the budget review around the area of back office costs and overheads such as limiting council publications, limiting events and conferences as well as reviewing performance and data returns to government thus avoiding repetition across the council.

The Chair of the Committee requested that the results of the various consultations be provided to committee members as soon as they were available to assist them in their deliberations about the budget.

RESOLVED:

- (i) THAT each Scrutiny Panel be given an overview of the budget position in relation to services coming within their remit.
- (ii) THAT the Committee and Panels to be supplied with the results of the various consultations being undertaken in respect of service changes and budget proposals

- (iii) THAT a list be made available to all members identifying the services for which the council has a statutory duty to provide and those which are of discretionary nature.

9. **Delivering Better Services – Transformation Programme**

The Head of Strategic Projects presented to the Committee a PowerPoint presentation which updated members on the Business Systems Improvement Programme (BSIP) as well as the wider agenda around the councils Transformation Programme.

Members were advised of the background to the programme, the intended outcomes and how these were to be achieved. It was envisaged that this would lead to a reduction in resource requirements but with more effective and efficient working with improved customer service.

One key element involved in the overall transformation programme was to refurbish County Hall. This would lead to an intended overall reduction of buildings used by the Council from 36 to 14. Members noted that this would include the Guildhall. If an alternative use could not be identified for this property then, like a number of others, it would be disposed of.

The rationale behind the BSIP programme was outlined together with the original and actual timeline for its implementation. The first phase had been implemented within a very short timescale and this had led to so bedding in difficulties. The second phase had therefore been introduced over a longer timescale following the issues learnt from phase one.

The new systems had assisted with the overall transformation programme which was designed to make substantial savings over a ten year period. As a result of the implementation of BSIP the single integrated system allowed for such advantages as improved financial monitoring and management, a single purchase to pay system, self service HR information access for staff and an improvement in the decision making and performance management leading to improved efficiency and cost effectiveness.

With regard to the current status it was noted that back office savings for 2010/11 was on target, a new technology infrastructure was in place, work place travel initiatives such as discount travel and pool cars had been established and the reduction in council buildings was on track. It was noted that with regard to the change management process there had been variable success, but most staff had accepted the changes. There had also been plenty of consultation with staff to allow them to prepare for the changes.

The Strategic Director for Resources advised the Committee on the projected capital and revenue costs of BSIP and the overall transformation programme. He stressed that the savings arising would only allow the council to be able to live within its currently known future means and did not take into account any implications arising from the national Comprehensive Spending Review.

On the issue of the reduction in staff resulting from transformation members were advised that the areas affected would be across the board. This had been achieved to date through vacancy management and redeployment.

On the SAP system, the Strategic Director reported that this would assist with the required publication of all Council expenditure over £500. Improvements to financial reporting processes had also enabled the Audit Commission to give an unqualified opinion of the Council's accounts.

Regarding improved customer service the new Shared Service facility at Westridge would provide the main first point of contact for a range of services which would put an end to the problem of service users being passed around the organisation. The committee was assured that placing the needs of residents first was the main priority.

On the matter of energy reduction, this would largely be met by the decrease in council owned buildings as well as looking more flexible working in others.

The Chief Executive accepted that communication to ward members needed to be improved on occasions and a series of briefings for elected members had been set up to address this with a senior officer being identified as a main point of contact.

RESOLVED:

THAT the progress with the implementation of the Transformation Programme be noted and a further report be considered in January 2011.

10. Quarterly Performance and Strategic Risk Management Report – Quarter 1 2010/11

The Cabinet Member for Major Projects, Performance and Communications stated that the report outlined the council's performance and strategic risks for the first quarter of 2010/11 ending 30 June 2010. The latest figures would shortly be available for Quarter Two. It was therefore advisable to wait for that report before providing any further update. Members agreed to wait and would discuss the performance data at the next Overview and Scrutiny Committee meeting in November 2010.

The Chief Executive advised that the numbers of performance indicators outlined in the report would remain in place for the remainder of the financial year. It was anticipated that the coalition Government would set a smaller amount of indicators. There would still be the ability for residents to be able to make comparisons with other authorities and show how the Council was performing.

RESOLVED:

THAT the Quarterly Performance and Strategic Risk Management Report – Quarter One 2010/2011 be noted.

11. **Forward Plan**

Members reviewed the Forward Plan for the October 2010 to January 2011 period and it was noted that following the demise of the Government Office for the South East (GOSE), the Core Strategy would likely go straight to the Inspector, however timescales and procedures would not be affected by this.

RESOLVED:

THAT the Forward Plan be noted.

CHAIRMAN