PERFORMANCE AND SCRUTINY OVERVIEW COMMITTEE 15th January, 2010

Present:- Councillor Whelbourn (in the Chair); Councillors Austen, Boyes, Gilding, Jack, License, McNeely, G. A. Russell, P. A. Russell and Swift.

Also in attendance for item 121 below (Local Government Reform – The Local Democracy and Economic Development and Construction Act) was Councillor Hussain (Cabinet Member for Community Development and Engagement)

116. DECLARATIONS OF INTEREST.

There were no declarations of interest made at this meeting.

117. QUESTIONS FROM MEMBERS OF THE PUBLIC AND THE PRESS.

There were no questions from members of the public or the press.

118. YEAR AHEAD - MID YEAR UPDATE

Julie Slatter, Head of Policy and Performance, presented the submitted report which provided a mid year update on the 62 commitments outlined in the 2009/10 year ahead statement "Shaping the Future". The report focused on the progress of each individual commitment and also offered an overview of how many commitments had been achieved, how many were on target to be completed by the year end, how many were at risk of not being achieved by the year end and finally how many would not be achieved by the year end.

Discussion and a question and answer session ensued and the following issues were covered:-

- LDF Core Strategy (Commitment 52): timescale extension, further consultation and budget implications of increased costs
- Raising profile and level of intervention in addressing child poverty in Rotherham (Commitment 42): need to see the links between CO₂ emissions, insulating houses, fuel poverty and child poverty
- involvement of scrutiny panels in helping to push amber rated commitments to green

Resolved:- (1) That the progress of the year ahead commitments (2009/10) to date be noted.

(2) That scrutiny panel chairs liaise with scrutiny officers to identify specific issues for consideration at relevant scrutiny panels

119. JULY TO SEPTEMBER, 2009 FINANCIAL AND PERFORMANCE REPORT ON MAJOR EXTERNAL FUNDING PROGRAMMES AND PROJECTS

The Chairman welcomed Barbara Moulson, Strategic Funding Manager, External Funding Team and Michael Holmes, Strategic Funding Officer. Barbara presented the submitted report which had been considered by Cabinet at its meeting on 16th December, 2009.

The report provided an overview of the performance and achievements of the Council's major external funding programmes and projects for the period July to September, 2009.

The priorities for each regime, together with the context of each project/programme's contribution to addressing those priorities, had previously been provided as an appendix to the Cabinet report in December, 2007.

The main risk associated with this report was that external funds allocated to the Council and its partners were not used fully and therefore ultimately lost to the Borough. It was the purpose of this report to assist in alleviating this issue through monitoring the major externally funded schemes and bringing to attention potential areas of underspend and under performance.

No projects/programmes were reporting concerns regarding the achievement of both spend and performance targets.

Discussion and a question and answer session ensued and the following issues were covered:-

- PFI and Future Jobs Fund to be included in future reports
- Play Pathfinder : need to look at critically in terms of value for money considerations
- funding of a brokerage manager
- implications of underspend on European Social Fund projects
- ERDF funding clarification

Resolved:- (1) That the information be noted.

(2) That the progress and actions underway to address areas where the expected outcomes for the major external funding programmes and

projects were not in line with the targets set be noted.

(3) That Andrew Bedford, Barbara Moulson and Cath Saltis liaise to bring back further information, particularly with regard to value for money/performance issues in respect of play areas/Play Pathfinder.

120. SCRUTINY REVIEW INTO THE USE OF CONSULTANTS

Further to Minute No. 64 of the meeting of Cabinet held on 17th June, 2009, Andrew Bedford, Strategic Director of Finance, presented the submitted report which provided an update on progress made in respect of implementing the approved recommendations. Also submitted was the proforma template in use within directorates to gain approval for engaging consultants. The proforma would facilitate the future reporting of spend on consultants in budget monitoring reports.

Discussion and a question and answer session ensued and the following issues were covered:-

- budget savings targets on agency and consultancy services
- concerns regarding skills of consultants
- definition of a consultant
- establishment of an in-house consultancy service
- opportunities to develop the 'non-specialist' skills some consultants were engaged to provide
- capturing in service plans the proposed use of consultants
- expected outcomes

Resolved:- (1) That the information and progress made to date be noted.

(2) That a further report be submitted on expected outcomes from the use of consultants.

121. LOCAL GOVERNMENT REFORM - THE LOCAL DEMOCRACY, ECONOMIC DEVELOPMENT AND CONSTRUCTION ACT 2009

Steve Eling, Principal Officer (Parliamentary Analysis), presented the submitted report which detailed how the Local Democracy, Economic Development and Construction Act 2009 (c. 20) received Royal Assent on 12th November, 2009. Parts one to seven took forward the remaining legislative requirements from the White Paper "Strong and Prosperous

Communities; and some of the legislative requirements from the White Paper "Communities in Control". The Act also included some provisions that arose in the "Strengthening Local Democracy" consultation paper.

Part eight of the Act provided for amendments to the Housing Grants, Construction and Regeneration Act 1996.

The report related to the local government reform aspects contained in parts one to seven of the Act, together with actions on commencement to be taken forward through the workstreams of the Council's Local Government Reform Implementation Plan.

The report provided more in-depth information on:-

- Part 1 Duties relating to Promotion of Democracy Sections 1 30.
 - Democratic Arrangements.
 - Petitions.
 - Involvement in Functions of Public Authorities.
 - Housing.
 - Local Freedoms and Honorary Titles.
 - Membership of Local Authorities.
- Part 2 Local Authorities Governance and Audit Sections 31 54.
 - o Scrutiny.
 - Mutual Insurance.
 - Audit of Entities connected with Local Authorities.
- Part 3 Local Government Boundary and Electoral Change Sections 55 – 68.
- Part 4 Local Authority Economic Assessments Section 69.
- Part 5 Regional Strategy Sections 70 87.
- Part 6 Economic Prosperity Boards and Combined Authorities Sections 88 – 120.
- Part 7 Multi Area Agreements Sections 121 137.
- Part 8 Construction Contracts Sections 138 145.
- Part 9 Final Sections 146 150.

It was not possible at this stage to identify what resource implications may arise for the Council when all the provisions of the Act came into effect.

The financial effects assessed to arise at the time that the Bill was introduced to Parliament suggested that the costs associated with its

implementation would be approximately £35 million per year in England starting in 2010/11.

Two Regulatory Impact Assessments were produced:-

- Duty to Promote Democracy Impact Assessment: and
- Local Authority Economic Assessment Duty Impact Assessment.

However, further functions had been introduced during the passage of the Bill. Additionally, the "Strengthening Local Democracy" consultation paper introduced proposals that related to the provisions in the Act. A separate Impact Assessment was produced for the consultation proposals.

Further work would need to be undertaken to identify the resource implications as part of developing the implementation of the new duties. Many of the proposed changes were expected to commence in 2010 and the Government was already implementing transitional arrangements in relation to regional working and strategies. However, most of the provisions commenced on dates to be appointed by the Secretary of State.

Discussion and a question and answer session ensued and the following issues were covered:-

- extension of duty to involve and impact on partnership and leadership role
- duty to promote democracy and concerns that this may be deferred during current parliament
- duty for councils to respond to petitions: issues concerning extent of feedback from consideration of petitions, e-petitions and scrutiny involvement arising from dissatisfied petitioners. Detailed report to be submitted
- partial amendment to the Widdicombe rules to change arrangements in relation to politically restricted posts: removal of salary cap
- higher visibility of overview and scrutiny including establishment of a statutory post of 'Scrutiny Officer'
- scrutiny of public officials
- provision about the procedures of local authorities and the audit of local authorities and the audit of entities connected with them
- local freedoms and honorary titles
- regional and sub-regional issues

provisions to establish mutual insurance arrangements

Resolved:- (1) That the policy and constitution issues set out in the report and appendix be noted.

- (2) That it be noted that a number of the workstreams had direct implications for the future role of scrutiny.
- (3) That further reports be submitted on the implementation of the workstreams.
- (4) That Cabinet be advised that, as far as this Committee is concerned, if the implementation date for the duty to promote democracy is not determined during this Parliament, then the Council should continue with initiatives to revive trust in, and involvement with, democratic structures within the borough.
- (5) That a further report be submitted on the duty for Councils to respond to petitions.

122. DEVOLVED BUDGET REVIEW - INTERIM RECOMMENDATIONS

Councillor Austen presented briefly the submitted report indicating that the Democratic Renewal Scrutiny Panel was conducting a review into devolved budgets considering the effects these have had on the borough as a source of funding for neighbourhood projects and the effects that would be felt if they were to cease.

The interim report contained the initial recommendations of the review group, following extensive interviews with Cabinet Members and directors so that they could be incorporated into budgetary considerations.

Resolved:- (1) That the interim report be endorsed.

(2) That Cabinet be requested to consider seriously the funding to devolved budget during the current budget process.

123. MINUTES

Resolved:- (1) That the minutes of the meeting held on 4th December, 2009 be approved as a correct record for signature by the Chairman.

(2) That, further to Minute No. 105 (Localised Flooding in June, 2009), a report be submitted to a future meeting regarding the response to the recent adverse weather conditions.

124. WORK IN PROGRESS

Members of the Committee reported as follows:-

- (a) Councillor Whelbourn reported:
 - latest correspondence from the Post Office regarding the issuing of fifty pound notes as part of benefit/pension payments
 - concerns regarding the level of school closures during the recent adverse weather

Resolved:- That the Children and Young People's Services Scrutiny Panel consider the consistency aspect of school closures at a future meeting.

- (b) Councillor Austen reported:
 - the review of devolved budgets was ongoing
 - the Looked After Children Sub-Committee review on corporate parenting was ongoing and a further meeting had been arranged
- (c) Councillor Jack reported that the meeting of the Adult Services and Health Scrutiny Panel had been rearranged to 21st January, 2010 and would be considering dementia and local authority working with partners.
- (d) Councillor G. A. Russell reported that the meeting of the Children and Young People's Services Scrutiny Panel had been rearranged to 22nd January, 2010.
- (e) Councillor Boyes reported that the latest meeting of the Regeneration Scrutiny Panel had considered:
 - effects of extreme weather
 - CO2 emissions
 - new cultural centre

125. CALL-IN ISSUES

There were no formal call in requests.

126. EXCLUSION OF THE PRESS AND PUBLIC

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part I of Schedule 12A to the Local Government Act 1972 (staffing and financial issues)

(Note: the following item was originally in the open part of the agenda but moved to the exempt section due to the confidential nature of the matters for discussion)

127. **BUDGET UPDATE**

Andrew Bedford, Strategic Director of Finance, gave a presentation in respect of the above.

The presentation covered:-

- Revenue Budget 2010/11
- Original Gap
- Revised Gap
- To be Bridged by:
 - Cross Cutting Savings Proposals
 - Directorate Specific Savings Proposals

Discussion and a question and answer session ensued and the following issues were covered:-

- budget timetable
- pay and inflation
- breakdown of savings proposals
- feedback from base budget reviews
- Council Tax
- results of management reviews
- use of consultants
- Icelandic banks
- workforce reprofile

Resolved:- That the information be noted.