

# MINUTES OF A MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 12 JANUARY 2011

**Present:**

**Members of the Board:**

**Councillors:** Les Caborn  
Michael Doody  
Peter Fowler  
Bernard Kirton  
Tim Naylor  
Jerry Roodhouse  
John Ross  
Chris Saint (Chair)  
Dave Shilton  
June Tandy  
John Whitehouse

**Co-opted members**

**For Partnership**

**Matters** Councillor Jeremy Bowden (North Warwickshire Borough Council)  
Councillor Claire Edwards (Rugby Borough Council)  
Councillor Bill Gifford (Warwick District Council)  
Councillor John Haynes (Nuneaton and Bedworth Borough Council)  
Councillor Sue Main (Stratford-on-Avon District Council)

**Portfolio Holder** Councillor Peter Butlin

**Officers:** David Abbott, Assistant to Political Group (Liberal Democrat)  
David Carter, Strategic Director Customers, Workforce and Governance  
Dave Clarke, Strategic Director Resources  
Monica Fogarty, Assistant Chief Executive  
Ann Mawdsley, Principal Committee Administrator  
Richard Maybey, Assistant to Political Group (Labour)  
Tricia Morrison, Head of Performance  
Jane Pollard, Democratic Services Manager

## **1. General**

The Chair welcomed everyone to the meeting.

### **(1) Apologies**

Apologies for absence were received on behalf of Jim Graham, Clive Parsons (Warwickshire Police Authority), Janet Smith (NHS Warwickshire) and Councillor Sonya Wilson.

**(2) Members' Disclosures of Personal and Prejudicial Interests**

None.

**(3) Minutes of the meeting of the Overview and Scrutiny Board held on 10 November 2010**

The minutes of the meeting of the Overview and Scrutiny Board held on 10 November 2010 were agreed as a true record and signed by the Chair. There were no matters arising that were not covered as part of the Agenda items.

**Part 1 – Partnership Matters**

**2. Public Service Reform Task and Finish Group**

The Board considered the report of the Chair of the Public Service Reform Task and Finish Group setting out the recommendations of that Group for onward transmission to the Cabinet. Councillor John Ross set out the background to the Task and Finish Group being set up and the progress that had been made to date.

A discussion ensued and the following points were noted:

1. Some concern was raised regarding the disposal of assets and the changes to service provision being introduced, particularly in relation to care homes and libraries and the introduction of virtual wards. Councillor Ross responded that service provision at this time was not yet fully defined, but that everything had to be considered realistically in terms of the current financial circumstances. It was further noted that the decision to dispose of buildings was one that would have to be faced by all public sector partners.
2. Councillor Ross clarified that the “face to face” contact referred to in the report was in relation to officer contact in terms of collaboration between partners or different authorities.
3. Any collaborative working would require early buy-in from all partners to be successful.
4. There needed to be a clear understanding of unit costs of the Council as well as what was available in other sectors to be able to make decisions on whether services should be traded, commissioned or kept in-house in a future mixed economy. This would ultimately be a political decision that should be based on clear leadership and strategic planning, but would have to be made without the luxury of time.
5. The way forward for the County Council would be on the basis of forecasting a strategy for the medium to long term (5-10 years) and the focus needed to be on ensuring that the people of Warwickshire continued to receive quality services that met their needs and provided best value for money. The terms and conditions of staff during any transition would also need to be protected.
6. Councillor Gifford stated that Public Service Reform would increase in complexity and requested that the County Council work closely with District and Borough Councils.
7. It was noted that examples given of traded services that may be threatened if not used by Academies were on fundamental services

such as legal services and school meals. There was a need to also look at more sensitive and less popular services within schools that sat at the core of school curricula and pupil well-being, such as speech and language, healthy eating and behavioural support. Cabinet would need to look at what services the County Council would want to continue to provide and the cost effectiveness of these services.

8. Future collaboration ventures needed to fit within the overall strategic direction of the County Council rather than on an opportunistic basis.

Members commended the Task and Finish Group for their report, which they agreed would provide a good framework and that the time limit should be extended to allow for a more detailed investigation.

Councillor John Ross noted his appreciation for the work carried out by the Group, as well as the officers and outside bodies who had made contributions.

The Overview and Scrutiny Board:

1. recognised that the Public Service Reform Task and Finish Group had more work to do and agreed that their timeframe should be extended, to allow for further work to be carried out, taking into account the comments of the Board and for a further report to be brought back to the May meeting of the Board;
2. agreed to provide an interim report to the Cabinet in light of the speed at which Public Service Reform was moving forward and in order to influence these changes.

## **Part 2 – Council Matters**

### **3. Public Question Time**

None.

### **4. Questions to the Portfolio Holder/Portfolio Holders Update**

The Chair welcomed Councillor Peter Butlin and informed the Committee that Councillor Martin Heatley was still not well and that Councillor Colin Hayfield had been unable to attend the meeting. Members acknowledged that Councillor Heatley had extended leave, but recorded their concern that Portfolio Holders were not attending the Board on a regular basis to answer questions.

Councillor Peter Butlin informed the Board that he had attended a Budget Working Party earlier in the day. He noted that as was the case with the Public Service Reform Task and Finish Group, the Authority had still not received all the information necessary to determine exactly how they would move forward, and especially in terms of budgeting, using the example of school grants. The Authority was constantly receiving new information, and was trying to develop a corporate view that could respond by providing the best services possible.

In response to questions put to Councillor Peter Butlin, the following points were noted:

1. Councillor Jerry Roodhouse asked for an update regarding library services.

Councillor Butlin responded that as set out in the Leader's ambitions, the plan was to configure the Library services towards the needs of library users 10 years in the future rather than 10 years in the past, taking into account changing trends of library users. Councillor John Whitehouse added that he had agreed to defer a report on libraries from the December meeting of the Communities O&S to a special meeting in early February, by which time the budget proposals for the County Council would have been published.

2. Councillor Jerry Roodhouse asked for an update on the Asset Management programme and proposed Disposal of Properties, what criteria was being used? He added that it was regrettable to dispose of buildings when asset values were so low.

Councillor Butlin stated that work in this area was ongoing, with an estimated return of £4.6m to £7m, dependent on market conditions. He stated that the sale of some buildings could be deferred until the property market improved but while the Council retained ownership of buildings they had to continue to maintain them.

3. Councillor June Tandy asked if any information had been received on whether there would be any additional funding for Academies after the first year.

Councillor Butlin replied that the Authority did not receive financial information for schools once they had Academy status.

4. Councillor Tim Naylor asked what criteria were used for the disposal of buildings.

Councillor Butlin asked that this question be referred to the appropriate officer for a response.

5. Councillor Peter Fowler asked whether the County Council was helping the voluntary sector to overcome the current economic situation.

Councillor Butlin stated that the County were going down a different model of service provision but would be looking towards assisting partners through the transition period.

6. Councillor John Whitehouse asked for an update on early retirement and voluntary redundancy of staff.

Councillor Butlin stated that 170 applications for early retirement had been received by Christmas, and with an extension of the deadline since then, more applications had been received and noted that changes to severance packages had also been agreed. He added that the Council was still in negotiations with unions in relation to Pay and Conditions.

7. Councillor John Ross asked for an update on the position with libraries, as it seemed inevitable that there would be a loss of some libraries. He stated that the wider functions of libraries should be considered and also that local Councillors needed to be fully consulted.

David Carter stated that there were currently no libraries listed for closure. He added that a review of libraries was being undertaken and Members had been fully briefed in the Autumn. If any closures were proposed, a full consultation would be carried out with the public, partners and Councillors.

The Chair thanked Councillor Butlin for his responses.

## **5. Corporate Business Plan 2011-13 Approach**

The Committee considered the report of the Assistant Chief Executive presenting the proposed approach to developing the 2011-2013 Corporate Business Plan (CBP).

During the ensuing discussion, the following was noted:

1. Some concern was raised that other than the Leader and Cabinet, Members had little opportunity to have any input into the Business Plan and that Overview and Scrutiny should have an opportunity to consider the priorities and targets that would go forward in the Business Plan rather than reviewing the measures and targets once it had been finalised. There needed to be earlier engagement with Overview and Scrutiny. This would also allow Overview and Scrutiny Committees the opportunity to fulfil their function of holding the Executive to account.
2. It was agreed that the Business Plan should be agreed in time to inform the budget decisions.
3. Given the timeframe that had already been set for this year, it was suggested that Overview and Scrutiny Committees should endorse the Business Plan and Transformation 13 programme, but that they needed to make the most of the opportunity when considering the Business Plan in the March cycle of meetings, to increase their understanding and knowledge of the Plan.

The Overview and Scrutiny Board agreed that:

1. The timescale for the process this year was too tight and the timeline started too late for Members to have an input.
2. The CBP should shape the budget.
3. Members needed to take advantage of the opportunities provided at the March cycle of meetings to have an input into the measures and targets within the CBP.
4. In future years the Corporate Business Plan is developed and approved earlier in the business-planning cycle, allowing the budget to be developed around approved corporate priorities and to allow Overview and Scrutiny Committees to contribute to it.

## **6. Treasury Management Monitoring Report**

The Committee considered the report of the Strategic Director of Resources setting out the progress of the treasury management process during 2010/11. Dave Clarke added that the results highlighted the good performance of the Treasury team.

A discussion following and it was noted:

1. In response to a query regarding the settlement of outstanding monies to Local Authorities following the crash of the Icelandic Banks, Dave Clarke noted that Warwickshire County Council had not had any involvement with the Icelandic Banks, but that it was expected that 85-90% of the money involved would ultimately be returned.
2. At the time of the Icelandic Bank crash, it had been recognised that Warwickshire County Council were operating a more conservative policy than many other Local Authorities. There was always a danger in chasing higher returns, and since the crash, most Local Authorities had constricted their lending practices considerably.

The Committee accepted the report and congratulated the officers concerned for the good result.

## **7. Review of Communication with the Public and Financial Accountability**

The Committee considered the report of the Chair of the Communication with the Public and Financial Accountability Task and Finish Group giving an update on progress with the review and seeking agreement to extend the length of time the review takes to complete. Councillor Tim Naylor was pleased to note that more recommendations from Phase 1 (Communication of the Public) had been implemented earlier in the week. He added that the next phase of the Task and Finish Group would be used to look at accountability, what information was needed and why, and that the Group would need an extension of time to complete their review.

The Overview and Scrutiny Board agreed to note the current progress with the review of Communication with the Public and Financial Accountability and agree to extend the timescale for the review to be reported to the May meeting of the Board.

## **8. Local Finance Settlement**

The Committee had received a copy of the Strategic Director of Resources' presentation to the Cabinet on 16 December 2010, setting out the provisional Local Government Finance Settlement and the implications for the County Council. Members were invited to put questions to Dave Clarke on the Local Finance Settlement.

In response to questions put forward, the following points were made:

1. There would be a reduction in grants paid directly to the County Council by Government, together with an annual reduction in the Comprehensive Spending Review, resulting in an average, front loaded reduction of 7% for the next four years.

2. The reference to WCC only reducing by 1.3% showed the relative position compared to other Authorities in grant terms and did not take account of the whole picture.
3. The removal of ring-fencing on grants allowed the Authority more latitude, but did present real challenges by making choices more difficult, as spending pressures were still there.
4. In terms of Council Tax, the expectation this year was that a zero increase in Council tax for 2011/12 would result in a grant equal to a 2½% grant increase. In future years if the Council aimed for an equivalent 2½% increase, Council tax would have to be increased by a greater percentage.
5. The pupil premium for deprivation based on free school meals was part of the Coalition Government's agenda and was expected to continue.
6. Members would have to agree a mechanism to deal with the residual gap for the revenue budget for 2011/12 of £8.765M, and a number of options had been put forward as suggestions of ways to fill this gap in the budget.
7. It was noted that letters had been received by armed forces services families notifying them that an additional pupil premium of £200 per child per year would be paid out for their children. Dave Clarke stated that his Directorate had not received notification of this to date.
8. There would be no savings from Capital Grants in terms of revenue for 2011/12, but thereafter there would be savings of £800,000 per year.
9. Dave Clarke undertook to provide to Members of the Board the documents setting out two year projections for capital and revenue that had already been shared with the political groups.

The Chair thanked Dave Clarke for his responses.

## **9. Scrutiny Reviews Progress Report and New Proposals for Task and Finish Groups**

The Committee considered the report of the Strategic Director for Customers, Workforce and Governance asking the Board to comment on the progress of scrutiny reviews.

During the ensuing discussion the following points were made:

1. In response to concern raised that there had been no new proposals for Task and Finish Groups, Jane Pollard noted that out of the 14 proposed to the Board, 7 had been progressed, the Control of Alcohol proposal was still pending and the others had not been commissioned by the Board. She added that a meeting had been set up in February with the Chairs of the Board and O&S Committees to look at refreshing the Task and Finish Group proposals. Councillor Whitehouse requested that an updated view of the resource commitment be provided at that meeting.
2. Members had an opportunity to input to scopes at both the Board and at the Task and Finish Groups themselves.

The Chair noted that steps were being taken to refresh the programme of Task and Finish Groups and that a further report would be brought to the next Board meeting.

**10. Work Programme 2010-11**

Jane Pollard outlined changes that had been made to the Cabinet forward plan, which was available on the Committee Admin Database.

**11. Any Other Items**

None.

**12. Dates of Future Meetings**

Members of the Board agreed to change the date of the March meeting from 16 March 2011 to 10 March 2011 at 10:00 am.

The remaining dates were agreed.

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Chair

The Board rose at 4.25 p.m.