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CITY COUNCIL BUDGET AND CORPORATE PLAN SCRUTINY 2010

DATE: MONDAY 1 MARCH 2010
TIME: 2.00 PM
PLACE: COUNCIL HOUSE, PLYMOUTH (NEXT TO THE CIVIC CENTRE)

Members –

The Lord Mayor, Councillor K Foster, Chair
Deputy Lord Mayor, Councillor Drean, Vice Chair
Councillors Mrs Aspinall, Ball, Mrs Beer, Berrow, Bowie, Bowyer, Mrs Bowyer, Mrs Bragg, Brookshaw, Browne, Coker, Dann, Delbridge, Mrs Dolan, Evans, M Foster, Mrs Foster, Fox, Fry, Gordon, James, Jordan, Kerswell, King, Martin Leaves, Michael Leaves, Sam Leaves, Lock, Lowry, Dr. Mahony, McDonald, Miller MBE, Monahan, Mrs Nelder, Nicholson, Mrs Nicholson, Mrs Pengelly, Purnell, Rennie, Reynolds, Ricketts, Roberts, Dr. Salter, Smith, Stark, Mrs Stephens, Stevens, Thompson, Tuohy, Vincent, Viney, Mrs Watkins, Wheeler, Wiggins and Wildy

I refer to the agenda for the above meeting and attach the report of the Budget and Corporate Plan Scrutiny 2010 shown as 'to follow' and referred to in item 7(b).

BARRY KEEL
CHIEF EXECUTIVE

CITY COUNCIL

**TO DETERMINE RECOMMENDATIONS FROM CABINET, OVERVIEW AND
SCRUTINY MANAGEMENT BOARD OR OTHER COMMITTEES**

7. BUDGET AND CORPORATE PLAN

- (b.) Report of the Overview and Scrutiny Management Board on the Budget and Corporate Plan Scrutiny 2010;

(Pages 1 - 16)

**Overview and Scrutiny
Management Board**

Scrutiny Review Report

February 2010



Budget and Corporate Plan Scrutiny 2010

Plymouth City Council

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Foreword

1. The Council's Overview and Scrutiny Management Board, formed in July 2009, has responsibility for holding the Cabinet to account for its decisions with respect to the corporate budget and policy framework, as set out in the Council's constitution. Its members, drawn from both parties and assisted by co-opted members with expertise from the business and education sectors, are charged with independent scrutiny of the Council's key decisions with respect to financial and performance management matters, as well as the Council's key strategies.

The Council is required to take account of the recommendations contained within this report in making its decisions with respect to the Corporate Plan and revenue and capital budgets for 2010 -11.

2. The Overview and Scrutiny Management Board has planned its programme carefully to challenge whether:
 - the Council's Corporate Improvement Priorities (CIPs) within the draft Corporate Plan are properly tested as being fit for purpose in delivering the city's strategic objectives and achieving the Council's vision
 - the proposed budget, both capital and revenue, is both deliverable and supports the priorities;
 - arrangements are in place to deliver the stated priorities within the financial framework set out in the budget.
3. The findings and recommendations of this report represent the shared views of the entire Board.
4. We would like to extend our thanks to members of the Board, both councillors and co-opted members, for their commitment in conducting this scrutiny review. We would also like to thank the officers who supported us, Cabinet Members, Directors and Assistant Directors who took part in the review. We would also like to thank David Burn from Lambeth Council for his valuable contribution during the planning workshops. Feedback already received indicates that ours was a robust and challenging process that will help to shape both the Corporate Plan and the Council's capital and revenue budget arrangements.



Councillor David James, Chair



Councillor David Viney, Vice-Chair

Scrutiny Approach

5. The Board undertook two planning workshops, supported and facilitated by an IDeA Peer Officer in advance of the two day scrutiny event. As a result of the planning sessions, members were well informed and prepared to embark on a thorough, challenging and robust scrutiny process.
6. The Board convened over two days and took an overview of the Corporate Plan 2010 – 2013 and the Revenue and Capital Budgets 2010/11. As part of that overview the Board received a number of documents which underpin the delivery of the Corporate Plan, including –
 - Overview and update of People, ICT and Accommodation Strategies;
 - Corporate Asset Management Plan
 - the Treasury Management Strategy Statement and Investment Strategy 2010/11;
7. During the planning sessions, information was also considered that summarised customer survey feedback and performance and financial information from the previous year to help inform decision making.
8. The sessions included an overview of the shared vision for Plymouth, the corporate improvement priorities and the corporate and financial planning process, which involved the Leader, Director for Corporate Support and the Assistant Chief Executive, with separate sessions for each corporate service area. The programme of scrutiny culminated in a concluding session with the executive team of the Leader, Cabinet Member for Finance, Property, People and Governance, the Chief Executive, the Assistant Chief Executive and the Director for Corporate Support.
9. The meetings were public and recommendations were agreed, drafted and generated in a dynamic manner throughout each session.
10. At the beginning of each departmental session individual Cabinet Members provided an overview of their portfolio and were then interviewed alongside the accompanying Directors and Assistant Directors, where priorities were explored as well as some more detailed issues.
11. The city's Chamber of Commerce had received a briefing on the Council's corporate plan and budget arrangements, and was represented at the Overview and Scrutiny Management Board by its Chair, Douglas Fletcher who is a co-opted representative on the Board and also Chair of the Wealthy Theme Group. A survey on the existing corporate improvement priorities was conducted at the city's Area Committees and in Drake Circus shopping centre. As a result of feedback from these surveys, it has been possible to gauge the public's view on whether the Council should do more, should maintain current progress, or should do less in respect of each of the corporate improvement priorities. In addition, a joint consultative meeting took place at the LSP Executive, where priorities and budget decisions of the

Council's partners were considered as part of the budget consultation process.

12. The Board considered the recommendations that came out of the Budget and Corporate Plan scrutiny undertaken by the Resources and Performance Overview and Scrutiny Panel in 2009 and felt that in order to better monitor their effectiveness it would have been helpful to have considered them more consistently throughout the year.
13. The Chair of the Overview and Scrutiny Management Board had invited the Chair of the Audit Committee to observe the process and the Board felt that a more formalised arrangement for joined up working would be beneficial next year.

Recommendations

<i>To the Overview and Scrutiny Management Board –</i>	
<i>R 1.1</i>	Following the adoption of the Council's budget on 1 March, the first meeting of the Overview and Scrutiny Management board should receive the recommendations from this scrutiny of the Budget and Corporate Plan to enable preparation of scrutiny work programmes.
<i>To the City Council -</i>	
<i>R 1.2</i>	That the Overview and Scrutiny Management Board and Audit Committee terms of reference should be amended to ensure alignment of activities relating to finance and governance arrangements.

Findings

Challenge of the Overview

14. The Audit Commission had stated in Plymouth's Comprehensive Area Assessment that there were strong relationships with partners in the city. Partnership working was featuring more strongly than ever.
15. Public services were facing financial challenges. Modernising to improve customer service against a backdrop of reducing resources would need staff to be prepared to work differently and would require improved, reliable infrastructure. The Board commented on the importance of providing sufficient resources to support staff through difficult periods of change.
16. The Council has an ambitious programme to deliver in order to achieve excellence by 2012 and further improvements in value for money had to be achieved.
17. The corporate improvement priorities significantly link with the Local Area Agreement (LAA) targets and effective partnership working is key to successful delivery. Locality working was being relied on to deliver improved engagement with residents and partners but there was no specific budget to support this new concept and no evidence yet that partners would contribute to the costs.
18. The Board was concerned about the performance of the Local Strategic Partnership and partners' contributions to CIPs. The failure to meet some of the LAA stretch targets would lead to loss of grants.
19. The Board heard that Plymouth's settlement was significantly lower than neighbouring authorities, that there were increased pressures for Looked After Children and Adult Social Services and that there was a rise in applications for benefits because of the recession. The population data on which the settlement was based continued to be difficult to challenge. The Board was concerned at this continuing problem.
20. Safeguarding vulnerable people was stated to be a priority within the 14 priorities. The Board was not convinced that this priority was sufficiently embedded within all departments.
21. A portion of the capital receipt from the sale of Plymouth CityBus would be used for 'invest to save' schemes. These schemes would need to demonstrate revenue savings in future years. The Board found that at present there were no governance arrangements for the allocation of these resources and felt strongly that scrutiny should play a role in both the allocation of funding and the monitoring of the effectiveness of the invest to save schemes, where appropriate.

Recommendations

To Cabinet -	
<i>R 2.1</i>	That the review of arrangements for performance management of the Local Strategic Partnership and other key partnerships be considered by the Overview and Scrutiny Management Board, with special emphasis given to Local Area Agreement targets.
<i>R 2.2</i>	The People Strategy is amended to reflect more specifically the support that will be given to the Council's workforce in addressing the significant changes envisaged during the lifetime of the strategy.
<i>R 2.3</i>	Progress at developing and implementing value for money plans and targets for Departments should form part of the Council's reporting cycle including the Overview and Scrutiny Management Board, and any possible impact on service recipients should be made clear.
<i>R 2.4</i>	That a review of the arrangements surrounding the negotiation of the stretch targets for the Local Area Agreement 2007-10 be carried out, to highlight any lessons to be learned for future negotiations of this kind.
<i>R 2.5</i>	That appropriate interim targets are put in place so that progress towards addressing major inequalities across the city can be measured effectively through the performance management cycle.
<i>R 2.6</i>	An action plan is prepared setting out the measures that the Council and partners will take to ensure that population data influencing revenue support and strategic planning is accurate and consistent.
<i>R 2.7</i>	That a review of the corporate improvement priorities should be conducted, so that overriding priorities within them are highlighted, and ensuring that targets and milestones are SMART.
<i>R 2.8</i>	That further clarity is needed into how all corporate improvement priorities (CIPs) are being resourced, with specific attention to cross cutting CIPs.
<i>R 2.9</i>	That, in the interests of openness and transparency, governance arrangements for the allocation of 'spend to save' resources, including the role of scrutiny panels are prepared and published.

Corporate Support/Chief Executive's Challenge

22. The Board noted the intention to reduce back office staff, reconfigure the way in which the contact centre and cashiers section operated as well as improve communications and, the website. The Board had concerns about the effect on frontline service staffs ability to deliver should there be a reduction in back office staff.
23. Some Place Survey results were disappointing. The Board was not convinced from the response to questioning in this area that the implications of the results had been understood by the Cabinet Member.
24. The Board commented that although the results might not reflect the actual performance of the Council, they did reflect the opinion of the customer which was an issue in itself. Customer perception must be monitored and measured on an ongoing basis.
25. Performance reward grant was being lost because stretch targets were not being met and concerns were raised as to whether negotiated targets had been realistic. Holding partners to account was essential and monitoring and management of cross agency performance would have to be improved.
26. The Board noted the view that raising the target for council tax collection at this time of emerging from a deep recession was a sensitive issue. Maximisation of income through in-year collection rate could be improved by better processes, but that an overall strategy for income collection from all major sources would be beneficial. The Board found that there might be grants which were available to the Council but that the Council had not applied for and requested further information on these grants.
27. It was acknowledged that ICT was fundamental to improving the delivery of services and underpinned the Council's vision to become excellent. Other than the Care First project, initially focusing on Children's Services, the priorities for ICT had not been made clear and there was insufficient clarity about how ICT provision was being managed or on what basis it was prioritised.
28. Further consideration was given to work with partners and the Board found that the Council's strategies, namely the People Strategy, ICT Strategy, Accommodation Strategy and Asset Management Strategy could be better integrated with each other as well as with those of its partners. There was little evidence of firm plans for co-operation with partners in respect of these areas. The Board acknowledged that scrutiny had a not insignificant role to play in ensuring that the success of the integration of these strategies was monitored.
29. The Board also found that staff were not aware of imminent proposed accommodation changes and showed concern that this could cause unnecessary turbulence in what was already a time of change. The Board felt strongly that more effective communication was necessary in relation to issues which affected staff.

30. There was some disagreement about value for money data relative to council services and the Board felt that there should be more clarity and consistency in how such benchmarks were applied and reported

Recommendations

To Cabinet -	
R 3.1	Overall impact on customers is used as a measure of the benefit of efficiency savings rather on whether savings come from the 'back office' or 'front line' service delivery.
R 3.2	Confirmation required that the Place Survey is accepted as part of the city's performance management framework, and that targets set against Place Survey responses will be used to measure progress against objectives.
R 3.3	A thorough review is conducted of how customer satisfaction will be measured, monitored and assessed, and in particular of how and what targets will be set.
R 3.4	Clarification is sought of the overall approach to all key income collection streams during the recession, including a review as to whether targets are sufficiently challenging.
R 3.5	A comprehensive and prioritised list of ICT support for corporate improvement priorities including 'business as usual' is published and maintained throughout the year.
R 3.6	Measures of success for the combined ICT, Accommodation and People Strategies are developed and monitored through scrutiny. Firm plans for cooperation with partners addressing a range of measures to share resources including buildings, people and ICT are included in the relevant strategies.
R 3.7	Data sources for value for money judgements of all relevant services should be agreed and published as part of overall financial and performance monitoring arrangements.
R 3.8	Proposals for major changes in office accommodation are set out in the Asset Management Strategy or associated plans, and are communicated more effectively across the organisation

Department for Community Services Challenge

31. The Board had concerns about the risks caused by the delay of one year in the implementation of Care First system improvements for the Adult Social Care service. There were pressures within Adult Social Care due to the demographic profile of the city and increasing numbers of elderly people with complex care requirements.
32. The Board found that the revenue delivery plan for Community Services did not include details of all implementation costs and revenue savings; many of the figures were identified as 'To Be Confirmed'. The Board were uncomfortable with this as it presented a significant risk and did not provide clear information on expectations for costs or savings, although reassurances were received from the Director for Corporate Support that further work would be done prior to budget setting.
33. Keeping all delivery plans on track within the budget would be a significant challenge as there was a lack of clarity in respect of delivery plan details.
34. The Board considered that some of the efficiency savings identified were not robust. Some performance targets had not been identified, although the Board were informed that this was due to their being no baseline figures as yet.
35. The Board found that the schools' library service was reliant on a minimum level of buy-in to remain viable and predictions for future years were yet to be confirmed. The Board was concerned that there was no back up plan if schools opted out of the scheme.
36. The Board heard that the Localities working project was being relied on to deliver a great number of aims but had no specific budgetary provision. The Board was concerned that this had not been given proper consideration and as a result was not being supported adequately.
37. It was not clear to the Board what changes would be made in service provision as a result of the Place Survey.
38. The Board were aware that there appeared to have been little progress in the delivery of the Cultural strategy since the creation of the Culture Board.
39. Failure to meet recycling targets was a big concern for the Board. They were informed that in order to address the problem there would be a number of 'invest to save' schemes however details of these schemes had not been identified in the budget.
40. The Board saw a link between CIP 3 – Helping people to live independently and the work that had been undertaken in relation to abandoned houses. The Board felt that the Dementia Strategy was 'aspirational' and that all three of these areas would benefit from consideration by scrutiny.

Recommendations

<i>To Cabinet -</i>	
<i>R 4.1</i>	A risk assessment of the impact of the delay in addressing issues in the Care First management system on adult social care is prepared and published.
<i>R 4.2</i>	The revenue delivery plan for Community Services is fully completed and includes a risk assessment for delivery with mitigation measures.
<i>R 4.3</i>	Monitoring and evaluation of the Localities project, including contributions from partners be prepared, together with an assessment of resource requirements.
<i>R 4.4</i>	Targets should be set for all relevant National Indicators and Place Survey results for Community Services, with reasons given when no targets are set.
<i>To the Culture Board -</i>	
<i>R 4.5</i>	A progress report be provided by the Culture Board detailing objectives, achievements and plans for the coming year.
<i>To Cabinet -</i>	
<i>R 4.6</i>	What specific actions are being taken to address our failure to achieve recycling targets, and how are they to be funded?
<i>To the Overview and Scrutiny Management Board -</i>	
<i>R 4.7</i>	The Dementia Strategy is subject to scrutiny, and includes realistic delivery arrangements.

Children's Services Challenge

41. The Board felt strongly that schools should be affordable community facilities. Board members were keen to see formal engagement between school governors and third sector organisations to ensure that school facilities remained available in schools which take on a trust status.
42. The Board were concerned that a departmental rather than a corporate view had been taken to the provision of support functions in Children's Services and that efficiencies could be found from a more coordinated cross departmental approach. The Director confirmed that this was a priority for the coming year.
43. The Board identified a risk in relation to performance management arrangements for the department. It was unclear as to what the Children's Trust Board were monitoring and what the Children and Young People's Overview and Scrutiny Panel were monitoring. A risk of things 'falling through the gap' existed.
44. The Board noted that there had been a rise of over 100 in the number of children needing care. The Board had concerns, particularly having regard to the poor results of the recent unannounced inspection that, if not resourced properly, this increase could put undue pressure on social work provision.
45. The Board felt that they had received conflicting information which had led to a lack of clarity on the level of investment and people dedicated to the improvement of the Care First management system.
46. The Board felt that the detail around Lifelong Learning in the 2010/11 revenue budget delivery plan was unclear.
47. The Board found that funding for free school meals was currently a matter under consideration. The Board were aware that free school meals were an opportunity to narrow the health gap between communities, this was particularly valid considering that the Council had only narrowly missed a red flag for health in the recent CAA inspection.
48. The Board noted with concern that the joint task and finish group currently scrutinising 'reducing teenage conception rates' had not been informed of the raising of awareness project currently being undertaken by the museum.

Recommendations

<i>To the Building Schools for the Future Sub-Committee -</i>	
<i>R 5.1</i>	Formal engagement between school governors and Third Sector organisations takes place over the memoranda of understanding with new schools to maximise the extent to which their facilities are available and accessible to local communities.
<i>To Cabinet -</i>	
<i>R 5.2</i>	Plans are published for better coordination of 'back office' functions between Children and Young People's services and the rest of the organisation to avoid duplication and to gain efficiencies.
<i>R 5.3</i>	Performance management arrangements between the Children's Trust and the Council's executive and scrutiny arrangements are harmonised and clarified.
<i>R 5.4</i>	That, in light of the poor results of the recent unannounced inspection in Children's Services, the department responds to concerns raised over caseloads of Children's Social Workers, resources for Foster Care and the lack of evidence of new and innovative ways of making efficiency savings in co-operation with other departments and partners.
<i>R 5.5</i>	The Board responsible for the improvement of the CareFirst management system clarify the key elements of the project plan with respect to children's social care, including investment, people resources and key milestones and timelines.
<i>R 5.6</i>	Further details are provided of efficiency savings contained within the budget reduction in Lifelong Learning.
<i>R 5.7</i>	Scrutiny input is requested into the decision as to whether to apply for grant support for free school meals and how match funding is identified.
<i>R 5.8</i>	Initiatives contributing to the reduction of teenage pregnancy should be part of an overall plan, and properly highlighted to relevant stakeholders.

Development and Regeneration Challenge

49. The Board heard that a peer review of private sector housing would be undertaken in March 2010 and felt that scrutiny involvement in this review was imperative. The Board was keen to see the review include benchmarking to test the level of resource currently committed by Plymouth City Council.
50. The Board found that whilst work was in progress to make use of abandoned property, bringing it back into use was a lengthy process and could take up to two years. The Board believed that other options could be considered such as making use of the 'invest to save' funding by making properties suitable for vulnerable people or by exploring the possibility of utilising partner organisations to bring the properties back up to standard.
51. The Board became aware of a number of project boards and management boards which were in existence. It was felt that with no overarching coordination there was potential for duplication as well as a risk associated with those boards which had no overarching governance arrangements.
52. The Board queried whether the Council was ready to make proactive use of its city centre and other assets to counter the possible effect on development as a result of the recession.
53. The Board noted the increase in subsidy to the Plymouth City Development Company and that its business plan was not yet completed, mitigating against its ability to show value for money.
54. The Board heard that an Asset Management Plan was being prepared for the city's transport infrastructure to enable better prioritisation of investment.
55. The Assistant Director for Transport indicated that a number of learning points had come to light during the initial operation of the partnership contract with Amey.
56. The Board queried whether the Council was making sufficient progress with respect to compliance with the Disability Discrimination Act in its principle public buildings.
57. The Board queried the costs of inadequate temporary fixes for pot holes and gritting costs. The Cabinet Member informed the Board that there had been no specific assessment on the budgetary impact following the recent period of severe weather.

Recommendations

<i>To Cabinet -</i>	
<i>R 6.1</i>	The results of the Peer Review of private sector housing in March are submitted to Scrutiny, and should include benchmarking to test the level of both people and financial resources currently committed by the Council in this area.
<i>R 6.2</i>	Use of 'invest to save' resources is considered to prioritise bringing abandoned property back into use, including consideration of greater use of private or not for profit sector partners.
<i>R 6.3</i>	A map of key executive boards is produced showing terms of reference and governance arrangements.
<i>R 6.4</i>	Asset management strategy should better reflect innovative use of the Council's estate and partner contributions during the recession, including asset transfer to the Third Sector.
<i>To the Plymouth City Development Company -</i>	
<i>R 6.5</i>	The objectives and targets of the Plymouth City Development Company, including the added value anticipated in return for its increased subsidy should be published.
<i>To the Overview and Scrutiny Management Board -</i>	
<i>R 6.6</i>	The Transport Asset Management Plan be included in scrutiny work programme.
<i>To Cabinet -</i>	
<i>R 6.7</i>	A review of the Amey contract should be undertaken, including the key learning points for future similar partnering arrangements.
<i>R 6.8</i>	A position statement be provided setting out the Council's current status with respect to DDA compliance of its key public buildings.
<i>R 6.9</i>	An analysis be prepared on the budgetary impact of the recent cold weather emergency on Transport.

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