

# Minutes



## Performance Scrutiny Committee - Place and Corporate

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Date: 2 October 2017

Time: 4.00 pm

Present: Councillors C Evans (Chair), M Al-Nuaimi, G Berry, M Cornelious, K Critchley, Y Forsey and J Richards

Councillors J Mudd (Cabinet Member for Regeneration and Housing); D Mayer (Cabinet Member for Communities and Resources); R Jeavons (Cabinet Member for Streetscene).

Officers: E Blayne (Senior Overview and Scrutiny Officer); S Davies (Senior Strategy Manager); K Duffin (Head of Regeneration, Investment and Housing); R Cornwall (Head of People and Business Change); M Lawrence (Overview and Scrutiny Officer); B Owen (Strategic Director – Place); G Price (Head of Law and Regulation); M Rushworth (Head of Finance).

Apologies: Councillors L Lacey and W Routley

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### 1 Declaration of Interest

None.

### 2 Minutes of the Meeting held on 11 September 2017

The minutes were approved as a true and accurate record.

### 3 Improvement Plan 2016-18 Update - Quarter 1

#### Improvement Plan Objective 5 – Supporting Young People into Education, Employment or training

Invitees:

- Head of Regeneration, Investment and Housing
- Strategic Director - Place
- Cabinet Member for Education and Skills

Members requested that the agenda be printed in colour for future meetings, as the performance information was difficult to read in black and white due to the colour coding.

The Head of Regeneration, Investment and Housing gave an overview of Improvement objective 5 – Supporting young people into education, employment or training, and updated the Committee in progress being made in achieving the objective. It was explained that many of the targets were annual, and as such, there was no data for these within the report, such as those that related to NEETs. Progress had been made over the last three years to bring

these figures down; the last indication was a figure of 1.7% which was low for this indicator. Newport was currently the 7<sup>th</sup> in Wales for this indicator.

Members were advised that the KPI relating to NEETS included those individuals in Prison, and as such there would always be a small percentage of this figure that would be hard to reach. Members queried whether a breakdown of the figure of 1.7% was available to determine the proportion of this figure that related to those in prison. The Committee were advised that this figure was not broken down to reflect individual groups.

The Committee commended the Council in its development in this area over the last few years, noted the complexity of the cases within the Communities in Newport, and the level of multi-agency support that it had taken to get to 1.7%.

The Cabinet Member for Education and Skills outlined the progress being made towards this objective, specific mention was made to the work being done to address at risk 16-18 year olds, building on positive relationships with Careers Wales, the EU funding for inspire to work, communities for work and traineeships.

Members queried whether the impact of BREXIT on the European Funding and grants process was known at this stage. The Head of Regeneration, Investment and Housing advised that the current funding programme were agreed up until the end of 2020, very few grant funding were committed past 3 years. Concerns were raised on the impact of any reduction of EU funding on the performance of the service, and the provision it would be able to offer.

### **Conclusion**

The Committee noted the good progress being made in relation towards this objective, particularly the progress in relation to NEETs.

Members discussed the risk of the potential reduction in EU funding in the future as a result of the UK's withdrawal from the EU. Assurances were given that the current funding schemes were in place until 2020 and as such the short to medium term impact of this was being managed. Members wished to highlight this as an area of concern and risk in the longer term, and the potential impact this would have to the provision of services and the performance in this area.

### **Improvement Objective 7 – Increasing Recycling**

Invitees:

- Strategic Director – Place
- Senior Strategy Manager
- Cabinet Member – Streetscene

The Cabinet Member for Streetscene outlined progress being made in achieving this Improvement Plan Objective, highlighting the overall judgement as green. The Council was currently meeting the 58% target for diverting landfill waste, and the tonnage of materials being recycled increasing.

Members briefly discussed issues with the kerbside collection service including difficulty for flats in storing the recycling, and the city demographic making it more difficult to recycle. The Committee were reminded that a Waste Strategy Policy Review Group had been set up through Scrutiny, with representatives from this Committee, and were currently considering options for the strategic direction for waste services. As such it was agreed that discussion on approaches considered addressing the recycling targets would occur once this group had reported to Scrutiny. The report would then be forwarded to the Cabinet Member for consideration and a decision.

Members discussed previous concerns raised in relation to collection of recycling from flats, and questioned what progress had been made to address this. Members were advised that there had been limited progress in increasing the recycling rates from flats.

Members suggested considering a pilot scheme with housebuilders to incorporate the necessary storage facilities into the design of the kitchen areas, to make recycling in flats and smaller dwellings easier in the future.

Members also suggested that an education programme on recycling be developed with schools to engage with young people from an early age to improve awareness of the environmental importance of managing waste and increasing recycling rates.

### **Conclusions**

Members noted the progress being made towards achieving this objective, and noted the impending Scrutiny review that will have relevance to this objective in the future.

The Committee made the following suggestions to the Officers and Cabinet Members for further exploration:

- A pilot scheme with housebuilders to incorporate the necessary storage facilities into the design of the kitchen areas, to make recycling in flats and smaller dwellings easier in the future.
- The development of an education programme on recycling with schools to engage with young people from an early age to improve awareness of the environmental importance of managing waste and increasing recycling rates.

### **Improvement Objective 3 – Ensuring people have access to suitable accommodation**

Invitees:

- Cabinet Members – Regeneration and Housing
- Head of Regeneration, Investment and Housing
- Strategic Director – Place

The Cabinet Member for Regeneration and Housing presented the report and outlined the overall performance in achieving this objective. Particular reference was made to the provision and viability of affordable housing as an area where the Council was not performing as effectively as expected.

With regard to homelessness, the Committee were advised that 491 applications had been received by the Council from those at risk of homelessness, and there were currently 7,400 applications on the list for affordable housing. It was noted that this was not reflective of an increase in numbers of applications, but rather an increase in the complexity of these cases.

Members queried the process of challenge undertaken by the Council to ensure that developers include social housing within their schemes. The Strategic Director – Place assured Members that a robust challenge on these types of development was provided by the Officers, whilst ensuring that it would not be overturned on appeal. Members were advised that there had been a significant proportion of affordable housing provided within the last period, and there was confidence that there would be an improvement for the figures for this performance measure reflected within the next quarter.

Members discussed the relationship with Newport City Homes and whether the figures were an accurate reflection of the situation. Members were advised that the Authority worked

within 8 partnerships on the common housing register, for which the Local Authority was responsible for its administration. This provides an overview of the situation at any point in time, and how organisations are managing it. The impact of Rentsmart Wales was mentioned, and impacted upon the availability of suitable rental housing.

The Cabinet Members advised that the Housing Strategy was being developed and would be consulted upon. Members discussed the potential for the council to build housing, however without the necessary resources and economies of scale this was unlikely to be successful.

The Committee queried how the targets were set. Members were advised that this was dependent on the individual targets and who they were reported to. Some were set by the Welsh Assembly where they were reported nationally, and those that were internal to Newport Council would be set by the Council Officers.

Members queried what sanctions were available to address perceived 'landbanking' by developers, whereby permission is granted for a development with the requirement for social housing, but the development is not progressed in a timely manner. The Strategic Director – Place explained that as planning permission is granted for a set period of time, there were limitations to what the Council could do to progress developments as it was often within a timescale or programme for the developer within a larger context of the development.

### **Conclusions**

Following discussion with the Cabinet Member and the lead officers, the Committee noted the positive progress being made in achieving this objective.

### **Improvement Objective 4 – City Regeneration and Development**

Invitees:

- Cabinet Members – Regeneration and Housing
- Head of Regeneration, Investment and Housing
- Strategic Director – Place

The Cabinet Member introduced the Improvement Plan Objective and outlined the progress that has been made within the first quarter. The Council had benefited from Vibrant and Viable places scheme which had acted as a catalyst, with £14 million coming from WAG, which then attracted private investors resulting in around £40 million of investment. This scale of investment was progressing with many projects and work still to be completed. Members were advised that the Council was currently developing a City Centre Master Plan and was also looking at the second phase of Vibrant and Viable placed WAG funding. The importance of working with Partners in developing the bids was discussed, as well as the complimentary work of partner's schemes and how the Council can utilise a wider network of investment and schemes to complement the work of the Council.

The Committee discussed a number of key projects that would feature within the City Centre Master Plan including the Market and the development of Commercial Street, and the development of the Business Improvement District to progress the projects.

### **Conclusions**

Members acknowledged the progress being made towards this objective, and noted that the City Centre Masterplan would provide an important steer for progressing the regeneration and development of the City Centre. The Committee suggested that the Performance Scrutiny Committee – Place and Corporate monitor the implementation of this plan once it is adopted. The purpose of this would be to consider and monitor the progress in delivering the schemes and projects within the plan.

#### 4 **Budget Revenue Monitoring (April to July 2017)**

The Head of Finance introduced the report and provided the Committee with a summary of the overall financial position following Quarter 1. Members were advised that there were 4 significant areas of overspend:

- Out of area placements within Children's Services;
- Out of county placements for Education;
- Community Care services within Adult Services;
- Undelivered savings within the Streetscene budget.

Of these, the undelivered savings within the Streetscene budget was within the remit of the Committee for consideration. It was also highlighted that the use of the contingency budget to cover these overspends was significant. The Corporate Areas, which included Finance and People and Business change, were slightly underspent .

Members queried what processes and checks were in place to ensure that future savings were achieved. The Head of Finance could not comment on savings for this year, as the proposals were being developed for the Cabinet in due course.

#### **Streetscene and City Services Budget**

Invitees:

- Strategic Director – Place
- Senior Strategy Manager
- Cabinet Member – Streetscene

The Cabinet Member provided an overview of the current situation within the Streetscene and City Services budget. It was outlined that there were a number of underlying issues within Streetscene services which needed to be addressed, and the budget needed to be reviewed and unpicked to establish an appropriate baseline for the future. There had been an issue with sickness levels, which had an impact on the budget, particularly in light of the nature of the services being provided within this area.

The Strategic Director – Place explained that this work was ongoing, and several steps had been taken to address underlying issues, including addressing the complex recharging that was taking place between the services within Streetscene. Further work was needed to unpick the budget and to fully address the cause of the budget pressures. Members were advised of the absence of a long term Head of Service for this area over the previous years, which impacted upon the rate of the necessary changes.

Members' questioned when the review of the budget would be completed, and whether this would continue to be an issue for the next financial year. Members were advised that this would be completed before the end of the financial year.

The Cabinet Member advised the Committee that mitigations were being looked at, including looking are more effective ways of working and utilising income streams, such as car parking.

#### **Conclusion – Comments to the Cabinet**

The Committee noted the overspend within the Streetscene budget and raised concerns of the need for this to be addressed, so as not to accumulate to an unmanageable level within the next quarters.

Members noted the explanations given by the Cabinet Member and the lead officer for the overspend, and acknowledged the actions being taken by the service area to reduce risk and impact of any further overspends.

The Committee suggested that should the budget position at quarter 2 remain overspent, that further written explanation is provided within the report on how this this being managed, and further detail of the mitigations being put in place to limit the impact of the un-delivered savings on the overall budget.

### **Law and Regulation Budget**

Invitees:

- Head of Law and Regulation
- Strategic Director – Place

The Head of Law and Regulation indicated that there were inevitable fluctuations within the budget for this area, with small pockets of overspend, however the overall budget position was underspent. There had been a significant overspend in staffing costs due to MTRP redundancy costs that did not yield a full years savings due to the timings of the budget approval, delaying implementation.

Members asked whether the £50,000 reduction in income for CCTV meant that this service had been reduced. Members were advised that there had been an assumed income from charging neighbouring authorities for CCTV within the budget that had not materialised. The budget had been managed by offsetting the reduced income elsewhere in the budget. CCTV had not been reduced, and there had been an investment in the service for more modern equipment.

Members queried how this had been offset within the budget. The Head of Law and Regulation advised that it was a difficult process requiring the budget holder within Law and Regulation to tightly manage the budget – cutting back on certain supplies in the short term, holding post vacant where it does not pose an immediate risk.

### **Conclusion – Comments to the Cabinet**

Members noted the budget position within Law and Regulation as currently holding a slight underspend. The Committee acknowledged the mitigations in place to manage pockets of overspend, namely the management of the budget holders within Law and Regulation to tightly manage the budget – cutting back on certain supplies in the short term, holding post vacant where it does not pose an immediate risk. It was noted that these measures would not be sustainable in the longer term, however noted that it was necessary to stay within budget at present.

### **People and Business Change Budget**

Invitees:

- Head of People and Business Change
- Cabinet Member – Communities and Resources

The Head of People and Business Change outlined the current position within the budget for People and Business Change, with a slight underspend overall and a significant underspend on staffing. This was due to holding vacant posts to hold in year pressures to allow progress to be made in relation to the new performance management system, staff conference and the new development system – Clear Review. The staff conference was an event for staff to communicate corporate messages within the Corporate Plan, and included a series of workshops for staff on the four themes within the Plan. Members commended the innovative work being undertaken in this area.

### **Conclusion – Comments to the Cabinet**

The Committee noted the budget position within Head of Peoples and Business Change as currently holding a slight underspend.

### **Regeneration, Investment and Housing**

Invitees:

- Cabinet Members – Regeneration and Housing
- Head of Regeneration, Investment and Housing
- Strategic Director – Place

The Cabinet Member outlined that current budget position within Regeneration, Housing and Investment with an overspend. Members were advised that the figures for the following quarter were likely to show a reduction in the overspend, due to mitigations being put in place within the quarter one, the impact of which would show by quarter 2.

Members queried why there had been an underspend in the budget for Mary Dunn Community Centre. Members were advised that one of the charges from NORSE was incorrect and had been adjusted, resulting in an underspend for the Mary Dunn Community Centre. Councillor John Richards declared an interest as the Ward Member covering this area.

There would be an impact on services next year due to the Communities first funding withdrawal. Members were advised that there would be some funding available, but not the same as what had previously been available through Communities first. The Head of Regeneration, Investment and Housing assured Members that the impact of this was being considered and appropriate mitigations would be put in place.

### **Conclusion – Comments to the Cabinet**

The Committee noted the budget position within Head of Peoples and Business Change as currently holding a overspend, and noted the actions being put in place to address to overspend within quarter 2.

## **5 Performance Analysis - Year End Summary**

The Head of People and Business Change introduced the report outlining the purpose of the report in presenting an annual national dataset to assess how the Council is improving. It was also outlined how this information could contextualise the information the Committee had previously considered on the Budget.

Under the new Scrutiny Committee structure, Cabinet had agreed to a change in the way that performance information is reported. This information was now to be presented to Scrutiny first, to allow for comments and recommendations to be presented to Cabinet from Scrutiny prior to a decision on the report being taken.

Members raised questions about this new process, and the importance of scrutiny having an opportunity to provide feedback to the Cabinet prior it a decision was highlighted. The process within Scrutiny with the introduction of the new structures was discussed. The Cabinet Members spoke in support of the reform of scrutiny within the new arrangements and noted the significance of the changes in addressing concerns previously raised that Scrutiny of performance was an area for development and improvement.

The Chair reiterated the comments of the Cabinet and spoke in support of the focus on performance as an important function to provide an effective challenge on the performance of the Council.

Members asked whether the number of business start-ups could be included within the performance measures. The Committee were advised that the measures were those determined by the Local Government data unit that were selected as a snapshot of performance across Welsh authorities. As such the Council did not have any control or input into what measures were considered.

Members discussed the ranking of Newport as 22 out of 22 Authorities. Members noted that the information contained within the report was minimal, due to it being a snapshot of overall performance. It was agreed that the detail behind the performance would need to be considered in more detail to fully consider the impact of the comparatively low performance in many areas. The importance of Scrutiny in drilling down into the service areas performance at future meetings was discussed.

### **Conclusion – Comments to the Cabinet**

Members were concerned about the overall performance of the authority compared with the other Welsh Authorities. Members felt that there was limited detail in the report to be able to assess the underlying reasons for dips in performance, acknowledging that this report was a snapshot of overall performance. The Committee agreed that areas where performance had been identified for improvement, that this would be considered in more detail when the Committee considers the service area performance update at its next meeting.

## **6 Forward Work Programme Update**

The Senior Overview and Scrutiny presented the report to Members and outlined the purpose of the report in seeking the Committees approval for items on its work programme for the next two meetings.

The Committee were advised that currently scheduled for its meeting in December was a detailed performance update on the relevant service areas. However, at the Overview and Scrutiny Management Committee on 28 September, the Head of Finance advised the Committee that there may be a change to the way in which the budget proposals were released. They were advised that this could be done in two stages this year, with the first group of proposals released for consultation following the Cabinet Meeting in November, and a second group of proposals released at the December Cabinet Meeting. As such, if this change was confirmed, the work programme for December and January for this Committee would be altered to consider the budget proposals at both meetings.

Members discussed the paperwork that had been included within the agenda for today's meeting. Members commended the officers in streamlining the paperwork presented to the Committee today, however it was queried whether it would be better to present the items for each service area together, rather than segmented into budget, improvement plan and performance.

Members were advised that this had been discussed with the Chairperson, however as the Committee were receiving the Cabinet reports under the new Committee structure, it was constrained to the way in which Cabinet received the information. The Officer suggested that should the Committee be of the opinion that the information should be presented differently, that it could make that recommendation to the Cabinet for consideration.

Members discussed Senior Officers attendance at Committee meetings, and number of Cabinet Member and Senior officers required to attend due to the remit of the Committee extending over a number of portfolios. The Chair reiterated the importance of the Scrutiny function in holding the executive and senior officers to account for performance, which could not be achieved without their continued involvement and attendance, as had been the case today.



Members discussed the use of the pre meeting, and considered whether in future meetings it would be helpful to have the Head of Finance (for budget related items) and the Head of People and Business Change (for performance related items) to attend the pre meeting. The purpose of this would be to provide appropriate context to the report and to assist the Committee in understanding of detailed information. Members agreed to consider this where appropriate for future meetings through the Chairperson.

The Committee **approved** the draft forward work programme for the next two meetings, noting the potential change due to the release of the Cabinet Draft Budget Proposals.

The meeting terminated at 18:10.