



North Tyneside Council

Overview, Scrutiny & Policy Development Committee

25 February 2019

Monday 4 March 2019 Room 0.02, Ground Floor, Quadrant, The Silverlink North, Cobalt Business Park, North Tyneside **commencing at 6.00 pm**

Agenda Item		Page
1.	Apologies for Absence To receive any apologies for absence.	
2.	Appointment of Substitute Members To receive a report on the appointment of Substitute Members.	
3.	Declarations of Interest and Notification of any Dispensations Granted You are invited to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest. You are also invited to disclose any dispensation in relation to any registerable interests that have been granted to you in respect of any matters appearing on the agenda. You are also requested to complete the Declarations of Interests card available at the meeting and return it to the Democratic Services Officer before leaving the meeting.	
4.	Minutes To confirm the minutes of the Overview, Scrutiny & Policy Development Committee meeting held on 14 January 2019.	3
5.	Creating a Brighter Future progress update To receive and monitor progress of the Creating a Brighter Future programme.	5

Members of the public are entitled to attend this meeting and receive information about it. North Tyneside Council wants to make it easier for you to get hold of the information you need. We are able to provide our documents in alternative formats including Braille, audiotape, large print and alternative languages.
For further information about the meeting please call (0191) 643 5318.

Agenda Item		Page
6.	Construction, Housing Repairs and Maintenance Services To receive a presentation on progress on the transfer of the services to the direct management of the Council.	
7.	Our North Tyneside Performance To receive an update presentation on the progress that has been made to deliver the aims and objectives of the Our North Tyneside plan.	
8.	Annual Scrutiny Report To receive a report on the performance of scrutiny over the past year.	30
9.	Cabinet Response to Capita Sub-Group report To receive Cabinet response to the report of the Capita Sub group	40

Circulated to:

Members of the Overview, Scrutiny & Policy Development Committee

Councillor Jim Allan (Deputy Chair)
 Councillor Alison Austin
 Councillor Brian Burdis
 Councillor Karen Clark
 Councillor Naomi Craven
 Councillor Nigel Huscroft
 Councillor Sandra Graham (Chair)
 Councillor Muriel Green

Councillor Janet Hunter
 Councillor Anthony McMullen
 Councillor Andy Newman
 Councillor Pat Oliver
 Councillor John O'Shea
 Councillor Martin Rankin
 Councillor Mathew Thirlaway

Church Representatives
 Rev. Michael Vine
 Vacant

School Governor Representatives
 Mrs Michelle Ord
 Vacant

Overview, Scrutiny & Policy Development Committee

14 January 2019

Present: Councillor S Graham (Chair),
Councillors J Allan, A Austin, K Clark, N Huscroft,
M Green, Janet Hunter, A Newton, P Oliver, J O'Shea
and M Thirlaway

Church Representative
Rev M Vine

Parent Governor Representative
Mrs M Ord

Other Members
Councillor J Mole

OV37/01/19 Apologies

Apologies for absence were received from Councillor B Burdis, N Craven and M Rankin

OV38/01/19 Substitute Members

There were no substitute members.

OV39/01/19 Declarations of Interest

There were no declarations of interest or dispensations reported.

OV40/01/19 Minutes

Resolved that minute of the meeting held on 5 November 2018 be confirmed;

OV41/01/19 Budget sub-group report

The Committee received the report of the Budget Sub-group that detailed the scrutiny into the Cabinet's initial 2019/23 Financial Planning and Budget proposals.

The group met on 13 December 2018, where the Head of Resources and officers presented the position of the Authority budget, the Initial budget proposals and a number of business cases that would allow the Authority to make the necessary savings to have a balanced budget.

In previous years the sub-group had expressed its frustration with the delay and content of budget information received. The sub-group were reassured that its concerns had been heeded and the information provided had greatly improved.

14 January 2019

The sub-group were assured that although there were continued pressures for the Authority to make savings to its budget, there would be no significant reduction to the services delivered to residents and businesses in North Tyneside.

The Committee was informed that there would be a further meeting of the Budget Sub-group, where it would scrutinise the Cabinets Final Budget Proposals and this would take place on the 22 January 2019. The Committee was asked and it was agreed to delegate the sub-group responsibility to make further comment and any recommendations to Cabinet following this meeting.

It was **Agreed** that (1) the Budget Sub-Group report detailing comments be referred to Cabinet; and (2) delegate responsibility to the Budget Sub-group to make further comment and any recommendations to Cabinet following scrutiny of Cabinets 2019/20 Final Budget Proposals.

Meeting: Overview, Scrutiny & Policy Development Committee

Date: Monday 4th March 2019

Title: Creating a Brighter Future Programme:
2018/19 Quarter 3 Progress Report

Author: Janice Gillespie

Tel: 0191 643 5701

Service: Commercial Services & Business Redesign

Wards affected: All

1. Purpose of Report

The purpose of this report is to update Overview, Scrutiny & Policy Development Committee on the Quarter 3 position of key 2018/19 projects and business cases within the overall Creating a Brighter Future (CBF) Programme.

2. Recommendations

The Committee is recommended to note the position of the projects, in terms of both project and savings delivery.

3. Summary

The authority has implemented significant change to support delivery of its Creating a Brighter Future programme and its four key priority outcomes:

- Cared for, Safeguarded and Healthy
- Great Place to Live, Work Visit
- Fit for Purpose Organisation
- Maximising Resources

As part of the 2017-20 financial planning process, the Cabinet and Council agreed an Efficiency Plan which set out a series of projects which would deliver required savings whilst delivering CBF outcomes. These projects form the basis of this report.

The table below provides a summary of progress in project delivery and achievement of savings and/or income across the programme.

Project Delivery			Savings Delivery		
Blue	All milestones complete	33	Blue	Full saving realised	29
Green	All milestones met within timescales; no concerns about delivery of future milestones	5	Green	Majority of savings already realised and/or no concerns about realization of full saving	8

Amber	Some milestones delayed and/or minor concern about delivering some future milestones	5	Amber	Projected shortfall in savings and/or savings will be accrued throughout the financial year	5
Red	Milestones significantly delayed and/or major concern about delivering future milestones	0	Red	Significant shortfall in savings currently projected	1

The authority's September financial outturn shows that, to date in this financial year, £7.187m of the total £10.143m requirement has been delivered, or is on track for delivery, through work against new business cases, which means that there is certainty or a high level of confidence around 71% of the total programme savings target at this point in time.

4. Background Information

The following documents have been used in the compilation of this report:

- CBF Programme 2018/19 Update Report: Quarter 3 (attached)

Creating a Brighter Future Programme

2018/19
Quarter 3 Report



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Executive Summary

This is 2018/19 Quarter 3 update report, summarising the delivery status of the CBF programme 2017-20 as at December 31st 2018.

The overall savings requirement for the 2018/19 business cases agreed by Council on 15th February 2018 is £10.143m. This report shows the progress of both the project work, and the realisation of associated savings, broken down by the four key CBF outcomes: Cared for, Safeguarded & Healthy; Great Place to Live, Work and Visit; Fit for Purpose; and Managing Resources.

The authority's December financial outturn shows that, to date in this financial year, £7.187m has already been delivered, or is on track for delivery, through work against new business cases, which means that there is certainty, or a high level of confidence, around 71% of the total requirement at this point in time.

As part of the Council's programme management arrangements, all of the component projects within the agreed CBF Programme business cases are monitored on a regular basis. Each project is given a (B)RAG rating for both project delivery and savings delivery. The definition for each category, along with the number of component projects currently qualifying in each, is shown below (with last quarter's position is shown in brackets).

Project Delivery			Savings Delivery		
Blue	All milestones complete	33 (29)	Blue	Full saving realised	29 (27)
Green	All milestones met within timescales; no concerns about delivery of future milestones	5 (4)	Green	Majority of savings already realised and/or no concerns about realisation of full saving	8 (8)
Amber	Some milestones delayed and/or minor concern about delivering some future milestones	5 (9)	Amber	Projected shortfall in savings and/or savings will be accrued throughout the financial year	5 (5)
Red	Milestones significantly delayed and/or major concern about delivering future milestones	0 (1)	Red	Significant shortfall in savings currently projected	1 (3)

Cared for, Safeguarded & Healthy

Value for Money Tested Social Care (2018/19 target: £0.915m)

Value for Money Tested Social Care; long-term national policy direction in social care has created a situation which is sometimes at odds with realistic outcomes and the financial position. This project will make changes to day-to-day commissioning and assessment processes to re-set the outcome of funded social care. In partnership with the Clinical Commissioning Group, and using a single trusted assessor, outcomes will be shaped by working with individuals to find the most suitable arrangements for Care.

The project will focus on 5 main areas:

A. Ensure customers with healthcare needs are appropriately funded (£0.400m)

We will ensure that all social work staff assess clients only for social care needs and ensure that support plans only encompass the care/support/services required to meet those needs. Anything outside of this would be escalated to the CCG for NHS funding for that part of the support service. It has been estimated that this could generate savings of circa £0.400m.

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.400m income target has been achieved, and the project continues to achieve further income. This will be used to mitigate shortfalls elsewhere in the programme (see Appendix 1).

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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The original work required is complete, but work continues to secure further savings.

B. Review the Direct Payment rate (£0.100m)

We will review the current Direct Payment (DP) rate payable to Personal Assistants (PA's) because it has not changed since April 2014. We will do this by making our rates clear, equitable and consistent with rates applied by other local authorities in the region. In doing so, we expect to identify savings of around £0.100m. Note: The rates paid for DP Support Services are outside the scope of this review.

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Complete
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Current budget monitoring projections indicate all of the £0.100m target will be saved: £0.025m through activity related to the business case, and the other £0.075m via one-off savings within Direct Payments (see Appendix 1).

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Green
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Cabinet agreed the proposed revision to the direct payment rate in October and this is now being implemented.

C. Review residential care costs and quality bands (£0.300m)

When we commission residential and nursing care placements, for individuals requiring that level of support, we are required to set a rate and communicate this to the provider market. There are currently a number of different bands and rates based on quality, environment and care. This project will review the banding system, taking into account the CQC rating and the authority's internal quality assurance judgement.

Savings Delivery Status

RAG (last period)	Red	RAG (this period)	Amber
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The re-banding exercise was delayed by negotiations regarding the inflationary uplift to be applied to the contract. The entire saving anticipated via this work is therefore unlikely to be achieved, but the current £0.144m overachievement within Healthcare funding will be used to part-mitigate the shortfall.

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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Agreement has been reached with care providers regarding uplifts to be applied to rates paid. This will now enable us to progress with the business case proposal to revise the banding system.

D. Review and restructure the Integrated Services Rehabilitation Offer (£0.050m)

We will review the roles of both the Community Occupational Therapy Team, and the Reablement Service, because both teams carry out similar roles in assessing the environmental, care, and adaptation needs required to provide and maintain independent living. We will take advantage of a recent natural reduction in staffing hours due to flexible retirements, and reduced-hour returns to work following maternity leave, to remove areas of duplication and create capacity in localities.

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.050m savings target has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the project work is complete

E. Review block contracts (£0.065m)

Over the last 5 years, Adult Social Care has moved away from large block contracts for beds and places (used or not), toward more flexible and responsive framework agreements based purely on service levels. However, there is still a small number of block contracts still in place. To ensure that value for money is being achieved in all aspects of Adult Social Care spend, these block contracts have been reviewed, and efficiency options have been identified. In some cases, this will be from the amalgamation of services and service types; in others it will be about reviewing the cost profile with the organisation delivering the service.

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.065m savings target has been achieved.

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the project work is complete

New Model to Support Children (2018/19 target: £0.310m)

National policy direction, inspection and demand pressures are creating an environment where local authorities are looking at alternative models to deliver services to support children, including collaboration. This project aims to review best practice and the alternatives to our current approach. It will continue to build on the practical collaborations proposed on Fostering and Additional Needs as well as the strengths of the current North Tyneside team. It will also continue to explore the capability to grow direct provision as the dynamics of the market change and our capability to deliver specialist housing and support grows. This means a continuation of the "Transforming Children's services" programme which includes increasing the accommodation available to improve the early help offer and reduce the demand for external residential placements, with the potential to trade surplus capacity. There will also be a review of the approach to the provision of financial support through the "S117 budget".

The 2018/19 Business Case outlines savings of £0.065m and focuses on 2 main areas:

A. Supporting children without spend (£0.0400m)

A range of measures to reduce Section 17 Budget spend, including: Reduced use of Legal Counsel; reduced use of 3rd party forensic services; restricted discretionary spend; improved application and approval pathways; etc.

B. Increased traded and placement capacity (£0.025m)

Address the national rise in demand for residential care by improving early help; edge of care; and intervention support, whilst also re-designing and developing our accommodation offer, so that – boosted by our Good/Outstanding Ofsted rating - we can trade placements to other local authorities

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Complete
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To date, £0.025m from increased traded placement capacity, has been achieved and the remaining £0.0400m, related to Section 17 Budget spend, is projected to be saved. It is expected that an overachievement of the £0.025m target for trading placement capacity will mitigate shortfalls elsewhere within the programme.

Work Delivery Status

RAG (last period)	Green	RAG (this period)	Complete
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The work to deliver the required savings and income is complete; we continue to look at opportunities to sell capacity and achieve further income

Work also continues to deliver year 2 savings outlined in the 2017/18 Business Case:

C. New model to support children (£0.245m)

Savings Delivery Status

RAG (last period)	Amber	RAG (this period)	Green
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Demand fluctuations related to the number of looked after children and placements will continue to influence the savings from this project. Finance have therefore taken a prudent approach in projecting that 50% (£0.1225m) of the target saving will be achieved via Business case savings, and the remaining 50% (£0.1225m) will be mitigated via an overachievement in the 'Maximising Income' Business Case (see page 17). This is detailed in Appendix 1.

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Green
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We have a strategy to support as many children as possible to remain safely at home, which includes a number of component projects, such as: strengthening the multi-agency safeguarding hub (MASH) at the front door; investing in social work practice; and developing a range of alternative in-house accommodation options

Re-engineered Customer Pathway – Year 2 (2018/19 target: £0.200m)

This proposal relates to the delivery of demand savings, resulting from the impact of the new model of delivery implemented in 2017/18.

Savings Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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As is seen nationally, we continue to face demand pressures on package costs for older people, predominantly in relation to home care.

The current assumption in budget monitoring is that £0.100m of the £0.200m target will be achieved. Work continues to identify mitigation for the remainder.

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Complete
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We implemented a new customer pathway for adult social care clients, including a redesign of our services and staffing model, in 2018/19. That work is now complete.

Great Place to Live, Work and Visit

10 Year Plan for Waste – Alternate Weekly Collection (2018/19 target: £0.218m)

This project will introduce alternate weekly collections from 2018/19. This would generate the greatest level of savings through reduced waste disposal charges and some collection savings, and requires a limited amount of investment.

Alternate Weekly Collections work positively by increasing householders' awareness of the waste they throw away and different ways to deal with it. This not only leads to a reduction in waste but also greater capture of recyclable waste.

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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Alternative weekly collections began on 28th August 2018. All of the £0.218m part-year savings target has been achieved, with savings also continuing into 2019/20.

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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The work is complete, though monitoring of savings will continue into 2019/20.

Protect Our Environmental Standards (2018/19 target: £0.100m)

North Tyneside has an excellent record of maintaining a clean and green environment. However, in times of reducing resources the challenge for the Council is to find new ways of working to deliver consistent standards that reflect residents' priorities.

Whilst a reduced resource will impact on environmental standards in some locations, the service will continue to be delivered in line with relevant legislation, and will continue to:

- Plant floral displays in high profile areas such as our parks, cemeteries, town centres and areas of tourism in line with a great place to live, work and visit policy commitments.*
- Carry out weed spraying on three occasions a year across the borough (with the option for a fourth spray where required).*
- Continue to improve biodiversity areas (in line with the existing criteria) across the borough.*

We will also continue to encourage communities to become more involved in taking care of their local environment through campaigns such as 'Love your Street' and Big Spring Clean.

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.100m target has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the work is complete

Protect The Cultural Offer (2018/19 target: £0.159m)

During a period of significant financial pressure, North Tyneside Council has managed to sustain and develop a rich cultural offer. The Mayor and Cabinet have already publicly committed to protecting and developing this offer; demonstrated by an Investment Plan which includes Whitley Bay Regeneration Programme; The Dome; the North and South Promenade; St Mary's Island; The Wallsend Regeneration Programme; Segedunum Master Plan; and the North Shields Master Plan.

This project aims to work with cultural partners to protect and develop the offer where we can, making the most of the Authority's assets, with an optimum sport, leisure and library offer that makes the maximum difference to residents, business and visitors delivering a developed and sharpened events programme while exploiting opportunities to maximise income and reduce costs.

We will make savings in 3 main areas:

- A. Reduce Customer First Centre and Community Centre Library opening hours (£0.108m)**
- B. Reduce Branch Library opening hours (£0.031m)**

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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To date, all £0.139m of the target relating to these two areas has been saved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

- C. Sponsorship of Christmas Lighting (£0.020m)**

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Green
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Sponsors could not be identified for the 2018 Christmas season, but the idea will be explored further for 2019. However, re-procurement of some of the Town Centre schemes, and the cessation of the 'design a light' scheme have secured £0.019m to date, and there is a high level of confidence that the remaining £0.001m will follow.

Work Delivery Status

RAG (last period)	Green	RAG (this period)	Green
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Work continues to secure the last £0.001m of the saving

Specialist Housing – Year 2 (2018/19 target: £0.021m)

This project represents the work being carried out to deliver the year 2 savings outlined within the 2017/18 Specialist Housing Business Case.

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Complete
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This represents the full year impact from work carried out in Year 1. The saving is projected to be achieved (see Appendix 1).

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work has been completed

A Fit for Purpose Organisation

How We Are Organised (2018/19 target: £3.505m)

As services change the organisation must change with them. This project aims to ensure the organisation is reshaped to reflect changes in services and reductions in resources. In addition to changes in service delivery it also aims to ensure the organisation's infrastructure is changed and shrinks in line with the rest of the organisation with resultant changes in overheads and recharges. This will include taking opportunities to streamline the Council's infrastructure and processes where appropriate. In addition, making sure that infrastructure is tested against best practice, the priorities of the Mayor and Cabinet and the market.

The project will restructure staff, operations, funding and fees across the following areas to ensure we are lean and fit for purpose:

A. Renegotiate the fee paid to Engie re: customer services offer (£0.150m)

Savings Delivery Status

RAG (last period)	Red	RAG (this period)	Green
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This saving will not be delivered via a renegotiation of the fee paid to Engie, following rejection of a proposed reduction in the customer service offer.

Instead the saving will be achieved via allocation of resources received from the Pension Fund 'cap and collar'.

Work Delivery Status

RAG (last period)	Red	RAG (this period)	Complete
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The work is complete

B. Reduce Feasibility Fund (£0.100m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.100m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

C. Reduce Service Improvement Fund (£0.100m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.100m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

D. Reduce pensions to meet current need (£0.250m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.250m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

E. Management and staff savings from Customer Journey Programme (£2.500m)

Savings Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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A total of £1.213m in relation to Management Savings has been secured to date. As reported to Cabinet on 21st January 2019, Heads of Service have a range of plans that are currently in development to address the remaining balance to be achieved (£1.287m). These plans include consideration of the opportunities arising from devolution and regional joint working in regard to the provision of children's social care services, consideration of the arrangements in place to manage our major contracts and delivery of our Transformation and ICT requirements. The delivery of these plans will continue into 2019/20.

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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Work continues to identify savings to cover the shortfall

F. Reduce Swans site management costs following new security arrangements (£0.028m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.028m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

G. Restructure External Funding team, and electronic delivery of Business Factory (£0.040m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.040m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

H. Increased contribution from high needs DSG (£0.050m)

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Green
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The full saving is on course to be achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

I. Increased facilities and fair access income (£0.050m)

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Green
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All savings are on course to be delivered

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

J. Restructure Admissions and Attendance service (£0.050m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.050m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

K. Restructure Investment Service (£0.020m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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The saving has been achieved.

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

L. Reduce Workforce Development spend on Corporate Training (£0.025m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.025m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

M. Reduce payment to Engie following return of work to Finance team (£0.057m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.057m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

N. Capitalisation of staff in relation to Customer Journey development work (£0.025m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.025m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

O. Reduce spend on Civic functions (£0.015m)

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Green
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All of the saving is on course for delivery

Work Delivery Status

RAG (last period)	Green	RAG (this period)	Complete
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All work is complete

P. Restructure complaints process (£0.035m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.035m saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete, but there is an intention to revisit and review the complaints process.

Q. Catering budgets for Council, Cabinet and Committee meetings (£0.010m)

Savings Delivery Status

RAG (last period)	Green	RAG (this period)	Green
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The £0.010m target is on course to be saved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

People Wellbeing Services (2018/19 target: £2.500m)

This business case builds on extensive work done across the organisation to help people help themselves, simplify routes into the Authority, and bring together teams to more effectively target need as we understand it in individual communities.

Specifically, it develops the thinking behind the SIGN Network, the My Care web presence, Care and Connect, the work done on integrated front doors to support children and adults and the conversation of our sport, leisure and cultural services to support community wellbeing. It also builds on the work done to bring together our work with young people from 0-19, seeking to apply those design principles and ways of working to services for adults.

The aim will be to better integrate existing work and teams across: Adult social care; Children and young people’s early help and social work services; Housing and homelessness; Public health; Culture; Leisure; Education, skills and learning; and Revenue and benefits

Savings will result in the following areas:

A. Maximising Income (£1.713m)

Maximising funding and income generation opportunities, via collaboration with other local authorities, around Children’s and Adults services; and opportunities to generate income via CYPL services provided to other authorities.

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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The project has secured all of the £1.713m income required to meet the target, and some additional income, which is being used to mitigate shortfalls elsewhere in the programme (see Appendix 1).

Work Delivery Status

RAG (last period)	Green	RAG (this period)	Green
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Childrens’ services have secured income via a number of different channels:

1. Partners in Practice funding from DfE; received after achieving a ‘Good’ judgement from Ofsted. This involves working with other authorities that have been judged poor or inadequate and developing an innovative new Edge of Care service
2. The Children’s’ Social Care Innovation Programme; which will help us explore opportunities to collaborate in a North of Tyne partnership with Newcastle and Northumberland Councils.
3. A number of other, smaller income sources, including Troubled Families, and Dedicated Schools Grant.

We will continue to work to deliver the obligations we have taken on, which are associated with this extra income.

B. Staff savings (£0.710m)

Restructure, reduction in hours, and deletion of vacancies across HECS and EHL, following transfer of services to on-line offer

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the £0.710m target has been saved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All of the work is complete

C. Expenditure (£0.077m)

Reduction in spend associated with restructured services

Savings Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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£0.027m is confirmed from reductions in contracts. The remaining £0.050m relates to reduction in spend on external fostering placements. Currently, £0.025m of this £0.050m is projected to be delivered via Business case proposals, with another £0.007m being mitigated via an overachievement of Grants/ income/ PiP (see Appendix 1). Work continues to mitigate the remaining £0.018m.

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Green
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Work continues as outlined in the 2017/18 New Model to Support Children Business Case (year 2).

Maximising Resources

Sourcing, Supply Chain and Commercials (2018/19 target: £1.500m)

More than half of the Authority's expenditure is to third parties and with a supply chain of over 4,000 organisations and individuals it is critical that sourcing, supply chain and commercial arrangements are as sharp as possible. This project aims to look beyond the large-scale commissioning and major partnerships to ensure all of the supply chain is subject to a rigorous value for money test and best practice category management is applied.

Savings Delivery Status

RAG (last period)	Red	RAG (this period)	Red
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Progress has been made against the in-year Procurement target of £1.500m with £0.408m identified. These proposals include community equipment, catering expenditure, spend on voice and data services, spend on an IT system used within Reablement and external homecare provision and high cost placements.

A further £0.435m of proposals continue to be investigated but not yet forecasted as achieved and work continues with service areas to identify further opportunities to secure remaining savings.

A decision was taken at the October Cabinet to work towards returning the Procurement Service to the direct management of the Authority. This is now being progressed with Senior Council Officers and Senior colleagues from ENGIE.

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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Work continues within the above areas to identify the remaining savings.

Fees and Charges (2018/19 target: £0.190m)

In 2012 a piece of work was carried out and reported to Cabinet which set some guiding principles for discretionary charges. These principles have subsequently been reviewed on an annual basis as part of the annual financial planning and budget process to test that they remain relevant and appropriate in the current planning horizon.

This business case proposes savings following a review of our Fees and Charges, carried out in accordance with those principles:

A. Review of Social Care Charges (0.160m)

This will increase some Court of Protection Team charges (£0.060m), and the adoption of the Department of Health Minimum Income Guarantee (MIG) buffer for new clients from April 1st 2018 (£0.100m).

Savings Delivery Status

RAG (last period)	Amber	RAG (this period)	Green
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We are currently projected to achieve 25% of the income directly related to the changes outlined in the business case. Overall, income from client contributions is projected to significantly overachieve the budgeted income, which will offset any shortfall relating to the proposed business case changes.

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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Cabinet agreed the proposed revision to the client contributions policy and introduction of charges for Court of Protection services in October and these are now being implemented.

B. Bereavement Services Income (£0.030m)

An increase in cremation, burial, and purchase of grave fees of between 1% and 3%

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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The full saving has been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

Year 2 Savings from 2017/18 Business Cases (£0.525m)

These are year 2, and part-year, savings from changes to fees and charges implemented in 2017/18:

A. 5p Increase on School Meals (0.062m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All savings have been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

B. Increased Income from Registrars (£0.015m)

Savings Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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There is currently a risk to this saving because bookings at the new North Tyneside venue are currently lower than anticipated

Work Delivery Status

RAG (last period)	Amber	RAG (this period)	Amber
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We will continue to monitor demand and seek savings to mitigate any shortfall

C. Increase in Swimming Lesson Charges (0.050m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All savings have been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

D. Increased in Sport & Leisure facility charges (£0.060m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All savings have been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

E. Increase income from outdoor facilities (£0.001m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All savings have been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

F. Increased in off-peak swimming charges (£0.005m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All savings have been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

G. Public Health contracts for: sexual health; drug & alcohol; health checks; and 0-19 services (0.332m)

Savings Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All savings have been achieved

Work Delivery Status

RAG (last period)	Complete	RAG (this period)	Complete
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All work is complete

Page	Health, Education, Care and Safeguarding	Savings Target	Delivered	Still To Be Delivered	Mitigations	Still To Be Delivered	Comment
7	A new model to support children - Year 2	245,000	122,500	122,500	(122,500)	0	Mitigated by overachievement in Misc Grants & Income / PIP (see below)
4	Direct payment rates	100,000	25,000	75,000	(75,000)	0	One off - being met from day to day auditing of client direct payment accounts and reclaiming unused funding
4	Healthcare Funding	400,000	543,626	(143,626)	143,626	0	Overachievement but fluid picture - risk that the turnover of client deaths is quicker than the requirement for healthcare
18	People Services - Children's Spend (IFA's)	50,000	25,000	25,000	(6,689)	18,311	Mitigated by overachievement in Misc Grants & Income / PIP (see below)
17	People Services - Misc Grants / Income	733,000	790,189	(57,189)	57,189	0	18/19 Only
17	People Services - Partners in Practice	500,000	582,811	(82,811)	72,000	(10,811)	18/19 Only
7	Re-engineered Customer Pathway - Year 2	200,000	100,001	99,999		99,999	No mitigation currently identified
5	Residential care fees	300,000	0	300,000	(143,626)	156,374	Part mitigated by Healthcare Funding (see above)
11	Specialist Housing - Year 2 (Adults)	21,000	0	21,000	(21,000)	0	Met from in year budget position linked to the full year effect of the Specialist Housing Year 1 Business Case.
	Health, Education, Care and Safeguarding Total	2,549,000	2,189,127	359,873	(96,000)	263,873	

Meeting: Overview, Scrutiny and Policy Development Committee

Date: 4 March 2019

Title: Overview and Scrutiny Annual Report

Author: Joanne Holmes Tel: 0191 643 5315

Service: Law and Governance

Wards affected: All

1. Purpose of Report

To introduce the Overview and Scrutiny Annual Report 2018/19 and progress the next steps in the approval process for the annual report.

2. Recommendations

To agree the Overview and Scrutiny Annual Report 2018/19 as attached and refer to Annual Council on 16 May 2019.

3. Details

- 3.1 At the end of each municipal year a report is produced which summarises the activities and performance of scrutiny over the last year and sets out the approach to the development of the work programme for the year ahead.
- 3.2 Attached at Appendix A is the Overview and Scrutiny Annual Report 2018/19. In particular, the report highlights the involvement of scrutiny in policy development, and sets out some of the achievements of the Overview, Scrutiny and Policy Development Committee and its sub-committees through the various pieces of work undertaken during the year. The report also highlights the process in place for the development of the 2019/20 work programme, including the involvement of stakeholders in developing a work programme that will deliver a timely contribution to policy development across the Council.
- 3.3 Members are recommended to approve the report as attached and refer the report to the Annual Council meeting on 16 May 2019.

4. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author.

N/A

Overview and Scrutiny Annual Report 2018/19



Date: March 2019

Author: Overview, Scrutiny and Policy Development Committee



Introduction

Welcome to the Overview and Scrutiny Annual Report 2018-19.

This report gives a summary of the work of Overview and Scrutiny over the year and highlights some of the achievements made and areas where scrutiny has had an impact on policy development.

The report also sets out the process for the development of the 2019/20 work programme.

The role of Overview and Scrutiny

The role of overview and scrutiny is to provide a ‘critical friend’ challenge to the Cabinet (and other decision makers), whilst also assisting in the development of key policies and plans.

Over recent years there has been an emphasis on promoting and developing the policy development role of overview and scrutiny. Throughout 2018/19 this has continued, and policy reviews have been undertaken with links to the priorities within the ‘Our North Tyneside Plan’ and the ‘Creating a Brighter Future’ Programme.

We have been a ‘critical friend’

The Overview, Scrutiny and Policy Development Committee and its sub-committees have continued to fulfil the important role of being a critical friend to Cabinet, providing challenge, particularly on budget and performance issues.

A Budget and Council Plan Study Group was established and this provided an opportunity for Scrutiny members to undertake a thorough review of the detailed budget proposals and business case information put forward by Cabinet. The Study Group produced a report and conclusions which were subsequently reported to the Overview, Scrutiny and Policy Development Committee and Cabinet as part of the budget-setting process.

The Finance Sub-committee has continued to examine the Council’s budget monitoring position on a bi-monthly basis, including the forecast outturn positions for the General Fund, the Housing Revenue Account and the Investment Plan. Budget management reports have been developed to bring together financial and relevant performance information. This has allowed the Sub-committee to consider the financial information in the context of the policy priorities in the ‘Our North Tyneside

Plan'. Members have also continued to review the red risks associated with the Business and Technical Partnerships, and monitored the impact of welfare reform changes.

Overview, Scrutiny & Policy Development Committee: Review of the Capita Partnership

The Overview Scrutiny & Policy Development Committee established a sub-group to undertake a review of the partnership with Capita in relation to the delivery of the Authority's technical services. The aim of the review was to gain a clearer understanding of the partnership with Capita, how it was operating, and whether the service delivered to the Authority and residents was meeting the levels specified at inception.

The group held a number of meetings with officers from both the Council and Capita, and considered detailed information on specific aspects of the contract. The group developed nine recommendations and these have been reported to Cabinet. These included recommendations to make information about the contract more open and accessible; to develop the oversight role of Members via Scrutiny, including consideration of reports from the Partnering Boards and the involvement of scrutiny in the baseline exercises at years 5, 8 and 12 years; to increase the level of enforcement activity by the Council; recommendations linked to the Local Plan, including opportunities to maximise income through promoting expertise to other authorities; and the development of oversight and contingency planning in relation to the Capita business. The Cabinet accepted all nine recommendations and these will be implemented going forward.

Critical Friend Challenge: The Effectiveness of Collaborative Working in North Tyneside

The Children, Education and Skills Sub-committee set up a sub group to examine the effectiveness of collaborative working across agencies to ensure that each agency understood each other's responsibilities and shared information efficiently, and that the Authority was meeting its obligations.

The sub group met with the Independent Chair of the North Tyneside Safeguarding Children Board; representatives of the North Tyneside Clinical Commissioning Group; social workers and front line staff in Children's Services; Northumbria Police; and senior managers within the Health, Education, Care and Safeguarding Service.

The sub group completed its evidence gathering in December 2018 and published its report with nine recommendations in March 2019. The sub group concluded that overall the Authority had very good collaborative working relationships with its statutory partners, its neighbouring local authorities and internally. The trusting relationships developed between organisations, services and officers allowed for

criticisms to facilitate improved services and actions, and provided assurance that it was unlikely that an issue would be allowed to fall between any gaps. That there was some scope for improvement was reflected in the recommendations, but in a challenging environment, with competing demands, the sub group felt satisfied that collaborative working was providing benefit to the Authority and the balance between collaborative working and ensuring the service for North Tyneside residents was the best it could be was right, and the effort taken to achieve this balance was not to be underestimated.

We have also focused on policy development

Some examples of the policy development work undertaken during 2018/19 are:

SMG Europe Sub-group - Culture and Leisure Sub-committee

The Culture and Leisure Sub-Committee agreed, as part of its 2018-19 work programme, to establish the SMG Europe Sub Group to carry out an examination of the Operating Agreement relating to the Playhouse, Whitley Bay, and specifically to consider the break point of the Agreement by either party giving nine months' notice to expire on 31 December 2019. The focus of the study was to examine the current operating agreement with the SMG Europe Operator to run the Playhouse until 31 December 2024. The outcomes are intended to support the Cabinet Member for Culture, Sport and Leisure in deciding policy objectives, taking these considerations into account. The work is on-going.

Retail and Town Centre Sub-group – Economic Prosperity Sub-committee

The Deputy Mayor, Councillor Bruce Pickard, suggested that the Economic Prosperity Sub-Committee could usefully investigate the future role and nature of town and retail centres. Councillor Pickard posed the question that if the Council were to regenerate its town and retail centres, how could it develop sustainable retail models in the light of the growth of online shopping? In response the sub-committee appointed a sub-group to examine the topic and to formulate recommendations as to how the Council might shape its regeneration plans to develop and support sustainable retail and town centres in North Tyneside. This work is ongoing.

Direct provision of Social Care – Adult Social Care, Health and Wellbeing Sub-committee

Members of the Adult Social Care, Health and Wellbeing Sub-committee had a particular interest in the quality of social care provision in the borough and the role of the Council in supporting good quality provision. In relation, to this the Sub-committee scrutinised work undertaken by the authority to assess the viability and risks of delivering home care services via an alternative delivery model, and also on-going work to strengthen the home care market through revised commissioning arrangements and operating models. This work is on-going.

Review of the Lettings Policy – Housing Sub-committee

The Housing Sub-committee has, over two meetings, considered the proposed changes to the Council's Lettings Policy (for North Tyneside properties). Members expressed concern at some of the proposals being brought forward as part of the review and asked officers to evidence more clearly the reasoning behind the changes. Due to the feedback from Housing Sub-committee, some of the initial proposals had been re-evaluated and withdrawn. After lengthy discussions with officers and the relevant Cabinet Member, the sub-committee still had reservations about some of the proposed changes and expressed these in writing to the Cabinet Member. The sub-committee asked to be kept informed of the outcome of consultation with other groups and the final proposals that would be submitted to Cabinet for approval.

Monitoring Role

Whilst helping to develop new policies and assisting in the review of others, scrutiny has also invested time in monitoring the development and delivery of existing plans and policies to ensure that the best quality services are delivered to residents and visitors of North Tyneside.

Some examples of the plans and policies that have been monitored throughout the year include:

Service Delivery and Performance - Overview, Scrutiny and Policy Development Committee and its sub-committees have continued to receive monitoring reports on service delivery and performance across the Council. Scrutiny Members have also had the opportunity to comment on various policies and strategies prior to submission to Cabinet for approval.

Northumbria Healthcare Foundation Trust: Annual Quality Account - The Adult Social Care, Health and Wellbeing Sub-committee received a presentation from the Trust on the Quality Account 2017/18. The Sub-committee welcomed the opportunity to submit a statement for inclusion in the published document covering views on the Trust's performance over the year as set out in the Quality Account and the priorities identified by the Trust for 2018-19.

Safeguarding – the Adult Social Care, Health and Wellbeing Sub-committee received the Safeguarding Adults Board Annual Report and Action Plan at its meeting in November 2018. The sub-committee did not make any formal recommendations on the report, but Members did highlight some areas around the format of the Annual report to be fed back to officers. They also highlighted some issues to be raised with the board around incidences of financial abuse of

vulnerable adults in relation to door step lending, and raising awareness of safeguarding issues with the public.

Update on the Adaptations and Loan Equipment Service – The Adult Social Care, Health and Wellbeing Sub-committee considered the work of the Equipment Service and had an opportunity to view some of the adaptation equipment available to loan through the service. Members noted the significant positive change that the service can have to the quality of people's lives.

Attainment of Free School meals/Pupil Premium pupils - The Children, Education and Skills Sub-committee received its annual update on the attainment and progress of young people across the borough and focussed on the attainment of looked after children and the attainment of those in receipt of Free School meals/Pupil Premium pupils to monitor the effectiveness of the support and challenge programme of the FSM/PP programme to ensure comparable progress to those not in receipt of FSM. The sub-committee was pleased to note this year was the strongest performance for the looked after cohort at GCSE and the attainment gap was now in line with national at -27% and improved from last year's gap of -34%.

The Employment and Skills Strategy - The Children, Education and Skills Sub-committee received an updated Employment and Skills Strategy in January 2019 on how it was going to deliver the Ready for Work and Life element of the Our North Tyneside Plan.

Signs of Safety - After the introduction of Signs of Safety, a practice model for children in need of a statutory assessment, by North Tyneside and its partner agencies in 2017 the Children, Education and Skills Sub-committee monitored its implementation and adoption across the Authority.

Construction project – the Housing Sub-committee has received updates on the Construction project, which has overseen the transfer of construction, housing repairs and maintenance services to the direct management of the council. Members have followed progress with the arrangements to transfer staff and the consultation that has taken place around this. The sub-committee also considered the technology that would be used in logging and responding to repairs, and logistics in terms of fleet and work wear and accommodation for staff. The sub-committee will continue to monitor the progress of the Construction Project going into the new municipal year and look at the impact on performance and customer satisfaction.

Active North Tyneside Annual Report - The Culture and Leisure Sub Committee received the Active North Tyneside Annual Report 2017-18 which presented the work undertaken to demonstrate progress against delivery of performance of Active North Tyneside during the past 12 months. The Sub Committee also considered the Local Swim Project, a Sport England pilot to carry out research at a local level to see what was behind this decline and look at interventions to try to reverse the trend. The Authority was initially given £25,000 to carry out research and received a further £198,000 to deal with issues highlighted from the research carried out, the interventions subsequently introduced and the impact this has had; an Arts Council funded initiative to support engagement with the arts/culture with young people and the Tyne and Wear Archives & Museums as the local delivery body for the Authority; and North Tyneside Council's tourism and events programme and plans for future activity 'Developing a Tourism Offer'. The Sub Committee would also monitor the work of the Culture Health and Wellbeing Delivery Group, initiated by the North Tyneside Health and Wellbeing Board, to deliver its objective to "reduce social isolation and increase cultural engagement across the population of North Tyneside to improve health and wellbeing"; and the outcomes in the Arts Council England document 'Shaping the Next Ten Years'.

The Chairs and Deputy Chairs have met bi-annually to share information on ideas and topics for review, to identify issues where services could be improved for residents, and to avoid any potential areas of duplication.

Achievements

Recommendations

During 2018-19, four in-depth reviews were completed and responses received from Cabinet; including one which was complete towards the end of 2017-18 and a response received in June 2018. As a result 20 recommendations have been put forward to cabinet with a further nine recommendations due to be reported over the summer. Cabinet has responded to these 20 recommendations by accepting all recommendations and setting out actions for implementation as part of the response to the recommendations. The Overview, Scrutiny and Policy Development Committee and the sub-committees will continue to monitor implementation of these recommendations and the subsequent outcomes on the delivery of services.

Engagement and partnership working

A key role of overview and scrutiny is to promote issues of concern to the public and, where appropriate, consult with residents and service users on scrutiny investigations to be taken forward.

Scrutiny has continued to work closely with its partners, maintaining positive relationships and sharing key information, particularly in relation to health bodies and policing issues.

Representatives of the Clinical Commissioning Group, Northumbria Healthcare Foundation Trust, Healthwatch, and NHS England have all been in attendance at various meetings to share information and maintain key links with Members.

The Housing sub-committee is designated as the crime and disorder committee and has met with the Police and Crime Commissioner in relation to the delivery of priorities contained within the Police and Crime Plan.

Various pieces of work this year have involved engagement with service users and partner organisations and this has been highlighted throughout this report.

Retail and Town Centre Sub-group

The Retail and Town Centre's Sub-group have sought input from a range of interested parties to feed into the review. From a business perspective, the group has met with representatives of the Whitley Bay, Wallsend and North Shields Chambers of Trade, The Crown Estate, New River, owners of the Forum and the Beacon Centre, and representatives from the Royal Quays. In addition, the Sub-group considered information from the Youth Council, and representatives of the Youth Council attended a meeting of the Sub-group to share their views on young people and the future of town centres.

Reducing litter through education – Environment Sub-committee

The Sub-committee considered a suggestion from a member of the public in relation to reducing the amount of money spent on doing ad-hoc litter picks outside schools and instead spend the money on the provision of education to stop the litter being dropped in the first place.

Scrutiny Going Forward

Preparation for the development of the 2019-20 overview and scrutiny work programmes is under consideration. The Chairs and Deputy Chairs will be discussing possible areas for review in order to prioritise topics for scrutiny during 2019-20. Elected Members, senior officers and the public will be encouraged to suggest topics that scrutiny could usefully investigate.

All suggestions received will be considered by individual sub-committees at the beginning of the new municipal year in order to develop work programmes for the year ahead. Some reviews will carry forward from this year. When prioritising topics, consideration will be given to whether the issue is timely and whether there is potential to have a positive impact on Council policy.

For 2018/19 the Council agreed a slightly reduced timetable of scrutiny meetings in line with financial pressures impacting on all areas of the organisation. This is continuing into 2019/20 and the committees will be looking at how they can work more efficiently, while ensuring that important issues are scrutinised effectively.

North Tyneside Council

Report to Cabinet

Date: 21 January 2019

ITEM 5(d)
Cabinet Response to Capita
Sub-Group Report from
Overview, Scrutiny and
Policy Development
Committee

Portfolio: Deputy Mayor

Cabinet Member: Councillor Bruce
Pickard

Report from Service Area: Environment, Housing and Leisure

Responsible Officer: Phil Scott, Head of Environment,
Housing and Leisure Tel: (0191) 643 7295

Wards affected: All

PART 1

1.1 Executive Summary:

The Authority has a long term strategic partnership with Capita Property & Infrastructure Limited ('Capita') to deliver a range of technical services. This followed an EU compliant procurement exercise which led to the contract being awarded to Capita with a commencement date of 1 November 2012.

As part of its work programme for 2017/18, Overview, Scrutiny and Policy Development Committee ('the Committee') decided to undertake a review of the delivery arrangement. The Committee established a Study Group with the objective to assess whether the Authority and its residents were receiving the service specified and to gain a clearer understanding of the partnership and its operation.

The Committee presented the findings of its Study Group in a report to Cabinet on 26 November 2018 which included nine recommendations. Cabinet noted the report and its findings and resolved that a detailed response to them be provided at a future Cabinet meeting, no later than January 2019. Cabinet has a statutory duty to respond to scrutiny recommendations within two months of receiving them.

This report presents the proposed response to the Committee's recommendations and seeks Cabinet's approval of them.

1.2 Recommendation:

It is recommended that Cabinet agrees the proposed responses to the recommendations from the Overview, Scrutiny and Policy Development Committee in relation to its study into the Technical Services strategic partnership arrangement with Capita, as set out in **Appendix 1** to this report.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published on 7 December 2018.

1.4 Council Plan and Policy Framework

This report directly relates to the delivery of the following priority within the Our North Tyneside Plan:

- Our Places will have an effective transport and physical infrastructure.

The Technical Services Partnership also supports delivery of the overall Plan and this is embedded within the agreed Annual Service Plan with Capita.

1.5 Information

1.5.1 Background

In November 2012 the Authority entered into a 15 year contract with Capita to deliver technical services following an EU compliant procurement exercise. The following services moved to Capita:

- Engineering and Highways
- Strategic Property and Asset Management (including energy management and efficiency, advertising and cleaning)
- Planning
- Consumer Protection.

The transfer included 400 staff including 60 secondees to ensure the statutory duties for the Local Authority could be discharged appropriately. It was originally planned that the Winter Maintenance service would also be transferred, however, in 2014 there was agreement within the Partnership that the service would remain with the Authority.

The strategic objectives of the partnering arrangement; which informed the key basis of the procurement evaluation; and which agreed by Cabinet on 14 November 2011 were:

- Investment in the services
- Job protection for the existing workforce
- Growth opportunities for the services in a wider marketplace leading to the creation of additional jobs within the Borough
- Financial efficiencies of at least £2.7 million within the first three years of the partnership and on-going efficiencies thereafter subject to future financial pressures
- Efficiencies in relation to the Council's use of office accommodation by the co-location of a partner provider within the Borough; and,
- Improved performance of the services.

Shortly after the bedding-in period of the contract some key issues started to arise within the partnership relating to achieving performance against the strategic objectives.

In autumn 2013, following a restructure of the Senior Leadership Team and a change in political administration of the Authority this new team began a review of the partnership to consider the Authority's options and to ensure the right outcomes for the Borough.

It was accepted by both the Authority and Capita that changes to the contract were needed and significant work took place to undertake a full review of the strategic partnering arrangement. At its meeting on 11 July 2016, Cabinet approved, in line with the original contract, to accept a proposal from Capita that would lead to a variation in the contract to adjust responsibilities, costs, fees and savings assumptions tested in negotiation with officers.

The Deed of Variation was agreed in early 2017 and provided a firmer footing to secure the savings, strengthen the performance test, targeting the partnership more effectively to and align it with the policy direction set by the Elected Mayor and the Cabinet.

1.5.2 Scrutiny of the Partnership

Following the conclusion of the Deed of Variation coupled with the fact that the Technical Services Partnership was now in Year 5, the Committee agreed to include a review of the arrangement as part of its work programme for 2017/18. The Committee established a Study Group with the objective of being to see if the Authority and its residents were receiving the service specified at its inception and to gain a clearer understanding of the partnership and its operation.

The Committee presented the findings of its Study Group in a report to Cabinet on 26 November 2018.

The Study Group identified nine recommendations. These are outlined in **Appendix 1** to this report along with officer commentary and proposed responses.

1.6 **Decision options:**

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet may accept the recommendations set out in paragraph 1.2 above.

Option 2

Cabinet may not accept the recommendations set out in paragraph 1.2 above.

Option 3

Cabinet may accept, reject or amend any of the proposed responses at Appendix 1.

Option 1 is the recommended option.

1.7 **Reasons for recommended option:**

Option 1 is recommended to support recommendations made by the Study Group of Overview, Scrutiny and Policy Development Committee and to provide confidence that the strategic partnership arrangement with Capita to deliver technical services is appropriately accountable.

1.8 Appendices:

Appendix 1 Cabinet response to Overview and Scrutiny recommendations from Capita Sub-Group

1.9 Contact officers:

Colin MacDonald, Senior Manager, Technical and Regulatory Services, (0191) 643 6620
Sarah Heslop, Senior Manager (Contracts), (0191) 643 5456
Emma Simson, Legal Manager Commercial & Development, (0191) 643 5375
Claire Emmerson, Senior Manager Financial Strategy and Planning, Tel. (0191) 643 8109

1.10 Background information:

The following background paper/information has been used in the compilation of this report and are available at the office of the author:

(1) [Report to Cabinet 26 November 2018 'Report of the Capita Sub Group'](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

It is expected that all actions contained within this report can be delivered within existing budgets. Any elements that cannot be contained within existing budgets or have further financial implications will be brought to Council/Cabinet as appropriate for a decision prior to any expenditure being incurred or committed.

2.2 Legal

In accordance with Section 21B of the Local Government Act 2000, Cabinet is required to provide a response to the recommendations of the Overview, Scrutiny and Policy Development Committee within 2 months. In providing this response Cabinet is asked to state whether or not it accepts each recommendation and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

The performance of the strategic partnership with Capita is underpinned by a contract as described within the report.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Consultation has taken place the relevant Cabinet Members and the Senior Officer team to determine the responses to the recommendations.

2.3.2 External Consultation/Engagement

Consultation has taken place with the Senior Officer team from Capita to provide comment on the responses to the recommendations.

2.4 Human rights

There are no human rights issues directly arising from this report.

2.5 Equalities and diversity

There are no equality and diversity issues directly arising from this report.

2.6 Risk management

There are no risk management issues directly arising from this report.

2.7 Crime and disorder

There are no crime and disorder issues directly arising from this report.

2.8 Environment and sustainability

There are no environment and sustainability issues directly arising from this report.

PART 3 - SIGN OFF

- Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy and Customer Service X

**Cabinet Response to Overview and Scrutiny Recommendations
Completed Action Plan**

Capita Sub-Group Report

In accordance with Section 122 of the Local Government and Public Involvement in Health Act 2007, Cabinet are required to provide a response to the recommendations of the Overview and Scrutiny Committee within 2 months. In providing this response Cabinet are asked to state whether or not it accepts each recommendation and the reasons for this decision. Cabinet must also indicate what action, if any, it proposes to take.

Overview and Scrutiny Recommendation	Officer Commentary	Cabinet Decision	Action to be taken (if any) and timescale for completion
Recommendation 1 It is important that there is a need to have clear and greater understanding of the contract, with clear information accessible to all within the Authority and to residents.	The Partnership already produces information for Members and for residents about the services it provides. However, there is an opportunity to communicate the strategic delivery aspects and objectives.	Accept	A strategic action plan; with milestones will be included within the Technical Services Partnership Annual Service Plan 2019/20
Recommendation 2 To ensure comprehensive oversight by members that scrutiny be involved with the baseline exercises at years 5, 8 & 12 years.	In order to meet contractual requirements the Year 5 benchmarking exercise has already been undertaken. The Year 8 exercise is due in 2020/21.	Accept	Arrangements will be made for Scrutiny Members to have oversight prior to the commencement of the Year 8 benchmarking exercise during 2020/21.
Recommendation 3 That the outcome and plans of the Partnering Boards be formally reported to scrutiny committees to ensure comprehensive transparency into the partnership.	The key plan of the Partnering Board is the Annual Service Plan which is agreed prior to the commencement of each financial year. Outcomes and performance against this are monitored monthly by the Operational Partnership Board and quarterly by the Strategic Partnership Board during the year.	Accept	Once agreed, the Annual Service Plan will be reported to the Committee at the start of each financial year. Monitoring reports against the Annual Service Plan will be made available each quarter.

Overview and Scrutiny Recommendation	Officer Commentary	Cabinet Decision	Action to be taken (if any) and timescale for completion
<p>Recommendation 4 That Cabinet gives consideration to the increasing of enforcement throughout the Authority through an increased enforcement regime.</p>	<p>Additional resources have already been deployed on a pilot basis to tackle environmental crime and anti-social behaviour. An enforcement plan is currently being developed to improve the coordination of existing resources.</p>	<p>Accept</p>	<p>Evaluation of Environmental enforcement pilot to be undertaken by April 2019. Include a strategic action plan; with milestones; within the Technical Services Partnership Annual Service Plan 2019/20 that incorporate enforcement activities.</p>
<p>Recommendation 5 That Cabinet ensures that Council are informed of any changes to the North Tyneside Local Plan, as a consequence of any changes to the implementation of the Northumberland Local Plan.</p>	<p>Continuing discussions with Northumberland County Council colleagues suggest that the Northumberland Local Plan is not expected to lead to required changes to the North Tyneside Local Plan. Progress on the delivery of the Local Plan is formally monitored on an annual basis in consultation with the relevant Cabinet Members. That annual monitoring report is the point where any changes to the North Tyneside Local Plan would be formally reported to Cabinet.</p>	<p>Accept</p>	<p>The Annual Monitoring Report (AMR) on the Local Plan will be produced each February. Council will be informed where it has been identified that a review of the Local Plan is required.</p>
<p>Recommendation 6 That Cabinet considers options to how the Authority's partnership with Capita and its knowledge and experience in gaining an acceptable Local Plan could provide a further income stream by offering its expertise to other Local Authorities.</p>	<p>The Authority's partnership with Capita is already now working with a number of local authorities to provide expertise and capacity in support of the development of Local Plans. General capacity 'top up' services are also being provided and this area is being further developed.</p>	<p>Accept</p>	<p>No further action is required as recommendation has been addressed.</p>

Overview and Scrutiny Recommendation	Officer Commentary	Cabinet Decision	Action to be taken (if any) and timescale for completion
<p>Recommendation 7 That Cabinet ensure that the Strategic Partnership Board has oversight of any profit warnings and has appropriate risk and business continuity plans in place to ensure services will continue to be delivered if such circumstances that any of its partnership arrangements fall into possible liquidation.</p>	<p>A corporate risk has been raised for ongoing management regarding the stability of the Authority's key partnerships and supply chains (this includes Capita). There are also specific controls within the Technical Services Partnership delivery risk to ensure that annual financial checks are carried out.</p> <p>There is a contractual obligation to review Business Continuity Plans annually.</p>	Accept	<p>Monitoring of the identified risk is within the Authority's recognised corporate risk management framework and at the Strategic Partnership Board held quarterly.</p> <p>The Strategic Partnership Board ensures that Business Continuity is addressed as part of the annual review concluded by March 2019.</p>
<p>Recommendation 8 To demonstrate that transparent scrutiny, following the Strategic Partnering Board annual review, the information to be shared with the Overview Scrutiny & Policy Development Committee at the next scheduled meeting to enable all members to gain a better understanding of the operational value of the partnership.</p>	<p>This recommendation relates to the annual out-turn of the performance of the partnership which includes financial and service delivery which is reported to the Strategic Partnership Board in July each year.</p>	Accept	<p>The annual review will be reported to Committee at the next available meeting.</p>

Overview and Scrutiny Recommendation	Officer Commentary	Cabinet Decision	Action to be taken (if any) and timescale for completion
<p>Recommendation 9 That Overview, Scrutiny & Policy Development Committee is presented with the base line results at year 5, 8 and year 12 of the contract to enable consideration of value for money, the meeting of Partnership Targets and ensure that there are no significant key performance indicator failures or material defaults under the terms of the contract.</p>	<p>In accordance with contractual requirements the Year 5 benchmarking exercise has already been undertaken. The outcomes are currently being assessed by the Strategic Partnership Board and are subject to sign-off. The Year 8 exercise is due in 2020/21.</p>	<p>Accept</p>	<p>Scrutiny Members will be presented with the outcome of the Year 5 benchmarking exercise once finalised.</p> <p>Similar arrangements will be made to present the outcome of the Year 8 and Year 12 benchmarking exercises (note that this links to the action relating to Recommendation 2).</p>