

**Finance and Value for Money Overview and Scrutiny Commission**

**9:30am – 10.45am, Friday, 22 February 2019, Room 77, The Guildhall, Alfred Gelder Street, Hull, HU1 2AA**

**Present:**

Councillors Nicola (C), Bridges (DC), Burton, Fareham, Hatcher, Herrera-Richmond, Ross and Wareing.

**In attendance**

D. Bell (Director of Finance and Transformation)  
 A. Bell (Group Manager - Highways & Lightings Assets) Minute 93  
 N. Daynes (Procurement Manager) Minute 94  
 P. Chadwick (Property & Assets) Minute 95  
 N. Harne (Assistant City Manager, Housing Strategy & Renewal) Minute 96  
 A. Murphy (Director Children & Family Services) Minute 97  
 F. Harbord (Scrutiny Officer)

**Apologies:**

Apologies were submitted from Councillors Bell and McMurray.

**Minute**

**Action to be Taken by**

<b>Number</b>		
<b>91</b>	<b>DECLARATIONS OF INTEREST</b>	
<p>Councillors Wareing declared a personal interest in agenda item 6 insofar as he is the Chair of Endyke Community Association.</p> <p>Councillor Nicola declared a personal interest in agenda item 6 insofar as she is the Deputy Chair of Endyke Community Association.</p>		
<b>Recommendations:</b>	<b>Reasons for Recommendations:</b>	
N/A	N/A	

<b>Minute Number</b>		<b>Action to be Taken by</b>
<b>92</b>	<b>DIRECTOR OF FINANCE AND TRANSFORMATION PRESENTATION</b>	a) N/A
<p>D. Bell (Director of Finance and Transformation) presented the Council's response to the Fair Funding consultation, as requested by the Commission at its meeting of 14 December 2018.</p> <p>The Director referred the Commission to the draft version of the consultation return and covering letter that had previously been circulated, and advised that:</p> <ol style="list-style-type: none"> <li>i. The consultation was not in regard to Fair Funding only, but also related to the retention of Business Rates.</li> <li>ii. The government asked a series of set questions, but Hull City Council would submit a covering letter stressing Hull's issues around low Council tax income and high need.</li> <li>iii. The consultation only touched on what the government was proposing at the highest level, and it was not proposed that deprivation be considered.</li> </ol>		

- iv. That there was not enough funding to go round, and there was a need to emphasise Hull's Council Tax levels, as some other authorities had twice as much Council Tax income.
- v. There should be a system for protections if Hull lost its Business Rates payers.
- vi. The biggest determiner would be how much top up the government paid.

The Commission discussed:

- i. The regular local and regional meetings held with other authorities, and that most other authorities were consistent with Hull, but not consistent with southern authorities.
- ii. The need to investigate the system whereby 75% of funding came from central government; that the current model could not be continued with; and, general taxation should not be increased.
- iii. Local government could not impact on Business Rate charges, but it would give Hull a £40m top up.
- iv. The only real localisation was Business Rates retention,
- v. The City of London and Westminster, and the amount of Business Rates that would be retained.
- vi. Why rural authorities were against deprivation as a measure when there was much rural deprivation, as on the East Yorkshire coast; rural authorities would flag up deprivation as appropriate; and, there were different weightings and formulae which would denote how much was to be poured in at the top.
- vii. That there was no indication of how capital would be changed.

**Recommendations:**

**Reasons for Recommendations:**

a) That the update on the Fair Funding consultation is noted.

b) N/A.

Minute Number		Action to be Taken by
93	<b>HIGHWAYS CAPITAL MAINTENANCE PROGRAMME 2019/20 TO 2021/22</b>	a) N/A b) Ruth Stephenson

A. Bell (Group Manager - Highways & Lightings Assets) presented a report seeking approval from Cabinet for the Highways Capital Programme 2019/20 to 2021/22, supported by both Council and DfT capital funding allocations for Highways.

The Commission discussed:

- i. With reference to point 7.8 of the report, how the recruitment process for staff for the Highways Programme schemes was progressing; that it had progressed well for one post, but not so well for another; and, that work was being carried out with HR to fill the remaining post.
- ii. The prioritisation of Ward schemes; and, that officers would try whatever they could to keep them high priority.
- iii. The lack of detail of the £250k HRA schemes and what the priorities would be; and, that the priorities had been discussed in the previous year and were driven by the Housing service.
- iv. Whether the priorities for bridges were known; that some bridges were not a HCC priority as they were owned by Network Rail; that Members were right to have concerns; and, it was planned that in 2019/20 more investigative work would be carried out.
- v. Whether the schemes detailed in the report include those carried forward from previous years; and, that a breakdown by Ward would be useful.

**Recommendations:**

**Reasons for Recommendations:**

- a) That the recommendations at section 2 of the officer report are supported.
- b) That a further breakdown of the information at Appendix A, demonstrating which schemes have been carried forward from previous years and grouping the schemes under the Wards or Areas they fall within, be provided to the Commission off-agenda and also included in future reports.

- a) N/A
- b) The members felt that more information was needed in order to enable them to fully consider the implications and prioritisation of schemes.

Minute Number		Action to be Taken by
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94	<b>PROCUREMENT STRATEGY FOR THE PROVISION OF DAY OPPORTUNITIES FOR VULNERABLE PEOPLE</b>	a) N/A
<p>N. Daynes (Procurement Manager) attended the meeting to deliver a report proposing the future strategy for the commissioning and procurement of Day Opportunity Services for the Council and the CCG, and seeking authorisation from Committees in Common for the approval of the process to establish the necessary contractual arrangements for the implementation of that strategy.</p> <p>The Commission discussed:</p> <ul style="list-style-type: none"> <li>i. The flexibility of a Dynamic Purchasing System as opposed to a Framework Contract; that a Framework was in effect a closed shop for the period of the contract, with no changes to the providers or the service delivered; and, Dynamic Purchasing meant that providers could be added in as appropriate.</li> <li>ii. Contracts could be established for longer periods, giving providers the confidence to invest; Frameworks had a specific description, but Dynamic Purchasing enabled adaptation, such as to meet a changing demographic or ageing population; and, this ensured a consistent service and price.</li> <li>iii. With reference to point 5.6, how frequently the service was monitored for quality; that the service was not externally regulated; that officers were setting up quarterly quality reviews by Adult Social Care, both desk top and visits; the checks were 360 degree; and, any whistleblower reports were followed up.</li> <li>iv. Social Value and its assessment; that Social Value practices included work experience and volunteering to support getting back into work; and, that a review of Social Value was to be undertaken and would be brought back to the Commission in the form of a Cabinet report.</li> <li>v. The intention was to get day provision back into the community; there would be day provision hubs, where carers could access other services; and, this was supported as the Council needed to be more ambitious and to deliver more outcomes..</li> </ul>		
<b>Recommendations:</b>		<b>Reasons for Recommendations:</b>
a) That the recommendations at section 2 of the officer report are supported.		a) N/A

Minute Number		Action to be Taken by
95	<b>HCAL CAPITAL INVESTMENT PROGRAMME - ENNERDALE LEISURE CENTRE</b>	a) N/A b) Paul Chadwick / Tracy Balaam-Reed / Alison Walker
<p>P. Chadwick (Property &amp; Assets) presented a report seeking authority from the Deputy Leader to initiate a tender on a package of works to Ennerdale Leisure Centre and approve the commitment of capital investment to a maximum value of £1.9m against the Council's capital programme.</p> <p>The Commission discussed:</p> <ul style="list-style-type: none"> <li>i. With reference to point 6.5 of the report, concerns around the planned 6 month closure of the Leisure Centre, and the implications for user groups; that it had been planned to carry out the refurbishment over a shorter timescale, but this would have driven up costs; and, discussions were being held with HCaL around a staged handover to minimise the impact on clients.</li> <li>ii. There had been talk of additional sessions and services at other facilities; and, officers were trying to prevent two facilities being closed at the same time.</li> <li>iii. Concerns that the criteria for the award of contract was split 70% price and 30% quality; that the specialist delivery organisations had already been thoroughly quality tested through the Yorbuild 2 process, so more emphasis could be placed at this stage on price; that the New Theatre was still experiencing snagging issues; that the New Theatre contract had not been through the Yorbuild process; and, there had been a lot of risk mitigation put in place in regard to the Ennerdale contract.</li> </ul>		
<b>Recommendations:</b>		<b>Reasons for Recommendations:</b>
<ul style="list-style-type: none"> <li>a) That the recommendations at section 2 of the officer report are supported.</li> <li>b) That the user statistics for Ennerdale Leisure Centre be provided to members of the Commission off-agenda.</li> </ul>		<ul style="list-style-type: none"> <li>a) N/A</li> <li>b) To enable members to fully consider the impact of closing the Centre for the duration of the investment works.</li> </ul>

Minute Number		Action to be Taken by
96	<b>FUTURE PLAN FOR FERENSWAY HOUSE</b>	a) N/A
<p>N. Harne (Assistant City Manager, Housing Strategy &amp; Renewal) presented a report informing of the complex situation in regard to Ferensway House and seeking agreement for the procurement route for the work required, the budget implications and the appropriate project management / delivery route.</p> <p>The Commission did not discuss the report, other than to confirm that the Ferensway House residents had spoken with their Ward Councillors, and instead moved to support the report's recommendations.</p>		
<b>Recommendation:</b>		<b>Reasons for Recommendations:</b>
a) That the recommendations at section 2 of the officer report are supported.		a) N/A

Minute Number		Action to be Taken by
97	<b>CHILDREN, YOUNG PEOPLE AND FAMILY SERVICES – UPDATE</b>	a) N/A b) Alison Murphy
<p>A. Murphy (Director Children &amp; Family Services) attended the meeting to provide an outline of the financial position of the Children, Young People and Families service, highlighting the two areas of significant cost pressure alongside a summary of the activity designed to reduce the costs and mitigate budgetary pressure in future years.</p>		

The Commission discussed:

- i. With reference to point 33 of the officer briefing, what had been the drive in re-establishing the High Needs Working Group; that this was part of the Schools Forum; it was intended to work towards bringing the budget back in line; the five areas of activity to reduce costs were detailed on page 84 of the briefing; this included the Oakfield Residential review; the Oakfield review would include the modelling of options for the delivery of savings; and, those options would be presented to the Commission at a future meeting.
- ii. What the buy in was from schools for the High Needs Block working group; that it seemed that in some schools SEND was ostracised; the working group comprised heads from across all education types; concerns that SEND was the easy option to remove; there were funding pressures on mainstream as well as special schools; the bid for additional special school places was based on analysis of need; and, measures ensured places at special schools for those who needed them.
- iii. Progress with a bid for special schools; that the bid had been put back; the intention was to bring back into use additional areas at other schools that had been used for teaching; the timescale for delivery was two years; and, the service was looking at how to meet needs if the bid was unsuccessful, and for the next two years if it was.
- iv. Whether all vacancies had been filled; that the Edge of Care vacancies had been filled, but there were still psychologist vacancies; since the introduction of the Edge of Care Team there had been a 30% reduction in young people taken into care as an emergency between 2017 & 2018; and, social worker recruitment was now in the normal range.
- v. When the IPASS review would take place, and, the review was just starting and outcomes would be presented in 3 to 4 months' time.

<b>Recommendation:</b>	<b>Reasons for Recommendations:</b>
<ul style="list-style-type: none"> <li>a) That the briefing is noted.</li> <li>b) That following the review of the delivery of residential provision attached to Oakfield School, as referred to in part 3 of the briefing, the options for reducing the cost of residential provision will be presented to this Commission.</li> </ul>	<ul style="list-style-type: none"> <li>a) N/A</li> <li>b) The Commission wished to consider the options and feed in from a cost benefit point of view.</li> </ul>