

SCRUTINY CO-ORDINATION COMMITTEE

3rd November, 2010

- Members Present: Councillor Foster
Councillor Mrs Johnson (substitute for Councillor Taylor)
Councillor Lakha
Councillor Lancaster
Councillor Mrs Lucas (Chair)
Councillor McNicholas (Deputy Chair)
Councillor M. Mutton
Councillor Ridley
Councillor Ruane
Councillor Sawdon
- Other Members Present: Councillor Mrs Bigham (For the matter in Minute 34 below)
Councillor Duggins (For the matter in Minute 36 below)
- Employees Present: S. Claridge (City Services and Development Directorate)
T. Darke (City Services and Development Directorate)
P. Deas (City Services and Development Directorate)
D. Ford (Manager of Coventry Partnership)
J. McGuigan (Director of Strategic Planning and Partnerships)
J. Parry (Chief Executive's Directorate)
M. Salmon (Customer and Workforce Services Directorate)
C. Steele (Chief Executive's Directorate)
C. Swann (Customer and Workforce Services Directorate)
A. West (Chief Executive's Directorate)
C. West (Finance and Legal Services Directorate)
- Apologies: Councillor Noonan (Co-opted Member)
Councillor Taylor

Public Business

31. Declarations of Interest

Councillor Lakha declared a personal interest in the matter in minute 35 below headed "Coventry Partnership Progress Report" inasmuch as he was a Member of the Willenhall Forum who had representatives on the Coventry Partnership. He remained in the meeting for consideration of the matter.

32. Minutes

The minutes of the meeting held on 1st September 2010, were signed as a true record.

33. Consideration of Call-ins – Stage 1 – Restructuring of Neighbourhood Management

The Committee received a briefing note that informed them of a Call-in that had been received relating to the Restructuring of Neighbourhood management and the reasons why the Chair had determined that the Call-in was inappropriate.

The Cabinet considered the attached report at their meeting on 5th October 2010 and agreed the following recommendations:-

- (i) Accept the findings from the fundamental service review of Neighbourhood Management.
- (ii) Approve the proposed restructuring of the Neighbourhood Management service resulting from the review, and the implementation of the necessary changes
- (iii) Note the petitions from Stoke Aldermoor residents regarding closure of the One Stop Shop, and from Hillfields residents regarding the Neighbourhood Management offices in Vine Street, and officers' proposals for continuity of provision in those neighbourhoods.
- (iv) Request that a further report be presented to the 30th November Cabinet meeting detailing how a continuity of service could be provided in priority neighbourhoods.

Subsequently, a Call-in relating to this decision was received from Councillors Skinner, Lee and Lapsa that read: "What is the solution to the concerns of Canley residents on the future of the community hub and the loss of a vital provision if the present office were closed?"

In accordance with the Council's Constitution, the Committee Chair, Councillor Lucas, considered the Call-in against the criteria decided by the Committee and, having received advice from the Assistant Director (Democratic Services) and the Council Solicitor, determined the Call-in to be inappropriate.

The reason the Call-in had been deemed invalid was that the Cabinet report provided the answer to the question, in particular, paragraph 2.7.2 – 'recognising the considerable work that has been undertaken with the local community and also the concerns of residents that the loss of Neighbourhood Management in the area would result in them being abandoned, it is considered that if support and engagement were not continued in the future it could be detrimental to the area. Therefore, it is proposed that the Neighbourhood Management Service continues to work with Canley.'

The Members who submitted the Call-in had been informed of the Chair's decision and the reason for it.

A number of Members raised questions about the validity of the Call-in and outlined their concerns regarding the lack of detail contained in the Cabinet report relating to the viability of the Community Hub in Canley, without the Neighbourhood Management facility. The Chair acknowledged the comments raised and reaffirmed her decision that the Call-in was inappropriate. She referred to a further report that was being submitted to Cabinet at the end of November 2010 that would detail proposals for the continuation of services in priority neighbourhoods and proposals for the future activity to be undertaken by the restructured service. In light of the concerns outlined the Members voted on the validity of the Call-in as follows:

4 Members for and 5 Members against.

34. **Consideration of Call-in – Stage 2 – The Building (Local Authority Charges) Regulations 2010**

Councillor Bigham (Cabinet Member (City Development)), Tracey Darke and Stuart Claridge, City Services and Development Directorate, attended the meeting during consideration of this item.

The Committee received a briefing note of the Director of City Services and Development that responded to a Call-in that had been received from Councillors Ridley, Sawdon and Taylor. The Call-in related to the decision taken by Cabinet Member (City Development) on 14th October 2010 (minute 16/10 refers) in respect of the introduction of a new charging scheme made under The Building (Local Authority Charges) Regulations 2010. A copy of the Cabinet Member report was attached.

The Cabinet Member had agreed to:

- (i) retrospective approval for the introduction of a new charging scheme made under The Building (Local Authority Charges) Regulations 2010 effective from 1st October 2010.
- (ii) continue to maintain a ring-fenced reserve to offset surpluses and deficits against future building regulation charges.

The reason for the call-in was: "To further understand why retrospective approval was sought when these regulations changed in April 2010 and the Cabinet Member cancelled her last meeting due to insufficient business."

The Call-in was deemed valid by the Deputy Chair of Scrutiny Co-ordination Committee (nominee in the absence of the Chair) on advice by the Assistant Director (Democratic Services), in conjunction with the Council Solicitor, the Call-in reason having met the requirements of the Council's Constitution Scrutiny Rules on the Call-in Procedure and the criteria decided by the Scrutiny Co-ordination Committee.

Councillors Foster and Ridley, who were Members of the Committee and in attendance at the meeting, spoke in support of the Call-in outlining their concerns and questioning the officers and the Cabinet Member on:

- the implications of the late implementation of the Regulations
- the reasons for the cancelled Cabinet Member meeting in September
- the consultation process for planning matters

Councillor Bigham confirmed that due to having no business for the Cabinet Member (City Development) meeting scheduled in September 2010, the meeting had been cancelled. She also confirmed that, at her Cabinet Member meeting in October 2010, she had received a detailed presentation on the proposed Building Control Charges Scheme and its introduction in Coventry, that included the reasons for the delayed implementation of the charges.

Officers provided the Committee with background information to the issue and addressed matters raised by the call-in indicating:

- Although the Regulations changed in April 2010 the Government allowed a flexible implementation period up to 1st October 2010.
- At 1st April 2010, few Local Authority Building Control Services nationally had implemented a new scheme and were working towards 1st October 2010. The elections in May influenced some authorities' decision to await the outcome, in case there were further significant changes.

- A seminar took place in July 2010 where speakers from the Department for Communities and Local Government, Chartered Institute of Public Finance and Accountancy (CIPFA and Local Authority Building Control (LABC)) explained the new charges regulations and how the Government expected to see them working. A reminder was issued that the new charging system needed to be implemented by 1st October 2010.
- Consultation was undertaken with the West Midlands Seven and the Heart of England Councils and an East Midlands authority, to establish a similar charging system. Following this, timesheets were designed and implemented, data was collected and Finance Officers established an hourly charging rate.
- The DCLG went out to consultation on the Proposed Changes to the Local Authority Charging Regime on 2nd April 2009 for 12 weeks prior to the new legislation being put in place.
- The new charging scheme was ready for advert by the required 7 days notice period prior to the implementation date of 1st October 2010.
- Following receipt of late advice on the procedure for approval of the proposals, the report was scheduled to be submitted to Cabinet Member (City Development) in October 2010.
- Other technical changes of the Regulations had resulted in a number of applications being deposited prior to 1st October, resulting in very few being submitted after that date. The new charging scheme had not had a large effect on the public to date. Work has been undertaken with applicants and some works have been accepted under the existing scheme to assist the customer and prevent any problems during the transitional period.
- It was anticipated that the penalty for late implementation would be negligible.

The Committee discussed the issue and requested that in future Officers ensure that guidance was sought from Legal Services that the correct procedure was applied for seeking formal approval for business. Acknowledging that consultations on technical matters were dealt with by officers, the Committee requested that they be provided with a briefing note detailing how consultations relating to Planning were presented to the Authority and how they were dealt with and also details of the 2009 consultation and how the authority's response to it was dealt with.

The Committee considered the call-in decided to concur with the decision of the Cabinet Member (City Development).

RESOLVED that:

- (1) The Scrutiny Co-ordination Committee concur with the decision of the Cabinet Member (City Development).**
- (2) Officers be requested to ensure that guidance is sought from Legal Services that the correct procedure is applied for seeking formal approval for business.**
- (3) Members be provided with a briefing note detailing: how consultations relating to Planning were presented to the Authority and how they were dealt with; and details of the 2009 consultation and how the authority's response to it was dealt with.**

35. **Coventry Partnership Progress Report**

The Committee considered a briefing note of the Manager of the Coventry Partnership, Dawn Ford, that provided an update of the work of the Partnership including progress made on recommendations made by the Committee at its meeting on 17th February 2010.

In 2009, Scrutiny Co-ordination Committee established a review to understand how the Coventry Partnership was contributing effectively to the overall objectives of the Sustainable Community Strategy and the Local Area Agreement, thereby improving the quality of life for people in Coventry. The Committee identified the reasons for carrying out this piece of work as the need to ensure that the work of the Partnership added value to the delivery of public services in Coventry and contributed to improved outcomes for the people of Coventry.

The Committee reviewed the work of four of the Partnership Theme Groups and received a report from the Chair of the Coventry Partnership for 2009/10, Stephen Banbury, Chief executive of Voluntary Action Coventry. The Committee identified four areas that the Coventry Partnership could take further action on improving as follows:

- **Communications and Publicity** - improving publicity arrangements and developing a communications strategy aimed at raising public awareness of its role and achievements
- **Performance Management** – recommended that work continue in this area, given the importance of recording and evaluating initiatives centrally, in order to identify the Partnership's achievements and weaknesses
- **Finance** - recommended to obtain longer term funding for its work.
- **Adapting to Change** – recommended to continue to ensure that its structures were sufficiently flexible to react quickly in a changing environment.

The briefing note provided an update of the four areas identified and the work that had taken place to address them. The Committee, acknowledging the work of the Partnership and the current concerns relating to grant cuts, questioned Dawn Ford on aspects of the update and asked further supplementary questions.

RESOLVED that the Coventry Partnership improvement activities be noted and that no other areas for improvement be identified at this time.

36. **Comprehensive Spending Review**

Councillor Duggins (Cabinet Member (Strategic Finance and Resources)) and Chris West, Director of Finance and Legal Services, attended the meeting for this item.

The Committee received an update from the Director of Finance and Legal Services on the implications of the Comprehensive Spending Review (CSR) for the Council. The briefing indicated that the review was made up of Mainstream Budgets (Formula Grant Funded) and Other Spend (Specific Grant Funded). Current £269m Net Budget comprised £153m Government Formula Grant and £116m Council Tax and funding of current £831m gross budget comprised £480m specific grants (dedicated schools grant £198m), £116m Council Tax, £153m Government Grant, and £82m fees and charges.

Key elements of the Review were:

- Department of Communities and Local Government funding for local government down around 27% over four years
- Ring-fence removed from Long list of specific grants (90-10)

- Some grants added to Formula Grant
- Funding for a Council Tax freeze in 2011/2012
- Increases in Council Tax assumed after 2011/2012
- Potential loss of Government funding (including rolled – in specific grants) of between £6 and £20m for 2012/13 to 2014/15

The overall position was similar to pre-CSR predictions for 2011/12, except resource cuts were front loaded in early years and that the future years gap did not grow as much as feared pre-CSR due to Council Tax increases. New money for Personal Services was non-existent. It was imperative that local flexibility on un-ring-fenced grants was maintained.

There would be fewer specific Grants post-CSR with a lower overall value; ring fencing would be retained for a few grants; some would be rolled into formula grant; many grant streams had ended; and the position on Children's grants remained very unclear. The future grant funding latest position assumed £21m grant ended, £20m would be rolled into formula grant, there was £421m remaining grants, and the future was unclear on grants totalling £15m. In addition to the loss of £21m, grants in all categories would be cut. The total grant 'at risk' in 2011/2012 was similar to £35m in initial planning numbers but could be more, grant fall-out was heavily front loaded and work was needed over the coming weeks to clarify all details.

Other Challenges emerging put question marks against children's grants, and the impact on Housing Benefit payments/HH Admin grant. The Carbon Reduction Scheme was now a tax and could potentially cost the City Council £0.75m; there would be increased borrowing costs and also a reform to Council Tax Benefit.

The overall messages were that the position for 2011/2012 was a little worse than predicted but the outlook for future years may not be as bad as worst fears. This still left huge budget challenges and difficult decisions to make, the ABC Programme and Human Resources planning remained the right thing to do. The provisional settlement in December could still include significant data and distributional changes to Formula Grant. There would be a full review of Local Government finance next year which could bring other challenges.

The Committee thanked the officer for a very useful overview of the Review, acknowledging that this was a difficult time for the Local Authority with much work to be done. They noted that the priority was the Medium Term Financial Strategy and that this would be discussed further at the Scrutiny Work Day, for all Members of Scrutiny, on 17th November 2010 prior to its submission to Cabinet on 30th November 2010. They also noted that a pre-budget report would also be submitted to Cabinet on 30th November 2010 that would set out details of complete grant loss. The final Budget Report would be considered at the meeting of the Council in February 2011.

RESOLVED that the overview of the implications of the Comprehensive Spending Review be noted and that further discussion on the issue be undertaken at the Scrutiny Work Day on 17th November 2010.

37. Report Back on Conference – Civic Visit to Volgograd and Moscow, Russia

The Committee noted a report back on the Lord Mayor 2009/2010, Councillor Jack Harrison's, civic visit to Volgograd and Moscow, Russia, which was held from 7th to 5th May, 2010.

The visit was extremely successful and had resulted in the potential for tangible benefits to both Coventry and Volgograd and had significantly strengthened the twinning links between the two cities with the potential for even further strengthening through the adoption of five twinning objectives. Various civic gifts were exchanged at the event, which were available for inspection in the Lord Mayor's Office at the Council House. The Lord Mayor's Office and the International Office, in consultation with the Coventry and Warwickshire Chamber of Commerce, would be responsible for pursuing the follow up actions arising from the visit.

38. Report Back on Conference – Visit to Jinan Expo Conference, China

The Committee noted a report back on the Leader of the Council, Councillor Ken Taylor's, visit to Jinan, China, which was held from 19th to 24th September 2010.

During the last 10 years the China Trade Liaison Office has focussed activities on introducing companies from Coventry and the West Midlands to trade and partnership opportunities in China, and in particular Jinan and Shandong province. Over this period the economy had seen benefit from 12 business to business conferences, 6 of which had been in Jinan. Over 80 Coventry companies had participated and following a survey of delegates about resulting trade, it could be concluded that significant benefits had resulted from Coventry's twin relationship with Jinan. To date the China Trade Liaison Office reported direct business into Coventry of £8.3m with a further £16m projected over the next two years. Business with China from Coventry would become more and more important as China's economy and their appetite for high-quality branded goods and services grew.

The visit emphasised Coventry's commitment to the relationship between the Coventry and Warwickshire Chamber of Commerce's China Trade Liaison Office (CTLO) and Jinan Municipal Government. Part of the success of the ongoing twinning relationship with Jinan had been to ensure that strong personal connections were maintained between Coventry and Jinan and this ensured the long standing and consistent link between the two cities. This message was also taken by the representatives of Advantage West Midlands.

RESOLVED that the Committee requested further information in relation to the investment and trade benefits from China into Coventry and the sub-region of £8.3m with a further £16m projected over the next two years.

39. Report Back on Conference – Visit to China 2008

The Committee noted a report back on the Lord Mayor's Civic Visit to Jinan, China, which was held from 18th to 25th October 2010.

2008 marked the 25th anniversary of the twinning links with Jinan, China. As mentioned above, Coventry City Council agreed in 2002 to visit Jinan every two years and this visit allowed the Leader to visit Jinan and promote the twinning links between the two cities.

The visit underlined continued support from the Council to Jinan and this was confirmed by the Lord Mayor and the Mayor of Jinan both signing a Memorandum of Understanding to mark the 25th Anniversary giving continued commitment to official exchanges, business and trade, education exchanges, communication and exchanges in other areas e.g. culture, science and technology. The visit reinforced Coventry's commitment to the relationship between the Coventry and Warwickshire Chamber of Commerce's China Trade Liaison Office and Jinan Municipal Government. As part of the anniversary, the City Council subsequently received two inward delegations from Jinan later in the year to reciprocate business and civic exchanges.

RESOLVED that, the Scrutiny Co-ordination Committee requested that future reports back on foreign visits/conference attendance:

- (1) include the actual costs of the foreign visit/conference attendance and also the costs originally approved by the Cabinet/Cabinet Member.**
- (2) include information on the benefits of the visit/conference and an assessment of whether those benefits matched those originally envisaged.**
- (3) must be submitted to the appropriate Scrutiny Board/Scrutiny Co-ordination Committee within 2 months of attendance, to comply with the requirements of paragraph 5.6.19 of the City Council's Constitution, with the responsibility for submission of reports being that of employees, in consultation with/jointly with the Elected Member(s) attending where appropriate.**

40. Scrutiny Co-ordination Committee Work Programme 2010/2011

The Committee noted the Work Programme for the Municipal Year 2010/11. They also noted that the Scrutiny Work Day scheduled for 17th November 2010 would include discussion on the progress of the Scrutiny Boards Work Programmes.

41. Outstanding Issues

There were no outstanding issues.

42. Meeting Evaluation

There were no comments about the meeting.