

HINCKLEY & BOSWORTH BOROUGH COUNCIL

SCRUTINY COMMISSION

16 OCTOBER 2008 AT 6.30 PM

PRESENT: Mr MR Lay - Chairman
Mrs R Camamile - Joint Vice-Chairman
Mr P Hall - Joint Vice-Chairman

Mr JG Bannister, Mr PR Batty, Mr PS Bessant, Mrs A Hall, Mr DW Inman, Mr CG Joyce, Mr C Ladkin, Dr JR Moore, Mr K Morrell, Mr K Nichols and Mrs BM Witherford.

Officers in attendance: Mr S Atkinson, Mr Michael Brymer, Mr B Cullen, Miss L Horton, Mr S Kohli, Mr D Moore, Mr R Palmer, Mr TM Prowse, Mrs S Stacey and Miss R Owen.

In accordance with Council Procedure Rule 4.4, Mr DS Cope, Mrs J Richards and Mr R Ward also attended the meeting.

Also in attendance:

Mr M Baxter, Echelon; Mr S Lappage, PricewaterhouseCoopers LLP and Messrs C Roxbrough and P Wood, Bentley-Jennison.

217 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Mr Gould with the substitution of Mr Bannister authorised in accordance with Council Procedure Rule 4.3.

218 MINUTES (SC30)

On the motion of Mr Hall, seconded by Mrs Camamile, it was

RESOLVED – the minutes of the meeting held on 28 August 2008 be confirmed and signed by the Chairman.

Mr Ladkin arrived at 6.31pm.

219 DECLARATIONS OF INTEREST

No interests were declared at this stage.

220 HOUSING REPAIRS AND MAINTENANCE CAPITAL AND REVENUE BUDGETS (SC31)

The representatives of Echelon, Bentley-Jennison and PricewaterhouseCoopers LLP presented their reports and gave some background to their investigations and recommendations.

During questions and discussion on the report and introduction by Echelon, Members expressed concern about the following:

- The reason for accelerating works when it had previously been stated that works were behind schedule;
- The apparently high costs of the works not matching the generally low standard in the sample investigated;
- The prescribed 'lifecycle' of works being changed by undertaking work earlier than necessary.

The key failings which had led to the overspend and which had been investigated by Bentley-Jennison were highlighted as non-compliance with the contract, inability to justify costs, communication problems, internal management and ineffective procedures. During discussion of this report, Members raised the following concerns:

- There were anomalies between the reports of Echelon and Bentley-Jennison. In response it was explained that the Echelon report looked at larger-scale works, and the report of Bentley-Jennison looked at day-to-day repairs;
- There seemed to be uncertainty with regard to who had responsibility for monitoring the budget;
- The excessive amounts charged for jobs and the monitoring carried out on this;
- The appropriateness of open book accounting in the partnership with Inspace.

It was explained that carrying out too many checks on works undertaken would have diminished the advantages of partnership working and that such a partnership was based on trust and therefore a balance had to be reached. Trust was also highlighted as an important factor in open book accounting. Members questioned whether this system often worked in such partnership arrangements and if it could have worked in this case. It was explained that the benefits of open book accounting were that all parties knew the budget and could plan ahead, but that a full understanding of the methodology was needed to be able to monitor the system. It was also explained that in order for open book accounting to work there needed to be a flow of accurate and timely information from the contractor regarding works completed, and that this had not taken place during 2007/08.

Therefore it was reported that one of the problems that had led to the overspend had been the lack of timely information to be able to manage performance, for example the contract was paid monthly, but inspection reports were only available after much later throughout 2007/08. It was however reported that this had been addressed during 2008/09 and

information was being received more quickly and by the end of November the records would be up to date.

Mr Lappage from PricewaterhouseCoopers LLP explained the reasons for the statements in his report which stated that two areas of the authority (systems of internal control and performance against budgets) had been classified as 'inadequate', but said that there were no other areas of concern and robust progress had been made to address the issues since they had been identified.

Members raised the following points and questions during debate on the overspend:

- The need to ensure we were getting value for money and a reliable service for tenants;
- The significant costs to the Council of addressing the issues since the problems were identified and the cost of monitoring the open book accounting system;
- Possible savings to the Council of a successful system of open book accounting;
- The need to continue to reinforce the importance for staff to understand financial regulations and to undertake training;
- The level of confidence in continuing the partnership;
- The need to examine the contract and future viability;
- The need to recover the confidence of the public by ensuring a high quality service within budgets;
- Concern with regard to the lack of an audit trail.

It was reported that there had been lengthy negotiations to secure the current position. Members expressed concern with regard to the payment to Inspace towards redundancy costs. In response it was explained that as the Council had changed their specification in certain areas eg. giving decorating vouchers for voids and reduced the budget for housing repairs in 2008/09, Inspace accordingly had had to reduce the number of staff. The settlement of £10,000 was against the contractor's claim of just under £45,000.

It was requested that a report be prepared for the Council Services Select Committee with regard to the costs of the investigations by the external consultants. It was also suggested that it may be useful to receive information on successful models of open book accounting and potential alternatives.

RESOLVED –

- (i) The actions taken to address issues since March 2008 be endorsed;
- (ii) Bentley-Jennison be asked to undertake further investigations with regard to open book accounting, the state of the partnership and its monitoring, to be reported back to the Commission at its meeting in January 2009;

- (iii) A report be produced for the Council Services Select Committee with regard to the costs of the consultancy work and the additional internal work which had been necessary;
- (iv) An appraisal of open book accounting systems be undertaken after receipt of Bentley-Jennison's report;
- (v) Consideration be given to monitoring of the arrangements by an appropriate Council body;
- (vi) Training for staff continue to be provided on financial and contract procedure rules as necessary.

Messrs Bessant and Cope left the meeting at 9.11pm and Mr Inman left at 9.12pm.

221 OUT-OF-HOURS ACCESS TO HEALTHCARE REVIEW – FINAL REPORT (SC32)

Members received a report which concluded the Out-of-hours healthcare review undertaken by the Scrutiny Commission. It was noted that input into the Community Hospital Consultation had been submitted within the deadline. It was noted that further information was awaited with regard to the service provided by the East Midlands Ambulance Service, particularly in relation to the Community Paramedic based in Earl Shilton.

RESOLVED –

- (i) the Scrutiny Commission requests, as part of the Community Hospital Consultation:
 - (a) that a minor injuries unit be established at the community Hospital site in Hinckley, with provision until midnight and with GP provision attached;
 - (b) that the proposal for a healthcare hub be supported but that the out of hours provision be extended to 12 midnight;
 - (c) that the proposal for a nurse led service at the Community Hospital be supported but concern be expressed and a request submitted for a GP led services from 8am to 10pm or later;
 - (d) that transport be considered extremely carefully by the PCT before instigating the move to a one-stop hub, in particular that the bus service be extended to enter the hospital site rather than stopping on the main road.
- (ii) the additional service provided by the East Midlands Ambulance Service be reviewed annually by the Scrutiny Commission.

Messrs Bessant and Inman returned to the meeting at 9.17pm.

222 EAST MIDLANDS REGIONAL PLAN – SECRETARY OF STATE'S PROPOSED CHANGES – PUBLIC CONSULTATION (SC36)

Members were advised of the proposed changes to the Regional Plan. It was noted that consultation was due to end on 17 October. Members expressed concern with regard to the definition of 'pitches' on travellers' sites, as in some places there were up to six caravans on a pitch, and with regard to the review of green wedge policies. In response to concerns about affordable housing targets, it was reported that the figures were interim and work was ongoing as part of the Strategic Housing Market Assessment.

RESOLVED – the officer response highlighted in appendix A to the report be endorsed.

223 LOCAL ACCOUNTABILITY CONSULTATION (SC40)

The Scrutiny Commission received a copy of the 'Communities in Control' Improving local accountability consultation from the Department of Communities and Local Government and was provided with draft responses to the part of the consultation relating to the evolving role of Overview and Scrutiny committees.

RESOLVED – the draft response be agreed.

224 LOCAL DEVELOPMENT FRAMEWORK: CORE STRATEGY DEVELOPMENT PLAN DOCUMENT (SC34) & HINCKLEY TOWN CENTRE AREA ACTION PLAN DEVELOPMENT PLAN DOCUMENT – PROPOSED SUBMISSION DOCUMENT (SC35) – PROPOSED SUBMISSION DOCUMENTS

It was agreed that as these reports would be considered by Council on 28 October, that would be the appropriate forum for a full debate.

RECOMMENDED – the report be discussed at Council on 28 October.

225 SCRUTINY ENVIRONMENT GROUP (SC38)

Members' support was sought for the establishment of a Members' group to monitor and oversee the environmental activities of the Council relating specifically to the Environmental Management System, climate change agenda and other environmental initiatives. It was agreed that the group need not be politically balanced and that the number of Members be flexible depending upon the number expressing an interest.

RESOLVED – the creation of a Scrutiny Environment Group be agreed.

226 REVIEW OF ENVIRONMENTAL POLICY (SC39)

Members received a report which reviewed and updated the Environmental Policy. It was agreed that this would be an appropriate piece of work for the Scrutiny Environment Group.

RECOMMENDED – the Scrutiny Environment Group discuss the Environmental Policy.

227 EXTENSION OF MEETING

Having reached 9.30pm, in accordance with Council Procedure Rule 9, it was moved by Mrs Camamile, seconded by Mr Nichols and

RESOLVED – the meeting be extended for a further 10 minutes to allow the business to be completed.

228 OVERVIEW AND SCRUTINY WORK PROGRAMME 2008/09 (SC41)

Members gave consideration to the Overview and Scrutiny Work Programme for 2008/09. It was requested that Barwell and Earl Shilton regeneration be added to the work programme, however in response it was stated that a group had been set up by the Commission to look at this. A Member felt that the group was not effective, and it was therefore suggested that the focus of the group be addressed and the minutes of the meetings be included on the Scrutiny Commission agenda.

RESOLVED – the Work Programme be agreed.

229 FORWARD PLAN OF EXECUTIVE AND COUNCIL DECISIONS (SC42)

Members received the Forward Plan of Executive and Council decisions.

RESOLVED – the Forward Plan be noted.

230 MINUTES OF SELECT COMMITTEES

Minutes of the following meetings were received:

- (i) Finance & Audit Services Select Committee, 18 August 2008 (SC43);
- (ii) Council Services Select Committee, 21 August 2008 (SC44).

231 CITIZENS' PANEL – CONSULTATION RESULTS OF COUNCIL PRIORITIES AND BUDGET SPEND (SC33)

Members received a research report by the Consultant.

RESOLVED – the report be endorsed.

232 REVIEW OF ENVIRONMENTAL HEALTH GENERAL ENFORCEMENT
POLICY (SC37)

RESOLVED – this item be deferred to the next meeting of the Scrutiny Commission.

(The meeting closed at 9.39 pm)