

# SCRUTINY CO-ORDINATING COMMITTEE

## MINUTES

24<sup>th</sup> February, 2006

### **Present:**

Councillor Marjorie James (In the Chair)

Councillors: John Cambridge, Kevin Cranney, Bob Flintoff, Gerald Hall, Ann Marshall, John Marshall, Arthur Preece, Carl Richardson and Jane Shaw.

Also Present: In accordance with Council Procedure Rule 4.2 Councillor Victor Tumilty as a substitute for Councillor Edna Wright.

Resident Representatives: -

Evelyn Leck, Joan Smith and Linda Sheilds

Also Present:

Martin Denny, Employer's Organisation  
John Ford, North Hartlepool Partnership  
Richard Leck, Ferguson McIlveen  
Bryn Hughes, General Manager, HMS Trincomalee Trust  
Michael Stewart, Chairman of the Board, HMS Trincomalee Trust

Officers:

Andrew Atkin, Assistant Chief Executive  
John Collings, Assistant Director (Performance and Achievement)  
Ian Parker, Director of Neighbourhood Services  
Stuart Green, Assistant Director (Economic Development and Planning)  
Richard Starrs, Project Manager  
Alan Coulson, Engineering Manager  
Alison Mawson, Head of Community Safety and Prevention  
Steven Barber, Assistant Chief Accountant  
Charlotte Burnham, Scrutiny Manager  
Joan Wilkins, Principal Democratic Services Officer  
Jonathan Wistow, Scrutiny Support Officer  
Rebecca Redman, Temporary Research Assistant (Scrutiny)

### **155. Apologies for Absence**

Apologies for absence were received from Councillors Rob Cook, Pamela Hargreaves, Stan Kaiser, Geoff Lilley and Edna Wright.

## **156. Declarations of interest by members**

The following declarations were made:-

Councillor Gerald Hall dedared a personal interest in minute number 165 as an Honorary Trustee on the HMS Trincomalee Trust Board.

Councillors John Cambridge and John Marshall declared a personal interest in minute number 164, 'Headland Town Square Overspend' as a member and Chairman of the SRB North Hartlepool, respectively.

## **157. Minutes**

The minutes of the meetings held on 10th February, 2006 were confirmed subject to the following amendment:-

Minute number 151, HMS Trincomalee Trust – Composition of the Trust Board,

- (i) To remove the word 21 and replace with 24
- (ii) To remove the wording "and the Director" to be replaced with "who are the Directors".

## **158. Responses from the Council, the Executive or Committees of the Council to Reports of the Scrutiny Co-ordinating Committee**

None.

## **159. Consideration of Requests for Scrutiny Reviews from Council, Executive Members and Non Executive Members**

None.

## **160. Any Other Business – Scrutiny Topic Referral from Council – Live Consultation on the New Primary Care Trust Arrangements in the Tees Valley** (Scrutiny Manager)

The Scrutiny Manager reported that Council on the 16th February, 2006 considered, and approved (minute no. 124 refers), the following amended Motion on Notice:-

- a) To support a continued Hartlepool PCT with a management team based in Hartlepool working closely with the Council and through the LSP in order to minimise management costs and increase local control over decisions about health services (as argued in an independent report commissioned by the LSP (Locality Plus: Retaining a Cotermious PCT in Hartlepool', Hartlepool Partnership November 4th 2005);
- b) That Scrutiny Co-ordinating Committee should establish whether Option 2 in the current SHA consultation document meet this objective:
- c) That Scrutiny should consider whether the SHA consultation document treats options 1 and 2 even-handedly, as required by Minister, in expressing the unanimous view of PCT Chief Executives that Option 2 is unworkable; and
- d) That Scrutiny should consider whether to recommend to the Council that the proposals contained in the LSP's 2005 report be submitted to Ministers with relevant updated supporting material as the Council's preferred option.

It was brought to Member's attention that the Adult and Community Services And Health Scrutiny Forum was currently considering such consultation arrangements and at its next meeting, on the 28th February was to consider additional information prior to submission of its final response to the Tees Valley Health Joint Committee. In view of this, and the requirement that any response to the Secretary of State should be made via the Health Scrutiny function, Members of the Co-ordinating Committee were in support of the redirection of the referral to the Adult and Community Services and Health Scrutiny Forum.

### **Decision**

- i) That the referral be redirected to the Adult and Community Services and Health Scrutiny Forum, to avoid duplication in the consideration of this issue;
- ii) That in agreement with the Chair of the Adult and Community Services and Health Scrutiny Forum an invitation be extended to all Members of the Council to the forthcoming meeting of the Adult and Community Services and Health Scrutiny Forum, scheduled for 28th February 2006; and
- iii) That authority be delegated to the Adult and Community Services and Health Scrutiny Forum in conjunction with the Chair of the Scrutiny Co-ordinating Committee to approve the authority's

finalised response for consideration by the Tees Valley Health Scrutiny Joint Committee on 15th March 2006.

## **161. Corporate Plan (BVPP) 2006/7 – Proposed Objectives and Actions** (Assistant Chief Executive)

The Assistant Chief Executive submitted a report outlining proposed objectives and actions for inclusion in the Council's Corporate (Best Value Performance) Plan for 2006/7. The Scrutiny Co-ordinating Committee was asked to consider whether the proposed objectives and actions, each of which was split into one of the following areas, reflected the Council's priorities for the year ahead:-

Jobs and the Economy  
 Lifelong Learning and Skills  
 Health and Care  
 Community Safety  
 Environment and Housing  
 Culture and Leisure  
 Strengthening Communities  
 Organisational development priorities

Consideration was given to each area and during the course of discussions the following issues were raised:-

- i) Community Safety (LAA 16) – Improved Neighbourhood Safety. Members emphasised the importance of Community Wardens and the need to ensure that they continue. It was felt that the perception of crime levels could be alleviated through continued improvements to services. Officers confirmed that Neighbourhood Renewal Funding for wardens had been approved by the Hartlepool Partnership. There would, however, be a change to the job title of the Wardens and greater emphasis on the prevention of environmental crime to respond to the views of residents. There was also to be some Neighbourhood Renewal funding to support Police Community Support Officers.
- ii) Strengthening Communities – Members highlighted the absence of community involvement in the Strengthening Communities section of the Plan. Attention was drawn to the areas where efforts were being made to highlight the role of the community and voluntary sector and attention drawn to discussions held with the HVDA around the establishment of an Area Agreement.

Further discussion ensued on the priorities contained within the Strengthening Communities section of the plan and Members commented on their request for an audit of the Community Sector to be undertaken by a Working Group as part of the Grants Committee

Scrutiny referral to be considered in the overview and scrutiny work programme for 2006/07.

**Decision**

The report was noted with no amendments suggested.

**162. Forward Plan: March 2006 to June 2006**

Members reiterated their concerns regarding the level of detail in the plan and requested that additional information be included in the future. The Chair highlighted that the Mayor had at a recent event promised to look at the content of the Forward Plan.

In relation to the current Forward Plan attention was drawn Decision Reference RP98/05 Neighbourhood Element Fund 2006/10. Attention was drawn to the relationship between the Council and the Strategic Partnership and concerns regarding decision making/working arrangements of the LSP and the absence of a role for the Local Authority. This issue was previously raised by this Committee on the 10th February 2006 (minute no. 144 refers) and the Chair indicated that the real issue today was one of governance. It was felt that Cabinet and even Council should be allowed to express a view before a decision was taken by the LSP and in terms of a way forward suggested that the issue of governance and the LSP be referred to the Regeneration and Planning Services Scrutiny Forum for consideration as part of its ongoing investigation into Partnerships.

**Decision**

That the issue of governance and LSP decision making be referred to the Regeneration and Planning Services Scrutiny Forum for consideration as part of its ongoing investigation into Partnerships.

**163. Headland Town Square Development Overspend – Scoping Report** (Scrutiny Manager)

The Scrutiny Support Officer presented a report scoping the Scrutiny Co-ordinating Committees forthcoming investigation into the Overspend on the Headland Town Square Development.

Details of the background to the Development were provided and approval sought for:-

**The Overall Aim of the Scrutiny Investigation – To examine the**

overspend on the Headland Town Square Development.

### **Proposed Terms of Reference of the Investigation**

- a) To gain an understanding of the overall aim of the Headland Square Development.
- b) To examine the causes of the overspend.
- c) To reach a conclusion as to why/how the project cost more than originally anticipated.

### **Potential Areas of Inquiry/Sources of Evidence**

- a) North Hartlepool Partnership Manager;
- b) Hartlepool Borough Council Officers – Project Manager Technical Services, Engineering Manager and Town Care Manager;
- c) Representatives of Ferguson McIlveen.

### **Proposed Timetable for the Investigation**

24th March 2006 – Scoping meeting.

10th March 2006 – Additional evidence gathering and agreement of Draft Final Report.

### **Decision**

The report was noted and the terms of reference and timetable outlined above approved.

## **164. Headland Town Square Development Overspend – Setting the Scene** *(Scrutiny Manager)*

As part of the first stage of the Committees investigation the Chair welcomed the North Hartlepool Partnership (NHP) Manager and a representative from Ferguson McIlveen to the meeting. Also present to participate in discussions with the Committee were the Councils Project Manager Technical Services and Engineering Manager. Councillor J Marshall indicated that in his role as NHP Chair, he would be able to participate in the discussion.

During the course of discussions the following issues were discussed:-

- i) **Who was responsible for the original costing of the scheme and how was it arrived at?** The SRB Board was given the original figure for delivery of the project by officers. A competition was run, and a Consultant appointed, and it was thought that it was at this point that the budget was set. As those present had not been involved at the time of the setting of the budget it was agreed that officers would look into this and

provide further documentation to clarify the situation. It was, however, in the meantime confirmed that the process included a competition, the appointment of the Consultants to finalise the detail of the scheme and consultations. When the Consultants were appointed it was already apparent that the budget estimate, in the light of the analysis undertaken within the competition process.

- ii) **Concern was expressed that a member of the SRB Board was not involved in contract negotiations, especially when the Steering Group had made it clear that it wanted quality over quantity.** Attention was drawn to the need in terms of best value to bring in a contractor as soon as possible resulting in the appointment of Seymour's as the preferred contractor. There had also been a need to spend some funding before the end of March and in order to facilitate this materials were agreed on the basis of the proposed work. It was, however, not until later that a final target cost was identified, which ended up being £105,000 over budget largely as a result of increasing material costs. As a result of the decision to agree materials and the inability to reduce the specification of the scheme without sacrificing content or quality, the Steering Group established to deal with the project, felt that the scheme could not be reduced to keep within budget.

Attention was drawn to the affect that the 'Re-thinking Construction' Initiative had on the way construction was tendered for. Emphasis was now placed upon the involvement of the Contractor earlier in the project and that was the route had been taken in relation to the letting of this contract. Whilst Members noted this explanation they felt that there was a greater need for representation and involvement at every stage of the process.

- iii) **Was a contingency included in the budget?** Members were assured that a contingency had been included and that the additional resources being sought were over and above this figure. The contingency had already been absorbed.
- iv) **To what extent had the archaeology of the site affected the cost of the scheme?** It was confirmed that the archaeology had made a significant impact on the scheme. Although trial holes had been dug it was not until work commenced that the true extent of the archaeology came to light. It had been necessary to extend the original contract with Tees Archaeology, cost £30,000, with another £65,000 now required. On top of this, each week the archaeologists were on site affected the contractors work programme. If this effect caused the contract to be extended this would cost an additional £8,000 per week.

- v) **What other options had been looked at to cover the overspend?** Members were advised that when the funding had initially been put together it had come from external sources, with the Partnership putting in over £950,000. An approach to ONE was refused and whilst it was unlikely that anyone else would come in to simply fund the overspend there had been some success in securing additional external funding as a result of savings made elsewhere. There was, however, still no other option other than to approach the Council for assistance in relation to the remaining amount.
- vi) **Would there be any further requests for additional funding if this was approved?** Members were assured that the figure being sought included the additional archaeology costs and took into account any possible future problems the bulk of which would have already come to light by now.

### Decision

- i) The report was noted.
- ii) That Officer's provide, under separate cover, documentation that would provide clarification on the determination of the original budget.
- iii) That the draft final report outlining the views of the Committee be presented to the next meeting.

## 165. HMS Trincomalee Trust – Financial Performance *(Scrutiny Manager)*

Further to minute numbers 150 and 151 of the previous meeting, the Scrutiny Manager provided detailed information on:

- The last three years financial performance of the HMS Trincomalee Trust (2003-2005)
- The future stability of the Trust.

To assist the Committee in consideration of this information the Chairman of the Trust and General Manager were in attendance to answer any questions Member's might have. During the course of discussions the following issues were raised:-

- i) **How much was the ship worth?** Book value £1 but with an insurance value of £1.5m.
- ii) **Concern was expressed that the figure shown on the Balance sheet relating to 'Creditors' had gone up by £41,000 over the last three years.** Members were advised



that the amount shown related to money owed to the Trust. Attention was drawn to the net current assets figure and whilst this had reduced over the last three years assurances were given that work was ongoing with colleagues from the Council to address this. It was also noted that whilst expenditure was steady income could not match it and as such the Trusts balances were being eroded, leaving a cash balance at the end of the year of only £9,000. This issue needed to be addressed.

**iii) Issues raised at the last meeting.** In relation to the use of the term 'permanent trading' in relation to the Trusts Memorandum of Association whilst it was felt that revenue from weddings could be classified as income earned it was accepted that it could not be guaranteed and as such was not permanent. There was, however, still concern regarding:

- The responsibility for accidents and damage and the public perceptions as to who was responsible, and
- The lack of restrictions attached to the £50,000 grant given by the Council each year. Other organisations in the town awarded grants were given far greater restrictions in terms of what they could use funds for and it was felt that the relationship with the Trust needed to be viewed on a more business like basis.

The Trust representatives present indicated that the Trust would have no objections to the imposition of greater conditions on the use of the grant providing they maintained sufficient freedom to apply it to day-to-day costs. It was, however, highlighted that although the Community Pool was under pressure the grant to the Trust had come about in a different way and was not associated with the Community Pool. Whilst this was why guidance had not been applied to the Trusts grant Members were assured that a procedure was in place and that the grant was not paid in a one off sum, but on a monthly basis, according to demonstrable need.

**iv) Concern was expressed regarding the timescale for the development/sale of the proposed land and that with budget restraints it might be that the Historic Quay becomes subject to cuts.** Members were advised that work was ongoing to present a single visitor attraction at Hartlepool's Maritime Experience with any areas of duplication being looked at. It was recognised that consideration needed to be given to how much support needed to be given to promotion of Hartlepool as a tourist attraction and where this sat in terms of the Council priorities.

- v) **Would the inclusion in a single ticket for entrance to the Quay count as permanent trading.** Members were advised that the Charity Commission allows a level of charitable income generation and that visitors come onto the ship as charitable users. The Commission also accepts that the souvenirs could be bought and the facilities used for non-charitable activities, such as weddings. As such the Trust was allowed to undertake an element of non-charitable income generation (up to 20% on income which equated to approximately £50,000) however, the Trust was getting close to this level and needed to consider alternative arrangements i.e. the creation of a trading arm.

Following completion of discussions the Chair thanked all those present for attending and recapped the issues for inclusion in the Committees' report back to Council, as detailed below.

### Decision

- i) That a Draft Final Report be presented to the next meeting of the Committee for consideration and approval prior to its submission to Council.
- ii) That the following recommendations be included in the report:
- a) That in relation to the relationship between the Council and the HMS Trincomalee Trust:
- Council should clarify why the relationship with the Trust is different to that with other voluntary/charitable organisations, or
  - Initiate actions to make the relationship with the Trust the same as with other organisations, possibly through a Service Level Agreement.
- b) The fact that the Trust was reaching the cut off point for the generation of non charitable income needed to be taken into consideration by the Council in whatever decision.

## 166. Scrutiny Co-ordinating Committee – Progress Report (Chair of the Scrutiny Co-ordinating Committee)

The Chair of the Scrutiny Co-ordinating Committee presented a report updating Members on progress made since consideration of the previous progress report, on the 20th December 2005. As part of the report attention was drawn to the considerable progress being made by the Co-ordinating Committee and each of the standing Forums in ensuring the delivery and completion of their individual Work Programme's for 2005/6.

Details of the scrutiny investigations/referrals currently being considered or awaiting consideration were outlined in the report. Given that there were only two further meetings of the Committee after today's meeting, with the

possibility of an additional 'sweep up' meeting to consider specific Final reports from the standing Forum's consideration was sought as to whether it would be appropriate for the Rossmere Pool referral to be incorporated into this Committee's 2006/07 Work programme to ensure that sufficient time was allocated to it.

Following consideration of the options available, Members recognised the pressures being placed upon the Committee and its support staff. There was, however, concern regarding the possible need to recap following the elections should new Members be appointed to the Committee and support was expressed for consideration of the Rossmere Pool referral as soon as possible. As a solution the Scrutiny Manager was asked to prepare a report for the next meeting of the Committee to summarise the background to the referral, where the Committee was up to and recommendations already made. It was felt that it would not take a considerable amount of work to complete consideration of the referral. Should this not be the case, then the decision to incorporate consideration of the referral into next years work programme could be taken at the next meeting.

#### **Decision**

- i) The report was received and noted.
- ii) That a report be submitted to the next meeting of the Committee to summarise the background to the referral, where the Committee was up to and recommendations already made with a view to either completing consideration of the referral or incorporating further consideration of it into next years work programme.

### **167. Neighbourhood Services Scrutiny Forum – Progress Report** (Chair of the Neighbourhood Services Scrutiny Forum)

The Chair of Neighbourhood Services Scrutiny Forum reported that since consideration of the previous progress report, on the 20th December 2005, the Forums had concluded its investigation 20mph speed limits outside schools and was nearing completion of its investigation into local bus service provision. Details of the process and progress within each of these inquiries were outlined in the report.

#### **Decision**

The report was received and noted.

### **168. Regeneration and Planning Services Scrutiny Forum – Progress Report** (Chair of the Regeneration and Planning Services Scrutiny Forum)

In the absence of the Chair of Regeneration and Planning Services Scrutiny Forum the Chair of the Scrutiny Co-ordinating Committee reported that since

consideration of the previous progress report, on the 20th December 2005, the Forum had:

- Continued its investigation into Partnerships
- Deferred its investigation into the use of UPVC in conservation areas pending the outcome of the Portfolio Holder and Planning Committee's consideration of the issues and that approval was sought from this Committee to notify Council

Details of progress within each inquiry were outlined in the report.

### **Decision**

The report was received and noted with agreement being given to notify Council of the removal of UPVC windows referral from the overview and scrutiny work programme for 2005/06.

## **169. Adult and Community Services and Health Scrutiny Forum – Progress Report** (Chair of the Adult and Community Services and Health Scrutiny Forum)

In the absence of the Chair of Adult and Community Services Scrutiny Forum, the Chair of the Scrutiny Co-ordinating Committee reported that since consideration of the previous progress report, on the 20th December 2005, the Forum had:

- Completed its investigation into Pandemic Influenza
- Received and update report from Tees and North Yorkshire Ambulance Service (TENYAS)
- Continued its investigation into 'Access to GP Services in Hartlepool

Details of progress within each inquiry were outlined in the report.

### **Decision**

The report was received and noted.

## **170. Children's Services Scrutiny Forum – Progress Report** (Chair of the Children's Services Scrutiny Forum)

The Chair of Children's Services Scrutiny Forum reported that since consideration of the previous progress report, on the 20th December 2005, the Forum had:

- Considered and agreed the contents of the Draft Final Report on Involving Young People in Decision Making in Hartlepool', which went on to Council on the 16th February 2006.

- Considered a Scoping Report on the Scrutiny of the Draft Children and Young Person's Plan. The terms of reference and timetable for the investigation were approved.
- Received a report from the Portfolio Holder outlining his decision in relation to the Forum's Final Report on the Adult Learning Inspection.
- Considered a report on the Scrutiny of the Draft Children and Young People's Plan.

Details of progress within each inquiry were outlined in the report.

### **Decision**

The report was received and noted.

## **171. Second and Third Tier Officers Salary and Grading Review Scrutiny Referral: Employers' Organisation Salary and Grading Structure Recommendation's (Scrutiny Manager)**

Further to minute number 95 of the meeting held on the 20th December, 2005 the Scrutiny Manager circulated for Members consideration an advanced copy of the report to be presented to the meeting of Cabinet on the 13th March, 2006 outlining the Employers' Organisation Salary and Grading Structure recommendations. Present at today's meeting to assist Members were the Director of Neighbourhood Services and a representative from the Employers' Organisation.

The Director of Neighbourhood Services indicated that as requested details were provided of job descriptions for each post and organisational charts and highlighted that:

- A number of arithmetic errors had been identified in the Employers' Organisation report;
- Salary bandings had been benchmarked at April 2005 levels and would need to be reassessed on the basis of April 2005 pay rises;
- There were some issues regarding the banding of three posts which the Director wished to discuss with the Employers' Organisation and report back on.

In view of this Members were asked to consider the report with the additional information (as outlined above) being provided to the meeting on 7th April 2006.

The Director of Neighbourhood Services also reported that agreement to the extension of this review was to be sought from the Portfolio Holder at his meeting on 13 March 2006 following the need

to address some of the issues within the Employers Organisation report.

Members were in support of this course of action and during the course of discussion raised the following issues:-

- i) Concern was expressed regarding the continued use of consultants, an issue which had been raised by Members on numerous occasions. The Director of Neighbourhood Services took these concerns on board and indicated that they would be looked into.
- ii) Emphasis was placed upon the need to recognise that the real issue was what the Council could afford to pay. It was recognised that this was a valid point and Members advised by the Employers' Organisation representative that this had been taken into consideration with the posts pitched below the median for unitary Authority's. Members were, however, asked to bear in mind that competition was very close by and with recommendations £10/15,000 below salaries in some other areas there could be a recruitment issue. However, it was acknowledged that for specialist posts there may be a need to consider an additional market supplement in the future.

#### **Decision**

That further consideration of the outstanding issues raised by the Director of Neighbourhood Services be given by Members of this Committee at their meeting on 7th April 2006.

### **172. Consideration of Financial Monitoring / Corporate Reports**

No Items.

### **173. Call-in Requests**

No Items.

### **174. Any Other Business**

No items.

MARJORIE JAMES

CHAIR