



## **Minutes of the Overview and Scrutiny Board**

**Friday, 13 January 2012 (PM)**

**-: Present :-**

Councillor Thomas (J) (Chairman)

Councillors Bent, Butt, Darling (Vice-Chair), Kingscote, Parrott, Pentney and Pountney

(Also in attendance: Councillors Excell, Richards, Doggett, Davies, James, Cowell, Thomas (D), Ellery, Morey and Stockman)

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### **468 Apologies**

Apologies for absence were received from Councillor Barnby and Penny Burnside (Co-optee).

### **469 Residents and Visitors**

The Executive Lead for Tourism and Environment introduced the item to the meeting, outlining the difficulties and challenges faced by the Council in the budget setting process. In response to questioning the Executive Lead for Tourism and Environment assured the Board that as outlined in the documents and reports issued in December 2010 the savings identified and required from 1<sup>st</sup> April 2012 can be achieved, and some are already in the early stages of implementation, with some already implemented. The Board heard how the cost implications of not implementing some of the savings identified are outlined within the documentation issued in December for consideration at Full Council. The Board were advised that Residents and Visitor Services also faces additional budget pressures in terms of increased rate costs and utility costs – however these have been factored into the base budget.

The Board questioned whether the income outlined in the budget proposals regarding Beach Huts was achievable. The Executive Lead for Tourism and Environment advised the Board that the income from Beach Huts was achievable, and that the income lines proposed were calculated based upon current service usage (with 7 year waiting lists in some areas) and that a slight decrease in service usage had also been factored into these figures. The Board were advised that subsequent areas of income generation and savings, along with the associated risks, are again detailed within the paperwork issued in December.

In response to questioning the Board heard how grants and grants in kind (which includes rent and rate rebates, arts and museums) do not form part of the proposals. The Board were advised that where income was generated (and it is usually limited) it would be used to support or offset other pressures as outlined in

earlier questioning. The Board heard how implementation costs associated with the budget proposals are outlined with the budget papers.

In response to questioning the Board heard how a subsidy grant of £232,000 is proposed within the budget papers for Torbay Coast and Countryside Trust for 2012/2013. The Board were advised that this is subject to inflation and that Torbay Coast and Countryside Trust have additional pressures which they are working to reduce and a recovery plan is being prepared.

The Board were advised that full impact assessments on the detailed proposals for libraries would be available for the meeting on the 25<sup>th</sup> January and that the full consultation results would also be made available.

In response to questioning the Board were advised that there were other services within Residents and Visitors Services from which savings can be found to lessen the impact on libraries, however cuts to these services would also impact the customer. The Board heard how some services with Residents and Visitors Services are already very small and that many are now outsourced (i.e. TOR2). They were advised that libraries is the biggest service offered with the largest budget, and in outlining the budget proposals the Executive Head for Residents and Visitor Services advised the Board that reductions needed to be fair and proportionate. The Board were advised that there was no intention to close any of the libraries across the bay, and that any reduction in hours would be done fairly across all libraries (including the mobile library service).

In response to questioning the Board heard that subsidy money, of around £23,000 was available for buses to provide a service to local communities that may not otherwise be commercially viable. The Board heard how the Number 12 service run within Torbay is the most profitable service outside of London.

In response to questioning the Board heard how RPIX (inflationary) costs are set for the TOR2 contract at around 4% which equates to approximately £400,000. The Board heard how around £10 million pounds will be saved over the life of the long term TOR 2 contract. The Board heard around £100,000 was reduced from the contract last year and that this presented real challenges, the Board were advised that any further reductions would pose real challenges and difficult decisions relating to some of service currently provided. The Board questioned whether the interest payments are negotiable and a recommendation has been put forward to investigate this further.

In response to questioning the Board heard how the vacant office space within Paignton Library and Information Centre is being addressed; the Board were advised that this space may be utilised as staff accommodation.

The Board heard 3 representations from members of public specifically in relation to proposals relating to libraries:

Representations (lasting no longer than 3 minutes each) were made by:

- Jenny Harriman

- Kim Paynter
- Christopher Fransella

The Board questioned the proposals to reduce the library service by 37 hours and heard how footfall in the libraries was used to measure usage during the libraries opening hours, specific details of which are available within the budget proposals document.

The Board questioned the proposed staff reductions within libraries (6FTE) and were advised that the reductions will be made as a result of a restructure within this department and will be back office staff as well as reduction in hours of employees rather than through staff losses. It was advised that it was difficult to assess the full impact until the actual hours closure had been determined.

The Board questioned the £90K saving and whether this took into account the loss of income from Torre Abbey and were advised that the saving target proposed included all the loss of income and expenditure expected during the close down period for refurbishment works to take place, The Board were advised that if we had we not closed the Abbey completely while the works were being carried out it would have cost more and the income reduced as only part of the museum would be available for viewing.

The Board asked whether figures could be provided in relation to the grants made to museums in the Bay. They were advised that Torquay Museum will receive £76,500 in 2012/13 Brixham will receive £20,300 with an additional rebate against rent of £1,500.

In response to questioning the Board heard about proposals for Shoalstone Swimming Pool in Brixham and how discussions are taking place to hand the estate over to Brixham Town Council. The Board were advised that discussions are ongoing and no firm commitment had yet been given.

In response to questioning the Board heard how contingencies in relation to the parking proposals had been built into the proposals, this included a slight decrease in occupancy levels based upon previous patterns of usage. The Board were assured of the confidence in achieving the income proposals in relation to Parking. In response to questioning the Board heard how some of the income generated would be reinvested to assist with the cost of repairs caused by bad weather such as pot holes.

The Board questioned the grant currently being made to the Tourism Company and asked whether any reductions were being made to the grant. The Board were advised that a 30% reduction in the grant being paid to the Tourism Company is part of the contract we have with them.

Resolved:

- 1) That for future meetings Business Plans should be given to the Board to allow them to receive further details such as Business Plans for Museums, RICC etc.
- 2) That the Board recommends to the Mayor he considers inflationary issues relating to the TOR2 contract (currently use RPIX rates) and whether it would be possible for this to be more flexible.
- 3) That further information be provided, as soon as it becomes available on the breakdown of cuts within the Library Service

(Note: Councillor Darling declared a personal interest (minute 678/13/01/12) as he is a member of Seascouts and on the Management Board of the Acorn Centre.)

#### **470 Business Services**

The Executive Lead for Finance and the Executive Head for Business Services presented the budget proposals for the business unit to the Board.

The board questioned whether Business Services would still be able to manage expectations as a result of the budget reductions in this area, and as a result the loss of staff.

The Board were advised that there could be some loss of service and that it would be up to the managers within the business unit to mitigate this.

The Board were advised that a recent restructure has taken place within the business unit which will result in a multi skilled team.

The Board were advised that a work programme will be prepared to ensure that the workload is structured within the new teams.

The Board were advised that the Business unit will still have the capacity to deal with ad-hoc requests.

#### **471 Finance**

The Executive Lead for Finance and the Executive Head for Finance presented the budget proposals for the business unit to the Board.

The Board questioned whether the reforms for the localisation of council tax benefits and business rates (and the need to develop these proposals in 2012/13 for implementation in 2013/14) and the proposed savings from this would have an adverse impact on delivery.

The Board were advised that although staff reductions would take place the Executive Head of Finance was reasonably confident that there will not be any

adverse impact on delivery.

The Board questioned whether there would be any impact on the ability to recover debts following the re-structure of the debt recovery team. The Board were advised that since the original papers had been dispatched there is now no reduction proposed as part of this team.

The Board questioned whether the DAP [Devon Audit Partnership] reduction been agreed. The Board were advised that this has been agreed and was endorsed by the committee in December 2011. There will be a 10% reduction per annum.

The Board sought clarification as to why it was taking longer than 28 days to pay invoices and were concerned that this would have an adverse impact on small local businesses. The Board were advised that a few invoices may take longer to pay and that this would distort the figures that are reported.

Resolved:

- 1) That the board recommend to the Mayor the RICC should provide Torbay Council with a subsidy reduction plan for the next 2/3 years once the new Board is established.

#### **472 Information Services**

The Executive Head for Information Services presented the budget proposals for the business unit to the Board.

The Board advised that they understood that there is a renewals fund for IT equipment and questioned whether, given office rationalisation and reduced staffing numbers is was still appropriate to keep this fund at existing levels.

The Board were advised that the fund has been built up over the last 12 years. They were advised that the Council currently holds IT assets (computers etc) worth £5 million and that the Councils IT infrastructure was worth £3 million, therefore the renewals fund currently held was proportionate.

The Board were also advised that some of the money held in the fund would also be used to support council wide change projects such as the Productivity Improvement Programme Council Design Project.

The Board questioned whether the reduction in the training and supervision budget would adversely affect the service customers receive from our customer service centre. The Board were advised that there is only a £3,000 reduction proposed here and that it would not affect the service.

The Board questioned how much the internal print service currently cost the council per annum. They were advised that it cost the Council £930k however it also generates £230k income per annum. The Board were advised that there is the

potential to generate more income through this service and that this is being investigated.

#### **473 Commercial Services**

The Executive Leave for Finance and the Executive Head for Commercial Services presented the budget proposals for the business unit to the Board.

The Board questioned whether the reduction in posts within Commercial Services would have an adverse impact on child protection issues. They were advised that there would be no impact.

The Board questioned whether in the event of pressure on the service, for example child protection / legal challenge, whether the local authority would be able to respond or would we have to pay for external services previously provided in-house.

The Board were advised that the service would be provided internally as far as possible. The Board were advised that sometimes officers may need to seek advice externally i.e. specific legal advice on particular projects. The Board were also advised that a "virtual" shared service was in place with the Devon Solicitors Group to cope with peaks and troughs of work.

#### **474 Economic Development Company**

The Mayor and the Chief Executive Officer for the EDC presented the budget proposals for the business unit to the Board.

The Board questioned whether in terms of the overall budget build, would the EDC be able to make the savings required from 1<sup>st</sup> April 2012. The Board were advised that the EDC would be able to make the savings and they were confident that the savings would be implemented from the 1<sup>st</sup> April 2012.

The Board questioned how confident the CEO of the EDC was to meet the targets for income generation as set out in the budget proposals. The Board were advised that the CEO of the EDC was confident the income would be generated.

The Board questioned how far advanced the proposals are to transfer Brixham Town Hall to the Town Council and move connections staff out. The Board were advised that discussions are ongoing and that a meeting is taking place on the 26<sup>th</sup> January with Brixham Town Council to discuss this further. The Board advised that there are also ongoing discussions taking place with Brixham Library regarding the potential moves.

The Board questioned whether there are any development items or cost pressures within the EDC which O&S should be aware of at this time. The Board were advised that there are no immediate pressures, however they were reminded that the EDC no longer had any unallocated reserves in place as a consequence of the 2012//13 budget build. The Board were advised that if any pressures were to arise that the

CEO of the EDC would come back to Council to discuss. The Board were advised that the EDC was presently looking at further opportunities to maximise economic growth associated with the recently confirmed South Devon Link Road and on-going negotiations relating the future development of the Whiterock Business Park.

The Board asked whether the EDC provided any grants and grants in kind (reduction in fees etc) and if so what changes are proposed in these areas. The Board were advised that the EDC does not provide grants/grants in kind.

The Board questioned when additional income is generated within the EDC what the process is for recovering over target amounts into a central pot. The Board were advised that as the EDC is a separate 'not for profit' legal entity (although wholly owned by Torbay Council) and that any surplus would normally be reinvested in front line delivery. The Board were advised that EDC does receive a formal Contract Fee from Torbay Council for services provided and that this can be reduced if service delivery surpluses are made. The Board were advised that the EDC is likely to return £150,000 back to the Council this year.

The Board questioned whether there were any implementation costs associated with the proposals as there are none outlined in the budget papers. The Board were advised that there were none.

The Board questioned whether the proposal to close administrative offices over Christmas and New Year would effect customer access to any front line service and if so, which services and what contingency is in place. The Board were advised that this would only impact on back office staff and that all customer access points would remain open.

The Board questioned whether the cleaning contract is in place and delivering the required savings. The Board were advised that the contract is currently out to tender.

The Board questioned whether the proposed reductions in repairs and maintenance costs would mean additional expenditure may be incurred in the longer term. The Board were advised that the reduction has been put forward as we are disposing of council assets and will no longer have to maintain as many buildings in the future. The Board were advised that no council assets would fall into disrepair over the next 2/3 years as a result of this reduction.

The Board questioned how much Estates Management support we are currently buying in. The Board were advised that this service is being brought back in house.

The Board questioned whether the deletion of the vacant energy post was good value for money and whether the penalty charges would outweigh the deletion of this post. The Board were advised that the person that was in the post has resigned and has left the council so is vacant. The Board were advised that if the EDC was able to bring in income to pay for the post they would reinstate it.