



Minutes of the Partnership for Urban South Hampshire (PUSH) Overview and Scrutiny Committee

*Minutes of a meeting held on 15 February 2010
in the Council Chamber, Civic Offices, Fareham*

Authority represented:

Councillors	Jill Baston (Chairman)	Southampton CC
	David Goodall (Vice-Chairman)	Eastleigh BC
	Leslie Keeble	Fareham BC
	Bob Forder	Gosport BC
	Gwen Blackett	Havant BC
	Paul Vickers	New Forest DC
	Mike Park	Portsmouth CC
	Roger Huxstep	Winchester CC

Also Present:-

Councillors	Frederick Allgood	Hampshire CC
	Dorothy Denston	East Hampshire DC
Officers	Peter Grimwood	Chief Executive, Fareham BC
	Julian Lomas	PUSH Interim Managing Director
	Anne Marie Mountifield	PUSH Executive Director

1. APOLOGIY FOR ABSENCE AND CHANGES IN OVERVIEW AND SCRUTINY MEMBERSHIP

An apology for absence was received from Councillor Ian Hibberd, Test Valley Borough Council.

2. REVENUE AND CAPITAL FORWARD BUDGETS 2010/11 AND 2011/12

The Committee received a report from the PUSH Interim Managing Director and the Treasurer, which set out the proposed PUSH revenue and capital budgets for 2010/11 and proposed provisional revenue budgets for 2011/12, on the basis of the anticipated resources available to PUSH, and having regard to the priorities for the delivery of the PUSH Business Plan. The resources available included the projected under spends on the 2009/10 revenue and capital budgets (copy of report [pic-100126-r06-sja-jpi-tni](#) circulated with agenda and appended to signed minutes).

The Committee was advised that this matter had been approved by the PUSH Joint Committee on 26 January 2010 but the item had been called-in by Councillors Frederick Allgood, Eastleigh Borough Council and Roger Huxstep, Winchester City Council.

At the invitation of the Chairman, Councillor Allgood addressed the Committee for this item. He explained that he had initiated the call-in procedure for the following reasons:-

- (a) he believed that the budget should have been examined by the Overview and Scrutiny Committee before it was finalised. He explained that the role of Scrutiny needed to be strong. Of all the important decisions made by the Joint Committee, the budget was probably the largest and it was important for the Overview and Scrutiny Committee to examine the report in depth. Councillor Allgood was surprised that this had not been done and had expressed his concern to the Chairman of the PUSH Joint Committee, who assured him that this would be done in future;
- (b) Councillor Allgood had attended the PUSH Joint Committee meeting in January and had been surprised that there had been very little discussion on the budget report; and
- (c) the budget report had revealed some severe financial problems. Revenue for 2010/11 was £2.1 million and fell by two thirds to £678,000 in 2011/12. This was a dramatic fall and needed to be explored. Councillor Allgood asked if there was a "Plan B" if funding was not allocated. The report also referred several times to a reduction in the core establishment. Councillor Allgood asked how significant an effect this would have on the future of PUSH and whether it was viable. The report also stated that central costs were rising as the core establishment was falling. The Housing Delivery Panel funding was also due to be cut back. Councillor Allgood asked what effect this would have on future planning for housing.

The PUSH Interim Managing Director apologised for the Overview and Scrutiny Committee not seeing the report. This was due to a historical hangover. Three years ago, the budget had been set at the July cycle of meetings because of the Government's timetable for announcing allocations of funding. The Government was now timelier with its allocations but presenting the budget to the Overview and Scrutiny Committee had been overlooked. The Chairman of the PUSH Joint Committee had suggested that two meetings be pencilled into the PUSH Overview and Scrutiny Committee's meeting timetable; one in January and one in March, so that the oversight was not repeated in future years.

With regard to there being little discussion on the report at the Joint Committee, The PUSH Interim Managing Director said that this was not a matter on which he could comment.

The PUSH Interim Managing Director also advised that the budget was not being set for two years; it was being set for one year, with an indication of what the budget was likely to be in the second year, if no further Government funding is made available in the next spending review period. Whichever Government is in office after the General Election will have to establish the central budget for the 2011/12 financial year onwards and therefore at this stage, it is not possible to know what funding will be available in that period either from Government or its agencies. PUSH Officers have therefore sought to plan prudently to ensure that PUSH had sufficient funding to meet its liabilities and to give it time to restructure and downsize its activities, should there be a substantial cut in Government funding.

Some members stated that the budget was sad reading in respect of the level of grant funding and it was disappointing to see worthwhile projects being put on hold. Some members also felt that a comprehensive breakdown of central costs would have been helpful. The PUSH Interim Managing Director provided a verbal account of the breakdown of central costs, pointing out that most elements within this heading constituted the "irreducible core" of PUSH's costs, such as accommodation, audit and finance, the Executive Director's salary and support etc. He also advised that capital funding from the Government for 2010/11 had been cut by approximately £4.1 million, which was almost a fifty per cent reduction.

Some members felt that the process of Overview and Scrutiny needed to be re-examined. A forward plan was needed so that Scrutiny members could see what items the Joint Committee was considering, in advance. The Overview and Scrutiny Committee could then request that those items be presented to its meeting before a decision was made by the Joint Committee. The Committee was advised that a Forward Plan, containing items for consideration by the Joint Committee, was published monthly on the PUSH website.

A member asked what the scrutiny arrangements were for individual programme areas.

The PUSH Interim Managing Director advised that Delivery Panels received an allocation from the budget, following which they were required to provide a work plan for the year for approval by the Joint Committee, following consideration by the PUSH Overview and Scrutiny Committee. In addition, there was a standing item on each of the Joint Committee's agenda for the Delivery Panel Chairmen to give a progress update. The PUSH Overview and Scrutiny Committee also received performance data twice a year and had adopted a system of having a presentation from one of the Delivery Panels' work at each of its meetings.

It was AGREED that the PUSH Overview and Scrutiny Committee's agenda would include the draft work plans from the Delivery Panels.

A member asked if pre-scrutiny on its own was enough, as preferences and observations could easily be lost.

The Committee was advised that the budget should be fairly advanced when the Overview and Scrutiny Committee consider it and that any recommendations from the Overview and Scrutiny Committee would be reported to the Joint Committee which, if it did not accept those recommendations, would give its reasons for not doing so.

A member asked about the reduction in core staffing.

The PUSH Interim Managing Director advised that there was currently 10 staff. In 2011/12 there would be three fewer (i.e. a thirty per cent reduction). Central costs were not going to reduce as not all core staff appeared as core costs but Housing and Planning and Quality Places would reduce in part because of a reduction in staff numbers.

A member asked what reserves there were and how well prepared was PUSH to cope with emergencies.

The PUSH Interim Managing Director advised that in 2009/10, there was a planned under spend of £466,000 and in 2010/11 there would be a planned under spend of £358,000. These figures were effectively the PUSH reserves and were there to meet any liabilities if no other sources of funding were forthcoming.

A member asked that, given the financial constraints, could all of the staffing roles still be justified; what was the ratio between the core costs and the money being spent; and 7(b) of the report referred to an Employment and Skills Manager. Would this be a two year role and where would they be recruited from and what would happen when the contract ended.

The PUSH Interim Managing Director advised that the core costs of £434,000 included the Executive Director's role, which was a full-time permanent contract. It also included administration support, the Project Information Officers' role to October 2011 and provision for a post of an analyst, which could be on an internship basis. It also included fixed costs, regardless of how big / small PUSH was (i.e. Audit, Accountants and accommodations etc). The ratio between core costs and core staffing was not considered to be unreasonable

and the Employment and Skills Project Manager was an Economic Development role, so not included in core costs. The person would be recruited via an advertisement which would be for a fixed term contract or secondment. He further advised that a two-year appointment was considered appropriate to ensure that a good field of candidates could be attracted to the role.

A member thanked Councillors Allgood and Huxstep for calling in the budget item as the PUSH Overview and Scrutiny Committee had been set up to scrutinise the budget and other areas of the Joint Committee's work. He asked what would happen if the Overview and Scrutiny Committee had made comments to the Joint Committee but the Joint Committee did not agree.

The Chairman advised that as per most of the PUSH Authorities' Standing Orders etc, the reasons for not agreeing the comments made by the PUSH Overview and Scrutiny Committee would be recorded in the minutes of the PUSH Joint Committee meetings.

The Chairman also advised that the Committee had two options:-

- (a) accept the decision made by the Joint Committee, in which case the decision could be implemented; or
- (b) request that the Joint Committee reconsiders its decision, giving reasons for such a request.

On being put to the vote, there being 10 votes in favour of accepting the decision made by the Joint Committee and 0 votes against, the decision of the PUSH Joint Committee be approved as follows:-

- (a) That the proposed revenue budget allocations for 2010/11, as set out in the report, be APPROVED;
- (b) That the provisional revenue budget allocations for 2011/12, as set out in the report, be APPROVED;
- (c) That the proposed capital programme for 2010/11, as set out in the report, including the conditions proposed in respect of the Somerstown, M27 J5 and Tipner projects, be APPROVED;
- (d) That the release of funding for all capital projects over £100,000 in value be conditional on achievement of key project milestones, be APPROVED;
- (e) That the priorities for any funding to be re-allocated during 2010/11 be the M27 J5, Tipner and employment sites identified as a high priority for PUSH support, following the review of employment sites currently underway as part of the refresh of the Economic Development Strategy, be APPROVED; and
- (f) That the forecast under spends to be carried forward from the 2009/10 budgets into the funding available for 2010/11 be provisional, and it be NOTED that they may be subject to further change,

The Chairman asked if improvements could be made to the processes of the PUSH Overview and Scrutiny Committee and suggested that provision for two additional dates be included in the calendar of meetings for the Committee for 2010/11; one in January 2011 and one in March 2011, of which one would be used. This would allow the Overview and Scrutiny Committee to pre-scrutinise the budget and forward any comments to the Joint Committee for consideration.

It was AGREED that provision be made for two additional dates be included in the calendar of meetings for the PUSH Overview and Scrutiny Committee for 2010/11; one in January 2011 and one in March 2011.

The PUSH Interim Managing Director advised that the Committee would be asked to consider an annual performance report in November 2010. In May 2010, the Committee would receive a half yearly performance report, and a report on the refresh of the Economic Development Strategy, together with the new Business Plan, including Delivery Panel Work Programmes and minor amendments to the PUSH Constitution.

The Chairman suggested that the timetable for electing the Chairman of the PUSH Overview and Scrutiny Committee be amended. The Committee was set up half way through a municipal year and this meant that the Chairman was elected annually in the Autumn. She requested that the Chairman be elected in the May 2010, and then annually from then on.

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(The meeting started at 6:15pm and ended at 7:00pm).