

## EPPING FOREST DISTRICT COUNCIL OVERVIEW AND SCRUTINY MINUTES

**Committee:** Overview and Scrutiny Committee      **Date:** Thursday, 2 February 2006

**Place:** Civic Offices, High Street, Epping      **Time:** 7.30 - 9.20 pm

**Members Present:** Councillors Mrs D Collins (Chairman) Mrs J H Whitehouse (Vice-Chairman)  
Mrs D Borton, P Gode, Mrs A Grigg, F Maclaine, Mrs M Sartin, D Stallan,  
K Angold-Stephens and Mrs P Smith

**Other Councillors:** Councillors Mrs A Haigh and J M Whitehouse

**Apologies:** Councillors (none)

**Officers Present:** J Scott (Joint Chief Executive), J Gilbert (Head of Environmental Services),  
D Macnab (Head of Leisure Services), R Palmer (Head of Finance), A Scott  
(Head of Information, Communications and Technology), T Tidey (Head of  
Human Resources and Performance Management), R Barwell (Public  
Relations and Internet Officer), S G Hill (Senior Democratic Services Officer)  
and A Hendry (Democratic Services Officer)

**By Invitation:** Terry Hanafin and Jenny Fisher

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### 76. MINUTES

#### RESOLVED:

That the minutes of the meeting of the Committee held on 8 December 2005 be taken as read and signed by the Chairman as a correct record subject to the addition of the words " Chairman of the Housing Scrutiny Panel" after the words 'Councillor Murray' in paragraph 67 (a)(i).

### 77. SUBSTITUTE MEMBERS

The meeting noted that Councillor Angold-Stephens was substituting for Councillor Faulkner, and Councillor Mrs P Smith was substituting for Councillor M Colling.

### 78. DECLARATIONS OF INTEREST

Pursuant to the Council's Code of Member Conduct, Councillor Mrs D Collins declared a personal interest in agenda item 5 (Commissioning a Patient - led NHS - Consultation exercise) by virtue of being the Chairman of the Epping Forest Primary Care Trust. She declared that her interest was not prejudicial but nevertheless she would vacate her position as Chairman for the meeting during the consideration and voting on the item so that she could address the meeting in her capacity as the Chairman of the Epping Forest PCT.

### 79. COMMISSIONING A PATIENT LED NHS - FORMAL CONSULTATIONS

Councillor Mrs J Whitehouse in the Chair

The Chairman introduced Terry Hanafin, the Chief Executive of the Essex Strategic Health Authority (SHA) and his colleague Jenny Fisher who was present to give a presentation on the new arrangements proposed by the Government in relation to the future arrangements for Primary Care Trusts (PCT's). Mr Hanafin took the meeting through the rationale for the proposed changes and the four options available to the District. He went through the basics of what the public wanted, e.g. local services and when they needed them; emergency care when needed; no waiting; having a good patient experience; to have a say and to have a choice; putting the emphasis on prevention and having the Health and Social care services working together. He then outlined the 8 national criteria:

1. Improve Commissioning;
2. Improve the engagement of GP's;
3. Improve co-ordination with Social Services;
4. Secure high quality safe services;
5. Improve health, reduce inequalities;
6. Improve public involvement;
7. Manage financial balance and risk;
8. At least 15% reduction in management costs.

It was hoped to get a stronger PCT commissioning structure from the new arrangements, improve the engagement of GPs, improve public involvement and manage financial balance and risk.

The government was also looking for management cost savings of at least 15%. The target for Essex is £7.5m (£2m from SHA and £5.5 from PCTs).

He outlined arguments for each of the 4 options given and for the streamlining of SHAs.

**Option 1 - 2 PCTs (North Essex and South Essex) –**

- £3.3m saving over and above the £5.5m that has to be saved;
- Resources for locality Director and team;
- Resources for locality public health budget;
- Could have in-house functions or share the 'back office functions';
- Economies of scale and devolved structure;
- The HQ would be remote from local practices; and
- Deprived areas risk losing out if finances merge.

**Option 2 - 3 PCTs (Essex County, Southend and Thurrock)**

- Coterminous with social care and education – benefits for joint commissioning;
- £2.5m (over and above the £5.5) more available than currently to strengthen commissioning;
- Southend and Thurrock will only be only £0.7m and £0.6m in total;
- So Southend and Thurrock are likely to need £1m more each – with a potential of £2m away from frontline services and the other PCTs would need to make good savings shortfall; and
- Larger PCTs would have economies of scale, but only with over 1.3 million population.

**Option 3 – 4 PCT (North, South, Southend and Thurrock):**

- North Essex would have similar pros and cons as option 1;

- The 3 south PCTs could consider shared services;
- Southend and Thurrock PCTs have benefits of coterminosity, but have the same problems with resources as option 2; and
- South Essex PCT does not match local communities or health arrangements.

**Option 4 – 5 PCTs (Mid, North East, S.East, S.West and West:**

- This built on existing arrangements (currently the 13 PCTs work together in groupings anyway);
- Potentially £0.9m saving above current level – there could be further savings from shared services;
- Resources for locality Director and team;
- Resources for locality public health budget; but
- Is the management cost sufficient to strengthen commissioning?

Coming out of these options the SHAs would be responsible for fewer PCTs, more hospitals would become independent Foundation Trusts, and there would be a closer match to government offices with a strategic overview to meet national objectives.

Mr Hanafin concluded by reminding the meeting that the SHA would welcome any feedback on the forms available (or by letter) by the deadline of 22 March 2006.

The committee then asked the following questions of Mr Hanafin:

Q: How would the new white paper, out yesterday, affect these options?

A: Some things could be done at local level and not just in hospitals, such as the new portable MRI scanners. The new PCTs will need to commission a lot of these new services and monitor them. The current PCTs find it hard to do these things with their management structure.

Q: Is there a firm commitment that the savings would go back to the front line services not just the exchequer?

A: A firm commitment has been given by the chancellor that the savings will stay with frontline services. The new PCTs will be given a management cost ceiling and will also be audited to see they keep to it.

Q: Which services will the GPs be responsible for and which will the PCTs be responsible for?

A: Contracts will be with PCTs and budgets will be devolved down to practices.

Q: We have a strong PCT in Epping should this not be strong enough to handle these new form of contracts?

A: Yes, Epping PCT is strong but there will be new rules coming in with the 'money following the patient', this is not done currently. It will take a new type of organisation to find ways to make the savings asked for by government.

Q: Can we merge the Epping Forest hospitals in the future under the new arrangements?

A: I don't see any reason why this should not happen, the proposal is consistent with the white paper.

Q: As our PCT is well managed, what would be the negative impact of having an area like ours joining a bigger group that would have more problems – how would this affect us?

A: There are no real problem areas here – this is more of a problem in the North of the area.

Q: With smaller numbers of PCTs – they might have to put in Local Managers – was this cost taken into consideration?

A: Yes – there have been approximate costings done.

Q: What impact will it have on me as an end user, when I see my doctor etc. it's hard to see how it fits in with my local hospital and the ambulance service?

A: It is difficult to link the structure to the end product.

Q: Once the savings are made who would be the authority responsible for spending this money and the SHA public board meeting – is this just to discuss the feedback or to announce a formal decision, and when will the mergers etc. take place?

A: The SHAs savings will be transferred to PCTs where they will use it for their combined services. The Department of Health expect that the management cost of PCTs will be £5.5m less. The SHA will be overall manager and will be subject to audit.

As for the timing – all the feedback will be analysed and this will be presented to the board, broken down into their various categories (e.g. District Councils, Public meetings, individual responses etc.). The SHA will then make a recommendation to the Minister who will in turn ask an expert panel to look at the recommendations and in turn make their own recommendations. The Secretary of State will then make a decision in May that would be put into a Statutory Instrument to become law. The new bodies will come into being by 1<sup>st</sup> October 2006.

Q: Do we need the SHAs or could their powers go to the bigger PCTs?

A: PCTs will have to deliver the national policies, while the SHA deal with the Government directly and act as intermediaries between the Government and the PCTs.

The Chairman then called on Councillor Mrs Collins in her capacity as the Chair of the local Primary Care Trust to make a statement to the meeting.

Councillor Mrs Collins stated that the current PCT had worked very hard to deliver a good service and that this would be harder to achieve if the size of the PCT became too large. Also the close relationship developed with local GP's would be hard to maintain if the PCT got too big. This PCT had been in financial balance since it started but could not continue to do this if it absorbed or was absorbed by other PCTs.

Epping Forest PCT had also engaged with the private sector and still had things to learn. If it had to administer a larger geographical area it may well lose what it had gained over the years. It had been calculated that the lost savings in redundancies would take about 18 months to pay back – it would also mean splitting up teams that

presently worked well together and the potential loss of the good will of the young staff they have at present.

Mrs Collins stated that she believed that the only good options for the area were either options 1 or 4.

The Chairman noted that recommendation 4 of the report asked that the committee determine a response to the consultation and as such she proposed that Option 4 be the District Councils preferred option. This was seconded by Councillor Sartin and was agreed by the Committee.

The Chairman thanked Terry Hanafin and Jenny Fisher for their time and their presentation and their helpful answers to the committees' questions. She urged the committee to make their individual comments to the SHA in plenty of time to meet the deadline set.

**RESOLVED:**

That Option 4 – 5 PCTs – Mid Essex PCT, North East Essex PCT, South East Essex PCT, South West Essex PCT and West Essex PCT be the District Councils preferred option and this be made formally know to the Essex Strategic Health Authority by the Joint Chief Executive (Community).

**80. WORK PROGRAMME MONITORING**

Standing Panels.

(i) Environmental & Planning Services

Councillor Stallan (Chairman) reported that:

- The last meeting had made no comments and agreed the West Essex Waste Management Joint Committee's Memorandum of Understanding;
- That the Panel has learned that the Government was seeking consultation on the use of incinerators. The panel agreed that they would like to take part in this programme. He asked if this parent committee had any view on the way they should go about this? The Committee agreed that the Environmental & Planning Services Scrutiny Panel should plan their own strategy on this proposal.

(ii) Finance & Performance Management

Councillor J Whitehouse (Chairman) reported that the next meeting was due to be held on 27 February and was due to look at the Performance Figures.

(iii) E Government and ICT

Councillor Maclaine (Chairman) reported that the panel had completed their return on the governments' implementation of E-Government and had submitted it to the ODPM.

(iv) Housing

In the absence of Councillor Murray, John Scott reported that:

- The Housing Scrutiny Panel had considered a number of initiatives that could form part of the emerging Empty House Strategy, and agreed to make some recommendations to the Cabinet on initiatives that the Panel supported but would require funding;
- They had agreed a Consultation Draft Homelessness Strategy, for consultation with interested organisations; and
- The next meeting has been arranged for early March.

(v) Constitutional Affairs

In the absence of Councillor Morgan, Simon Hill reported that the next meeting was scheduled for 23 February when they would be considering the pack for electoral candidates.

Task and Finish Panels

(i) Externally Funded Leisure and Youth Provision

Councillor Mrs Grigg (Chairman) reported that the Panel had met in January. They had visited a number of youth organisations and had considered their findings. The Panel had decided to recommend the appointment of a Young Persons Officer responsible to the Head of Leisure Services. They had considered the job description and wanted it to include an audit of violence in the area.

(ii) Members Training

Councillor Mrs Sartin (Chairman) reported that they had met to appoint a Scrutiny trainer and agreed dates for the training which would be advised to members through the Bulletin.

(iii) Register of Development Proposals

Councillor Angold-Stephens (Vice Chairman) reported that they had now completed their work programme.

(c) Updated Work Programme

(i) Environment and Planning

Councillor Stallan reported that they would be looking at:

- An outline business case for the 'Essex Waste Project';
- The re-use of buildings in the Green Belt and to this end will be meeting Essex County officer in March; and
- The next meeting will be held at the end of February.

(ii) Finance and Performance Management

Councillor Whitehouse reported that they had agreed the Council's constitution strategy and will consider the 'tool kit' of practical advice.

(d) New Item to Consider:

Councillor Mrs Collins reported that Area Planning Sub-Committee 'C' had asked that one of the standing Panels look at how members are allocated to the planning panels. Currently Planning Sub Committee 'C' has only 8 members which made it difficult to be quorate for some applications. There had also been times when the committee had only one or two applications to consider per meeting. Councillor Mrs Collins suggested that the Constitutional Affairs Standing Panel undertake a review of the Area Subcommittees, their numbers and workload.

**RESOLVED:**

That the Constitutional Affairs Standing Panel be tasked with undertaking a review of the Area Subcommittees, their membership and workload.

**81. COUNCIL BUDGETS 2006/07**

The Committee considered the updated Council Budgets 2006/07 report that replaced the report attached to the agenda.

Councillor Mrs Whitehouse asked if it was possible to request that the Cabinet consider additional funding for the Youth Grant Aid budget. Additionally, Councillor Mrs Whitehouse also pointed out that the Handyperson scheme's budget had not been increased since it had been set up and would like the budget for the scheme to be reviewed. The Head of Finance replied that at this stage of budget setting it was difficult to add to the budget but the portfolio holder could be asked if they would consider putting forward appropriate supplementary estimates for next year.

Councillor Jon Whitehouse commented that the Finance and Performance Standing Panel had considered the report and were satisfied with it. They were content that the council tax raise made sense but that the Panel considered that the grant aid budget needed to be reviewed; they noted that the council were not achieving the expected income levels within land charges as a result of the increase in private searches. The Panel had also suggested the extension of the street cleansing teams scheme and had expressed their view that North Weald Airfield was reliant on a single source of income. It was thought the relevant portfolio holders could look at these items with further reports as necessary.

Councillor Angold-Stephens also requested that the Portfolio Holder for Civil Engineering and Maintenance be asked to consider the funding of the remaining phases of the Loughton Town Centre enhancement Scheme, which were not currently in the Capital Programme.

**Recommended to Cabinet:**

(1) That the views of the Finance and Performance Management Panel be noted;

(2) That the Portfolio Holder for Community Wellbeing be asked to consider increased support to the Grant Aid Budget in light of the provisional settlement;

(3) That the Portfolio Holder for ICT and Corporate Support Services be asked to report to the Finance Panel on the impact of personal searches on the Local Land Charges budget;

(4) That following the success of the Paternoster Street Cleaning Team, consideration be given by the Portfolio Holder to extending the use of such teams into other areas;

(5) That the Cabinets attention be drawn to the need to consider the future income from North Weald Airfield given the high levels of subsidy and reliance on a single source of income; and

(6) That the Civil Engineering and Maintenance Portfolio Holder be asked to consider the funding of the final phases of the Loughton Town Centre Enhancement Scheme.

## **82. DRAFT COUNCIL PLAN 2006 - 2010**

The Committee noted and agreed the minutes from the Finance and Performance Management Scrutiny Panel held on 30 January 2006 that had considered the Draft Council Plan for 2006-2010. The Committee endorsed the proposed changes suggested by the Panel.

The Plan would now be subject to consultation. The results of the consultation undertaken in respect of the text of the draft Council Plan would then be reported directly to the Overview and Scrutiny Committee at its meeting on 6 April 2006, with the document then being referred to the Cabinet on 10 April 2006 and the Council meeting on 24 April 2006 for adoption.

### **Recommended to Cabinet:**

That the proposed changes to the draft Council Plan 2006-2010 made by the Finance and Performance Management Scrutiny Panel on 30 January 2006 be supported and incorporated for consultation purposes.

## **83. CABINET REVIEW**

The committee did not wish to query any items from the Cabinet meeting to be held on 6 February 2006.

## **84. ANY OTHER BUSINESS**

The Committee was asked to give consideration for any new topics for the Task and Finish panels to look at and to report back to the next meeting.

**CHAIRMAN**