



OVERVIEW AND SCRUTINY COMMITTEE

MINUTES of the reconvened meeting of Overview and Scrutiny Committee held on Wednesday May 20 2009 at 5pm at Town Hall, Peckham Road, London SE5 8UB

PRESENT:	Councillor Fiona Colley (Chair) Councillor Jane Salmon (Vice-Chair) Councillor Toby Eckersley, Councillor John Friary, Councillor Barrie Hargrove, Councillor Adedokun Lasaki, Councillor Veronica Ward and Councillor Lorraine Zuleta
OTHER MEMBERS PRESENT:	Councillor David Noakes, Executive Member for Health and Adult Care
OFFICER SUPPORT:	Tom Branton, Chief Executive's Office Daniel Dickens, Southwark Circle Doreen Forrester-Brown, Legal Services Edwina Morris, Assistant Director, Adult Care Annie Shepperd, Chief Executive Duncan Whitfield, Finance Director Susanna White, Strategic Director of Health & Community Services Shelley Burke, Head of Overview & Scrutiny Sally Masson, Scrutiny Project Manager

1. APOLOGIES

1.1 None.

2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT

2.1 There were no urgent items of business.

3. DISCLOSURE OF INTERESTS AND DISPENSATIONS

3.1 None.

4. CALL-IN: ALLOCATION OF FUNDING TO SOUTHWARK CIRCLE (EXECUTIVE MEMBER FOR HEALTH & ADULT CARE APRIL 22 2009)

- 4.1 The meeting went into closed session in order to continue its consideration of the call-in of the executive member's decision to fund Southwark Circle. The director of finance presented the revised budget spreadsheet requested at the previous meeting. Members highlighted the spend at the end of the first quarter and total fees from members of Southwark Circle at the end of year one.
- 4.2 The committee was informed that there would be approximately 1.5 jobs per year, per member. It was thought that there would be little margin to pay overheads. Daniel Dickens explained that this was a snapshot of the expected three year activity and that members could expect to receive some of the work for free.
- 4.3 There was some concern over whether income and expenditure would break even, especially as there was no parallel scheme working as a model. The budget was based on the £10 per month model piloted in Camberwell and that the membership fee was not set to increase. Some committee members continued to be of the view that the people who would be most in need of such a scheme would not be able to afford it. Daniel Dickens stated that the figures presented had been extrapolated from the prototype in Camberwell which had a smaller number of members. Most Southwark Circle members were thought to be in the middle of the economic scale.
- 4.4 It was felt that the figures used from previous tests should be detailed; to back up Southwark Circle's assertion that subsidy would not be required at the end of the first three years and that any surplus could be used up in quarter three. It was noted that salaries would be performance monitored and that, if in line with inflation, this might free up spare funds.
- 4.5 Committee members wanted to know at what point a lack of fees would impact on the project. At the end of year one the council would have the option to terminate the agreement. The council would not recoup any money already given in grant but would be able to stop all future funding. Surpluses would be re-invested in future programmes within Southwark communities and/or absorbed into similar services.
- 4.6 In response to concerns raised, the legal officer confirmed that this decision was not outside the budget and policy framework and that no concern had been raised by the monitoring officer.
- 4.7 The committee considered the initial decision and advice received. Members felt that this was a well intentioned project but that financial detail had not been adequate. The Chair took the view that it was regrettable that the budget set out to form the basis of this decision was inadequate and that the decision should not have been taken without sight of that information.

RESOLVED: That the decision be referred back to the executive member asking him to address the following:

1. That an accurate budget account is produced with predicted growth figures.
2. That clear and robust performance outcomes and targets are developed for monitoring the performance of Southwark Circle, with the provision to terminate the funding agreement should the steering group consider that Southwark Circle is falling short of the agreed targets.
3. That the Memorandum and Articles of Association for the Community Interest Company be amended to ensure that at the end of the three year agreement any surplus money is reinvested into other Southwark communities.

The meeting ended at 6.05pm.

CHAIR:

DATED: