

Committee: Cabinet

Date: 15 February 2016

Wards: All

Subject: Reference from the Overview and Scrutiny Commission – pre decision scrutiny of the Business Plan 2016-20

Lead officer: Julia Regan, Head of Democracy Services

Lead member: Councillor Peter Southgate, Chair of the Overview and Scrutiny Commission

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Recommendations:

- A. That Cabinet, in taking decisions relating to the Business Plan 2016-20, takes into account the comments and recommendations made by the Overview and Scrutiny Commission (set out in paragraphs 2.5 to 2.12 below) and the outcomes of consideration by the Overview and Scrutiny Panels (set out in Appendix 1).

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To inform Cabinet of the recommendations and comments resulting from pre decision scrutiny of the Business Plan 2016-20 by the Overview and Scrutiny Commission and Overview and Scrutiny Panels at their meetings in January 2016.

2 DETAILS

- 2.1. Each of the Overview and Scrutiny Panels has examined the budget and business plan proposals relating to the service areas within their remit as well as scrutinising the draft service plans.
- 2.2. The Overview and Scrutiny Commission has received and discussed the findings of the Panels and has discussed the proposals relating to Corporate Services and Safer Merton. The Commission has scrutinised the medium term financial strategy in some detail and has made recommendations to Cabinet.
- 2.3. Comments and recommendations from the Overview and Scrutiny Panels
- 2.4. The Commission agreed to forward to Cabinet the comments and recommendations made by the overview and scrutiny panels. These are set out in Appendix 1.
- 2.5. Comments and recommendations on corporate services savings proposals
- 2.6. The Commission scrutinised each of the Corporate Services savings proposals and RESOLVED to accept them, with a recommendation to Cabinet that it should bring forward elements of CS2015-10 energy invest to save initiatives where feasible.

- 2.7. Comments and recommendations on the Business Plan
- 2.8. The Commission was addressed by Khadiru Mahdi, Chief Executive of Merton Voluntary Service Council (MVSC). He spoke about the position of the voluntary sector and the adult social care precept. He said that he fully understood the huge financial constraints facing the council but would like to reiterate the potential effect both on vulnerable people and on the voluntary sector's ability to provide services for them. He said that the voluntary sector has a significant role in service delivery, including a range of family services that have also been impacted by savings.
- 2.9. Khadiru Mahdi urged the Commission to consider the option available to the council for raising an adult social care precept and asked the Commission to urge Cabinet to take up this option.
- 2.10. The Commission asked the Director of Corporate Services a number of questions about how an adult social care precept would work, the basis on which the local government settlement was made and assumptions behind the council tax collection rate.
- 2.11. Members discussed some of the forecasts within the MTFs and the impact that an adjustment to those assumptions might have on the overall budget. They also discussed the way in which use of the adult social care precept might be offset by a reduction in the GLA precept.
- 2.12. The Commission RESOLVED to make a reference to Cabinet to recommend that it should:
1. review the assumptions made in the Medium Term Financial Strategy on inflation for the financial year 2017/18;
 2. review the assumptions made in the Medium Term Financial Strategy on the council revenue tax base for the financial year 2016/17, specifically whether the number of properties should be increased in the light of information on future housing development set out in the London Plan;
 3. consider levying an adult social care precept of up to 2% as a way of partially offsetting the adult social care savings, noting that at 2% this would result in a net increase of £3 for band D council tax payer (comprising a £22 Merton increase, partially offset by a £19 GLA decrease), noting also that were the precept to be levied at 1.7% this would be counterbalanced by the reduction in the GLA precept and would have an overall net impact of 0%.

3 ALTERNATIVE OPTIONS

- 3.1. Cabinet is required under the terms of the constitution to receive, consider and respond to recommendations from Overview and Scrutiny.

4 CONSULTATION UNDERTAKEN OR PROPOSED.

- 4.1. The Constitution outlines the requirements for consulting scrutiny on the budget.

5 TIMETABLE

- 5.1. Round two of scrutiny of the Business Plan was undertaken as follows:-
- Sustainable Communities Overview & Scrutiny Panel: 7 January 2016
 - Children & Young People Overview & Scrutiny Panel: 13 January 2016
 - Healthier Communities & Older People Scrutiny Panel: 12 January 2016
 - Overview and Scrutiny Commission: 28 January 2016
 - The responses from round two will be presented to Cabinet on 15 February 2016. A meeting of full Council will then take place on 2 March 2016.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 6.1. These are detailed in the substantive reports elsewhere on this agenda.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The process for developing the budget and business plan is set out in Part 4C of the Council's Constitution. The role of the Overview and Scrutiny Commission and panels with regard to the development of the budget and business plan is set out in Part 4E of the Constitution.
- 7.2. The legal and statutory implications relating to the budget and business plan are contained in the reports elsewhere on this agenda.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. It is a fundamental aim of the scrutiny process to ensure that there is full and equal access to the democratic process through public involvement and engagement.

9 CRIME AND DISORDER IMPLICATIONS

- 9.1. These were examined by the Commission and were taken into account in making their recommendations to Cabinet.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1. None for the purposes of this report.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

- Appendix 1 – Comments and recommendations made by the Overview and Scrutiny Panels at meetings in January 2016

12 BACKGROUND PAPERS

- 12.1. None

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 28 January 2016

Scrutiny of the Business Plan 2016-2020

Sustainable Communities Overview and Scrutiny Panel: 7 January 2016

The Sustainable Communities Overview and Scrutiny Panel asked questions and made comments about individual savings proposals:

- ENV33 – “Development of emissions based charging policy for resident/business permits recognising the damage particularly from diesel engine motor vehicles”. The Panel noted that it would receive a report on air quality in the new municipal year
- ENV35 – “Efficiency measures to reduce domestic residual waste rounds by 1 crew following analysis of waste volumes and spread across the week” The Panel noted that this saving includes a financial marker and further detail will be provided to the Panel in due course.
- EN36 – “Review and removal of neighbourhood recycling centres”. A panel member expressed concern that this proposal could result in an increase in fly-tipping if re-cycling centres are removed. The Cabinet member for Environmental Cleanliness and Parking said she has received requests from within the community to remove the centres as they encourage people to leave their unwanted goods next to the centres and can become unsightly. The Head of Street Scene and Waste said the department will keep levels of fly tipping under review and look at the outcomes from Sutton who have already removed their recycling centres.
- EN11 – “Building and Development Control staff reduction deputy area team leader”. A panel member expressed concern about losing staff in the planning department given the volume of planning applications.
- A panel member expressed concern about the proposed loss of 3.5 posts in housing as set out in the service plan and asked what the implications will be. The Head of Housing Needs and Strategy said that the emphasis will be on fulfilling statutory obligations.

The Panel RESOLVED to note the budget and business plan report.

Children and Young People Overview and Scrutiny Panel: 13 January 2016

The Children and Young People Overview and Scrutiny Panel noted the additional information on the approach that had been taken to the provision of services for children, including disabled children.

The Panel asked questions about the detail of the draft capital programme 2016-20 and resolved to note the capital programme.

The Panel considered the draft savings proposal CSF2015-07 “review of CSF staffing structure beneath management level” set out on page 61 of the consultation pack and the associated equality impact assessment on page 145. The Director of Children

Schools and Families explained that, because the proposal relates to 2017/18 and 2018/19, the description is high level at present. The proposal provides the financial envelope for service redesign but may be re-profiled between the two years once detailed planning work and discussion, including with schools and other partners, has taken place. Alternative proposals would be drawn up if required once the impact of service redesign had been fully assessed. Panel members requested that updates be provided to the Panel during the course of the service transformation work.

The Panel therefore RESOLVED to accept the savings proposal CSF2015-07 “review of CSF staffing structure beneath management level” in principle, subject to receiving progress reports at appropriate points setting out the proposed mechanism and predicted impact for delivery of this saving.

Panel members commented that the performance targets set out in the draft service plan for Education did not seem to be sufficiently challenging. The Assistant Director of Education undertook to review these and to provide the most up-to-date national comparative data as part of the school standards report to the Panel meeting on 10 February 2016. The Cabinet Member for Education agreed that he would be involved in this review.

The Panel RESOLVED to note the draft service plans.

Healthier Communities and Older People O&S Panel: 12 January 2016

The Panel considered the results of the consultation on adult social care savings and was addressed by speakers from Adults First, Carers Partnership Group, Merton Centre for Independent Living and South Thames Crossroads, an individual service user and a carer.

The speakers all expressed concern at the proposed savings in adult social care and gave examples of the impact that these would have on vulnerable older people and disabled service users and their carers.

Panel members asked lots of questions and expressed concern about the impact that the savings may have on the quality of life of individual service users.

The Panel RESOLVED to ask Cabinet to:

1. reconsider the overall reduction in support packages, specifically CH02 and CH29 (page 82 of consultation report on the supplementary agenda):
 - CH02–“ promoting independence – efficiencies to be found in the hospital discharge process and by enabling customers to regain and maintain independence”
 - CH29 – “older people – managing crisis (including hospital admissions to residential care) This would include a number of activities to reduce admissions to residential care placements. WE would be looking to families to continue to support people at home for longer. This would fit in with our overall approach to enable independence.”
2. Reconsider de-commissioning the South Thames Crossroads service for carers (CH60 – set out on page 80 of the consultation report on the supplementary agenda). The Panel noted that 72 carers would lose their support services.

3. Reconsider the reduction in the assessment and commissioning staffing budget, specifically savings CH04, CH20, CH58 and CH22 (on pages 78 and 79 of the supplementary agenda) that would impact on service users:
- CH04 – “reduce management costs and reduction in staffing costs – Access and Assessment. Staffing restructure to deliver efficient processes and building on planned shift of some customers to manage their own processes”
 - CH20 – “staffing reductions in Assessments and Commissioning teams. Staff savings 12FTE to be deleted in 2016/17 across all service areas. Reduction in the ability to carry out assessments and reviews, social work support, safeguarding activities, DOLs responsibilities and financial assessments”
 - CH58 – “Staffing reductions in Assessments and Commissioning teams. Reduction of a further 19-23 FTE posts, in addition to the 12FTE in CH20. Total FTE affected is 30-35 for 16/17”
 - CH22 – “ Commissioning Employees – staff savings – 4FTE to be deleted. Reduced capacity to monitor quality within provider services, reduced capacity to monitor performance within services and a reduced capacity to proactively work to sustain and develop a local provider market”