

Committee: Overview and Scrutiny Commission

Date: 31 January 2013

Agenda item: 7

Wards: All

Subject: **Scrutiny of the Business Plan 2013-2017: comments and recommendations from the overview and scrutiny panels**

Lead officer: Julia Regan, Head of Democracy Services

Lead member: Councillor Peter Southgate, Chair of Overview & Scrutiny

Forward Plan reference number : n/a

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Recommendations:

- A That in determining its response to Cabinet on the business plan and budget 2013-17, the Overview and Scrutiny Commission considers and takes into account the comments and recommendations made by overview and scrutiny panels.

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report sets out the comments and recommendations of each of the overview and scrutiny panels following consideration of the business plan and budget. The Overview and Scrutiny Commission is recommended to take these into account when determining its response to Cabinet.

2. DETAILS

- 2.1 On 10 December 2012, Cabinet agreed to forward savings proposals, draft service plans and a draft capital programme 2013/17 for consideration by scrutiny.
- 2.2 The Overview and Scrutiny Commission has a constitutional duty to coordinate the scrutiny responses on the business plan and budget formulation. The outcome of scrutiny by the panels (described in section 3 below) is presented to Commission for this purpose.
- 2.3 The substantive report on the Business Plan 2013-2017 is contained elsewhere on this agenda for the Commission's consideration.

3. FINDINGS AND RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY PANELS RELATING TO THE BUSINESS PLAN

- 3.1 Appendix 1 contains comments and recommendations made by the scrutiny panels.

- 3.5 The Overview and Scrutiny Commission is recommended to consider the comments and recommendations put forward by the scrutiny panels when determining its overall scrutiny response to Cabinet on the Business Plan 2013-17.

4. ALTERNATIVE OPTIONS

- 4.1 The Constitution requires the Overview and Scrutiny Commission to consider the comments and recommendations put forward by the overview and scrutiny panels and to agree a joint overview and scrutiny response. Cabinet is then required under the terms of the Constitution to receive, consider and respond to references from overview and scrutiny.

5. CONSULTATION UNDERTAKEN OR PROPOSED

- 5.1 The Constitution contains the requirements for consulting scrutiny on the budget and business plan. There is an initial phase of scrutiny in November each year, with the second round in January/February representing the formal consultation of scrutiny on the proposed Business Plan, Budget and Capital Programme.

6. TIMETABLE

- 6.1 Round two of scrutiny of the Business Plan was undertaken as follows:-
- Sustainable Communities Overview & Scrutiny Panel: 10 January 2013
 - Children & Young People Overview & Scrutiny Panel: 15 January 2013
 - Healthier Communities & Older People Scrutiny Panel: 16 January 2013
 - Overview and Scrutiny Commission: 31 January 2013
- 6.2 The responses from round two will be presented to Cabinet on 18 February 2013. A meeting of full Council will then take place on 6 March 2013.

7. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 7.1 These are detailed in the substantive reports elsewhere on this agenda and in the reports considered by Cabinet on 10 December 2012.

8. LEGAL AND STATUTORY IMPLICATIONS

- 8.1 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.
- 8.2 The legal and statutory implications relating to the Business Plan are contained in the reports elsewhere on this agenda.

9. CRIME AND DISORDER IMPLICATIONS

- 9.1 None directly relating to this report.

10. HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

10.1 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.

11. RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

11.1 These implications are detailed in the reports elsewhere on this agenda.

12. 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 scrutiny panels in relation to the Business Plan 2013-17.

13. BACKGROUND PAPERS

13.1 Minutes of the meetings of the Overview & Scrutiny Panels in January 2013.

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 31 January 2013

Scrutiny of the Business Plan 2013-2017

- (a) Sustainable Communities Overview and Scrutiny Panel 10 January 2013
- (b) Children and Young People Overview and Scrutiny Panel 15 January 2013
- (c) Healthier Communities and Older People Overview and Scrutiny Panel
16 January 2013

Sustainable Communities O&S Panel 10th January 2013
Table of comments on budget proposals for consideration by the Commission

Members discussed and made comments on the following budget proposals:

pg17 – What was the response to the request from the NJC Trade Union Side for a pay increase for its members in 2013/14? Caroline Holland informed the Panel that a 1% pay increase and changes to national Terms & Conditions was proposed but rejected by the Trade Unions and that this saving was built into the MTFS.

pg17 –Why is there no update to the price inflation figures?

Caroline Holland explained that the RPI minus 1.5% is assumed but this is being reviewed to determine if it needs to be rebased. If so the council would be required to find further savings.

pg19 – Collection Fund contributions.

Caroline Holland outlined that additional monies had been put into this fund to offset the budget gap and that adjustments have been made.

pg19 – Concessionary fares budget query

pg20 – Pension funds – should we enrol staff sooner?

Chris Lee responded by stating that the council had chosen to defer auto enrolment, not due to the cost, but to ensure staff have all of the information they need.

pg21 – Empty Homes Officer – when will we have a view on the officer post?

Caroline Holland explained that the officer post would not be impacted.

ER18 – What is the impact of the saving and how has this been communicated to residents?

Cormac Stokes explained that there would be no impact on residents and that waste collection would stay the same. It was agreed that a Saturday service was not convenient for residents.

CH13 – Why are additional savings being identified when the MAE service has already made significant savings?

Caroline Holland explained that the savings were across community and housing as a department, not just to be found in MAE.

EN01 – Has the cut already made to the budget for seeking legal advice resulted in a decrease in enforcement notices issued despite the increase in complaints in this area?

Councillor Andrew Judge explained that the use of enforcement notices is not the only valid way to address noise issues and that mediation is cited as good practice which means the council is able to spend less on legal fees but does not mean that the issue is not being tackled or ignored. John Hill explained that a separate budget was retained for enforcement action and that this budget

was a more general advice budget. A Member advised that this distinction be made explicit in the document.

EN02 – Why are the savings that could be made not being taken sooner?

John Hill explained that the council would need to undertake a procurement process and market testing. This could be brought forward but some exploratory work would need to be done.

EN05 – Have we explored mobile technology?

John Hill explained that mobile phone pay options for parking will be introduced which would reduce the need for pay and display machines and cash collection and maintenance. Chris Lee added that mobile technology would be considered as part of the PVR for street cleaning.

EN06 - Kier Greenway – Staffside Secretary for GMB, was invited to speak on the proposed saving to represent the officers the saving, should it be agreed, would impact upon.

John Hill explained in response that the Enquiry Research Officer post was created 15 years ago when there was a boom in planning. This post is now in decline and one of the lower risk posts as work of officer could be subsumed into wider team.

EN07 – What are the pre application planning fees and what % increase has there been to date?

John Hill explained that charges varied, with the highest at £3000 for initial meeting and follow up to £960 for follow up meetings. The smallest scale flat rate fee being £90.00.

EN10 – Request for figures on number of enforcement cases to avoid cutting service where possible and be clear on impact. Are we looking creatively at how we might work differently?

John Hill explained that a risk analysis had been undertaken on the impact this would have.

EN11 – Will this impact on our ability to meet application targets?

Chris Lee explained that the department recognised the turbulence in terms of planning policy at national level and the changes in the planning framework but that responsibilities and fees are in a state of flux at present but that the council has time to plan for and manage potential risks.

EN15 – Need to engage with Trade Unions on this to get support for the proposals.

EN17 – What are the anticipated benefits related to improvements in data collection?

EN18 – How are the figures derived?

Chris Lee explained that benefits are included in the final negotiation on the contract for Phase B which comes into effect in 2014/15. In addition there are shared benefits for the boroughs involved in selling energy above a certain level. The council, however, are taking a cautious approach as the energy market is speculative.

EN23 – How can we ensure that areas are maintained?

Chris Lee explained that Veolia hold the contract but have stated that they intend to withdraw from April 2013, when a contract

extension is possible,] and therefore the council were now in the position of seeking to maintain the service they previously provided whilst determining how this might be provided in the future, looking at the role residents and community groups could play.

EN24 – Has an impact assessment been made of the cost of potential insurance claims should saving go ahead?

Cormac Stokes explained that the council would need tighter control over the inspection routine.

EN25 – Will this service realistically be able to operate with this reduction?

Chris Lee explained that the council could make the saving and still meet its statutory duty. In addition, the figures outlined were not the total funds available for this area. There were additional funds available in the capital budgets.

EN29 – Amend wording to reflect reality of saving.

EN30 – Can this saving be made earlier?

Chris Lee endeavoured to review this suggestion.

EN31 – How will we recoup the £400,000 investment in this area? The ROI should be made clearer on this and the expected benefits.

Cormac Stokes explained that the saving on maintenance would be built in and also the efficiencies on energy efficiency measures could be calculated and included in due course. Chris Lee explained that these would be annual savings.

EN33 – How will workload of officer be managed if reducing to 4 days?

James McGinlay explained that technological advancements in the work of the team meant that this officer post could be compressed into 4 days. The saving would be clear by the next financial year once technological developments had been embedded.

EN35 – An equalities impact assessment should be undertaken and the figures on how many will be affected need to be presented.

James McGinlay confirmed that he was happy to undertake a comparison with other boroughs and present these figures.

EN38 – Concerns expressed about the impact of the reduction in the Core Arts Grants to the Polka and Attic Theatres.

EN43 – Why is entire budget for grants to voluntary organisations being cut?

James McGinlay explained that the budget for this area had been inherited and that this transition would be funded from elsewhere. The funding would fund a post over the next 2 years developing capacity of community groups to become sustainable.

EN44 – Which core in house services may be reduced and posts deleted?

Chris Lee explained that whilst there was a significant staffing reduction in this proposed saving any decisions taken would be determined through the Public Value Review Process looking at parks and green spaces. Early findings that will inform this PVR have indicated that community groups would like to get involved in delivering some of these services.

EN46 – Concerns expressed regarding generating income through the use of parks for parking and highlighted the need to

undertake an impact assessment.

The Panel has arranged a special meeting on 29 January 2013 to consider the Business Plan and further comments may follow from that meeting.

CSF01 – Members heard that income generation would be achieved through Buy back of services and some possible restructuring dependent on school budgets.

Dr Jo Sullivan-Lyons asked what the impact might be on vulnerable groups if not offering a borough wide service to schools. Jan Martin explained that the council does not have a large service at present but that staff are experienced in working with these groups and providing support to schools.

Councillor Oonagh Moulton added that she would not want to see a decline in school standards given that schools have improved. It is important to have valuable expertise that schools want to buy in.

Councillor James Holmes asked how realistic it was to seek additional income in light of resources available.

Councillor Martin Whelton explained that it is realistic and that the savings proposed are justified.

Councillor Maxi Martin added that she had confidence in teams that working more innovatively would enable the council to make savings whilst still providing a quality service.

Dr Jo Sullivan Lyons asked how far a small team is able to work effectively with academies. If it is possible, why does the council not move to an entirely buy back scheme.

Yvette Stanley explained that the council has to meet statutory duties and that funds have been removed from LA for working with Academies. A steady approach to trading the service is the best option, building the service over time. If schools could not afford the service then the council would need to consider the proposals further, but the service costs are competitive compared to alternative providers. A service funded 100% through schools buy back would not allow the council's statutory core duties to be fulfilled.

CSF02 – Are the council confident that savings can be made without making cuts to staff? Should this be a medium and high risk if the department are confident?

Jan Martin confirmed that this saving would not impact on front line service delivery. Risk levels associated could therefore be reconsidered. At the time of producing this saving the council had only seen a Green Paper and did not have details of the proposed changes hence the level of risk identified was high..

Recommendation – that the reputational risk level for this saving be reconsidered

CSF03 – Are the investments targeted at particular services? What form of monitoring will be undertaken of the contracts?

Paul Ballatt explained that as the commissioning process was ongoing it was not possible to provide a list of services and prioritise what should be lost/kept. The overall investment in early intervention and prevention services is not being reduced; the new in house enhanced level services being established will be more effective and result in a more robust strategy. Contracts with external providers ensure accountability and evidence is demanded of organisations to demonstrate how they

are providing equity of access and services appropriate to meet the needs of key groups. The council will also be commissioning certain services for certain equality groups.

Members heard that monitoring would also be undertaken jointly through a risk based approach by commissioners and service specialists.

CSF04 – What is the level of risk if the council is unable to access placements outside the independent sector? How deliverable is this saving proposal?

Paul Ballatt informed Members that the risk is identified as high because the council cannot control the number of LAC or SEN children requiring placements. Economic circumstances also change and the council cannot have absolute confidence in the projections for the number of LAC and SEN children. The council are already negotiating with providers which are resulting in decreased costs. However, a child will not be placed or moved as a result of cost and a child that is settled will not be moved from an independent sector placement unless it is in the child's interests. New carers will be matched to new children. Foster Carers will continue to be recruited through a proactive campaign. It was noted new carers often make enquiries based on word of mouth recommendations..

CSF05 – Is the council confident about the savings that can be made as they are not 100% defined.

Councillor Mark Allison explained that the council could be confident due to the financial monitoring process being more transparent and planning earlier and in advance for savings that need to be made. Caroline Holland added that she was confident that if the savings were accepted and built into the plan that they would be kept under review to check that they were still on track to deliver savings.

CSF06 – Concerns expressed regarding the scheme being cut and if schools may be willing to take on the scheme to ensure it is still in operation. In addition, if this scheme was taken up in certain areas of the borough and at certain schools and in what volume.

Theresa Leavy informed Members that it was mostly schools in less deprived areas of the borough that had pupils enrolling on the scheme. She also confirmed that the proposed savings were deliverable.

Councillor Iain Dysart commended officer's work in this area to date and expressed concerns about the scheme not continuing in its current form.

Councillor Jeff Hanna noted the advice that the proposed savings were deliverable, but also the majority of comments expressing concern, and proposed that these were passed on to Cabinet.

Recommendation – That the Duke of Edinburgh Scheme continues to operate and that ways to deliver, jointly with schools building on existing arrangements, should be explored.

CSF07 – Panel expressed concerns regarding the high risk attached to the proposal. Dr Jo Sullivan Lyons expressed about the relative size of the proposed saving in relation to the baseline budget.

Recommendation – That the high risk associated with the saving be reconsidered and monitored.

The Panel agreed to make the following recommendations to Cabinet via the Overview and Scrutiny Commission:

- 1) **That the high risk associated with the saving CSF02 be reconsidered and monitored;**
- 2) **That the Duke of Edinburgh Scheme CSF06 continues to operate and that ways to deliver, jointly with schools building on existing arrangements, should be explored; and**
- 3) **That the reputational risk level for saving CSF07 be reconsidered.**

Healthier communities and older people overview and scrutiny panel – reference to cabinet.

Some members of the panel have reservations about the proposal to increase the number of volunteers working in day centres and would like this to be closely monitored. Currently service users benefit from the range of activities provided by paid staff. If these activities are taken away and only provided when suitable volunteers can be found, it could lead to deterioration in their health and increased use of high cost services. It was felt that the analogy with the increased use of volunteers in the library service was not a useful one as this service is far more demanding.

The panel are concerned about combining the role of day care workers and drivers as this could prove challenging when dealing with some client groups. The council should be guided by the outcome from the JMC pilots to see if this proposal will be viable.

The panel feels that the proposed level of cuts to the voluntary sector is unrealistic and should be revised. The voluntary sector provides an invaluable service to the community and Cabinet is reminded that Adult Social Care is currently running a £1.1 million projected year- end overspend and therefore the panel questions the necessity and depth of these proposed cuts. If essential services are not able to continue, the council may have to bear the cost.

The panel had some reservations about the new brokerage service and want to see that there is a clear cost- benefit analysis. It is also important that a service of this nature offers a comprehensive service to those who pay for their own residential care.