

Committee: Cabinet

Date: 13 February 2017

Wards: All

Subject: Reference from the Overview and Scrutiny Commission – pre decision scrutiny of the Business Plan 2017-21

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 2017-21, 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 2017-21 by the Overview and Scrutiny Commission and Overview and Scrutiny Panels at their meetings in January 2017.

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 on this 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 ask Cabinet to bring forward these savings proposals, either completely or in part, wherever possible in order to help to address the predicted funding gap for 2017/18 onwards.

2.7. Comments and recommendations on the Business Plan

2.8. The Commission discussed the proposed growth proposals, how these would be funded. In making recommendations to Cabinet the Commission has been mindful of the discussion and recommendations made by the scrutiny panels, including cross-party concerns raised by the Healthier Communities and Older People Overview and Scrutiny Panel regarding the future of adult social care services.

2.9. The Commission RESOLVED to forward the following comments and recommendations to Cabinet:

- I. The Commission recognises that Cabinet has acknowledged that the growing cost of adult social care is not temporary and is something for which the Council must make provision.
- II. The Commission urges Cabinet to look at the budget situation beyond 2017/18 and asks Cabinet to consider a number of options including, but not limited to:
 - a) increase council tax up to the current permitted maximum;
 - b) review earmarked reserves to see whether they meet the purpose for which they were originally intended and, where this is not the case, to release them for use to partially address the predicted budget gap in the short term;
 - c) continue to focus on the savings that will still have to be made for the longer term, and to bring forward savings where it has been identified that these could be achieved sooner;
 - d) recognise that this still won't be enough to meet the growing burden of adult social care, as set out in the following statement from the Local Government Association (12 January 2017) –

Council tax raising powers announced by government will not bring in enough money to fully protect the services which care for elderly and vulnerable people today and in the future.

Genuinely new government money is now the only way to protect the services caring for our elderly and disabled people and ensure they can enjoy dignified, healthy and independent lives, live in their own community and stay out of hospital for longer

The Commission urges Cabinet to give its full support to the LGA and London Councils in their efforts to secure a properly funded settlement from government.

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: 12 January 2017
 - Children & Young People Overview & Scrutiny Panel: 11 January 2017
 - Healthier Communities & Older People Scrutiny Panel: 10 January 2017
 - Overview and Scrutiny Commission: 26 January 2017
- 5.2. The responses from round two will be presented to Cabinet on 13 February 2017. A meeting of full Council will then take place on 1 March 2017.

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 2017

12 BACKGROUND PAPERS

- 12.1. None

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 26 January 2017 - Scrutiny of the Business Plan 2017-2021

Sustainable Communities Overview and Scrutiny Panel: 12 January 2017

New departmental savings proposals

Members considered each individual new departmental savings proposal:

ENR2 – “Pay and Display Bays parking for motorcycles and Blue Badge holders”: free parking for Blue Badge holders in Pay & Display parking bays in off street car parks is in excess of statutory requirements . Research has also found that designated Disabled Parking bays off street are not being fully utilised. The introduction of fees for Blue Badge holders using Pay & Display parking off street is therefore intended to ensure full utilisation of designated Disabled Parking bays and to free other bays for use by other drivers. The estimated revenue is based on research conducted on usage of Disabled Parking bays on 1 December 2016 with the resulting potential revenue estimate consider conservative by the department. Whilst three new Disabled Parking bays have been installed recently, numbers and usage will continue to be monitored in the run-up to the launch of the new policy with the potential to increase the number of Disabled Parking bays off street. Any change in charges for Disabled Badge holders using Pay & Display parking bays will be fully communicated in advance with implementation planned for 2019/20. Members noted the need to balance the provision of sufficient Disabled Parking bays with retention of sufficient Pay & Display parking bays to ensure the saving can be realised;

ENR3 – “Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon”: it is intended to increase the cost of a town centre parking season ticket in Morden, Mitcham and Wimbledon from £300 to £450 per annum. It was noted that these are much in demand. **RESOLVED:** the Panel resolved to recommend to Cabinet that this saving be brought forward and achieved earlier than currently indicated in the Medium Term Financial Strategy (MTFS);

ENR4 – “Charge local businesses for monitoring their CCTV”: the Panel welcomed the aspiration of realising Merton’s investment in its CCTV facilities to offer CCTV services to existing and new partners to gain a new income stream;

ENR5 – “Delete one Senior Management post”: this saving reflects that Phase C of the South London Waste Partnership means one management post in transport services can be deleted. **RESOLVED:** to recommend to Cabinet that this saving be brought forward and achieved earlier than currently indicated in the MTFS; and

ENR6 – “Wider departmental restructure”: this saving reflects that the waste services back office will shift from a support function to a commercialised commissioning and client services team and that there is a need to explore and deliver efficiency savings. The Panel requested that the department look at bringing part of this cost saving forward into 2018/19.

Amendments to previously agreed savings

Members considered amendments to previously agreed savings:

Building Control

As discussed at the previous meeting, a shared planning service is not viable and therefore this previously proposed cost saving cannot be realised. Alternative cost savings have been brought forward. Members expressed their concern about the proposed saving to be realised from no longer sending consultation letters on building applications and relying on site notices only (D&BC6). It was noted that sending consultation letters is beyond statutory duties and has been stopped by Croydon and Lambeth. **RESOLVED:** the Panel resolved to recommend to Cabinet that this be reconsidered given it is a relatively small saving compared to the potential impact on the Council's reputation.

Children and Young People Overview and Scrutiny Panel: 11 January 2017

In response to member questions, officers clarified:

- Pressures on the budget for the Children's Schools and Families Department (CSF) are being caused by a range of factors including; demographic increases, the more complex needs of Merton's children, the requirement to support children in care for longer (potentially up to the age of 25 for those with complex needs or in education) and the increase in Unaccompanied Asylum Seeking Children (and for families for which there is no recourse to public funds);
- Examples of how CSF is seeking to alleviate budget pressures were highlighted; a new contract has been put in place to reduced SEND transport costs and placements are being negotiated to provide best value and cost reduction where possible. The success achieved in reducing SEND transport costs was noted as demonstrating saving proposals can be achieved despite being difficult;
- The cost to the Council of the new Harris Wimbledon Academy is not yet finalised but officers expect it to be in the region of £7.5m net. This represents a considerable cost saving on the typical cost of £30-40m for a new secondary school with the Education Funding Agency providing the rest of the funds. Merton's contribution includes £200K towards the refurbishment of the new Adult Social Care centre and contingency costs;
- Proposed savings resulting from staff reductions will need to be carefully managed in order not to destabilise services. These will be carefully reviewed and managed in order to achieve required changes whilst maintaining services;
- Proposed savings to be achieved from setting-up a multi-borough adoption service are a work in progress and will continue to be refined as the deadline gets closer; and
- Savings proposed now for 2019/20 will continue to be reviewed and assessed over the intervening period to ensure they are realistic. Where it is assessed that they cannot be achieved or only partially achieved, alternative savings will need to be brought forward. Given the extent to which the department is delivering statutory services, all savings and any alternatives require great care.

Healthier Communities and Older People O&S Panel: 10 January 2017

The Healthier Communities and Older People Overview and Scrutiny Panel **RESOLVED** to note Cabinet's budget proposals and expressed grave concern about the forecast gap in the financial years 2018/19, 2019/20, and 2020/21. (As set out in appendix one of the 12 December Cabinet report). A majority of panel members indicated that central government must address the problem and provide additional funds for health and adult social care as a matter of urgency.

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