

## **Committee:** Overview and Scrutiny Commission

**Date:** 25 January 2018

**Wards:** All

**Subject:** **Scrutiny of the Business Plan 2018-2022: 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

Contact officer: Julia Regan; Julia.regan@merton.gov.uk; 020 8545 3864

---

### **Recommendations:**

- A That in determining its response to Cabinet on the business plan 2018-22, the Overview and Scrutiny Commission considers and takes into account the comments and recommendations made by the 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. The Overview and Scrutiny Commission is recommended to take these into account when determining its response to Cabinet.

## **2. DETAILS**

- 2.1 On 11 December 2017, Cabinet agreed to forward a draft business plan for consideration by scrutiny, including draft revenue savings proposals, draft service plans, draft equalities assessments and latest amendments to the capital programme.
- 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 2018-2022 is contained elsewhere on this agenda for the Commission's consideration.

## **3. FINDINGS AND RECOMMENDATIONS OF THE OVERVIEW AND SCRUTINY PANELS**

- 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 2018-22.

#### **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 one of scrutiny of the 2018-22 Business Plan was undertaken as follows:-
- Children & Young People Overview & Scrutiny Panel: 8 November 2017
  - Sustainable Communities Overview & Scrutiny Panel: 2 November 2017
  - Healthier Communities & Older People Scrutiny Panel: 7 November 2017
  - Overview and Scrutiny Commission: 15 November 2017
- 6.2 Round two of scrutiny of the Business Plan was undertaken as follows:-
- Sustainable Communities Overview & Scrutiny Panel: 16 January 2018
  - Children & Young People Overview & Scrutiny Panel: 17 January 2018
  - Healthier Communities & Older People Scrutiny Panel: 11 January 2018
  - Overview and Scrutiny Commission: 25 January 2018
- 6.4 The responses from round two will be presented to Cabinet on 19 February 2018. A meeting of full Council will then take place on 28 February 2018.

#### **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 16 October and 11 December 2017.

#### **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 2018-22.

**13. BACKGROUND PAPERS**

13.1 Minutes of the meetings of the Overview & Scrutiny Panels in January 2018

## **References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 25 January 2018**

### **Scrutiny of the Business Plan 2018-2022**

#### **Healthier Communities and Older People O&S Panel: 11 January 2018**

The Healthier Communities and Older People Overview and Scrutiny Panel discussed the proposed savings and had no comments that they wished to draw to the attention of Cabinet.

#### **Sustainable Communities Overview and Scrutiny Panel: 16 January 2018**

The Chair has approved this note of the Panel's discussion :

Following an update on the business plan for 2018 – 2022 provided by Caroline Holland, Director of Corporate Services, the Panel enquired about the increased taxi card and concessionary fares budget. It was explained that this reflects an inflationary increase. Additionally, the Panel asked about the Council's exposure to Carillion. Caroline Holland clarified that the Council has no contracts with Carillion but that there may be exposure through supply chains. Additionally, it is being investigated whether the Council's pension scheme has any investments in Carillion.

Having already discussed amendments to previously agreed savings from Environment and Regeneration at the November 2017 meeting, the Panel focused on amendments to previously agreed savings from housing and new savings proposals from Environment and Regeneration. Each was introduced by the relevant director giving members the opportunity to ask detailed questions.

On housing, the Director, Hannah Doody, explained it is no longer possible to achieve the proposed saving because of the new duties arising out of the Housing Reduction Act. These are currently being modelled to better understand the resource implications.

The new savings presented by Chris Lee, Director for Environment and Regeneration are from the following areas: the Regulatory Service, wood recycling, the Polka theatre, the Merantun Development, letting of vacant greenspace facilities and increasing greenspaces tenancy income. Members took the opportunity to question officers on these proposals to understand if they are realistic and whether they could achieve a greater saving.

The Panel learned that there are a number of ways the Regulatory Service might generate a commercial income. Examples given include from air quality monitoring, polluted land assessments and mentoring for those wishing to improve their food hygiene rating. It was established that there is no financial penalty resulting from the thermal treatment of wood waste and that the initial income allocated to the Merantun Development is recharging for services and staff that are provided by the Council. Income from greenspaces reflects that Idverde doesn't need to use all the available greenspace facilities. The department is keen to utilise all the assets available and hence is seeking to let these. Similarly, the increase in greenspaces tenancy income reflects the desire to maximise the return from all assets especially as rents haven't been increased for what was described as many years.

Members took the opportunity to look at service plans. As a result it was agreed that the Panel should take an update item on car clubs operating in the borough to

establish if these are assisting the Council with both greater uptake of electric vehicles and income generation. The Panel highlighted that currently the service plans don't reflect any uplift in staff salary costs as mentioned in the business plan update and that this needs to be rectified.

### **Children and Young People Overview and Scrutiny Panel: 17 January 2018**

Following an update on the business plan for 2018 – 2022 provided by Caroline Holland, Director of Corporate Services, the Panel sort to clarify whether the protection the Children, Schools and Families (CSF) Department has had from budget savings will continue over the medium to longer term, (especially in the light of the success that has been achieved as indicated by the Ofsted combined inspection judgement and attainment in Merton's schools). Yvette Stanley, Director of CSF, explained to Panel members that it is very difficult to make cuts to services without potentially impacting on vulnerable children and young people with the resulting focus therefore on efficiency.

Given the need for efficiency, members wanted to know about the use of agency workers within the CSF Department. This has reduced from around 40% two – three years ago, down to 20%. This reflects some maternity and long term sick leave but is also generated by the need to ensure safe caseloads amongst social workers. Currently there are 32 vacant posts within the Department with 10 of these already under offer. Members explored whether there would be benefit in Merton running its own agency for temporary staff; this has recently been explored as an alternative option to renewing the Council's employment agency contract. It was found this was unlikely to be a cost effective option, with no other London Borough using this approach, and therefore it had not been pursued.

Members then explored the success of the CSF Department in generating income and whether it is possible to increase the buying back of services from the Council by schools, extending the services offered or to sell services to schools in other boroughs. All but four of Merton's schools are currently buying back services but this year, anticipated income growth from service buy back is not as aspirational as in previous years; this is the first year schools will be operating under the new funding model and there is a need to understand how this will impact on their purchasing of services.

Deferred and replacement savings were reviewed by the Panel. The data review and centralisation is happening but is taking longer than planned and the review of the CSF staffing structure is happening but is taking longer to work through. The Panel heard how savings will be made from the implementation of preventative services through the Social Impact Bond and the Family Drug and Alcohol Court by preventing children returning to care. Evidence suggests that these approaches can reduce the chances of children returning to care from 60% to 40%.

Councillor Holmes proposed a motion (seconded by Cllr Chirico): Recognising the excellent progress already made by the Children, Schools and Families Department in revenue generation, officers should explore additional opportunities for revenue generation in the same way as they are exploring opportunities for cost savings.

Four Councillors voted for the motion, one against and five abstained meaning the motion was carried.

This page is intentionally left blank