

Committee: Overview and Scrutiny Commission

Date: 26 November 2013

Agenda item:

Wards: All

Subject: **Scrutiny of the Business Plan 2014-2018: 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 2014-18, the Overview and Scrutiny Commission considers and takes into account the comments and recommendations made by overview and scrutiny panels.
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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 Update from here
- 2.2 On 21 October 2013, Cabinet noted the latest draft Medium Term Financial Strategy, agreed the draft capital programme 2013-18 and noted the indicative capital programme for 2018-23. These items have been reported to the Overview and Scrutiny Panels and to the Commission so that comments and recommendations from scrutiny can be conveyed to Cabinet at its meeting on 9 December 2013.
- 2.3 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.
- 2.4 The substantive report on the Business Plan 2014-2018 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 2014-18.

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 2014-18 Business Plan was undertaken as follows:-
- Children & Young People Overview & Scrutiny Panel: 6 November 2013
 - Sustainable Communities Overview & Scrutiny Panel: 12 November 2013
 - Healthier Communities & Older People Scrutiny Panel: 13 November
 - Overview and Scrutiny Commission: 26 November 2013
- 6.2 Comments and recommendations from round one will be reported to Cabinet on 6 December 2013.
- 6.3 Round two of scrutiny of the Business Plan is planned as follows:-
- Sustainable Communities Overview & Scrutiny Panel: 9 January 2014
 - Children & Young People Overview & Scrutiny Panel: 14 January 2014
 - Healthier Communities & Older People Scrutiny Panel: 15 January 2013
 - Overview and Scrutiny Commission: 30 January 2014
- 6.4 The responses from round two will be presented to Cabinet on 17 February 2014. A meeting of full Council will then take place on 5 March 2014.

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 21 October 2013.

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 2014-18.

13. BACKGROUND PAPERS

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

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 26 November 2013

Scrutiny of the Business Plan 2014-2018

Children and Young People Overview and Scrutiny Panel: 6 November 2013

Councillor Agatha Akyigyina asked about the controlled expenditure. Caroline Holland explained that this is direct expenditure, of which, the schools grant did not form a part. This included salaries and running expenses. CSF has a lower income in comparison to other departments. There is a lower savings Weighting for CSF.

Councillor Oonagh Moulton enquired about the savings targets. Caroline Holland explained that the base savings for 2014/15 and 2015/16 in the base budget had been rolled forward and would only come back to the Panel if changes were being proposed.

Councillor Peter Walker asked about gearing in comparison with other departments. Caroline Holland explained that for CSF it stood at 0.5, C&H stood at 0.75, and CS stood at 1.5. This is based on expenditure as CSF needs to find fewer saving than other departments. The weightings are designed around the programmes we would like to protect first.

Councillor Peter Walker stated that this should be clear in the report to emphasise the values of the administration. Councillor Maxi Martin stated her commitment to this and noted that this has always been communicated.

Councillor Oonagh Moulton asked what changes there were in the capital programme in relation to primary school expansion and with regard to secondary schools from 2014 onwards, how realistic are these targets.

Caroline Holland explained that this was based on outturn from 2012/13 and regular monitoring was undertaken. In 2013/14 certain schemes have been re-profiled. Budget managers are being asked to regularly review how they are performing.

Paul Ballatt explained that there had been some slippage in some schemes and that the future projected expansion is indicative at this stage. Regular monitoring is undertaken to challenge assumptions. 21 additional permanent forms of entry are being planned for. The Children and Young People Scrutiny Panel agreed the direction of travel for secondary school expansion when consulted. However, a programme based on certainty has not yet been established. The council has written to all secondary schools requesting them to agree to expansion and to indicate their preferred timing. The figures on page 73 represent filling up surplus, expansion, academies and the provision of additional forms of entry in community schools. The council are also looking at new provision and also an element of expansion in faith schools, where there is demand particularly from Merton residents. The council may need further new secondary provision hence the uncertainty at this stage.

Councillor Oonagh Moulton asked how the interest and intake for faith school provision had been established. Paul Ballatt explained that work was underway looking at the pattern of demand for faith schools and a matter of affordability.

Councillor Peter Walker asked what percentage of children are at Wimbledon and Ursuline schools now. Paul Ballatt explained that this data could be circulated after it has been analysed.

Councillor Peter Walker asked when the contract for Dundonald was expected to go ahead. Paul Ballatt explained that this was a decision to be taken by Cabinet in December – alongside decision-making about the land appropriation recently consulted on. Officers are also optimistic that the very long-running issues regarding Sport England's position on the Dundonald proposal may be resolved finally shortly. Were there to be a subsequent JR on the decision-making, the council would need to take a view on either pausing plans for the development or proceeding following a risk assessment.

Councillor James Holmes asked if faith schools were oversubscribed. Paul Ballatt explained that Wimbledon and Ursuline were oversubscribed and that Merton will have to make a decision regarding investment in provision that may be used by children living in other authority boundaries.

Councillor James Holmes enquired about further new school provision. Paul Ballatt explained that 2 new schools may be required with 20-30 additional forms of entry required in the secondary sector. Expansion therefore has to be at the core of the strategy.

Councillor James Holmes asked what time scales were in place to determine what provision would be taken forward. Paul Ballatt explained that it was not easy to state at this point and that there were other factors to consider.

Caroline Holland explained that school expansion proposals would need to be considered when further information was available to determine revenue impact and longer term planning could be undertaken.

Councillor Peter Walker added that we should be learning from primary school expansion which was cheaper and consider expansion and split site provision.

Paul Ballatt offered reassurance that the core values of the expansion strategy are to build upon the existing estate. There is a commitment not to expand beyond 10 forms of entry and all factors are being considered.

RESOLVED: Councillor Jeff Hanna thanked the officers and agreed with the Panel that these comments be forwarded to the Overview and Scrutiny Commission and expressed the Panels desire to see more accurate costs as soon as they can be achieved.

Sustainable Communities Overview and Scrutiny Panel: 12 November 2013

Councillor John Sargeant queried the context of the indicative Capital Programme, what was significant and what assumptions had been made in the longer term planning. Should the Panel take a view on these assumptions?

Caroline Holland explained that there was an ongoing call on the revenue programme and that the Capital Programme was dominated by school expansion, primary in the first instance and secondary schools later. Highways, Footways and the Street Lighting Replacement Programme would remain as is.

Regeneration programmes are not planned as far in advance as major schemes and are dependent on funding from others, for example, TfL. For example, the Mini Holland Bid to improve our cycling provision.

Councillor Ian Munn asked for clarity on the settlement funding assessment: RSG and Business Rates and the latest central Government funding projections following the 2013 spending review. Caroline Holland explained that refinements are ongoing and that DCLG had undertaken more work in relation to the Council Tax freeze grant and how this would feed into assumptions and impact on the funds available. The settlement is expected from DCLG early/mid December 2013.

Councillor Samantha George asked about the use of reserves to eliminate the budget gap and what cabinet had agreed, and if there was an easier way to show capital and revenue changes from last year's budget. Caroline Holland explained that no new additional savings for 2014/15 had to be found and that there was a savings target of £1.7 million for 2015/16. This is a significant improvement over other boroughs. Revenue monitoring is undertaken on the Capital programme and schemes are being profiled into later years. Each monitoring report shows profiling each year. There are likely, however, to be some slippages into later years, particularly in CSF. The department are keeping this as up to date as possible. Chris Lee added that changes are made clear in the monitoring reports received by Cabinet and the Scrutiny Financial Monitoring Task Group on a quarterly basis.

Councillor John Sargeant felt that it was important for the Panel to take an annual look at the figures and the key changes to enable the Panel's discussion to be more focused. Comparison year on year would be helpful. Furthermore, could the recommendations from last year's budget scrutiny be built into the January report to determine how these have been taken forward?

Councillor Samantha George enquired about the new savings identified for 2016/17 and 2017/18 in the MTFs (page 78 of the report) and when the Panel could have further detail on this. Caroline Holland explained that these new savings were built in to address the budget gap and that these proposals would be brought to December Cabinet and January Scrutiny Panel meetings. In 2014/15 there are no new savings to be found but £1.6 million in savings needs to be found in 2015/16.

Councillor Samantha George asked about leisure centres and savings. Chris Lee explained that there was a £1 million budget for 2014/15 and a substantial budget in 2015/16 available. The department are working to this timetable for the Morden Park Pool scheme and developments will begin in 2015/16.

Councillor Samantha George enquired about the reason for profiling the street lighting replacement programme and enhancement and also about town centre investment. Chris Lee informed the Panel that this should be treated with caution. Regeneration programmes are match funded and the figures outlined are markers to ensure that funds are available to deliver the scheme. The Mitcham Regeneration scheme is largely dependent upon match funding from TfL. The councils input into is outlined in the capital programme but this can be brought forward or slip to make the best use of alternative funding sources. This applies to all schemes.

Cormac Stokes explained that there were pressures in terms of the standard of street lighting and that replacement was required. There is a fairly urgent street lighting replacement programme over the next year and this is why the monthly figures seem higher. There will be investments in terms of energy efficiency which have been front loaded.

Councillor Miles Windsor asked if new items required for renewable energy in this area were being brought into this budget. Cormac Stokes confirmed this was the case.

Councillor Stan Anderson enquired if there were any plans to reduce street lighting for certain periods. Cormac Stokes confirmed that this wasn't the case. Councillor Russell Makin reminded the Panel that they were due to consider street lighting at a future panel meeting.

Councillor Samantha George asked about equipment for parking and why there was a reduction in 2013/14 in DFG. Chris Lee explained that there was a small budget for parking and display machines and that all other parking is captured as revenue. The DFG is under scrutiny from outside of the council. Demand for this grant has increased. Last year there were 110 applications and this year there are a projected 230 applications. There is therefore a pressure on this grant/budget.

RESOLVED: Panel noted the report.

Healthier Communities and Older People O&S Panel: 13 November 2013

The Healthier Communities and Older People Overview and Scrutiny Panel commented that as there is a significant increase in the over eighty age group many of whom will have long term conditions, the care for this vulnerable group should be reflected in the budget. The Council should also be aware that domiciliary care needs to be well resourced to avoid the significant additional costs associated with residential care.

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