

Committee: Cabinet

Date: 17 February 2014

Agenda item:

Subject: Reference from the Overview and Scrutiny Commission – pre decision scrutiny of the Business Plan 2014-18

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 2014-18, takes into account the comments and recommendations made by the Overview and Scrutiny Commission and the outcomes of consideration by the Overview and Scrutiny Panels:
- savings proposals relating to Corporate Services and Safer Merton - paragraphs 2.3 to 2.6
 - references made by the Overview & Scrutiny Panels - paragraphs 2.7 to 2.18
- B. That Cabinet adopt a general principle of bringing forward budget savings whenever that can be done, including for the financial year 2014/15.

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 2014-18 by the Overview and Scrutiny Commission and Overview and Scrutiny Panels at their meetings in January 2014.

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. 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 also discussed the capital programme and the level of reserves and balances.
- 2.2. The Commission has recommended that Cabinet adopt a general principle of bringing forward budget savings whenever that can be done, including for the financial year 2014/15.

2.3. Scrutiny of savings proposals relating to Corporate Services

2.4. The Commission discussed each of the Corporate Services savings proposals in turn. Comments and recommendations are set out in the table below:

<p><i>Business partners - amendment to previously agreed savings</i> RECOMMENDED: that Cabinet accept this change to the savings proposal.</p>
<p><i>CS60 deletion of Assistant Director post</i> RECOMMENDED: that Cabinet accept this saving, with the proviso that it should delete the post at the earliest opportunity when the post is no longer needed.</p>
<p><i>CS61 dividend income from CHAS 2013 Ltd</i> RECOMMENDED: that Cabinet accept this saving.</p>
<p><i>CS62 recharges to public health</i> RECOMMENDED: that Cabinet accept this saving and bring it forward to 2015/16 if possible.</p>
<p><i>CS63 business improvement</i> RECOMMENDED: that Cabinet accept this savings proposal and change the risk rating to "medium".</p>
<p><i>CS64 reduction of treasury running costs</i> RECOMMENDED: that Cabinet accept this saving and bring it forward if possible.</p>
<p><i>CS65 consolidation of budgets in resources division</i> <i>CS66 review recharges to pension fund</i> <i>CS67 reduction in bank and giro charges</i> RECOMMENDED: that Cabinet accept these saving and bring them forward as soon as there is an opportunity to do so.</p>
<p><i>CS68 reduction in interest charges</i> The Commission welcomed this proposal as an opportunity for making savings that don't impact on services. RECOMMENDED: that Cabinet accept this saving.</p>
<p><i>CS69 cease councillors' courier service</i> Commission members said that they thought that the cost of posting large agendas would outweigh the small saving from ceasing the courier service. RECOMMENDED: that Cabinet reject this saving.</p>
<p><i>CS70 administrative charge for paper invoices</i> RECOMMENDED: that Cabinet accept this saving and bring it forward if possible.</p>
<p><i>CS71 delete two in-house IT trainers</i> <i>CS72 consolidation of infrastructure & transaction division's revenue budgets</i></p>

CS73 saving from 4 borough legal service
CS74 review of learning and development spend
CS75 review of central operations transactions (COT) team staffing
RECOMMENDED: that Cabinet accept these savings

- 2.5. Scrutiny of savings proposals relating to Safer Merton
- 2.6. The Commission RECOMMENDED that Cabinet accept the proposed efficiency saving in the re-procurement of the CCTV maintenance contract (EV01).
- 2.7. References from the Overview and Scrutiny Panels
- 2.8. 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.
- 2.9. The Commission agreed to submit additional comments and recommendations as set out below.
- Sustainable Communities Overview and Scrutiny Panel*
- 2.10. The Commission agreed to draw Cabinet's attention to the unanimity of the Sustainable Communities Overview and Scrutiny Panel in rejecting the savings relating to building and development control (EV03-07).
- 2.11. Commission members expressed differing views on the desirability of increasing parking charges (EV02 and EV11). It was moved and seconded that the Commission should recommend that in principle it disagreed with an automatic raising of charges as a means of closing the budget gap and to urge that alternative means are brought forward, in particular efficiency savings and value added services. A vote was taken, 5 members were in favour, 5 against and the Chair used his casting vote against the motion. The motion fell. Councillor Makin asked that his vote against the motion be recorded.
- 2.12. A Commission member suggested that parking meter charging periods and costs should be amended so that smaller denomination coins (5p and 10p) are not needed.
- 2.13. Commission members expressed concern about the impact of the increase in the charge for teacher parking permits. The Commission RECOMMENDED that Cabinet should amend savings proposal EV02 in order to exempt teachers' parking permits from an increase in charges.
- 2.14. The Commission noted that savings proposal EV10 relating to Greenspaces had been rejected on ground of lack of detail last year and expressed disappointment that details had not been provided this year.
- Children and Young People Overview and Scrutiny Panel*
- 2.15. Councillor Hanna, the Panel Chair, confirmed that savings proposal CSF03 for further reductions in staffing across the decision had not been approved

by the Panel due to lack of detail on the proposal. Commission members concurred that further information should be provided to Cabinet before it makes a decision on this savings proposal.

2.16. The Commission therefore RECOMMENDED that Cabinet withdraw savings proposal CSF03 due to lack of detail at the present time and re-consider it next year.

2.17. Councillor Dysart said that although the Panel's reference in relation to CSF01 reflects the general view, he wished his reservations to be placed on record about the impact the savings proposal might have on staffing and on service standards.

Healthier Communities and Older People Overview and Scrutiny Panel

2.18. Commission members expressed some concerns regarding savings proposals for Commissioning and Placements (CH1, 2 and 3) and RECOMMENDED that that Cabinet should receive further detail about how these savings will be achieved prior to making a decision.

2.19. Capital programme

2.20. The Commission scrutinised the capital programme in relation to Corporate Services and Safer Merton.

2.21. No recommendations were made to Cabinet.

2.22. Reserves and balances

2.23. The Commission scrutinised the table relating to reserves and balances and noted that some of the figures were draft and would be changed.

2.24. No recommendations were made to Cabinet..

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: 9 January 2014
- Children & Young People Overview & Scrutiny Panel: 14 January 2014
- Healthier Communities & Older People Scrutiny Panel: 15 January 2014
- Overview and Scrutiny Commission: 30 January 2014

5.2. 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.

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 2014

12 BACKGROUND PAPERS

12.1. None

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 30 January 2014

Scrutiny of the Business Plan 2014-2018

Sustainable Communities Overview and Scrutiny Panel: 9 January 2014

Some members said that they found the report difficult to follow, partly due to its length. They said that members without a financial background would find explanations of the kind provided verbally at the meeting easier to understand than the terminology used in the report.

Revenue budget – amendments to previously agreed savings

RESOLVED: to recommend that a breakdown of how the proposed ENV1 saving will be achieved should be provided prior to Cabinet making a decision on this item.

RESOLVED: to recommend that Cabinet consider how best to raise awareness of the importance of freedom pass users touching in and out during journeys so that the council achieves maximum financial benefit. This may include use of My Merton to communicate the message.

Revenue budget – new savings proposals

The Panel asked questions about each of the savings proposals and made comments and recommendations as set out below:

EV02 Parking services – parking permit charges

RESOLVED: the Panel noted that the proposal was for a different percentage increase for different types of permit and recommended to Cabinet that any increase should be proportionate and proportional to the current cost of each type of permit.

EV03-EV07 – building and development control

Members said that they thought that this section was already under-resourced and that the draft service plan clearly set out the impact of the proposed changes in terms of reduced performance on key performance indicators. Panel members expressed unanimous opposition to further staffing reductions in this service area.

RESOLVED:

1. to ask Cabinet to reject savings EV03-EV07 and to find alternative savings
2. to recommend that the Sustainable Communities Overview and Scrutiny Panel set up a task group review of enforcement, development control and building for its 2014/15 work programme, bearing in mind that this is a broad remit and the task group will need to agree focussed terms of reference

EV10- Greenspaces

Panel members said that they would like more detail on the implications of the saving – these were all marked as “to be determined through the TOM (target operating model)”.

RESOLVED: to ask Cabinet to defer consideration of this 2015/16 and 2016/17 saving to next year when more detail will be available.

EV11 – on street pay and display parking charges

RESOLVED: to recommend that Cabinet accept this saving proposal. Councillors Gilli Lewis-Lavender, Ray Tindle and David Williams asked for their dissent to be recorded and called for a thorough review of the controlled parking zone structure and charges.

CH5 – Library and Heritage service- reduction in media fund

RESOLVED: that Cabinet should accept the proposed saving.

CH6 – Library and Heritage service – increase income

RESOLVED: that the wording of the savings proposal should be amended to show that increased use of space for income purposes would not encroach into the library core offers such as choice of books.

CH9 and CH10 – housing needs and enabling

RESOLVED: to recommend that Cabinet accept these saving proposals.

Capital programme

The Panel noted that the information in Appendix 4 had already been scrutinised and so focussed its discussion on Appendix 7 which sets out recent movements in the capital programme.

A member said that it is difficult to interpret the information provided and asked whether there was a different way of presenting the figures. The Director of Corporate Services said that would be difficult because the capital programme is fluid during the year and so there will be different figures in each of the financial monitoring reports.

Children and Young People Overview and Scrutiny Panel: 14 January 2014

Questions were asked about the budget setting process and how savings were identified.

Revenue budget – amendments to previously agreed savings

Noted that there were no amendments being brought forward for scrutiny.

Revenue budget – new savings proposals

The Panel asked questions about each of the savings proposals and made comments and recommendations as set out below:

CSF01- Early Years

RESOLVED: Whilst some reservations were expressed regarding the impact of the savings, Panel did not wish to reject the proposed savings, in the light of the overall budget pressure.

CSFO2 – School Improvement

RESOLVED: Whilst reluctantly accepting the proposed saving, Panel expressed some concern regarding the potentially negative impact a reduction in resources might have upon the service, and also recommended that further work be undertaken to consider offering the council's school improvement services on a commercial basis as a potential income stream for the authority.

CSF03 – All Divisions

This saving related to making further reductions in staffing across CSF, without specifying the nature of the posts involved.

RESOLVED: Panel felt unable to scrutinise the proposal. Panel agreed neither to accept nor reject the proposal but asked that further detail be brought back for scrutiny in due course and before the proposal is agreed.

Capital programme

The Panel noted the Capital Programme having previously undertaken in depth scrutiny of the council's school expansion programme.

Healthier Communities and Older People O&S Panel: 15 January 2014

The Healthier Communities and Older People Overview and Scrutiny Panel expressed concern about saving CH1 (placement budget) as there is a significant increase in budget saving required in years 2016/17. Panel members would like officers to provide more information about how this saving will be achieved.

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