

Committee: Cabinet

Date: 22 February 2021

Subject: Reference from the Overview and Scrutiny Commission – pre decision scrutiny of the Business Plan 2021-25

Lead officer: Rosie Mckeever, Scrutiny Officer

Lead member: Councillor Peter Southgate, Chair, Overview and Scrutiny Commission

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Recommendations:

- A. That Cabinet, in taking decisions relating to the Business Plan 2021-25, takes into account the recommendation made by the Overview and Scrutiny Commission (set out in paragraph 2.4 below) and the outcomes of consideration by the Overview and Scrutiny Panels (set out in Appendix 1)
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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 2021-25 by the Overview and Scrutiny Commission and Overview and Scrutiny Panels at their meetings in February 2021.

2 DETAILS

- 2.1. Each of the Overview and Scrutiny Panels and the Overview and Scrutiny Commission has examined the budget and business plan proposals relating to the service areas within their remit. As well as scrutinising the draft service plans The Overview and Scrutiny Commission has also received the findings of the Panels.
- 2.2. The Commission RESOLVED to forward to Cabinet the comments and recommendations made by the overview and scrutiny panels. These are set out in Appendix 1.
- 2.3. The Overview and Scrutiny Commission has received and discussed the findings of the Panels and has discussed the savings proposals and the capital programme relating to its remit.
- 2.4. The Commission RESOLVED (eight votes for, two abstentions) to forward the following comments and recommendations to Cabinet:
1. Commission Members welcome the opportunity to scrutinise the final Budget and Business Plan 2012-25, and recognise the exceptional difficulties officers have faced in finalising it while so much uncertainty remains around central government funding.
 2. Covid-19 has created unprecedented financial pressures on Merton's budget. As these are addressed in the coming months and the recovery programme gets underway, clarification of the issues may ease the financial pressure while revealing underlying socio-economic problems. Merton post-Covid will be a very different place.

3. Resolution of two outstanding financial pressures would greatly improve the council's position:
 - Payment of the remaining tranches of compensation for lost income from sales, fees and charges
 - Settlement proposal for the deficit on the Dedicated Schools Grant (£27m)
This would allow the reserves being used to balance the budget for 2021/22 (£6.6m) and for 2022/23 (£5.3m) to be repaid.
4. Although the infection rate is falling, Covid-19 will leave a long term legacy for Merton:
 - Physical and mental damage to the most vulnerable members of the community, especially children who have lost schooling, those who are isolated, disabled or with mental health issues
 - Exacerbation of existing inequalities between the east and west of the borough
5. The MTFs must expect to accommodate an increase in demand from the most vulnerable for a wide range of council services; it will not be "business as usual"
6. The Commission endorses the LGA call for central government support to be maintained:

"It is vital that funding dedicated to Covid-19 in both the current financial year 2020/21 and in 2021/22 is kept under review to ensure councils are fully compensated for the financial impact of the pandemic"

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 contains the requirements for consulting scrutiny on the budget and business plan. There was an initial phase of scrutiny in January this year, with the second round completing in February, representing the formal consultation of scrutiny on the proposed Business Plan, Budget and Capital Programme.

5 TIMETABLE

- 5.1. Round one of scrutiny of the 2021-25 Business Plan was undertaken as follows:-
 - Sustainable Communities Overview & Scrutiny Panel: 19 January 2021
 - Healthier Communities & Older People Scrutiny Panel: 11 January 2021
 - Children & Young People Overview & Scrutiny Panel: 13 January 2021
 - Overview and Scrutiny Commission: 20 January 2021
- 5.2. Round two of scrutiny of the Business Plan was undertaken as follows:-
 - Healthier Communities & Older People Scrutiny Panel: 9 February 2021

- Children & Young People Overview & Scrutiny Panel: 10 February 2021
- Overview and Scrutiny Commission: 17 February 2020

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. None for the purposes of this report.

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 February 2021.

12 BACKGROUND PAPERS

- 12.1. None

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 17 February 2021

Scrutiny of the Business Plan 2021-2025

Healthier Communities and Older People Overview and Scrutiny Panel

The Panel ask Cabinet to reconsider saving CH100 (Review of in-house day-care provision) for the following reasons:

- The engagement process may cause some anxiety to vulnerable groups who are already facing mental health challenges during the pandemic.
- Social distancing will make it difficult to conduct an effective engagement process
- The Community and Housing Department is already managing significant workload pressures due to the pandemic.

Sustainable Communities Overview and Scrutiny Panel

The Panel commends Merton's Environment and Regeneration workers on their hard work, expertise and positive attitude during the Covid pandemic. Noting in particular that they have worked within current limited resources to deal with necessarily increased duties and expresses the hope they will be suitably rewarded as soon as conditions permit.

The Panel also welcomes the department's efforts for digital innovation, particularly the use of a GIS system, and recommend, given increase in internet use, taking advantage of such innovation in full to support residents and service provision where resource and funding is available.

Children and Young People Overview and Scrutiny Panel:

No reference was made to Cabinet.