

Committee: Cabinet

Date: 7 February 2022

Subject: Reference from the Overview and Scrutiny Commission – Scrutiny of the Business Plan 2022-26

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 2022-26, take into account the recommendations made by the Overview and Scrutiny Commission (set out in paragraphs 2.7 to 2.12 below) and references from the other Overview and Scrutiny Panels (set out in paragraph 2.4)
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. To inform Cabinet of the recommendations and comments resulting from scrutiny of the Business Plan 2022-26 by the Overview and Scrutiny Commission and Overview and Scrutiny Panels at their meetings in January 2022.

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.
- 2.2. No reference was made to the Commission or Cabinet from the Children and Young People Scrutiny Panel or the Healthier Communities Panel
- 2.3. The Commission RESOLVED (eight votes for, two abstentions) to forward to Cabinet the recommendation made by the Sustainable Communities Overview and Scrutiny Panel (set out in paragraph 2.4)
- 2.4. The Sustainable Communities Panel RESOLVED to recommend Cabinet hold saving ENV2022-23 03, regarding Deen City Farm, on the basis that it is a saving to be made in 2023/24 and in anticipation of finding an alternative saving.
- 2.5. The Overview and Scrutiny Commission discussed the savings proposals and the capital programme relating to its remit.
- 2.6. The Commission RESOLVED (four votes for, three against, three abstentions) to forward the following recommendations to Cabinet:
- 2.7. Commission members welcome the opportunity to scrutinise the Budget and Business Plan 2022-26, and acknowledge the difficulties officers have faced in finalising it while the legacy costs of the pandemic remain unfunded and unresolved.
- 2.8. Because of the timetable for the budget process, the Commission has consistently been one step behind the Cabinet e.g. scrutinising the third

(December) iteration of the budget on 19 January when Cabinet has approved the fourth iteration two days earlier, on 17 January. The timetable should be reviewed to see whether the final Commission meeting can be delayed to ensure scrutiny of the latest budget iteration, while still allowing time to feed back to the final Cabinet meeting on 7 February.

- 2.9. In recent years heavy reliance has been placed on the Balancing the Budget Reserve to close the gap and set a balanced budget ((£11.5m in 2022/23).
- 2.10. The text notes: “It should be recognised that the use of reserves is a one off form of funding and alternative ongoing savings need to be identified to address the budget gap over the long term”. Is the Cabinet satisfied that this dependence on the BtBR is sustainable?
- 2.11. Resolution of the DSG deficit is now tantalisingly close, with the potential to impact the final budget for 2022/23. Cabinet will be faced with various options for allocating the provisions released, including amongst others:
- replenishing the Balancing the Budget Reserve
 - cancelling “unachievable” savings
 - funding priorities identified by “Your Merton”
 - moving forward with the Climate Change Action Plan
- 2.12. Cabinet is requested to ensure that scrutiny members are involved in the discussion of these alternatives

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 November 2021, with the second round completing in January this year, 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 2022-26 Business Plan was undertaken as follows:-

- Healthier Communities & Older People Scrutiny Panel: 2 November 2021
- Children & Young People Overview & Scrutiny Panel: 3 November 2021
- Sustainable Communities Overview & Scrutiny Panel: 1 November 2021
- Overview and Scrutiny Commission: 10 November 2021

- 5.2. Round two of scrutiny of the Business Plan was undertaken as follows:-

- Healthier Communities & Older People Scrutiny Panel: 10 January 2022
- Children and Young People Scrutiny Panels: 12 January 2022
- Sustainable Communities Scrutiny Panel: 18 January 2022
- Overview and Scrutiny Commission: 19 January 2022

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

12 BACKGROUND PAPERS

12.1. None

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