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OVERVIEW AND SCRUTINY COMMISSION

23 JANUARY 2019

(7.15 pm - 9.50 pm)

PRESENT: Councillors Peter Southgate (in the Chair), Peter McCabe, Laxmi Attawar, John Dehaney, Sally Kenny, Paul Kohler, Rebecca Lanning, Owen Pritchard, David Williams and Nick McLean

Co-opted Member Helen Forbes

ALSO PRESENT: Councillor Mark Allison (Deputy Leader and Cabinet Member for Finance)

Caroline Holland (Director of Corporate Services), Kim Brown (HR Lead), Sophie Ellis (Assistant Director of Customers, Policy and Improvement), Mark Humphries (Assistant Director of Infrastructure & Technology), Roger Kershaw (Assistant Director of Resources) and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from co-opted members Emma Lemon and Colin Powell.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

In relation to agenda items 4, 5 and 6, Roger Kershaw declared that he was a Director of Merantun and Sophie Ellis declared that she was a Director of CHAS.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

The minutes of the previous meeting were agreed as an accurate record with the replacement of text on page 1 "Councillor Owen Pritchard and Paul Kohler visited Mitcham Police Station and confirmed that the number of car parking spaces was 45 as reported to the Commission by the Borough Commander" with:
" Councillor Owen Pritchard and Paul Kohler visited Mitcham Police Station and confirmed that the number of car parking spaces was 29 plus 5 public spaces and not 45 as reported to the Commission by the Borough Commander".

4 BUSINESS PLAN UPDATE 2019-23 (Agenda Item 4)

Members agreed to take items 4, 5 and 6 together.

The Director of Corporate Services, Caroline Holland, introduced the two Business Plan Update reports (item 4 – Cabinet 10 December and item 6 – Cabinet 14 January), outlining the content and highlighting the new information in the January

report. She drew the Commission’s attention to progress that had been made on balancing the budget and the gaps that remained for future years.

Caroline Holland provided additional information in response to questions about the Medium Term Financial Strategy:

- The most up-to-date draft of the Medium Term Financial Strategy 2019-23 is set out on page 133 of the agenda pack
- The £24 police precept for police authorities has been set by the government;
- Council tax is likely to increase by about 5%. Note that Council agreed to extend the council tax support scheme;
- The 2% increase in council tax from 2020/21 onwards assumes that government will return to the previous capped level
- Use of the balancing the budget reserve will be spread over two years rather than one as reported in September
- An update on the use of reserves will be provided to Cabinet’s February meeting

Savings proposals for Corporate Services

Members asked questions and made comments about individual savings proposals:

| New savings | |
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| CS03 Remove premises contribution to voluntary sector grant recipients | Noted that the reputational risk should read “high” and not “very high”. Expressed concerns about repercussions for the rest of the voluntary sector. Expressed concern about viability of MVSC and CAB finding alternative sources of funding to meet these running costs. AGREED to refer back to Cabinet for reconsideration. |
| CS04 Reduce strategic partner grant by 10% | Noted the high risk rating. Noted that saving is proposed for 2022/23. |
| CS05 Reduction in staff | Confirmed that member of staff no longer needed now that Home Office have removed nationality checks from local authorities. Saving AGREED. |
| CS06 Reduction in staffing in Revenues and Benefits | The Assistant Director of Resources said that he was confident that the saving could be achieved without a material impact on performance and that the quality impact assessment categorised the impact as 1 (the lowest impact category). Saving AGREED. |
| CS07 Increase in investment income | Saving AGREED. |

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| CS08 Reduction in staffing | Saving AGREED. |
| CS09 CHAS dividend | Noted that this would be an ongoing saving and that opportunities for increasing the dividend would be kept under review. Saving AGREED. |
| CS10 Recharges to Merantun Developments | Saving AGREED. |
| CS11 Amend discretionary rate relief policy | Saving AGREED. |
| CS12 Increase charge for long term empty properties | Noted that charges are set by government and this is the maximum that can be achieved. Saving AGREED. |
| CS13 Improve collection of Housing Benefit overpayments and reduce bad debt provision | Noted that this is already underway and will not have a material impact. Saving AGREED. |
| CS14 Impose civil litigation cap at £20k | Saving AGREED. |
| CS15 Reduce civil litigation legal support by 50% | Saving AGREED. |
| CS16 Close Morden Park House & relocate staff to Civic Centre | Members said that they greatly valued the building and noted the recent work carried out. They asked questions about the business model and were informed that the level of income would not offset costs. Members asked for more information on the level of corporate overheads charged to the service - the Director of Corporate Services undertook to provide this. Noted the costs incurred by vacant sites and suggested that closure might be a false economy. AGREED to refer back to Cabinet for reconsideration. |
| CS17 Close Chaucer Centre & relocate staff to Civic Centre | Noted that the SMART centre meals would be provided through the school meals contract. Saving AGREED. |
| CS18 Close Gifford House & relocate staff to Civic Centre | Endorsed the policy of moving staff from other buildings into the Civic Centre. Saving AGREED. |
| CS19 Reduction in repairs and maintenance budgets | The Assistant Director of Infrastructure and Technology said that the reduction would be achieved by reducing the number of buildings and that there would be minimal impact on the fabric of the Civic Centre. Saving AGREED. |

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| CS20 Reduction in energy invest to save budget | The Assistant Director of Infrastructure and Technology said that all the quick wins and low budget measures had already been taken to improve energy efficiency and that this could only be further improved through large capital projects, therefore less revenue budget now required. Saving AGREED. |
| CS21 Implement phase 2 of flexible working programme | Saving AGREED. |
| CS22 Reduce frequency of cleaning in corporate buildings | Members expressed concern about potential impact on staff and on public areas. The Assistant Director of Infrastructure and Technology assured members that this saving had been discussed with the provider to identify ways of working differently without having a significant impact. He assured members that the frequency of cleaning in the toilets and kitchen areas would not be reduced. Saving AGREED. |
| CS23 Introduce means assessed charging | Saving AGREED. |
| CS24 Redesign HR services | Saving AGREED. |
| CS25 Charge for voluntary sector payroll | Noted that there are other payroll providers and that this saving was flagged to the voluntary sector two years ago so many of them have already switched providers. Saving AGREED. |
| CS26 Review of HR contract arrangements | The Director of Corporate Services said that officers were planning to achieve this in conjunction with neighbouring boroughs. Saving AGREED. |
| CS27 Merge Democracy Services and Electoral Services | Members noted that scrutiny would be less busy around election times. Members asked the Director of Corporate Services to be mindful of their desire for the scrutiny function to continue to be led by someone with experience and understanding of its aims and objectives. Saving AGREED. |
| CS28 Cash collection reduction | Saving AGREED. |
| Replacement savings | |

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| CSREP (1) Increase legal charges income | Saving AGREED. |
| CSREP (2) Reduce internal insurance fund contribution | Saving AGREED. |
| CSREP (3) Increase income from enforcement service | Saving AGREED. |
| CSREP (4) Increase in investment income | Saving AGREED. |
| CSREP (5) CHAS dividend | Saving AGREED. |
| CSREP (6) Legal services budget reduce HR support | Saving AGREED. |
| Deferred savings | |
| CSD7 Restructure post and print section | Saving AGREED. |
| CS 2015-03 Restructure of transactional services | Saving AGREED. |
| CS03 Infrastructure and Transactions – adjust Local Authority Liaison Officer arrangements | Saving AGREED. |

Capital programme

Members discussed the overall cost of the capital programme and its implications for the revenue budget. They asked questions about slippage and whether there was scope to further reduce the capital programme.

Caroline Holland advised that it was difficult to estimate the spread of costs for largescale programmes that ran over a number of years. She said that the funding of the capital programme took into account a certain level of slippage and assured members that there was a rigorous level of challenge for capital programme items.

Caroline Holland said that the capital programme was already committed for 2019/20 so any review of its content would have little impact. Members discussed the potential for impacting on the capital programme beyond 2020 and RESOLVED to ask the Financial Monitoring Task Group to carry out a deep dive review of the future capital programme.

ACTION: Head of Democracy Services

Members also AGREED to include a request in its reference to Cabinet, asking Cabinet to re-review the future capital programme and associated financial implications for the revenue budget.

Reference to Cabinet

The Commission RESOLVED to forward the following comments and recommendations to Cabinet:

1. The Commission noted the Local Government Association's statement “ *It is disappointing that the government has not used the budget to provide further desperately needed resources for councils next year ...It is vital that the government*

provides new funding for all councils in the final settlement , and uses the 2019 Spending Review to deliver truly sustainable funding for local government”;

2. The Commission recommended that Cabinet agree to support the Local Government Association in lobbying government for a more sustainable basis for the funding of local government;

3. The Commission invited Cabinet to reconsider savings proposal CS03 – remove contribution to E&R for funding premises occupied by VS grant recipients (MVSC and CAB). Members of the Commission asked whether there were alternative sources of funding that MVSC and CAB could access and expressed concern about the impact that this proposed saving might have on the rest of the voluntary sector.

4. The Commission invited Cabinet to reconsider savings proposal CS16 – closure of Morden Park House and relocation of statutory services to operate at the Civic Centre. Members of the Commission said that they greatly valued the building and asked questions about the business model and whether closure might be a false economy. The Director of Corporate Services undertook to provide information on the level of corporate overheads charged to the service;

5. The Commission would have liked to have received more information about the level and funding consequences of the capital programme. It therefore recommended that the Financial Monitoring Task Group should carry out a deep dive review of the capital programme and requested that, in the meantime, Cabinet re-review the future capital programme and associated financial implications for the revenue budget.

5 BUSINESS PLAN 2019-23 SAVINGS INFORMATION PACK (Agenda Item 5)

Included in minute of Agenda item 4.

6 BUSINESS PLAN UPDATE - CABINET JANUARY 2019 (Agenda Item 6)

Included in minute of Agenda item 4.

7 SCRUTINY OF THE BUSINESS PLAN 2019-2023: COMMENTS AND RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY PANELS (Agenda Item 7)

Members noted that a full report of the discussion at each of the Panel meetings would be provided in the minutes of the Panel meeting. Members discussed the content of the report from the Panels and AGREED that in future years they would take time to agree the reference to Cabinet at each of the Panel meetings.

The Commission RESOLVED to forward the comments and recommendations from the Panels to Cabinet.

8 FINANCIAL MONITORING TASK GROUP - NOTE OF MEETING HELD ON 13.11.18 (Agenda Item 8)

Noted.

9 WORK PROGRAMME (Agenda Item 9)

The Commission resolved to agree the work programme as set out in the report.