

Committee: Overview and Scrutiny Commission

Date: 26 January 2017

Wards: All

Subject: **Scrutiny of the Business Plan 2017-2021: 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

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Recommendations:

- A That in determining its response to Cabinet on the business plan 2017-21, the Overview and Scrutiny Commission considers and takes into account the comments and recommendations made by the 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 On 12 December 2016, Cabinet agreed to forward a draft business plan for consideration by scrutiny, including draft revenue savings proposals, draft service plans, draft equalities assessments and latest amendments to the capital programme.
- 2.2 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.
- 2.3 The substantive report on the Business Plan 2017-2021 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 2017-21.

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 2016-20 Business Plan was undertaken as follows:-
- Children & Young People Overview & Scrutiny Panel: 9 November 2016
 - Sustainable Communities Overview & Scrutiny Panel: 1 November 2016
 - Healthier Communities & Older People Scrutiny Panel: 8 November 2016
 - Overview and Scrutiny Commission: 15 November 2016
- 6.2 Comments and recommendations from round one were reported to Cabinet on 12 December 2016.
- 6.3 Round two of scrutiny of the Business Plan was undertaken as follows:-
- Sustainable Communities Overview & Scrutiny Panel: 12 January 2017
 - Children & Young People Overview & Scrutiny Panel: 11 January 2017
 - Healthier Communities & Older People Scrutiny Panel: 10 January 2017
 - Overview and Scrutiny Commission: 26 January 2017
- 6.4 The responses from round two will be presented to Cabinet on 13 February 2017. A meeting of full Council will then take place on 1 March 2017.

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 12 October and 12 December 2016.

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 2017-21.

13. BACKGROUND PAPERS

13.1 Minutes of the meetings of the Overview & Scrutiny Panels in January 2017

References/Comments from Scrutiny Panels to the Overview & Scrutiny Commission 26 January 2017

Scrutiny of the Business Plan 2017-2021

Sustainable Communities Overview and Scrutiny Panel: 12 January 2017

New departmental savings proposals

Members considered each individual new departmental savings proposal:

ENR2 – “Pay and Display Bays parking for motorcycles and Blue Badge holders”: free parking for Blue Badge holders in Pay & Display parking bays in off street car parks is in excess of statutory requirements . Research has also found that designated Disabled Parking bays off street are not being fully utilised. The introduction of fees for Blue Badge holders using Pay & Display parking off street is therefore intended to ensure full utilisation of designated Disabled Parking bays and to free other bays for use by other drivers. The estimated revenue is based on research conducted on usage of Disabled Parking bays on 1 December 2016 with the resulting potential revenue estimate consider conservative by the department. Whilst three new Disabled Parking bays have been installed recently, numbers and usage will continue to be monitored in the run-up to the launch of the new policy with the potential to increase the number of Disabled Parking bays off street. Any change in charges for Disabled Badge holders using Pay & Display parking bays will be fully communicated in advance with implementation planned for 2019/20. Members noted the need to balance the provision of sufficient Disabled Parking bays with retention of sufficient Pay & Display parking bays to ensure the saving can be realised;

ENR3 – “Increase the cost of existing Town Centre Season Tickets in Morden, Mitcham and Wimbledon”: it is intended to increase the cost of a town centre parking season ticket in Morden, Mitcham and Wimbledon from £300 to £450 per annum. It was noted that these are much in demand. **RESOLVED:** the Panel resolved to recommend to Cabinet that this saving be brought forward and achieved earlier than currently indicated in the Medium Term Financial Strategy;

ENR4 – “Charge local businesses for monitoring their CCTV”: the Panel welcomed the aspiration of realising Merton’s investment in its CCTV facilities to offer CCTV services to existing and new partners to gain a new income stream;

ENR5 – “Delete one Senior Management post”: this saving reflects that Phase C of the South London Waste Partnership means one management post in transport services can be deleted. **RESOLVED:** to recommend to Cabinet that this saving be brought forward and achieved earlier than currently indicated in the Medium Term Financial Strategy; and

ENR6 – “Wider departmental restructure”: this saving reflects that the waste services back office will shift from a support function to a commercialised commissioning and client services team and that there is a need to explore and deliver efficiency savings. The Panel requested that the department look at bringing part of this cost saving forward into 2018/19.

Amendments to previously agreed savings

Members considered amendments to previously agreed savings:

Building Control

As discussed at the previous meeting, a shared planning service is not viable and therefore this previously proposed cost saving cannot be realised. Alternative cost savings have been brought forward. Members expressed their concern about the proposed saving to be realised from no longer sending consultation letters on building applications and relying on site notices only (D&BC6). It was noted that sending consultation letters is beyond statutory duties and has been stopped by Croydon and Lambeth. **RESOLVED:** the Panel resolved to recommend to Cabinet that this be reconsidered given it is a relatively small saving compared to the potential impact on the Council's reputation.

Children and Young People Overview and Scrutiny Panel: 11 January 2017

In response to member questions, officers clarified:

- Pressures on the budget for the Children's Schools and Families Department (CSF) are being caused by a range of factors including; demographic increases, the more complex needs of Merton's children, the requirement to support children in care for longer (potentially up to the age of 25 for those with complex needs or in education) and the increase in Unaccompanied Asylum Seeking Children (and for families for which there is no recourse to public funds);
- Examples of how CSF is seeking to alleviate budget pressures were highlighted; a new contract has been put in place to reduced SEND transport costs and placements are being negotiated to provide best value and cost reduction where possible. The success achieved in reducing SEND transport costs was noted as demonstrating saving proposals can be achieved despite being difficult;
- The cost to the Council of the new Harris Wimbledon Academy is not yet finalised but officers expect it to be in the region of £7.5m net. This represents a considerable cost saving on the typical cost of £30-40m for a new secondary school with the Education Funding Agency providing the rest of the funds. Merton's contribution includes £200K towards the refurbishment of the new Adult Social Care centre and contingency costs;
- Proposed savings resulting from staff reductions will need to be carefully managed in order not to destabilise services. These will be carefully reviewed and managed in order to achieve required changes whilst maintaining services;
- Proposed savings to be achieved from setting-up a multi-borough adoption service are a work in progress and will continue to be refined as the deadline gets closer; and
- Savings proposed now for 2019/20 will continue to be reviewed and assessed over the intervening period to ensure they are realistic. Where it is assessed that they cannot be achieved or only partially achieved, alternative savings will need to be brought forward. Given the extent to which the department is delivering statutory services, all savings and any alternatives require great care.

Healthier Communities and Older People O&S Panel: 10 January 2017

The Healthier Communities and Older People Overview and Scrutiny Panel **RESOLVED** to note Cabinet's budget proposals and expressed grave concern about the forecast gap in the financial years 2018/19, 2019/20, and 2020/21. (As set out in appendix one of the 12 December Cabinet report). A majority of panel members indicated that central government must address the problem and provide additional funds for health and adult social care as a matter of urgency.

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