

Agenda Item 3

All minutes are draft until agreed at the next meeting of the committee/panel. To find out the date of the next meeting please check the calendar of events at your local library or online at www.merton.gov.uk/committee.

OVERVIEW AND SCRUTINY COMMISSION

26 JANUARY 2017

(7.15 pm - 8.45 pm)

PRESENT: Councillors Peter Southgate (in the Chair), Peter McCabe, Hamish Badenoch, John Dehaney, Abigail Jones, Sally Kenny, Dennis Pearce, Oonagh Moulton, David Williams and Imran Uddin

Co-opted Members Mansoor Ahmad and Helen Forbes

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

Caroline Holland (Director of Corporate Services) and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from co-opted members Geoffrey Newman and Colin Powell.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF THE MEETING HELD ON 15 NOVEMBER 2016 (Agenda Item 3)

The minutes were agreed as an accurate record of the meeting.

Matters arising - the Chair noted that the Head of Sustainable Communities has undertaken to circulate a note on planning enforcement to all councillors in early February. Residents and community associations will receive the link to the website as part of the information sent out for the March community forum meetings.

4 MINUTES OF THE MEETING HELD ON 14 DECEMBER 2016 (Agenda Item 4)

The minutes were agreed as an accurate record of the meeting. There were no matters arising.

5 BUSINESS PLAN UPDATE (Agenda Item 5)

Members agreed to take agenda items 5,6 and 8 together.

New savings proposals for Corporate Services

(set out on pages 23-28 of the consultation pack)

The Director of Corporate Services, Caroline Holland, introduced and described each proposal. At the request of the Chair, she identified which of the proposals could be brought forward, either completely or in part. In response to a question, she confirmed that no equality impact assessment had been provided for those savings proposals that had no impact on service users or staff.

In response to a question about CS2016-08 – potential income from letting out two floors of vacant office space in the Civic Centre - Caroline Holland said that the Central London Community Healthcare NHS Trust (CLCH) are planning to rent space in the Civic Centre from the end of March.

The Commission agreed to ask Cabinet to bring forward savings proposals wherever possible in order to help to address the predicted funding gap for 2017/18 onwards.

Medium term financial strategy

The Chair asked Caroline Holland to introduce and to draw the Commission's attention in particular to the growth proposals, how these could be funded and the options for council tax.

Caroline Holland explained that the year by year forecast of the adult social care budget (set out on page 75) demonstrated the need for growth due to increased costs and that this would be adjusted if there was a change to the level of the Better Care Fund received. She said that departments were still expected to find the savings that had been identified previously as well as the new savings proposals set out in the budget consultation pack.

Caroline Holland said that the proposed growth would initially be funded through the Balancing the Budget Reserve. The medium term financial strategy makes no provision for an increase in council tax in 2017/18 or 2018/19 so the business plan report includes exemplars on the impact that different levels of council tax increase would have, as well as the statement received from the Clinical Commissioning Group about withholding the discretionary element of the Better Care Fund unless the council levied an adult social care precept. She said that the report to December Cabinet had been prepared prior to the government announcement that the Council could choose to levy an adult social care precept at 3% for each of the next two years (but with no increase in the third year) subject to demonstrating improvement in care (details of which are awaited), rather than at 2% per annum as currently permitted.

In response to questions Caroline Holland said that there were still some aspects of the MTFs where there was a level of uncertainty, including on corporate provisions, the Education Services Grant and on the impact that different levels of adult social care precept and council tax increase would have on the predicted budget gap in each year. The latest details will be modelled and reported to Cabinet on 13 February. The report will also include detail on balances and reserves.

Caroline Holland drew the Commission's attention to the capital programme, in particular the revenue implications of around £12m per year that would persist

despite the predicted decline in the size of the capital budget because of interest payments incurred by capital projects many years ago.

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

1. The Commission recognises that Cabinet has acknowledged that the growing cost of adult social care is not temporary and is something for which the Council must make provision.
2. The Commission urges Cabinet to look at the budget situation beyond 2017/18 and asks Cabinet to consider a number of options including, but not limited to
 - a) an increase in council tax;
 - b) review earmarked reserves to see whether they meet the purpose for which they were originally intended and, where this is not the case, to release them for use to partially address the predicted budget gap
 - c) continue to focus on the savings that will still have to be made, and to bring forward savings where it has been identified that these could be achieved sooner;
 - d) recognise that this still won't be enough to meet the growing burden of adult social care, as set out in the following statement from the Local Government Association (12 January 2017):

“Council tax raising powers announced by government will not bring in enough money to fully protect the services which care for elderly and vulnerable people today and in the future.

Genuinely new government money is now the only way to protect the services caring for our elderly and disabled people and ensure they can enjoy dignified, healthy and independent lives, live in their own community and stay out of hospital for longer”

The Commission urges Cabinet to give its full support to the LGA and London Councils in their efforts to secure a properly funded settlement from government.

- 6 BUSINESS PLAN UPDATE - ADDITIONAL DOCUMENTS (Agenda Item 6)
- 7 SCRUTINY OF THE BUSINESS PLAN 2017-2021: COMMENTS AND RECOMMENDATIONS FROM THE OVERVIEW AND SCRUTINY PANELS (Agenda Item 7)

The Chair drew the Commission's attention to the report on pages 148-149 of the agenda and invited each of the Panel Chairs to provide a brief summary of the discussion at the Panels.

Councillor Peter McCabe, Chair of the Healthier Communities and Older People Panel, said that the Panel had thoroughly questioned the Director of Community and Housing and the Director of Corporate Services. The key issue for the Panel was a concern about the funding gap for future years and how this could be addressed. There was cross-party concern about the future of adult social care services that had been drawn to Cabinet's attention in the Panel's comments and recommendations.

The Director of Corporate Services, Caroline Holland, added that in response to questions raised at the Panel, further detail has been provided on the adult social care growth bid, set out on page 75 of the Commission's agenda. She confirmed that the growth figure was based on a "mid case scenario" and that if this proved too high, the excess would be returned for use elsewhere.

Councillor Dennis Pearce, Chair of the Children and Young People Overview and Scrutiny Panel, said that the Panel had been briefed by the Director of Children Schools and Families on the savings proposals and the pressures facing the department. The Panel had expressed concerns regarding the overspend in SEND transport and had received assurances about this.

Councillor Abigail Jones, Chair of the Sustainable Communities Overview and Scrutiny Panel, said that they had a constructive discussion and recognised that the council was facing tough times. The Panel had agreed that the proposed savings were sensible, with a focus upon efficiencies and mitigation of the impact on service users. The Panel has recommended that two of the savings should be brought forward and have asked Cabinet to reconsider the proposed saving D&BC6 – stop sending consultation letters and erect site notices only. No concerns were raised by the Panel regarding the growth items for Future Merton and Waste Services.

The Commission RESOLVED to forward the comments and recommendations from the Panels (set out on pages 148-9 of the agenda) to Cabinet.

8 SAVINGS PROPOSALS CONSULTATION PACK (Agenda Item 8)

9 MINUTES OF MEETING OF THE FINANCIAL MONITORING TASK GROUP
10 NOVEMBER 2016 (Agenda Item 9)

Members noted that the statement made to the task group by the Director of Community and Housing and the subsequent reference from the Commission to Cabinet had been instrumental in leading to the proposed growth in the budget for adult social care.

10 WORK PROGRAMME (Agenda Item 10)

The Commission RESOLVED to agree the work programme with the addition of a report on consultation to its meeting on 7 March, as requested by Council.

Members agreed to send questions for the Borough Commander to the Head of Democracy Services so that the Borough Commander could have as much notice of these as possible.