

**Overview & Scrutiny Committee      On 12<sup>th</sup> December 2005**

**Report title: BUDGET SCRUTINY – PRE BUSINESS PLAN REVIEW DOCUMENTS**

**Report of: Chair of Overview and Scrutiny Committee**

**Ward(s) affected      ALL**

**1. Purpose**

1.1 To report on the issues raised by the Overview and Scrutiny Committee on departmental Pre Business Plans and Executive budget proposals.

**2. Recommendations**

2.2 That the Executive revisit those proposals where the Overview and Scrutiny Committee has raised concern.

2.3 That the Executive reconsider their proposals, where in the view of the Overview and Scrutiny Committee they should be rejected.

**Report authorised by:** Chair of Overview and Scrutiny Committee

**Contact officer:** Trevor Cripps – Overview and Scrutiny Manager

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**3. Executive Summary**

3.1 The report contains the results from detailed scrutiny of Pre Business Plan Review documents and proposals for budgetary savings and investments. The detailed work has been completed by the Overview and Scrutiny Committee and the report is an accurate reflection of the issues raised.

**4. Reasons for any change in policy or for policy development**

None

**5. Access to information:**

Local Government (Access to Information) Act 1985

5.1 The background papers relating to this report are:

**Financial Strategy 2006/7 to 2008/9, report of Director of Finance****Pre Business Plan Reviews 2006/7****O&S Committee minutes of meeting of 8<sup>th</sup>, 21<sup>st</sup> and 30th November 2005**

Copies are available on request, from Giancarlo Laura, Members Services (Council), on telephone 020 8489 6917.

**Report****6. BACKGROUND**

- 6.1 Pre Business Plan Reports were released by the Executive on 2 November 2005. The approach adopted was of pre decision scrutiny, where the Executive Portfolio Holders were invited to Overview and Scrutiny Committee to explain the rationale behind, and to justify their proposals as necessary. Many questions of clarification were asked and addressed by the appropriate Executive Member and/or officers. These are reported in the minutes of individual meetings, attached as an Appendix.
- 6.2 This report identifies items where the committee considered, and particularly welcomed the proposal, where it expressed concern over the proposal, or where in it's view the proposal should be rejected. The areas of concern identified are where the committee felt compelled to agree the proposal, but where it would like the Executive to revisit its proposals, before they are adopted. Where there is no comment the committee have agreed with the proposals put forward, but in no order of priority.

**7. HOUSING - EXECUTIVE PROTFOLIO AREA**

- 7.1 The committee raised concern at the additional burden on capital investment of £1.5m over 3 years, as a result of the decision by Thames Water Authority (TWA) to reduce water supply pressure. The resulting additional works required to install equipment to protect against back flow contamination currently falls to the council. The committee wish the council to redouble its efforts to recover some or all of this cost from TWA.
- 7.2 The committee wished to express its concern at the proposed revenue investment of £670,000 on the establishment of 17 senior management posts within the ALMO, without

compensatory savings in senior posts within the housing structure. Although compensatory savings had been made in other areas to part fund these proposals, the committee wished the Executive to state clearly that overall, there would be no increase in bureaucracy as a result of the ALMO and that the current position was transitional only. The committee sought evidence of reductions in senior housing management posts, in future savings proposals. However, In the absence of any such evidence the committee's view was that the proposals should be rejected.

- 7.3 The committee was concerned that efficiency savings of £120,000 over 3years, would be achieved as a result of reduced staff absence. However they accepted that the current absence rate was above the councils target and that it should be reduced.
- 7.4 The Committee welcomed the proposed efficiency savings resulting from improved rent collection and from the improved turn-round in repairs and lettings of void properties.
- 7.5 The committee agreed all other investment and efficiency savings in the portfolio area.

## **8. ENVIRONMENT AND CONSERVATION –EXECUTIVE PORTFOLIO AREA**

### **Recreation**

- 8.1 The committee welcomed the ongoing revenue investment proposals of £300, 000 over 2 years, to fight crime and the fear of crime in our parks as very positive. As was the prudent borrowing to support the capital investment of £300,000 (including matched funding) for improvements to Tottenham Leisure Centre.
- 8.2 It was the view of the committee that the proposal to increase allotment premium charges, therefore creating efficiency ongoing savings of £30,000 over 2 years should be rejected, pending the outcome of the scrutiny review of allotments due to report in January 2006,

### **Streetscene**

- 8.3 The committee welcomed the investment proposals of £332,000 on traffic management enforcement, £185,000 to improve road safety and of £917,000 on enhancing cleanliness and waste collection arrangements. It also viewed as positive the proposed investment of £165,000 to a recruitment and retention scheme for key posts, to halt the migration of experienced staff to other authorities.
- 8.4 The committee raised concerns at the investment proposal of £400,000 on the Next Day Fix highway repair scheme as there was evidence of quality issues that needed to be resolved and a greater emphasis on monitoring. The committee requested that the department supply Ward Members with advance details on when their Wards were to be inspected. As the committee has commissioned a review on Repairs to Highways that will report in January 2006, it was of the view that this proposal should be rejected, pending the outcome of that review.
- 8.5 The committee agreed all other investment and efficiency savings in the portfolio area.

## **9. FINANCE – EXECUTIVE PORTFOLIO AREA**

- 9.1 The committee welcomed the incremental increase to the Council Tax collection rate and the investment proposal of £30,000 to the reception area of 13/27 Station Road.
- 9.2 The committee welcomed the proposed report on the use of agency staff, temporary staff and consultants and requested a copy of the report being presented to the Procurement committee on 6<sup>th</sup> December 2005. It wished to ensure that managers were responsible for the value added by this employment practice.
- 9.3 The committee raised its general concern that the GLA proposed Council Tax increases were running at 7.5% and of the impact that this had on residents.
- 9.4 The capital investment proposal to allocate £157,000 for the repairs to the roof of Hornsey Town Hall should be rejected as the committee was informed of the decision to replace the roof.
- 9.5 The committee agreed all other investment and efficiency savings in the portfolio area.

## **10. HEALTH AND SOCIAL SERVICES – EXECUTIVE PORTFOLIO AREA**

- 10.1 The committee welcomed the additional one off resources of £329k that were allocated by the Executive as a result of the implementation of scrutiny recommendations in relation to the Adaptation Service.
- 10.2 It also welcomed the expected benefits from the capital investment of £40k for the establishment of a project officer post for housing development for people with mental health problems.
- 10.3 The committee welcomed the proposed revenue investment of £100k in the Handyperson project, following the Government Green Paper, the investment of £325k over 3 years on the staffing and set up costs for the Hornsey Central Hospital Day Centre and the proposed investment of £250K next year for the creation of a day/drop in centre at the Osborne Grove care home. The committee also welcomed the investment proposals of £435k of 3 years in the provision of mental health services and noted that they were made on the assumption of a commitment of match funding from the Primary Care Trust.
- 10.4 The committee was very concerned to be informed that the Government had recently announced changes to the regime for Supported Capital Expenditure, which has resulted in a loss of £2.29m to Haringey. The committee was informed that this would have significant implications for the adaptations programme. The committee requested further information as to how the programme may be resourced in future and the effect on residents needing housing adaptations, when they were known.
- 10.5 The committee raised its concern at the need for a capital investment proposal of £70K for maintenance works to Learning Disability Day services buildings. While agreeing with the need for the bid to bring buildings up to standard, the committee recommended that they be included in a planned maintenance programme in future.
- 10.6 With respect to the saving proposal of £587K in year 3, likely to result from a review of charging policy and by implication of increased charges to older people, the committee

sought assurance that this would be done in a fair and sympathetic way. The committee requested that it be given the opportunity to see and comment on the charging policy review proposals, when they are formulated.

10.7 The committee agreed all other investment and efficiency savings in the portfolio area.

## **11. ORGANISATIONAL DEVELOPMENT AND PERFORMANCE MANAGEMENT – EXECUTIVE PORTFOLIO AREA**

### **Corporate IT**

11.1 The committee expressed concern at the further slippage of £0.5m in the Tech-Refresh programme. They sought and were given assurance by the Executive Member that the additional expenditure was essential and that there would be no further slippage.

11.2 The issue of the IT hardware and software available to Councillors was raised as a concern. The committee was given assurance that packages would be tailored to individual Member requirement. Members would not automatically receive everything available, equipment would not be issued without adequate training. The committee also had concern over the investment proposal regarding broadband charges to all Members, which seemed to be much higher than the retail costs currently advertised by broadband operators.

11.3 The committee discussed the proposed capital investment of £9m over 3 years to further modernise IT systems. The committee was concerned at the lack of criteria to judge whether this investment would deliver value for money. The committee welcomed the assurance given by the Executive Member that the proposals would deliver efficiencies while making the services supported more effective and would also meet the Government's e-government agenda. However it agreed that Corporate IT be put forward as a suggested scrutiny review topic commission, for next year.

11.4 The committee was concerned at the proposed revenue investment proposal of £950k over 3 years to extend the availability of IT support, to extended opening hours by service providers. It was established that the bid was not essential this year and that the costs of a feasibility study could be contained within existing resources. The committee was of the view that the proposal should be rejected this year and wished to see the outcome of the feasibility study.

### **Human Resources**

11.5 The committee was concerned at the proposed revenue investment of £83k to fund a shortfall in the cost of delivering the payroll service. Under an agreement reached two years ago schools were not charged the full costs of their payroll service. The committee wished for the full cost of schools payroll to be passed on to schools, unless the agreement was legally binding. The committee's view was that this proposal should be rejected..

11.6 The committee raised concern over the revenue investment proposal of £50k for corporate recruitment advertising and the production of publicity materials and

equipment.

- 11.7 Concern was also raised on the proposed revenue investment of £40k in developing and promoting a vision and values strategy.
- 11.8 The committee agreed all other investment and efficiency savings in the portfolio area.

## **12. CRIME AND COMMUNITY SAFETY – EXECUTIVE PORTFOLIO**

### **Safer Communities**

- 12.1 The committee welcomed the revenue investment proposal of £275k which would mainstream funding of social worker and admin posts in the Youth Offending Service.
- 12.2 The committee wished the Executive to reject the efficiency saving of £16K in year 3 in the Youth Offending Service.

### **Enforcement**

- 12.3 The committee welcomed the ongoing investment of £250K for street enforcement and the investment of £310K to replace the ODPM funding of the warden service and the addition of a further £150k bid to the NRF for wardens. There were likely to be further proposals as a result of the Scrutiny review of the Warden service.
- 12.4 The committee raised concerns over the proposed revenue investment of £150K over 3 years on MVM database licence costs. Having received further information that the revenue investment had now been reduced to £26K in year 1, the committee accepted the proposal.
- 12.5 The committee agreed all other investment and efficiency savings in the portfolio area.

## **13. EQUALITIES – EXECUTIVE PORTFOLIO**

- 13.1 The committee welcomed the revenue investment of £50K over 3 year in respect of Black History Month events.
- 13.2 The committee wished the Executive to reject the efficiency saving proposal of £64K over 3 years by reviewing the role of Equalities on mainstreaming day to day services within departments.
- 13.3 The committee agreed all other investment and efficiency savings in the portfolio area.

## **14. COMMUNITY INVOLVEMENT- EXECUTIVE PORTFOLIO**

## Libraries

- 14.1 The committee welcomed the improvement to the Library and Museum service and commended officers on their achievements. They welcomed the continued support to schools and the capital investment of £17K towards further improvements to the school library service.

## Member Services

- 14.2 The committee was concerned at the revenue investment proposal of £120K for Member development, which would replace the one off allocations made in the past and allow the establishment long term strategy and on-going development programme. In accepting the proposal, the committee wished to see be a report after 12 months of development activity, that covered the detail of activities offered, Member attendance at activities, evidence of outcomes resulting, and an assessment of whether it could be considered that value for money had achieved overall.
- 14.3 The committee was concerned at the revenue investment proposal of £160K for the review of Member Services. It felt that the case for additional senior management posts needed to be clearly made. The committee wished the Executive to reject the investment proposal.
- 14.4 The committee was concerned at the revenue investment proposal of £60k, to replace inaccurate income budget lines.
- 14.5 The committee suggested that the proposed town twinning efficiency saving be held pending further information on Haringey and other European towns.
- 14.6 The Committee was of the view that the proposed efficiency savings of £120K by the review of Member Services, should be rejected by the Executive.

## Neighbourhoods

- 14.6 The committee welcomed the proposed investment proposal for £350K which would reinforce the roll out of the new areas for Neighbourhood Managers. The allocation of £50K to each Neighbourhood Manager would help to drive forward area based working.
- 14.7 The committee agreed all other investment and efficiency savings in the portfolio area.

## 15. ENTERPRISE AND REGENERATION – EXECUTIVE PORTFOLIO AREA

- 15.1 The committee wished the Executive to reject the proposed efficiency saving of £40K in year 2 for the Upper Lee Valley. It recommended that the money continue to be invested in Wood Green and that other funding stream be sought in future. e.g. from business.
- 15.2 The committee agreed all other investment and efficiency savings in the portfolio area.

**16. CHILDREN'S SERVICE- EXECUTIVE PORTFOLIO AREA**

- 16.1 The committee agreed with the Executive Member's comments and recommended that revenue investment proposals of £192K for Community and Resources – parental Involvement strategy, property and contracts delivery of Children's Centres programme and investment in ICT, be more properly funded by capital investments.
- 16.2 The committee was concerned at the efficiency saving proposal of £100k as a consequence of increased fees and charges for Early Years and Play services. The committee wished to monitor the implications of any proposals to raise fees and charges to service users.
- 16.3 The committee agreed all other investment and efficiency savings in the portfolio area.

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