



Haringey Council

Agenda item:

No.15

Overview and Scrutiny Committee

11 January 2010

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

Report authorised by:

Cllr Gideon Bull, Chair of the Overview and Scrutiny Committee

Contact Officer: Trevor Cripps – Overview and Scrutiny Manager

Trevor.cripps@haringey.gov.uk Tel: 0208 489 6922

Wards(s) affected: **ALL**

Report for: **Non Key**

1. Purpose of the report

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

2. Introduction by Cabinet Member (if necessary) N/A

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 The report is part of the budget setting process and as such has links to all council priorities and strategies.

4. Recommendations

4.1 That the Cabinet consider the recommendations contained in this report made by the Overview and Scrutiny Committee, as part of the Council's budget making process.

5. Reason for recommendation(s)

5.1 The report is part of the statutory budget making process.

6. Other options considered N/A

7. Summary

7.1 The report contains the results from detailed scrutiny of Pre Business Plan Review documents and proposals for budgetary savings and investments for 2010/11. The detailed work has been completed by the Overview and Scrutiny Committee and the report is a reflection of the issues raised.

8. Chief Financial Officer Comments

8.1 The CFO has been consulted on the preparation of this report and confirms that the process undertaken by this committee is part of the statutory consultation procedure for the Council in setting its budget. The recommendations of this committee should be considered by the Cabinet before the final decisions on the 2010/11 budget are taken.

9. Head of Legal Services Comments

9.1 The Council is under a statutory duty to set a balanced budget having regard to the report of its Chief Financial Officer as to the robustness of the estimates and the adequacy of the financial reserves. This must be preceded by robust and comprehensive financial planning.

10. Equalities & Community Cohesion Comments

10.1 These are contained within the pre-business plan review documents

11. Consultation

11.1 This is part of the consultation of the business and financial planning process

13. Use of appendices /Tables and photographs N/A

14. Local Government (Access to Information) Act 1985

The background papers relating to this report are:

Financial Strategy 2010/11 to 20012/13, report of Director of Finance

Pre Business Plan Reviews 2010/11

Chief Financial Officer & Director of Corporate Resources reports to O&S Committee and minutes for meetings on 23 November and the 7th and 16th December 2009.

Copies are available on request, from Natalie Cole, Local Democracy and Member Services (non Cabinet Committees), on telephone 020 8489 2919.

15. BACKGROUND

- 15.1 Pre Business Plan Report, (PBPR) documents 2010/11 were released by the Cabinet after it's meeting on 17th November 2009. At its first budget meeting on the 23rd November 2009 the Overview and Scrutiny Committee examined all the Cabinet budget proposals and identified those areas where it wished to "drill down" to gain a better insight into the proposals and the potential impact on services. A series of specific requests for further detail were made regarding each portfolio, as well as three general themed questions to be covered by all Cabinet Portfolio Holders in respect of their portfolio.
- 15.2 Cabinet Portfolio holders were appropriately invited to two subsequent meetings of the Overview and Scrutiny Committee, to explain the rationale behind and to justify their proposals in those areas previously identified. The proposals were in respect of investment and efficiency proposals in relation to both Capital and Revenue expenditure for the three year planning period 2010/11 to 2012/13
- 15.3 As part of the scrutiny process some issues have been identified that the Committee wishes to bring to the attention of the Cabinet. This report identifies items which the Committee considered and where it wished to make comment on the proposals, or where the Committee would like the Cabinet to consider its recommendations.
- 15.4 It is not the role of the Overview and Scrutiny Committee to develop an alternative budget to that proposed by the Cabinet.

16. CHILDREN AND YOPUNG PEOPLE – COUNCILLOR REITH

- 16.1 In addition to the three general questions the Committee raised issues and requested further information on 12 budget proposals from this portfolio.
- 16.2 **General question 1**
Fees & Charges – where budgets are under pressure, for example due to the recession, how is the pressure being dealt with if no investment bid has been made?
- 16.3 The Committee welcomed and noted the written reply. Following further questioning the Cabinet Member confirmed that there was expected to be an increase in fees (income) but that fees charged had not kept up, however service level agreement charges will reflect the costs of providing the services. Schools had a choice on service provision, but if they chose not to use Council services they could opt out.
- 16.4 **General question 2**
Specific Grants – where grant levels are due to change in 2010/11 (substantial increase or decrease) how is the variance being dealt with?
- 16.5 The Committee welcomed and noted the written reply. The Cabinet member assured the Committee that Haringey's case for fairer grant settlements were being vigorously pursued with Department of Children Schools and Families.

16.6 **General Question 3**

**Are services challenging suppliers in these recessionary times on price?
Have any price reductions been secured?**

16.7 The Committee welcomed and noted the written reply. The Cabinet Member cited Heartlands School as a good example of how a new tendering exercise on new build, achieved a reduction on cost of approximately £2m.

16.8 The Committee welcomed the other written replies received to specific requests.

Investments

16.9 Whilst recognising that many services were demand led, the Committee expressed concern at the level of the Commissioning Budget growth of £2,644k and sought re-assurance on the prudence of the growth bids made. Concern was raised about the long term funding of C&YPS as this level of investment could not be sustained. The strongest re-assurance was given by both the Cabinet Member and the Director of Children and Young People Services that the budget was designed to aid the recovery of services and that everything was being done to achieve a balanced budget as soon as possible.

Recommendation 1

The Cabinet re-affirm that the C&YP budget growth bid of £2,644k is essential to aid the recovery of services and that everything is being done to achieve a balanced budget as soon as possible.

Efficiencies

16.10 Concern was expressed that the Leaving Care & Asylum Services in particular were taking a disproportionate reduction in budget and that there was no longer a designated post of Head of Service for Leaving Care. The Committee was of the view that the proposal would have an impact on service delivery and therefore it wishes the Cabinet to reconsider this bid.

Recommendation 2

The Cabinet reconsider the proposal to achieve £160k efficiencies from the Leaving Care & Asylum Services.

17. ENFORCEMENT & SAFER COMMUNITIES PORTFOLIO – COUNCILLOR CANVER

17.1 In addition to the three general questions the Committee raised issues and requested further information on 4 budget proposals from this portfolio.

17.2 The Committee welcomed and noted the written replies to the 3 general questions and the other written replies received.

17.3 Concern was expressed on the proposals to achieve efficiencies of £38k in Town Centre Management and of £46k in funding of Wood Green Town Centre. Although not large sums the view was expressed that due to the economic downturn, it was

not an appropriate time to be seeking a saving, therefore the Committee wishes the Cabinet to reconsider these bids.

Recommendation 3

The Cabinet reconsider the proposals to achieve efficiencies of £38k in Town Centre Management and of £46k in funding of Wood Green Town Centre.

18. LEADER AND PERFORMANCE PORTFOLIO – COUNCILLOR KOBER

- 18.1 In addition to the three general questions the Committee raised issues and requested further information on 9 budget proposals from this portfolio.
- 18.2 The Committee welcomed and noted the written replies to the general questions and other written replies received.

Efficiencies

- 18.3 Concern was raised at the level of efficiencies proposed by the Haringey Forward and Support Services projects and further information was requested.

19. COMMUNITY COHESION PORTFOLIO – COUNCILLOR AMIN

- 19.1 In addition to the three general questions the Committee raised issues and requested further information on 11 budget proposals from this portfolio.
- 19.2 The Committee welcomed and noted the written replies to the 3 general questions and other written replies received.

Efficiencies

- 19.3 The target for income of £42k for the sale of advertising space in Haringey People was perceived to be low. The Committee, whilst not quoting a figure, was of the view that a more challenging target should be set.

Recommendation 4

The Cabinet consider raising the income from advertising target for Haringey People.

- 19.4 The proposal for efficiency in the print budget was welcome, however the Committee was of the opinion that more efficiencies were possible. It thought that there was generally too much printed material of all kinds and type and that an internal review of the methods of printing, range of material, how it was used, the volume of printed materials and the size of individual print runs etc. would identify greater potential savings.

Recommendation 5

The Cabinet commissions an in depth review of all Council internal and external printing.

20. ADULTS SOCIAL CARE AND WELLBEING – COUNCILLOR DOGUS

- 20.1 In addition to the three general questions the Committee raised issues and requested further information on 5 budget proposals from this portfolio.
- 20.2 The Committee welcomed and noted the written replies to the 3 general questions and other written replies received. The Committee wished to congratulate the Cabinet Member on the full and frank responses received and the level of detail produced including further figures where appropriate. It wished to site them as an exemplar of good practice and how others should approach the budget scrutiny process.

Efficiencies

- 20.3 Dementia in older people, particularly those in residential care, was a topical issue. The Committee queried the projected figures and was given assurance that the projections had been agreed with NHS Haringey. The Committee was concerned by the proposed saving of £150k from the OPS residential care budget and sought assurance that carers and clients would not be disadvantaged by these proposals.

Recommendation 6

The Cabinet give an assurance that carers and clients would not be disadvantaged by this proposal and that there would be alternative methods of support provided, including extra home care, to ensure independent living.

- 20.4 The committee raised concern at the proposal to save £100k from the budget for those with no recourse to public funds. Whilst welcoming the close relationship now established with the Home Office, it was felt there was a perception that the proposal would have a disproportionate impact on asylum seekers, a significant but largely unrepresented group. The committee sought further re-assurance from Cabinet that they were not being targeted or singled out as there was also a proposal by C&YPS to reduce resources to this group.

Recommendation 7

The Cabinet confirm that the proposal will not take services away from those who need it and that adequate access to advice and funding will be maintained.

21. HOUSING SERVICES PORTFOLIO – COUNCILLOR BEVAN

- 21.1 In addition to the three general questions the Committee raised issues and requested further information on 8 budget proposals from this portfolio.
- 21.2 The Committee noted the written replies to the 3 general questions and other written replies received. However it wished to draw attention to the poor quality of response provided to the requests for further information on proposed investments totalling £1.563m. The lack of information had made the scrutiny process less effective in this area.
- 21.3 The Committee was informed that it was not possible to provide definitive information on the planned level of housing rents received next year other than that already given. Information from central government had been sent to councils late and the modelling work necessary to understand the determination of rent allocations was continuing and the results would be available in January 2010. The Committee requested that the Cabinet Member write to central government about the late release of rent subsidy figures.

Recommendation 8

The Cabinet member write to the Housing Minister on behalf of the Council regarding the late release of information used to determine housing rents.

- 21.4 The Committee noted that some of the proposals were likely to support the reduction of homeless families in temporary accommodation. The Committee wished to congratulate the Cabinet Member for the progress made on reducing the numbers in temporary accommodation so far.

Investments

- 21.5 The Committee was unconvinced at the explanation put forward for the rescheduling, until 2012/13, of savings of £221k on additional staff originally employed to assist in achieving 2* rating. It was of the opinion that they could be taken sooner.

Recommendation 9

The Cabinet reconsider the proposal to reschedule pre agreed savings of £221k on additional staff until 2012/13.

22. ENVIRONMENT & CONSERVATION PORTFOLIO – COUNCILLOR HALEY

- 22.1 In addition to the three general questions the Committee raised issues and requested further information on 15 budget proposals from this portfolio.
- 22.2 The Committee noted the written replies to the 3 general questions and other written replies received. However it wished to draw attention to the poor quality of response provided to the requests for further information. The lack of information had made the scrutiny process less effective in this area.

Investments

- 22.3 The Committee noted that the proposed investment bid of £70k would be reduced as part funding had been secured from Children & Young People Service. However whilst not a strictly budget issue, the Committee requested that the design of the scheme be changed in line with residents expressed wishes and that there be two entrance/exit access points to the car park.

Recommendation 10

The Cabinet give an assurance that any proposed works to the car park did not preclude a future two-way working for vehicles (access and egress) from the car park onto Summerland Gardens.

23. LEISURE, CULTURE & LIFELONG LEARNING – COUNCILLOR KOBER for COUNCILLOR BASU

- 23.1 In addition to the three general questions the Committee raised issues and requested further information on 10 budget proposals from this portfolio.
- 23.2 The Committee welcomed and noted the written replies to the 3 general questions and other written replies received.

Capital Budget

- 23.3 The Committee welcomed the bid of £500k for the redevelopment of Muswell Hill Library, but expressed disappointment at the length of time being taken. In the meantime the library continues to lack disabled access to toilet facilities and to the 1st Floor. The Committee would like a pragmatic and holistic approach linking capital receipts from the sale of a proportion of adjacent land, capital bids and seeking external funding.

Recommendation 11

The Cabinet adopt a pragmatic and holistic approach to Muswell Hill Library, linking capital receipts from the sale of a proportion of adjacent land, capital bids and seeking external funding, with a view to expediting the planned works.

24. RESOURCES PORTFOLIO – COUNCILLOR HARRIS

- 24.1 In addition to the three general questions the Committee raised issues and requested further information on 23 budget proposals from this portfolio.
- 24.2 The Committee welcomed and noted the written replies to the 3 general questions and other written replies received.

Capital Budget

- 24.3 The Committee was concerned at the level of investment proposed for Information Technology projects of £1.5m. It sought assurance that this was essential investment, that each project was supported by a rigorous and convincing business case and that there would be tangible and measurable benefits as a result of the investment. The Committee requested it receive a separate and full report on the IT Capital Programme.

BUDGET SCRUTINY

SUMMARY OF RECOMMENDATIONS

Recommendation 1

The Cabinet re-affirm that the C&YP budget growth bid of £2,644k is essential to aid the recovery of services and that everything is being done to achieve a balanced budget as soon as possible.

Recommendation 2

The Cabinet reconsider the proposal to achieve £160k efficiencies from the Leaving Care & Asylum Services.

Recommendation 3

The Cabinet reconsider the proposals to achieve efficiencies of £38k in Town Centre Management and of £46k in funding of Wood Green Town Centre.

Recommendation 4

The Cabinet consider raising the income from advertising target for Haringey People.

Recommendation 5

The Cabinet commissions an in depth review of all Council internal and external printing.

Recommendation 6

The Cabinet give an assurance that carers and clients would not be disadvantaged by this proposal and that there would be alternative methods of support provided, including extra home care, to ensure independent living.

Recommendation 7

The Cabinet confirm that the proposal will not take services away from those who need it and that adequate access to advice and funding will be maintained.

Recommendation 8

The Cabinet member write to the Housing Minister on behalf of the Council regarding the late release of information used to determine housing rents.

Recommendation 9

The Cabinet reconsider the proposal to reschedule pre agreed savings of £221k on additional staff until 2012/13.

Recommendation 10

The Cabinet give an assurance that any proposed works to the car park did not preclude a future two-way working for vehicles (access and egress) from the car park onto Summerland Gardens.

Recommendation 11

The Cabinet adopt a pragmatic and holistic approach to Muswell Hill Library, linking capital receipts from the sale of a proportion of adjacent land, capital bids and seeking external funding with a view to expediting the planned works.