Briefing for:	Overview and Scrutiny Budget Panel

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Title:	Draft scoping paper for Budget Scrutiny

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1. Background

1.1. This document sets out to support discussion at the OSC Budget Scrutiny scoping meeting by suggesting ways that OSC can approach Scrutiny of the draft 2012/13 Council Budget.

1.2. In the past a fairly broad brush approach has been adopted with members looking at all changes to the budget (above a certain cash value) and then making recommendations to Cabinet.

1.3. Following the Governance Review a new procedure has been adopted: the review will be conducted by a panel of five members chaired by a minority group member and will be based on three themes selected at this scoping meeting.

2. Context

2.1. Although much work went into previous budget scrutiny sessions, it has been acknowledged that better and more targeted outcomes could be generated if the panel were to focus on three specific themes and examine them in greater detail.

2.2. Because of limitations on the resources that the panel will be able to call on, this paper suggests that two areas of council activity (representing two of the three themes) are selected, each to be put under the spotlight and examined in the context of two of the "objectives" outlined below in section titled '*Theme 1 & 2*'.

2.3. For the third theme, it is acknowledged that some cross cutting scrutiny of the overall council budget is desirable. Hence there are five suggestions from which we select one to look at the council wide budget (outlined below in section titled '*Theme 3*').

2.4. These proposals are set out in more detail below.

2.5. The lists of council services and themes referred to is indicative and colleagues might wish to suggest others.

2.6. Two broad approaches are considered to the 3 scrutiny sessions.

- **Theme 1 & 2 -** This takes a service line/ Directorate approach and seeks to interrogate it to fully understand the options, opportunities, and trade-offs to be made in that area for budget setting.
- **Theme 3** - The third theme would consider a broad theme to be explored on a cross council basis.

2.7. It is suggested that two sessions are used to explore a specific service offering in some detail, and the third session tackles a council-wide theme.

3. Theme 1 & 2 – Review of service offering

3.1. Objectives – the principle of each review (suggest choosing <u>2</u> from this list)

For a defined service offering, to understand:
- **Cost to provide service**: What it costs to provide that service, how that money is spent and benchmarking costs against other statistical neighbours
- **Choice:** The degree of choice within that expenditure – mandatory vs. non-mandatory provision
- **Impact on local economy:** The extent to which that expenditure supports the Haringey economy, and what options there are to improve that (noting that may imply a higher cost)
- **Capital Investment:** What capital investment is required or could be deployed to better support the service: in particular to identify any capital spend that would reduce future operating costs (noting that investment may not be available at this point in time)
- **Local control:** How that service and budget could be managed/influenced via the Area Committees

Objective	Detailed review requirement
Cost to provide service	- Last year's actual expenditure described by (CIPFA) expenditure type and provide the most relevant physical measure determining each expenditure line. E.g. for "staff costs" provide the total number of staff - Budget assumptions over MTFP for year on year change from last year's actuals - Staffing: Total staff (Full Time Equivalent) deployed in delivering this service; proportion of management staff; average span of control (average number of people managed by each line manager) - Benchmarking information of costs of services from other comparable local authorities
Choice	- Description of statutory minimum output for the service; description of outputs/ service levels above that minimum - Estimate of proportion of spend that is spent on providing that

	• Identify voluntary sector bodies that are already involved in this provision, have been in the past, or could become involved • Business case for activity in excess of the statutory minimum
Impact on local economy	• For last year's actual expenditure on non-staff costs: list the companies receiving payments; show which of those companies are SME (Small or Medium Enterprises) and which are based in Haringey • Seek from the service area ideas as to how they could spend more of their budget in the borough, and estimate any cost implications that may have
Capital Investment	• Business case (cost: benefit analysis) for any investment currently assumed in MTFP to support this service • Seek additional investment opportunities for the service area where additional capital spend could result in on-going operating cost savings (quantify the pay-back period)
Local control	• An assessment to establish, if this service was devolved entirely to the Area Forums, how would they allocate budget, what decisions would the centre have to take, and what decisions would the areas have to make?

3.2. The challenge is in defining a service offering that is easily understood and for which data is readily available. This lends itself towards choosing a Directorate or sub-directorate

3.3. Suggested list of service offerings that could be considered under the objective above:

3.3.1. The following are suggested topics which would be subject to the review objectives detailed above, plus any specific additional questions for that area:

Older People
- The impact of Council funding changes on early intervention and knock-on effect on NHS/partner organisation/Council budgets

Schools
- With the growth in Free Schools and Academies, how does the service plan to respond to declining demand for its services, whilst planning to meet overall demand for education and to raise standards in the schools it retains?

Children's Services excl schools
- Costs of caring for vulnerable children
- In-house provision compared to outsourced provision e.g. fostering, children's homes

- Legal costs of children in Care
- Youth service provision

Economic Regeneration
- Analysis of the impact of regeneration spending on areas and individuals – is the money spent providing the outcomes required, what were the objectives of regeneration projects?
- Approach to Wards Corner now that application rejected; alternative ways to spend earmarked funds for that site

Housing - Homeless Services
- ⚲ Analysis of how we provide emergency and long term accommodation of homeless families in the borough.

4. Theme 3: Council-wide, non-service specific areas

4.1. Suggest choosing 1 from this list.

Partnership working (with other authorities, agencies, and the voluntary sector)

- What evidence is there that partnership working with other councils, agencies and charities has been explored, savings made and services improved?

Assets, infrastructure and property
- Which assets are the Council selling off - and which ones are they keeping (and why)?
- Estate size: with the council workforce shrinking what is being done to deal with the surplus generated? Are there opportunities through alternative ways of working (hot desking, flexible working) for further reducing size of the estate?
- Are we making best use of existing buildings like Hornsey & Tottenham town halls, Ally Pally and Bernie Grant Centre? What is our strategy for the Technopark?
- What premises does the council own and lease out, and where does it pay costs to lease properties?

Environment
- How will departmental savings/investments contribute to Haringey's stated aims of reducing CO2?

Statutory vs. non-statutory service provision
- Thematic review of all departments to identify what services are provided due to statutory obligations and services provided that are non-statutory.
- This should also be used as a opportunity to analyse cost comparisons for statutory services with other comparable boroughs

Council fees and charges
- Analysis of the costs of enforcement and administration vs. revenue generation on charges such as CPZs
- Wider scrutiny of charging structures and use of resources for charging subsidy

5. Recommendation

5.1. That the Budget scrutiny panel agrees to scrutinise two service/directorate areas and one cross-cutting area as its three themes for Budget Scrutiny.