


Overview and Scrutiny Committee**On 28 November 2006**

Report title:	Budget scrutiny - Pre business plan review documents for the Community Involvement Portfolio
Report of:	The ACE OD, ACE Strategy, ACE Access and Acting Director of Finance
Wards affected:	All
1. Purpose	
1.1	To update Members on the financial planning process and to consider the pre business plan reviews for the following business units: <ul style="list-style-type: none">• Organisational Development (Member Services)• Strategy (Communications, Corporate Consultation & Engagement and Voluntary Sector)• Neighbourhood Management• Customer Services• Libraries and Museums
2. Recommendations	
2.1	To note the latest financial planning position as set out in the report.
2.2	To consider and make recommendations to the Executive on the pre-business plan review documents, in particular the new savings and investment proposals. The recommendations of the Overview and Scrutiny Committee will be considered by the Executive in agreeing the Council's final budget for 2007/08.

Report authorised by:	Stuart Young Head of Personnel David Hennings ACE Strategy Justin Holliday ACE Access	 Gerald Almeroth Acting Director of Finance
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3. Executive summary 3.1 The report provides an update on the financial planning process and pre-business planning documentation for scrutiny.		
4. Reasons for any change in policy or for new policy development 4.1 None		
5. Access to information: Local Government (Access to Information) Act 1985 5.1 The following background papers were used in the preparation of this report: <ul style="list-style-type: none"> • Report of the Acting Director of Finance to the Executive 4 July 2006 – Financial planning 2007/8 to 2010/11 • Report of the Acting Director of Finance to the Overview & Scrutiny Committee 24 July 2005 – Budget Scrutiny • Report of the Acting Director of Finance to the Executive 31 October – Financial planning 2007/8 to 2010/11 (including the detailed PBPR documents) <p>For access to the background papers or any further information please contact Kevin Bartle on 020 8489 3743.</p>		

6 Background

- 6.1 The Executive on 4 July 2006 considered a comprehensive report on financial strategy for the period 2007/08 to 2010/11 and agreed a business planning and budget-setting process. At that time the budget showed a significant gap for the years 2007/08 and 2010/11, with an overall gap of £13.6m over the full four year planning period. This assumes the achievement of pre-agreed savings proposals of £8.2m. The assumed council tax in the projection is an increase of 2.5% in each of the four years and a known grant settlement figure of 2.7% in 2007/08. Attached at appendix 1 is the budget trail as reported to Executive in July which sets out the overall position.
- 6.2 A further report was considered by the Executive on 31 October 2006 to release the pre-business plan reviews for scrutiny and a number of national and local updates were considered.
- 6.3 As part of the pre-business planning review process, targets were set for individual business units to identify potential savings opportunities. The targets took account of the level of savings already identified in current financial plans and previous years. These savings targets were aligned to the governments Gershon efficiency targets of 2.5% per annum. Ring-fenced funded services were separately identified within this process. The savings proposals will be required to fund the budget gap identified above and any additional investments that are agreed as part of this budget setting process. The final budget proposals will depend on the level of formula grant received from government, which will be announced in early December.

7 Pre business plan reviews

- 7.1 Members will recall that the purpose of the pre-business review process is to:
- ensure that the financial planning process is clearly linked with, and reflects, the full strategic agenda of the Council;
 - ensure that all budget options support the achievement of community strategy objectives;
 - ensure that proposals are considered in conjunction with the impact on service performance;
 - ensure that budget options enhance the achievement of value for money;
 - review the impact of previous years investment proposals;
 - identify efficiency savings, both cashable and 'non-cashable', and investment opportunities both within and between business units;
 - support consultation activity with key stakeholders;
 - support the budget scrutiny process;
 - gather information to support a number of planning processes.
- 7.2 The reviews have been prepared in conjunction with Executive Members and are released for scrutiny.

7.3 To assist members in the scrutiny process we have attached to this report in appendix 2 extracts of the PBPRs relevant to this portfolio by business unit in respect of new proposals:

- Pre agreed cashable efficiency savings (PBPR section 5.3)
- New proposed cashable efficiency savings (PBPR section 13)
- New revenue investment proposals (PBPR section 12);
- New capital investment proposals (PBPR section 11);
- Non General Fund proposals (if appropriate).

Members have also been provided with a list of the investments agreed in previous years' budgets for information (PBPR Section 5.5). Although these investments have been agreed and accounted for, it may be that, given the challenging forecast financial position, members would like to revisit them.

7.4 Members are asked to consider these proposals in relation to 7.1 above.

7.5 Appendix 3 provides an overview of the 2006/07 budget by business unit across the Council and summarises the proposals over the four year planning period to give members a view of the overall scale of the proposals.

7.6 The following section in the report summarises the key service issues and objectives by business unit over the planning period.

8 Departmental Services Issues

Organisational Development

8.1 Key strategic issues / objectives and links to savings & investment proposals

- Reduction of print costs for meetings as more becomes available online. We will stop printing copies for officers and those Members who are ok to receive information in electronic format = £10K
- Deliver more Member development ourselves and reduce the use of external trainers = £30K
- Apply criteria to focus Member attendance at conferences to those relevant to role = £10K
- Review the use of webcast future developments = £20K
- Reduce administrative support to meetings as these reduce following a review of the constitution = £40K

Strategy (Communication; Voluntary Sector; Consultation)

8.2 Key strategic issues / objectives

- To improve the Corporate Voluntary Sector Teams (CVST) arrangements for allocating, managing and monitoring organisations in receipt of funding. In particular ensuring a system is in place whereby, if there are sensitive issues at play within the voluntary sector, the Council has a better overview and improved information sources to manage risk and to resolve in a joined up way.
- To develop the capacity of the CVST to take a corporate lead on strategic initiatives relating to the voluntary sector, where appropriate

and relevant. This will include development of a Voluntary Sector Strategy which will help define the strategic projects that the team need to develop and implement in the near future. This will also involve leading on the implementation of a commissioning and grant aiding strategy and working more closely with Departments on joint voluntary sector initiatives.

- To continue to maintain existing efficiency gains. Having achieved big efficiency gains of 29 % in Publicity Design & Print over the past two years, CCU is committed to maintaining or increasing this so that the council continues to enjoy maximum outputs and effect for the money it spends on communications. In addition to increased outputs of existing services, CCU has introduced additional ones such as media evaluation, consultations consultancy and corporate marketing campaigns without extra resource.

8.3 Link to savings and investment proposals

- Retention of the current levels of management and staffing for the CVST and implementing savings through a gradual reduction in funding to voluntary sector groups.
- A dedicated resource to monitor the use of community buildings. As part of the move to ensure a more effective approach to the management and control of community buildings it necessary that a community buildings monitoring function is created that can work closely with the existing monitoring function in the CVST.
- Increased savings through better planned print buying. The challenge for future years is for service areas to properly utilise CCU services and eliminate unnecessary material. We cannot estimate these savings with reasonable certainty until all areas have completed returns to us on future publications work plans.

Neighbourhood Management

8.4 Key strategic issues / objectives

Over the next four years key objectives for Neighbourhood Management include building community and business engagement as part of supporting the Council's drive for excellence, exploiting opportunities to deliver local and accessible, and building community empowerment. This involves working with local people, partner agencies voluntary groups and business partners to develop agreed priorities and programmes for action.

8.5 Link to savings and investment proposals

The efficiency savings identified in the Pre-Business Plan reflect a commitment to supporting neighbourhood work at local level. They aim to maximise external funding opportunities, minimise use of temporary agency cover, to use IT effectively to reduce high support costs, and to sustain increased income at Broadwater Farm Community Centre to reduce council subsidy. To ensure work is maintain work at the front line post deletions have been kept at a minimum and where feasible will impact on central support within the service.

Capital bids relate to ongoing external investment in Tottenham High Road. English Heritage now require match funding to draw down their annual grant. (50%). The investment from LBH will ensure continued improvement in the historic buildings along the High Road, which contributes positively to the regeneration of Tottenham High Road and its businesses. The same rationale applies to the investment bid for Holcombe Market which complements the major EU investment of £1.4m in a new managed workspace facility for small start up businesses on Stoneleigh Road. This bid for Holcombe Market recognises the importance of this civic space in Bruce Grove and Tottenham's town centre.

Customer Services

8.6 Key strategic issues / objectives and links to savings & investment proposals

The pre-agreed savings from channel shift and increased efficiency are challenging. There are currently plans in place to improve performance but it may prove necessary to review the profile of the pre-agreed savings to ensure the performance improvements are delivered and embedded.

Libraries & Museums

8.7 Key strategic issues / objectives and links to savings & investment proposals

The service continues to improve and perform well and is well placed for the increased functions (culture and adult learning) suggested in the new structure. The implementation of self-issue is progressing well and the consequent staff changes are being planned.

9 Consultation

9.1 This is part of the consultation of the business and financial planning process.

10 Summary and conclusions

10.1 The conclusions will be for the committee to decide before agreeing a report back to Executive as part of the budget process.

11 Comments of the Head of Legal Services

11.1 These budget options are being considered as part of the consultation process that will lead to the statutory budget setting decision by the Council.

12 Equalities implications

12.1 This is considered as part of the individual pre-business plan review documents.

13 Use of appendices

13.1 Appendix 1 – The budget trail as reported to the Executive in July 2006 which sets out the overall position.

13.2 Appendix 2 – extracts from the pre-business plan review documents showing:

Pre agreed cashable efficiency savings (PBPR section 5.3)
New proposed cashable efficiency savings (PBPR section 13)
New revenue investment proposals (PBPR section 12);
New capital investment proposals (PBPR section 11).
Pre agreed investments (memorandum item PBPR section 5.5);
Non General Fund proposals (if appropriate).

13.3 Appendix 3 – summary budget analysis document (2006/07 to 2009/10)

13.4 Pre-business plan review documents (circulated separately).

London Borough Of Haringey
 PBPR Capital Investment Bids 2007/08 - 2010/11
 Executive Member For Community Involvement

Appendix 2

Form Number	Portfolio	Directorate	Business Unit	Capital Project Title	Corporate Resources Funding Bid 2007/08 - 2010/11	Total Capital cost					Revenue Growth PBPR Table 12 2007/08 - 2010/11	Corporate Resources as a Contribution of Capital Cost %
						2007-08 £'000	2008-09 £'000	2009-10 £'000	2010-11 £'000	Total £'000		
046	Exec Member: Comm Inv	Chief Executive's	Customer Services	Refurbishment of the 4 Customer Service Centres	100	100	0	0	0	100	100%	
			Customer Services		100	100	0	0	0	100		
			Total									
047	Exec Member: Comm Inv	Chief Executive's	Neighbourhood Management	Bruce Grove Core Centre, Heritage Lottery Fund	0	375	742	607	0	1,724	0%	
048	Exec Member: Comm Inv	Chief Executive's	Neighbourhood Management	English Heritage PSICA Grant Scheme 2007-2010	300	220	220	220	0	660	45%	
049	Exec Member: Comm Inv	Chief Executive's	Neighbourhood Management	Holcombe Road Market	200	200	0	0	0	200	100%	
050	Exec Member: Comm Inv	Chief Executive's	Neighbourhood Management	Stoneleigh Road Depot site redevelopment	0	356	0	0	0	356	0%	
051	Exec Member: Comm Inv	Chief Executive's	Neighbourhood Management	Wards Corner	6,000	6,000	0	0	0	6,000	100%	
			Neighbourhood Management Total		6,500	7,151	962	827	0	8,940	0	
052	Exec Member: Comm Inv	Chief Executive's	Libraries, Archives & Museums	Alexandra Park Library Disability Access	50	80	0	0	0	80	63%	
053	Exec Member: Comm Inv	Chief Executive's	Libraries, Archives & Museums	Hinggate Library Disability Access	50	50	0	0	0	50	100%	
054	Exec Member: Comm Inv	Chief Executive's	Libraries, Archives & Museums	Libraries Stockfund Support	1,270	300	320	320	330	1,270	100%	
055	Exec Member: Comm Inv	Chief Executive's	Libraries, Archives & Museums	Libraries Improvements	330	100	110	120	0	330	100%	
			Libraries, Archives & Museums Total		1,700	530	430	440	330	1,730	0	
			Grand Total £000		8,300	7,781	1,392	1,267	330	10,770	0	

PBPR Table	Saving / Growth	Portfolio	Directorate	Business Unit	Details of Efficiency/Proposed Investment/Proposed Efficiency Saving/ Investments	2007/08 over and above 2006/07 £'000	2008/09 over and above 2007/08 £'000	2009/10 over and above 2008/09 £'000	2010/11 over and above 2009/10 £'000	Cumulative	Dependencies/Impact
5.3	S	Exec Member: Comm Inv	Chief Executive's (Access)	Customer Service	Siobel development resulting in improved efficiency: process improvement, understanding what creates demand and taking action to satisfy needs and reduce demand, migration to self service channels.	294	268			562	The level of savings possible is at risk if the service quantum reduces. The market testing of Homes for Haringey repairs could result in the outsourcing of the Call Centre element of repairs reporting. This will severely impact the capability to deliver this level of saving unless Homes for Haringey increase the volume of other services available through Customer Services, and at present there are no firm plans to do this. This will also impact the capability of Customer Services to bear the current level of overhead. The current failure to meet existing patterns of demand makes achieving these planned efficiency savings difficult in this profile, unless we accept the current waiting times as the norm. It is recommended that the profile of savings be reviewed in order to invest in improvements in service delivery during the implementation of the Customer Services Strategy and to enable the call centre and CSC recovery plans to address improvements in service delivery for the growing number of customer contacts.
				Customer Service Total		294	268	0	0	562	
5.3	S	Exec Member: Comm Inv	Chief Executive's (Access)	Libraries & Museums	Efficiency savings resulting from self issue	100				100	By the end of 2006-07 RFID will have been installed in all three of our main libraries. We expect to achieve staff related efficiency savings following the implementation of the libraries restructure in 2007/08.
				Libraries & Museums Total		100	0	0	0	100	
5.3	S	Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	External funds to change staff time	13				13	Heritage Lottery Fund has been secured
13	S	Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	Reduce 2 posts - Review of NMW programme	80				80	
13	S	Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	Reduced use of agency staff	20	20	20	20	80	
13	S	Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	External funding - To replace core budget	20	20	20	20	80	
13	S	Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	Area Assemblies - To maximise using e-invites	10	10			20	
13	S	Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	Broadwater Farm CC - new hire charges in place		35	35	30	100	
13	S	Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	Delete 1 admin/finance post		35			35	
				Neighbourhood Management Total		143	120	75	70	408	
5.3	S	Exec Member: Comm Inv	Chief Executive's (Access)	OD	Member enquires function	17	31			48	07/08 pre agreed savings are on track to be delivered
5.3	S	Exec Member: Comm Inv	Chief Executive's (Access)	OD	Town Twinning	2				2	Pre agreed saving for 07/08 on track to be achieved

Key:
5.3 - Pre-Agreed Savings
13 - New Proposed Savings
12 - New Proposed Growth

PBPR Table	Saving / Growth	Portfolio	Directorate	Business Unit	Details of Efficiency/Proposed Investment/Proposed Efficiency Saving/ Investments	2007/08 over and above 2006/07 £'000	2008/09 over and above 2007/08 £'000	2009/10 over and above 2008/09 £'000	2010/11 over and above 2009/10 £'000	Cumulative	Dependencies/Impact
13	S	Exec Member: Comm Inv	Chief Executive's OD	OD	Further reduce hard copy printing of committee agendas to all but essential paper copies using electronic provision			10		10	10 Full implementation of recently revised report writing guidelines. Ability to rely on web based media for dispatch of papers.
13	S	Exec Member: Comm Inv	Chief Executive's OD	OD	Member L&D reduce use of external consultants and deliver more training in-house		15	15		30	Dev of internal resource, income generation realised
13	S	Exec Member: Comm Inv	Chief Executive's OD	OD	Reduce number of external conferences attended by Members		10			10	Containable if MLD resources dedicated. Review of attendance policy with clearer links between learning activities, PDPs and roles
13	S	Exec Member: Comm Inv	Chief Executive's OD	OD	Reduction in future development of web cast such as interactivity, mobile unit.		20			20	Realisation of income generation potential.
13	S	Exec Member: Comm Inv	Chief Executive's OD	OD	Deletion of 1FTE support post from reduction in formal meetings by approx 36 per year				40	40	This reduction is dependent on reducing the number of formal meetings and review of the constitution.
OD Total						19	76	25	40	160	
5.3	S	Exec Member: Comm Inv	Chief Executive's (Strategy)	Strategy & Communication	Management and support / corporate saving.	10				10	Original target for 2007/08 was 50k. Savings of 40k have been passed over to the CVST and this is reflected in the new cashable savings for CVST. Therefore 10k is retained within management and support and will be achieved through a reduction in the salary budget. The saving of 148k in 07/08 is intended to be a corporate saving dependent on a review/restructuring of the policy function across the council. This saving is not attributable to the strategy service alone and therefore will not be achieved.
5.3	S	Exec Member: Comm Inv	Chief Executive's (Strategy)	Strategy & Communication	CVST	89	60			149	Savings for 06/07 have been achieved by reducing the new initiatives development fund grants. Savings in 07/08 (71k) and 08/09 (60k) will be achieved by not passing on the inflationary increase in the grants budget to voluntary sector groups, which effectively means a reduction in funding to groups. The additional saving of 18k in 07/08 will be achieved by reducing the training budget by 15k, and small grants budget (New Initiative Development Fund) by 3k.
13	S	Exec Member: Comm Inv	Chief Executive's (Strategy)	Strategy & Communication	CVST	22	20	67	69	178	Savings in 2008/09 (11k), 2009/10 (67k) and 2010/11 (69k) will be achieved by not passing on the inflationary increase in the grants budget to voluntary sector groups. Savings in 2007/08 (12k) and 2008/09 (12k) will be achieved reducing the small grants budget (NIDF). Additional savings of 10k in 07/08 will be achieved by reducing the intervention fund.
S Total						121	80	67	69	337	
Strategy & Communication Total						677	544	167	179	1,567	

Key:
 5.3 - Pre-Agreed Savings
 13 - New Proposed Savings
 12 - New Proposed Growth

PBPR Table	Saving / Growth	Portfolio	Directorate	Business Unit	Details of Efficiency/Proposed Investment/Proposed Efficiency Saving/ Investments	2007/08 over and above 2006/07 E'000	2008/09 over and above 2007/08 E'000	2009/10 over and above 2008/09 E'000	2010/11 over and above 2009/10 E'000	Cumulative	Dependencies/Impact
12	G	Exec Member: Comm Inv	Chief Executives (Access)	Customer Service	Resource for a dedicated FOI Officer to sit within the Service Development Team in Customer Services	40	-	-	-	40	This is dependent on the planned changes in the FOI report being agreed by CEMB.
G Total						40	-	-	-	40	
				Customer Service Total		40	-	-	-	40	

Key:
 5.3 - Pre-Agreed Savings
 13 - New Proposed Savings
 12 - New Proposed Growth

Portfolios	Directorate	Business Unit	Details of Pre-Agreed Investment	2006/07 over and above 2005/06 £'000	2007/08 over and above 2006/07 £'000	2008/09 over and above 2007/08 £'000	Total 07/08-08/09	Dependencies/Impact
Exec Member: Comm Inv	Chief Executive's (Access)	Neighbourhood Management	Broadwater Farm CC	282				0 Manager has now been recruited, staff team is being restructured, members have agreed new hire rates. Extended programme is being delivered to accommodate more community groups.
Exec Member: Comm Inv	Chief Executive's (Access)	Customer Service	£50k for promoting/achieving channel shift from existing (expensive) phone/face-to-face channels to (cheap) web enabled channels.	50				0 A take-up campaign is currently (August/september) in planning and will run in parallel with the Government's National Take-up Campaign. A combination of media types will be used to raise public awareness of the new services that will be available to them
Exec Member: Comm Inv	Chief Executive's (Access)	Customer Service	Workforce Management System	10				0 The Capital project for implementation of the system has delayed to late 2006/early 2007.
Exec Member: Comm Inv Total				342	0	0	0	