

Decisions of the Budget and Performance Overview and Scrutiny Committee

19 September 2012

Members Present:-

Councillor Brian Coleman (Chairman)
Councillor Joan Scannell (Vice-Chairman)

Councillor Geof Cooke	Councillor Hugh Rayner
Councillor Brian Gordon	Councillor Alan Schneiderman
Councillor Arjun Mitra	Councillor Reuben Thompstone
Councillor Alison Moore	Councillor Andrew Strongolou (In place of John Marshall)

Also in attendance

Councillor Richard Cornelius - Leader of the Council
Councillor Daniel Thomas - Deputy Leader and Cabinet Member for Resources and Performance
Councillor Dean Cohen - Cabinet Member for Environment
Councillor Sachin Rajput - Cabinet Member for Adults
Councillor Robert Rams – Cabinet Member for Customer Access and Partnerships

Apologies for Absence

Councillor John Marshall

1. MINUTES OF THE PREVIOUS MEETING

RESOLVED:-

That the minutes of meeting of the 19th June 2012 be approved.

2. ABSENCE OF MEMBERS

An apology for absence was received from Councillor John Marshall who was substituted for by Councillor Andrew Strongolou.

3. DECLARATION OF MEMBERS' INTERESTS

None.

4. PUBLIC QUESTION TIME

Details of the questions asked are set out in an appendix to the agenda. Verbal responses were given to the supplementary questions asked at the meeting.

5. EARLY INTERVENTION AND PREVENTION STRATEGIC OUTLINE CASE

The Leader of the Council, Councillor Richard Cornelius, the Deputy Director of Children's Services, Jay Mercer, and the Assistant Director Commercial Services, Ed Gowan, presented the Early Intervention and Prevention Strategic Outline Case which was scheduled to be considered by the Cabinet Resources Committee on 27 September 2012. In presenting the item, the Leader emphasised the financial imperative of the early intervention approach which would assist in minimising costly state interventions at a later stage in resident's lives.

Members noted the proposed budget reductions in Early Intervention and Prevention and the wider Children's Service as set out in the budget proposals and questioned how this reduction would reconcile with the investment required to make the early intervention approach successful. The Deputy Director of Children's Services advised the Committee that there was balance to be achieved in investing the approach and meeting the requirements of the Medium Term Financial Strategy. He advised the Committee that Barnet's Family Focus Programme had received a grant (Troubled Families) from Central Government which had funded a significant proportion of the cost of the service.

The Committee noted the budgeted cost of £226,376 for the production of the Outline Business Case and questioned whether this represented value for money. The Assistant Director Commercial Services highlighted the importance of developing the workstreams to ensure that financial savings and positive outcomes would be achieved from investment in the early intervention approach.

Concern was expressed regarding the robustness of the savings projections given the disinvestment in the Early Intervention and Prevention Service. The commitment of public sector partners to investment in early intervention was also questioned as this was considered to be an essential prerequisite to successful implementation. The Committee noted that the national research was generic and sought assurance that the approach detailed at Outline Business Case stage would be Barnet specific.

Referring to workstreams 3 and 4, Members questioned whether consideration had been given to the interrelationship with the NSCSO provider and external providers in the transfer of data relating to vulnerable families. The Assistant Director Commercial Services emphasised that data security would be a key consideration in the project.

Councillor Moore proposed that a recommendation be made to the Cabinet Resources Committee regarding the impact of budget reductions in the Early Intervention and Prevention Service and the impact on delivering the Early Intervention and Prevention Project. The proposal was duly seconded by Councillor Cooke. Upon being put to the vote, the motion was lost.

RESOLVED that:-

- 1. the comments and recommendations made by the Committee on the Early Intervention and Prevention Strategic Outline Case, as set out in the preamble above, be referred to the Cabinet Resources Committee for consideration.**

2. **the Committee request that the Strategic Outline Case be reviewed and amended to make the language contained therein more accessible.**

DURING CONSIDERATION OF THE ABOVE ITEM, COUNCILLOR BRIAN GORDON LEFT THE MEETING AT 7.45PM.

6. SPORT AND PHYSICAL ACTIVITY REVIEW STRATEGIC OUTLINE CASE

The Cabinet Member for Customer Access and Partnerships, Cllr Robert Rams, the Assistant Director Commercial Services, Ed Gowan, and Project Manager, Omar Villalba, presented the Sport and Physical Activity Strategic Outline Case. The Assistant Director Commercial Services advised the Committee that the Sport and Physical Activity Review was seeking to identify needs, map these against current borough-wide provision and determine a strategy for the future.

The Committee questioned why the project had been delayed and whether this would have an impact on the projected £1million of savings identified in the Medium Term Financial Strategy. The Cabinet Member for Customer Access and Partnerships advised the Committee that the £1million saving related to reduced costs in relation to the GLL contract. Members questioned whether the Council would be required to invoke a break clause in the GLL contract (which ran until 2017). Officers reported that discussions were ongoing with GLL regarding changing the terms of the contract to achieve the saving.

Members questioned the extent to which sports and physical activities were available in the borough which had a nil cost to the Council. The Cabinet Member for Customer Access and Partnerships highlighted that the development of a One Stop resource for sport and physical activities was being considered as part of the review and undertook to circulate details to the Committee.

Councillor Schneiderman proposed that a recommendation be made to the Cabinet Resources Committee to remove Option 1 (Exit from sports and physical activity provision, including the development of leisure centres) from the Strategic Outline Case. The proposal was duly seconded by Councillor Moore. Upon being put to the vote, the proposal was lost.

RESOLVED that:–

3. **the comments and recommendations made by the Committee on the Sport and Physical Activity Strategic Outline Case, as set out in the preamble above, be referred to the Cabinet Resources Committee for consideration.**

7. BUSINESS PLANNING 2013/14 - 2014/15

The Chairman emphasised that the Committee were considering the Medium Term Financial Strategy (MTFS) for 2013/14 to 2014/15 in advance of the Cabinet developing budget proposals for presentation in November. The Committee would be considering the savings outlined in the MTFS and seeking to determine whether these were expected to be achieved.

The Deputy Leader of the Council and Cabinet Member for Resources and Performance, Councillor Thomas, and the Assistant Director of Strategic Finance, John Hooton, responded to questions from the Committee. They were supported by the Leader of the Council, Councillor Richard Cornelius, the Cabinet Member for Adults, Councillor Rajput, and the Cabinet Member for Environment, Councillor Dean Cohen, for matters which related to their respective portfolios.

The following questions were posed by the Chairman to the Deputy Leader of the Council and Cabinet Member for Resources and Performance:

- Council Tax Freeze – referring to whether a Council Tax freeze could be achieved in the forthcoming financial year, the Committee were informed that a 2.5% Council Tax increase had been included in the base budget for 2013/14 onwards. A Council Tax freeze could only be achieved if an additional £4 million of savings were identified in the budget.
- One Barnet Savings – the Chairman queried whether the Cabinet were confident of achieving the projected savings from the One Barnet Programme. Members were advised that these would be met or exceeded, with a total of £30million of savings expected to be achieved.
- Friern Barnet Library – it was questioned whether the projected £100K saving had been achieved following the closure of Friern Barnet Library as part of the Libraries Strategy. The Committee were advised that the £100K savings had been achieved and that these related to savings in staff costs. It was noted that the capital receipt from the sale of the premises was required to fund the upgrade to the remainder of the libraries network.
- Fees and Charges – the Committee were informed that there was no policy in place to link fees and charges to inflation.
- Traffic Management, Moving Traffic Violations – the Chairman questioned whether the proposal to introduce CCTV enforcement for yellow box and banned turn violations would proceed. The Cabinet Member for Environment confirmed that it would.
- Council Tax Support Scheme – the Deputy Leader of the Council and Cabinet Member for Resources and Performance reported that the estimated cost of the changes to the Council Tax system was estimated to be £4.4million. Officers had been working to contain the additional costs within the Council Tax budget.
- Housing Reforms – the Committee noted that the recent Housing Reforms would result in council housing tenants being charged up to 80% of market rents.
- Council Funded Voluntary Sector Groups Reserves – Officers reported that the Council would obtain details of the financial status of voluntary sector organisations if they applied for grant funding.
- Schools Balances – the Chairman estimated that schools were holding between £10-12 million of local authority funding in their reserves. The Deputy Leader of the Council and Cabinet Member for Resources and Performance undertook to provide figures on schools reserves to the Committee. The Committee noted that the London Academy had been working with the Council on the Early Intervention and Prevention

Project and had been utilising some of their reserves to fund this work. Members noted that schools reserves were often off-balance sheet due to accounting rules.

- Blue Badges / Freedom Passes Administration Fee – the Committee were informed that the Council were currently consulting on the introduction of the £10 administration fee for blue badges. Consideration would be given as to whether this could be extended to Freedom Passes.

Adult Social Care and Health

Members questioned how a £132,000 reduction in the contract value for Generic Floating Support could be justified when the recent decision to reduce sheltered housing support had been based on the investment in this area. The Cabinet Member for Adults and the Deputy Director of Adult Social Care advised the Committee the saving would be achieved through better negotiation and contract monitoring with supported living providers. There would not be any reduction in service level.

Chief Executive's Service

In relation to libraries, the Committee noted that the Council were anticipating achieving £130K savings by replacing staff with volunteers. Members noted that the £100K saving in relation to the creation of a new landmark library would be dependent on successful negotiations with the Arts Depot.

Children's Services

Responding to a question regarding the planned reductions in the Early Intervention and Prevention Service, the Deputy Leader of the Council and Cabinet Member for Resources and Performance emphasised that the majority of work in this area had been completed. Evidence of achievements and savings were detailed in Performance Monitoring and Outturn Reports.

With reference to the Youth Offer, the Deputy Director of Children's Services advised the Committee that the Council's statutory duty was to have a regard to providing activities for young people. The Council were discharging this duty was by targeting resources in areas where there was an identified need.

Members were informed that the £250K saving earmarked for the Pupil Referral Unit would need to be reconfigured as alternatives were being considered.

The Committee expressed concern that there was a proposed reduction in the provision of domestic violence services under the budget heading of Commissioned Services for Vulnerable Children and Families.

Commercial Services

The Committee questioned how the reduction in costs of maintaining properties pending sale would be achieved. The Deputy Leader of the Council and Cabinet Member for Resources and Performance informed Members that when properties or land were sold, maintenance was no longer required. The Committee noted the requirement for the Council to manage its estates as efficiently as possible.

In relation to the £393K saving in relation to Transformation of the Estates Service, the Committee were advised that this would be achieved by the service being managed more efficiently by the New Support / Customer Services Organisation (NSCSO) service provider.

Referring to the £1.1million saving in accommodation costs in 2014/15, Deputy Leader of the Council and Cabinet Member for Resources and Performance reported that this was expected to be achieved by withdrawing from Barnet House and renegotiating rents at North London Business Park.

Corporate Governance

The Assistant Director of Strategic Finance undertook to send Councillor Rayner details of the £9K saving in the Crime and Anti-Fraud Team.

The Leader of the Council undertook to remove the £88K saving in 2014/15 relating to Deletion of Political Assistants from the Corporate Governance budget reductions.

The Committee were informed that the £20k savings in Members allowances and a reduction in the Member development budget related to a saving in Member training.

Deputy Chief Executive's Service

The Committee noted that the £80K savings for Trade Unions in 2014/15 related to reduced accommodation costs.

With reference to the £154K increased income from deposits, the Committee were informed that this was dependent on increases in business rates. The Assistant Director of Strategic Finance reported that changes in the Council's Treasury Management Policy would provide the Council to with more freedom to increase the size and term of investments to achieve better returns, without exposing the Council to a higher level of risk.

Environment, Planning and Regeneration

The Committee were informed that the renegotiation of the May Gurney contract was expected to achieve up to £1 million of savings.

Street scene changes would be achieved by implementing changes to collection arrangements which would result in fewer vehicles being required.

The Cabinet Member for Environment reported that the £7K income from charging in the seven remaining free car parks would be removed from the 2013/14 savings column.

Members noted that the Special Parking Account had been experiencing service pressures which may impact on forecasted income in this area. The Committee were referred to the Quarter 1 2012/13 Performance Monitoring and Outturn which would provide detail on actual performance in this area.

One Barnet Savings

Members commented on the lack of narrative relating to the One Barnet savings detailed in Appendix B. The Deputy Leader of the Council and Cabinet Member for Resources

and Performance assured the Committee that savings were on target to be achieved or exceeded. Any variations in the figures from those previously reported were attributed to re-profiling. The Committee requested that additional information be provided in relation to savings under each of the Wave 1 Projects.

RESOLVED that:-

1. that the comments and recommendations of the Committee, as outlined above, be referred to the Cabinet for consideration in their development of the Council budget and Medium Term Financial Strategy
2. the Leader of the Council be requested to provide the Committee with an update on the progress of the Community Library at Friary Park House.
3. the Deputy Leader and Cabinet Member for Resources and Performance be requested to provide information on schools reserves to the Committee.
4. the Committee recommend that the Cabinet give consideration to charging a £10 administration fee for Freedom Passes.
5. that Cabinet note the concern of the Committee in relation to the proposed reduction in the provision of domestic violence services
6. the Assistant Director of Strategic Finance be requested to send Councillor Rayner details of the £9K saving in the Crime and Anti-Fraud Team in the Corporate Governance directorate.
7. the Committee note the undertaking of the Leader of the Council to remove the £88K saving in 2014/15 in the Corporate Governance directorate budget relating to the Deletion of Political Assistants.
8. the Deputy Leader of the Council and Cabinet Member for Resources and Performance be requested to provide additional information to the Committee on the savings under each of the One Barnet Wave 1 Projects.

8. MEMBERS' ITEM - DEVELOPMENT AND REGULATORY SERVICES PROJECT

The Leader of the Council and Deputy Leader of the Council / Cabinet Member for Resources and Performance on the Development and Regulatory Services Programme and the possibility of utilising a Joint Venture Company as the delivery vehicle of the DRS contract.

The Committee questioned whether a decision regarding utilising a Joint Venture Company for the DRS contract had already been taken as the Business Case had identified a Strategic Partnership as the preferred option.

The Leader of the Council clarified that he had not seen any documentation relating to the outcome of the DRS procurement process as officers were currently concluding the competitive dialogue process. He emphasised that no decision had been taken and all options would be considered on their own merit.

Member questioned whether the risks relating a joint venture had been captured in the One Barnet Risk Register and requested that this information be provided to the Committee.

Councillor Moore proposed that the Committee receive evidence from external experts on joint ventures and strategic partnerships at the special meeting taking place on 29 November 2012 to assist Members in scrutinising the DRS preferred option at the conclusion of the competitive dialogue process. The Chairmen advised Members that he would determine the resources that the Committee required to undertake its role effectively.

RESOLVED that:-

- 4. the Cabinet Resources Committee note the comments of the Committee, as set out above, in relation to the Development and Regulatory Services Project.**
- 5. the Assistant Director Commercial Services provide the One Barnet Risk Register to members of the Committee.**

9. CABINET FORWARD PLAN

The Committee were informed that new regulations had been published which removed the requirement for the publication of a Cabinet Forward Plan of key decisions. There was a new requirement for the Council to publish advanced notice of proposed decisions under Executive functions. The revised format document would be available to Members shortly. Members requested that any items relating to the review of parking services on the Cabinet Forward Plan be added to the Committee's work programme.

RESOLVED that:-

- 6. the Committee note the Cabinet Forward Plan.**

10. BUDGET AND PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

RESOLVED that:-

the Committee note the Forward Work Programme.

11. ANY OTHER ITEMS THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 9.55 pm

