

# Decisions of the Budget and Performance Overview and Scrutiny Committee

26 November 2013

Members Present:-

Councillor Anthony Finn (Chairman)  
Councillor Joan Scannell (Vice-Chairman)

Councillor Brian Gordon	Councillor Arjun Mittra
Councillor Andrew Harper	Councillor Alison Moore
Councillor Ross Houston	Councillor Hugh Rayner
Councillor John Marshall	Councillor Barry Rawlings

Also in attendance

Councillor Daniel Thomas - Cabinet Member for Resources and Performance  
Councillor Robert Rams - Cabinet Member for Customer Access and Partnerships  
Councillor Dean Cohen - Cabinet Member for Environment  
Councillor Sachin Rajput - Cabinet Member for Adults

Apologies for Absence

Councillor Alan Schneiderman

## 1. MINUTES OF THE PREVIOUS MEETING

**RESOLVED** that the minutes of the meeting held on 16 September 2013 be approved as a correct record.

## 2. ABSENCE OF MEMBERS

Apologies for absence had been received from Alan Schneiderman (who was substituted for by Councillor Barry Rawlings).

## 3. DECLARATION OF MEMBERS' INTERESTS

Member	Subject	Interest declared
Councillor John Marshall	Agenda Item 6 (Budget Scrutiny – Business Planning 2014/15 – 2015/16)	Non-pecuniary interest as a Council appointed representative on the Board of The Barnet Group Ltd
Councillor Ross Houston	Agenda Item 6 (Budget Scrutiny – Business Planning 2014/15 – 2015/16)	Non-pecuniary interest as a Council appointed representative on the Board of The Barnet Group Ltd

**4. PUBLIC QUESTION TIME (IF ANY)**

None.

**5. MEMBERS' ITEMS (SUBMITTED IN ACCORDANCE WITH OVERVIEW AND SCRUTINY PROCEDURE RULE 9) (IF ANY)**

None.

**6. BUDGET SCRUTINY - BUSINESS PLANNING 2014/15 - 2015/16**

The Cabinet Member for Resources and Performance, Councillor Daniel Thomas, the Deputy Chief Operating Officer, John Hooton, and the Head of Governance, Andrew Nathan, presented the Corporate Plan objectives, Medium Term Financial Strategy (MTFS) and budget headlines report for the period 2014/15 – 2015/16.

**Resources and Performance**

In response to questions on the scale and rationale for proposed budget cuts, the Cabinet Member for Resources and Performance advised that whilst all service areas were required to make cost savings and efficiency improvements, the proposed budget had been carefully balanced to support the protection of vulnerable people, maintain highways and respond to cost of living pressures. The Cabinet Member for Resources and Performance informed the Committee that savings from contracts and efficiencies had allowed for a proposed 1% cut to Council Tax and preservation of existing reserve levels.

Members questioned the real value to the taxpayer of a 1% cut in Council Tax. The Cabinet Member for Resources and Performance acknowledged that whilst it would not be a large amount of money per individual household, a recent survey had shown this to be a top three concern for local residents and the reduction would put £1.5m back in to Barnet households.

Members expressed concern with the statement that successful achievement of budget objectives required collaboration and questioned how this would be driven. The Cabinet Member for Resources and Performance stated that consistent efforts were being made to push for collaborative efficiency and acknowledged that it was a challenging prospect given the need for other boroughs and external agencies to share this task.

Addressing the reported savings due to the CSG and DRS contracts on pages 43 and 46 of the report, Members enquired as to whether additional savings would be achievable. The Cabinet Member for Resources and Performance reported that the joint venture company, Re Ltd., which had been set up to deliver the DRS contract, had already won two private sector contracts in pursuit of business growth that would generate additional revenues for the Council. The Cabinet Member for Resources and Performance also wished it noted that budgets cuts would have been far greater had savings from the Capita contracts not been realised.

A Member, commenting on the fact that the report referred to consultation on a number of occasions, asked whether savings in legal services were largely due to the high cost

associated with previously inadequate consultation. The Cabinet Member for Resources and Performance agreed that lessons had been learned from the recent judicial review but stressed that consultation happened regularly and in accordance with legal advice given.

Committee noted that an allowance had been included within the budget envelope for demographic growth in line with population projections for Adults and Communities and Children's Services. In response to a question as to why there was an allowance of zero for demographic growth in Children's Services for 2014/15, the Deputy Chief Operating Officer explained that this had already been accounted for and subsumed within the overall 2014/15 budget provision for that particular service.

A Member asked for a breakdown of those reserves and contingency balances being held to address future risks and concerns such as changes in legislation. The Cabinet Member for Resources and Performance agreed to provide this information subsequent to the meeting.

Responding to a question on whether IT expenditure had been lower in the lead up to the provision being outsourced, the Cabinet Member for Resources and Performance confirmed that whilst the contract anticipated provision for significant improvements in IT infrastructure, expenditure on IT had continued up to the handover date.

### **Street Scene**

The Cabinet Member for the Environment and the Street Scene Director, Lynn Bishop, updated the Committee on the progress with the new waste arrangements with North London Waste Authority. Members were advised that, on average, dry recyclates had increased from 320 tons per week to 550 tons per week. Food waste collections were around 160 tons per week, saving £80 per ton to the Council. A Member asked whether the refuse collection fleet was able to meet the increased demand. The Street Scene Director confirmed that collections were exceeding the expectations and an interim measure was being piloted to meeting capacity without the need for additional vehicles. The measure included the use of the May Gurney site at Mill Hill to make drop offs. Cabinet Member for the Environment highlighted that there were cost benefits associated with increased recycling.

In response to an enquiry on whether the scheme would be extended to include recycling and refuse from businesses, the Cabinet Member for the Environment advised that proposals were in the early stages but, depending on progress and consultation with businesses could be rolled out in spring 2014.

Responding to a Member's question on the frequency of collections, the Cabinet Member for the Environment confirmed that Council had committed to a weekly refuse collection for at least the next two years.

In response to questions on projected savings through reduction in street lighting energy costs, the Cabinet Member for the Environment explained that this would be achieved through the use of newer technologies and dimming of lights, not through switching them off.

Committee asked for clarification that service savings targets would not include staff reductions, as the report appeared to confirm. The Street Scene Director advised that staff were to be 'up-skilled' in order to take on multi-task roles and that agency staff usage would be scaled back as required to avoid redundancies.

### **Adults and Communities**

The Cabinet Member for Adults and the Adults and Communities Director, Dawn Wakeling, addressed the Committee on the cost-saving measures proposed for the Adults and Communities budget.

The Committee sought assurance that the budget pressure allowance figure given on page 49 of the report was realistic, in light of a steadily increasing demographic need. The Cabinet Member for Adults acknowledged that it was difficult to know for certain but was satisfied that the provision was robust and favourable given the known arrangements. The Cabinet Member for Adults added that it was important for the service to be alive to the impact of changes to legislation, such as may result from the Draft Care and Support Bill. In noting further concerns as to the reliance on external providers being able to meet demand, the Cabinet Member for Adults highlighted that budget provisions could only be based on anticipated need. The Cabinet Member for Adults stressed that Council had a statutory obligation to provide Adult Social Care services in line with needs and would meet that duty.

Members asked for a breakdown of the £660,000 of savings proposed to be achieved in 2015/6 through decreasing external third party expenditure on day care costs. The Adults and Communities Director outlined that the total was expected to be realised through purchasing reductions in residential care and privately funded day care centres. Some funding had been set aside towards partnership working with GLL (Greenwich Leisure Ltd.), Mencap and others to coordinate a wide range of social activities outside of day care.

The Committee asked whether funding cuts were expected to negatively impact staff morale and quality of services. The Adults and Communities Director confirmed that the proposals would not lead to a cut in staff directly employed by the Council, other than to three agency posts.

A Member questioned whether savings proposed to be achieved through reduction in placement costs for residents permanently settled out of the borough were likely to be greater than the costs associated with those coming in to the borough. The Adults and Communities Director highlighted that, as Barnet has the second highest number of registered care settings in London, it was expected that there would be a net gain of service users.

### **Commissioning Group Services**

The Cabinet Member for Customer Access and Partnerships and the Deputy Chief Operating Officer, John Hooton responded to Members questions on commissioning group services. The Cabinet Member for Customer Access and Partnerships spoke to the Committee on the success of the e-library service which had allowed people to make use of the library service and loan books without needing to physically visit the building. Members enquired as to whether the books were compatible with all e-reader devices and it was heard that, whilst most supported the format, currently Amazon Kindles were

not compatible. Members stressed the importance of retaining the option for physical lending given the upfront cost of e-reader technology and associated access needs. The Cabinet Member for Customer Access and Partnerships confirmed that hard copies of publications and other physical media such as agenda papers would still be offered, however there was a need to consider opportunities for cost reduction in such service areas as printing.

Referring to library running costs, Members wanted to understand how proposed reductions could be achieved. The Cabinet Member for Customer Access and Partnerships detailed how recent capital investment in libraries had contributed to improvements and opportunities for revenue growth. Sponsorship was just one income opportunity being explored although increases to user costs and fines were not being ruled out.

The Cabinet Member for Customer Access and Partnerships, in response to questions on proposals to save costs through a £80,000 reduction on spend on trade unions, highlighted that whilst it was his belief that Barnet should move towards a model that did not provide funding for trade unions, the proposed budget provision was sufficient for the service as it currently operated.

### **Children's Service**

The Education and Skills Director, Ian Harrison and the Family Services Director, Nicola Francis responded to Members on questions relating to Children's services. Members were concerned that proposed SEN transport costs, perennially targeted for reduction, had historically proven to be challenging to achieve. The Education and Skills Director described how £700k of savings had already been delivered in 2013/14 against a target of £1m. A further £500,000 of savings has been postponed to 2015/16 in order that time could be spent on an in depth assessment of the service requirements. The Committee heard that there would be consultation with service users so that delivery of transport services could be bespoke to individual needs.

A Member queried whether it was realistic to expect proposed efficiency savings in early intervention work would also lead to achieving the proposed reduction to expenditure on associated service provision. The Family Services Director explained that the team were working on identifying usage in existing contracts for areas of overlap and duplication prior to the tender of new contracts in April 2014, it was expected that this would lead to the savings being achieved.

Responding to questions on the likely impact of the Children and Families Bill, the Education and Skills Director described how certain aspects were expected to lead to a reduction on service pressures and others would increase service needs. In the main it was expected to have a neutral net outcome.

Members asked how income generation through fees for traded services would be delivered. The Education and Skills Director confirmed that the Council would continue to meet its duties in relation to funding statutory services; however, schools would now need to fund non-statutory educational psychology and education welfare services, which would be delivered as traded services.

**RESOLVED that:**

- 1. A breakdown of earmarked and general reserves and contingency balances for current and future years be provided to Committee Members; and,**
- 2. The Business Planning 2014/15 – 2015/16 report be endorsed for forward consideration to the Cabinet and Council**

**7. ADVANCE NOTIFICATION OF EXECUTIVE DECISIONS**

Councillor Moore requested an entry in the minutes to note that, given the Quarter 2 Finance and Performance Report, which included virements and changes to fees and charges, was listed as being key decision; it could have been argued that the decision regarding the £16m being transferred at the beginning of August in connection with the CSG Capita project should have been also reported as a key decision.

**RESOLVED that the Committee note the Advanced Notice of Executive Decisions.**

**8. BUDGET AND PERFORMANCE OVERVIEW AND SCRUTINY COMMITTEE FORWARD WORK PROGRAMME**

**RESOLVED that:**

- An update on the Parking Recovery Plan to be reported to Committee on 13 March 2014; and,**
- The meeting being held on 9 December 2013 to commence at 7.00pm.**

**9. ANY OTHER ITEMS THE CHAIRMAN DECIDES ARE URGENT**

None.

The meeting finished at 9.37 pm