

Appendix to Report of the Finance and Economic Development Scrutiny to the Overview and Scrutiny Committee on Scrutiny of the Budget-making process for 2004/05

9 February 2004



The appendix to the report contains the following information:

1. Summary of written questions sought from Chief Officers on budget issues..... 1
2. Questions asked of Officers at Scrutiny Meetings 5
3. Questions asked of the Executive Member 15 January 2004..... 7
4. Dates Sub-Committee met to consider the budget 8

1. Summary of written questions sought from Chief Officers on budget issues

Date	Question	To	Response Received
25 Nov	Clarification on who gets to use the chauffeur service and when etc	Borough Solicitor	9 December (follow up question asked)
9 Dec	Are there any circumstances in which people other than the Mayor and consorts use the Chauffeur Service? From information provided on the monthly budget monitor up to 30th September, it would appear that there has been an overspend of up to £50,000. Please could you supply clarification on the details of this apparent overspend?	Borough Solicitor	26 January
25 Nov	Clarification on the costs of recruiting to the new CFO post, in particular why the headhunters appear to be earning fees on a "time spent" basis rather than a fixed success fee basis	Chief Executive	15 January
25 Nov	There was an overspend £159k due to closure of libraries why?	Culture	18 December (follow up question asked)

Date	Question	To	Response Received
18 Dec	<p>Members requested that on the question re the overspend due to library closure that a clearer explanation of the first point be made to justify it was the economically correct decision. Members suggested that a contract requiring closures of libraries should have been cheaper (in terms of contract price) than one requiring them to remain open, thus offsetting the additional other costs. Was this the case?</p>	Culture	
25 Nov	<p>What is the possibility of savings from the non-schools budget?</p> <p>Members would like a short description of the current passporting rules</p>	Education	18 December (follow up questions asked for the executive)
25 Nov	<p>Is there a risk of lax budgeting with unbudgeted events in Parks and Sports leading to an overspend of £128k?</p>	Environment and Leisure	15 Jan
25 Nov	<p>Any comment on whether base budget could be reduced following the good achievement in achieving savings over current financial year?</p> <p>How much of a favourable income variance on the property portfolio will be carried forward into future years?</p>	Housing	18 Dec

Date	Question	To	Response Received
25 Nov	<p>What organisational requirement led to £135k variance on Director and Business support and what will suffer from the £82K reshuffled across the department?</p> <p>Why have staffing costs led to an overspend in the areas on Economic Development and Strategic Partnership and in the Peckham Partnership and Social Renewal?</p>	Regeneration	15 Jan (Handout separate to agenda papers)
Jan 04	<p>Re Bed-Blocking Fines Has a "shadow" fining system been in operation locally in recent months; if so what were the results? What financial provision, if any, is being made for the rest of this financial year and for the 2004/05 estimates in the light of the information in the LGC of 9 Jan 04 (page 1) that the system takes effect in earnest "this week". Are there any other financial implications (eg cost of avoiding the fines)? If so what are they?</p>	Social Services	15 January (Handout separate to agenda papers)
15 Jan	<p>1. What is the current staff costs associated with administration of community councils? 2. How many staff are involved in administration and what is the average amount of salary associated with each full time administrative post?</p>	Borough Solicitor /Community Councils	<p>Response attached</p>  <p>RE Community Councils - F&ED Budg</p>
15 Jan	<p>Closure of cash offices is expected to create savings of £495,000. How is this divided between the General Fund and the HRA? Are the General Fund savings already factored into the proposed budget?</p>	Assistant CEO	<p>Response attached</p>  <p>RE Customer Service Centres - F&E</p>

Date	Question	To	Response Received
15 Jan	Officer reports have indicated that savings can be made across the Council in this area (communications) but were not quantifiable until budgets and costs across Departments had been examined. Has this work been done? What is the total amount of resources currently spent on communications by the Council?	Assistant CEO / Communications	

2. Questions asked of Officers at Scrutiny Meetings

Social Services – Chris Bull

1. Could the Director of Social Services provide a breakdown of the proposed £7m in growth funds and could he explain if this was derived from the passporting intention or from departmental analysis of need?
2. £1.5 m savings are looked for from the Day Centre Review, but are dependent upon individual needs assessments. £21k in savings has been achieved via the new contract in Welfare Catering.
 - Two council day centres have also closed. What savings were achieved from this?
 - What percentage of needs assessments has been carried out to date?
 - Have additional needs been identified during this process?
 - What net savings can be confidently carried forward into 2004/05?
 - If £1.5 m in savings cannot be made by the beginning of the next financial year, what impact will this have on other programmes?
 - What budgetary recommendations are Social Services making to cover any shortfall?
3. Can officers now say how much additional (unplanned) funds are needed to cover uncollected debts arising in 2003/04, and to ensure that no community nurseries have to close for financial reasons and no currently provided places will be lost in 2004/05? What amount is needed to ensure that all places provided by new external sources of grant (NNI, Sure Start, etc) will be in addition to places provided to date by subsidy from Southwark?
4. Raising fees appears to reduce occupancy of places. Have officers worked out a formula to show what net additional revenue is achievable if the fee for <3's is raised to £150 per week?
5. How will this £150 fee increase impact upon the budget Social Services sets aside for 'at risk' and 'vulnerable' children?
6. Further questions on bed-blocking fines
7. Further Questions on Orchard Lodge
8. Question on specific government grants. Please could you provide a schedule of all such grants expected in 2004/05.
9. Unrecoverable asylum seeker's costs (e.g. unaccompanied children)
10. Concessionary fares

Education – Roger Smith

1. What possibilities are there for redirecting saving in any part of the non-schools budget to meet Special Education Needs (or similar needs)?
2. With regard to the deficit on individual schools budgets, why is a reserve of £600k proposed? Is it coming from the overall schools budget? Who will authorise the specific deficits? Are there any other similar reserves / provisions in the proposed schools budget?

Environment and Parks – Gill Davies

1. Further questions re events budget overspend
 - What budget has been set-aside for 2004/05 for each of the events planned?
 - How will the £220k overspend in Events in 2003/04 be met?
2. Questions re the reorganisation of park rangers
3. Possibility of alternate week normal / recyclable refuse collection
4. Questions on extra income from parking account
5. In the waste management strategy, has thought been given to identifying materials (however small), which have a high recycling value and could be especially collected to raise revenue and reduce costs? Eg batteries, ink jet cartridges etc.
6. What has the budget in 2003/04 for repairing highways and pavements (not funded by Transport for London)? What amount is recommended for 2004/05?
7. How much does the Noise Patrol currently cost the General Fund? What budget is planned for next year?

3. Questions asked of the Executive Member 15 January 2004

1. More specific information is requested regarding the pass porting of non-schools. Could you please provide a breakdown of non-school elements for current year and 2004/05?
2. Re the schools budget and the new possibility of schools going into deficit. What steps are being taken to ensure the risk of this is being minimised and that appropriate provisions / reserves are made to cover the total of any deficits that might arise?
3. What is the breakdown of the proposed utilisation for the forthcoming year of the £583,000 underspend in the housing general fund this year? It seems that £183,000 is to be taken as efficiency savings, but what is happening to the balance (£400,000)? Is it growth, if so what?
4. The table on appendix page six of the report to Council Executive December 16 2003 (page 149 of the full executive agenda). Has 3.9% been applied equally to each service area? If not, could details be provided? Has the executive seen any growth proposals for the budget? What makes up the analysis of these numbers?
5. Paragraph 47 of the same report states that the social services director cannot offer any savings but suggests £5m increase to fund pressures. Has there been any in-depth analysis of the genuinely required growth from social services? Could the director of social services provide a breakdown of his proposal for £7m growth and could he explain if this was derived from the "pass porting" intention or from departmental analysis of need.
6. Priority ordering of the growth items that are listed from Paragraph 25 of the same report. Apart from the community safety items, what is the basis of the ordering of priority for the growth items?
7. Has any consideration been given to changes in the medium-term financial strategy?
8. What estimates does the Executive have of possible savings from the continuing implementation of the policy of bringing payments to the "voluntary" sector under the procurement regime?
9. What financial policy does the Executive have in respect of (a) payments to the "voluntary" sector which will not be subject to the procurement process and (b) grant giving which will be driven not by service priorities but by corporate strategic or social priorities?
10. When will the Executive take its decisions under category (b) above, and what are the strategic, social or other priorities that it will apply?
11. What was the amount of payments under categories (a) and (b) above in 2002/03, in 2003/04 (estimates) and 2004/05 (proposed)?
12. What efforts are being made to persuade the Southwark Alliance to meet, from the Neighbourhood Renewal Fund, some or all of the cost of strategic/social priorities in respect of the neighbourhoods that are eligible for support from the NRF? If such efforts are succeeding what is the expected level of relief to the general fund in 2004/05? How has such relief being reflected in the 04/05 budget process?
13. What are the amounts and sources of all new income in the proposed budget that was not available in 2003/04?
14. Are any items of "growth" embedded in the proposed budget that is not

- elsewhere specifically listed as growth options? If so, what are these?
15. What are the savings from each department (as compared with 2003/04) that are embedded in this budget? Please give £ amounts and explain where these savings derive from.

4. Dates Sub-Committee met to consider the budget

The following dates were when the Finance and Economic Development Scrutiny Sub-Committee met and considered the budget item

1. Tuesday 14 October 2003 (commenced as revenue budget setting)
2. Tuesday 25 November 2003
3. Tuesday 9 December 2003
4. Thursday 18 December 2003
5. Thursday 15 January 2004
6. Monday 26 January 2004
7. Monday 9 February 2004