

**RESPONSE TO OVERVIEW AND SCRUTINY COMMITTEE
RECOMMENDATIONS (25 JANUARY 2022 MEETING) TO CABINET ON POLICY
AND RESOURCES STRATEGY 2022/23**

Recommendations relating to the budget scrutiny process

1. OSC recognises the extensive work undertaken by the Cabinet on the budget in face of rising inflation, rising food and energy prices, the impact of Brexit and the changing needs of our residents as the economy and society recovers from the pandemic. All of these factors put pressure on the Council's budget, our ability to deliver the services our residents need and the household budgets of our residents. Given the high levels of uncertainty, OSC want to reassess the progress made on the proposed savings, efficiencies and new commitments in six months' time.

Response:

Noted and Agreed. These will be reported to Cabinet as part of revenue budget monitoring and available to overview and scrutiny as necessary.

2. Due to the significance of the capital programme for climate change projects and due to the importance of climate change in council policy, OSC recommends that an update on climate change spend from the capital programme is provided for next year's budget scrutiny process. This to include a briefing on what future commitments have been made, and what targets have been met, in order to allow for full scrutiny. OSC also recommends publishing this year's targets for climate change spend from the capital programme before the May elections.

Response:

Noted and Agreed. OSC budget scheduling will require an update to allow this coverage. Officers will need to consider how current year climate emergency targets for 2022/23 can be reported before the May elections, with special reference to any purdah related issues.

3. That in future cabinet provide a single annual report that considers both the revenue budget and capital report together.

Response:

Noted and agreed. This may be through alignment of revenue and capital reporting to Cabinet and increased cross referencing between the two reports.

4. OSC recommends that the budget report clearly states what is being delivered by portfolio area for the allocated budget. A clear high level P&L table should be appended to encompass business as usual vs project work with clear outcomes for the public.

Response:

Cabinet agrees that clearly stating delivery by portfolio area is preferable, but given the distribution of portfolio responsibilities across departmental structures, this remains a significant challenge for council finance managers and Directors.

Officers will give further consideration to how this can be achieved without additional accounting treatments (e.g. distribution of departmental overhead costs), an increase in back office support functions and potentially system enhancements. Progress will be reported to OSC as part of the overview and scrutiny reviews after May 2022.

5. OSC recommends that in the savings appendix that there is a clear marker indicating if funding will be provided in part or full from elsewhere in the budget or from government/GLA funding.

Response:

Noted and agreed, on the basis that funding sources are known or have been agreed prior to publication of the savings appendix. This will be targeted to be achieved through enhancing the narrative to budget options included within the report, as options may include a range of 'sources'.

6. OSC recognises that this is the first year officers have attempted to create a climate impact assessment for the revenue budget. However, the assessment which has been made does not meet the standard required for the committee to scrutinise any climate impacts which may be present in the budget. OSC therefore recommend that for next year's budget a more holistic approach is completed, similar to the line-by-line process for EQIA's, which seeks to quantify the climate impact of each budget measure (where appropriate).

Response:

Noted and agreed.

7. In next year's budget it would be helpful to list the total amount of Cleaner Greener, Safer (CGS), Neighbourhood and Highways funds allocated and spent per year per ward and the overall totals.

Response:

Noted and agreed.

8. That in future years the policy and resources report include a summary of current and proposed budgets by department.

Response:

Noted and agreed.

9. Given the opportunities presented to the council by reducing its office space and to save costs through integrating the use of hybrid and flexible working patterns adopted during the pandemic, the committee recommends that cabinet consider more IT resourcing and staff training investment in this year's budget.

Response:

Noted. Cabinet will ask officers to review the adequacy of budgets for IT training, especially in context of post pandemic working arrangements and ways of working, over and above the provision that already exists.

Recommendations relating to budget proposals

10. Following advice from officers, OSC believes that the Council can make more efficient use of existing council buildings and that there is greater potential for income generation. OSC calls on cabinet to review how Tooley Street and other council-owned buildings can be better used for income generation.

Response:

Agreed. Cabinet notes that reviews are already being scoped and options considered.

11. Line 111 - OSC seeks a further response and reassurance about the wider future and model of day care centre provision in regards to supporting some of the most vulnerable adults in our borough and the impacts on not only service users themselves but also on families and carers.

Response:

Noted. Day Service provision in the borough will be comprehensively reviewed to ensure there is capacity and choice for residents and that local provision also meets the needs of families and carers. The Cabinet Member for Health and Wellbeing and the Strategic Director for Children's and Adults' Services will take a report to Cabinet in due course. No service reductions are planned and any future changes, including investment, will be informed by the needs and views of people using these important services and their families and carers.

12. Lines 127 and 128 - OSC is concerned that both these items could adversely affect Young People and Care Leavers with protected characteristics. OSC asks for further information about these items and for Cabinet to consider how the budget can mitigate impacts.

Response:

Noted. The Deputy Leader and Cabinet Member for Children, Young People and Education and the Cabinet Member for Finance and Performance will review mitigation of impact with the Strategic Director for Children's and Adults' Services and the Strategic Director for Finance and Governance to ensure that this does not adversely affect young people or care leavers with protected characteristics. There has been significant protection of these services for several years and investment, including enhanced support throughout the pandemic. As the number of children in care reduces due to effective and skilful work with families to strengthen them and keep them together, and as the pandemic conditions improve and recover, it will be possible to carefully realise these modest efficiencies over time.

13. Line 133 - OSC recommends that the potential for all envisaged and additional savings to grounds maintenance costs be explored in the context of wherever possible reducing intervention, and therefore, costs in the interests of improving biodiversity. Policy changes must be shaped/reviewed by the council's ecology officer(s) in order to maximise ecological benefit.

Response:

Cabinet notes that this work is already underway and led by the Biodiversity team and that this work will continue.

14. Line 201 - It is requested that the cabinet member for regeneration reports to OSC prior to the planned cabinet report on the state of the Council's commercial property estate. The report to include a forecast increase in revenue from the commercial property estate and how this revenue figure has been reached. Consideration should also be given to any potential new commercial property opportunities for the council, including changes in its own office space.

Response:

Noted although the necessary time and resources that would be required to undertake this task go beyond the scope of the time scale for agreement of the 2022/23 budget. Officers will be asked to consider.

15. Line 204 - Given the need for the council to maximise its income generation, OSC recommends a revenue raising target be set in relation to large scale negotiated events within our parks which increases on the current surplus targets.

Response:

Noted. The Cabinet Member for the service will work with officers to assess how this may be achieved moving forwards.

16. Lines 302 and 303 - OSC recommends the removal of these lines from the proposed savings.

Response:

Agreed. These budget items have been removed from the Cabinet report being considered at their meeting on 1st February.

17. Lines 309, 310, 311 and 312 - The impact from an equalities perspective for SEND and Early Years would be significant, OSC therefore recommends that funding is found immediately from elsewhere in the budget. Additionally that OSC review the situation within 6 months to understand the state of the service and budgetary impact.

Response:

Officers are actively seeking alternative funding for these services. The position will be continually reviewed by the Deputy Leader and Cabinet Member for Children, Young People and Education and the Strategic Director of Children's and Adults' Services. In the event that alternative funding is not secured then that would be reported explicitly to Cabinet through the monitoring report and the Department will seek to offset any shortfall against underspends in other budgets. No service cessation or changes are being actioned at this time, and direction would be sought from Cabinet prior to any service changes being made.

18. Line 332 - That the item listed as a saving impacting on service delivery be moved to an efficiency, given assurances from officers and cabinet that the saving is being made due to a reduction in budget demand for the NRPF service. Should the savings not be realised OSC is satisfied the council will meet its statutory obligations to NRPF residents through contingencies and reserves.

Response:

Agreed. This change is being made within the Cabinet report being considered today.

19. Line 335 - OSC recommends that the Council reviews its proposal to rationalise staff structure in the procurement team by not filling two empty roles. OSC notes that the Procurement Team has been struggling to support departmental teams to effectively implement the Fairer Futures Procurement Framework and recommends that alternative routes to securing the additional expertise and capacity are pursued to ensure that the Council can fully implement the Framework, including improving performance in relation to:
- Data collection,
 - Accessibility to smaller businesses, and
 - Social value practice

Response:

Officers consider that roles are not fundamental to the central procurement team itself but should be sourced within procurement and contract management and monitoring teams throughout the Council. Further training and development will be required within these teams in line with the FFPF over time. The issues are due for discussion at OSC this week. This includes consideration of the management of local data that has no relationship with services or goods that the Council procures.

20. Line 419 - OSC recommends that cabinet consider a policy of direct offers being given to current (not new) temporary accommodation residents in the event the budget allocation for this area becomes insufficient in the face of rising demand in-year. This direct offers amendment would only be introduced as a temporary and emergency measure designed to protect council services and our strategic reserves in the event of ever increasing demand. The committee recommends the policy should not result in TA residents who refuse direct offers being deemed as intentionally homeless, but it should be made clear to them that they face longer wait times for a permanent offer should they refuse.

Response:

Cabinet notes the budget report is amending budget recommendations today. New commitments will be capped at £4m for 2022/23 and will only be released given agreement of the Strategic Director of Finance and Governance, in consultation with Cabinet Members. Effectively, the £4m will be reserved as a contingency and not allocated to the TA budget. A budget recovery board is now operating to help support the department to contain pressures that are clear through 2021/22. As part of their work they will consider specific issues contained within these recommendations and report findings back to Cabinet.

21. That OSC receives a report on the budget recovery board's actions on the temporary accommodation budget overspend, including recommendations for reducing expenditure, at the earliest opportunity.

Response:

Agreed

22. That the cabinet member reports to every meeting of the housing scrutiny commission on (i) the current spend on temporary accommodation, (ii) whether this spend exceeds forecasts; and (iii) progress of saving measures recommended by the Budget Recovery Board.

Response:

In order to maintain manageable Cabinet member workloads, this is agreed but upon the basis that it will be completed as a written report to the commission.

23. Pest control charges - OSC recommends that officers be asked to provide clarification on whether the proposed increases on 'inspection of premises for infestation' will impact on council tenants and other low income residents, and if they do, to consider a reduced rate or discount that protects low income families.

Response:

Noted. Further clarification will be sought from officers on the practical management of the scheme on household, estates and businesses.

24. Parking charges - In accordance with our ambition to tackle the climate emergency and create Streets for People, OSC recommends that vehicle size and /or weight is incorporated into the criteria determining the cost of a resident parking permit. This is in order to increase revenue from larger/heavier vehicles which take up more space and have a greater negative impact on our roads and public spaces.

Response:

Noted. The relevant Cabinet Member will work with officers to fully assess the feasibility of this option.