

**REFERENCES FROM POLICY DEVELOPMENT COMMITTEES**

**REVENUE BUDGET 2007/08 – 2010/11**

**(a) LEARNING AND DEVELOPMENT POLICY DEVELOPMENT COMMITTEE – 18 JANUARY 2007**

Comments from Members included the following:

- The workforce costs allocated to the Learning and Development Directorate should be reconsidered.
- The Learning and Development Directorate has a steadily reducing budget, whilst other Directorate budgets have increasing ones.
- A reduction in the budget in real terms for the Learning and Development Directorate should be queried, given the volume of work which it undertakes. This also cannot be reconciled with the requirement to increase capacity, as identified by the Joint Area Review. It is not possible to deliver Joint Area Review requirements when cuts are being requested.
- There are little or no overtime payments to the Learning and Development Directorate.
- The validity of proposed £2m staffing savings .How the figure was identified and what are its components (for example, shift patterns, real posts, overtime and pensions).
- The proposed savings, if implemented, could result in whole services being cut.

**RESOLVED -**

1. That Cabinet be requested to reconsider the workforce costs allocated to the Learning and Development Directorate given the requirement to increase capacity, as identified by the Joint Area Review, little or no overtime payments to the Learning and Development Directorate and the irreparable damage which could be caused to the service being delivered by the Learning and Development Directorate.
2. That Cabinet be informed of the Committee's concern that, given the increasing statutory workload of the Learning and Development Directorate, an increase in budget below the level of inflation was unacceptable.

**(b) ENVIRONMENT POLICY DEVELOPMENT COMMITTEE –  
23 JANUARY 2007**

The Corporate Director Environment reported that it had been a difficult budget process, because of the need for efficiencies across the Council. The Environment Directorate supported all Council Priorities and led on transport and Crime and Community Safety. Efficiencies were needed to offset large costs. Strategic themes were still work in progress, and outcomes were unknown as yet.

Cabinet Members thanked all budget holders and the Directorate's Finance Officer for their good budget management and the Cabinet Member for Finance and the Central Finance Team for their work towards the Council's balanced budget. The environment was a top priority, and the Environment Directorate had received a 9.2% increase, although the Council Tax rise would only be 3.6%. Two investments were particularly important: the Carbon Management Programme, which would be environmentally as well as financially beneficial, and waste management. Next year, there would be two major areas where money would be increased, aiming to improve the quality of the environment: clean streets (there were still 'grot spots', though enforcement had been a success) and the £100k investment in Community Safety, which comprised £40k for a Community Safety Officer and £60k for two community Safety Wardens. Budget consultation responses had been taken into account, and investment had been put into the five areas suggested by these.

Members received the following replies to questions:

- The project to capitalise street lighting had been adopted last year
- The Joint Agency Tasking Co-ordinating (JTAC) Group prioritised use of the two Community Wardens, with the Community Safety Manager having the final say. The Council was therefore able to be more flexible in its response, for example to short-term problems
- High-risk areas in the Directorate, apart from concessionary fares, included: development control income and land charges, waste, street lighting, contingency in highways (flooding etc.), parking income, repair and maintenance of Council buildings, which were getting old, any trading activities such as Streetcare and architecture.
- The Cabinet Member responsible for transport commented that as regarded concessionary fares, the Government provided funds for off-peak travel for older and disabled people, but the amount given was not nearly enough to cover the cost of those taking it up; it would cost £1/2m over and above what was provided in the current year and more in the next year. If concessionary travel was provided throughout the day, it would cost another £150k. Although it had raised the numbers of bus users, it was costing the Council a great deal of money. This was a service that the Council was obliged to provide

- The Council spent a great deal of money on energy. The Carbon Management Programme was a live project with eight strands, including reduction of staff car mileage and the reduction of energy used by the Council. It was technically achievable; however, a culture change was needed within the organisation, to encourage employees to carry out simple energy-saving measures, such as turning off their computers when they were not in use. The Spend to Save fund was being used for control mechanisms and insulation for buildings over the next three years. A school was recently helped to save £20k on its energy bill. The Energy Manager and Senior Planning Officer were leading this Carbon Management Programme very effectively. This project was assessed rigorously and so the Council was receiving extra funds to achieve its carbon management targets. Original Government investment had been £150k, which had now been increased to £250k. The Government target was to reduce carbon emissions over five years, and to date, the Council was meeting its requirements
- Regarding the input of parish and local councillors into the deployment of Community Wardens and the choice of dirty or untidy areas to be cleaned up, these already had a voice in the Community Safety Partnership. The Partnership targeted its work on wards that needed it most. Parish councils should be aware of this; it was mentioned at every Parishes Assembly, and parishes had a representative on the Community Safety Partnership.
- Graffiti problems had lessened in the previous five years, and dirty or untidy areas, where waste had been illegally dumped, would be dealt with, if reported
- The Lighthouse project was part of Community Safety, and the Council was still contributing to it, along with other agencies. If it did not, the project would not be able to continue in its present form
- Workforce savings figures were simply illustrative; each post would be assessed for its importance to service delivery. Staff efficiencies were work in progress; questions would be asked about how the structure could be made more efficient, whether it should be pyramidal or flat and whether the number of managers was appropriate. The aim was to have no, or minimal, effect on service delivery
- Shared services were being sought, not only in waste services and land procurement with Northamptonshire County Council but also with the procurement consortium and in construction contracts and many parts of the HBS contract
- It was not true that workforce savings had not been well thought through; targets relating to workforce costs were better understood than the information received by the Committee suggested, and targets were based on real information about, for example, vacancies, temporary workers and overtime costs. The total workforce budget was £20 million

**(c) SOCIAL CARE AND HOUSING POLICY DEVELOPMENT COMMITTEE – 24 JANUARY 2007**

Members heard that the deliberations of the Committee would be forwarded to the Corporate Policy Development Committee and Cabinet, prior to consideration by Council in February 2007.

Under present proposals, the Neighbourhood Services Directorate would receive an increased budget share of £1.6 Million.

The Committee heard that the provision of Services for Older People remained a Council priority and that proposed efficiencies would not be achieved through a reduction in front-line services.

Individual Members of the Committee made the following comments regarding the proposed Revenue Budget:

- That concern was expressed that the Directorate was required to secure corporate savings of £447,000 on workforce costs over the financial year, without an assessment detailing how savings were to be achieved.
- That concern was expressed that increased demand for social care services could not be managed within present budgets without service cuts that placed vulnerable people at risk, although projections suggested a 3% increase in demand could be accommodated with present budgets.
- That, for budgets to be robust and measured, full accounts and risk assessments were required to outline all expenditure and efficiencies, prior to approval by Members.

RESOLVED –

1. That the report be noted.
2. That this Committee is concerned that the draft Neighbourhood Services budget includes an assumed cut of £446,962, that is not back up by an evidence of where the money would come from.
3. That, given that the report says that “it is becoming increasingly challenging to safely achieve savings” this Committee recommend to Cabinet that:
  - (a) No savings should be assumed without a risk assessment of their impact upon vulnerable people.
  - (b) No savings be assumed without this Committee being able to discuss the Cabinet’s proposals prior to their implementation.
  - (c) It provide a risk assessment of the impact of the budget increases and savings upon Older Peoples Services before recommending a budget to the Full Council.

**(d) CORPORATE POLICY DEVELOPMENT COMMITTEE –  
1 FEBRUARY 2007**

The Committee considered the proposed draft budget approved for consultation by the Cabinet, noting that the outcomes of individual Committees' consideration would be reported to Cabinet on 20 February 2007, prior to it recommending a budget to Full Council.

Members were informed that the Chief Executive's Directorate supported several key activities critical in delivering Chapter 4 of the Council Plan, including Finance, IT, Procurement, Scrutiny and Human Resources.

The Committee noted that the Assistant Chief Executives considered the budget estimates to be robust within the assumptions made. Members were informed that the 2007/08 budget predictions reflected the assumption that Benefit Subsidy would be recovered fully, with no deduction by the Department for Work and Pensions. If this was not achieved, the difference would have to be met by general reserve funds.

The Committee noted that because Milton Keynes growth rates were greater than other areas, the administration subsidy from the Department for Work and Pensions was unlikely to keep pace with the costs of administering the benefits system.

The Assistant Chief Executive Strategy and Performance informed Members that, given the situation both nationally and in Milton Keynes, an increase in future budgets for community cohesion would be a sensible proposition to consider.

In response to Members' questions, the Committee noted the following:

- Savings on election costs in 2009/10 would occur because there would be no election that year. Costs would be reinstated in 2010/11.
- External consultants had been engaged to advise and support on issues such as medium term planning, Annual Efficiency (Gershon) Savings, Comprehensive Performance Assessments, and Spending Reviews. Following the re-classification of the Council from a 2 star to a 3 star authority, consultants were no longer needed. Savings had been factored into future budgets on the basis that the relevant expertise could now be found in-house.
- Officers were confident that the Telephony Review saving of £50,000 predicted as part of the service efficiency work stream targets would be achieved.
- The subscription to the South East Employers Association would be continued but the subscription to the Association of Councils in Thames Valley (ACTVaR) would be withdrawn. These amendments would be reflected in the final budget submitted to Cabinet.

- The Partnership Operations Group had discussed the need for a review of the structure of the HBS client function. Officers had suggested that the client monitoring process could be streamlined and proposed that the question of Member involvement be discussed at the next meeting of the Group.
- Extensive analysis of the Council's workforce structures revealed a potential saving through restructuring of £2,000,000.

Comments from Members included the following:

- The budget needed to demonstrate the cost effectiveness of officers employed to monitor the HBS client function.
- Overview and Scrutiny work would be adversely effected unless more resources were provided to support the increased workload.

Councillor Morsley moved the following motion, which was seconded by Councillor Edwards.

"That this Committee is concerned that:

1. The draft budget includes assumed savings of £2,000,000 of 'workforce costs' within the overall Annual Efficiency (Gershon) savings target of £5,663,050.
2. The Council's 4 Directorates are being asked to find the following level of unidentified 'workforce' savings
  - Learning and Development      £841,530
  - Environment                              £516,361
  - Neighbourhood                              £446,962
  - Chief Executive                              £195,147

Total£2,000,000
3. That this £2,000,000, unlike other Gershon savings, is not specified. It is not backed up by any evidence of where the money would come from.
4. On top of the £5,663,050 savings the budget proposed increasing the staff vacancy rate from 4% to 5%.

That this Committee asks the Cabinet to bring forward a balanced budget that identifies, in full, the details of all areas of savings proposed."

On being put to the vote the motion was carried with 4 Members voting in favour, 2 Members voting against, and 1 Member abstaining.

The Committee considered the comments received from the Learning and Development Policy Development Committee. In response to Members' questions, the Committee noted the following:

- Work was currently underway concerning early intervention and better commissioning strategies as methods of addressing the

overspend on Looked After Children placements. The Head of Adult Social Care had been placed on secondment in Children Services and was leading this project.

- An extra £1.4 million had been budgeted for Looked After Children for 2008/09. Officers estimated a turn around time of 12-18 months to correct the current overspend but did not plan to provide any extra funding after 2008/09. A risk analysis would be carried out with the possibility of a higher level of reserve being earmarked as a contingency measure.
- Children's Services were consulting with other local authorities in order to deliver services more effectively and economically. The Budget Review Group had highlighted Children's Services as an area for further investigation and would be visiting Wandsworth London Borough Council with representatives of the Corporate Leadership Team.

Comments from Members include the following:

- An independent review of Looked After Children placements to be carried out by an external advisor would help to deliver long term savings.
- Employing external advisors was not a cost effective way of addressing the overspend on Looked After Children placements.
- Measures introduced so far to correct the overspend on Looked After Children Placements had produced encouraging results.

Councillor Pugh moved the following motion, which was seconded by Councillor Edwards:

"That this Committee recommend to Cabinet that an external advisor be appointed in order to carry out an independent review of Looked After Children placements."

On being put to the vote the motion was defeated with 3 Members voting in favour, and 4 Members voting against.

The Committee considered the comments received from the Environment Policy Development Committee. Members made the following comments:

- Environmental contracts accounted for a high level of spending and should be scrutinised more thoroughly.
- The Council's budget included provisions for concessionary transport yet this was intended by Central Government to be a fully funded scheme. This discrepancy needed to be investigated.

The Committee considered the comments received from the Social Care and Housing Policy Development Committee. Members made the following comments:

- That the £25,000 Investment in Priority Services to recruit additional staff to support work on Houses in Multiple Occupation was insufficient.

RESOLVED -

1. That this Committee is concerned that:
  - (i) The draft budget includes assumed savings of £2,000,000 of 'workforce costs' within the overall Annual Efficiency (Gershon) savings target of £5,663,050.
  - (ii) The Council's 4 Directorates are being asked to find the following level of unidentified 'workforce' savings
    - Learning and Development                   £841,530
    - Environment                                       £516,361
    - Neighbourhood                                   £446,962
    - Chief Executive                                 £195,147

£2,000,000
  - (iii) That this £2,000,000, unlike other Gershon savings, is not specified. It is not backed up by any evidence of where the money would come from.
  - (iv) On top of the £5,663,050 savings the budget proposed increasing the staff vacancy rate from 4% to 5%.
2. That Cabinet bring forward a balanced budget that identifies, in full, the details of all areas of savings proposed.
3. That Cabinet be requested to account for the costs included in the proposed budget regarding concessionary transport.