

Appendix XX – Scrutiny Budget Recommendations

CABINET 4 February 2019

Report title: Financial Planning and Medium Term Strategy Report 2018/19 to 2022/23: Recommendations of Overview & Scrutiny Committee and Children’s Services Scrutiny Sub-Committee

Wards: All

Portfolio: Cabinet Member for Finance: Councillor Andy Wilson

Report Authorised by: Christina Thompson: Acting Strategic Director for Corporate Resources

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Report summary

This report sets out the recommendations of the Overview & Scrutiny Committee (OSC) and Children’s Services Scrutiny Sub-Committee (CSSC) on the budget and savings proposals contained in the 17/12/18 report to Cabinet ‘Financial Planning Report 2019/20 to 2022/23’. The proposals were considered by Overview & Scrutiny Committee at its meeting on 13 December 2018 and Children’s Services Scrutiny Sub-Committee on 19 December 2018, and the resultant recommendations are submitted to Cabinet for consideration.

Finance summary

There are no capital or revenue implications arising as a direct result of this report.

Recommendations

That the following observations and recommendations from the Overview & Scrutiny Committee and Children’s Services Scrutiny Sub-Committee be considered:

Overview & Scrutiny Committee

1. To note the plans to raise revenue via increased fees and charges but to request information on the amounts raised from past such increases, and whether expected targets were met, in order to provide reassurance to the committee that the assumptions made are realistic
2. To request more information regarding the rationale for seeking to increase reserves to 10% of the net general fund budget and how Lambeth’s reserves position compares to those of other London Boroughs

3. To note the committee's concern at the potential front line impact of moving from 7% to 10% reserves in the next four years and urge the Council to look again at the feasibility of this approach given the risks involved in the savings plans presented
4. That, whilst reassured by the comprehensive answers given to the committee's questions by the Strategic Director for Children's Services and the Interim Strategic Director for Adults and Health, the committee remains extremely concerned at the level of service changes proposed in Children's Services and Adult Social Care and the impact this could have on the borough's most vulnerable residents, as well as the feasibility of delivering the savings proposed. In particular the committee wishes to highlight the projected savings related to children's social care, adult social care (and the transition between the two), fostering and the Youth Offending Service as particular areas of concern and the need for future scrutiny of progress against savings targets.
5. Arising from (4) above:
 - (i) Noting that Children's Services savings rely heavily on increasing in-house foster care, the committee recommends that an action plan is developed with stakeholders including the foster carers association and monitored closely by Children's Services Scrutiny Sub-Committee with feedback on financial savings on a regular basis to CSSC.
 - (ii) The committee recognises that adult social care savings are ambitious, are frontloaded and rely on a successful organisational redesign. The committee would recommend that monitored savings come to OSC on a 6 monthly basis.
6. That it is vital the Council does everything possible to systematically and strategically increase its income generation activity; accordingly the committee wishes to scrutinise the Council's commercial strategy at a future OSC meeting
7. To note the importance of contract management, renegotiation and procurement in delivering the savings plans and to urge the Council to redouble its efforts in this regard in order to ensure a robust strategic approach and take advantage of forthcoming opportunities (the committee notes that the Procurement Annual Report is due at Corporate Committee in the new year and wishes to see a copy of this when ready)
8. To request further detail in relation to the capital programme when this becomes available

Children's Services Scrutiny Sub-Committee

1. To note and endorse the recommendation from OSC (Recommendation 4) regarding the level of service changes proposed in Children's Services and the impact this could have on the borough's most vulnerable residents, as well as the feasibility of delivering the savings proposed. CSSC requests that progress reports on achieving saving targets and impacts on our most vulnerable young people be brought to this committee on a six monthly basis.
2. An action plan on fostering should be developed with stakeholders and monitored by this committee. There should also be engagement with the Children in Care Council and their views sought on the Fostering Strategy, along with other strategies affecting children in care.
3. The committee should be updated on progress in reducing agency workers through Frontline and other council/local initiatives

4. The committee records the importance of continuity of care to young people in care and encouraging new social workers to stay in Lambeth.
5. The committee notes the welcome commitment to the Pause project and the help to women who have repeated removal of their babies into care.
6. The committee notes that the early help service funding ends in 2020 and recommends that there be a review of the new model of service with which it will be forced to operate and associated reduced staffing.

1. CONTEXT

- 1.1 At its meeting on 13 December 2018, Overview & Scrutiny Committee (OSC) considered the budget overview and financial implications for the Council set out in the Cabinet report 'Financial Planning Report 2019/20 to 2022/23', and the savings proposals to meet the funding gap. The Children's Services Scrutiny Sub-Committee (CSSC) considered those elements of the same report relating to its remit on 19 December 2018.
- 1.2 The Council's Revenue and Capital Budget 2019/20 to 2022/23 (Budget Report) is being considered by Cabinet on 4 February 2019. OSC and CSSC hereby submit their recommendations arising from scrutiny of the draft budget and financial planning proposals.

2. PROPOSAL AND REASONS

- 2.1 OSC had agreed in advance that it would focus its scrutiny on the following headline issues, rather than taking a directorate/service approach to the budget proposals:
 - Adult Social Care
 - Children's Services (it was agreed OSC would look at the high level picture and pass its findings on to CSSC for more in-depth scrutiny)
 - Reserves
 - Income generation
- 2.2 At the meeting on 13/12/18, OSC put questions to the Leader of the Council and the Cabinet Member for Finance. The Strategic Directors for Adults & Health and Children's Services also attended, along with the Director of Finance and property.
- 2.3 Arising from the discussions OSC agreed a number of observations and recommendations be submitted to Cabinet. These are set out below for consideration. The minutes of the meeting provide the context for the recommendations and can be found at:
<http://moderngov.lambeth.gov.uk/ieListDocuments.aspx?CId=113&MId=10602&Ver=4>
- 2.4 At the 19/12/18 meeting, CSSC questioned the Deputy Leader of the Council (Children & Young People) and the Strategic Director for Children's Services. The committee made observations and recommendations which it was agreed would also be submitted to Cabinet. Again the minutes of the meeting provide the relevant context; these can be found at:
<http://moderngov.lambeth.gov.uk/ieListDocuments.aspx?CId=778&MId=10618&Ver=4>
- 2.5 The committees' recommendations were as follows:

Overview & Scrutiny Committee

1. To note the plans to raise revenue via increased fees and charges but to request information on the amounts raised from past such increases, and whether expected targets were met, in order to provide reassurance to the committee that the assumptions made are realistic
2. To request more information regarding the rationale for seeking to increase reserves to 10% of the net general fund budget and how Lambeth's reserves position compares to those of other London Boroughs

3. To note the committee's concern at the potential front line impact of moving from 7% to 10% reserves in the next four years and urge the Council to look again at the feasibility of this approach given the risks involved in the savings plans presented
4. That, whilst reassured by the comprehensive answers given to the committee's questions by the Strategic Director for Children's Services and the Interim Strategic Director for Adults and Health, the committee remains extremely concerned at the level of service changes proposed in Children's Services and Adult Social Care and the impact this could have on the borough's most vulnerable residents, as well as the feasibility of delivering the savings proposed. In particular the committee wishes to highlight the projected savings related to children's social care, adult social care (and the transition between the two), fostering and the Youth Offending Service as particular areas of concern and the need for future scrutiny of progress against savings targets.
5. Arising from (4) above:
 - (iii) Noting that Children's Services savings rely heavily on increasing in-house foster care, the committee recommends that an action plan is developed with stakeholders including the foster carers association and monitored closely by Children's Services Scrutiny Sub-Committee with feedback on financial savings on a regular basis to CSSC.
 - (iv) The committee recognises that adult social care savings are ambitious, are frontloaded and rely on a successful organisational redesign. The committee would recommend that monitored savings come to OSC on a 6 monthly basis.
6. That it is vital the Council does everything possible to systematically and strategically increase its income generation activity; accordingly the committee wishes to scrutinise the Council's commercial strategy at a future OSC meeting
7. To note the importance of contract management, renegotiation and procurement in delivering the savings plans and to urge the Council to redouble its efforts in this regard in order to ensure a robust strategic approach and take advantage of forthcoming opportunities (the committee notes that the Procurement Annual Report is due at Corporate Committee in the new year and wishes to see a copy of this when ready)
8. To request further detail in relation to the capital programme when this becomes available

Children's Services Scrutiny Sub-Committee

1. To note and endorse the recommendation from OSC (Recommendation 4) regarding the level of service changes proposed in Children's Services and the impact this could have on the borough's most vulnerable residents, as well as the feasibility of delivering the savings proposed. CSSC requests that progress reports on achieving saving targets and impacts on our most vulnerable young people be brought to this committee on a six monthly basis.
2. An action plan on fostering should be developed with stakeholders and monitored by this committee. There should also be engagement with the Children in Care Council and their views sought on the Fostering Strategy, along with other strategies affecting children in care.
3. The committee should be updated on progress in reducing agency workers through Frontline and other council/local initiatives

4. The committee records the importance of continuity of care to young people in care and encouraging new social workers to stay in Lambeth.
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6. The committee notes that the early help service funding ends in 2020 and recommends that there be a review of the new model of service with which it will be forced to operate and associated reduced staffing.

3. FINANCE

- 3.1 There are no capital or revenue implications arising as a direct result of this report.

4. LEGAL AND DEMOCRACY

- 4.1 None additional to those contained in the budget report.

5. CONSULTATION AND CO-PRODUCTION

- 5.1 The proposals were considered at public committee meetings held on 13/12/18 (OSC) and 19/12/18 (CSSC).

6. RISK MANAGEMENT

- 6.1 None additional to those contained in the budget report.

7. EQUALITIES IMPACT ASSESSMENT

- 7.1 None additional to those contained in the budget report.

8. COMMUNITY SAFETY

- 8.1 None additional to those contained in the budget report.

9. ORGANISATIONAL IMPLICATIONS

- 9.1 None additional to those contained in the budget report.

10. TIMETABLE FOR IMPLEMENTATION

- 10.1 Not applicable

Audit Trail				
Consultation				
Name/Position	Lambeth directorate/ department or partner	Date Sent	Date Received	Comments in para:
Alison McKane	Director of Legal Services and HR (on behalf of Strategic Director Corporate Resources)	16.01.19	21.01.19	
Nisar Visram, Finance	Corporate Resources	16.01.19	21.01.19	
Wayne Chandai, Head of Chief Executive's Office and Democratic Services Manager	Corporate Resources	16.01.19	16.01.19	
Cllr Donatus Anyanwu	Chair, Overview & Scrutiny Committee	16.01.19	21.01.19	
Cllr Liz Atkins	Chair, Children's Services Scrutiny Sub-Committee	16.01.19		

Report History	
Original discussion with Cabinet Member	N/A
Report deadline	23.01.19
Date final report sent	
Part II Exempt from Disclosure/confidential accompanying report?	No
Key decision report	No
Date first appeared on forward plan	N/A
Key decision reasons	N/A
Background information	Finance Planning and Medium Term Strategy Report (Cabinet, 17 December 2018) Minutes of Overview & Scrutiny Committee 13/12/18 Minutes of Children's Services Scrutiny Sub-Committee 19/12/18
Appendices	None