

<b>Mayor and Cabinet</b>			
<b>Report Title</b>	Comments of the Public Accounts Select Committee on the Annual Budget 2012/13		
<b>Key Decision</b>	No	<b>Item No.</b>	5
<b>Ward</b>	All		
<b>Contributors</b>	All Select Committees		
<b>Class</b>	Part 1	<b>Date</b>	15 February 2012

## **1. Summary**

- 1.1 This report informs the Mayor and Cabinet of the comments and views of the Public Accounts Select Committee on the Annual Budget 2012/13 and the comments previously made by Select Committees on the savings proposals.

## **2. Recommendation**

- 2.1 Mayor and Cabinet is recommended to note the views of the Public Accounts Select Committee, set out in section 3 of this report, and other Select Committees, set out in sections 4 - 6.

## **3. Public Accounts Select Committee Views**

- 3.1 On 9 February 2012, the Select Committee considered the Annual Budget 2012/13. The Committee would like to make the following comments:
- 3.2 **CYP02** – The Committee notes that information on any requests over the last few years to spend money against the budgets identified in the savings proposal, that were turned down by officers, will be provided to the Mayor prior to him taking a decision on this proposal. The Committee recommends that more detailed information on what section 17 funding is used for; the reasons behind the underspend; and how alternative budgets are being used to meet need is also provided to the Mayor.
- 3.3 **Early Years Childhood Centres** – The Committee was concerned at these proposals, in particular the proposal to close Honor Oak Childhood Centre, where alternative, local, low cost provision might not be available. The Committee therefore recommends that a needs analysis of current use, for each of the three centres, is provided to the Mayor prior to a decision being taken. This should include information on the nature of the current provision (including the number of supported and self-funded places) and information on the alternative

places available locally – both the location of vacancies and the costs of these places.

- 3.4 The Committee noted the comments previously made by Select Committees on the savings proposals, which are outlined below.

### **Views on the savings proposals (expressed in December 2011)**

#### **Public Accounts Select Committee Views**

- 3.5 On 13 December 2011, the Select Committee considered the Revenue Budget Savings Proposals 2012/13. The Committee expressed the following views on two of the proposals relating to the Resources Directorate:

**RES12** (A reduction in the marketing budget as a result of standardising the quality of publications such as Secondary School booklets): It was reported that the costs of producing the secondary school prospectus could not be charged to the schools budget and the Committee recommended that officers investigate whether the costs could be recharged to schools.

**RES13** (Efficiencies in administration and marketing of both Apprenticeship and Future Jobs Fund programmes): The Committee agreed to recommend that this proposal be rejected, or taken but the £30k saving reinvested in providing additional apprenticeship opportunities (possibly a 'graduate apprentice' position).

#### **4. Children and Young People Select Committee Views**

- 4.1 On 6 December 2011, the Select Committee considered the Revenue Budget Savings Proposals 2012/13 and agreed to make the following comments:

**CYP5, 8, 10 and 12** - The Committee suggests that modelling of the cumulative impact of these savings proposals, on the range of schools in Lewisham: from a 1FE primary school to a large secondary school, is carried out so that the impact on school budgets is clear. The Committee feels there is the potential for a disproportionate impact on smaller schools with smaller budgets. The Committee notes that the services are currently charged below the cost of providing them and that officers will discuss the impact of these proposals with the Schools Forum and include the views of the Schools Forum in the budget report to Mayor and Cabinet.

**CYP14** - The Committee supports the objectives of the proposal to rationalise management and bring services together to streamline processes and improve services for parents and children. However, the Committee notes that there are some uncertainties in relation to the delivery of the total saving put forward pending the completion of the

management review and therefore the Committee is not yet assured that the 200k will be achieved.

## **5. Healthier Communities Select Committee Views**

- 5.1 On 14 December 2011, the Select Committee considered the Revenue Budget Savings Proposals 2012/13 and agreed to make the following comments:

**COM 03** - The Committee requests that officers ensure all relevant sections, of the savings proformas, are completed with sufficient key information. In this instance particularly, the Committee would have found it useful to know the total budget from which the saving is proposed to be taken, the percentage of the total budget the saving proposal represents, and the detail of any historical decisions that impact on the delivery of the savings proposal.

**COM 06** - Whilst welcoming officers' focus on value for money when negotiating placement costs with providers, the Committee cautions that the stability of placement and level of service, for these service users with the highest levels of need, must remain an absolute priority in all contract negotiations.

**COM 07** - The Committee is concerned that a savings figure has been projected with, as of yet, no real plan in place as to how the saving will be achieved. Whilst understanding the imperative of implementing personal budgets, the Committee is concerned that an informed decision about this saving proposal cannot be made without consideration of further detail, specifically: the current service provision, the total budget from which the saving is to be made (and the percentage of the total this savings figure represents) and the potential practical impact of the resultant service reorganisation on service users.

## **6. Safer Stronger Communities Select Committee Views**

- 6.1 On 12 December 2011, the Select Committee considered the Revenue Budget Savings Proposals 2012/13 and agreed to recommend that the Mayor and Cabinet should reject savings proposal **COM02**, which would cut Local Assemblies funding. The Committee felt that the reduction in funding for Local Assemblies as proposed was high, especially when taking into account the cut to the staffing of Local Assemblies during the savings round last year. Further top slicing of the fund year on year to save money could ultimately render it ineffective. Though the cut itself is relatively small compared to other budgets around the Council, it was considered that this cut would have a disproportionate impact on local community and voluntary groups and the valuable work they carry out. Therefore the Committee felt that

the Local Assembly Fund should be protected for this year and no cuts should be made. The Committee also felt that there should be a review of aims and objectives of Local Assemblies in the near future. The level of the Local Assembly Fund should be examined after this review has taken place.

## **7. Other Select Committee Views**

- 7.1 The Housing Select Committee did not consider the Revenue Budget Savings Proposals 2012/13 as no proposals fell within its remit. The Sustainable Development Select Committee considered the Revenue Budget Savings Proposals 2012/13 on 13 December 2011 but did not make a referral.

## **8. Financial Implications**

- 8.1 There are no financial implications arising out of this report per se, although the financial implications of accepting the Committee's recommendations will need to be considered.

## **9. Legal Implications**

- 9.1 The Constitution provides for Select Committees to make recommendations to the Executive or appropriate committee and/or Council arising from the outcome of the scrutiny process.

## **BACKGROUND PAPERS**

Annual Budget 2012/13 – Officer Report to the Public Accounts Select Committee 09.02.12

If you have any queries on this report, please contact Charlotte Dale, Scrutiny Manager (ext. 4934), or Kevin Flaherty, Head of Committee Business (ext. 49327).