

**EXTRAORDINARY OVERVIEW AND SCRUTINY**  
**BUDGET 2 SESSION**  
**22 JANUARY 2013**

**DISCUSSION POINTS**

A comprehensive discussion followed which focused on the following points:-

- Clarification sought and given as to:

**D&R**

- Why a report to the Council's Audit Committee had identified the move to Anchorage House as high risk; with concern expressed that any delay in this would impact on the achievement of related savings.
- Further detail sought on the outlined budgetary pressures on Employment Services. What was the 2011/12 budget allocation for regeneration and tackling unemployment, and performance against target.
- Commenting that consultation to date regarding surplus Council buildings favoured disposal, however this approach had been deferred given poor market conditions: what criteria/ process would determine if market conditions were sufficiently favourable to proceed with disposal. Also what provision had been made for maintenance and security costs for these empty buildings. How was value for money being ensured.
- How the raised level of MSG agreed by the Mayor after further consideration had been funded.
- Whether the £1 million from unrequired earmarked reserves to be set aside for homelessness prevention would be funded from the D&R budget / capital reserves/ DWP discretionary fund.
- Whether the proposed University Bursary scheme with budget of £1.5 million was to be funded from the D&R budget.
- Explanation for the £1.6 million of earmarked reserves set aside for employment initiatives.
- What comprised the £5.6 million for Corporate Reserves. **Mr Finch to provide written response.**
- Whether the 'Corporate Landlord Model' would be of help with asset management of a disparate portfolio.
- What consideration/ planning was being given to retention of long term interests in respect of property disposals with a view

to securing additional income E.g. Toynbee Street and the Car Pound

- What work was underway to identify savings on the energy costs associated with Council buildings, which were understood to be approximately £12 million although there was no single budget line for this. Were energy savings reflected in the overall savings for the Anchorage House decant.
- When the lease for Mulberry Place could be renegotiated with the landlord it would be an opportunity to require the building to be energy efficient.
- Given the revenue and capital costs of staff were measures in place to minimise staff travel outside London.
- Did the D&R budget proposals include any compulsory redundancies.

## **RES**

- How accurate was the £2.3 million savings figure for Smarter Working.
- Concern expressed and assurance sought that growth relating to the transfer of Public Health(PH) responsibilities to the borough was omitted/ underestimated in the Budget proposals. There would be a job of work to support AHWB other organisations and partners with associated costs for HR and Resources staff. Also had consideration been given to specific local risks from the transfer of PH that might be predicted from the Joint Strategic Analysis Needs Assessment.
- Whether the transfer of PH to local councils and consequent Clinical Commissioning Group commissioning contained hidden contract risks such as escalating costs of PFI contracts or higher costs on rescheduling contracts.
- The basis for calculation of the £1 million growth figure for Pensions Auto-Enrolment.
- With reference to the 2013/14 savings of £90k for ICT learning & development and potential for outsourcing of function/ staff to Agilysis, highlighted in the presentation, assurance that no job losses would result.
- In the context of £187k savings in a Corporate budget of £9.5 million in 2012/13, an explanation for an absence of savings in

**2013/14. Ms Freeman, ACE Legal Services, to provide written response.**

- What the £2.255 million available for Mayoral priority spending was comprised of
- Detail requested on expenditure and savings for the Communications Service Budget. Also why advertising by the Council appeared to have increased when savings were needed.**Mr Sulaiman, SH Communications to provide written response.**
- Whether the £312k of savings in Democratic Services the previous year had been achieved. Also whether budget outcomes in SPP had changed.**Mr Williams, SH Democratic Services to provide written response.**
- Information requested regarding an inter-borough Council publications print contract reported in the Guardian. Disappointment expressed that Members had not been made aware of this before it became public knowledge. **Mr Sulaiman, SH Communications to provide written response.**
- Whether the contribution to savings from additional income generated in Legal Services in 2012/13, highlighted by Officers, comprised of real income or internal recharges or recharges to THH.
- Whether it would be accurate to summarise the position set out at page 30 of the 2013/14 Budget Pack as the Council would spend more in 2013/14 than 2012/13, more funding would be received from Government in 2013/14, and £14 million was to be placed in reserves.
- Whether compared with other London boroughs it was a normal pattern to be spending more and increasing reserves.
- Whether the advice of the former CFO that there were significant budgetary implications of not agreeing an increase in Council Tax (Council Tax Freeze), was still valid.
- Given this recent Government grant was for 2 years, what planning was being undertaken for the period after it ran out. Concern was expressed that the Cabinet Member for Resources had informed OSC, with reference to the funding gap in 2015/16, that other councils were not looking that far ahead; and reassurance was sought that forward planning would be undertaken to mitigate the gap at LBTH. Concern also that Mayoral growth priorities were not funded beyond

2014/15 and this would exacerbate the impact of the funding gap in 2015/16.

- Concern expressed that the scale of the £26.5 million funding gap in 2015/16 could not be met by 'back office' savings and it would be helpful to understand the Executive's strategic thinking on this.
- With reference to page 30 of the 2013/14 Budget Pack a more detailed analysis of the General Fund Reserves and movement therein was requested. What did it comprise of, where had it been funded from, what options for spend were there.**Mr Finch to provide written response.**
- Further information requested on movements in earmarked reserves.**Mr Finch to provide written response.**
- With reference to the potential for savings arising from the transfer of PH responsibility to the Council referred to by Officers, what scale of saving was anticipated.
- Given the scale of the Budget challenge going forward, what work was in progress to share staff and 'back office' functions with other councils.
- Whether the number of senior management vacancies provided an opportunity to examine service integration and identify savings in management costs. This had reaped benefits for LB Hammersmith and Fulham, resulting in a discount for Council Tax.
- Whether consideration, similar to that of councils in the north of England, had been given to not outsourcing services, particularly vital ones, and formulating a business plan accordingly to mitigate any budgetary risk.**Mr Finch to explore issue and provide written response.**
- Information requested on new growth and savings less than £50k.