

Budget Scrutiny Task Groups 2018-19

Proposal to establish Scrutiny Task Groups to review service models and options for future delivery

1. Establishing the Groups

It is proposed that the Scrutiny Panels should establish 4 budget scrutiny task and finish groups to consider the Council's current models of service delivery and related issues, as well as examining options for future delivery including the identification of cost savings and/or additional income generation to assist with the delivery of a balanced budget going forward.

Article 3.3.1 of the Council's Constitution sets out the terms of reference for Full Council and Council Committees. The subsection 'Overview and Scrutiny Panel' item (vii) grants to the Scrutiny Panel the authority for:

“establishing ad hoc task and finish scrutiny panels, agreeing their terms of reference and appointing their membership”

Section (iv) also grants the Scrutiny Panel the responsibility for:

“co-ordinating the involvement of scrutiny in the budget process”

The budget scrutiny task groups will be established with defined membership, terms of reference and will be time-limited. The Scrutiny Panel will create 4 Budget Scrutiny Task and Finish Groups for the year 2018/19 whose work will conclude in July 2019. If required, further scrutiny task and finish groups could be established as needed.

The proposed Scope for the 'Fees and Charges' Budget Scrutiny Task and Finish Group is set out in Section 2 (a). This Group will commence its work in October 2018. The broad scope of the other three Task and Finish Groups is also set out Section 2 (b-d) and they will commence their work in early 2019. Each Group will agree terms of reference at its first meeting and these will be endorsed by the Scrutiny Panel.

2. Selection of service areas or topics

It has been proposed that the scrutiny task groups should focus on areas of significant challenge to the council's budget and feed this into the wider consideration of the budget setting process.

These budget scrutiny task groups will consider radically different ways of providing services in order to address the major commitments to improving services and promoting greater opportunity as set out in the administration's manifesto, while being forced by Government cuts to make substantial savings. The proposals put forward will take into account officers' suggestions and the views expressed by Members. The following areas of

focus have been identified by the Executive for Budget task and finish groups over the next 12 months:

a) Scrutiny Task Group on Fees and Charges

This group will review the principles agreed by the previous Governance and Resources Scrutiny Commission in 2011 to ensure that they are still relevant to the current challenges, and also to deal with questions such as to why do we not simply increase all fees and charges annually by an agreed inflation rate. The Group will consider the equalities issues in relation to fees and charges and in particular will consider income inequality as well as the protected characteristics under the Equality Act 2010. The principles agreed and adopted in 2011 were as follows:

1. Services should raise income wherever there is a power or duty to do so.
2. Charges need to be simple to understand and administer.
3. We will set our pricing to reflect the true cost of providing each service, including overheads.
4. Any departure from the above principles will be justified with reference to specific Council priorities and policies.
5. General presumption in the budget setting process is for no increase in charges where the Council has discretion, over and above those required to reflect the true cost of provision of service (subject to below).
6. We will benchmark key fees and charges we levy and seek to bring them into line with levels set by similar councils, having due regard to our social and environmental responsibilities
7. Where evidence suggests that a differential charging policy would increase overall use of a council facility, such a policy will be introduced, particularly if this increases accessibility to non commercial groups
8. Any proposal to raise external income by increasing fees and charges or by imposing a new charge where none existed before, must seek the approval of the Executive.

b) Scrutiny Task Group on Early Years' Service

This group is being set up in recognition of the significant changes at national level regarding the provision of this service as well as issues such as the ongoing sustainability of the current arrangements in respect of Children's Centres.

c) Scrutiny Task Group on North London Waste Authority / Recycling & Waste

This group will consider the current issues emerging from NLWA, particularly in respect of the provision of new facilities, this group is being set up to ensure that Members and officers alike are fully conversant with the decisions that are likely to need to be taken in the near future on recycling and waste and the knock-on impact on recycling in the borough.

d) Scrutiny Task Group on Integrated Commissioning (CACH)

This group will ensure that Members and officers alike fully understand the potential impact of this ongoing work, not least due to the scale of the budgets covered but also understanding the revenue and capital impacts as well as that on the use of assets across the organisations involved. Integrated Commissioning of health and social care between the Council, NHS City and Hackney CCG and City of London Corporation has now been in place since May 2017 and Health in Hackney Scrutiny Commission has had a series of rolling standing items on the work of the 4 Workstreams since then. This group will focus on the budgeting aspects and will build on the discussion item on this issue at the 26 September 2018 meeting.

3. Task Group Membership and Process

This process will be owned by the Scrutiny Panel which will consider the findings of the 4 Groups in public.

No more than four panels will be established at any one time, save for exceptional circumstances.

Following approval of the topics, Members would be asked to volunteer to serve on a specific group. Because these are time limited, Members will be asked not to volunteer for a panel unless there is a reasonable expectation they can be present for all the meetings. Membership will be open to all backbench councillors not just those currently involved in scrutiny and members will be encouraged to join groups considering policy areas that they are unfamiliar with. The allocation of members to panels will be decided by each party. All Members would be encouraged to attend the meetings of the task groups, regardless of membership.

Through the party whips Members will be nominated to serve on each task group. The political make-up will be proportionate over all to the membership of the Council so for example, if 24 positions are available (i.e. a maximum of 4 groups of 6), there will be 2 positions offered to the Opposition party as a minimum.

The following Membership is proposed:

Name	Membership	When it meets	Proposed meeting dates
Fees and Charges	4x Labour Member and/or 1 (Opposition)	Daytime/Evening	TBC Oct – Dec 2018
Early Years' Service	4x Labour Member and/or	Daytime/Evening	TBC

	1 (Opposition)		
North London Waste Authority / Recycling & Waste	4x Labour Member and/or 1 (Opposition)	Daytime/Evening	TBC
Integrated Commissioning (CACH)	4x Labour Member and/or 1 (Opposition)	Daytime/Evening	TBC

Groups will be chaired by backbenchers, and membership of each will include the relevant **Scrutiny Chair**, and a minimum of **three** backbenchers (not including the chair)

It is proposed the main evidence gathering meetings of the task and finish groups will take place in private but the outcomes and recommendations of each group will be reported in public to the Scrutiny Panel.

Following confirmation of membership the Scrutiny Task Groups can agree their own preferred times to meet to suit the schedules of the councillors and officers involved. At the end of the task the Groups will be dissolved.

4. Mayor and Cabinet

Neither the Mayor nor Members of the Cabinet are eligible to be Members of the Scrutiny Task Groups. However, they will be invited to attend, particularly for discussion about service areas related to their portfolios. The lead officer and Executive Member for each task group is outlined below.

Area	Lead Scrutiny Chair	Lead Group Director	Lead Director	Lead Cabinet Member
Fees and Charges	Cllr Gordon (Scrutiny Panel)	Ian Williams	Cross-cutting	Cllr Rennison
Early Years' Service	Cllr Conway (Children & Young People)	Anne Canning	Sarah Wright	Cllr Kennedy
North London Waste Authority / Recycling &	Cllr Patrick (Living in Hackney)	Kim Wright & Ian Williams	Aled Richards	Cllr Burke. Cllr Rennison

Waste				
Integrated Commissioning (CACH)	Cllr Hayhurst (Health in Hackney)	Anne Canning	Simon Galczynski	Cllr Demirci

5. Frequency and timing of meetings

The Scrutiny Panel will maintain oversight of the budget setting process, and of the findings of the budget task groups as part of their wider responsibility for having an overview of the budgeting process.

Members would be made aware of the time commitment expected and would be offered both daytime and evening meetings. Where possible dial-ins and/or skype connections will be offered to members to facilitate attendance.

It is envisaged that the outputs of these groups will contribute to the reshaping of services but as they will also contribute significantly to the budget setting process, the aim would be to complete all task group work by July 2019 (ongoing timescale required to be confirmed with HMT).

It is expected that much of the work will be completed on-line and by email but that a limited number of meetings (maximum three) either daytime or evening will take place between October 2018 – July 2019.

The phasing of the work will be synchronised with the timing of the budgetary decisions that need to be taken. The groups will also take account of the busiest points in the political cycle when it would be most difficult for Members to engage in additional work and meetings.

The Fees and Charges Task Group review will need to conclude before the end of the year in order to feed into the 2019/20 budget setting process with recommendations produced by December 2018 and a formal report back to the Scrutiny Panel on 21 January 2019. The remaining Budget Scrutiny Task Group reviews will report to the Scrutiny Panel in July 2019.

6. Officer support

The Groups will be supported by a combination of the Overview and Scrutiny Team and Executive Support Team as well as expertise from officers in the directorates of the service areas affected. The Chair of the task and finish group will liaise with the executive support team to set up the meeting and circulate an agenda and papers.

Scrutiny officers will advise the Chair, attend meetings, draft minutes, and draw up final report of issues, conclusions and recommendations.

7. Reporting

The outputs of these Scrutiny Task & Finish Groups will inform the budget setting process.

Each Budget Scrutiny Task Group will produce a short report to the Scrutiny Panel with a summary of the key issues discussed, their analysis of them and their conclusions and recommendations. In setting up the Budget Scrutiny Task Groups the aim has been to utilise the skill set of the Scrutiny Officers most effectively while minimising the impact on the busy work programmes of the Scrutiny Commissions.

The reports themselves will be limited to: addressing the lines of enquiry set out above, reflecting options for change, and making recommendations for future action.

All Members who serve on the groups will be invited to discuss the process and to give their views on service configuration and how budget planning might be progressed.

8. Timetable for establishment of the Task Groups

Action	Date
Discussion at party groups	September 2018
Identification of the four topic areas and agreement with the Mayor and Cabinet, the Chief Executive and the Corporate Director of Finance and Resources	September 2018
Members to volunteer their service	September 2018
Whips to agree proposed membership of the initial four Scrutiny Task Groups	September 2018
Meetings of the initial four Scrutiny Task Groups	October 2018-January 2019 (meetings)
Reports of each Scrutiny Task Groups in agenda for Scrutiny Panel Meeting	21 st January 2019 and July 2019
Response from Cabinet Member to the work of the Budget Scrutiny Task Groups	September 2019
Meeting to review the process with all Members of the initial four Scrutiny Task & Finish Groups	TBC

10 Recommendations

- 10.1 **To appoint 4 Budget Scrutiny Task & Finish Groups for 2018/19 as set out in point 2.**
- 10.2 **To agree the Membership of the Panels** (membership list to be tabled at the meeting).