

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON MONDAY, 29TH JANUARY, 2018, 19:00

PRESENT:

Councillors: Charles Wright (Chair), Pippa Connor (Vice-Chair), Kirsten Hearn, Emine Ibrahim, Tim Gallagher and Yvonne Denny.

49. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein.

50. APOLOGIES FOR ABSENCE

There were no apologies for absence.

51. URGENT BUSINESS

There were no items of urgent business.

52. DECLARATIONS OF INTEREST

There were no declarations of interest.

53. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

There were no deputations, petitions, presentations or questions received.

54. MINUTES

The minutes of the meeting on 11th January were agreed as an accurate record.

55. MINUTES OF SCRUTINY PANEL MEETINGS

The minutes of the following scrutiny panel meetings were agreed as an accurate record: Children and Young People Scrutiny Panel on 18 December 2017; Environment and Community Safety on 21 December 2017; Adults & Health Scrutiny Panel on 14 December 2017 and Housing and Regeneration Scrutiny Panel on 19 December.

56. TREASURY MANAGEMENT STRATEGY STATEMENT 2018/19 - 2020/21

The Committee considered the Treasury Management Strategy Statement 2018/19 - 2020/21. Thomas Skeen, Head of Pensions introduced the report; OSC was requested to scrutinise and make comments prior to its submission to Corporate Committee and then Full Council for final approval. The following points were raised in discussion of the report.

- The Committee sought assurances around the operational boundary, and whether the current level of headroom was reasonable.
- The Committee sought clarification on cash flow levels and sought assurances that the Council had suitable cash flow available.
- The Committee sought assurances on revenue reserve levels, and whether there was enough flexibility to cover investment losses, should these occur.
- The Committee questioned existing debt levels of £346m and the revenue costs of servicing this debt.
- The Committee queried whether the authority was overly prudent in keeping its overall borrowing levels relatively low and questioned what the implications were of borrowing more.
- The Committee also queried what the Council's liquidity levels were. In response, officers advised that the bottom line was £10m, as this figure was mandated by the EU Markets in Financial Instruments Directive. The Committee also noted that in general, liquidity levels were subject to in-month fluctuations.
- Clarification was sought on the cost associated with servicing debt, it was agreed these would be circulated outside of the meeting. **(Action: Thomas Skeen).**
- The Chair of the Children and Young People's Panel sought assurances of the Council's ethical investment as part of its treasury/pension strategy. In response, officers advised that the investments strategies for the pension fund and for treasury management purposes differed significantly due to the timescales involved in managing these investments. The Committee noted that the pension fund's investments covered a far longer period, whereas the Council's treasury investments were done with liquidity and access to funds over the short term in mind.
- The Committee sought assurances around what the governance arrangements for the TMSS were, and what would happen if there was a change in capital requirements. In response, officers advised that the TMSS was agreed by Full Council every year and that any changes in capital requirements would have to be assessed to see if they were within the existing operational and authorisation limits of the current strategy.

The Following comments were agreed by OSC to be passed on to Corporate Committee for their consideration:

- The Committee requested that information regarding the revenue implications of capital decisions be passed on to Corporate Committee and shared with OSC. **(Action: Thomas Skeen).**

** Clerks Note – revenue implications set out in below table**

	2018/19	2019/20	2020/21
<i>Interest Costs Projected</i>	16,161,883	16,767,157	16,234,918

- The Committee commented that commented that the TMSS was ‘cautious, but safe’.
- The Committee requested that the half yearly treasury performance update report also be presented to Overview and Scrutiny, this report includes information about capital delivery, and was normally presented to the corporate committee. **(Action: Thomas Skeen/Clerk).**
- The Committee noted that capital expenditure should be monitored closely, as investment in capital can help to keep revenue costs down.

57. BUDGET SCRUTINY RECOMMENDATIONS

The Cabinet Member for Finance and Health introduced the Budget Scrutiny Recommendations report.

The Committee were asked to agree a series of recommendations on the budget and MTFs, following their review by the individual scrutiny panels. The final recommendations from OSC would then be taken to Cabinet for consideration along with the final MTFs proposals which would then be put to Council on 26 February for approval. In response to the discussion of the report the following points were noted:

- a. In response to a query around the number of properties in the borough that were in council tax bands G & H, officers advised that it was around 5500 which was about 5%. The Committee raised a further question around whether using differential council tax rates to subsidise council tax benefit was legal. In response, the Cabinet Member advised that he thought that it would be legal depending on how that change was implemented; such as the introduction of different categories within band levels. However, it was suggested that this would create additional administrative costs and that this was likely to be opposed by the current government.
- b. In response to a question, officers confirmed that the implementation of 3% increase in social care precepts would prevent the authority from increasing it the following year. The Cabinet Member advised that there was no information currently available from the government about the long-term possibilities of implementing a year-on-year increase.
- c. In response to a question around the General Fund reserves level, the Cabinet Member advised that the figure was around £14m in April 2017 and that this was impacted by the agreed use of £8.8m of reserves in the MTFs. However, this reduction was offset by a surplus in council tax collections of around £6m which resulted in General Fund reserve of around £12m. It was anticipated that reserves would be around £15m at the beginning of the financial year.

- d. In response to a query around the impact of employing agency staff on the overspend within the Children's Services budget, the Cabinet Member advised that an improved recruitment and retention package had been implemented to make Haringey a more attractive place to work. However, it was still necessary to employ agency staff to fill gaps in the provision of a statutory service.
- e. The Cabinet Member advised that the costs from adoption and fostering services were monitored regularly by Cabinet.
- f. In response to a question around the new models of care saving, the Cabinet Member acknowledged that there was more work to do to achieve the £1m saving, and that the saving proposal was likely to involve some degree of shared service provision.
- g. In response to a query around the total saving position within P2, officers advised that the MTFs set out an agreed saving of £2.4m for 2018/19, which reflected an agreed reduction of around £800k from 2017/18. In addition, there was a carried forward budget pressure of around £3.5m for 2018/19 which would also need to be met. The Committee noted that the savings outlined related to the £2.4m saving. The Cabinet Member advised that the additional budget pressures were not carried over evenly and that for instance a decision had been taken to close Osbourne Grove.
- h. The Committee sought reassurance around Adult Services' ability to make the required savings given the nature of the demand-led pressures on that service. In response, officers acknowledged that the P2 transformation programme was predicated on managing demand and that pages 134-135 of the agenda pack set out the interventions currently in place, as well as the likelihood and risks of managing demand on those services to a net neutral position. The Cabinet Member advised that the authority would look to hold a corporate resilience reserve, in order to mitigate some of these risks.
- i. Yvonne Denny raised concerns about people with acute mental health needs being rehoused in a community setting and outlined residents' experiences of this; including dealing with abusive and violent behaviour. The Committee was advised that residents were having significant trouble contacting BEH MHT to report concerns. In particular, the given contact number to report information was going unanswered. Yvonne Denny urged the Committee to ensure that there was adequate support available within the community care setting. It was also suggested that there was a general lack of provision of mental health services within the South Tottenham area. In response, the Cabinet Member acknowledged the concerns outlined above and advised that he was due to meet with HfH and Registered Social Landlords to discuss this issue. The Cabinet Member also advised that the MTFs contained additional investment into P2 transformational activities including supported living.
- j. Cllr Connor advised that the Adults & Health Scrutiny Panel would be monitoring the changes to adult day care provision going forwards. **(Action: Cllr Connor/Clerk).**
- k. The Director of Adult Social Services advised that under the Care Act 2014, the local authority had ultimate responsibility for dealing with immediate situations and urged that future instances be reported directly to Adult Social Services through the First Response team.
- l. Cllr Hearn suggested that there was a significant piece of work that could be undertaken by OSC in the next administration around the impact of funding

- changes to local authority services, particularly in terms of health and social care. **(Action: Cllr Hearn/Clerk).**
- m. In response to a question on the net saving position from closure of Osbourne Grove, it was noted that the revenue budget was £1m, however there was an over spend of over £1m on that budget. The cost of re-provision for those clients currently residing at Osbourne Grove was around £900k, leaving a net position of around £1.1m.
 - n. The Chair of the Children and Young People Panel advised that the panel had not put forward any new savings. The savings within P3 were agreed last year but were being realised in the coming financial year. The Committee were advised that the panel had concerns about the cumulative impact of some of those savings and in particular the impact it could have on fly-tipping and a reduction in recycling levels.
 - o. In response to a request to explore concessionary rates in regards to green waste charges, the Cabinet Member agreed that he would look into it as part of the fees and charges setting process. **(Action: Cllr Arthur).**
 - p. The Chair of the Housing and Regeneration Scrutiny Panel raised concerns with the level of consultancy spend in Priorities 4 & 5. It was suggested that the saving proposal of a £50k reduction was quite modest in relation to the current in-year spend figure of around £700k.
 - q. In relation to a question about the likely number of job losses as a result of the savings proposals put forward as part of Priority X, officers advised that it was estimated that there would be a reduction of around 70-100 over the whole period of the MTF5. However, officers advised that a number of these roles would relate to contractors and that there would also be significant savings from a reduction in licence costs.

The Committee agreed that the following recommendations should be put to Cabinet in relation to budget scrutiny:

Cross cutting issues

1. Cabinet to examine how the Council could ensure that meaningful consultation was undertaken in response to the budget setting process.
2. Cabinet to regularly monitor progress on achievement of savings, and report regularly on budget, including achievement of savings, projections; risk; and mitigation.
3. Cabinet Members and priority leads, as appropriate, should report to their scrutiny panels, starting in October on: financial performance against budget, risks and mitigation plans, alongside regular reporting on overall priority performance. In addition, it was requested that quarterly briefing prepared for all panel chairs on priority performance, budget, risks and mitigation.
4. The Cabinet Member for Finance to report to OSC on overall progress against budget, risks and mitigation.

Priority 1

5. That there be meaningful consultation with staff, users and communities to ensure services were delivered effectively, including where savings were required.
6. That Cabinet explore methods of bringing services back-in house, where it was financially viable.
7. That OSC was concerned about the viability of the new models of care savings and sought assurances from Cabinet about the potential for the savings figure to be realised.
8. That Cabinet explore possibilities for further engagement with shared services and the pooling of resources with neighbouring local authorities.

Priority 2

9. That Cabinet have oversight of the funding available for those with acute mental health needs in a community care setting, and that they should make representations, as appropriate via joint health and care bodies and to NHS England.
10. That Cabinet be aware that OSC have significant concerns over the viability of the savings proposals to Haringey Learning Disability Partnership, mental health and physical support.

Priority 3

11. Given the potential negative impact on recycling levels and a potential increase in fly tipping, OSC requested that Cabinet re-examine whether the savings proposed were financially achievable in the round.
12. That Cabinet note that OSC had concerns over the proposed charges for green waste, and examine the possibility of including a concessionary rate as part of the fees and charges setting process.

Priority 4 & Priority 5

13. That Cabinet set an in-principle target of zero for consultancy spend.

Priority X

14. That Cabinet note OSC concerns about the potential for significant job losses in relation to the savings proposed under Priority X. Cabinet to ensure that there was a full and proper consultation carried out with the trade unions and all effected staff.

58. REVISED SCRUTINY PANEL MEMBERSHIP

The Committee considered a report on Revised Scrutiny Panel Membership.

RESOLVED

- I. That Overview and Scrutiny Committee agreed the revised membership of the Adults and Health Scrutiny Panel as outlined in section 6.4 of the report.

59. NEW ITEMS OF URGENT BUSINESS

N/A

60. FUTURE MEETINGS

The next meeting was noted as taking place on 26th March 2018.

CHAIR: Councillor Charles Wright

Signed by Chair

Date