

MINUTES OF THE MEETING OF THE ADULTS & HEALTH SCRUTINY PANEL HELD ON THURSDAY 8th DECEMBER 2022, 6.30pm - 8.35pm

PRESENT:

**Councillors: Pippa Connor (Chair), Anna Abela, Cathy Brennan,
Thayahlan Iyngkaran and Felicia Opoku**

ATTENDING ONLINE:

Councillors: Sheila Peacock

Co-opted Members: Helena Kania

35. 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'.

36. APOLOGIES FOR ABSENCE

Apologies for absence were received from Ali Amasyali. Cllr Sheila Peacock gave apologies that she was not able to attend in person, though she did join the full meeting online.

37. ITEMS OF URGENT BUSINESS

Cllr Pippa Connor reported that the Cabinet's response to the recommendations of the Adult & Health Scrutiny Panel's Review on Sheltered Housing and Access to Health and Social Care Services had been discussed at the Cabinet meeting on 6th December 2022. She noted that the recommendations of the Panel had been broadly accepted and that an update report would be received by the Panel next year which would include input from various partners as they were directly relevant to the recommendations.

38. DECLARATIONS OF INTEREST

Cllr Pippa Connor declared an interest by virtue of her membership of the Royal College of Nursing.

Cllr Pippa Connor declared an interest by virtue of her sister working as a GP in Tottenham.

Cllr Thayahlan Iyngkaran declared an interest by virtue of his membership of the Royal College of Radiologists.

Cllr Thayahlan Iyngkaran declared an interest by virtue of his wife working for Barnet, Enfield & Haringey Mental Health Trust.

39. DEPUTATIONS/PETITIONS/ PRESENTATIONS/ QUESTIONS

None.

40. MINUTES

The minutes of the previous meeting were approved as an accurate record.

RESOLVED – That the minutes of the meeting held on 17th November 2022 be approved as an accurate record.

41. SCRUTINY OF THE 2023/24 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2023/24 - 2027/28)

Josephine Lyseight, Head of Finance (People), introduced the report on the Draft Budget for 2023/24 and the Medium Term Financial Strategy (MTFS) for 2023/24 to 2027/28, noting that the suite of documents included details about new revenue savings proposals, revenue growth proposals and capital proposals as well as existing revenue savings and the proposed capital programme as a whole across the MTFS period. She explained that the additional new growth for the General Fund was £14.8m, of which £6m was being allocated to Adult Services. The Council was approximately £3m short of achieving a balanced position but this did not factor in any potential additional money arising from the Government's recent Autumn Statement. This included the flexibility for local authorities to increase the Adult Social Care precept from 1% to 2% as well as additional government funding to support hospital discharge. The final figures for grants would not be known until the Local Government Finance Settlement had been announced. However, the expectation was for a balanced budget position to be achieved by February 2023 when the Budget would be set.

Josephine Lyseight and colleagues then responded to questions from the Panel:

- Asked by Cllr Brennan how much difference a rise in the adult social care precept could make to the Budget, Josephine Lyseight estimated that this would raise approximately £1m per year which would be ringfenced for Adult Social Care services.

- Asked by Cllr Iyngkaran when the details of the adult social care grants would be known, Josephine Lyseight said that this was expected within the next couple of weeks but that it had been assumed that the grants would continue at a flat rate adjusted for inflation.
- Cllr Iyngkaran queried how much additional funding would be raised by a 1% increase in Council Tax. Josephine Lyseight noted that there would be the flexibility to do this from next year, as announced in the Government's Autumn Statement, but would need to provide a written response on the estimated amount that this could raise. **(ACTION)**
- Asked by Cllr Iyngkaran what the means for balancing the budget last year had been, Josephine Lyseight said that this involved a mix of Council Tax, general and specific grants from the Government as well as various fees and charges and maximising income from partners that the Council worked with on the delivery of services.
- Helena Kania queried the assumptions in place around inflation in the Budget. Josephine Lyseight clarified that a figure of 5% had been used for the care purchasing budget which had been seen as a reasonable assumption at the time that the budget proposals had been assembled. However, she acknowledged that the inflation rate could eventually turn out to be higher.
- Cllr Connor asked about the source of the additional £6m for Adult Services and whether this could potentially be raised again in future. Josephine Lyseight explained that the MTFs was reviewed each year and that services articulated the likely growth needs that were required. The ability to provide growth depended on the ability to deliver other savings as well as assumptions about other income and grants that were coming in. The £6m that had been awarded for 2023/24 would remain within the base budget in subsequent years and that budget would then be reviewed through the MTFs on an annual basis. There had also been a significant contribution to Adult Services from the Strategic Planning Reserve as set out in paragraph 5.7 of the main report.
- Cllr Connor referred to paragraph 5.5 of the main report and requested further explanation of what "*putting a challenge to existing and proposed capital programme*" involved. Josephine Lyseight explained that business cases were required before capital monies could be drawn down and that the capital programme was consistently reviewed to make sure that the schemes were still required, whether they could be brought forward to deliver revenue savings or whether schemes could be reduced to help fund other capital proposals.
- Cllr Connor referred to paragraph 8.35 of the Cabinet report which illustrated a cost of £13.3m in 2022/23 for interest payments to the revenue budget resulting from capital expenditure and noted that this was projected to rise to £37.9m by 2027/28. She queried whether capital expenditure could continue at the current level given the costs incurred by rising interest rates. Josephine Lyseight said that assumptions would have been made about the impact of the capital proposals on the revenue budget through the business cases including any

revenue savings and the cost of financing the capital. She agreed to provide further detail to the Panel on the specifics of this in writing. **(ACTION)**

- Cllr Abela referred to paragraph 7.51 of the Cabinet report which stated that the final year of a challenging savings programme for Adult Services had been removed and requested further explanation of this. Beverley Tarka, Director of Adults, Health & Communities, explained that, prior to the Covid-19 pandemic, the final year of savings for the previous MTFS had been based largely on demand management approaches that were no longer valid. The assumptions that preventative activities would reduce demand for care had not played out, as the impact of Covid had led to an increase in the number and complexity of cases. Alternative solutions had therefore been put in place.

New Revenue Savings Proposals 2023/24

Beverley Tarka introduced the five savings proposals set out in Appendix C. She noted that proposal AHC_SAV_001 on improved processes and practices was an ongoing initiative that had already paid dividends and was based on efficiencies such as reviewing residents on care packages in a timely fashion. The Council's aim was to promote the independence of residents where possible and so it was necessary to conduct a review, engage with providers to determine the appropriate cost of care and to implement the outcomes appropriately. Commissioning for independence rather than having static care costs would help to ensure that value for money was being achieved. For example, a mental health patient may need a high level of support after discharge from hospital but, over time, their behavioural needs and improvements in support could mean that a high level of support was no longer necessary. Vicky Murphy, Service Director for Adult Social Services, added that significant work had been undertaken to optimise the review system at the six-week stage as well as at the annual review. There had previously been delays in getting the early six-week review and so now there were opportunities to reduce levels of care where appropriate at an earlier stage.

Cllr Connor asked how the savings being made with providers over the cost of care could be maintained over the long-term. Beverley Tarka said that the constant throughput of new clients meant that savings could be made on an ongoing basis. For example, clients were previously staying on reablement for up to 14 weeks when reablement should usually be a 6-week free-of-charge intervention. Having brought this figure back to 6 weeks there were be new cohorts to work with on a regular basis meaning that savings would continue to be made.

Asked by Cllr Connor why the savings for AHC_SAV_001 were considerably smaller in 2024/25 when compared to 2023/24, Beverley Tarka said that the figures were based on assumptions on the clients coming through the system and their needs. These figures were reviewed annually and so updated figures would be provided in the following year's budget.

Cllr Abela observed that savings proposal AHC_SAV_002 was based on more effective mental health accommodation but also noted that there was insufficient accommodation in the Borough which was unlikely to be resolved within the next year. Beverley Tarka explained that when a mental health patient was ready for discharge from hospital, a decision may have to be taken to place them out of Borough at a very high cost. The Council then had to work with support structures to bring that person closer to home, often identifying local housing providers and achieve better value for money and better outcomes for individuals. If there was less pressure at the point of discharge, there may be a more appropriate outcome for the individual rather than sending them out of Borough.

Asked by Cllr Conner to provide further details about the 'Safety Valve' programme set out in savings proposal AHC_SAV_005, Josephine Lyseight explained that the Adult Services version of this programme followed on from a programme in Children's Services which had focused on three strands. These were on reducing demand for education and healthcare plans, more efficient commissioning strategies and enabling projects on service improvement. Work had been carried out to identify possible savings of up to £49m over five years across 18 different projects. The Department for Education had agreed to fund the historic deficit on Dedicated Schools Grants if it was demonstrated that these savings could be achieved by 2027/28. In terms of Adult Services, a lot of the service improvement work was already in place so the Safety Valve initiative was to create a programme of work that could be articulated to partners on how savings would be delivered.

Cllr Iyngkaran expressed concerns that the bulk of the £7.73m projected savings in 2023/24 were based on two specific savings proposals, noting that around 50% of the previous year's savings had not been achieved, and asked what mitigations would be in place if these savings were not achieved. Josephine Lyseight clarified that the savings proposed were made in the year specified and then maintained in every subsequent year. Beverley Tarka agreed that the savings were challenging but reiterated that the previous assumptions around savings no longer applied due to Covid and so a new approach had been developed based on intervening early to save costs and deliver a balanced budget. In the same way, it would be necessary to develop alternative savings in the event that delivering on the £7.73m savings was not achieved, as challenging as that may be. There had been a shift away from demand management assumptions, because the context in this area was so volatile, and towards more concrete savings based on commissioning efficiencies and improving value for money. She also commented that this area was particularly challenging due to insufficient funding from central Government in recent years. Vicky Murphy added that local authorities had seen cuts of 20-25% over the past 5-7 years while seeing a higher demand of up to 20% in acuity and demand.

Adding to the discussion on disruption caused by Covid, Vicky Murphy highlighted the significant increase in high-cost mental health placements out of Borough in recent years. She said that a new project group had been set up in the past six months which had worked to bring several of those individuals back in Borough in a supported living service at a much reduced cost. There were also frequent meetings with the Integrated Care Board (ICB) to look at how the financial risks in this area could be shared.

Cllr das Neves, Cabinet Member for Health, Social Care & Well-being, commented that the sector had asked for reform and a different approach to social care, but local authorities were constantly in the position of having to put more funds into vital services and to meet increasing and more complex needs. There were significant conversations at national level about hospital discharge, the challenges of an ageing population, people with complex needs following Covid and challenges within the NHS. She added that both the health and social care systems needed a greater level of support at national level that was currently not forthcoming.

Asked by Cllr Iyngkaran when the service would come back to the Panel if the savings were not deliverable, Beverley Tarka said that there was regular monitoring with corporate colleagues and an open dialogue about savings. The service had previously written off £4m of savings in preparation for the development of this plan as they were not deliverable for the reasons previously set out. In response to a query from Cllr Connor, Josephine Lyseight clarified that 'RAG' ratings on the proposals would be provided in the savings tracker next year but that would not happen at this stage because the proposals were for 2023/24 which had not yet started.

Cllr Connor commented that it would be useful to have a greater understanding of the financial contributions made by partners including the ICB, particularly given the robust conversations about hospital discharge and pressures on social care. Beverley Tarka said that the North Central London (NCL) ICB had received £6.4m to support winter discharge across the five Boroughs, of which Haringey Council had received £957k. She felt that the challenge was not to have one-off funding that doesn't lead to sustainable pathway outcomes but to have a funding structure that was more sustainable over the longer-term. Asked by Cllr Opoku whether this funding was fairly distributed across the Boroughs, Beverley Tarka responded that the expectation was that the Council and the ICB would work collaboratively to identify where resources were required, particularly around intermediate care when people were medically optimised to leave hospital but not quite ready to be at home.

Asked for further details about the breakdown of this funding, Beverley Tarka clarified that the overall funding for the NCL ICB area was approximately £12m but not all of this was provided directly to local authorities and the allocations were based on a formula. It was agreed that the full breakdown of the funding allocation would be provided to the Panel in writing. **(ACTION)** Asked by Cllr Iyngkaran, how the Council

would use this additional funding, Beverley Tarka said that discussions were still ongoing about this but that the Council would be required to evidence how it supported the effectiveness of hospital discharge. She also noted that the Council would not receive this funding all at once and that it would be received in stages.

Cllr Connor suggested that future savings proposals provided to Scrutiny should include some short bullet points on any risks that had been identified. **(ACTION)**

New Revenue Growth Proposals 2023/24

Beverley Tarka introduced the two growth proposals set out in Appendix D. In relation to proposal AHC_GR_001 on the level of acuity and complexity in clients, she noted that £2.8m of additional funding had already been added to the 2023/24 budget based on proposals from the previous year. However, as explained earlier, the service continuously revised and reassessed need and so this proposal added a further £2m to the budget based on anticipated demand. She added that proposal AHC_GR_002 added a further £4m to the budget to meet the anticipated inflationary pressures.

Asked by Cllr Connor what additional growth beyond this was anticipated from 2024/25 onwards, Josephine Lyseight said that this would need to be reviewed and put forward at the same time next year if necessary, but that there were limited resources across the Council. Sean Huang, Principal Accountant, clarified that the £2.8m of additional funding had already been built into the budget previously and was therefore not displayed in Appendix D as it was not new growth. In the same way, additional funding had already been allocated for 2024/25 onwards and was not displayed in Appendix D. Asked for further details on the amounts, Sean Huang said that he could provide the figures to the Panel in writing. **(ACTION)** In response to a question from Cllr Iyngkaran, Josephine Lyseight clarified that once growth had been added to the base budget, the funding remained in the budget for every subsequent year.

In relation to proposal AHC_GR_002, Cllr Iyngkaran expressed concerns that there was a risk here as inflation had been assumed to be 5% even though the national inflation rate was in excess of 10%. Beverley Tarka responded that this was a corporate decision which the service directors did not have a say in, but that her understanding was that the 5% rate was a best guess based on a situation that was not static. Josephine Lyseight added that the Government's Autumn Statement had assumed a rate of 7.4%, but this figure had not been known at the time that the budget proposals had been developed. Assumptions would need to be adjusted before the Budget was finalised in any case when the Local Government Finance Settlement had been announced and there would be a question at a corporate level on whether the 5% figure should be increased.

Previously Agreed Revenue Savings

The Panel then asked questions relating to Appendix E which tracked previously agreed savings covering 2022/23 to 2025/26.

Asked by Cllr Iyngkaran and Cllr Connor about the unachieved savings marked red on the chart, Beverley Tarka explained that these had been reprofiled and replaced with the alternative savings proposals considered under Appendix C. It had been accepted that the original savings would not be achieved in 2022/23 and were instead being reprofiled with the new savings proposals over future years.

Asked by Cllr Connor about the unachieved saving marked amber on the chart, Beverley Tarka explained that this meant that there was still potential for this to be delivered and that this would continue to be reviewed and could change to green in subsequent months based on new data.

Cllr Iyngkaran referred to the achieved savings marked green on the chart, noting that saving B2.8 on mental health had overdelivered savings by £500k. Beverley Tarka explained that this related to the reductions of high cost out-of Borough placements that Vicky Murphy had set out earlier in the meeting (under savings proposal AHC_SAV_002 on Appendix C). Similarly, on saving PA6 relating to high cost day opportunities, the £15k saving target for 2021/22 was based on the opening of the Chad Gordon Centre which enabled clients to transfer back in Borough. The 2021/22 saving had not been achieved due to Covid but, now that services were opening up again, a larger saving of £125k was now projected for 2022/23.

Cllr Peacock asked for further details about mental health placements as she was concerned about disturbances in sheltered housing schemes. Beverley Tarka commented that the savings being discussed related to complex cases and so would not be placed in sheltered housing. Vicky Murphy said that she was happy to discuss the issue with mental health and sheltered housing in further detail with Councillors after the meeting. **(ACTION)**

New Capital Budget Proposals 2023/24

The Panel then asked questions relating to Appendix F which provided descriptions of two new capital bids.

In relation to the bid on locality hubs, Cllr Connor noted that £3m of capital funding was proposed from the Council and asked what contributions were being made by partners. Gill Taylor, Assistant Director for Communities & Housing Support, clarified that this bid did not relate to the Locality Hub in Wood Green which was being led by health colleagues. While the Council would be making a contribution towards this, it was not the lead delivery partner. That was a significant capital project that was expected to open in 2024 and would involve Connected Communities along with

diagnostic services and other health services. The bid in Appendix F related specifically to the use of Council buildings to develop locality services that Council officers would staff. It was possible that there might be health capital input as the project was developed but that was not currently anticipated for the purposes of the bid.

In relation to the bid on Edwards Drive, Cllr Connor requested further details on the self-financing element of the project. Gill Taylor explained that money was currently being spent on placing adults with learning disabilities in a range of different accommodation types. Once the new service at Edwards Drive was developed, the same provisions would be provided with better quality services and with anticipated savings due to the density of provision that would be possible. The anticipated savings would be generated over a 40-year period and this would finance the project.

Proposed Capital Programme 2023/2028

The Panel then asked questions relating to Appendix F which provided details of the 2023/24 – 2027/28 Draft Capital Programme as a whole.

Asked by Cllr Connor for an update on Osborne Grove Nursing Home (Scheme Ref 214), Gill Taylor said that the project was ongoing and that an item would be brought to the Panel in 2023 to share further details on developments and the co-design work. There were significant inflationary pressures on all capital projects and there had been continuous business case reprofiling on Osborne Grove over the past 12 months. The project still currently stacked up financially based on the better-quality services that would be delivered and the anticipated savings. However, this remained under review with an emphasis on reducing any delays in order to prevent additional costs from being incurred.

Asked by Cllr Connor whether there were any specific financial variations on any capital projects worth highlighting, Gill Taylor confirmed there were no underspends. She commented that Osborne Grove was clearly the most significant project in terms of cost and scale, but that it was also worth noting that Canning Crescent was a major ongoing project due for completion.

Helena Kania queried why the funding for Aids & Adaptations (Scheme Ref 201) remained static over the next few years even though people would need more support to remain independent in their homes. Josephine Lyseight explained that this budget was funded by a grant from central Government and so, while the Council could lobby for an uplift in future years, it had little control over the amount of funding provided. Gill Taylor added that the Adults Department was currently working on a project to explore different forms of assistive technologies for people in their homes which would provide opportunities for savings. Vicky Murphy commented that further data could be provided on what the DFG (Disabled Facilities Grant) was currently funding in

Haringey and the revised grant position which would be available in the New Year.
(ACTION)

Helena Kania queried why only two years of funding for Social Emotional & Mental Health Provision (Scheme Ref 218) was shown. Gill Taylor explained that this particular budget was to support a number of different capital projects, including improvements to existing buildings to build additional capacity or improve the quality of provision. It was also to explore a number of other projects that had not yet progressed to the business case stage and so funding would not be specifically allocated until that time. There was a lot of activity taking place in the mental and emotional health space and this was not the only funding being invested in this area.

Conclusions

Cllr Brennan asked whether the revised figures resulting from adjustments to the inflation figure or new information following the announcement of the Local Government Finance Settlement would be provided to the Panel. Josephine Lyseight explained that the final budget, including any revisions, would go to Cabinet in February. Cllr Connor added that the recommendations from the Scrutiny Panels would be considered by the Overview & Scrutiny Committee at its meeting on 19th January so there would be an opportunity to consider any substantive changes that were known at that time.

In terms of recommendations, Cllr Connor noted that the Panel had strongly highlighted risks associated with rising interest rates and therefore the costs to the revenue budget of borrowing for capital spend. The Panel had also expressed concerns about the risks associated with allocating only a 5% uplift for inflationary pressures while the Government's Autumn Statement had estimated that the rate of inflation would be 7.4%. Cllr Iyngkaran added that the high level of anticipated demand on services was also a considerable risk in terms of whether this had been adequately factored into projections going forward.

Cllr Connor noted that additional information would be provided by officers on Osborne Grove and on Aids & Adaptations/DFG.

Cllr Abela asked whether the Panel would be updated throughout the year on how the assumption on risk were working out and whether the proposed savings were on track. Cllr Connor explained that as the Chair, she received quarterly updates on finance, performance and risk and that any interested Members of the Panel could attend. Specific updates could also be brought to the Panel meetings.

RESOLVED – That the Panel should make recommendations on the Budget proposals on the risks associated with interest rates, inflation and demand levels to the Overview & Scrutiny Committee as detailed above.

RESOLVED – That the Panel should receive additional information from officers as requested prior to the next Overview & Scrutiny Committee meeting.

42. WORK PROGRAMME UPDATE

Dominic O'Brien, Scrutiny Officer, noted that there had been a few minor updates to the Panel's Work Programme, including the scheduling of an update on dementia services in approximately nine months. A joint meeting with the Children & Young People's Scrutiny Panel was scheduled in February following by the next regular meeting of the Panel in March which would include an update on actions taken following the Panel's previous recommendations on aids & adaptations as well as an update on integrated working and co-production.

Cllr Connor added that a report would be coming back to the Panel next year on sheltered housing and access to health and social services following the recent Cabinet response to the Panel's Scrutiny Review on this subject and that this would include input from relevant partners.

Cllr Connor also informed the Panel that evidence sessions for the next Scrutiny Review on access to social care services would be commencing in the New Year and that Panel Members should suggest any carers groups or community groups that the Panel could speak to as part of this work.

43. DATES OF FUTURE MEETINGS

- 9th Feb 2022 (7:00pm) (Joint meeting with CYP Scrutiny Panel)
- 13th Mar 2022 (6:30pm)

CHAIR: Councillor Pippa Connor

Signed by Chair

Date

This page is intentionally left blank