



**Haringey** Council

Title:	Scrutiny of the Draft Medium Term Financial Plan – Draft recommendations
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## 1. Haringey Constitution

- As laid out in Part 4, Section G of the Haringey Constitution, the Overview and Scrutiny Committee undertakes scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol covering the Overview and Scrutiny Committee.
- Also laid out in this section is that the Chair of the Budget Scrutiny Review process will be drawn from among the opposition party Councillors sitting on the Overview and Scrutiny Committee. The Overview and Scrutiny Committee shall not be able to change the appointed Chair unless there is a vote of no confidence as outlined in Article 6.5 of the Constitution.

## 2. Overview and Scrutiny Protocol

- The Overview and Scrutiny Protocol lays out the process of Budget Scrutiny and includes the following points:
  - The budget shall be scrutinised by each Scrutiny Review Panel, in their respective areas. Their reports shall go to the OSC for approval. The areas of the budget which are not covered by the Scrutiny Review Panels shall be considered by the main OSC.

- A lead OSC member from the largest opposition group shall be responsible for the co-ordination of the Budget Scrutiny process and recommendations made by respective Scrutiny Review Panels relating to the budget.
  - Overseen by the lead member referred to in paragraph 9.2, each Scrutiny Review Panel shall hold a meeting following the release of the December Cabinet report on the new 3-year Medium Term Financial Plan. Each Panel shall consider the proposals in this report, for their respective areas. The Scrutiny Review Panels may request that the Cabinet Member for Finance and Sustainability and/or Senior Officers attend these meetings to answer questions.
  - Each Scrutiny Review Panel shall submit their final budget scrutiny report to the OSC meeting in January containing their recommendations/proposal in respect of the budget for ratification by the OSC.
  - The recommendations from the Budget Scrutiny process, ratified by the OSC, shall be fed back to Cabinet. As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/ proposals made by the OSC in relation to the budget.
  - On consideration of the Draft MTFP Scrutiny Members should make recommendations to be referred to the Overview and Scrutiny Committee for approval, prior to approval and referral to Cabinet for consideration.
- 3.** Overview and Scrutiny Committee and the four Scrutiny Panels (Adults & Health, Environment and Housing, Children & Young People and Communities) met to consider the draft Medium Term Financial Plan in December 2013.

	<b>Reference</b>	<b>Draft Recommendation</b>	<b>Reason for recommendation</b>
1	Cabinet Budget Report (June 2013) Adults & Housing Directorate - Proposed efficiency saving: <b>Item 11 - Community Housing Staffing Efficiencies (£77,000)</b>	It is recommended that the proposed saving does not go ahead.	<p>The Environment and Housing Scrutiny Panel noted that this related to the deletion of two front-line posts one of which was in the Private Sector Housing Management Team and the other in the Vulnerable Adults team.</p> <p><u>The panel indicated that it could not support this savings proposal because:</u></p> <ul style="list-style-type: none"> <li>• It conflicted with other financial proposals in the Medium Term Financial Plan (i.e. growth proposal relating to 'increased resources allocated to HMO licensing due to dramatic rise in private sector renting in the borough');</li> <li>• There was an evident need to develop and expand enforcement within private rented sector in Haringey;</li> <li>• The retention of the post in the Private Sector Housing Management Team may potentially increase enforcement income;</li> <li>• The post in the Vulnerable Adults team relates to advice provided to vulnerable adults who are homeless and the deletion of this post may significantly impact on the work of the remaining team;</li> <li>• Officers indicated that there may be likely an over-achievement of procurement</li> </ul>

			savings in relation to Item 12 (Housing Related Support – contract efficiencies) which could be off-set against this and negate the need for the deletion of both these posts.
2	Paragraph 12.14, Cabinet Report - <b>Early Years block</b>	That the Cabinet be recommended to approve an increase in the hourly rate for providers of the two-year-old early entitlement to £6.00 per hour	The Children and Young People Scrutiny Panel made this recommendation because: <ul style="list-style-type: none"> <li>• Other boroughs were currently paying a higher hourly rate than Haringey and there was a danger that insufficient providers would participate if an increase was not made;</li> <li>• The Cabinet Member reported that the Schools Forum was recommending that the hourly for the two-year-old early entitlement offer be increased to £6.00 per hour and that this recommendation was due to go to Cabinet in January.</li> </ul>
3	Cabinet Budget Report (June 2013) Adults & Housing Directorate - Proposed efficiency saving:  <b>Item 7 – Finance Teams – streamline and centralise (£180, 000)</b>	It is recommended that a process be put in place in order to make interim payments should there be any delays in processing payments beyond the current three day turnaround.	Whilst the Adults & Health Scrutiny Panel were assured that the centralisation of the Finance team would not have an adverse effect on payments being made within a three day turnaround the Panel was concerned about the possibility of delays due to the transition, and possibility of human error more generally and felt that this could possibly have a significant adverse effect on a service user waiting for payment.
4	Cabinet Budget Report	It is recommended that	The Adults and Health Scrutiny Panel were

	(June 2013) Adults & Housing Directorate - Proposed efficiency saving:  <b>Item 8 – Care &amp; Placement Budget (£1,420,000)</b>	feedback from service users on the impact of service changes as a result of savings should be an integral part of this piece of work.	reassured that savings to the Care & Placement Budget won't adversely impact on service users needs, however the Panel would like reassurance that there will be full involvement of service users, carers and families throughout the transition.
5	General – <b>Mental Health</b>	That it be recommended that the Cabinet Member lobby to ensure that public mental health becomes a prominent and individual area on the Public Health spend category.	The Adults & Health Scrutiny Panel noted that public Mental Health is not included on the national Public Health spend category guidance as an individual line, but that it is listed under 'miscellaneous'. The Panel felt that more emphasis should be placed on public mental health.
6	General – <b>Mental Health</b>	Further increases in investment in public mental health are recommended, in line with the Health and Wellbeing Strategy Outcome 3 over the coming years.	The Adults & Health Scrutiny Panel are encouraged that the public mental health budget allocation has increased substantially, however note that this only represents just over 1.3%. The Panel also noted that Mental Health is one of the Health and Wellbeing Strategies stated outcomes.
7	General - <b>Integration</b>	The examples given on better coordination and working together are welcomed, however it is recommended that further	The Adults & Health Scrutiny Panel and the Overview and Scrutiny Committee noted that integration of services was a recurring theme – perhaps the move to zero-based budgeting in the future would show what could be done in this area.

		work is done around integrating services.	

### General comments/observations

	Reference	Observation/Comment
1	<p>Medium term Financial Plan (November 2013) Growth Proposal Adults &amp; Health (Item 2)</p> <p><b>The provision of £995,000 to meet cost pressures and the impact of Welfare Reform</b></p>	<p>The Panel noted the increasing cost of temporary accommodation in supporting local residents to respond to welfare reforms. The panel wished to highlight the possible use of Cumberland Road (or other soon to be vacant office buildings) for temporary accommodation. The Panel suggested that should similar accommodation become available, this be should be considered for use as temporary accommodation within the planned Property Review currently being undertaken.</p>
2	<p>Cabinet Budget Report (June 2013) Place and Sustainability Directorate - Proposed efficiency saving:</p> <p><b>Item 18 – Efficiencies in Veolia Contract and reduction of ad hoc contractual spend (£250,000)</b></p>	<p>The panel were unclear how the proposed contract variation would impact on local waste and recycling provision. It was noted that this variation was still being negotiated with Veolia, and it was agreed that the outcome would be communicated to the panel.</p>
3	<p><b>Communications: Reductions in supplies and services budgets</b></p>	<p>The Communications budget needed to be open to more robust scrutiny and demonstrate that the department were</p>

		capable of generating more income.
4	<b>General – property portfolio</b>	More information should be made available on what council properties were being disposed of, and should be part of the scrutiny process.