

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON Monday, 25th January, 2016, Times 19:00-22:30

PRESENT:

Councillors: Charles Wright (Chair), Pippa Connor (Vice-Chair), Eugene Ayisi, Kirsten Hearn and Adam Jogee

Co-optees: Yvonne Denny

Also Present: Councillor Jason Arthur, Councillor Claire Kober, Nick Walkley (Chief Executive), Charlotte Pomery (Assistant Director for Commissioning), Margaret Gallagher (Performance Manager), Sanjay Mackintosh (Head of Strategic Commissioning), Neville Murton (Lead Finance Officer - Deputy CFO), George Bruce (Head of Finance - Pensions & Treasury), Christian Scade (Scrutiny), Martin Bradford (Scrutiny) and Stephen Lawrence-Orumwense (Legal)

81. FILMING AT MEETINGS

The Chair welcomed all present to the meeting and referred them to item one of the agenda and the information contained therein.

82. APOLOGIES FOR ABSENCE

None.

83. URGENT BUSINESS

None.

84. DECLARATIONS OF INTEREST

None.

85. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

The Chair advised that the order of the agenda would be changed to take item 15, Work Programme Update, after item 8, Revised Scrutiny Panel Membership.

86. MINUTES

30 November 2015

RESOLVED that the minutes of the meeting held on 30 November 2015 be approved as a correct record, subject to the following amendment:

- Councillor Ibrahim was in attendance, not Councillor Ahmet.

17 December 2015

RESOLVED that the minutes of the meeting held on 17 December 2015 be approved as a correct record.

87. MINUTES OF SCRUTINY PANEL MEETINGS

Children & Young People Scrutiny Panel – 16 November 2015

RESOLVED that the minutes of the Children & Young People Scrutiny Panel held on 16 November 2015 be noted.

88. REVISED SCRUTINY PANEL MEMBERSHIP

RESOLVED to approve the revised membership of the Adults and Health Scrutiny Panel as outlined in section 6.3 of the report.

89. WORK PROGRAMME UPDATE

Christian Scade, Scrutiny Officer, introduced the report which outlined the work programmes for remainder of the Municipal Year. He referred the Committee to paragraph 3.1 (ii), which requested that the Committee approve the Social Inclusion scoping document.

RESOLVED to:

- Note the future work programme for the Overview and Scrutiny Committee and its panels as at Appendix 1 of the report; and
- Approve the draft scoping document for the Social Inclusion Review as at Appendix 2 of the report.

90. CABINET MEMBER QUESTIONS - LEADER OF THE COUNCIL

The chair welcomed the Leader of Council, Councillor Kober, and the Chief Executive, Nick Walkley, to the meeting.

Councillor Kober provided a brief outline of her portfolio, and responded to questions from the Committee. NOTED:

- Growth / inward investment – The Autumn Statement had made clear fundamental changes to Council finance coming down the line. From 2020 funding through grants would be abolished and Councils would retain 100% of Business Rates, and therefore the need to grow the Business Rate base is fundamental. The Corporate Plan commits to deliver £1billion of investment to the Borough, with targets to secure £424m of infrastructure funding by 2018, and increase the number of businesses to 12,040 by 2017.

- Crossrail 2 – Haringey would be the biggest beneficiary, with 4 or 5 stations (depending on which option was selected). It was important to recognise that this was a scheme that would benefit the whole of the South East, not just London. The Council had looked in detail at the merits of an Alexandra Palace – Turnpike Lane configuration against a single Wood Green station, and had opted for Wood Green as a preference. This would have the most catalytic impact on growth, although the regeneration programme was not contingent on this option being selected.
TfL had stated in the consultation material that a ventilation shaft would likely be placed in Downhills Park – the Council had made it clear that this was not a preferred option, and TfL have since assured the Council that they would work in consultation with the Council and the local community to find a suitable alternative location.
- ADA National College for Digital Skills – this was due to open in Tottenham in 2016, and was one of seven new National Colleges. The college would have a significant place making role in terms of Tottenham Hale.
- STEM – the commission launched in 2015 and was tasked at looking at how Haringey could position itself at the forefront of STEM education and ensure that young people had a grounding in STEM skills. The call for evidence had been launched, and the commission would be talking to schools and colleges to see what was currently on offer and what was required. The final product would be a series of recommendations and proposals for the Council.
- London Health Devolution – there were two pilots that Haringey were involved in – North Central London pilot to look at how control could be gained over NHS estates and how the proceeds of sales were used; and a prevention pilot which looked at how planning and licensing powers could be used to improve the health of the community.
- Electric bikes – TfL were leading the procurement for 200 bikes, and conversations were taking place with Islington to install docking stations.
- Equality and diversity in regeneration – the only way to tackle is to ensure that equality and diversity was a key component in regeneration and growth plans – in order to do this would require a full understanding of what was happening in the area and community at the outset.

The Chair thanked the Leader and the Chief Executive for attending.

91. PRIORITY PERFORMANCE UPDATE

The Chair welcomed Charlotte Pomery, Margaret Gallagher and Sanjay Mackintosh to the meeting.

Charlotte Pomery outlined the report and responded to questions from the Committee.
NOTED:

- There had been discussions with regards to using the priority dashboard to structure the OSC and Scrutiny Panel work programmes.
- Each priority outcome had a set of trajectories which showed how performance was measuring; this made it immediately clear whether a priority was on or off target, and the reasons for this.

- The priorities were tied to a three year approach in line with the Corporate Plan, and these particular priorities selected to demonstrate the best fit with the priorities.

The Chair stated that following the earlier training session held with each of the Panel Chairs, it was felt that the information provided in this report could help to ensure that OSC and Panels are outcome focused, and add value to the work being undertaken by Priority Boards. OSC could use the information to determine the focus of current work programme items, shape future work programmes (both on an annual and on-going basis), and inform lines of enquiry for Cabinet Member Q&A.

The Chair also added that the training sessions had been helpful in developing a deeper understanding of the key performance indicators that the Council was working towards to deliver the Corporate Plan. He requested that officers develop a process for briefing OSC members regularly throughout the year on the latest performance position, starting in April 2016.

ACTION: Charlotte Pomery

The Chair thanked all for attending the meeting.

92. TREASURY MANAGEMENT STRATEGY STATEMENT

The Chair welcomed George Bruce to the meeting.

George Bruce outlined the report as set out and responded to questions from the Committee. NOTED:

- The Treasury Management Strategy Statement was formulated by the Corporate Committee, and then has to be reviewed by OSC and formally approved by Full Council.
- The purpose of the strategy is to demonstrate that the capital expenditure and borrowing plans are affordable, prudent, sustainable and value for money; and that investments are secure, liquid and generate a reasonable return. The strategy would provide the process of how a Council reached decisions with regard to borrowing funds, and managing risks.
- Based on the current Capital Plan there was a need to borrow over the next three years an additional £123m, of which £60m would be in 2016-17. However, these figures were estimates and due to slippages in the Capital Programme and the use of cash balances, this additional borrowing may be reduced.
- The borrowing strategy was included in the report and focuses on the affordability and structure of debt. Last years borrowing plans were to use day to day borrowing to cover any shortfalls and this was likely to continue. However, if the amount borrowed was significant then long term borrowing would be an option.
- The main focus in recent years was to keep the cost of borrowing down. Borrowing short term meant lower interest rates for the Council, but there was a risk if a project required long term funding, as the interest rates were then higher. The Council worked closely with Arlingclose to monitor borrowing rates, and decide when it was best to use long term borrowing, but it was better to use short term borrowing where possible.

- Ethical investments tended to be more of an issue in terms of the pension fund as opposed to Treasury Management. The main priority for investments was to prevent losses, and therefore only the highest rated financial institutions were used.
- The TMSS was monitored quarterly by the Corporate Committee.

RESOLVED to note the report.

The Chair thanked George Bruce for attending.

93. BUDGET MONITORING

Clerk's note – there was a short adjournment from 8.35-8.42pm.

The Chair welcomed Neville Murton to the meeting. Neville Murton introduced the report as set out, and responded to questions from the Committee.

NOTED:

- This report showed the financial position at Quarter 3, to November 2015.
- There were overspends in Childrens, Adults and Temporary Accommodation. Cabinet had reviewed these positions and took the decision to use reserves to mitigate pressures.
- Cabinet had agreed that a provisional outturn report would be considered at the March Cabinet meeting, and this would provide an early indication of the likely outturn for the next financial year, and whether any early mitigation was required.
- The revenue received from Business Rates collections was forecasted at £58m - £6m less than indicated at the start of the year, and this served to highlight the risk associated with the devolution to Councils.
- *Care package overspend (Adults)* – this was a challenging year for Adults and there had been a delay in moving to new model in social care due to the need to consult with residents about it. This had therefore lead to the increased pressure on making savings. The 2016/17 financial year would see concrete outcomes of the savings proposals – some places would close, i.e. some day centres – and new partnership working would start to kick in and have an impact on budget and reduce cost pressures. There was a huge amount of risk involved, and this would be closely monitored.
- *Closure of day care centres* – The MTFs agreed in February 2015 had highlighted £12m of risky savings across the budget. These areas had been identified by a mixture of officer assessments and conversations with councillors / labour group.
- *Looked After Children* - Compared to Adults, the picture was more positive as trajectory was in the right direction. However, although the number of LAC had reduced, to get down to target may be too difficult with the resources available to the service.

Cllr Connor asked the committee to note a number of suggestions that the Adult & Health Scrutiny Panel would be taking forward as part of their future work programme.

The Chair spoke about the importance of transparency and the availability of information with regards to budget decisions and performance in order for the Panels and the Committee to carry out the budget monitoring process fully, and with all of the information available.

RESOLVED to note the report.

94. BUDGET PROPOSALS - BUDGET SCRUTINY

In accordance with Overview and Scrutiny Procedure Rules, Councillor Connor took the chair for this item.

Councillor Connor in the Chair

Councillor Arthur introduced the report as set out and responded to questions from the Committee. NOTED:

- The Government had chosen a 4 year settlement which would help with more strategic approach. After analysis, many of the assumptions and forecasts that had been made by the Council have largely been correct.
- The Government has changed the way of assessing how councils are able to fund themselves – now called ‘core spending power’. On face value, the core spending power of the Council will increase by 1.6%, but when inflation is taken into account there will actually be a reduction of about 5.7%.
- *Budget challenges* – the recommendation was that the Council stick to the plan outlined last year. A key change will be around the social care precept and the proposal was that Council take on the social care precept (around £1.7m).
- *Contract management* – the Council was looking to implement a completely new model on how contracts are commissioned, how outcomes are monitored and to provide greater visibility to the public with regard to outcomes.
- *Business rates* – the MTF5 assumes that growth has to be the key driver of financial sustainability of the council. Consultation was currently being carried out with businesses and voluntary sector with regards to the Business Rates policy (which had not been renewed since 1990).
- *Council tax precept* – the rationale behind not increasing the Council Tax by a further 1.99% to raise additional revenue was due to many reasons including that Labour Councillors had an obligation to meet manifesto commitments to not raise Council Tax, and the impact on residents, particularly those who were under increased pressure due to the abolishment of council Tax Benefit.
- *Dementia day care centres* – although these centres were used by some people, they are unsustainable, and therefore it was thought that the £1.7m earned from the precept would be put to better use by supporting a wider range of users via care packages. The Council recognised that people valued these centres, but at a time of increased financial pressures it was important that to deliver the best value for the widest pool of residents. There was a £500k savings proposal attached to care packages in 2016/17, so if the social care precept income could be used to improve these packages then it would be the right decision.

Following further discussion with regards to day care centres, the Chair suggested two recommendations to the Committee:

Recommendation 1 – “To use the £1.7m Council Tax precept in light of the co-design outcomes in particular in relation to dementia and learning disability day care support”

Recommendation 2 – “That Cabinet should ensure sufficient flexibility in adult care budgets to support where possible the outcomes of co-production exercises”.

The Committee voted in favour of recommendation 2.

RESOLVED that Overview and Scrutiny Committee recommend to Cabinet:

1. That Cabinet should ensure sufficient flexibility in adult care budgets to support where possible the outcomes of co-production exercises.
2. That Cabinet should ensure a comprehensive financial risk register is maintained and updated, and considered at Cabinet on a quarterly basis.
3. That as part of financial risk management, Cabinet should consider and confirm a strategy to ensure adequate levels of reserves across the MTFS period.
4. That Cabinet should confirm arrangements for reviews of savings plans in 2016/17 (para 5.1.i) and ensure that OSC is consulted on the outcome of those reviews and any proposals made.
5. That Cabinet should consider further sources of income for the Council, and opportunities to maximise income from all sources, report and update OSC and Scrutiny Panels on income maximisation as appropriate.
6. That individual Scrutiny Panels should monitor budgets in the priority areas they oversee through 2016/17, and report formally to OSC after Q2; and that OSC should formally consider overall budget performance after Q2 and make recommendations as appropriate.

95. NEW ITEMS OF URGENT BUSINESS

None.

96. FUTURE MEETINGS

8 March 2016

CHAIR: Councillor Charles Wright

Signed by Chair

Date