

MINUTES OF THE MEETING OF THE ADULTS AND HEALTH SCRUTINY PANEL HELD ON THURSDAY 17TH NOVEMBER 2016, 6.30 – 8.35PM

PRESENT:

Councillors: Pippa Connor (Chair), Gina Adamou, Charles Adje, Patrick Berryman, Eddie Griffith and Peter Mitchell

ALSO PRESENT:

Councillors: Jason Arthur, Cabinet Member for Finance and Health, and Gideon Bull

31. 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.

32. APOLOGIES FOR ABSENCE

It was noted apologies for absence had been received from Cllr David Beacham and Helena Kania.

33. ITEMS OF URGENT BUSINESS

None

34. DECLARATIONS OF INTEREST

Cllr Gina Adamou declared a personal interest in relation to agenda items 7 and 8 by virtue of one of her daughters working in Haringey as a social worker.

Cllr Gina Adamou declared a personal interest in relation to agenda items 7 and 8 by virtue of one of her daughters being a teacher.

Cllr Gina Adamou also declared a personal interest in relation to agenda items 7 and 8 by virtue of her son working in the teaching and education sector.

There were no disclosable pecuniary interests or prejudicial interests declared by members.

35. DEPUTATIONS/PETITIONS/ PRESENTATIONS/ QUESTIONS

None

36. MINUTES

AGREED: That the minutes of the meeting held on 29 September 2016 be approved as a correct record, subject to the bullet points on page 8 / minute 26 (Commissioning for Better Outcomes – Presentation) being reworded to read:

During discussion, reference was made to the following:

- *The fact care workers had lodged a case at the employment tribunal to complain that a number of contractors had not paid their staff the national minimum wage for work carried out in the borough.*
- *The Panel was informed that the tribunal was ongoing. However, it was noted the Council had paid contractors enough money through contract fees to ensure all live-in carers could receive the national living wage for 24 hour care provided. In addition, it was noted the council required all contractors to obey minimum wage law, including remuneration for travel time.*
- *The Panel was advised that the Council no longer had in place any contracts with Sevacare, following serious concerns raised by the Care Quality Commission in April 2016.*

37. PRIORITY 2 BUDGET POSITION (PERIOD 6 2016/17)

David Tully, Head of Finance, Adults and Children, provided an overview of the financial performance, at the end of quarter 2 (2016/17), of services managed by the Director of Adult Social Services and the Adults focussed services managed by the Director of Public Health and the Assistant Director of Commissioning.

The Panel was informed that services contributing to Priority 2 outcomes, set out in Haringey's Corporate Plan 2015-18, were forecast to overspend by £12.8m in 2016/17. The summary forecast positions for: Packages of Care (Adults); Directly provided services (Adults); Other Adults Social Care (Adults); Commissioning Budgets; and Public Health Budgets, set out in Table 1 of the report, were noted.

Mr Tully explained that the projected overspend confirmed difficulties in delivering savings measures on time, and, in particular, being able to contain demand for adult social care. It was noted that there had nonetheless been reductions in expenditure, albeit not at the pace or scale expected by savings targets.

The Panel was informed care packages for Adults were significantly overspent (by 11.5m) and that this would have been £5m more had there not been agreement from Cabinet in September 2016 to allocate funding from contingency. Beverley Tarka, Director Adult Social Services, advised that cost of care in 2015/16 had been higher than anticipated because of increasing complexity of need as well as increase in numbers of people assessed for care and support plans.

In response to questions, the Panel was informed that care purchasing spend was based on actual open cases at 1 April 2016, forecast new cases during the year, at 2015/16 levels of activity, less the natural rate of closed packages during 2015/16. It was noted the forecast cost had taken into account the expected impact of all

transformation projects in 2016/17, reflecting actual changes in activity levels as the year progressed, to produce a variance of £11.5m.

The following issues were considered in relation to demand pressures:

- Care purchasing and direct provision budgets were overspent due to higher than anticipated demand.
- Increasing client numbers, particularly those requiring relatively high levels of care, was noted as being the key reason for the gap. However, it was recognised that there were additional pressures on costs for particular types of provision and that wider market conditions were expected to have an impact.
- The pressures being experienced in Haringey were consistent with wider national trends in health and social care, with demand for services far outstripping resources.
- The importance of rebalancing resources, as part of the 2017/18 – 2021/22 MTFS, to support growth/demand pressures in adult social care.

To help improve understanding of the demand and budget pressures relating to adult social care the Panel requested further information, via briefing from the Corporate Delivery Unit, on: how the number of residents presenting for council support had changed; how the number of clients and service users had changed; and how unit costs and wider market changes had contributed to budget pressures.

In terms of Directly Provided Services, the Panel was informed that much of the overspend of £1.4m had arisen from slippage in implementing a re-provision of directly provided services (£1.0m) and from overspends at Osborne Grove (£0.4m).

In terms of Osborne Grove, the Panel was informed re-provision arrangements were not expected to be put in place before April 2017. Ms Tarka explained that there had been difficulties with the premises at Osborne Grove and this had meant no new clients were being admitted. With this in mind, the Panel was informed that original plans for savings at Osborne Grove would need to be rethought and would be resubmitted as part of the revised MTFS. It was noted that savings could not be met in the way originally envisaged.

In terms of the closure of Day Opportunities at the Haven and Grange, with remodelling of provision at the Haynes, a number of concerns were raised in relation to the transition out of a buildings based service model. It was agreed such concerns should be further considered as part of the Day Opportunities Transformation item, scheduled for review by the Panel on 6 March 2017.

In response to questions, concerning the breakdown of targets for the re-provision of savings at the Haven, Grange and Haynes, Mr Tully reported the combined saving being reported was £440k by 2017/18, representing £550k for the closure / reductions at current establishments and £110k for re-provision of alternative packages for the individuals attending them. With this in mind, Mr Tully was asked to provide a briefing

note to explain how this compared with the original savings plans outlined in the 2015-2018 MTFS, with figures provided for each establishment.

During the discussion, reference was made to a variety of issues, including:

- Between 2010 and 2018 the government cut the council's funding in real terms by 40 per cent and that this resulted in the need for Haringey to make £190 million in savings.
- The impact of the national living wage and EU ruling on "sleep in" payments on the care sector and costs associated with implementing the Care Act 2014.
- The development of new ways of working, through an Integrated Target Operating Model that would enable Adults in Haringey to live healthy, long and fulfilling lives by maximising their independence while supporting the future financial sustainability of health and care services in the Borough.
- The role of procurement / contract management in terms of delivering savings and better outcomes.
- Issues concerning pay, training and support in relation to recruitment, retention and staff turnover, set out in section 6.4.1 of the report.
- The fact all MTFS savings were subject to equalities impact assessments.
- The process for budget scrutiny (consideration of draft MTFS proposals for 2017/18 – 2021/22) as set out in the Council's Constitution (Part 4, Section G).

Mr Tully summarised the savings targets for all the services in Priority 2 and their delivery status. In response to questions, the Panel was asked to note that current MTFS initiatives were largely on track. However, it was recognised there was a small element that could not be delivered, even with an extra year. In overall terms, the Panel was informed that around £23m out of the original targets had plans for delivery (either already achieved, on track with firm plans or savings with less certain plans). Updates on a number of activities were considered, including: promoting independence reviews; Diversion at the Front Door; Reablement Savings; and Shared Lives Expansion.

The Panel noted the information provided in Table 2c in relation to MTFS savings in the context of the natural trajectory for costs and the budget for Priority 2. The Panel was informed that the table indicated that by 2018/19 the existing savings programme would have delivered £23m savings. However, due to demand, this had left a gap of £22m. As a result, in order to deliver spending within budgets, officers would have had to identify twice as many savings (£45m). Given that Cabinet added £5m to recognise the increase in demand in September 2016, it was acknowledged that the aim, with hindsight, should have been to deliver £50m of savings.

The Panel was informed that slippage on savings and continuing demand had contributed to the existing financial position. It was noted the revised MTFS would need to recognise the size of the gap (i.e. close the gap), even if this required

subsequent, new savings to assist in managing the Council's overall financial position. It was recognised that this would be discussed further as part of the budget scrutiny process for 2017/18 – 2021/22. In addition, when taking action to reduce the overspend, it was noted the Council would need to act reasonably and in accordance with its statutory duties and responsibilities.

AGREED:

- (a) That the financial position of Priority 2 Services (Adults Social Care, Commissioning and Public Health), at the end of quarter 2 (2016/17), be noted.
- (b) That an update on the financial performance of Priority 2 Services (Adults Social Care, Commissioning and Public Health) be considered by the Scrutiny Panel during quarter 2 of 2017/18.
- (c) That the Head of the Corporate Delivery Unit be asked to prepare a briefing note, on Demand Pressures in Adult Social Care, for Panel Members before the end of November 2016.
- (d) That the Head of Finance, Adults and Children, be asked to provide a breakdown (via email to Panel Members) of the re-provision savings at the Haven, Grange and Haynes and how this compared with original plans outlined in the 2015-18 MTFS.
- (e) That care packages for Adults be prioritised as an issue for further investigation when developing the scrutiny work programme for 2017/18, and that this be recommended for endorsement by the Overview and Scrutiny Committee.
- (f) That consideration be given to the scope of the Day Opportunities Transformation item, scheduled for review by the Panel on 6 March 2017, based on concerns raised about the transition out of a buildings based service model.

38. WORK PROGRAMME UPDATE

Christian Scade, Principal Scrutiny Officer, provided an update on the proposed work programme for the remainder of the 2016/17 municipal year.

AGREED: That subject to the additions, comments and amendments, referred to under the Priority 2 Budget Position item, the areas of inquiry outlined in Appendix A of the Work Programme Update be approved and recommended for endorsement by the Overview and Scrutiny Committee.

39. NEW ITEMS OF URGENT BUSINESS

None

40. DATES OF FUTURE MEETINGS

The Chair referred Members present to item 10 as shown on the agenda in respect of future meeting dates, and Members noted the information contained therein'.

CHAIR: Councillor Pippa Connor

Signed by Chair

Date