



Havering

LONDON BOROUGH

OVERVIEW & SCRUTINY BOARD AGENDA (SPECIAL MEETING)

7.00 pm	Wednesday 24 May 2017	Havering Town Hall, Main Road, Romford
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Members 16: Quorum 5

COUNCILLORS:

**Conservative
(7)**

John Crowder
Steven Kelly
Robby Misir
Dilip Patel
Viddy Persaud (Vice-Chair)
Linda Trew
Michael White

**Residents'
(3)**

Barbara Matthews
Ray Morgon
Barry Mugglestone

**East Havering
Residents'(2)**

Gillian Ford (Chairman)
Linda Hawthorn

**UKIP
(2)**

Ian de Wulverton
Lawrence Webb

**IRG
(1)**

Graham Williamson

**Labour
(1)**

Keith Darvill

**For information about the meeting please contact:
Richard Cursons 01708 432430
richard.cursons@oneSource.co.uk**

Overview & Scrutiny Board, 24 May 2017

Protocol for members of the public wishing to report on meetings of the London Borough of Havering

Members of the public are entitled to report on meetings of Council, Committees and Cabinet, except in circumstances where the public have been excluded as permitted by law.

Reporting means:-

- filming, photographing or making an audio recording of the proceedings of the meeting;
- using any other means for enabling persons not present to see or hear proceedings at a meeting as it takes place or later; or
- reporting or providing commentary on proceedings at a meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later if the person is not present.

Anyone present at a meeting as it takes place is not permitted to carry out an oral commentary or report. This is to prevent the business of the meeting being disrupted.

Anyone attending a meeting is asked to advise Democratic Services staff on 01708 433076 that they wish to report on the meeting and how they wish to do so. This is to enable employees to guide anyone choosing to report on proceedings to an appropriate place from which to be able to report effectively.

Members of the public are asked to remain seated throughout the meeting as standing up and walking around could distract from the business in hand.

OVERVIEW AND SCRUTINY BOARD

Under the Localism Act 2011 (s. 9F) each local authority is required by law to establish an overview and scrutiny function to support and scrutinise the Council's executive arrangements.

The Overview and Scrutiny Board acts as a vehicle by which the effectiveness of scrutiny is monitored and where work undertaken by themed sub-committees can be coordinated to avoid duplication and to ensure that areas of priority are being reviewed. The Board also scrutinises general management matters relating to the Council and further details are given in the terms of reference below. The Overview and Scrutiny Board has oversight of performance information submitted to the Council's executive and also leads on scrutiny of the Council budget and associated information. All requisitions or 'call-ins' of executive decisions are dealt with by the Board.

The Board is politically balanced and includes among its membership the Chairmen of the six themed Overview and Scrutiny Sub-Committees.

Terms of Reference:

The areas scrutinised by the Board are:

- Strategy and commissioning
- Partnerships with Business
- Customer access
- E-government and ICT
- Finance (although each committee is responsible for budget processes that affect its area of oversight)
- Human resources
- Asset Management
- Property resources
- Facilities Management
- Communications
- Democratic Services
- Social inclusion
- Councillor Call for Action

AGENDA ITEMS

1 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will announce details of the arrangements in case of fire or other events that might require the meeting room or building's evacuation.

2 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

(if any) - receive.

3 DISCLOSURE OF INTERESTS

Members are invited to disclose any interest in any of the items on the agenda at this point of the meeting.

Members may still disclose any interest in an item at any time prior to the consideration of the matter.

4 CALL-IN OF A NON-KEY DECISION REGARDING THE PROPOSAL TO TRANSFER NEWHAM'S COUNCIL TAX AND BENEFITS SERVICE BACK TO THE COUNCIL (Pages 1 - 10)

5 URGENT BUSINESS

To consider any other item in respect of which the Chairman is of the opinion, by reason of special circumstances which will be specified in the minutes, that the item should be considered at the meeting as a matter of urgency

Andrew Beesley
Head of Democratic Services

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Overview & Scrutiny Board

24 May 2017

REPORT

Subject Heading:

Call-in of a Non-key Executive Decision relating to the proposal to transfer Newham's Council Tax and Benefits service back to the council

SLT Lead:

Daniel Fenwick – Director of Legal & Governance

Report Author and contact details:

Richard Cursons – Democratic Services Officer
richard.cursons@onesource.co.uk

Policy context:

oneSource legal agreement

Financial summary:

The financial impact of the return of the service to Newham will be nil. Compensation received from Newham will mitigate any potential savings losses

The subject matter of this report deals with the following Council Objectives

Communities making Havering	[X]
Places making Havering	[X]
Opportunities making Havering	[]
Connections making Havering	[]

SUMMARY

In accordance with paragraph 17 of the Overview & Scrutiny Committee Rules, a requisition signed by two Members representing more than one Group (Councillors David Durant & Phil Martin) have called-in the Non-key Executive Decision (17/36) date 10 May 2017.

RECOMMENDATION

That the Board considers the requisition of the call-in of the Non-key Executive Decision (17/36) and determines whether to uphold it.

REPORT DETAIL

As per Appendix A

Background Papers List

Appendix A – Non-key Executive Decision (17/36) dated 10 May 2017

-----Original Message-----

From: CouncillorPhilip Martin

Sent: 16 May 2017 12:30

To: Anthony Clements <Anthony.Clements@oneSource.co.uk>

Subject: Call in

Hi Antony,

I support Councillor David Durrant's call in regarding the severance of our ties with Newham in respect of their Council Tax and Benefits.

Regards,

Councillor Phil Martin

From: CouncillorDavid Durant

Sent: 15 May 2017 18:10

To: Anthony Clements <Anthony.Clements@oneSource.co.uk>; Andrew Beesley <Andrew.Beesley@oneSource.co.uk>

Cc: CouncillorPhilip Martin <CouncillorPhilip.Martin@haverling.gov.uk>

Subject:

Dear Anthony Clements,

Myself and Cllr Philip Martin wish to call-in the Non-Key decision, Item 2 on page 3 of Calendar Brief WC Monday 15th May, about the "Proposal to transfer Newham's Council Tax and Benefits service back to the Council". (Cllr Martin will confirm this separately). This is because the decision indicates problems with the OneSource merger with Newham and a fuller explanation of the implication's of this decision would be useful.

Regards

Cllr David Durant

Sec. IRG

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Notice of Non-key Executive Decision

Subject Heading:	Proposal to transfer Newham's Council Tax and Benefits service back to the council
Cabinet Member:	Councillor Ron Ower
SLT Lead:	Andrew Blake-Herbert
Report Author and contact details:	Andrew Blake-Herbert, Chief Executive andrew.blakeherbert@havering.gov.uk
Policy context:	oneSource legal agreement
Financial summary:	The financial impact of the return of the service to Newham will be nil. Compensation received from Newham will mitigate any potential savings losses.
Relevant OSC:	O&S Board
Is this decision exempt from being called-in?	No

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input checked="" type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

At Mayoral proceedings in February, the Mayor of Newham requested Havering and Bexley Councils to transfer the Newham element of Council Tax and Benefits service from oneSource back into Newham Council's responsibility. Havering and Bexley Councils have been asked to approve the transfer.

Non-key Executive Decision

There is no immediate cost of the proposal but oneSource will potentially not be able to deliver the full savings that had been anticipated in the original oneSource business case in relation to the Council Tax and Benefits service in Havering. Bexley has not previously assumed savings from joint working.

All three councils that make up the oneSource Joint Committee have delegated their council tax and benefits services to oneSource, albeit that all three have different models of provision and that the services have, to date, remained standalone. Bexley's service is outsourced to Capita with oneSource providing contract management.

The original business case proposals identified potentially deliverable savings or additional income generation as follows:-

	Havering Achievable Savings £000	Havering Shortfall in Savings £000	Total £000
17/18 Part year Savings	187	308	495
18/19 On Going Full Year Effects	230	378	608

Process:

Variation is allowed for only in the terms set out in the oneSource Joint Committee and Delegation Agreement which was agreed by all parties in 2014 and reaffirmed in 2016 when Bexley joined.

Once the Mayor has formally made the decision to make the request, the Secretary to the Joint Committee will write to Havering and Bexley councils (within 10 days) notifying them in line with the oneSource Joint Committee and Delegation Agreement (in no more than 10 days). The councils then have 20 business days with which to respond to the request. The provisions allow for the time scales to be extended by agreement. The request was formally received on 1st March and an initial extension was granted till the 26th April. A further extension was granted till the 10th May whilst final discussions were concluded.

If both councils approve the variation, then the Secretary to the Joint Committee will arrange for the preparation of a Deed of Variation for execution by the three councils. The change will take effect from the point of the completion of the Deed.

If either of the councils did not approve the change then the change would not immediately occur and the matter would likely be taken through the dispute resolution procedure set out in the Joint Committee and Delegation Agreement.

Non-key Executive Decision

AUTHORITY UNDER WHICH DECISION IS MADE

Part 3, Section 2.5 (q) – to agree minor matters and urgent or routine policy matters.

STATEMENT OF THE REASONS FOR THE DECISION

In accordance with the terms of the oneSource legal agreement, Havering has an obligation to respond to the request by Newham within set timescales. Following negotiations, settlement has been reached whereby the financial impact of the change to Havering is nil.

Furthermore, the services which are the subject of the request have, to date, remained standalone.

OTHER OPTIONS CONSIDERED AND REJECTED

When coming to our conclusions around this recommendation we also considering the following options:

- Firstly to say no and turn down the request to take Revs and Bens outside of oneSource. However, with the offer of compensation giving time for Havering to identify alternative solutions and with the impact that decision could have had on the continuation of a successful partnership, this was decided against.
- Ask Newham to indemnify Havering against the savings in perpetuity, however it is not reasonable for another public body to do this indefinitely and actually on a partial withdrawal the agreement does not require Newham to have to compensate Havering at all. The offer that was made was felt reasonable and practical and gave sufficient time for Havering to identify alternative savings.

PRE-DECISION CONSULTATION

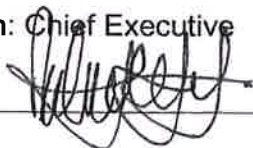
Nil

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Andrew Blake-Herbert

Designation: Chief Executive

Signature:



Date: 10.5.2017

Non-key Executive Decision

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

Section 101(5) of the Local Government Act 1972 allows two or more local authorities to arrange for the discharge of their functions by Joint Committees. Under Section 9EB of the Local Government Act 2000 the Secretary of State made the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 [SI 2012/1019] which permits such joint arrangements for executive functions. The OneSource Joint Committee and the delegations arrangements are set up under these powers.

The Joint Committee arrangements are underpinned by a contractual agreement and governance arrangements setting out the delegations of each authority. The London Borough of Newham's council tax and benefits functions are currently delegated to the Joint Committee under these provisions. The London Borough of Newham seeks to vary the contractual agreement by removing that service from the agreement and withdrawing the delegation of that particular function. The contractual agreement between the councils includes the process for varying arrangements. These are set out in Clause 13 of the agreement and are described in the body of this report.

FINANCIAL IMPLICATIONS AND RISKS

There are no costs associated with the transfer of Newham's Council Tax and Benefits service out of oneSource as the services had not yet been formally integrated. However, Havering will not be able to achieve the full savings of £609k as identified in the original oneSource business case.

Initial savings of £187k rising to £230k in a full year can be achieved within the Havering only element of the service. This leaves a full year effect figure of £378k that Havering cannot deliver without the integration as shown in the table below.

	Havering Achievable Savings £000	Havering Shortfall in Savings £000	Total £000
17/18 Part year Savings	187	308	495
18/19 On Going Full Year Effects	230	378	608

However, through the deed of variation Havering and Newham have reached an agreement over compensation for the Newham Council Tax and Benefits coming out of oneSource, which will enable the financial impact to be zero in the short term and gives time for development of alternative savings plans which the service is already working on.

Bexley is not affected financially by Newham taking its Council Tax and Benefit service out of oneSource as it currently has a contract with Capita for the provision of its service, with oneSource providing the contract management service.

Non-key Executive Decision

**HUMAN RESOURCES IMPLICATIONS AND RISKS
(AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)**

There are no immediate HR implications and risks arising from this report. As the report states the services which are the subject of the request have, to date, remained standalone.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

There are no immediate equalities implications and risks associated with this report.

BACKGROUND PAPERS

None

Non-key Executive Decision

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

~~Proposal NOT agreed because~~

Details of decision maker

Signed R. F. C. Ower

Name: RONALD OWER

Cabinet Portfolio held:
CMT Member title:
Head of Service title
Other manager title:

Date: 10-5-17

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 11 MAY 2017

Signed 