



Havering

L O N D O N B O R O U G H

OVERVIEW & SCRUTINY BOARD AGENDA

7.00 pm	Thursday 6 September 2018	Havering Town Hall, Main Road, Romford
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Members 16: Quorum 6

COUNCILLORS:

Conservative Group (8)

Ray Best
Philippa Crowder
Judith Holt
Robby Misir
John Mylod
Nisha Patel
Bob Perry
Michael White

Residents' Group (2)

Ray Morgon
Barry Mugglestone

Upminster & Cranham Residents' Group(2)

Clarence Barrett
Gillian Ford

Independent Residents' Group (2)

Natasha Summers
Graham Williamson

Labour Group (1)

Keith Darvill (Vice-Chair)

North Havering Residents Group(1)

Darren Wise (Chairman)

For information about the meeting please contact:

**Richard Cursons 01708 432430
richard.cursons@oneSource.co.uk**

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.

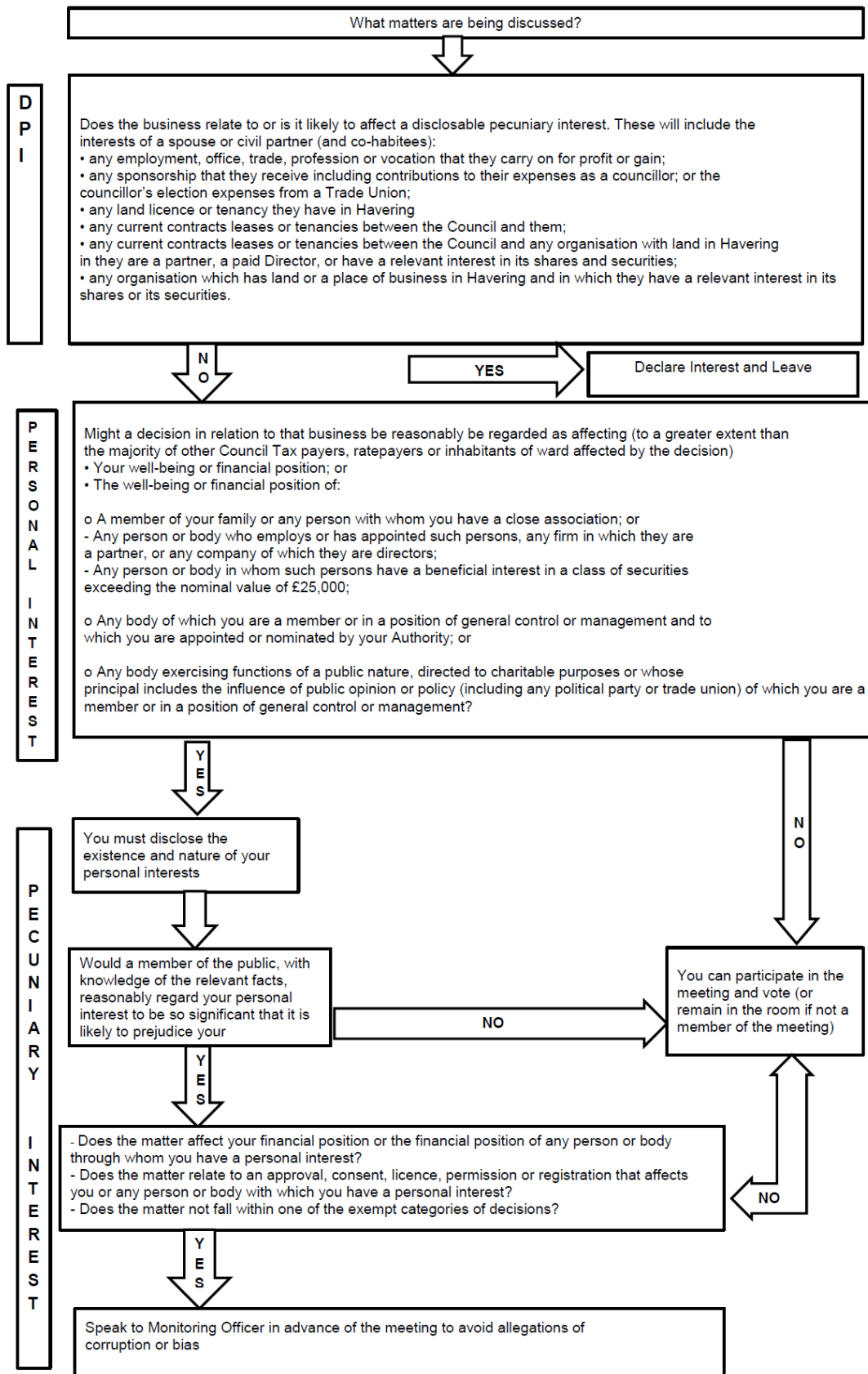
The Board is politically balanced and includes among its membership the Chairmen of the six themed Overview and Scrutiny Sub-Committees.

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

DECLARING INTERESTS FLOWCHART – QUESTIONS TO ASK YOURSELF



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 MINUTES (Pages 1 - 8)

To approve as a correct record the minutes of the meetings of the Board held on 25 January and 5 February 2018 and to authorise the Chairman to sign them.

5 QUARTER 1 OVERVIEW & SCRUTINY BOARD PERFORMANCE REPORT 2018/19 (Pages 9 - 20)

6 UPDATE OF THE COUNCIL'S APPROACH TO FINANCIAL STRATEGY AND MONITORING (Pages 21 - 34)

7 ICT PROGRESS (Pages 35 - 36)

8 OVERVIEW AND SCRUTINY SUB COMMITTEE/TOPIC GROUP UPDATES (Pages 37 - 38)

9 CREATION OF THE FINANCIAL STRATEGY TOPIC GROUP (Pages 39 - 40)

10 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

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
25 January 2018 (7.00 - 8.45 pm)**

Present:

COUNCILLORS

Conservative Group	+Ray Best, Dilip Patel, Viddy Persaud (Vice-Chair) and Michael White
Residents' Group	Barbara Matthews, Ray Morgon and Barry Mugglestone
East Havering Residents' Group'	Gillian Ford (Chairman) and Darren Wise
UKIP Group	Ian de Wulverton and Lawrence Webb
Independent Residents' Group	Graham Williamson
Labour Group	Keith Darvill

Apologies were received for the absence of Councillors Robby Misir, Linda Trew and John Crowder.

+Substitute member: Councillor Ray Best (for John Crowder).

All decisions were taken with no votes against.

The Chairman reminded Members of the action to be taken in an emergency.

38 MINUTES

The minutes of the meeting held on 6 December 2017 were agreed as a correct record and signed by the Chairman.

39 MEDIUM TERM FINANCIAL STRATEGY AND 2018/19 BUDGET UPDATE

Members considered a report which detailed the Council's Medium Term Financial Strategy (MTFS). Further proposals for balancing the 2018/19 budget were due to go to consultation where necessary at its meeting on 26 October 2017. A Budget Update report had been considered by Cabinet on 13 December 2017.

The October and December reports set out the Council's financial strategy to manage the predicted budget gap over the period 2018/19 to 2022/23. The report:

- Provided an update on the policy and strategic context and assumptions within the MTFS and the forecast budget gap
- Presented for approval amendments to the Council Tax Support Scheme from April 2018
- Budget Risks

There was a budget gap forecast of £4.2million.

Most of the grants that the Council received had stayed at the same level however there had been a reduction in the new homes bonus.

Members were advised that Council Tax could be raised by up to 3% without the need for a public referendum.

Havering was one of a number of authorities piloting the pooling of business rates. Estimates showed that the Council could benefit from an increase of anywhere between £0.9million up to £2.4/2.5 million.

Consultation was due to take place on the Fair Funding Review, this was how the Council received its funding.

Members received an update on the public consultation.

191 responses had been received so far. 58 of the responses had agreed with the direction of the budget strategy overall. Residents had indicated that their priority areas were schools and education, adult social care and waste management. Residents had also indicated which services they wished to see reduce which included parking charges, planning and building control and the Council Tax support scheme.

Members noted that following an election year extensive consultation was carried out and there was a greater level of engagement by residents. The years in between elections attracted somewhere in the region of between 100 and 250 responses on average.

The Adult Social Care Precept would be entering its final year, under current legislation, next year as the total allowed of 6% would have been collected by then.

There was a consensus amongst Members that the level of responses received during the consultation was extremely low from residents and there were suggestions that perhaps the Council needed to look at the way it consulted with residents and perhaps look at alternatives including full use of social media platforms.

The plan post-election would be for the newly elected Administration to enter into a four year MTFS.

Members also noted that the Council was working with other outer London boroughs to discuss funding arrangements. Due to the net migration that outer London boroughs were seeing following the housing benefit cap it placed a greater emphasis on working with outer London boroughs rather than inner London boroughs.

In response to a question relating to economic development Members were advised that approximately £3 billion of expenditure would take place in the next ten to twelve years. The joint ventures that the Council would be entering into with partners would need to be resourced and new teams would be set up to progress the works.

Members noted that the business rates pool that had been set up which was being piloted would allow the retention of 100% of business rates and the pilot came with a guarantee that the Council would be no worse off than at present.

Havering was currently in a pool and had been for the last three years with Barking and Dagenham, Thurrock and Basildon. As an organisation the Council had benefitted from in the region £0.5million which had mainly come about largely due to the growth of DP World London Gateway deep sea port in Thurrock.

Members noted that the Ministry of Housing, Communities and local Government were looking at Council Tax equalisation across the country.

In response to a question relating to Children's Services demand pressures Members noted that Children's Services now had a permanent workforce of approximately 70% up from 50% previously. Again due to the net migration from inner London there had been an increase in looked after children which had led to a campaign to recruit additional foster carers.

In response to a question relating to homelessness Members noted that there were a number of people sleeping rough that officers had tried to engage with but the offer of help had been refused. A new Homelessness Act was due to be introduced in April and there would be an all-Member briefing shortly.

Members were advised that Housing Services worked closely with Mental Health Services, Adults Services and Children's Services to ensure vulnerable people were cared for.

In response to a question relating to the Council's contingency Members were advised that historically the Council had held a contingency fund of £2million each year. There had been previous occasions when the fund had not been used for contingencies but it had been used to manage overspends within certain service areas. A new corporate risk reserve had

been created which would now manage service overspends which in turn meant that the contingency fund had been reduced to £1million.

In response to a question relating to enforcement of yellow box junctions officers advised that if Members had specific instances of where they wanted enforcement to take place then officers could be approached to look at the viability of enforcement.

In response to a question regarding costs of large goods removal from properties had a direct link with additional fly-tipping officers advised in other areas where costs had been introduced there was not a direct correlation with an increase in fly tipping. Members noted that waste disposal costs were increasing on a yearly basis and carry on throughout the length of the contract with ELWA until the end of the contract in 2027.

Chairman

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Committee Room 3B - Town Hall
5 February 2018 (7.00 - 9.00 pm)**

Present:

COUNCILLORS

Conservative Group	Steven Kelly, Robby Misir, Dilip Patel, Viddy Persaud (Vice-Chair), Linda Trew, +Roger Westwood and Michael White
Residents' Group	Barbara Matthews, Barry Mugglestone and +Stephanie Nunn
East Havering Residents' Group'	+Alex Donald and Gillian Ford (Chairman)
UKIP Group	Ian de Wulverton and Lawrence Webb
Independent Residents' Group	Graham Williamson
Labour Group	Keith Darvill

Apologies were received for the absence of Councillors John Crowder, Ray Morgon and Darren Wise.

+Substitute members: Councillor Roger Westwood (for John Crowder), Councillor Stephanie Nunn (for Ray Morgon) and Councillor Alex Donald (for Darren Wise).

The Chairman reminded Members of the action to be taken in an emergency.

40 CALL-IN OF A CABINET DECISION RELATING TO THE APPROVAL OF THE REGENERATION LOCAL LETTINGS PLAN & DECANT POLICY AND POSSESSION PROCEDURE

The report before Members detailed the call-in of a Cabinet decision relating to the approval of the Regeneration Local Lettings Plan and Decant Policy and Possession Procedure.

A requisition signed by Councillors Ray Morgon and Keith Darvill had called-in the Cabinet decision taken on 17 January 2018.

The reasons for the requisition were as follows.

- 1) The aim of the Council should be to mitigate the impact on all residents who will be forced to move from their existing property to enable the essential regeneration to take place;
- 2) Council tenants who held secure tenancies would be amongst those most severely impacted during the regeneration period;
- 3) The Cabinet should reconsider the plan as drafted and in particular revise part(para) 4.25 (as amended) of the plan because if implemented as proposed it would impact adversely on some secure tenants who were currently under occupiers and would penalise them at a time when they had endured a forced move.

During the debate Members asked for and received several points of clarification which were provided by the Council's Programme Director of Regeneration.

A brief summation of the call-in reasons was given.

It was agreed by all parties that there existed an increased housing need in the borough but it was essential that existing secure tenants were assisted and that the Council also needed residents assistance when downsizing.

In response to a question as to whether there was an appeals process to the re-housing officers confirmed that there was no appeals process but there was a very rigorous re-housing discussion that was had with all affected residents. The discussion identified what the housing need was required and allowed residents to provide any additional information that helped to identify the property that was offered to them. At present the Council was achieving an 80% first time success rate in offering suitable accommodation.

Members noted there was a huge need across the borough for two-bedroom properties.

Members were advised that the Council agreed that the mitigation of the impact on residents who would be forced to move from their existing property was needed and the Council was working closely with those affected as the situation was not ideal but there was a strategic need for the authority to do the regeneration and this was one of the only ways the amount of affordable housing could be increased.

In the first four estates that had been identified for regeneration 319 residents had been affected. 148 had already been moved to alternative suitable accommodation and there another 20 residents who had agreed to move which equated to 53%. It was felt that if the Council hadn't have been so supportive then that figure would not have been met.

Properties were not let on a like for like basis but on an individuals housing need and in order to do this the allocations policy was used.

All tenants and leaseholder had been offered a right to return to their existing properties once the regeneration works had been completed and so far only 10-15 residents had expressed an interest in exercised that right.

The Council was planning on building more two-bedroomed and three-bedroomed properties as the data showed these were in greater need than other sizes.

There was a great need for people wanting two-bedroomed accommodation that were in temporary accommodation and this year alone this placed a pressure on the General Fund of £1.5million.

There was currently 22% of residents living in general needs housing that were under-occupying and where there was a problem with housing supply then the problem needed to be addressed. This was why the downsizing criteria was in the allocations policy.

There were 56 people who would downsize from a two-bedroom property to a one-bedroom property. 11 families had already been moved using the existing policies.

There were currently 3 or 4 families that were not prepared to move using the existing policies which had been consulted on for a twelve week period previously.

Following discussions with Legal it had been agreed that it would be unfair to change the policy for one person when there had been so many people who had been through the process and had worked with the Council and secured a move to another property. There was some discretion within the policy that allowed an individual to approach the Council and explain the need for an additional room.

In summation Members were advised that a lot of time had been spent on building the policy which had included a lot of consultation with residents. There were other solutions which enabled the Council to assist residents on the points that had been raised in 1 and 2 of the call-in.

The Council was no longer in the position to be able to have under-occupation by choice. There were too many people in temporary accommodation that needed two-bedroomed properties.

In the future all tenants would have their housing needs assessed every three years and properties offered would match their needs.

Members noted that there was a £2,000 incentive for people who were downsizing and this would be retrospectively offered to residents who had already moved or had agreed to be moved. The incentive did not apply to people in temporary accommodation.

Members also noted that the policy was a local strategy and not Government led. Throughout the programme officers had reviewed Estate Regeneration Good Practice guidance and it was felt that the Council had met all the requirements of good practice.

It was commented by one Member that he had been approached by two residents who wanted to downsize who had contacted the Council but had not received offers of smaller properties and it was suggested that perhaps the Council needed to be more proactive in assisting residents. In response officers advised that there had previously been downsizing days help and information put in "*At The Heart*". Officers undertook to arrange to meet with the residents to discuss their needs.

The vote for the decision as to whether to uphold or dismiss the call-in was carried by 9 votes to 7.

Councillors Kelly, Mugglestone, Donald, De Wulverton, Webb, Williamson and Darvill voted to uphold the call-in.

Councillors Westwood, Misir, Patel, Persaud, Trew, White, Matthews, Nunn and Ford voted to dismiss the call-in.

Councillors voted to dismiss the call-in.

It was **RESOLVED** that the call-in of the Cabinet decision dated 17 January 2018 be dismissed.

Chairman

Overview and Scrutiny Board

Subject Heading:

Quarter 1 Overview and Scrutiny Board Performance Report (2018/19)

SLT Lead:

Jane West, Chief Operating Officer

Report Author and contact details:

Pippa Brent-Isherwood, Assistant Director of Policy, Performance and Community
phillipa.brent-isherwood@haverling.gov.uk
01708 431950

Policy context:

The report sets out Quarter 1 performance reporting as requested by the Overview and Scrutiny Sub-Committees

Financial summary:

There are no direct financial implications arising from this report. However adverse performance against some performance indicators may have financial implications for the Council.

All service directorates are required to achieve their performance targets within approved budgets. The Senior Leadership Team (SLT) is actively monitoring and managing resources to remain within budgets, although several service areas continue to experience financial pressure from demand led services.

Is this a Key Decision?

No

Is this a Strategic Decision?

No

When should this matter be reviewed?

A number of the Overview and Scrutiny Sub-Committees are in the process of reviewing the performance indicators they monitor. Reporting to the Overview and Scrutiny Board will also need to be reviewed in due course to reflect the outcomes of this activity. The corporate performance reporting framework will also be reviewed during 2018/19.

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

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

SUMMARY

1. The Corporate Performance Report which is presented to the Cabinet on a quarterly basis provides an overview of the Council's performance against each of the strategic goals set out in the Corporate Plan. Historically, the Overview and Scrutiny Board also scrutinised this data however, in 2017/18, the Board decided instead to scrutinise a selection of more operational performance indicators, determined by the six overview and scrutiny sub-committees. For Quarter 1 performance reporting, these indicators have been carried forward into 2018/19 and this report provides an overview of how the Council is performing against them. Greater detail is provided in the six sub-committee reports.
2. The Children and Learning Overview and Scrutiny Sub-Committee selected a larger number of indicators (17) for tracking in 2017/18, three of which were selected for reporting to the Overview and Scrutiny and have been included in this report. For 2018/19, the Sub-Committee has selected a new suite of indicators (8 in total):
 - Percentage of early years providers judged to be good or outstanding
 - Percentage of schools judged to be good or outstanding
 - Percentage of children in good or outstanding schools
 - Number of children missing from education at month end (average)

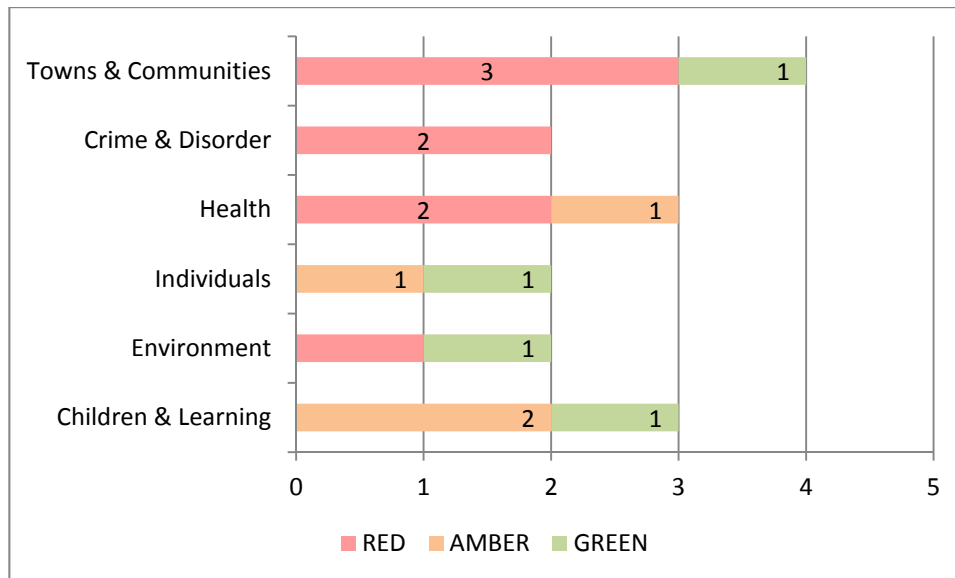
- Percentage of child protection visits carried out within the statutory timescale
- Number of children missing from care, missing from home or away from placement without authorisation
- Number of new in-house foster carers recruited
- Number of adopters approved

Members of the Board are asked to consider which of these it would like included in future reports to the Board.

3. Several other Overview and Scrutiny Sub-Committees are likewise in the process of reviewing the performance indicators they track, so there is likely to be further changes to the suite of indicators reported to the Overview and Scrutiny Board as the year progresses.
4. Following a trial without them during 2017/18, tolerances around targets (and therefore the amber RAG rating) have been reinstated for 2018/19 performance reporting. Performance against each performance indicator has therefore been classified as follows:
 - **Red** = outside of the quarterly target and outside of the agreed target tolerance, or 'off track'
 - **Amber** = outside of the quarterly target, but within the agreed target tolerance
 - **Green** = on or better than the quarterly target, or 'on track'
5. Where performance is rated as '**Red**', '**Corrective Action**' is included in the report. This highlights what action the Council will take to improve performance.
6. Also included in the report are Direction of Travel (DoT) columns, which compare:
 - Short-term direction of travel – compared with performance the previous quarter (Quarter 4 2017/18)
 - Long-term direction of travel – compared with performance the same time the previous year (Quarter 1 2017/18)

A green arrow (↑) means performance is better and a red arrow (↓) means performance is worse. An amber arrow (→) means that performance has remained the same.

Quarter 1 Summary



7. In total, 22 Performance Indicators have been included in the Quarter 1 2018/19 report. Of these, 16 have been assigned a RAG status.
8. In summary, of those PIs with a target set against them:
- 4 (25%) have a RAG status of **Green** (on target).
 - 4 (25%) have a RAG status of **Amber** (off target but within the agreed tolerance)
 - 8 (50%) have a RAG status of **Red** (off target and outside the agreed tolerance).

RECOMMENDATIONS

That Members of the Overview and Scrutiny Board:

- 1) **Review** the performance set out in **Appendix 1** and the corrective action that is being taken to improve this where necessary.
- 2) **Agree** which indicators from the suite of eight selected by the Children and Learning Overview and Scrutiny Sub-Committee for monitoring in 2018/19 are to be included in future reports to the Board.

REPORT DETAIL

1. Highlights:

- Contractor liaison with residents during regeneration work is on track. Since establishing the joint venture company in April 2018, Wates has undertaken “Meet the Developer” consultation meetings, which 126 residents and neighbours of the estates in Phase One of the programme attended. To date, regeneration consultation meetings have involved 1,482 residents across the 12 sites. The programme has also been supported by newsletters, website updates and features in local publications.
- The rate of permanent admissions to residential and nursing care homes per 100,000 population (aged 65+) is below target (where lower is better) and has improved. At the end of Quarter 1, there had been 49 new admissions of service users over the age of 65 into long term care homes, compared to 50 at the same point in 2017/18.
- The average number of days taken to remove fly-tips is below target (where lower is better), and is better than both the previous quarter and the same period last year.
- The total number of in-house foster carers has increased compared to last quarter and last year and is on track to achieve the target of 90 by financial year end. Work is ongoing to recruit high quality foster carers through the Face to Face Pathways Programme. Marketing is being targeted at the caring professions (e.g. teachers, nurses and social workers), certain faith communities and prospective carers who are prepared to look after older children, in order to increase the diversity of foster carers and reflect the profile of children needing care.

2. Improvements required:

- 67.3% of Stage 2 complaints relating to services within the remit of the Towns and Communities Overview and Scrutiny Sub-Committee were responded to within 20 days against a target of 95%. Performance has therefore declined compared to last quarter (when 86.4% were responded to within the target timescale). Targets relating to Stage 2 complaints can be missed due to the extreme complexity of some complaints. Some cases have been historic and require review of files dating back many years, and / or liaison with external agencies. All Stage 2 complaints are investigated fully and with complete transparency, so as to achieve resolution to the matter for the customer without the need to escalate it further, to Stage 3 of the council's procedure or the Ombudsman. Where responses are delayed, case officers maintain regular contact with complainants.
- The percentage of housing repairs completed within the target timescale is below target and has declined compared with the previous quarter. A service improvement action plan has been put in place by the responsive repairs maintenance contractor. The action plan is monitored and scrutinised at regular review meetings that have been arranged specifically for this purpose, in addition to the normal contractual and partnership

meetings. The contractor's improvement plan will be reviewed to identify any further changes that could be implemented to improve performance against this KPI.

- The percentage of priority calls responded to by the police within the target timescale is below target and is worse than reported at the end of the previous financial year. Fewer "immediate" (I) calls in Havering were responded to within the target timescale than in the two other boroughs in the East Area Borough Command Unit. However, local performance in relation to "significant" (S) calls was better than in the other boroughs. Demand has especially increased in relation to Fast Road Calls and calls relating to domestic abuse. The borough also experienced various critical incidents during Quarter 1 which impacted on resourcing levels and therefore response times.
- The number of instances where an adult patient was ready to leave hospital for home or move to a less acute stage of care but was prevented from doing so, per 100,000 population (delayed transfers of care) was slightly above target in Quarter 1, and higher than at the same point last year. During the first three months of the year, there was an average of 15 delays to discharges per month, whereas over the same period last year there was an average of 10. The vast majority of delays are in the acute sector and are the responsibility of Health partners.
- As at the end of Quarter 1, the amount of waste per head of population presented to the East London Waste Authority (ELWA) was above target and higher than for the same period last year. Various waste prevention campaigns continue to be delivered and the council is reviewing its own operations (especially within Highways and Grounds Maintenance) in order to reduce waste generation. Reducing tonnages remains challenging however as it is largely reliant on attitudinal and behaviour change amongst residents.

3. The full Quarter 1 performance report is attached as **Appendix 1**.

REASONS AND OPTIONS

Reasons for the decision: To provide Overview and Scrutiny Board Members with an update on the Council's performance during Quarter 1 of 2018/19.

Other options considered: N/A

IMPLICATIONS AND RISKS

Financial implications and risks:

There are no financial implications arising from this report. Whilst it is expected that targets will be delivered within existing resources, it should be noted that adverse performance against some indicators may have financial implications for the Council. However, officers regularly review the level and prioritisation of resources required to achieve the targets agreed by Cabinet at the start of the year.

Robust ongoing monitoring is undertaken as part the established financial and service management processes and the Senior Leadership Team (SLT) is actively monitoring and managing resources to remain within budgets, although several service areas continue to experience significant financial pressures in relation to a number of demand led services such as housing and children's services and adults' social care. SLT officers are focused upon controlling expenditure within approved directorate budgets and within the total General Fund budget through the delivery of savings plans and mitigation plans to address new pressures that are arising within the year.

Human Resources implications and risks:

There are no Human Resources implications or risks arising directly from this report.

Legal implications and risks:

Whilst reporting on performance is not a statutory requirement, it is considered best practice to review the Council's progress against the Corporate Plan and Service Plans on a regular basis.

Equalities implications and risks:

The following performance indicators currently rated as '**Red**' could potentially have equality and social inclusion implications for a number of different social groups if performance does not improve:

- % of housing repairs completed within the target timescale
- % of "I" calls responded to within target
- % of "S" calls responded to within target
- Obese children (4-5 years)
- The number of instances where an adult patient is ready to leave hospital for home or move to a less acute stage of care but is prevented from doing so, per 100,000 population (delayed transfers of care)

The commentary for each indicator provides further detail on steps that will be taken to improve performance and mitigate these potential inequalities.

BACKGROUND PAPERS

The Corporate Plan is available on the Council's website at:

https://www.havering.gov.uk/downloads/download/575/corporate_and_service_plans

Overview & Scrutiny Board Performance Report: Quarter 1 2018/19

Corporate Performance Indicator

RAG Rating		Direction of Travel (DOT)	
GREEN	On or better than target On track	↑	Short Term: Performance is better than the previous quarter Long Term: Performance is better than at the same point last year
AMBER	Worse than target but within target tolerance	→	Short Term: Performance is the same as the previous quarter Long Term: Performance is the same as at the same point last year
RED	Worse than target and outside tolerance Off track	↓	Short Term: Performance is worse than the previous quarter Long Term: Performance is worse than at the same point last year

Sub-committee	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments
Towns and Communities	No. of Stage 1 complaints received	Smaller is better	N/A	N/A	N/A	192	↑	764	↑	210	The Towns & Communities OSSC has requested complaints performance data for the services within its remit. 117 out of 131 (89%) of non-ASB related Stage 1 Housing complaints were closed within 15 days in Quarter 1. 59 out of 65 (91%) Stage 1 complaints relating to Housing repairs were closed within 15 days. Whilst the timeliness of responses to Stage 1 Housing repairs complaints is below target (95%), performance has significantly improved compared with the same period last year (56%).
	% of Stage 1 complaints closed in 15 days	Bigger is better	95%	95%	N/A	91.1% RED	↑	87%	↑	83%	During Quarter 1, there were also 49 Stage 2 complaints that fell within the remit of the Towns and Communities OSC. Of these, 33 were closed on time, resulting in the outturn being significantly below target. Issues contributing to below-target performance include: - The Housing Complaints Team lost two experienced officers in Quarter 1 which impacted overall performance. The team has successfully recruited to these roles in Quarter 2. Once training is completed, an increase in performance is expected in Quarters 3 and 4. - There has been an increase in complaints due to letters sent to Private Sector Leasing (PSL) tenants regarding the PSL review and negative publicity in the local press surrounding this.
	No. of Stage 2 complaints received	Smaller is better	N/A	N/A	N/A	49	↑	162	↓	36	
	% of Stage 2 complaints closed within 20 days	Bigger is better	95%	95%	N/A	67.3% RED	↓	86.4%	↓	94%	Corrective Action: A new Interim Senior Complaints Officer has been put in place to manage the Housing complaints team and the workload. The Acting Assistant Director of Housing has also instigated a more structured approach to achieving targets with milestones and warnings incorporated into the process. Also closer senior management scrutiny has been built into the system.
	% of housing repairs completed within the target timescale	Bigger is better	96%	96%	N/A	89.4% RED	↓	91.2%	↓	94.1%	89.4% (5,971 out of 6,676) of repairs were completed within the target timescale in Quarter 1. An improvement plan was implemented by the contractor which the Council was assured would result in improved performance during the last quarter of 2017/18. Regrettably this was not achieved and performance remains below target. Corrective Action: The main corrective actions taken by the contractor involved recruiting additional resources to assist in managing the number of "out of target orders", scrutinising employee productivity and reviewing supply chain management to ensure timely completions. Recruitment continues to be difficult for the contractor, however additional resources have now been appointed and it is anticipated that the backlog of overdue orders will reduce. The Director of Neighbourhoods has met with the Managing Director of Breyers to highlight the importance of service delivery to Havering and gain assurance that performance will improve. Completion of the agreed actions and progress in achieving performance targets is scrutinised at regular contract management meetings and at separate monthly service improvement meetings. The contractor's improvement plan will be reviewed to identify any further changes that could be implemented to improve performance against this KPI.
	Contractor liaison with residents during regeneration work	N/A	Residents Consulted	Residents Consulted	N/A	On Track GREEN	-	NEW	-	NEW	Since establishing the Joint Venture company in April 2018, Wates has completed 'Meet the Developer' consultation meetings, which 126 residents and neighbours of the estates in Phase One of the programme attended. The consultation programme is set to recommence in September 2018.

Sub-committee	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments
Crime and Disorder	Average response time to "I" calls	Smaller is better	15mins	15mins	± 0%	not known	-	not known	-	N/A	<p>The MPS has a target to reach 90% of "Immediate" (I) graded calls within 15 minutes of the call being made. The MPS target for "Significant" (S) grade calls is to reach 90% within one hour of the call being made. Data from police is no longer available as a percentage figure for each month but is now provided as a rolling average for I and S grades of calls met within target times, and also domestic abuse (DA) calls in each of these gradings. The rolling average is provided from 4th September 2017, when revisions to the tri-borough model came into effect. As at w/c 9 July 2018, 81% of I calls in Havering had been responded to within the target timescale, compared to 85% in Redbridge and Barking and Dagenham and 84% across the East Area Borough Command Unit (EA BCU) as a whole. Whilst still below target, performance in relation to S calls was better, with 83% responded to within the target time compared to 76% in Redbridge, 79% in Barking and Dagenham and 79% across the EA BCU as a whole.</p> <p>As Havering is the area of least demand in the tri-borough and therefore the smallest initially assigned resource, the impact is felt hardest when demand increases. It also means that vehicles have to travel longer distances to cover calls when demand outstrips resource thus increasing the likelihood of missing the target. Because demand in Havering is slightly less compared to other areas of the tri-borough partnership, missing targets in relation to individual calls also has a bigger impact on Havering's overall performance. There has been a notable increase in Fast Road Calls which are often missed by the traffic unit which disproportionately impact Havering due to the proximity of the M25.</p> <p>Havering has lost ground over the summer which is a high leave period and a time of increased demand, particularly in relation to Domestic Abuse (DA) "I" calls which have increased by a third since September.</p> <p>Havering has also had various challenging critical incidents which has had a significant impact on resourcing levels</p> <p>This information is not available in a reliable, accessible format on the Metropolitan Police's internal 'dashboards'. For those officers posted to Dedicated Ward Officer (DWO) roles, the number of working days lost due to abstractions each quarter is shown, based on converting the figure provided in hours into eight-hour working days.</p> <p>During Quarter 1, 29 calls were made to the Police regarding traveller incursions at 13 separate locations. These calls accounted for 2.5% of all ASB reports made during that period.</p>
	% of "I" calls responded to within target	Bigger is better	90%	90%	± 0%	81% since September 2017 RED	↓	83.5% (Sep-Mar average)	-	N/A	
	Average response time to "S" calls	Smaller is better	60mins	60mins	± 0%	not known	-	not known	-	N/A	
	% of "S" calls responded to within target	Bigger is better	90%	90%	± 0%	83% since September 2017 RED	↓	84.7% (Sep-Mar average)	-	N/A	
	Deployable police resources compared with establishment	Bigger is better	TBC	TBC	± 0%	DWO PCs on ward 89% of time	↑	DWO PCs on ward 78% of time	→	DWO PCS on ward 89% of time	
	% of ASB reports relating to traveller incursions	N/A	N/A	N/A	N/A	2.5%	N/A	7.8%	N/A	1.0%	
Health	Obese Children (4-5 years)	Smaller is better	Better than England (9%)	N/A	Similar to England	10.9% (2016/17) RED	-	N/A	↓	10.8% (2015/16)	<p>Our target for this indicator is to be better than England (9%) and the latest data shows Havering's percentage of obese children aged 4-5 to be worse than England, at 10.9%.</p> <p>Corrective action: Directed by Havering's 'Prevention of Obesity Strategy 2016-19', our borough working group continues to progress actions within the gift of the local authority and partners, and within available budgets. Progress since the last update is as follows:</p> <ul style="list-style-type: none"> - Council and NHS premises have begun registering as Breastfeeding Welcome, with the scheme being publicly launched in August, linking in with World Breastfeeding Awareness Week. - Monthly 'Starting Solid Foods' workshops have been co-delivered by Health Visitors and Early Help Practitioners at Collier Row Children's Centre since January and have been well attended and received. We are scoping capacity to extend these to additional Children's Centres. - The Healthy Early Years London pilot has concluded with three settings achieving the bronze award and two silver. Phased rollout across the borough commenced in June. - A new Veggie Run game app was successfully launched by Havering Catering Services in April, aiming to increase uptake of healthy school meals, improve children's knowledge of healthy eating and award prizes that encourage healthy lifestyles. - The Public Health and Waste and Recycling teams have started working together to promote the Water Refill scheme with the dual aims of reducing plastic waste and reducing sugar intake. <p>Obesity is a complex issue and many of the opportunities to tackle it fall outside of the local authority's influence. As such, work continues at national level, guided by the national 'Childhood Obesity: A Plan for Action' and we continue to link with national campaigns and programmes where appropriate.</p>

Sub-committee	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments
	Percentage of patients who are satisfied with GP out of hours services (Partnership PI)	Bigger is better	Better than England (69%) (TBC)	N/A	Similar to England	64% AMBER	-	N/A	↓	67% (July 2017)	The latest available data for patient experiences of GP out-of-hours services shows no significant difference between the percentage of patients who are satisfied with the service in Havering and the England average. This follows an overall improvement in the England average performance as compared to the previous year (2017 – 66%). Use of out-of-hours services includes contacting an NHS service by phone (e.g. 111) and going to A&E which a vast proportion (54% and 31% respectively) of the 882 Havering respondents who answered this question say they did.
	The number of instances where an adult patient is ready to leave hospital for home or move to a less acute stage of care but is prevented from doing so, per 100,000 population (delayed transfers of care)	Smaller is better	7	7	± 10%	7.8 RED	↓	5.46	↓	4.92	To date there has been an average of 15 delays to discharges per month, whereas at the same stage last year there had been an average of 10. The vast majority of delays are in the acute sector and are the responsibility of Health.
Individuals	% of service users receiving direct payments	Bigger is better	35%	35%	± 5%	33.6% AMBER	↓	34.1%	↑	33.3%	Performance is below target (where bigger is better) for the % of service users who receive their care via a Direct Payment but is improved compared with the same point last year, and within target tolerance. Corrective Action: A bank of Personal Assistants (PAs) is now in place. It is envisaged that this will improve the take-up of Direct Payments throughout the year
	Rate of permanent admissions to residential and nursing care homes per 100,000 population (aged 65+)	Smaller is better	660	145	± 5%	106 GREEN	↑	519	↑	108.1	At the end of Q1 there had been 49 new admissions into long term residential / nursing care. At the same stage last year there had been 50. The target has been set higher than last year's outturn due to this indicator being a BCF indicator, against which 2 year targets were previously submitted to NHS England for both 2017/18 and 2018/19.
Environment	Average no. of days taken to remove fly-tips	Smaller is better	1 day	1 day	± 0%	0.6 days GREEN	↑	1 day	↑	0.8 days	The average number of days taken to remove fly-tips is below target, and is better than last quarter and the same period last year.
	The level of waste per head of population presented to East London Waste Authority (ELWA)	Smaller is better	441.01 kg per head (TBC)	110.25kg per head (TBC)	± 0%	120.20kg (provisional) RED	↓	436.07kg per head	↓	118.4kg per head	Performance is above target (where lower is better) but this will be as a consequence of high levels of green waste during the Spring. Corrective Action: Various waste prevention campaigns focusing on home composting, reuse, and the Love Food Hate Waste campaign are in place to help achieve the target. We are also reviewing operations in Highways and Grounds Maintenance to reduce waste and, with ELWA, are strengthening processes targeting potential commercial waste entering the domestic waste stream at the household reuse and recycling centre. Without restrictions on the amount of waste we collect through the household waste collection service, containing and reducing tonnages is very challenging and relies on attitudinal change.
Children & Learning	% of care leavers in both education, employment or training and suitable accommodation	Bigger is better	60%	60%	±5%	57.4% AMBER	↓	58.8%	↓	60.9%	Of 148 care leavers, 85 are in both EET and suitable accommodation. The percentage of care leavers in suitable accommodation remains above 90% and consideration is being given to ensuring that the categorising of the accommodation as 'suitable' takes into account the young person's view as well as that of the professionals involved. The proportion in education, employment or training is lower, although still better than national and London averages. Performance often dips at this point in the year, as young people's destinations post September are not known. Another factor is young people coming into care later, and the service therefore having less time to work with them in preparing for the transition to adulthood. Corrective Action: There is an ongoing focus on the outcomes of care leavers through the Face to Face Pathways Innovation Programme. A recent successful application to the DWP's Community Budget will enable us to deliver a programme which will support young people to attain employment and / or embark on further education. The programme will focus on functional skills qualifications, becoming 'work-ready' and stepping into employment. Funding from the DWP has also allowed the Council to set up a fortnightly Work Club at The Cocoon providing drop-in sessions which offer practical support and help to unemployed young people in care and care leavers.

Sub-committee	Indicator and Description	Value	2018/19 Annual Target	2018/19 Q1 Target	Tolerance	2018/19 Q1 Performance	Short Term DOT against Q4 2017/18		Long Term DOT against Q1 2017/18		Comments
C	Total no. of in-house foster carers	Bigger is better	90	80	±2.5%	80 GREEN	↑	77	↑	77	The total number of in-house foster carers has increased compared to last quarter and last year and is on track to achieve the target of 90 by financial year end. Work is ongoing to recruit high quality foster carers through the Face to Face Pathways Programme. Marketing is being targeted at the caring professions (e.g. teachers, nurses and social workers), certain faith communities and prospective carers who are prepared to look after older children, to increase the diversity of foster carers and reflect the profile of children needing care.
	% of looked after children placed in LBH foster care	Bigger is better	40%	40%	±5%	39.3% AMBER	↓	44.5%	↑	39.1%	The outturn against this KPI is based on the total number of in-house and family and friends placements. As at the end of June we had 39.3% (96/244) LAC placed in LBH foster care. This has fallen below the target since the end of the previous financial year due to children leaving care. The In-Care strand of the Face to Face Pathways Programme is focused on enhancing our resources to ensure that in-house options are available for all LAC, regardless of their needs.

OVERVIEW AND SCRUTINY BOARD 6 September 2018

Subject Heading:

**Update of the Council's approach to
Financial Strategy and monitoring**

SLT Lead:

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Policy context:

**This report is designed to give
members an overview of Council
Financial Strategy and monitoring
process.**

SUMMARY

This report presents an overview of the way the Council sets its budget and MTFS each year and how it then monitors the budget on a monthly basis

RECOMMENDATIONS

This report is for noting and discussion at Overview & Scrutiny Board.

REPORT DETAIL

In February each year Council sets the Council Tax level and agrees a balanced budget for the following year. This report will also include an update on the Council's medium term financial strategy over the next four years. This will include projections of future pressures and grant reductions giving a financial gap to be closed by savings and increases in income.

In February 2018 full Council set a balanced budget for 2018/19. This budget was underpinned by £19.5m of savings which had been approved by Council and were built into the budget. This budget position is robustly monitored on a monthly basis. All managers complete monthly budgetary returns which are collated into a report firstly for senior management and then on to the member area overview on the intranet. This report includes a section setting out progress against the savings included in the budget.

The Period 3 monitoring report to the end of June is attached to this report as **Appendix A**. As you will see the report shows a potential pressure of £3.4m on the revenue budget. Early identification of the revenue position allows officers to develop action plans to mitigate and contain such pressures and also to inform the future year planning process should the pressure be an unavoidable ongoing issue (for example greater than expected demographic pressures).

The Medium Term Financial Strategy is also updated throughout the year to inform the position for 2019/20 – 2022/23. A recent report to the Cabinet in July updated the latest position and set out both the Council's budget consultation strategy and proposed journey to balance the 2019/20 budget. Since then officers have been working hard to prepare business cases for the transformational savings proposals.

There will be a further update to Cabinet in November which sets out the latest position including the results of the consultation and resulting proposed savings. This will then enable Councillors to take decisions over the required level of Council Tax and inform the full Council Tax setting report to Council in February 2019.

IMPLICATIONS AND RISKS

Financial Implications and Risks

The financial implications of the Council's MTFS and budget monitoring are the subject of this report and are therefore set out in the body of this report.

Legal Implications and Risks

Under S151 of the Local Government Act 1972 a local authority has to make proper arrangements for the administration of its financial affairs.

Under S 28 of the Local Government Act 2003 a local authority has to review its budget calculations from time to time during the financial year and take appropriate action if there is any deterioration in its budget.

The Council is under a duty to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness." s 3 Local Government Act

1999. As part of that process it must consult tax payers, those who use or are likely to use services and others who may have an interest in an area where the Council carries out its functions.

Human Resource Implications and Risks

The Council continues to work closely with its staff and with Trades Unions to ensure that the effects on staff of the savings required have been managed in an efficient and compassionate manner. All savings proposals or changes to the funding regime that impact on staff numbers, will be managed in accordance with both statutory requirements and the Council's Managing Organisational Change & Redundancy policy and associated guidance.

Equalities and Social Inclusion Implications and Risks

Havering has a diverse community made up of many different groups and individuals. The Council values diversity and believes it essential to understand and include the different contributions, perspectives and experience that people from different backgrounds bring.

The Public Sector Equality Duty (PSED) under section 149 of the Equality Act 2010 requires the council, when exercising its functions, to have due regard to:

- (i) the need to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010;
- (ii) the need to advance equality of opportunity between persons who share protected characteristics and those who do not, and;
- (iii) foster good relations between those who have protected characteristics and those who do not.

Note: 'Protected characteristics' are: age, gender, race and disability, sexual orientation, marriage and civil partnerships, religion or belief, pregnancy and maternity and gender reassignment.

The Council demonstrates its commitment to the Equality Act in its decision-making processes, the provision, procurement and commissioning of its services, and employment practices concerning its workforce. In addition, the Council is also committed to improving the quality of life and wellbeing of all Havering residents in respect of socio-economics and health determinants.

All proposals relating to the Medium Term Financial Strategy for the period 2019/20 to 2022/23 will be subject to an Equality Impact Analysis or assessment, which will be developed following the consultation process for inclusion in the further reports to Cabinet before the budget is finalised in February 2019.

BACKGROUND PAPERS

July 2018 Cabinet - Update of the Council's Medium Term Financial Strategy (MTFS) and budget for 2019/20

BUDGET MONITORING REPORT 2018/19 PERIOD 03 (JUNE)

1. CHIEF FINANCE OFFICER SUMMARY

- 1.1. The 2018/19 period three revenue monitor is the first full report of the financial year. It reports on the forecast year end variances in excess of £0.100m at activity level in relation to controllable budgets.
- 1.2. After removing other non-controllable budgets (internal recharges, capital financing charges & adjustments under statute) the net controllable revenue budget at period three is £151.608m and the forecast outturn position for service directorates and oneSource is £155.007m, resulting in a forecast overspend of £3.399m (2.24%). An unfavourable movement of £1.168m from period two outturn variance.
- 1.3. The table below shows the net direct expenditure (service costs) budgets, forecast outturn and variances. A full detailed summary is attached at **Appendix A**.

Table 1

Directorate	Original Budget	Revised Budget	Actuals & Encumbrances	Forecast Outturn	Forecast Outturn Variance		Previous Forecast Outturn Variance	Change in Forecast Outturn Variance
	£m	£m	£m	£m	£m	%	£m	£m
Public Health	(1.981)	(1.981)	(1.974)	(1.981)	0.000	0.00	0.000	0.000
Children's Services	36.264	37.487	9.017	39.224	1.736	4.63	0.988	0.749
Adult Services	50.274	55.466	11.406	55.466	0.000	0.00	0.000	0.000
Neighbourhoods	14.338	11.618	4.126	12.864	1.247	10.73	1.355	(0.108)
oneSource Non-Shared	1.638	17.137	13.123	17.521	0.383	2.24	0.254	0.129
Chief Operating Officer	5.549	8.513	4.184	8.545	0.032	0.38	(0.367)	0.399
SLT	1.321	1.335	0.470	1.335	0.000	0.00	0.000	0.000
oneSource shared	15.108	0.846	(12.199)	0.846	0.000	0.00	0.000	0.000
Service Total	122.511	130.421	28.153	133.820	3.399	2.61	2.230	1.168
Corporate Budget	29.724	20.187	9.346	20.187	0.000	0.00	0.000	0.000
Contingency	1.000	1.000	0.000	1.000	0.000	0.00	0.000	0.000
Net Controllable Budget	153.235	151.608	37.499	155.007	3.399	2.24	2.230	1.168

- 1.4. The variance on service directorate expenditure is £3.399m overspend. The paragraphs 1.5 – 2.0 below go into more detail on the variances.
- 1.5. The period three forecast year end position for **Neighbourhoods** is an overspend of £1.247m due to a combination of unachieved savings and increased costs across the service, this is an improved position of £0.108m from last month due to the inclusion of Registrars and Bereavement services.

In period three the Regeneration & Economic Development service is being reported under Neighbourhoods, it is anticipated period four will see the separation and subsequent reduction in the forecast overspend within Neighbourhoods. In addition Community Safety Service due to transfer into Neighbourhoods 2018/19 is being reported under Chief Operating Officer.

Regeneration - There are budget pressures of £0.196m showing a positive movement from period two of £0.164m, these are:

- £0.196m Rainham and Beam Park Joint venture (JV) majority of which relates to £0.106m of professional fees which cannot be recovered against the JV agreement. Further increased by a £0.050m underachievement of income due to slippage in the JV programme, and £0.040m professional costs relating to financial support for Bridge Close.
- There is also an increased confidence in utilising income from JV's in order to mitigate an overspend on staffing, reported in period 2 as £0.109m

Environment – This service shows a budget pressure of £0.103m an increased overspend from period two of £0.015m: The current budget position is outlined below.

- £0.050m one off pressure linked to initiatives to rectify the impacts of environmental crime.
- £0.021m Increased Mortuary charges – mitigating actions to be developed and reported in period four
- £0.032m Increased in year highway maintenance costs as a result of harsh winter weather conditions.

Development Planning and Business Support - There are budget pressures of £0.281m (an increased pressure of £0.156m from the period two forecast) as follows:

- £0.183m relates to currently unfunded works associated with the Local Plan, CIL and LIP3 (Mayors Transport Strategy). The forthcoming planning review aims to address the shortfall, through increased planning income which will need to be monitored closely throughout the year. The Service recognises further provision will be required in the base budget to meet the ever increasing demands.
- £0.102m relating to increased Legal costs of £0.169m which are partially mitigated by over achievement of planning income of c £0.067m.

Registrars and Bereavement – Period three shows a reduction in the forecast from a balanced position at period two to £0.116m underspend at period three. The current budget position is outlined below

- £0.120m one off pressure as a result of 2017/18 utility charges being posted in 2018/19.
- £0.104m staffing pressure following additional payments claimed and appeals upheld as part of the T&Cs implementation.
- Overall at period three on track to deliver savings allocated and still achieve an underspend c£0.340m but requires close monitoring as income is sales driven.

Housing - There continues to be ongoing budget pressures of £0.783m as outlined below:

£0.585m of undelivered savings as a result of the £0.340m Garages proposal of which the option originally proposed is no longer being progressed and staffing recharges from the General Fund to HRA, where only £0.065m of £0.310m is being achieved.

£0.198m for prevention options being used to avoid homeless acceptances (Find Your Own Scheme).

An audit of the c900 Private Sector Leased cases to reduce demand and costs wherever possible continues including Stock transfer options in an attempt to offset the ongoing homelessness pressures on the general fund.

Current homelessness households presenting are estimated to increase by 1,200 from 1,600 (2017/18) to 2,800 by March 2019, with those in long term temporary accommodation increasing by a net c400 to 1,576 households. The continued growth in households presenting will lead to increased spend to be reported in period four, estimated £0.800m.

- 1.6. The **oneSource Non-Shared** budget is forecasting an overspend of £0.383m, this is an increase of £0.129m against the period two forecast. The increased overspend position within non-shared, is as a result of;

Exchequer services are reporting an overspend position of £0.050m, due to the pressure as a result of historic debt within the bailiff team relating to Havering Council Tax cases, which will be transferred to non-shared during 2018-19.

The ongoing pressure continues to be reported within Property and Land Holdings due to the shortfall of income projected within Romford Market £0.255m and the unachievable income target for the abandoned land restoration scheme £0.096m. However these pressures are being part mitigated by the underspend within commercial property of (£0.247m).

Further overspends in Asset Managements are as a result of savings allocated (£0.247m) as part of the original oneSource business case within Technical Services and in line with CIPFA guidance the level of recharges to capital has reduced from previous years. The pressure from reduced recharges has been part funded by growth funding in 2018-19, however further work is on-going to look at how to recover the position.

- 1.7. The outturn position for **oneSource shared** being report for period three is breakeven, as in 2018-19, the overall oneSource surplus/deficit will be transferred to or from each of the partner authority's oneSource reserve based on the agreed cost share.

The oneSource reserve is mitigating pressures of £0.663m across the directorate, the pressures being reported include;

The restructure within property services, is not due to make any savings due to the work levels within Property Services and as result the saving target held in line with the oneSource business case of £0.171m will not be achieved.

Pressures are being reported in finance of £0.235m, as a result of additional

resources being required. Corporate funding will be submitted to mitigate the pressure.

Due to the recruitment of vacant posts within Health and Safety, the underspend of £0.086m, has been removed to leave a balanced forecasted position.

- 1.8. The **Public Health** directorate is forecasting a balanced position at year end.
- 1.9. There has been no movement in the **Adult Social Care** directorate forecast outturn variance; it continues to show a balanced position, however there are a number of underlying pressures to consider;
- There is underlying demand pressures within the Adults with Learning Disabilities activity from a combination of increased demand from Clients being discharged into the community as a consequence of the NHSE Transforming Care Programme (resulting in additional pressure of £0.190m) and also new referrals to the service from transitioning cases.
 - Although demand projections for Older People is stable, there is an underlying increase in individual service user costs following reviews and requests for increase in support due to change in needs.
 - Additionally, uplifts in rates to providers has also contributed to the underlying pressure -
 - both Residential and Nursing resulted in additional £0.355m costs, and
 - within home care, the additional cost from the uplift is projected at £0.278m

Despite the nil variance reported for the current period, there is an underlying pressure of approximately £2.500m which is being mitigated by the use of one-off balances currently held within the Business Risk reserve. Providers for Adults with Learning Disabilities are also seeking uplifts to their rates, these are currently being reviewed on a case by case basis and the service is ensuring any requests granted are fully justified.

Although approximately £2.400m of the service £3.311m 2018/19 savings are currently delivered, the expectation is for the remainder to be delivered by year end. Additional work is ongoing to re-profile or repurpose the remaining items to areas within the service offering the best opportunity, thus maximising the chance of achieving the targets.

- 1.10. The month three reported position for **Children's Directorate** is an overspend of £1.736m, representing a £0.746m adverse movement from period two, with the main areas of pressure continuing to be staffing budgets in social care and placement costs primarily for looked after children and children with disabilities. The movements are net of the impact of distributing approximately £3.000m growth across areas with underlying pressure.

The main changes since last month include those in Children's Services, where forecast over-spends have increased by £0.923m to £0.746m, primarily due to the transfer of £1.000m growth budget to the Learning and Achievement Service. The underlying forecast has not materially changed from the previous period. The £0.746m relates primarily to staffing pressure as a result of the continuing need for agency cover within the Intervention and Support Service (ISS), allowing the service to continue to deliver its statutory obligations.

Within Learning and Achievement, the position has improved by (£0.197m), of which (£1.000m) relates to additional budget transfer reflecting the share of growth awarded to the Directorate for the year. However, additional cost pressure from increased number of children with disabilities at high cost has materially negated the positive impact of the increased budget. The projected overspend at period three is £0.832m, which is attributable to a number of new cases resulting in increased pressure within placements, Direct Payments and access to Short Breaks. The increased complexity of cases has also resulted in increased costs for transport.

The Safeguarding Service position is a £0.022m adverse position from period two, with an overspend of £0.158m now expected. The underlying overspend is primarily due to additional demand for independent reviewing and quality assurance of child protection, looked after and children in need plan, which is beyond the capacity of the current establishment.

There continues to be risks and opportunities contained within the projections that need to be clarified at the earliest opportunity, a recovery plan needs to be developed and should now include proposals for both previous and current years' underlying pressures.

- 1.11. The overall variance in the **Chief Operating Officer** portfolio at period three is £0.032m, an increase of £0.399m from period two. The majority of this change relates to the transfer of Registrars and Bereavement Services to Neighbourhoods (£303k underspent at period two). The current variance relates to efficiency savings within Communications that have been paused following the recent Star Chamber session, £0.130m. There is also a forecasted pressure of £0.040m within the Library service due to unachieved income in relation to the portacabin at South Hornchurch Library.

These pressures are being offset in part, from a (£0.134m) forecasted underspend within the Policy and Performance Service which relates to various posts that are being held vacant pending restructure implementation. There are also minor underspends across the portfolio totalling (£0.004m).

2. NEW WAYS OF ACCOUNTING FOR ONESOURCE

- 2.1 The new way of accounting for oneSource as agreed by the three Section 151 officers in Havering, Newham and Bexley, OMT and the oneSource Joint Committee, went live for period three. The new way of accounting reflects a commissioner/provider approach, which considers a business like method to financial management.
- 2.2 The effect of the change will continue to see all actual spend incurred on the oneSource shared cost centres in each authority, however no budget will remain on them. Budget will be moved from these cost centres in each authority to a new oneSource Commissioned service which will sit outside of oneSource, managed by the Section 151 in each authority.
- 2.3 As a result, funding for oneSource will now be shown as income received from the commissioned service. Variations to any of the agreed oneSource services will require a signed contract variation to be completed, before any adjustment will take place on the shared or commissioned cost centres.

- 2.4 It should be noted with the commencement of the new way of accounting the oneSource commissioned service should be sitting within the Chief Operating Officer directorate, however for period three the service is shown within oneSource non-shared. This will be adjusted for period four, however as a result the Budget, actual and forecast within oneSource non-shared has increased by the contract commissioned cost of £14.510m.

3. IN YEAR MONITORING OF MTFS SAVINGS IN CP

- 3.1. As part of the on-going budget monitoring process there is an additional requirement to provide quarterly online updates on the progress of the current MTFS Savings Plans.

For the period three revenue monitor the level of unachievable savings to 2022-23 reported by Services on the online forecasting system, amounted to £1.715m. This figure is made up of £0.615m undelivered savings from 2018-19, £1.100m forecast for 2019-20 to 2022-23. Services are required to identify alternative options for delivering the £1.665m unachieved savings from 2018/19 and future years, if considered a permanent shortfall.

- 3.2. Below is the exception reporting summary for period three. A schedule of variances with management action narrative is attached at **Appendix B**. It shows the level of savings that are currently forecasting a variance against their targets at service directorate level. This may be in relation to either permanent shortfalls, or temporary ones caused by delays in implementing plans (i.e. slippage).

SAVINGS TRACKER PERIOD THREE 2018-19

SAVINGS		Variance					Total Variance
		2018/19	2019/20	2020/21	2021/22	2022/23	
		£m	£m	£m	£m	£m	
A4000B Childrens							
CH2	Revised delivery model for the Business Support Service	0.150					0.150
CH9	Charging model for children accommodated under Section 20 of the Children's Act 1989	0.050					0.050
	TOTAL	0.200	0.000	0.000	0.000	0.000	0.200
A4600B Adults							
AS10	Intermediate care tier, including Discharge to Assess	0.125					0.125
AS11 AS12	Managed Transitions from Children Social Care into Adults	0.100					0.100
	TOTAL	0.225	0.000	0.000	0.000	0.000	0.225

A5000B Neighbourhoods							
SC7	Waste Minimisation (3 sacks plus recycling)			0.500	0.500		1.000
R1S10	Income - Regeneration Projects	0.050	0.000	0.000	0.000	0.000	0.050
HH6	HRA Transfer - Transfer HRA Garages to GF	0.090					0.090
	TOTAL	0.140	0.000	0.500	0.500	0.000	1.140
A8000B oneSource Non Shared							
ONE1	Wireless and mobile infrastructure	0.050	0.100				0.150
ONE5	Spans and Layers						0.000
ONE7	Business Support						0.000
	TOTAL	0.050	0.100	0.000	0.000	0.000	0.150
TOTAL		0.615	0.100	0.500	0.500	0.000	1.715

STAFF CONTACTS

Andrew Blake-Herbert
Chief Executive

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Chief Operating Officer
Section 151 Officer

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Steve Moore
Director of Neighbourhoods

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Barbara Nicholls
Director Adult Services

01708 433069

Tim Aldridge
Director Children's Services (including Learning & Achievement)

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Sean Harriss
Chief Executive Officer - oneSource

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Summary Controllable Revenue Budget Monitoring Period 3

		FULL YEAR REVISED BUDGET	TOTAL ACTUALS AND ENCUMB RANCES	FULL YEAR PROJECTED OUTTURN VARIANCE PERIOD 2	FULL YEAR PROJECTED OUTTURN VARIANCE PERIOD 3	DIFFERENCE IN VARIANCE SINCE LAST REPORTED
A0000A	Total	151,608,048	37,498,906	2,230,385	3,398,855	1,168,470
A3000B	Public Health	(1,981,180)	(1,974,384)	0	0	0
A3100C	Public Health	(1,981,180)	(1,974,384)	0	0	0
A4000B	Childrens	37,487,257	9,016,560	987,830	1,736,436	748,606
A4100C	Learning & Achievement	7,949,331	3,465,925	1,028,945	832,261	(196,684)
A4200C	Childrens Services	28,343,972	5,250,147	(176,342)	746,378	922,719
A4250C	Safeguarding - Quality and Assurance	1,193,954	300,487	135,226	157,797	22,571
A4600B	Adults	55,465,890	11,405,847	(0)	(0)	(0)
A4600C	Adult Services	55,465,890	11,405,847	(0)	(0)	(0)
A5000B	Neighbourhoods	11,617,535	4,126,221	1,051,609	1,246,959	195,350
A2300C	Environment	10,525,669	1,147,210	88,452	103,183	14,731
A2350C	Registrars, Cems and Crems	(2,602,810)	129,072	(303,240)	(115,849)	187,391
A2800C	Development	284,211	1,192,446	487,966	481,632	(6,334)
A2900C	Business Support - Neighbourhoods	541,148	262,855	(2,586)	(4,544)	(1,958)
A4300C	Housing Services	2,869,317	1,394,638	781,017	782,537	1,520
A8000B	oneSource Non-Shared LBH	17,137,486	13,123,276	254,470	383,202	128,732
A5200C	Exchequer Services	(1,217,210)	(4,063,694)	0	50,640	50,640
A5350C	Business Services	1,160	0	0	(50)	(50)
A5400C	oneSource Commissioning	14,510,149	14,510,149	0	0	0
A5800C	Asset Management	1,008,483	1,007,465	254,470	386,684	132,214
A5850C	Strategic HR & OD	452,324	480,279	0	12,454	12,454
A5900C	Legal & Democratic Svs	1,568,980	631,606	0	(66,526)	(66,526)
A5950C	ICT Services	813,600	557,471	0	0	0
A9000B	Chief Operating Officer	8,512,692	4,184,419	(63,524)	32,258	95,781
A2100C	Customer and Communications	4,034,375	1,522,555	28,620	162,460	133,840
A2400C	Communications	190,910	22,449	5,494	3,754	(1,740)
A2600C	Policy & Performance	2,597,661	720,395	(97,638)	(133,955)	(36,317)
A5300C	Transformation Agenda	(110)	1,315,451	0	0	0
A3150C	Joint Commissioning Unit	1,689,856	603,568	0	(1)	(1)
A5520E	Corporate Management Team	1,335,350	470,279	0	0	0
A9001B	Section 151	21,187,221	9,345,697	0	0	0
A5500C	Corporate Financial Matters	26,329,669	13,441,314	0	0	0
A5550C	Contingency	1,000,000	0	0	0	0
A5710E	External Finance	(6,142,448)	(4,095,616)	0	0	0
A7000B	One Source Shared	845,797	(12,199,009)	0	0	0

SAVINGS TRACKER PERIOD THREE 2018-19

SAVINGS		Variance					Total Variance	RAG Status	Comments
		2018/19	2019/20	2020/21	2021/22	2022/23			
		£m	£m	£m	£m	£m			
A4000B	Childrens								
CH2	Revised delivery model for the Business Support Service	0.150					0.150		Partially delivered through vacancies - the vacant posts are yet to be deleted as part of the confirmation process.
CH9	Charging model for children accommodated under Section 20 of the Children's Act 1989	0.050					0.050		This needs to go out to consultation, the timeframe for delivery is still uncertain. Alternative proposals are being considered.
	TOTAL	0.200	0.000	0.000	0.000	0.000	0.200		
A4600B	Adults								
AS10	Intermediate care tier, including Discharge to Assess	0.125					0.125		Tracking mechanism yet to be developed.
AS11 AS12	Managed Transitions from Children Social Care into Adults	0.100					0.100		Although the period 3 projections include an element of Transitions cost, the extent these reduced has not been ascertained as yet.
	TOTAL	0.225	0.000	0.000	0.000	0.000	0.225		
A5000B	Neighbourhoods								
SC7	Waste Minimisation (3 sacks plus recycling)			0.500	0.500		1.000		A reduction in the LEVY is only possible when tonnage levels are reduced, the introduction of bins would greatly impact on tonnage levels however variations to the current contract will only prove cost effective if implemented at the start of a new contract term (2020/2021) member decision required 2018/19.
R1S10	Income - Regeneration Projects	0.050	0.000	0.000	0.000	0.000	0.050		Partial saving achievable as it relates to the interest due from MLH, Slippage in 2018/19 on the saving relating to Rainham and Beam Park. The remaining portion is dependant on the accounting treatment of profit/dividends due from JV's.
HH6	HRA Transfer - Transfer HRA Garages to GF	0.090					0.090		The £0.340m saving relating to the appropriation of these assets from the HRA cannot be achieved. Conversations will be had with the new administration to agree a future strategy.
	TOTAL	0.140	0.000	0.500	0.500	0.000	1.140		

SAVINGS TRACKER PERIOD THREE 2018-19

SAVINGS		Variance						Comments	
		2018/19	2019/20	2020/21	2021/22	2022/23	Total Variance		
		£m	£m	£m	£m	£m	£m		
A8000B	oneSource Non Shared								
ONE1	Wireless and mobile infrastructure	0.050	0.100				0.150		Work is ongoing to look to generate the interest and demand for businesses to work with the authority to utilise our assets, time taken to generate a market issues may cause delays in achieving the savings.
ONE5	Spans and Layers						0.000		Review is on going within service areas to identify where organisational design principles are not followed and duplication can be removed. A clearer projection of savings will be known following the completion of the reviews - 19/20 £0.500m
ONE7	Business Support						0.000		Following on from the Spans and Layers review, there is the potential for services across the authority to look to reduce its business support and potential look to have form part of a shared resource. A clearer projection of savings will be known following the completion of the reviews - 19/20 £0.200m
	TOTAL	0.050	0.100	0.000	0.000	0.000	0.150		
	TOTAL	0.615	0.100	0.500	0.500	0.000	1.715		

OVERVIEW AND SCRUTINY BOARD

6 September 2018

Subject Heading:

ICT - PROGRESS

SLT Lead:

Sean Harriss

Report Author and contact details:

Chief Executive Officer, oneSource

Richard Cursons, 01708 432430

richard.cursons@onesource.co.uk

Policy context:

The information presented will allow more effective scrutiny of performance issues

Financial summary:

No impact of presenting of information itself which is for information/scrutiny only.

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

Communities making Havering

[X]

Places making Havering

[]

Opportunities making Havering

[]

Connections making Havering

[]

SUMMARY

Information will be presented that will detail current issues pertaining to ICT delivery.

RECOMMENDATIONS

1. The Sub-Committee to review the information presented and make any appropriate recommendations.

REPORT DETAIL

Officers will present and summarise information covering the areas within the remit of the Board. This is presented to the Board to allow effective scrutiny.

IMPLICATIONS AND RISKS

Financial implications and risks: None of this covering report.

Legal implications and risks: None of this covering report.

Human Resources implications and risks: None of this covering report.

Equalities implications and risks: None of this covering report.

BACKGROUND PAPERS

None.

OVERVIEW AND SCRUTINY BOARD

6 September 2018

Subject Heading:	Sub-Committee and Topic Group - Chairman's updates
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:	The information presented will allow more effective scrutiny of issues
Financial summary:	No impact of presenting of information itself which is for information/scrutiny only.

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

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

SUMMARY

Overview & Scrutiny Sub-Committee Chairmen will be invited to verbally update members of the Board on details of the current work of the six Overview & Scrutiny Sub-Committees and associated topic groups.

RECOMMENDATIONS

1. The Board to review the information presented and make any appropriate recommendations.

REPORT DETAIL

The report enables Overview & Scrutiny Chairmen to detail the current work of the six Overview & Scrutiny Sub-Committees and the topic groups attached to them.

IMPLICATIONS AND RISKS

Financial implications and risks: None of this covering report.

Legal implications and risks: None of this covering report.

Human Resources implications and risks: None of this covering report.

Equalities implications and risks: None of this covering report.

BACKGROUND PAPERS

None.

OVERVIEW AND SCRUTINY BOARD

6 September 2018

Subject Heading:	Financial Strategy Topic Group
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:	The information presented will allow more effective scrutiny of issues
Financial summary:	No impact of presenting of information itself which is for information/scrutiny only.

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

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

SUMMARY

The Board will be asked to formally agree to the creation of a topic group to allow greater scrutiny of the Council's financial strategy.

RECOMMENDATIONS

1. The Board to review the information presented and agree to the formation of the topic group

REPORT DETAIL

The report enables the Overview & Scrutiny Board to agree to the formation of a topic group to allow greater scrutiny of the Council's financial strategy

IMPLICATIONS AND RISKS

Financial implications and risks: None of this covering report.

Legal implications and risks: None of this covering report.

Human Resources implications and risks: None of this covering report.

Equalities implications and risks: None of this covering report.

BACKGROUND PAPERS

None.