

**MINUTES OF A MEETING OF THE
JOINT (ALL) OVERVIEW & SCRUTINY COMMITTEE
Town Hall
23 January 2014 (7.30 - 9.05 pm)**

Present:

COUNCILLORS

Conservative Group Jeffrey Brace, Wendy Brice-Thompson, Pam Light, Robby Misir, Barry Oddy, Frederick Thompson, Melvin Wallace and Keith Wells

Residents' Group June Alexander, Clarence Barrett, Gillian Ford, Linda Hawthorn, Ray Morgon, John Mylod, Linda Van den Hende and John Wood

Labour Group Keith Darvill+, Pat Murray and Denis O'Flynn

Independent Residents Group Michael Deon Burton

UK Independence Party Group Lawrence Webb+, Ted Eden and Fred Osborne

+Substituting for Councillor Paul McGeary.

+Sunstituting for Councillor Sandra Binion.

Cabinet Members in attendance: Councillors Michael White (Leader of the Council) Steven Kelly (Deputy Leader) Roger Ramsey and Paul Rochford.

All decisions were taken with no votes against.

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

1 MEMBERSHIP AND CHAIRMAN OF MEETING

With the agreement of all Overview and Scrutiny Committee Members present, the Chair was taken at this special meeting by Councillor Pam Light.

2 CHAIRMAN'S ANNOUNCEMENTS

The Chairman advised all present of action to be taken in the event of emergency evacuation of the town hall becoming necessary.

3 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS (IF ANY)

Apologies for absence were received from the following Members:

Children and Learning Overview and Scrutiny Committee:

Councillor Sandra Binion (substituted by Councillor Lawrence Webb)

Councillor Nic Dodin (Substituted by Councillor John Mylod)

Margaret Cameron (co-opted Member – non-voting)

Ian Rusha (co-opted Member – non-voting)

Crime & Disorder Committee:

Councillor Osman Dervish (substituted by Councillor Wendy Brice-Thompson)

Councillor Roger Evans (substituted by Councillor Frederick Thompson)

Councillor Georgina Galpin (substituted by Councillor Barry Oddy)

Councillor David Durant

Environment Overview and Scrutiny Committee:

Councillor Lynden Thorpe (substituted by Councillor Barry Oddy)

Councillor Barbara Matthews

Councillor David Durant

Health Overview and Scrutiny Committee:

Councillor Nic Dodin (substituted by Councillor John Mylod)

Councillor Peter Gardner (substituted by Councillor Frederick Thompson)

Towns & Communities Overview and Scrutiny Committee:

Councillor Osman Dervish (substituted by Councillor Frederick Thompson)

Councillor Garry Pain (substituted by Councillor Melvin Wallace)

Councillor Linda Trew (substituted by Councillor Jeffrey Brace)

Value Overview and Scrutiny Committee:

Councillor Rebecca Bennett (substituted by Councillor Barry Oddy)

Councillor Billy Taylor

Councillor Damian White (substituted by Councillor Jeffrey Brace)

Councillor Sandra Binion (substituted by Councillor Lawrence Webb)

4 **DECLARATIONS OF INTEREST**

There were no disclosures of interest.

5 **THE COUNCIL'S FINANCIAL STRATEGY**

The Leader of the Council, Councillor Michael White, explained that the Council had been required to find approximately £40 million of savings over the last four years. The Leader thanked officers for their hard work in delivering these savings. Front line services, for example weekly refuse collection, had been protected while the back office had been transformed through initiatives such as Shared Services. There had also been more than 80 restructures across the Council.

The latest financial settlement meant that further cuts would be required in the coming years although this was in line with projections for this period. Specifically, £6.5 million of funding would be lost in 2014/15 with a further £9.8 million lost in 2015/16. This would of course be challenging but the Council had been very robust in meeting savings targets. The Council should also be proud of there not having been a rise in Council Tax over the last five years.

It was felt that the funding cuts in 2014/15 could be covered in Havering without major service cuts or tax increases. Work was currently underway on the next financial strategy from 2015/16. This was estimating a potential budget gap of around £60 million which would be a challenge for the new Council.

The Government austerity programme would continue until at least 2017/18 and a further Comprehensive Spending Review was expected. Government policy to ensure an average 1% annual increase in public sector pay also impacted on the Council.

The introduction of local level business rates had not generated any additional income for the Council as the Council was only allowed to keep 30% of this revenue. A proposal to pool business rates with some neighbouring Councils would however allow the minimisation of risk. The leader also felt the use of the Council pension fund to invest in the local infrastructure could be explored further.

There was a 10% shortfall from the Government on Council Tax benefits although it was thought that a revision of the Council Tax base in Havering should deliver more money. A new homes bonus of £2.4 million for 2014/15 would allow some one-off investments such as that in Harrow Lodge Park.

There had been a rise in NHS funding to support social care but this was pooled with the Clinical Commissioning Groups (CCGs). New legislation affecting education and care for people under 25 years and the care of elderly people would also have a financial impact. This was also the case with the rise in numbers of properties and pupils in Havering and the rising numbers of very elderly people would lead to a heavy demand on social care services.

In conclusion, the Leader emphasised that the Council wished to protect front line services and this was in line with the Living Ambition strategy. Efficiencies had been made in all areas of the Council, for example the partnership with London Borough of Newham. Further savings would however be needed and it would be necessary to ask which Council services did not need to continue in their current form and which could be delivered in a better way in order to keep the budget under control.

Having received the presentation from the Leader of the Council, the Overview and Scrutiny Committees noted:

1. The financial position of the Council.
2. That the report was formally consulting them on the proposed Corporate budget adjustments and that this was the opportunity to scrutinise the budget proposals.

Answers to questions raised by Members on specific items of the budget are shown in the appendix to the minutes.

Chairman