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**MINUTES OF A CABINET MEETING**  
**Council Chamber - Town Hall**  
**Wednesday, 20 January 2016**  
**(7.30 - 8.45 pm)**

**Present:**

Councillor Roger Ramsey (Leader of the Council), Chairman

	<b>Cabinet Member responsibility:</b>
Councillor Damian White	Housing
Councillor Robert Benham	Environment
Councillor Wendy Brice-Thompson	Adult Social Services and Health
Councillor Meg Davis	Children and Learning
Councillor Osman Dervish	Regulatory Services and Community Safety
Councillor Melvin Wallace	Culture and Community Engagement
Councillor Clarence Barrett	Financial Management
Councillor Ron Ower	Housing Company Development and OneSource Management

Councillors Ray Morgon, David Durant, Keith Darvill, Stephanie Nunn, and Jody Ganly also attended.

There were two members of the press present.

Unless otherwise indicated, all decisions were agreed unanimously with no Member voting against.

**36 MINUTES**

The minutes of the meeting held on 16 December 2015 were agreed as a correct record and were signed by the Chairman.

**37 THE COUNCIL'S FINANCIAL STRATEGY**

*Councillor Roger Ramsey, Leader of the Council, introduced the report*

Cabinet was reminded that it had received reports on the 4 November 2015 and the 16 December 2015 which had provided an update on developments

at the national level and the consequential impact on local government funding and set out information on the financial position within Havering.

The November report had set out the Council's financial strategy to manage the implications of funding reductions and cost pressures over the following three years. It had contained specific proposals which would enable the Council to set a balanced budget for 2016/17 and 2017/18 but would leave a shortfall of £2.4 m in 2018/19.

The December report had provided some initial feedback on the Government's Autumn Statement and in particular had sought the Cabinet's views on the proposal to give Councils the power to raise an additional 2% in the Council Tax precept for the sole purposes of funding Adult Social Care.

This report updated Members on the Local Government Financial Settlement and the significant implications for the corporate budget and the proposed financial strategy for the coming year, the latest in-year financial monitor and the proposed capital programme as well as updating Members on the outcome of the original budget consultation.

The provisional Local Government Financial Settlement had now been announced and the relevant details were included in the report before Cabinet, together with a summary of the key elements of the Autumn Budget Statement. Havering's financial strategy included provision for an expected reduction in the Revenue Support Grant (RSG) over the next three years however, the proposed reductions in Havering's grant settlement were much deeper than expected. The estimated shortfall in the three year financial strategy had increased from £2.4m to approximately £12.5m. Further changes in the strategy were therefore required and would be considered as part of the current and subsequent reports.

The report also set out the Council's capital spending position and the Leader provided those present with a detailed synopsis of the implications of the reductions, the options available to the Council and the strategies by which the Council was seeking to minimise the impact of the current and future Government fiscal policies on the residents of the borough. The Leader also informed Cabinet that there was a change of wording to recommendation 14 in respect of Voluntary Grants.

### **Reasons for the Decision**

This would enable the Council to develop its budget as set out in the constitution.

### **Other options considered:**

None. The Constitution required this as a step towards setting the Council's budget.

Cabinet:

1. **Noted** the progress made to date with the development of the Council's budget for 2016/17 and the Council's likely intention to increase Council Tax by 1.97%, although no decisions would be taken until the February Cabinet meeting.
2. **Noted** that an additional 2% increase in the Council Tax precept might be levied for the sole purpose of funding Adult Social Care pressures.
3. **Noted** the outcome of the Autumn Budget Statement and the likely impact on local authorities.
4. **Noted** the provisional local government financial settlement announcement and that arising from the settlement, there were reductions in mainstream Government funding in 2016/17 of £10.8 m for Havering.
5. **Delegated** authority to the Cabinet Member for Adult Social Services and Health and the Leader to approve an annual spend plan for the Public Health Grant.
6. **Delegated** to the Deputy Chief Executive - Children Adults and Housing to agree inflation rates with social care providers for 2016/17.
7. **Noted** the financial position of the Council in the current year.
8. **Agreed** the adjustments to the budget assumptions as set out in the table at paragraph 8 in the report which gave rise to an increase in the funding gap over a three year period 2016/17 to 2018/19.
9. **Noted** the implications for the draft Capital programme for 2016/17.
10. **Agreed** that any underspends from the Corporate Contingency Fund, the Transformation budget and from any service revenue underspends, should be allocated to the Strategic Reserve
11. **Noted** the summary of the GLA's consultation budget and the expected date for the publication of the final proposals.
12. **Noted** the outcome of the public consultation on the budget process.
13. **Recommended to Full Council** that the CTS Scheme 2016 should be approved. (appendices D, E, F to the report)
14. **Delegated** to the relevant Deputy Chief Executive, authority to deliver the Voluntary Grants reduction (Appendix G to the report), with careful consideration given to the impact of those reductions on relevant stakeholders.

38 **DE-COMMISSIONING NON-MANDATED PUBLIC HEALTH SERVICES CURRENTLY FUNDED BY THE COUNCIL'S RING FENCED PUBLIC HEALTH GRANT**

*Councillor Wendy Brice-Thompson, Cabinet member for Adult Social Services and Health, introduced the report*

Cabinet was reminded that as part of the LBH Financial Strategy it had been agreed that a significant proportion of the Public Health ring-fenced grant (approximately 30%) would be redirected to other Council services to prevent them from being cut or to allow those services to make essential savings. The report had identified all those services which made important contributions to the overall health and wellbeing of Havering residents. Much of that funding had been directed to early help and health promotion for children and families as a priority. This approach diverted needy families away from statutory social care and delivered better short- and long-term outcomes.

To release this level of funding - particularly given the expected reduction in the public health grant for 16/17 and 17/18 – the Council needed to decommission some existing public health services. The report listed the services which were being proposed for decommissioning and sought the approval of Cabinet to decommission those services with effect from 31 March 2016 - subject to the outcome of a public consultation on the prioritisation of spend from within the ring-fenced public health grant.

**Reasons for the decision:**

This decision was required to allow the Public Health Service to reduce existing expenditure in order to redirect funding to other LBH services. This was part of LBH's Financial Strategy to achieve MTFS (Medium Term Financial Strategy) targets. Cabinet approval was required because of the costs involved.

**Other options considered:**

All commissioned non-mandated public health services were in scope for the review of cost effectiveness which had informed the decommissioning proposals. The services proposed for decommissioning had been selected either because there was little evidence of effectiveness or as the 'least worst option'.

Cabinet:

1. **Authorised** a four week public consultation on the prioritisation of spend from within the Public Health Grant and the Council's proposals to decommission the services listed in paragraph two of the report with effect from 31 March 2016.
2. **Delegated** the final decision on whether to decommission the services listed in the report at paragraph two to the Cabinet

Member for Public Health following the conclusion of the public consultation.

39 **SERVICE REVIEW OF THE HAVERING COMMUNITY MEALS SERVICE**

*Councillor Wendy Brice-Thompson, Cabinet member for Adult Social Services and Health, introduced the report*

Cabinet was reminded that Havering Catering Services (HCS) operated an in-house community meals service to 297 residents in Havering and 86 in Barking and Dagenham. This was a traditional 'Meals-on-Wheels' service based on provision only and was unable to provide a personalised service to its clients. In many ways it could be seen as no longer fit for purpose and not meeting the requirements as set out in the Care Act of 2015.

The service had seen a 9% per year decline in service users and hence had made increasing financial losses since 2012-13 which had been subsidised by the Council. This decline in Havering reflected national trends and over half of the London boroughs had already closed their Meals on Wheels services with a significant proportion of the remaining London authorities currently planning to/undertaking a review of their service, and instead choosing to signpost residents to a range of local meal providers which were offering a choice of frozen, chilled or hot meals.

As part of the Council's cost reduction exercise, the service had an MTFs (Medium Term Financial Strategy) target of £100k to be achieved in 2015/16. This had prompted the need to undertake a full review of the service which had included the following activities:

- A consultation exercise to gather feedback on the service from current community meals customers.
- A briefing meeting and other communications with staff and trade unions to seek input and ideas for improving income and/or cost saving measures.
- A marketing impact assessment to identify and assess effectiveness of bringing on board new customers.
- An options analysis of potential future operating models for the service.

The conclusion of the review was to recommend the closure of the Council's Community Meals on Wheels service and to follow the lead of other London boroughs in adopting a signposting approach. This recommendation was made as there was a wide range of high quality suppliers available to Havering residents (including at least one hot meal provider) which were able to provide nutritious meals at a cost which was affordable to service users. There was therefore no reason why (with dialogue and support from Adult Social Care teams) current service users would be disadvantaged by the proposed changes.

If the service was not closed, the Council would be required to subsidise the service to cover its additional annual which would continue to grow year on year as the number of users continued to decline.

The report sought Cabinet's approval to implement the recommendations of the service review which took full account of the service user consultation outcomes.

**Reasons for the decision:**

The recommendation of the service review to close the service had been made as a result of the robust work undertaken. The decision was necessary to meet the MTSF cost-saving objectives set by the Council which were designed to remove the meal subsidy and to make the service operate at full cost recovery from 2015/16.

The options analysis had not been able to identify a viable alternative operating model that prevented increasing annual losses which was ultimately driven by the on-going and steady decline in users. The recommendation would also remove the need to provide in the future an increased level of subsidy. The marketing impact assessment had demonstrated that paid advertising and the on-going activity by the team to promote the service across the borough had no significant impact on customer numbers which continued to fall year on year.

Signposting to a range of alternative meal providers would provide service users with a wide range of choice which underpinned the modern personalisation model for adult social care. Service users would be able to choose from a range of different meal providers to suit their budget and individual preferences. In addition to the frozen and chilled meal providers, at least one like-for-like hot meal home-delivery service had been identified which currently operated in Havering.

There might be a cost implication to service users as a result of this decision as some of the prices charged by other providers for a hot meal and dessert were higher than the £5.25 currently charged by the Council. This increase however sat comfortably within the acceptable cost increase identified by the majority of users in the consultation survey.

This represented what was likely to be a one-off opportunity for the Council to introduce a commercial hot meal provider to the mix without a formal contractual commitment. There was a risk that delaying the decision and allowing customer numbers to decline further could impact the viability of any future investment decision of a commercial hot meal provider.

**Other options considered:**

A number of alternative options for the service had been identified and robustly considered. All alternative options had been rejected on the grounds that they failed to meet the tests of full cost recovery and the long-term financial viability of the service as shown in the chart:

Option	Description	Full Cost Recovery	Long Term Viability
1	Do Nothing	Fail	Fail
2a	MTSF Cost Savings (7 day service)	Fail	Fail
2b	MTSF Cost Savings (5 day service)	Pass	Fail
3	Outsourced	Fail	N/A
4	Frozen Delivery	Fail	Fail
5	Decommission	N/A	N/A

In conclusion, officers had been unable to identify a viable alternative option for the community Meals on Wheels service which fully satisfied both tests.

Cabinet:

1. **Proposed** - subject to consultation with staff to the recommendations of the service review - to decommission the in-house community Meals on Wheels service and to implement a signposting scheme to direct users of the service to a wider choice of alternative meal provision (including an alternative hot meal delivery provider).
2. **Delegated** the power to take further decisions regarding the recommended proposals including their implementation to the Cabinet Member for Children & Learning, the Cabinet Member for Adults & Health and the Deputy Chief Executive, Children, Adult & Housing.
3. **Noted** that to identify and protect the most vulnerable, a full review of all service users was currently underway and arrangements would be put in place for those who needed support in accessing and preparing a meal and who were eligible for support.
4. **Noted** that - subject to final decisions on the proposals - the Council would commence the decommissioning of the service in March 2016 following a formal consultation period with staff and would conclude no later than June 2016.

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**Chairman**

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