

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Council Chamber - Town Hall
6 February 2019 (7.30 - 9.45 pm)**

Present:

COUNCILLORS

Conservative Group	Philippa Crowder, Judith Holt, Robby Misir, John Mylod, Nisha Patel, Bob Perry and +Christine Smith
Residents' Group	Ray Morgon and Barry Mugglestone
Upminster & Cranham Residents' Group'	Clarence Barrett and +John Tyler
Independent Residents' Group	Natasha Summers and Graham Williamson
Labour Group	Keith Darvill (Vice-Chair)
North Havering Residents' Group	Darren Wise (Chairman)

Apologies were received for the absence of Councillors Ray Best and Gillian Ford.

+Substitute Members: Councillor Christine Smith (for Ray Best) and Councillor John Tyler (for Gillian Ford).

Unless shown indicated all decisions were taken with no votes against

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

19 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

20 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

21 MINUTES

The minutes of the meeting held on the 28 November 2018 were agreed as a correct record and signed by the Chairman.

22 CALL-IN OF A CABINET DECISION - ADOPT LONDON EAST

The report before Members detailed the call-in of a Key Executive Decision relating to Adopt London East.

A requisition signed by Councillor Keith Darvill and Graham Williamson had been called-in the Executive Decision dated 16 January 2019.

The reasons for the call-in were as follows:

1. Concerns about the extent and adequacy of the consultation with staff representatives.
2. Clarify in relation to employment conditions of staff to be transferred.
3. Clarity about the impact on staff impacted by the proposals.

Councillor Darvill addressed the Board, during which he raised concern that inadequate staff consultation had taken place and questioned the impact on staff on travelling outside of their current region and how the different terms and conditions across the four boroughs would be standardised.

Councillor Williamson addressed the Board, during which he reinforced the sentiments of his fellow councillor.

Members were advised that the informal consultation with staff had taken place in the development of proposals for a Regional Adoption Agency (RAA), which included monthly partnership board meetings to steer the future direction of the RAA and plan for implementation; and early staff engagement events to enable the Council to engage staff on the journey to becoming the East London Regionalised Adoption Agency at the earliest stage. There had been early union engagement prior to formal consultation, however officers were unable to start statutory formal consultation with the unions and staff until there had been full sign off from Cabinet in all authorities.

Officers advised that staff would transfer under TUPE regulations over to the new service hosted by Havering Council. To ensure that those employees affected were treated fairly throughout the consultation period, a joint change management terms of agreed had been agreed across the four borough which had been shared with trade unions. The Council would continue to engage with trade unions in order to reach an agreement prior to formal consultation. In line with the statutory consultation guidelines, staff would have the opportunity during the formal consultation period to attend joint meetings and individual consultation meetings to discuss their individual concerns and circumstances.

It was explained that the rationale for Havering, Newham, Tower Hamlets and Barking and Dagenham to create a RAA was based on the existing adoption and consortium arrangements. It was proposed that the arrangements with other boroughs in the consortium would continue on an informal basis.

Gabby Lawlor, representative for UNISON, addressed the Board, during which she expressed concerns regarding the lack of engagement with trade unions. Staff had expressed that they had concerns that the proposed model would not be fit for purpose due to the lack of staff coverage across the four boroughs and believed that due diligence had not been completed. Furthermore, UNISON challenged the legality of transferring all staff onto Havering Terms and Conditions. UNISON requested that the business case be amended to reflect the outcome from Tower Hamlets decision dated 30 January 2019 and that the Cabinet report be either amended or that assurances be confirmed that engagement with stakeholders is genuine and that meaningful discussion is held with trade unions in advance of the formal TUPE consultation.

During debate, Members sought clarity on the practicalities, for instance, a Havering young person being adopted by a family in Tower Hamlets. It was explained that Havering would be the lead authority in the RAA and the hub would be based in the borough, with smaller hubs being situated in the other three boroughs. The proposal aimed to improve performance and the delivery of the service by creating three specialist teams and focusing on best practice in each area. It was becoming increasingly more difficult to match young persons with carers due to an increase in complexity of needs, sibling groups and Black and Ethnic groups and by creating a broader range of adopters would be a benefit to the proposal. Inter-agency fees for a child to be adopted range from £31,000 (basic) per child to £71,000 for child with complex needs, regionalised agency recruitment could potentially create significant savings, money of which would be reinvested into the service.

Members sought reassurance that the governance board would be monitored and were advised that it would be proposed that the project board chaired by the Director of Children's Services and constituted with representatives from the boroughs involved, would transition into the high level governance for the regionalisation. All adoption agencies were required to submit annual reports to the Overview and Scrutiny Sub-Committee and the Corporate Parenting Panels.

The vote for the decision as to whether to uphold or dismiss the call-in was carried by 8 to 7.

It was **RESOLVED** that the call-in of the Executive Decision dated 16 January 2019 be dismissed.

23 ESTABLISHMENT OF A TOPIC GROUP

The Board were requested to formally agree to the creation of a topic group to allow greater scrutiny of the customer complains procedure.

The Board **RESOLVED**:

1. To agree to the formation of the topic group and sought volunteers to participate on the topic group.
2. That an initial meeting of the topic group be convened with the objectives of the group's scope and meeting schedule for approval by the Board.

24 2019/20 BUDGET SETTING CYCLE

The Board were presented the Capital Strategy and Programme, the Treasury Management Strategy Statement 2019/20 and the 2019/20 Budget and 2019-2023 Medium Term Financial Strategy.

In July 2018 the Council had a budget gap for 2019/20 of £14.7m rising to £37.8m over 4 years. The Council's Medium Term Financial Plan estimated the likely pressures which the Council could face over the next four years (including 2019/20) and had identified that the main pressures were in the following areas:

- Central Government Cuts
- Inflation
- Demographic Pressures (Social Care and Homelessness)
- Capital Financing Costs
- Cost of Waste Disposal (East London Waste Levy)

In June and July, the Council identified over £7m of savings, of which over £3m of these savings would contribute to the 2019/20 budget. Every assumption in the Medium Term Financial Strategy was tested and updated to ensure the most accurate estimates were used. The transformation programme was now fully underway and had already identified £18.5m of savings (£4.8m in 2019/20).

The Council undertook a comprehensive consultation process on the budget and the budget was updated to include Member priorities. The regeneration programme was at the heart of the Council's plans and business cases were going to Cabinet in February 2019 and were fully incorporated in the financial planning.

The budget key headlines were:

- A council tax increase of 3.5% council tax (1.25% for main Council services plus 2% Adult Social Care precept);

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- £40 million over four years had been included in the revenue and capital budgets to improve roads and pavements;
- £400,000 to increase the frequency of street cleaning in residential streets;
- £11.9million to improve leisure facilities; £18.8million to expand school place; and
- £8.2million to improve neighbourhoods, build genuinely affordable homes and create jobs; and £250,000 to improve community safety through more effective use of CCTV.

Members were advised that key issues to consider on the budget gap in later years, particularly 2020/21 were:

- The new Spending Review was due to be implemented in 2019;
- The Council may be too pessimistic regarding the Fair Funding Review which distributed funding across local authorities;
- New savings proposals continued to be considered through the Transformation Programme; and
- The aim for future years was only to consider council tax increases to fund improved services.

The inevitable risks and uncertainties in planning beyond 2019/20 included:

- The potential implications from the change in relationship between the UK and EU;
- Changes in interest rates and inflation;
- Demographic Pressures;
- Spending Review 2019;
- Fair Funding Review;
- Adult Social Care Green Paper;
- Reform of Business Rates;
- Complexity of the Regeneration Programmes; and
- Future waste disposal arrangements.

During discussion, concern was expressed that the Fair Funding review would adversely impact on inner and outer London, upon which it was explained that the current proposals would affect the inner London boroughs.

The London Mayor was proposing an 8.9% increase in Council tax, which was higher than in recent years, due to the additional investment in crime, in particular front policing officers. The proposal was being scrutinised by the Greater London Authority.

Members suggested that the topic group on debt collection be reconvened and were advised that officers were not concerned regarding the 97% council tax collection rate, and there would be ongoing attempts after year end to collect any outstanding tax due.

Members raised concern regarding the risk of Brexit on the market value of properties and were reassured as Havering would become more connected to the South East which should secure property prices and that modest property prices had been built into business plans. The benefit of regeneration in the borough was that it would uplift property prices. However, the market would continue to be reviewed annually.

Members expressed concern of impact that business rates would have on the local economy and raised that importance of supporting the local businesses and the high street.

The Board requested that further detail on the CCTV expenditure be circulated Members.

The Board **RESOLVED to** consider, review and scrutinise the content of the three reports.

25 **CURRENT FINANCIAL MONITORING REPORT 2018/2019**

The Board received a report which sought to set out the current forecast outturn position for the Council's 2018/2019 revenue budget.

Members **RESOLVED** to note the current position.

Chairman