

CABINET SUPPLEMENTARY AGENDA

11 February 2015

The following appendix to this report is attached for information. Part of it has only recently become available.

5 THE COUNCIL'S BUDGET - Appendix J - (Pages 1 - 14)

**Andrew Beesley
Committee Administration
Manager**

This page is intentionally left blank

**DRAFT OVERVIEW & SCRUTINY BOARD MINUTES
(attached)**

**MINUTES OF A SPECIAL MEETING OF ALL
OVERVIEW & SCRUTINY board
Havering Town Hall, Romford
5th February 2015**

The report before Members considered a number of changes to the draft financial strategy in response to the public budget consultation.

Members were advised that the results from the consultation process had been reported extensively to Cabinet on 21 January 2015. In response to the consultation Cabinet requested that a number of the budget proposals be reconsidered. The proposed revised options were summarised in the report.

During a brief debate members received clarification from officers on the following points:

Changes to Parks Parking

Parking charges would include parks within sporting grounds

Libraries

That the alternative budget proposal submitted from Library staff had been considered but was not consistent with the Council's new business practice of using a combination of staff and volunteers. The alternative proposal had also not allowed for cover during periods of annual leave and sickness. The proposed business practice of using staff and volunteers was one that was widely used across the country with successful results.

No questions were asked regarding the Queen's Theatre and Youth Services.

This page is intentionally left blank

Public Document Pack

**MINUTES OF A MEETING OF THE
JOINT (ALL) OVERVIEW & SCRUTINY COMMITTEE
Council Chamber - Town Hall
8 September 2014 (7.30 - 11.10 pm)**

Present:

COUNCILLORS

Conservative Group John Crowder, Robby Misir, Garry Pain, Carol Smith and Frederick Thompson

Residents' Group June Alexander, Clarence Barrett, Nic Dodin, Alex Donald, Gillian Ford, Jody Ganly, Linda Hawthorn, Ray Morgon, Barry Mugglestone, Stephanie Nunn, Linda Van den Hende, Julie Wilkes and Darren Wise

UKIP Group Philip Hyde, Phil Martin, Patricia Rumble and Lawrence Webb

Independent Residents Group Michael Deon Burton and David Durant

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 Clarence Barrett.

2 CHAIRMAN'S ANNOUNCEMENTS

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

3 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies for absence were received from the following Members:

Children & Learning Overview and Scrutiny Committee:

Councillor Jason Frost (substituted Councillor Robby Misir)

Councillor Philippa Crowder (substituted by Councillor Frederick Thompson)

Councillor Reg Whitney (substituted by Councillor Stephanie Nunn)

Councillor John Glanville (substituted by Councillor Phil Martin)

Crime & Disorder Committee:

Councillor John Wood (substituted by Councillor Linda Hawthorn)

Councillor Dilip Patel (substituted by Councillor Robby Misir)

Councillor John Glanville (substituted by Councillor Phil Martin)

Environment Overview and Scrutiny Committee:

Councillor Keith Roberts (substituted by Councillor David Durant)

Health Overview and Scrutiny Committee:

Councillor Dilip Patel (substituted by Councillor John Crowder)

Councillor Joshua Chapman (substitute by Councillor Robby Misir)

Councillor Jason Frost (substituted by Councillor Frederick Thompson)

Individuals Overview and Scrutiny Committee:

Councillor Ray Best (substituted by Councillor Frederick Thompson)

Councillor Viddy Persaud (substituted by Councillor John Crowder)

Councillor Roger Westwood (substituted by Councillor Robby Misir)

Councillor Keith Roberts (substituted by Councillor David Durant)

Towns and Communities Overview and Scrutiny Committee:

Councillor Jason Frost (substituted by Councillor John Crowder)

Councillor Steven Kelly (substituted by Councillor Carol Smith)

Value Overview and Scrutiny Committee:

Councillor Philippa Crowder (substituted by Councillor Frederick Thompson)

Councillor Steven Kelly (substituted by Councillor Carol Smith)

Councillor Barbara Matthews (substituted by Councillor Stephanie Nunn)

4 **DISCLOSURE OF PECUNIARY INTERESTS**

There were no disclosures of interest.

5 **THE COUNCIL'S FINANCIAL STRATEGY**

The Leader of the Council, Councillor Roger Ramsey explained that large cuts in Council expenditure were required by Central Government and grant levels, of which Havering already received one of the lowest amounts per head in London, would therefore be cut further. The Council had not taken lightly any proposed cuts to services but it was nonetheless necessary to balance the budget.

Comments made at the meeting would be considered by Cabinet on 24 September. A period of statutory consultation would commence for approximately three months from shortly after the 24 September Cabinet meeting. Some staff consultation would not commence until after proposals had been finalised.

Confirmation of the final settlement figure from Government for 2015/16 was expected in December 2014. The final budget and level of Council Tax would therefore be set by full Council at its meeting in February 2015.

Having scrutinised the budget proposals, 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

This page is intentionally left blank

APPENDIX: JOINT MEETING OF OVERVIEW AND SCRUTINY COMMITTEES, 8 SEPTEMBER 2014, ANSWERS TO MEMBER QUESTIONS ON THE COUNCIL'S FINANCIAL STRATEGY

Questions were asked by Members on the areas shown below and answers were given by officers or Cabinet Members as follows:

1. Consultation on 2% Council Tax increase – It was not feasible to consult on this as the final decision on the level of Council Tax would not be taken until February 2015. A referendum would be required if a higher increase was wanted and there would not be the time to organise this which would also be a costly exercise. A question relating to the Council Tax increase may be able to be included in the consultation.
2. Transformation Costs – These costs were built in for the first two years only and there were no budgeted transformation costs by the end of year 4.
3. Pensions – It was not the case that an additional £40m had been paid into the Council pension scheme although there had been a large increase. This had been stipulated by the Council's actuary in order to balance the pension fund, given that both assets and liabilities had increased substantially. A one-off contribution of £10m had been made last year in order to reduce annual extra contributions and to allow the pension fund to invest in local infrastructure. The Council had to keep to its legal requirements on this issue.
4. Funding for maintained schools – It was the case that academies currently received slightly more funding than maintained schools but this gap had now almost closed. Schools were generally funded equally per pupil although there were different weightings given for each borough. Further information on the variation in schools funding between boroughs could be provided by officers.
5. Impact of change in national Government policy – The proposed cuts were for a period of two years and it was possible that the position may change after this. The Shadow Minister for Local Government had however recently indicated in a letter to the Leader that there would not be any increase in funding for Local Authorities and that money may also be transferred to more 'needy' Councils.
6. Use of reserves – Reserves had been used to for example fund the £10m contribution to the pension fund and would also be used to meet redundancy costs. Strategic reserves were earmarked for specific purposes and verified

by an auditor. The in-year contingency had been lowered from £2m to £1m and Members regularly took advice on how to best use the reserves. The current General Fund balance of £11m was not earmarked but it was felt that at least £10m of this would be needed to fund changes required under the Care Act. The Group Director was happy to discuss the use of reserves with Members further.

7. Proposed Development Company – The Council was currently working with Capita to assess the viability of this proposal. The final cost would be known in approximately two months. The cash amounts held by the Council could be used for this sort of scheme. Risks would be factored in and a report on the Development Company would be brought to Cabinet.
8. Other savings from Economic Development – The Council was supporting businesses to come into Romford. The proposed saving was a stretch target based on economic conditions and the amount of vacant office space. Members could be briefed separately on this.
9. Interest shortfall – There was not an interest shortfall of £5m as this was mixing up General Fund borrowing with Housing borrowing. Housing borrowing had increased to £200m two years ago when the Government changed the housing finance system. The Housing Revenue Account was ringfenced and maintained separately from the General Fund Account.
10. Streetcare – Non-contractable items related to recharges for support services. A full survey of lamp columns was needed to check they were suitable for LED lighting. A further risk was a change in energy prices although this could be mitigated. The current energy budget was £650k.
11. Communications – The annual cost of producing Living Magazine is approximately £60k although not all of this could be delivered as a saving as the staff involved also work on other, separately funded publications which offset the budget. A likely general fund saving from not producing Living would be around £30k. A list of events run by the Council and their cost could be provided. There is no set twinning budget as twinning activity is not consistent and costs are sometimes covered by the twinning partner. There has been no twinning expenditure for some time. Reputation management referred to dealing with the press, social media and managing emerging issues related to the Council. It was planned to reduce the budget for the Havering Show by £17k through attracting more sponsorship.
12. Customer Transformation and Channel Shift – While more people were using on-line Council services, it was still proposed to retain a face to face channel.

13. Culture and Leisure – The proposed Music School saving was considered robust given the successful new model operating in the Music School. MyPlace savings could be found via increasing income and efficiencies from integrating management between MyPlace and the neighbouring sports centre. The Stubbers Centre had been leased to a charity for a peppercorn rent. Both the lease and rent level expired in two years and this would need to be renegotiated and hence produce more income.
14. CCTV – The two CCTV systems would be moved onto one site at Waterloo Gardens. There was however no reduction proposed in the CCTV hours of service. Officers would provide details of the numbers of prosecutions brought about the use of CCTV. Number plate recognition software was being introduced with the Police although the Police would not be making any financial contribution to this, they would be using personnel to work jointly with the CCTV to detect crimes associated with cars.
15. Supporting People Review – A number of options were being considered, and staff proposed to consult with tenants before deciding on the way forward. One option was proposed that support and housing management tasks could be combined in one role and that a dedicated scheme manager be provided for every two schemes. Some Members felt this was a high risk strategy. It would not be possible to run a pilot scheme as the saving needed to be made next year.
16. Private Sector Leasing – There were around 1,000 properties managed in this sector. Complaints received were responded to in the same way as for a council tenant. The proposed £500k saving over four years was based on increasing the number of units let although the market was changing. The rent paid by landlords was based on levels at the lower end of the market as seen in areas such as Harold Hill and Rainham. Several Members felt that many landlords in Harold Hill were sub-dividing properties excessively. Officers accepted this but it was noted that, for some people, a single room in a shared house was their only affordable option. A vetting system for landlords was in place for larger HMOs. Some Members felt there was a danger of ghettoisation in Harold Hill with too many people being put in the area. Officers responded that they had to procure properties where they could afford to do so, and unfortunately they did not control the market.
17. Meals on Wheels – The current provision of Meals on Wheels would be reviewed. A new staffing model would be considered in order to generate savings.
18. Care Act and Better Care Fund – More successful reablement was now seen in people's homes than at Royal Jubilee Court although Royal Jubilee Court

continued to very effective as a step-down facility following hospital care. Community Treatment Teams had demonstrated an impact and this had led to the use of pooled funding opportunities from the Better Care Fund. The performance element of the Better Care Fund would be decided later that week at the Health and Wellbeing Board. This was a new and complex area and work was progressing with the Clinical Commissioning Group (CCG) on e.g. undertaking joint assessments at Queen's Hospital. Commissioning work such as this would be taken through the Health and Wellbeing Board and Individuals Overview and Scrutiny Committee for monitoring. The proposed cap would apply to existing clients.

19. Social Care Agency Staff – Officers were looking to retrain permanent staff to take on new roles and make processes more effective. Eight new children's social workers had started work that week. The allocation of admin work would be looked at as part of the review but it was also important that social workers took ownership of their assessments. Modelling of the impact of the Care Act was continuing but this had been factored into the proposals as far as possible. It was important to get the balance right in the use of agency staff.
20. Social Care Staffing – It was not possible to guarantee that serious incidents seen in areas such as Rotherham would not occur. The implications of the Rotherham inquiry for Havering would be looked at shortly by the Crime & Disorder Committee. Services were however scrutinised by Members. Social worker pay was benchmarked and a recruitment & retention strategy was in place. Havering social workers were more interested in support, career progression and a manageable caseload than they were in money.
21. Younger Adults – While current users would be affected, the assessment criteria for younger adults was not going to be altered. It was aimed to deliver services in the most appropriate way and appeal procedures would be in place.
22. OneSource – It was planned to change the Council's job evaluation scheme and avoid any negative impact on lower paid staff. A new pay line for lower paid staff would be introduced if necessary. A new job evaluation scheme for the highest paid staff was also likely to be introduced. There were approximately 2,500 staff that may be affected but the proposed saving was only £500k from a £95, total wage bill. It was hoped to introduce a consistent set of practices and to agree these with the unions.
23. Council Tax Support – The GLA precept made up 20% of Council Tax bills and it was also necessary to consult with the GLA on changes to the Havering scheme. The second person rebate normally applied to households that were

not eligible for other Council Tax support and the Council's preferred option proposed therefore to abolish this. It was emphasised that the proposal only applied to working age applicants, not retired people.

24. Parking – The proposals had been amended but it was wished to allow a period of free parking for everybody. A breakdown of expenditure on parking could be supplied to Members. It was not possible to be certain of the impact of the proposed new tariffs. The additional schemes referred to related to the introduction of a broader parking strategy. Officers would look at the impact of a 40p rather than £1 charge after the free first 30 minutes in order to assess whether this would reduce parking in side streets. It was proposed to introduce charges for car parking in parks but a free period for the first 30 minutes was under consideration. The 10 minute grace period applied to any duration of parking ticket. It was noted that revenue gathering was not the purpose of parking enforcement. It was planned to introduce parking at football pitches and some Members felt this could result in people parking in nearby streets. Officers agreed to consider this.
25. Moving Traffic Offences Powers – These had now been adopted by all but six London Boroughs. Once adopted, decisions would be made on how these powers would be applied. Details could be provided to Members on the advantages of using these powers. A report on adopting the powers would also be brought to full Council. Some Members felt that taking on these powers could make the Council unpopular with local residents.
26. Trading Standards – Savings could be made via a restructure and no longer undertaking some of the non-statutory functions carried out by Trading Standards. While enforcement of underage alcohol sales would continue it was felt that e.g. the training of shop staff did not need to be carried out by Trading Standards officers. The banking protocol also no longer needed to be led by Trading Standards. Enforcement work would not be affected and there was not felt to be a risk to revenue generation from the proposals. Officers wished to move the service to a more intelligence-led way of working. Officers would supply details of the income recovered from proceeds of crime.
27. Voluntary Sector Review – The reduction of the grant to HAVCO was due to the closure of their Community Accountancy Service. Rate relief for charities would be unaffected by any of the proposals. It was clarified that Council grants were often given to not for profit organisations in order to employ people so it was not simply a matter of increasing volunteer numbers. Other Members felt that most volunteers in Council services did come from charities. It was also possible that some extra work could be commissioned from charities in connection with the requirements of the Care Act.

28. Libraries – All libraries, including the four most strategically important libraries, would have reduced opening hours compared to the current position. Officers could provide further details if necessary. There was no suggestion that any libraries would close. Officers had thought seriously about the viability of the proposals which were based on library service models that ran successfully elsewhere. The local studies library was a valuable service and efforts would be made to recruit more volunteers to help operate it. Officers would supply details of library footfall. The new Rainham and Harold Hill libraries would continue to operate. There were a total of 93 people currently employed in Council libraries although as many of these were part-time staff, this equated to 53.1 FTE posts.
29. Health and Wellbeing – This category related to leisure centres and ‘Policy, Marketing and Administration’ referred to expenditure on support services. Services provided by the Health and Wellbeing Team included the arts service and sports development, as well as the leisure services role.
30. Queen’s Theatre – Officers met on a quarterly basis with the Queen’s Theatre and had discussed the budget options. Full details of options would be shared with theatre management once the consultation had started. The grant figure of £400k was not correct and the total grant to the Queen’s Theatre for this year was £546k.
31. Youth Service – It was proposed to no longer provide discretionary services. All youth services provided by the Council would be mapped by officers. Work with vulnerable young people such as dealing with any gangs in Romford town centre would be protected. It would also be possible to signpost to other youth provision. Some Members felt that Overview and Scrutiny should look at this area. An initial proposition had been received from staff to form an employee led mutual to take on aspects of the service and this would need to be worked through. Some staff would transfer to the over 12 service which would be combined with Early Help & Troubled Families. The Youth Service had direct contact with more than 200 young people but did a lot of other work with young people in addition.
32. Troubled Families – Savings in this area, after the first year, would be challenging and officers accepted there was a lot of work to do.
33. Children’s Centres – There would be more reliance on volunteers to run Children’s Centres but there were no current plans to involve the private sector. It was hoped to retain five or six of the current Children’s Centres but this could not be guaranteed at this stage.

34. Equalities Impact Assessments – All compulsory assessments had been completed and the complete set would be appended to the next Cabinet report on the budget. These would remain in draft as final decisions would not be taken until February 2015.

This page is intentionally left blank