

**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
29 November 2023 (7.30 - 9.55 pm)**

Present:

COUNCILLORS

Conservative Group Dilip Patel, Nisha Patel, Keith Prince and David Taylor

Havering Residents' Group Laurance Garrard, Gerry O'Sullivan (Chairman) and Natasha Summers

**Labour Group
East Havering
Residents' Group** Mandy Anderson and Matthew Stanton
Martin Goode

Councillor Chris Wilkins, Cabinet Member for Finance was also present.

All decisions were taken with no votes against.

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

21 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies for absence were received from Councillors Tim Ryan (Councillor Nisha Patel substituting) Philip Ruck (who was present via videoconference) and Bryan Vincent.

22 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

23 EXEMPTIONS FROM CALL-IN

The Council's Governance Officer explained that a key decision was one that involved expenditure in excess of £500k or had a significant impact on two or more wards. Key decisions were normally open for one week during which a requisition could be submitted.

The urgency provision did allow under the Constitution for the waiving of a call-in for a decision where this was necessary. It was essential for the reason why a call-in needed to be waived to be clearly demonstrated to the Chairman of the Overview and Scrutiny Board.

It was emphasised that urgency should not be used as an excuse for lateness. Officers were aware of the increased rate of use of the urgency provisions and officers had been reminded to try and avoid this.

It was felt by Members that Group Leaders should be involved in deciding if a matter was urgent. The Governance Officer responded that the Constitution stated that this should be an officer decision but that this could be passed to the Monitoring Officer or Constitution Working Party. The Board recommended that Group Leaders should be given an opportunity to give a view on whether a decision was urgent.

There had been 11 exemptions from call-in granted so far this municipal year. Many of these were related to the need to claim grant funding which was often released at late notice. There had not been any refusals to grant exemption from call-in since to do so would often mean risking a loss of funding or not having continuity of service. Members agreed that it was important that assessments were made so that the instances of call-in exemptions were reduced. This tied in with the amendment recently agreed at full Council.

Members also felt that more details should be given of the business case for each exemption request. The Chairman confirmed that he was currently in discussions with the Council Leader and Chief Executive about these issues. A Member also asked if the Board could meet more quickly to deal with call-ins sooner. It was noted however that the Council was legally required to give five clear working days' notice of any formal meeting. It was also suggested that some Members of the Board could feed into the Constitution Working Party. The Statutory Scrutiny Officer would seek to locate any benchmarking or guidance on numbers of call-in exemptions that may be held by the Centre for Governance and Scrutiny.

Officers often pushed back on Government deadlines for applications for funding etc. but it was also important that the Council did not miss out on any available funding. It was also suggested that the report on exemptions from call-in could be sent to the Board prior to its being considered at Council.

The Board made the following recommendations:

1. Group Leaders to be given the opportunity to give a view on whether a decision is urgent/call-in should be waived (whilst noting that, under the Constitution, the final decision sits solely with the Chairman of the Overview and Scrutiny Board).
2. In line with the amendment agreed at Council on 22 November, that robust planning procedures are put in place to reduce the list of call-in exemptions.
3. Some members of the Overview and Scrutiny Board to feed into the Constitution Working Party.

4. Whilst mindful of legal requirements around giving the required notice of meetings, the Board to meet as quickly as possible to consider call-ins.
5. The availability of benchmarking and guidance on exemptions from call-in to be investigated with the Centre for Governance and Scrutiny.
6. The exemptions from call-in report to be sent to all Members prior to its being included in the papers for Full Council. Details also to be provided to Members of the reasons for exemption including the business case used to decide on the exemption.

24 UPDATE ON SPENDING CONTROLS PUT IN PLACE TO CONTAIN THE 2023/24 PROJECTED OVERSPEND

A report of the Strategic Director of Resources outlined a number of spending controls that had been introduced in October 2023. A number of in-year savings proposals had been proposed but, due to demand pressures, service overspends continued to increase. There remained a £12m budget gap for 2024/25 and officers were looking at options for addressing this.

Members thanked the Strategic Director and her team for their work. The Board discussed whether more parking revenue could have been collected rather than awaiting the arrival of new ticket machines. The Cabinet Member for Finance added that people were encouraged to use the Ring Go parking app. It was also clarified that it was not viable to install number-plate recognition cameras in Council car parks. The Board recommended that the Strategic Director should have monthly meetings with the directors of overspending departments. The Strategic Director responded that a programme of this sort was being introduced from January and the Cabinet Member for finance confirmed that he supported this.

Members also felt that the buying power of the Council could be used to reduce the cost of social care provision. The Strategic Director responded that Havering already had one of the lowest unit costs for social care in London. Providers were however pushing back on the rate offered due to a change in Government policy as all Councils were now required to publish the rates they paid for social care. It was accepted that there was a disparity between market rates and the rates offered by Havering. Officers were continuing discussions with providers on best value and the level of required care. It was accepted that this was a difficult situation as Government funding for market sustainability was not sufficient. Havering was in competition with other boroughs and costs were also driven up by people from other boroughs being placed in Havering care homes. The Council did not have any jurisdiction over the level of profit made by care providers.

The Strategic Director of People did have a good relationship with care providers and work was also in progress to increase joint commissioning with health. The increase of capacity for in-house social care provision was being considered but the setting up of e.g. a children's home did have an

element of risk. Any in-house provision would be a long and complex project.

It was accepted that the use of non-profit social care providers should be prioritised but there was a shortage of available placements in the market. The Council, with others, was lobbying for the introduction of the Scottish model which included a not for profit children's care home system. Members agreed that there were no short term fixes and suggested the commissioning of non-profit care suppliers on a multi-year basis could be explored with other London boroughs. The Strategic Director agreed that this would be reported back to the existing London working group on this area.

Only £2m of the target of £7.2m of staff savings had thus far been achieved although a further £2m was available to offset against staff savings. Officers accepted that more modelling was needed on this area and a decision had to be made on whether the savings target also applied to social care. A Member felt that the savings were not robust enough and the Strategic Director recognised the late implementation of action to achieve savings in this area. Officers also agreed that Havering should seek to lobby the Government jointly with other Councils who were in financial difficulties.

Discussions had been held with senior officers in other Councils such as Croydon and Thurrock that had experienced financial difficulties. The Strategic Director would bring to the Board examples of non-essential spend that would have a direct impact on residents. In the case of staff, non-essential spend could include areas such as training and professional development. It was accepted that this could impact on staff morale but officers had been creative with the training opportunities under the My 10 Days of Learning programme.

It was also clarified that there were more than 1,200 statutory duties for which the Council was responsible.

Monitoring work on the Contract Register would be made more robust and the Council had instituted a 'No Purchase Order, No Pay' policy. The number of Purchase Orders raised was also being reviewed retrospectively. It was accepted however that it would also be necessary to change the Council's culture in this area. A list of contractors was available from HR but it was accepted that additional procedures were needed in some areas. Effective management, controls and decision making were required.

The Strategic Director would look at the specific case raised by a Member where a contract may not have been retendered. A Member felt that more robust, data driven decisions were needed on proposed and rejected savings. The justification for rejecting a proposed saving should also be given. It was also recommended that all projects currently funded by the Community Infrastructure Levy should be reviewed in order to see if they could be suspended. Officers agreed with this and added that a Head of Procurement was currently being recruited.

It was suggested that the 8% levy on agency staff should be moved into the General Fund but the Strategic Director clarified that this would not be a cash saving, only a saving to the General Fund. The pension fund could not be used to reduce the General Fund deficit outright. This matter was due to be considered by the Pensions Committee in December 2023.

It was recommended by the Board that, given for example the unavailability of match funding from Transport for London, any further feasibility studies be deferred on cost grounds. This could be considered by the Council's Executive Leadership Team. The Cabinet Member for Finance added that a clear vision was also still needed for the Council.

It was felt that as much Council Tax revenue as possible should be derived from empty properties and the Strategic Director would follow this up with the appropriate officers.

It was not proposed to phase out the use of purchasing cards as these often allowed the flexibility of a quick response in e.g. purchasing temporary hotel accommodation where suppliers often will not accept purchase orders.

The Cabinet Member thanked the Strategic Director and her team for their work. The Cabinet Member added that the organisation's staff was its most important asset.

The Board agreed the following recommendations:

1. The Strategic Director of Resources to hold monthly meetings with the directors of overspending departments.
2. The Strategic Director to give examples of non-essential spend that will have a direct impact on residents.
3. All projects currently funded by Community Infrastructure Levies to be reviewed to see if any can be suspended.
4. Any further feasibility studies to be considered for deferral on cost grounds.
5. The Council reviews its significant spending power in care commissioning to influence the market (the board could consider asking the DASS to report on other approaches under consideration by the DASS network and what would need to be in place to implement that in Havering) with a review to reducing placement costs.
6. The Council sets targets for reducing non-statutory spend.
7. The Council updates on the achievement of the remaining £5.2m staff saving target after the £2m offset is applied.
8. A target is set for reducing the cost of agency staff.
9. Debt Recovery arrangements are maximised at pace.
10. Any contracts coming up for procurement consider the impact of local suppliers and cost reduction, and realise increased best value.

25 IT SERVICE REPATRIATION UPDATE

A report was due to be brought to Cabinet in March giving the full cost profile of repatriating the IT service back to Havering. Staffing arrangements would be clarified in a separate Cabinet report due in May. There were not be any expected additional costs of the outsourcing of the service at Newham although this would allow the sharing and apportioning of additional costs.

It was accepted that the previous Cabinet paper did not give the reasons for the splitting of the service but these were mainly around the future sovereignty of the service. It was also accepted that the current low level of IT costs may increase slightly but the new arrangements would result in a safer, more robust and legal IT service.

Officers felt that the option presented was the most cost effective approach to splitting the service. It was accepted that there was a need to make the IT service more affordable but significant expenditure would still be required on replacing out of date servers etc. The IT service was improving but officers felt it was still not where it needed to be in order to support the organisation. The current period was challenging and it was felt that some digital projects may need to be paused whilst the split of the service was ongoing.

Costs projections for the work had been calculated but these were not included in the Cabinet report. Services would move from the data centre to the cloud which was more cost effective. Members felt that IT plans should be future proofed and also asked what business continuity arrangements were in place. Officers responded that the Cloud solutions was across two different geo-locations and copies of key systems would still be kept in a local data centre. This would allow key systems to keep running locally, even in the event of a Cloud outage. A copy of the ICT transition risk register would be available when work started fully in March 2024.

The Board recommended:

1. That information on the cost of projects and allocated budgets be included in Cabinet reports.
 2. That full reasoning for decisions be given in Cabinet or other decision making reports.
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Chairman