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MINUTES OF A MEETING OF THE OVERVIEW & SCRUTINY BOARD Havering Town Hall, Main Road, Romford 15 February 2022 (7.00 - 9.45 pm)

Present:

COUNCILLORS

Conservative Group	Michael White (Vice-Chair), Ray Best, Philippa Crowder, Judith Holt, Nisha Patel, Christine Smith and Maggie Themistocli
Residents' Group	Ray Morgon and Barry Mugglestone
Upminster & Cranham Residents' Group'	Linda Hawthorn and Christopher Wilkins
Independent Residents' Group	Graham Williamson and Natasha Summers
Labour Group	Keith Darvill
North Havering Residents' Group	Darren Wise (Chairman)

There were no apologies for absence.

All decisions were taken with no votes against.

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

36 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

37 MINUTES

The minutes of the meetings of the Board held on 24 November and 7 December 2021 were agreed as a correct record.

38 2022/23 BUDGET SETTING CYCLE

Officers summarised the economic context of the budget reports. Public sector debt had gone up as a result of the pandemic and the Government wished to reduce borrowing. Rises in the fuel and power cost base had been higher in London and this had led to pressure on staff retention. Homelessness costs were also higher in London than the rest of the UK.

The budget report set out a balanced budget for 2022/23 but there remained a deficit of £26.4m for the four years up to 2026. A 1% rise in the adult social care precept was proposed together with a 1.99% increase in core Council Tax.

There remained uncertainty over the level of Government funding beyond the next year and the planned Fair Funding Review had not commenced yet. The levelling up agenda was likely to see a move of funds away from London and there remained inflation and energy cost pressures.

There had been some reduction in cost pressures due to savings from use of the Freedom Pass but demographic pressures were likely to increase costs. Savings had been identified by bringing more properties back into eligibility for Council Tax and a new model of cross-London procurement. The Spans and Layers review would see a reduction of around 400 posts by the end of September. A voluntary release scheme was operating in most areas and less use was being made of agency staff. Savings had also been identified by use of the Better Living project for social care and a review of high cost placements. Details of savings achieved by the Better Living project could be circulated.

Risks included it being increasingly difficult to find further savings, that income expected from the Health Sector may not come through and the emergence of any further Coronavirus variants. The Council's reserves had also reduced to £8m.

The budget consultation had run from November 2021 to January 2022 and received a total of 456 responses. The priorities identified by the consultation had been social care, NHS services and crime/community safety. Respondents had been supportive of most savings proposals with some concern (32% of respondents) being expressed about the planned staffing reductions. 43% of respondents to an on-line survey supported a Council Tax increase of up to 2%. Some extra funding for social care was also favoured.

The level of capital finance required was likely to rise significantly in 2022/23 due mainly to increased investment in housing. This funding was linked by to the Medium Term Financial Strategy by the Treasury Management Strategy Statement which was reviewed by Audit Committee three times a year.

Rent levels would increase by 4.1% but no more than a 10% rise in gas charges would be passed on to tenants. It was clarified that the national Council Tax rebate for energy costs was a separate payment from the main Council Tax account.

Enhanced IT systems had previously been introduced without reducing staff numbers, partly due to the impact of the pandemic. Examples included Fusion covering HR, finance and procurement and a replacement CRM system which was easier to manage and better for customers. There was

therefore a need for some staff reductions and a voluntary release scheme had been established. A recruitment panel was also reviewing all vacancies.

The detail of the impact of staff reductions was currently being worked through and this could be brought back to the Board. There remained approximately 3,700 posts in the Council.

A deep clean of all roads in autumn 2021 had received positive feedback and an outcomes based model had been established with varying cleaning rotas. This had been done within existing resources. The frequency of cleansing of specific roads could be checked if Members required this.

Officers emphasised that, despite 12 years of austerity, services still had to be provided. Havering was ranked as the 5th most efficient Council in the country but the pandemic had led to an overspend in adults and children's services. Officers confirmed that street closures for events were not charged for but that a standard fee was applied to closures for other reasons e.g. building works. Officers were happy to discuss specific issues with Members outside of the meeting. It was suggested that officers could accompany Members to view the poor state of pavements in the Rainham area. There was also a need to change residents' mindset as regards the dropping of litter.

It was agreed that there remained uncertainty over the level of Government funding for adult social care but extra funding had been built into the budget. Uncertainties in this area had been flagged in the report.

It was emphasised that the reduction of 400 posts was trying to be achieved in a positive way i.e. through voluntary release. It was accepted that there was anxiety among staff but the aim was to avoid compulsory redundancies. Councillor Ramsey added that balances were monitored closely but there was no alternative to working on projections at this stage. It was also hoped some responsibilities could be passed on to the NHS which would reduce budget pressures.

Some Members remained concerned about the low staff morale, particularly if there were to be compulsory redundancies. Officers responded that savings (and income generation) would still have to be achieved internally. Staffing was the Council's biggest expenditure and, whilst it was hoped to avoid compulsory redundancies, this could not be guaranteed. It was accepted that the workforce was tired after the pandemic but it was necessary to deliver change and to have difficult conversations with the workforce.

Details could be given separately on fees and charges in Planning but many of these were statutory and were not within the control of the Council. It was important to adopt the right mindset with contractors. The East London Waste Authority contract could be reviewed at the break point in 2027. Havering did benefit from a higher recycling rate due to its Green Waste collections.

Members had also asked for details of the specification of the Housing Repairs contract and it was suggested that more enforcement officers should be recruited. It was confirmed that the recruitment panel would allow the filling of posts that were income generating. Recruitment in Social Care and Housing would also be prioritised.

The overall position with adult social care funding remained uncertain and depended on Government announcements. The schools improvement team supported schools with finance issues but it was accepted that schools were also under pressure. The rent rise of 4.1% was within Government policy to allow maintenance of housing stock and was comparable with levels in other Councils. Benefit entitlements would increase by the same amount.

There had not been a single eviction due to rent arrears and the Council sought to support residents having problems meeting their rent payments. It was clarified that some recovery action had been taken but people were also supported to maintain their tenancies.

The Board recorded their thanks to the Chief Operating Officer who would shortly be leaving the Council.

The Board **AGREED** that the following comments on the budget reports should be submitted to Cabinet:

- All Members of the Board appreciate the seriousness of the current budget situation and the impact on the financial position of the Council of issues such as austerity, Covid-19 and funding uncertainties.
- The Board has some concerns over the impact of planned staff reductions on Council services, as well as on staff morale.
- The Board has noted the challenges around plans to increase the level of the Council's reserves.
- Concern has been raised by Board Members about the uncertain impact of Central Government's Social Care Plan on Social Care services in Havering. It is accepted that this may be challenging, once the full impact of Central Government proposals are known.
- The Board recommends that Cabinet asks the Board to scrutinise the impact of budget savings on Council services going forward.

39 **APPROVAL TO AWARD THE CONTRACT FOR SUPPORT, SUPPLY,
INSTALLATION AND MAINTENANCE OF CCTV CAMERAS FOR
ENFORCEMENT OF MOVING TRAFFIC CONTRAVENTIONS**

Due to time constraints, this item was not considered.

Chairman

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