



## Scrutiny Committee - supplementary

**Tuesday 6 January 2015 at 7.00 pm**

Board Rooms 3, 4 & 5 - Brent Civic Centre, Engineers Way, Wembley HA9 0FJ

### Membership:

#### Members

Councillors:

A Choudry (Chair)  
Colwill (Vice-Chair)  
Allie  
Daly  
W Mitchell Murray  
Oladapo  
Shahzad  
Southwood

#### Substitute Members

Councillors:

Agha, J Mitchell Murray, Nerva, RS Patel, Ketan Sheth, Stopp and Thomas

Councillors:

Kansagra and BM Patel

#### Co-opted Members

Ms Christine Cargill  
Mr Alloysius Frederick  
Mrs Hawra Imame  
Dr J Levison  
Vacancy  
Vacancy

#### Observers

Ms J Cooper  
Mrs L Gouldbourne  
Ms C Jolinon  
Brent Youth Parliament representatives

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020 8937 1307, [toby.howes@brent.gov.uk](mailto:toby.howes@brent.gov.uk)

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**The press and public are welcome to attend this meeting**

# Agenda - supplementary

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The Budget Scrutiny Task group has held discussions with each of the Strategic Directors and the Deputy Leader regarding the proposed Budget options for 2015 – 2017. They will provide their initial feedback on the Budget options presented to Full Council in December which are currently the subject of consultation.

**Date of the next meeting: Tuesday 10 February 2015**



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- The meeting room is accessible by lift and seats will be provided for members of the public.

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## **MINUTES OF THE SCRUTINY COMMITTEE** **Wednesday 26 November 2014 at 7.00 pm**

PRESENT: Councillor Colwill (Vice Chair in the Chair) and Councillors Allie, Daly, Oladapo, J Mitchell Murray, Nerva, Van Kalwala, together with Mr Alloysius Frederick (Co-opted Member).

Also Present: Councillors Chohan, S Choudhary, Conneely, Filson, Hector, Kabir, Khan and Mahmood

Apologies were received from: Councillors Southwood, Co-opted Members Ms Christine Cargill and appointed observer Mrs L Gouldbourne.

### **1. Declarations of interests**

None declared.

### **2. Minutes of the previous meeting**

RESOLVED:-

that the minutes of the previous meeting held on 3 November 2014 be approved as an accurate record of the meeting.

### **3. Matters arising**

None.

### **4. Care Quality Commission Quality Compliance and Quality Improvement Action Plan**

The Chair advised that the London North West Hospital Trust (LNWHT) had been subject to an inspection by the Care Quality Commission (CQC) in late May 2014. The subsequent report published by the CQC on 20 August 2014 had identified a number of areas where the LNWHT and Northwick Park Hospital (NPH) were found to require improvement. The findings in relation to the A&E service at NPH were particularly concerning and in recent months the length of wait times at the unit had been amongst the worse in the country. The reports before the committee updated members on the progress achieved by LNWHT against the CQC Compliance Improvement Plan and the development of the Trust Quality Improvement Plan. Representatives of the LNWHT were present to address the committee's queries.

Carol Flowers (Chief Nurse, LNWHT) introduced the Compliance Improvement Plan and advised that the recommendations of the CQC had been grouped into actions that had to be completed within three months and those that should be taken within

a longer time frame. It was emphasised that the 'must do' actions had all either been completed or were on track to be completed by the deadlines set. This included the creation of a new database to capture information on the safety and quality of care and treatment provided within critical care and the appointment of a lead clinical officer to oversee this. A series of actions had been undertaken in response to concerns that the maternity service did not actively seek women's feedback including the appointment of a designated Patient Experience and Quality Improvement Lead and the development of a Women's Feedback Plan. The Trust Quality Improvement Plan would be made available to the committee following its circulation to the CQC in the coming week. The Plan had been submitted to the LNWHT Board earlier that day and included actions such as increasing compliance with mandatory training rates and integrating policies and procedures across the Trust. It had been agreed with CQC that monthly meetings would be held to monitor improvement at the Trust and provide assurance to providers and stakeholders. A compliance manager would be appointed to sustain this work. In concluding the presentation, Carol Flowers advised that the issues raised by CQC regarding the A&E unit at NPH had principally related to the need to appoint permanent staff into several posts. These issues had largely been addressed by the transfer of staff from CMH A&E to the unit at NPH.

In the subsequent discussion, a member queried how many reports had been received as a result of the 'see something say something campaign' which had been launched to encourage staff to raise their concerns. It was further queried how the campaign worked in practice and to whom staff were asked to report their concerns. Comment was sought on the findings relating to the maternity service. A question was raised regarding whether LNWHT had been challenged on their Whistleblowing Policy. An update was sought on the low levels of medical staffing in critical care which had been identified by the CQC and further details were requested regarding the employment of locum staff. It was queried whether the staffing levels in the A&E unit at NPH were sufficient and an update was sought on the performance of the unit. The Committee queried the total number of beds at NPH and CMH and requested a breakdown of this latter figure by category of use. Concerns were raised regarding the poor waiting times, including for patients arriving by ambulance, paramedics being overstretched and confusion regarding which hospitals patients should be directed to. In light of these concerns, the committee queried whether there had been any impact on the hospital's mortality rates. It was queried what steps had been taken locally to manage the additional pressure on A&E services and an update was sought on improving patient access to primary care. The committee questioned whether the number of beds to be removed via the Shaping a Healthier Future (SaHF) programme had been reviewed in light of the shortage of beds described and a request was made for confirmation of the current planned figure to be provided in writing. Queries were raised regarding the process of discharging a patient and whether consideration was given to the time of day or night and the condition of the patient. An update was sought on Delayed Transfers of Care

Responding to the committee's queries Carole Flowers advised that the CQC had commented on the open and frank culture amongst staff. There had been approximately twelve reports made thus far as a result of the 'see something say something' campaign and staff were encouraged to report their concerns to their managers, or directly to either the Chief Nurse or the Director of HR as appropriate. The campaign was linked with the re-launch of the Trust's Whistleblowing Policy.

There had been no challenge of this policy but it had been recognised internally that the Trust could take a more robust approach and learn from best practice. There had been some feedback from patients on the Maternity Ward that they felt that the service they had received was not satisfactory. The Midwives had been quite upset at the feedback and had developed their own standards of behaviour to be implemented alongside the existing Trust guidelines. These standards sought to help staff be more sensitive to a patient's feelings and help them manage stressful situations with this in mind.

Carol Flowers further explained that a recruitment plan was being enacted to combat low levels of permanent staff in Critical Care and the majority of positions had now been filled. Where there were delays in filling some posts, a locum would be employed until the relevant appointments had been made. The preference was to utilise locum staff with experience of working in the particular hospital to ensure familiarity with the Trust's policies. With regard to the medical staffing in the A&E unit, this comprised 180 nursing, 60 doctor and 16 consultant positions. There were approximately 20 nursing vacancies at the current time. It was emphasised that the A&E unit was one of the best staffed units at NPH.

Chris Pocklington (Chief Operating Officer, LNWHT) advised that there was significant pressure on the emergency pathway at NPH. The principle issue underlying this was a lack of bed capacity. Plans were in place to address this bed gap, some of which would come into fruition in the current year. However, a substantial increase in bed capacity was not planned to be delivered until the autumn of 2015. Whilst NPH was already a pressured site, it had been subject to increased pressure from late August 2014 due to a rise in the number of hospital admissions. It was emphasised that the increase in admissions were not the result of an increase in the number of patients attending the site, but rather a reflection of the acuity of the patients' conditions. Steps were being taken to manage the increased pressure within the local healthcare system, including the addition of 32 new beds at the NPH site and 20 beds at Ealing Hospital. Work would be undertaken with partners to ensure that patients could be discharged into different healthcare settings as appropriate. Rob Larkman (Accountable Officer, Brent, Harrow and Hillingdon CCG) added that Brent CCG was investing £10m into the local healthcare system to ensure a high quality range of services was available. Dr Ethie Kong (Chair, Brent CCG) advised that there were 4 locality GP hubs and a Saturday walk in centre to which patients were directed if they could not be provided with appointments at their GP practices.

Chris Pocklington continued that there were 600 beds at NPH, though not all of these were acute medical beds, and bed occupancy was currently tracking at 98 per cent. Tina Benson (Director of Operations, LNWHT) advised that there were 168 acute medical beds at CMH and a breakdown of the number of beds by category of use could be provided. The other beds at the site were utilised for those undergoing elective surgery. Chris Pocklington acknowledged that the pressures described had a broad impact across the healthcare system including on patients not on the emergency pathway and this was in part mediated by channelling a lot of elective surgery through CMH. He confirmed that mortality rates at NPH were routinely monitored by the Trust Board and there was no evidence that they were increasing. Dr Susan LaBrooy (Medical Director, Shaping a Healthier Future) added that NPH's mortality rates were amongst the best in the county.

Professor Ursula Gallagher (Director of Quality, Brent, Harrow and Hillingdon CCGs) advised that there were sound clinical reasons which underpinned the decision to close the A&E unit at CMH and patient safety was paramount. With regard to concerns raised about times at which patients were discharged from hospital, it was confirmed that this was monitored. NPH's performance for Delayed Transfers of Care was amongst the best in London. Addressing the committee's queries regarding SaHF, Ursula Gallagher emphasised that it was a five year strategy which would direct future action but the bed capacity and clinical model were under constant review.

The Chair thanked colleagues from LNWHT and Brent CCG for addressing members' queries. He advised that the committee would need to be reassured that the recommendations of the CQC were being addressed within the timescales set and in view of the risks posed to Brent residents would require a further update on the progress made at a future meeting.

RESOLVED:

That an update on the progress made in addressing the recommendations of the CQC be presented to a future meeting of the committee.

**5. Local Impact resulting from Changes to maternity, neonatal, paediatric and gynaecology services at Ealing Hospital**

Dr Susan LaBrooy (Medical Director, SaHF) introduced a report detailing the process by which approval was granted for the consolidation of inpatient paediatric services and maternity and neonatal services in North West London, and outlining the anticipated impact of these changes on Brent residents. Encompassed within these changes was the cessation of the interdependent maternity and paediatric services at Ealing Hospital. It was explained that the decision to consolidate these services had been clinically driven and had been approved by the Secretary of State in 2013. The maternity service at Ealing Hospital had been declining and the hospital was only able to achieve 60 hours of consultant presence on the labour ward; this did not provide enough activity to allow medical professionals to remain validated as practitioners and was therefore unsustainable without significant further investment.

Dr Susan LaBrooy further explained that in 2013/14 only 1 per cent of Brent women chose to use maternity services at Ealing Hospital. The majority of Brent women chose to North West London Hospitals (43 per cent) or Imperial College Healthcare (41 per cent), both of which had sufficient capacity to accommodate the additional numbers of births following the closure of the service at Ealing Hospital. Modelling conducted regarding usage of maternity services following the proposed closure at Ealing Hospital had identified that West Middlesex and Hillingdon Hospitals would receive the greatest increase in use of their maternity services. Further modelling was underway with data being collected from expectant and new mothers via GPs and Children's Centres. This data would inform the decision of the Ealing Clinical Commissioning Group as to when the transfer of services would take place, as would evidence from site visits conducted by NHS England and the NHS Trust Development Authority to assess the assurance provided. Members were further advised that a North West London maternity booking service had been commissioned which would allow women to choose their preferred hospital and



would ensure that priority was given to local women. This booking service would provide valuable monitoring information for maternity services.

During members' discussion, the committee sought confirmation that NPH would be able to cope with additional pressure on their maternity services, given the findings of the recent Care Quality Commission (CQC) inspection and the high birth rate in Ealing. Further information was sought regarding the capacity of Imperial College Healthcare to accommodate additional deliveries. A query was raised regarding the number of consultant hours on the maternity ward at NPH and how this compared to the recommended figure. The committee questioned what contingency plans were in place if it was found that the proposals were not feasible or appropriate. It was questioned whether similar modelling had been undertaken regarding the anticipated dispersal of service pressures for A&E units following the closure of the unit at Central Middlesex Hospital (CMH).

In response to the queries raised, Dr Susan LaBrooy advised that the Borough of Ealing had a large birth rate but maternity services were accessed by women at a variety of different hospitals. It was not anticipated that NPH would experience a significant increase of women using its maternity services as a result of the proposed closure at Ealing Hospital, particularly in light of the declining numbers of Ealing women choosing to use NPH in recent years. However, NPH was able to accommodate an increase in use of its maternity services without any changes to infrastructure. Similarly, and to a greater extent, St Mary's Hospital and Queen Charlotte's and Chelsea Hospital could also increase the capacity of their Maternity Services without any changes to their infrastructure. Indeed, even if all of the assumptions drawn from the modelling were incorrect, there still remained capacity in every affected hospital to accommodate greater usage of their maternity services than was expected. Dr Susan LaBrooy added that modelling work was being undertaken for A&E usage but emphasised that hospitals were currently facing an unexplained increase in attendances at A&E which was occurring on a national scale.

Commenting on the CQC findings, Dr Susan LaBrooy advised that though areas for improvement had been identified, at no time had the CQC raised concerns regarding the safety of maternity services at NPH. Simon Crawford (Deputy Chief Executive, LNWHT) advised that the delivery suite at NPH maintained 106 consultant hours. The Royal College of Obstetricians recommended that this figure should stand at 168 consultant hours and a workforce strategy for maternity services was in place. Most London healthcare trusts were now delivering over 100 consultant hours and were working towards increasing it to the recommended figure. Dr Susan LaBrooy advised that the assurance process being undertaken would highlight the balance of risk between proceeding with the proposals and maintaining the current configuration of services. Professor Ursula Gallagher further explained that the maternity booking service would act as a contingency to help alleviate pressures across maternity services in North West London by allowing these to be managed.

A subsequent request was made for information to be provided in writing to Councillor Daly regarding the workforce planning work that had been undertaken with regard to maternity services.

The Chair emphasised that the committee remained concerned about whether sufficient consideration had been given to potential future pressures on maternity and paediatric services in North West London and would therefore require a further update at a future meeting of the committee.

RESOLVED:

That the committee be provided with an update on the implementation of the proposed changes to maternity, neonatal, paediatric and gynaecology services at Ealing Hospital at a future meeting.

## **6. Developing Central Middlesex Hospital**

Rob Larkman (Accountable Officer, Brent, Harrow and Hillingdon CCGs) introduced a report updating members on the work being undertaken to develop Central Middlesex Hospital (CMH), including consultation and engagement activities. It was explained that the plans to develop CMH were underpinned by the acknowledgement that the CMH site had been underutilised for many years. The intention was to provide a range of additional services at CMH to ensure that the site was clinically viable and financially sustainable in the long-term.

Rob Larkman advised that CMH had been defined as a local and elective hospital under the acute services reconfiguration set out in the Shaping a Healthier Future (SaHF) programme. Amongst the services it would provide would be a 24/7 Urgent Care Centre, outpatient services, diagnostics, elective services and primary care hub. Further work to build on the services to be offered had resulted in the development of a Strategic Outline Case (SOC) in 2013, which had subsequently been agreed by the relevant Boards in 2014. The SOC encompassed a preliminary assessment of costs, benefits, risks and funding in scoping the possible range of services that could be provided at CMH and proposed services such as an Elective orthopaedics centre, Mental health inpatient facility, primary care 'hub' and genetics laboratory. An Outline Business Case (OBC) was now being developed which built upon the SOC to further refine and develop proposals. It was anticipated that the OBC would be completed by the end of 2014 and that it could then be taken through the approval procedures to obtain the necessary capital investment. Rob Larkman highlighted that the OBC would no longer include a mental health inpatient facility as the ward configuration and open space required could not be accommodated.

The Chair thanked Rob Larkman for his presentation. The committee requested that the proposals be provided in greater detail, including a financial breakdown of costs and the investment configuration for the proposed services. Members then raised several queries. With reference to the proposal to relocate rehabilitation beds from the Willesden Centre to CMH, a member questioned the implications for Willesden Centre. It was further queried what services were located at the Willesden Centre and a concern was raised regarding the costs to the tax payer of an underutilised site. It was subsequently proposed that the committee undertake a site visit to the Willesden Centre. The committee sought further information regarding the provision of in-patient mental health service at the Park Royal site. Queries were raised regarding the consultation activities undertaken, including the number held and how they were advertised. Further details were sought regarding the services available in the North of the borough and the procedures in place to

deal with large scale health emergencies. A view was put that consultation on changes to primary care had been poor. Councillor Daly requested that details of the number of beds to be removed across North West London under SaHF be provided to her in writing.

In response, Rob Larkman and Ethie Kong (Chair, Brent CCG) advised that the development of the Willesden Centre formed part of the Primary Care Strategy and the services to be offered were being reviewed in conjunction with the plans to develop CMH. Willesden Centre had also historically been underutilised and work was underway to explore how best to develop the important local facility and support the delivery of the out-of-hospital strategy. A range of community services were currently offered at the site, including GP services and the rehabilitation beds. The cost of the Private Finance Initiative (PFI) for the Willesden site was approximately £2m and was met by the NHS. It was acknowledged that the site did not provide sufficient revenue to cover the cost of the PFI and therefore additional services needed to be provided to address the underutilisation of the site. There had been three main consultation events held on the development of services at CMH and these had been widely advertised. The Brent Youth Parliament had been engaged but schools had not been directly approached.

Rob Larkman confirmed that in-patient mental health services would continue to be delivered at the Park Royal site and the future of the site would be considered. With regard to services available in the North of Brent, the committee was advised that a walk in centre was available in Wembley and this was supported by the Urgent Care Centre at CMH and the Primary Care Hubs. Emergency Planning for healthcare in North West London was captured by the system wide resilience strategy for North West London. There also existed a North Central London resilience strategy, as well as a London-wide strategy.

The Committee advised that Wembley did not constitute the north of the borough and Ethie Kong stated that Brent CCG would work collaboratively regarding points of service across the borough.

**RESOLVED:**

- (i) That the update report be noted
- (ii) That further information regarding the proposals for Central Middlesex Hospital be provided to the committee in writing and include a breakdown of the financial implications of the proposals.

**7. Promoting Electoral Engagement - Scrutiny Task Group report**

Councillor Nerva (Task Group Chair) presented the final report of the Task Group 'Promoting Electoral Registration'. The Task Group had been established to examine the transition to Individual Electoral Registration (IER), which had been described as the most significant change to the electoral system in the last 100 years. IER went live in June 2014 and was expected to fully supplant the current Household Electoral Registration system on 1st December 2015, with the aim of making the process of registration more convenient and secure. IER differed from the previous system by requiring each person to register individually by providing

personal identifiers (National Insurance number and date of birth). Online registration had also been enabled under the new system and had been available since June 2014. It was recognised that IER presented significant challenges for the council, as well as opportunities to improve voter registration across Brent.

Councillor Nerva thanked the members of the task group and the supporting officers for their work. He then highlighted the key findings of the task group. It was emphasised that Brent was an incredibly diverse borough and the task group had identified that even within neighbourhoods and polling districts, there was significant variance in voter registration. It was considered therefore that a bespoke plan to target those most at-risk of not registering was required and efforts needed to be concentrated in the areas most in need to make the best use of communications tactics that target those hardest to reach. Consequently, to achieve a successful transition to IER, a joint effort was needed across council services, local stakeholders, partner agencies and community organisations. In concluding his presentation, Councillor Nerva drew the committee's attention to the task group's recommendations detailed in the report, which had been grouped into three broad themes: the need for a comprehensive IER roll-out programme and communications strategy; the need for more effective working of partners including the voluntary and community sector, housing and other statutory and non-statutory partners; and, the need for enhanced civic engagement with the community.

With the permission of the Chair, a member of the public suggested that sixth form pupils at secondary school be engaged directly and that parents of children of all ages be targeted via groups run by schools such as parents' forums.

Councillor Pavey (Deputy Leader) commended the task group for their work and expressed his commitment to ensuring the recommendations set out in the report were implemented. The committee similarly welcomed the report of the task group and added their thanks to the members and officers responsible.

RESOLVED:

That the recommendations of the 'Promoting Electoral Registration' task group as detailed in the report be endorsed.

**8. Scrutiny Committee Forward Plan**

Members noted the committee's forward plan.

**9. Any other urgent business**


None.

The meeting closed at 9.22 pm

R COLWILL  
Chair



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	<p style="text-align: center;"><b>Scrutiny Committee</b> 6 January 2015</p> <p style="text-align: center;"><b>Report from the Assistant Chief Executive</b></p>
For Action	Wards Affected: All
<p><b>Budget Scrutiny Task group</b> <b>Interim Feedback</b></p>	

## 1.0 Summary

- 1.1 The Budget task group was set-up to enable scrutiny members to undertake more detailed discussion and exploration of the council's financial position, current budget pressures and the emerging proposals for 2015 – 2017. This includes examining the main issues, risks and impacts arising from changes to the local population and legislation, while considering the actions being taken to militate against possible negative outcomes.
- 1.2 The task group's remit covers:
- Contributing to the budget setting process through discussions with Cabinet Members and Strategic Directors.
  - Considering the budget strategy and proposals within the context of the objectives set out with the Borough Plan and the aims of the Administration.
  - Supporting the longer term service planning of the council by focusing its discussions on the Medium Term Financial Strategy, the principles for budget setting, the robustness of the budget and the ability to deliver savings, and possible risks to the Council.
- 1.3 At the meeting of the Cabinet on 15<sup>th</sup> December 2014, Members considered a report from the Chief Finance Officer setting out officer options for delivering savings in the council's revenue budget. The budget options set out totalled possible savings up to £60m over the period 2015/16 and 2016/17. Approval of these proposals was not sought from the Cabinet at the December meeting. The total savings package required to set a balance budget over the two year period is £53.9m. Cabinet agreed consultation and other public engagement activities on the proposals in order that final decisions at the Full Council meeting on 2<sup>nd</sup> March 2015 can be taken with the benefit of as wide a range of views as possible.
- 1.4 This report covers the initial feedback from the Budget Scrutiny task group and forms part of the formal consultation process on the budget options. At this stage the Budget Scrutiny task group has not made specific comments on the individual savings proposals, as the group wishes to give further consideration to the results arising from the public consultation

planned during January 2015. The feedback from the Budget Scrutiny task group within this report is focused on the principles discussed and issues that should be considered when formulating the final budget proposals by March 2015. The task group will be producing a full report which will be submitted to Full Council following further input from the Scrutiny Committee.

## **2. Recommendations**

Members of the Scrutiny Committee are requested to:-

- 2.1 note the activities undertaken by the Budget Scrutiny task group to consider the implications of the council's budget strategy for 2015 – 2017.
- 2.2 note the comments of the Budget Scrutiny task group to date on the budget options outlined at paragraph 3.18.
- 2.3 note the proposed next steps to engage with the public consultation on the budget options during January 2015.
- 2.4 provide any comments with regard to the budget options and strategy to the task group for consideration.

## **3. Detailed Considerations**

### *Methodology of the task group*

- 3.1 The budget task group was established in September 2014 and is a cross party group, chaired by Cllr Aslam Choudry. At the group's first meeting the Operational Director of Finance provided an overview of the budget strategy for 2015/16 to 2016/17 and the main factors that would influence the budget setting process. This included details about resource assumptions, the forecast budget gap and necessary savings, the Capital Programme and the One Council Programme. The resulting discussion helped to inform the development of the task groups work programme and highlighted areas for investigation. The task group has held discussions with the following Senior Officers in considering the budget strategy:

- The Operational Director of Finance provided regular updates on the budget process, budget gap, budget pressures and the future financial prospects for the council. (September)
- The Strategic Director of Regeneration & Growth and Operational Director of Finance provided information about the current budget position, budget pressures and risks and the capital programme. (October)
- The Programme Management Office Manager provided an overview of the One Council Programme and projected savings already agreed. (October)
- The Strategic Director of Environment & Neighbourhoods, Operational Director of Finance, the Operational Director of Environment & Protection and Operational Director of Neighbourhoods the current budget position, budget pressures and the department's One Council projects. (November)
- The Strategic Director of Children & Families and Head of Strategic Finance informed the panel about the department's current budget position, actions being taken to control high risk budgets and transformation projects that were aimed at making savings and efficiencies. (November)



- The Director of Adult Social Care and the Operational Director of Finance provided information on the current budget, service pressures including unit cost trends and the transformation projects aimed at producing savings. (December)
- Councillor Michael Pavey, Deputy Leader of the Council attended to answer questions and discuss the First Reading Debate Papers and set out the administration's approach to setting a robust budget. This discussion also covered the proposed arrangements for consulting on the budget options published on 15<sup>th</sup> December 2014. The task group receives monthly reports on all services summarising budget, spend, forecast and variances to date, with reasons and exceptions noted.

*Background to the budget 2015/16 and medium term financial prospects*

- 3.2 Since the election of the current coalition Government, the focus on reducing the national deficit within a tight-time table. This has resulted in very substantial reductions to the funding available to local authorities and radical changes to the way in which this is allocated across the country. The impact of policy reform across a range of areas and unprecedented macro economic circumstances have had a fundamental impact on Brent's residents and therefore on their expectations of what the council should do to help meet their needs.
- 3.3 At the same time wider changes in society have forced local authorities across the country to rethink the way in which they commission and provide services to meet local needs and aspirations. People are, on the whole, living longer lives, with increasing consequences for the way in which they need to access care services, and the length of time they continue to need such services. In Brent, the number of people aged over 80 years is up by 24% and the number aged over 65 years by more than 10%.
- 3.4 This has obvious implications for the council's cost base, driving up the number of vulnerable adults that the council may need to support, the level of their needs and the length of time for which those needs may need to be met. Local authorities have responded to these pressures by redefining models of care provision, increasing the emphasis on programmes designed to enable vulnerable residents to live their own lives without support and where this is not possible to exercise greater choice about how their needs are met.
- 3.5 In London, the combined impact of a growing and younger population is placing enormous pressure on the demand for school places, especially at the primary phase, and is creating increased competition for those employment opportunities that do exist. In Brent, the number of children aged under 10 is up by more than 10%. This too has implications on the number of vulnerable children for whom the council must provide services.
- 3.6 These demographic pressures are also driving housing prices to such a level that home ownership is becoming increasingly out of reach for many residents: in Brent the average cost of a two bedroom property is over 14 times greater than the average annual salary. Private rented tenancies as a form of tenure have therefore grown to levels not seen for many years, for those residents who are able to find housing in the borough at all.
- 3.7 These demographic changes also place particular challenges on those services that all residents access and will continue to need to access, such as street cleaning and refuse collection, the quality of the local built environment and open spaces and all the many other services that local authorities provide. As populations rise so the cost of providing services tends to increase, and the competing demands on the use of the local environment become increasingly difficult to reconcile.
- 3.8 Despite these changes and pressures, or perhaps because of them, residents' expectations of the council continue to change. This relates not just to the range and level of services that

the council provides, but also to the way in which it provides them. More and more of our residents expect to be able to deal with the council through digital means, with the ability to obtain information and perform at least routine transactions 24/7; yet whilst services are reconfigured to meet this demand the council needs to ensure that it remains open to those whose needs can only be assessed and met through more traditional service delivery routes.

3.9 These demographic and societal changes alone would be a challenge for any organisation to respond to. However, they have been coupled with deep and ongoing reductions to local government funding of a scale and pace not previously seen in the UK public sector.

3.10 The Council's budget for the period 2015/16 and 2016/17 is the most challenging that the council has ever faced and the scrutiny task group appreciates the difficult decisions that the Administration will be required to make to set a balanced budget. On March 2015, when the council will be required to set its budget for 2015/16 and its financial plans for future years, savings of at least £53.9m will need to be agreed, most of which will fall due in 2015/16. Over the medium-term, to 2018/19, officers anticipate that total savings of £100m will be required, forcing the council to reduce its net revenue budget by between one third and a half of the current level, on top of savings of £89m that have already been delivered since 2010. Table 1 below sets out the forecast core funding for Brent up to 2018/19. For Brent, the effect of these radical changes to the total amount of funding for local government and in the way it is distributed across the country have been significant.

Table 1 – Core Government Funding

	2014/15	2015/16	2016/17	2017/18	2018/19
	£'m	£'m	£'m	£'m	£'m
Revenue Support Grant	95.4	68.8	54.4	41.8	29.8
Assumed Retained Business Rate	32.5	33.2	33.8	34.5	35.2
Business Rate Top up	47.4	48.8	50.5	52.5	54.5
<b>Core Government Funding</b>	<b>175.3</b>	<b>150.8</b>	<b>138.7</b>	<b>128.8</b>	<b>119.5</b>
<b>Total Funding</b>	<b>271.1</b>	<b>245.8</b>	<b>236.5</b>	<b>228.5</b>	<b>220.3</b>

3.11 Meeting this unprecedented financial challenge will require radical re-thinking of services and the council structures that currently deliver them. The council will need to confront extremely difficult decisions about which services continue to be provided and at what level and shape of the organisation well beyond the life of the current parliament.

3.12 The council had been planning on the basis of a budget gap of £52.8m over the next two years. This was a planning assumption, and it is normal practice to update such assumptions annually, to reflect changed circumstances. However, before reductions in costs can be considered it is essential to understand the various spending pressures that will also need to be managed as part of the budget process. These can be driven by changes to legislation; they can arise as a result of changing demographics within Brent and they can arise as a result of locally determined policy choices.

3.13 The budget gap was subsequently updated in a report to Cabinet in October 2014 to incorporate:

- Legislative changes introduced by central government, including parking enforcement and the Care Act, which will cost the council more than the equivalent of a 4% increase in council tax
- Demographic changes, reflecting the anticipated increase in the borough's population to 322,000 in the next four years
- Updated funding assumptions, including an increase in the council tax base, reflecting new housing developments in the borough.

3.14 The overall impact of these changes was a deterioration in the outlook for 2015/16 and an improvement for 2016/17, as set out in table two, below.

Table 2: Revised Budget Gap

	<b>2015/16 £m</b>	<b>2016/17 £m</b>
Original Gap	33.0	19.8
Additional Pressures	4.0	0.5
Funding Changes	(1.2)	(2.2)
October 2014	35.8	18.1

*Budget savings proposals 2015/16 and 2016/17*

3.15 The report considered by the Cabinet on 15<sup>th</sup> December 2014 set out officer proposals for delivering savings from the Council's revenue budget of up to £60m. These are currently the subject of public consultation with final decisions required to reduce expenditure by £53.9m. The principles adopted in developing these options followed a clear hierarchy, so that decisions to cease services are only proposed once all other options have been exhausted.

- Driving organisational efficiency - £34.9m identified.
- Building independence and community resilience - £14.3m identified
- Leveraging in resources and income - £3.4m
- Stopping services completely - £9.1m

3.16 The draft budget options were designed to protect front-line services by focusing spending reductions on support services. Target reductions of 40% in the cost of support services are underway, and will amount to total savings of £12.1m alone.

*Initial Feedback from the Budget Scrutiny Task Group.*

3.17 The budget scrutiny task group has held discussions with all the relevant Members and Strategic Directors and will be meeting during January to consider the implications of the detailed budget options published on 15<sup>th</sup> December 2014. During this period of public consultation the task group will be listening to the findings of the various consultation events planned and also considering the recently published draft Borough Plan 2015 – 2019. The task group does not at this stage intend to make detailed comments on the individual savings options. A final report will be produced during January 2015 as part of the consultation process.

3.18 However the task group has considered a number of principles and issues which the group felt should shape final decisions on the council's budget. These are set out below and

reflect the discussions of the task group to date, following consideration of the various financial and service challenges facing the council.

### **Budget Process**

- The range and extent of public consultation, both with regard to the draft Borough Plan and the council budget options was welcomed by the scrutiny task group. However, given the severity of the financial reductions the group was concerned that the degree of 'choice' between various options was still limited and this needed to be clearly set out during the consultation events planned for January 2015.
- The four 'criteria' adopted for identifying savings and their hierarchy is right for shaping the reductions in budgets. The group supported the emphasis on organisational efficiency wherever possible and was encouraged that £34.9m of the required total had been identified under this heading. However implementation of efficiency savings can require significant time and management input to be effectively delivered and concerns were raised regarding the organisational capacity to secure this level of change within the necessary time frame.
- Members of the task group were similarly concerned about the feasibility of achieving full year affect of savings with such a significant budget reduction to be implemented. They sought reassurance on the steps being taken to manage the associated risks and the role of the One Council Programme in ensuring transformation programmes and savings are kept to timetable, with appropriate corporate overview.
- The setting of a two year budget through to 2017 was welcomed, which will assist service planning and stability during a time of great change. Yet the period beyond 2017 will be even more challenging, with ever diminishing options available to the council. Strategic discussions on the period post 2017 need to start as soon as is practical.

### **Impact on local communities**

- Members of the task group expressed their concern regarding the problems faced by the most vulnerable residents in Brent as a result of the continued government reductions in public spending. This was not just in relation to council cuts to expenditure but the combined impact of the benefit cap, the introduction of Universal Credit and rising living costs. Residents are being affected by an 'accumulation' of factors, which are national, local and economic. The savings proposals need to be assessed in relation to the combined impact across a number of services which could impact disproportionately on groups who use a number of services, provided by a range of public agencies, not just the council. This should be reflected in the equality assessments that support the transformation and budget process.
- Given the future outlook for public expenditure levels, it is vital that actions and services to promote long-term community resilience and independence are prioritised. The voluntary sector are vital to achieving greater community resilience and members of the task group asked for reassurance that the structures and capacity is in place to take this agenda forward.
- During the public consultation for the Borough Plan, residents found it difficult to identify areas for budget reductions. Communications on the budget need to clearly articulate the reality that not all the required savings can be achieved by 'efficiency' measures. Some services will need to be reduced to a statutory level, with a focus on those most in need or in some cases stopped entirely to achieve a balanced budget.
- More effective management of current and future demand is a critical lever in reducing the council's costs. Behaviour change is central to this, whether this is more recycling or helping to reduce the need for children's social care. The task group would like more information on the programmes that will prevent future need for more intensive, higher cost services and will be looking at proposed savings in this context.

- Recent data from the Residents Attitude Survey has suggested that many people are capable and happy to access services digitally. This needs to be a central focus of the Community Access Strategy and service delivery in the future.
- A pressing concern for many residents is the high cost and availability of decent housing. Creative working with partners to secure more and better provision of all types of housing tenures within the borough should be a future priority to support stable local communities.
- It is vital during this period that the Council maintains a focus on attracting economic investment to the borough, supporting growth and fair employment for local people.

### **Organisational efficiency**

- Increasingly the council will be engaged in strategic commissioning of services, either individually or with partners. This will require a different skills set and approach. Actions to put in place the necessary senior management structure have already been taken. The task group recognised the council's commissioning and procurement strategy is a key part of delivering ongoing savings, while maintaining service levels. The capacity of the organisation to commission effectively and to 'client' contracts to achieve optimum performance and value for money is critical.
- Where it is appropriate to collaborate with other local authorities for reasons of cost or sustainability of service levels, the council needs to ensure that there is not a loss of future autonomy or control of the service within the procurement process.
- Concern was expressed that the number of temporary and agency staff is still above target, even while permanent staff are likely to be made redundant. Clearly in some areas this may be necessary but Members of the task group would expect redundancy payments to represent best value within the overall staffing and savings strategy.
- It is important that the council continues to produce and circulate regular performance management information to enable members and officers to be alert to any unexpected negative impacts and service risks. While it is inevitable that savings of this level will impact on services the mitigating actions and performance outcomes need to be closely monitored and reported.

### *Next Steps*

- 3.19 The Budget Scrutiny task group will be considering the individual budget savings options at its next meeting on 15<sup>th</sup> January 2015. It will also be considering the results of the public consultation with regard to the Borough Plan 2015 – 2019 and the budget options. This will shape their final response to the budget proposals which will be circulated to Members of the Scrutiny Committee at the end of January 2015 prior to its formal submission.

## **4.0 Financial Implications**

- 4.1 There are no direct financial implications arising from this report. However the process of establishing a Budget Scrutiny task group is to ensure that there is appropriate member engagement with both the process for establishing a robust budget and opportunity for scrutiny of the Administrations budget proposals

## **5.0 Legal Implications**

- 5.1 There are no legal implications arising directly from this report.

## **6.0 Diversity Implications**

- 6.1 There are no diversity implications arising directly from this report.

Budget Report – Full Council 3 March 2014  
Budget Strategy – Cabinet 13 October 2014  
Budget Report – Cabinet 15 December 2014

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