

# **MINUTES OF THE Overview and Scrutiny Committee MEETING HELD ON Tuesday, 9th January, 2024, 7:00PM – 10:00PM**

## **PRESENT:**

Councillors: Matt White, Pippa Connor, Simmons-Safo, Pippa Connor (Vice-Chair), Makbule Gunes, Matt White (Chair) and Alexandra Worrell.

## **ALSO ATTENDING:**

Yvonne Denny

### **1. FILMING AT MEETINGS**

The Chair referred Members present to item one on the agenda in respect of filming at the meeting and Members noted the information contained therein.

### **2. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

### **3. URGENT BUSINESS**

None

### **4. DECLARATIONS OF INTEREST**

None

### **5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None

### **6. MINUTES**

#### **RESOLVED**

That the minutes of the meeting on 27th November were agreed as a correct record.

### **7. MINUTES OF SCRUTINY PANEL MEETINGS**

#### **RESOLVED**

The minutes of the following Scrutiny Panels were received and noted and any recommendations contained within were approved:

- Adults & Health Scrutiny Panel – 16th November 2023.
- Children & Young People's Scrutiny Panel – 13th November 2023.
- Climate, Community Safety & Culture Scrutiny Panel – 6th November 2023.
- Housing, Planning & Development Scrutiny Panel – 14th November 2023.

**8. SCRUTINY OF THE 2024/25 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2024/25 - 2028/29)**

The Committee received a report which set out the draft General Fund (GF) Budget for 2024/25; the Medium Term Financial Strategy (MTFS) 2024/29; the draft HRA Budget 2024/25 and its draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.

The Vice Chair for this Committee highlighted that this meeting would focus on all other areas of the Council that had not been scrutinised through the panels, which included Culture, Strategy & Engagement, Resident experience, Corporate, Legal & Governance and Finance.

The report was introduced by Frances Palopoli, Head of Corporate Financial Strategy & Monitoring as set out in the agenda pack at pages 51-130.

The following was raised in the discussion of this item:

- a) Forecasts outlined an overspend of £3.6m for this financial year and this was predominantly due to inflation and the current level of interest rates.
- b) The Committee sought clarification around whether fixed interest rates at the time of borrowing was reflected in the overspend figures presented in the report. The Committee was advised that the increase in interest rates that had occurred was a result of refinancing and new borrowings and did not incur from existing borrowings made in the previous years.
- c) In response to a question regarding the ongoing issue of agency staffing, the Committee noted that this issue had been ongoing for a while despite efforts to reduce the number of agency staff being employed. Reducing the number of agency staff had been challenging as there were pressures on certain areas where it had been difficult to recruit full time staff into certain roles. In order to tackle this issue, all Directors had been tasked to produce data on the number of agency staff and a possible end date for each worker. In addition, a quarterly meeting was held with the Directors to discuss this further and to ensure that Directors were actively working to encourage the reduction of agency staffing. The Committee noted that these quarterly meetings had been successful as the number of agency staff had reduced substantially.
- d) The Committee was advised that in the Community Safety service, there was an underspend of around £29,000 in salaries budget for vacancies. In the ASB Enforcement team, there was an underspend of around £76,000 in relation to vacancies that were being held within the service. The majority of the underspend related to the actual Waste Management Client and Contract budget which was under spending by £430,000 and the main component of

that was from the rebate that the Council would get from Veolia in relation to pensions contribution.

- e) The Committee sought clarification regarding pressures within Digital Services. Officers advised that the main pressures were around IT contracts as many of the contracts were priced in other currencies, such as dollars and as a result the exchange rates were high. General inflation was also a contributing factor. Another pressure within Digital Services was around organisational changes. The cost of running the business had increased as there was a need to insource licences and additional hardware to support the service. However, the service aimed to make purchases in the most cost effective way and also ensured that any equipment purchased would be beneficial for the whole organisation. In addition, the service also aimed to reuse products rather than making new purchases. Officers added that the service purchased the new Microsoft E5, which was the latest version of Microsoft 365, to increase cyber security which enabled the service to terminate contracts for a number of standalone cyber security products.
- f) In response to a follow up question, the Committee noted that contracts were monitored closely within the service by the Contracts Management team. The team kept a track of all contracts on a spreadsheet to monitor costs and ensure appropriate negotiations were made.
- g) In response to another follow up question, the Committee noted that investing in digital products would help save money in other areas of the business as better systems meant that processes would work more efficiently and smoothly. In addition, smaller programmes could also be eliminated and unnecessary costs could be reduced. In summary, there may be an increase in cost in one area, but there would also be a reduction in other budgets, as well as savings in other areas.
- h) The Committee queried about the breakdown of figures on contract inflation and exchange rate and pressures. Officers advised that inflation rates had been very unpredictable and rough figures could be provided to the panel **(ACTION)**.
- i) The Committee queried about funds provided for the maintenance of Chestnut Park to manage flooding. Officers confirmed that the funding was from the GLA for a flood levitation scheme to deal with flooding risk to 98 properties downstream, as well as some of the flooding issues in Chestnut Park. It was confirmed that this issue was presented to the Planning Sub-Committee just before Christmas, where the Committee granted the planning permission. However, there were problems with the proposal, including a petition of over 1000 individuals who were against this scheme, which included Friends of Chestnut Park. The Committee noted that all options were being reviewed and a further meeting with the GLA would be held to review the situation and if possible, explore alternative options to repurpose the funding provided. However, this would be challenging as the funding would have to be spent during this financial year otherwise there would be a risk of losing the funds.
- j) In response to a question from the Committee, Officers advised that management actions were taken to reduce expenditure and manage pressures on a day to day basis within the Waste Management Service. In terms of green waste, garden waste was being collected depending on the capacity of the waste trucks and the collection rounds would need to be reconfigured to ensure maximum capacity. In terms of bulky waste, the current charge for

collection was at £20 for four items. In order to achieve an annual target of £400,000, there would need to be around 20,000 sales a year. Currently, the maximum capacity with the current number of staff and the size of the truck could only generate a maximum of £12,000 sales a year. The Committee received reassurance that the baseline structure for this would be revised and reconfigured to ensure annual targets were achievable.

- k) The Committee sought for clarification on a statement in section 6.2 “*The Budget Proposal include for growth of c£1m to meet the cost in the new leisure service provision and other minor changes*”. The Committee queried if this was capital or revenue growth. Officers confirmed that the c£1m was revenue growth and it related to the additional resources required to operate the insourcing of the service, including the need of additional IT resources.
- l) A follow up question was raised by the Committee. The Committee queried that of that £1m revenue growth, what portion of that would be allocated to paying staff. Officers were unable to provide accurate figures and advised the Committee that this information would be provided to the Committee at a later stage. **(ACTION)**
- m) In response to a question, the Committee noted that the pre-agreed growth that was presented in the previous MTFs covered a growth for pension increases. It was noted that every three years there would be a revaluation of the pensions fund and advice would be provided on whether to increase the amount of employer contribution or whether this needs to be reduced. Furthermore, there was also additional revenue to fund for the North London Waste Authority and the Capital Programme.
- n) The Committee noted that in terms of corporate growth, this included reduction in the concessionary fares that would be charged from the GLA and London Councils. There was also a small growth for the apprenticeship levy. Furthermore, as part of the financial planning process, all existing savings plans were reviewed and challenged robustly to ensure that they could still be met as agreed, if not, this may be re-profiled or even written-off.
- o) The table on page 56 of the report indicated - £35,000 for the year 2025/26 under Environment & Resident Experience, the Committee sought clarification on what this figure related to. Finance Officers were unable to provide details on this and advised information would be provided ahead of the next Committee meeting. **(ACTION)**
- p) The Committee also raised questions around the figures presented on table 7.3, Summary Revenue Budget position 2023 – 2029 and whether the figures highlighted in red under “*Further savings to be identified*” were forecasted accurately. Officers advised this was the position in the draft report. Further work would be completed on this report and the figures on the full report due for the 6<sup>th</sup> of February would be significantly reduced.

The following was raised in the discussion of the MTFs Savings Tracker – Q2 2023/24:

- a) The Committee queried about the RAG status for certain saving proposals in the MTFs Savings Tracker. In terms of ‘*Events Income Increases*’ this was RAG rated as green for 2022/23, however the future prospect was RAG rated as amber. The Committee questioned whether there had been some

- uncertainty around this for the future years. Officers advised that the rating was set to amber as there had been no fixed plans in terms of where the income would come from. In terms of *'Additional sites for on street digital advertising & Out of home advertising income generation'* Officers advised that this was RAG rated as amber for 2024-2028 as some of the projects and proposals around this had not yet been approved
- b) In response to a question raised regarding Single Person Discount, the Committee was advised that a single person household was eligible to a 25% reduction on their yearly Council Tax bill. The Council was working to identify households which consisted of more than one adults and had been claiming for the Single Person Discount. In order to tackle this issue, the Council had procured an advanced IT system which would filter out households with more than one liable adult living in the property. A letter would then be sent to the resident to ensure details were updated accordingly to assess whether they were still eligible for this discount. The Committee noted that this savings proposal was RAG rated as amber as the system had only just been introduced and had gone live in November 2023. Officers added that a softer approach was applied to allow residents more time to make contact and get back with a response.
  - c) In relation to the savings proposal on fleet, officers advised that the fleet had been split between two directorates including Environment and Resident Experience and Placemaking and Housing. There had been discussions around bringing the fleet management service into one directorate, which would be Placemaking and Housing. As the transfer was currently under progress and the saving identified of £50,000 for this financial year had not been achieved, this had been RAG rated as red.
  - d) In response from a question regarding recovering full cost of match day cleansing, the Committee noted that there were negotiations made with Spurs regarding LAMP contributions for match day cleansing and this was progressing. There were no other further updates regarding this.
  - e) In response to a question, the Committee noted that front line services would not be affected during the budget setting process. There would still be an element of face to face contact for people who were front line workers. The idea was to assess and incorporate digitalisation where possible so people within the service could invest their time and resources in other tasks which would contribute to improving the service.
  - f) In response to a follow up question relating to digital poverty, Cabinet member informed the Committee that the Council would be embarking on a Digital Inclusion Strategy this year, this would in the long run save money if people were able to do things digitally. The Cabinet member added that this would support people who were digitally excluded, particularly for young children who do not have access to educational resources online.

The following was raised in the discussion of the New Revenue Growth Proposals:

- a) The table outlined the list of growth that had been proposed to be put forward for the coming years. The Committee sought for clarification of the acronyms on the table. It was noted that L&G was Legal & Governance, CORP was Corporate, ERE was Environment & Resident Experience and SCE was Culture, Strategy & Engagement.

- b) The Committee queried about the additional Principal Scrutiny Officer role as outlined on the table. In response to this question, the Committee was advised that this was a part funded position in the Scrutiny Team and later changed to a full time position due to growth within the service.
- c) In response to a question raised by the Committee, Officers advised that the total figures on the table were all to be assumed as ongoing growth in the budget. Further to this, the Cabinet Member added that growth predictions were difficult to make, but this would be the best forecast that could be provided, based on the Councils current position.
- d) In relation to the various cost pressures including the implications of the National 'Big Switch off', it was noted that this was an ongoing issue with additional cost to the Council. The Big Switch Off refers to the gradual phasing out of BT's ISDN (Integrated Services Digital Network) and Public Switch Telephone Network (PSTN). Concerns around this switch was raised around how the Council would manage an emergency arrangements, including lifts and sheltered accommodation. Officers added that alternative options would have to be considered and implemented.

The following was raised in the discussion of the New Revenue Savings Proposals:

- a) The Committee sought clarification on how the different spending and savings were being recorded in regard to staff employment. In response to this, officers advised that the costs shown was a part-cost in the first year and in the subsequent year, the cost of the post would be offset and would include savings. It was noted that in the final budgets, there would be further proposals to look at income generation regarding this because the cost of a post was across two financial years and the savings would be delivered in the second year.
- b) The Committee noted that fixed penalty notices would generate additional income.
- c) In terms of fly-tipping, the Committee was advised that data had showed that around 1600 people had been fined for fly-tipping and around 7-10 people were being taken to court every month. Evidence by Defra had indicated that fly-tipping had been increasing across the country for the last 10 years. To tackle this issue, the Council had proposed to seek support from a private company for extra resource of people that would be able to go out and fine people for fly-tipping and littering. It was also noted that the charges would be on a commission basis and would not cost the Council anything as an initial outlay. The fines would be split between the private company and the Council. The anticipated percentage rate was 35% to the company and 65% to the Council. Furthermore, the Committee was advised that with this additional support, the Council would see an extra growth of £100,000 of income based on these percentages.
- d) In response to a follow up question, the Committee was advised that if we were to bring this project in-house and employ additional staff, the Council would have to pay the employee recruited for this role. However, for the support from the private sector, no salary would have to be paid and their payment would solely be commission based, preventing any losses from the Council. It was also noted that the additional support from the private sector

would not be replacing the current in-house team, it would be an enhancement to the current in-house team.

- e) The Committee requested for further details on what the comparable savings would be if this project were insourced compared to being outsourced. **(ACTION)**

The following was raised in the discussion of the Draft Capital Programme:

- a) The Committee sought clarification on the figures presented on the table for the Corporate Laptop Refresh Scheme. Officers advised that the costs included an additional assessment on what would need to be funded. It was noted that the Council purchased laptops and had run out of supply, so there was a need to fund for laptop renewals.
- b) Cabinet Member added that, Officers across organisations had been looking at cost effective approaches and reviewing the type of laptop provided by IT to ensure that the specification of the laptop was most suited for each job role. In addition, a new smaller laptop was being tested to assess whether there were cheaper alternatives available for a replacement. However, this would be a rolling programme as the organisation was growing and laptops would need to be renewed or replaced.

## **RESOLVED**

That the following recommendations were noted and agreed:

### Recommendation 1 - 2024/25 Budget Position

Details to be provided on the part of the underspend relating to “curtailing uncommitted maintenance and improvement works” (page 52 of agenda pack). (Request for Information).

### Recommendation 2 - 2023/24 Outturn Position & 2024/25 Budget Position

Noting the particular budget pressures relating to Digital and IT services and that this was exacerbated by the higher levels of insourced services in recent years, the Panel recommended that all knock-on costs associated with insourcing should be budgeted for over the longer-term at the time when that decision is made.

### Recommendation 3 – 2023/24 Outturn Position & 2024/25 Budget Position

Noting that the budget pressures relating to Digital and IT services also included factors such as the exchange rate, general inflation, licences/contracts and hardware (in addition to insourcing costs as above), the Panel requested a breakdown of these costs. (Request for Information).

### Recommendation 4 – Management Actions page 56 of agenda pack.

The Committee noted that under Environment & Resident Experience for 2025/26, there was an overspend of £35k predicted and requested details on the reason for this. (Request for Information).

### Recommendation 5 – Savings Tracker PL20/9 - Full cost recovery of matchday cleansing service.

The Committee considered the use of Council taxpayers funds to meet the costs of matchday cleansing services to be unacceptable and recommended that the Council continues to urgent pursue negotiations with Tottenham Hotspur Football Club to secure full cost recovery of all matchday cleansing service, including recovery of funds retrospectively for costs incurred in previous years since the opening of the new stadium.

Recommendation 6 – Savings Tracker: Digital Together

The Committee noted that this proposal involved a substantive sum of money but that over 90% of the savings in 2023/24 had not yet been achieved. The Committee further noted that the savings needed to be achieved on a cross-cutting basis with all service departments adopting more efficient systems and processes. The Committee recommended that the Cabinet explain how each service department will be engaging with this proposal in order to achieve the savings over the MTFS period.

Recommendation 7 – EN SAV 004 – Event Income Increases

The Committee requested further details on how these savings would be achieved and clarification on the reasons for the variation in the savings target in each of the years over the MTFS period and whether these targets were realistic and achievable. (Request for Information).

Recommendation 8 – New Revenue Growth Proposals: Growth of £946k for the delivery of the Leisure Management Service in-house.

The Committee requested a breakdown of the expected extra costs. (Request for Information).

Recommendation 9 – EN24 SAV 003. New Revenue Savings Proposals - Enhance enforcement on environmental crime.

The Committee requested that details be provided of the estimated cost of hiring more permanent staff to enhance enforcement action compared to the proposed approach of entering into a partnership with a private contractor to carry out the additional enforcement action. (Request for Information).

Recommendation 10 – Capital Programme: 336 – New River.

The Committee requested further explanation of the self-financing of this scheme. (Request for Information).

Recommendation 11 – Capital Programme: 401 – Tottenham Hale Green Space

Noting that there were considerable S106 contributions for this area following large scale development, the Committee requested details on what proportion of Haringey Council funding and S106 funding was being used to support this mixed-funded programme of green space improvements. (Request for Information).

Recommendation 12 – Capital Programme: 457 – Future High Street Project

The Committee requested details on what proportion of Haringey Council funding and developer/S106 funding was being used to support this mixed-funded programme of infrastructure improvements. (Request for Information).

Recommendation 13 – Capital Programme: 657 – Corporate Laptop Refresh

Further details to be provided on the reasons for the significantly increased costs for this scheme. (Request for Information).

**9. NEW ITEMS OF URGENT BUSINESS**

N/A

**10. WORK PROGRAMME UPDATE**

**RESOLVED**

The Committee noted the work programme report

**11. FUTURE MEETING DATES**

- 18<sup>th</sup> Jan 2024 (7pm)
- 1<sup>st</sup> Feb 2024 (7pm)
- 11<sup>th</sup> Mar 2024 (7pm)

CHAIR: Councillor Matt White

Signed by Chair .....

Date .....