

MINUTES OF THE MEETING Overview and Scrutiny Committee HELD ON Thursday, 30th January, 2025, 6:30pm – 10:00pm

PRESENT:

Councillors: Matt White (Chair), Alexandra Worrell, Pippa Connor (Vice-Chair), Makbule Gunes and Lester Buxton

ALSO ATTENDING:

Councillors Dana Carlin, Sarah Williams, Ayshe Simsek – Democratic Services and Scrutiny Manager, Chris Liasi - Committee and Governance Officer, Dominic O'Brien - Scrutiny Officer, Taryn Eves - Director of Finance, Jacqueline Longmore – Principal Lawyer, Anna Blandford - Assistant Director for Regen & Econ Development, Sarah Lavery - Head of Property Change, Zoe Robertson – Head of Place, Daniel Lynch - Senior Pensions & Treasury Accountant (interim), Andrew Meek - Assistant Director for Capital Projects & Property.

13. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'

14. APOLOGIES FOR ABSENCE

The Committee received apologies of lateness from Councillors Worrell, Carlin and Williams.

15. URGENT BUSINESS

There were no items of urgent business.

16. DECLARATIONS OF INTEREST

There were no declarations of interest

17. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

There were no deputations, petitions, presentations or questions.

18. MINUTES OF SCRUTINY PANEL MEETINGS

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

- Housing, Planning and Development Scrutiny Panel – 16th December 2024

19. SCRUTINY OF THE 2025/26 FINAL BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2025/2030 (PHASE 2 SAVINGS)

The HRA business plan was presented, with the details outlined for further discussion by any colleagues wishing to contribute. The document, initially highlighted in December 2024 when the draft was published, included commitments for funding, such as carry-forwards from previous years and unspent historic grants, some of which had expired or were not drawn down. A review was underway to assess whether any of the £22 million could be repurposed to manage the overspend for 2024-2025. However, it was noted that no assumption was made regarding the use of this amount for the 2025-2026 financial year. Additionally, the reserves table indicated that a £10 million corporate contingency was included in the revenue budget, separate from the reserves, to manage potential risks and uncertainties for the following year. This contingency was part of the broader financial strategy to ensure fiscal stability.

Concerns were raised about the growing gap in the budget, particularly in areas with significant income needs, such as adult social care, children's housing, and homelessness. Despite efforts to balance the budget through borrowing and grants, doubts were expressed regarding the sustainability of the strategy for future years, especially considering the pressures on these key service areas. In response, it was emphasised that the demand pressures, especially in temporary accommodation and children's home-to-school transport, were not unique to Haringey, as similar issues were being faced by local authorities nationwide. However, Haringey lacked the reserves to support these pressures in the short term. The government's consultation on funding for 2026-2027 was expected, but it was not seen as a solution to the sector-wide demand pressures. The Council was committed to ensuring that every pound spent delivered value for money and would continue efforts to improve efficiency and reduce costs, alongside increasing income where possible.

The multi-year settlement expected for 2026-2027 would likely involve a redistribution of funds rather than a significant increase in funding, and there was a recognition that, in the future, a larger conversation with the government may be necessary if funding continued to fall short of meeting needs. Nonetheless, the focus remained on internal efforts to ensure efficient service delivery while continuing the work through the 2025-2026 period.

The driving factors behind the adult's budget were discussed, with the primary concern being the increased complexity of needs within the population. This complexity involved more long-term health conditions, leading to a higher demand for care services and consequently, higher costs. Additionally, the rising cost of living, including energy prices, has placed additional pressure on care providers. These external pressures were compounded by changes in National Insurance rates. Furthermore, it was noted that many residents, who are just above the eligibility threshold for council tax reduction, still struggle to pay their council tax, particularly with an existing council tax rate ranging between £1,500 and £2,000 per year.

A decision was made not to increase council tax by more than 5%, as such an increase would add further financial strain on residents. The council tax rate in Haringey is already relatively high and raising it could reduce government funding due to the way core funding is structured. If the council raises its council tax, it would trigger a reduction in government support, making it a less viable option in the current financial climate.

The impact of previous service cuts was also highlighted. Haringey had already faced substantial financial losses, amounting to £143 million, which led to the closure of essential services such as children's centres and adult day care centres. These services were considered preventative measures, and their loss could have long-term implications, potentially leading to higher costs in the future. Given the borough's high levels of deprivation, particularly in areas like Northumberland Park, further cuts could increase poverty and place even greater strain on already overburdened social services.

The council emphasised its commitment to making efficiency savings rather than drastic cuts. The focus of the current budget was to protect essential services while ensuring financial sustainability in the long term. By making efficiency-driven savings, the council aimed to minimize the negative impact on services that residents rely on.

In terms of housing projects, the Housing Revenue Account (HRA) used a mixed funding model, with grants playing a key role in enabling the acceleration of housing delivery. However, the council also acknowledged the potential for rising costs in acquiring properties, particularly in the North London area, and made provisions for subsidies to address this.

In conclusion, the council addressed the significant budget gap forecasted between 2025 and 2030, recognizing that exceptional financial support would be necessary to bridge this gap. The council's long-term financial planning

remains a priority to ensure a more financially sustainable future despite current challenges.

Recommendations:

Housing Revenue Account – Draft 2025/26 Budget & MTFS 2025/26- 29/30

It is recommended that Overview and Scrutiny Committee:

- a) Note the report that will be presented to Cabinet on 11 February 2025 setting out the proposed 2025/26 budget and 2025/26 to 2029/30 and which includes approval of proposed increases to rents and service charges.
- b) Note the updated revenue financial position since the last update to Cabinet on 10 December and which was considered by Housing, Planning and Development Scrutiny Committee on 16 December 2024. This is set out in Table 6 and 6.1 of the report in Appendix 1
- c) Note the updated capital programme for the period 2025 to 2035 since the last update to Cabinet on 10 December and which was considered by the Housing, Planning and Development Scrutiny Committee on 16 December 2024. This is set out in Tables 7 and 7.1 of the report in Appendix 1.
- d) Note that Cabinet on 11 February will be asked to recommend the proposed HRA 2025/26 Budget and 2025/26-29/30 MTFS, for approval to the Full Council taking place on 3 March 2025.

20. NEW ITEMS OF URGENT BUSINESS

There were no new items of urgent business.

21. FUTURE MEETINGS

- 27th March 2025

CHAIR: Councillor Matt White

Signed by Chair

Date