

MINUTES OF MEETING Overview and Scrutiny Committee HELD ON Thursday, 7th October, 2021, 7.00 pm

PRESENT:

Councillors: Khaled Moyeed (Chair), Pippa Connor (Vice-Chair), Dana Carlin, Makbule Gunes, Matt White, Yvonne Denny and Lourdes Keever

ALSO ATTENDING:

5. 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.

6. APOLOGIES FOR ABSENCE

Apologies were received from Kanupriya Jahunjhwala and Anita Jakhu

7. URGENT BUSINESS

None

8. DECLARATIONS OF INTEREST

None

9. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None

10. MINUTES

The Clerk agreed to chase up outstanding actions. **(Action: Clerk).**

RESOLVED

That the minutes of the meeting on 6th July were agreed as a correct record

11. MINUTES OF SCRUTINY PANEL MEETINGS

RESOLVED

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

- Adults & Health – 24th June & 28th June
- Children & Young People – 20th July
- Environment & Community Safety – 28th June
- Housing & Regeneration – 8th July

12. 2020-21 PROVISIONAL FINANCIAL OUTTURN

The Committee received a report which set out the Council's provisional financial outturn for 2020/21. The report was introduced by Frances Palopoli, Head of Corporate Financial Strategy & Monitoring as set out in the agenda pack at page 55 of the agenda pack. The Committee noted that the report summarised the financial implications for the Council arising from the previous year. Officers advised that the burden of Covid on the Council was broadly covered by the government. Other non-Covid pressures were offset by the draw down from the Council's budget contingency. The following arose during the discussion of the report:

- a. The Committee queried a seeming inconsistency in the report in regards to the Street Space budget with different figures offered of £270k and £5.1m. In response, officers advised that the capital budget for the overall Street Space scheme was £5.1m but the £270k related to a budget adjustment made in year in order to accelerate expenditure on the wider programme.
- b. The Committee queried the reasons why the earmarked reserves of the Council had increased from £84.5m in 2020 to £115m in 2021. In response, officers advised that the central government grant funding for Covid, including grant relief for Council Tax totalled C. £20m. This funding needs to be put on the balance sheet and paid out in the current year. The remaining £10.4m was aligned to the collection fund and the surplus generated in 2019/20, which was shown on the balance sheet for the current year.
- c. The Committee queried whether the level of reserves could be expected to drop in future years, officers advised that the un-earmarked reserves naturally fluctuated and there was no 'normal year'. However, it was reasonable to assume that there would be less draw down on reserves in future years.
- d. In relation to a question about London Councils evaluating the amount of money received from central government, officers advised that they were not aware of these discussions and could not comment.
- e. The Panel queried the use of RAG ratings on the savings tracker and in particular queried the use of a green RAG status if the saving was expected to slip in full. Officers agreed to look into whether the ratings were incorrect and come back to the Panel. The Panel asked for an updated table in the Q2 report. **(Action: Frances Palopoli).**
- f. The Committee raised concerns about underspend in the disability services grant and suggested that this should be prioritised. Officers responded that this area was acutely hit by Covid but that the grant had been carried over into the current year so it was expected that the Council would fully catch up on this.
- g. In relation to a question around the impact of Covid on Council Tax collection, officers advised that the impact would be felt on subsequent years as the government allowed local authorities to spread costs over three years. There was a £20m spend from reserves in this budget from last year's funds. The Council regularly reviewed its bad debt provisions and that increased

provisions had been set aside for resilience and bad debt provision in the wake of Covid-19.

RESOLVED

The Overview and Scrutiny Committee:

- I. Noted that the figures in the 2020-21 Provisional Financial Outturn remain provisional until the conclusion of the statutory audit process which has been extended due to the on-going impact of the C19 pandemic.
- II. Noted that the C19 financial impact on the 2020-21 General Fund was offset by Government support.
- III. Noted that non-C19 related pressures forecast during the year were mitigated by year end.
- IV. Noted that the C19 pandemic was forecast to continue to impact on the Council's finances during 2021-22 and the assumptions made around mitigating these.
- V. Noted that statutory comments are included in the original report to Cabinet.

13. FINANCE UPDATE Q1

The Committee received a report which set out the Quarter 1 budget monitoring position. The report was introduced by Frances Palopoli, Head of Corporate Financial Strategy & Monitoring as set out in the agenda pack at page 95 of the agenda pack. The Committee noted that the report set out that the current overspend was around £5m. Non-Covid areas of spend were showing overspends but it was early in the year and directors were looking at mitigating these areas of spend. The following arose during the discussion of the report:

- a. The Committee sought reassurance slippages in the Adults budget and confidence in the savings for this area. Officers advised that the overspend in Q1 was around £1m and that finance were doing detailed work with the Director on containing the overspend and the viability of savings. This work was being done across Council directorates.
- b. The Committee queried whether the Council's financial forecasting was robust enough, given overspend projections. In response, officers advised that Covid had a significant effect on forecasting. The Council had made the assumption that the government would mitigate the costs of Covid and that this had been the case for 2020/21. Officers suggested that in an organisation the size of Haringey there would always be unforeseen eventualities, but officers were confident that everything that could be done was being done. There was a contingency built in to the GF budget which allowed the Council to offset some of the budget pressures that would inevitably arise.

- c. The Committee commented that this time last year there was a circa £20m budget gap and queried what the current in-year position was. In response, officers advised that the current Covid-related pressure was forecast at £32.9m but that they were expecting that the government would offset this through additional grant funding as per the previous year.
- d. Concerns were raised about the overspend within the Dedicated Schools Grant and whether there was an action plan in place to deal with the overspend. In response, finance officers advised that they were working with the Directors to contain overspends. The DSG was a ringfenced grant which did not show in General Fund. Haringey, along with most local authorities had seen continued annual deficits in this area. The DfE was in negotiations with local authorities about their relevant individual positions and it was noted that as part of this process, authorities would be expected to draw up an action plan to address the budget pressures. Officers set out that the Council would continue to pressure the government to provide a realistic funding envelope.
- e. The Committee requested that a breakdown of slippages in Children's and adults be provided to the Committee in writing. **(Action: Frances Palopoli)**.
- f. In response to a question, officers advised that they were confident as they could be that the government would offset Covid related spend in the current year and that they would continue to review this. Officers advised that had taken all of the actions they reasonably could to mitigate pressures across all budget streams.

RESOLVED

The Overview and Scrutiny Committee:

- I. Noted the financial forecasts provided at Quarter1 and the assumptions surrounding them.
- II. Noted that Directors are seeking actions to bring the current non-Covid 19 forecasts down.
- III. Noted that statutory comments are included in the original report to Cabinet.

14. CABINET MEMBER QUESTIONS - CABINET MEMBER FOR FINANCE AND TRANSFORMATION

The Committee received a short verbal update from the Cabinet Member for Finance and Transformation, Cllr Diakides, followed by a question and answer session around his portfolio. The Cabinet Member set out that the two previous reports painted a picture of ongoing budget pressures and period of flux, due to a range of factors including Covid and Brexit. Last year's budget was balanced with receipt of government grants, despite some level of uncertainty. The Cabinet Member advised that the best way to ensure that the Council was able to balance the current year's budget was to have a contingency in place to mitigate budget pressures that arose.

The Cabinet Member highlighted two areas of concern for the current year's budget; slippages in the capital programme, and the impact of Covid, particularly in relation to undertaking large scale projects on site. The Committee was advised that the

manifesto commitments had resulted in significantly enlarged capital programme and that the authority had improved its rate of spending on the capital programme in Quarter 1 this year, compared to the equivalent period last year. The Cabinet Member highlighted that financial predictions and forecasting were improving in terms of their accuracy.

The following arose as part of the discussion of this agenda item:

- a. The Committee sought assurances around the impact of Covid and support to frontline services. The Cabinet Member advised that the Council was largely reliant on the government but that the authority would be seeking to safeguard services as much as possible. The MTFs gave the Cabinet Member hope that further cuts could be avoided but that given the level of uncertainty in the financial climate it was impossible to guarantee this.
- b. The Committee also sought assurances around what support measures were being offered to residents, particularly in light of the removal of the uplift to Universal Credit and the end of the furlough scheme. In response, the Cabinet Member advised that finance officers were meeting with Director's to develop growth proposals and focusing on new ways of working. The Cabinet Member also highlighted the Council Tax reduction scheme as an example of action being taken by the council to provide additional support to residents.
- c. The Committee sought clarification around how the authority was going to fund the Free School Meals expansion to cover all primary school children by 2022. In response, Cllr Diakides outlined that the financing mechanism and timescales for this were still being developed and referred the Committee to the Cabinet Member for Children. In response to a follow-up question, the Cabinet Member advised that there was a process in place for developing next year's budget which involved bids being submitted and costings being done. The individual budget allocations would then be assessed in the round.
- d. The Committee raised concerns with pressures in the schools budget and in particular pressures around providing Education, Health and Care Plans, stemming from the need for a lack of available teaching assistants to carry these out. In response, the Cabinet Member suggested that a case for funding would need to be made and that the Cabinet Member for Children would be able to provide more details on teaching assistants.
- e. The Committee raised concerns about the budget for the compulsory purchase of empty homes not being used. In response, the Cabinet Member advised that it was essential that the Council created a risk around purchasing empty homes and it was hoped that this risk was sufficient to ensure landlords brought them back into use. The budget for this was not sufficient to purchase all of the available empty homes.
- f. The Committee raised concerns about the process for the disposal of 141 Station Road and questioned the extent to which the correct financial and oversight processes were followed. In response, the Cabinet Member advised that the issue was being investigated and that he was unable to say much other than he would also be concerned if the investigation raised any procedural failings.

RESOLVED

Noted.

15. DIGITAL TOGETHER

The Committee received a cover report and presentation on the progress of Digital Together, a cross-council cost cutting savings programme. The presentation was introduced by Cllr Chandwani, the Cabinet Member for Customer Service, Welfare and the Public Realm. The following arose from the discussion of the presentation:

- a. The Panel noted that the cross-cutting savings programme included giving staff the opportunity to suggest areas of improvement or things that had been implemented in other authorities as a way of generating efficiency savings. The example of using new areas of technology to detect housing fraud cases was noted, by way of an example.
- b. It was noted that the programme had led to £260k savings this year and that these were all back office savings, so there was no impact on frontline services. The Cabinet Member highlighted the fact that the more savings that were made through Digital Together, the less savings would be needed from other areas of the Council.
- c. Officers advised that the starting point for the programme was that they received a range of savings proposals, with 150 identified initially and these were then assessed and particular consideration was given to whether the savings were being counted elsewhere in the MTFs. To date, 18 initial savings opportunities had been identified, which totalled £260k in savings. The programme was building and significant savings were anticipated as the momentum built.
- d. The Cabinet Member identified that she was seeking to ensure that Haringey was in-line with other authorities and that everything was being done to reduce wasted resources.
- e. The Committee raised concerns about possible impacts on residents and whether increasing digitisation of services would unduly impact some disadvantaged groups. In response, the Committee was advised that the programme was all about improving how the Council worked and that all the savings would come from back office functions, internally within the Council. The Committee was advised that this would not impact services to residents. The Cabinet Member emphasised the fact that Digital Together was not about closing down phone lines or shutting down customer service centres.
- f. In response to a question, the Committee was advised that the programme was limited to the Council at present and that schools would not be asked to contribute. It was hoped that schools may notice an improvement in terms of being able to contact the Council and getting to correct person more efficiently.
- g. The Committee sought clarification around the costs of the programme and how this related to the £260k savings to date. In response, the Committee was advised that there would be a one-off capital investment into the programme to support transformation savings. The programme would then make year on year savings to the Council's revenue budget. The capital and revenue budgets were two separate things. The savings target was £3m and the Cabinet Member highlighted that having achieved nearly 10% of that already, before the programme was fully up and running, should be considered a reasonable success.
- h. The Chair raised concerns around problems that some other local authorities had encountered with Northgate systems and projects being over-budget. In

response, officers advised that they were learning lessons from other authorities and where savings had not worked they would walk away. The Committee was advised that, to a degree, local authorities were at the mercy of a small number of large suppliers of services to local government.

RESOLVED

Noted

16. BOROUGH PLAN 2019-23, PROGRESS UPDATE REFLECTING QUARTER 1 JUNE 2021

The Committee received a performance report. The report was introduced by Claire McCarthy, Assistant Director Strategy and Communications as set out in the agenda pack at pages 189-200 of the agenda pack. The Committee was advised that the performance wheels would be updated on the website in the days following the meeting.

RESOLVED

That the Committee noted the high-level progress made against the delivery of the strategic priorities and targets in the Borough Plan as at the end of June 2021.

17. WORK PROGRAMME UPDATE

The Committee received a report which set out the updated work programme, as set out at pages 201-233 of the agenda pack.

The Committee noted that the Scrutiny Review on High Road West had been completed and that it would be coming back to OSC shortly.

The Committee agreed to alter the focus on the Scrutiny Review on Knife & Gun Crime to focus on Violence Against Women and Girls.

RESOLVED

- I. That the Committee noted the current work programmes for the main Committee and Scrutiny Panels at Appendix A of the report and agreed any amendments as appropriate
- II. That the Committee noted the proposed Scrutiny Review Projects and the submission timescales required in order to finish the reviews by the end of the municipal year.

18. NEW ITEMS OF URGENT BUSINESS

N/A

19. FUTURE MEETINGS

Noted as:

29th November 2021

13 January 2022

20th January 2022 (Budget Scrutiny).

10th March 2022

CHAIR: Councillor Khaled Moyeed

Signed by Chair

Date