

## Budget Scrutiny Recommendations 2021/22

Housing and Regeneration Panel – Economy Priority				
Ref	MTFS Proposal	Further info requested	Comments/Recommendation	Cabinet Response Req'd
<b><u>Capital Budget</u></b>				
N/A	Appendix D - New Capital for 2022/23 MTFS Programme.  Civic Centre Annex		That Cabinet provide further detail on how the Civic Centre project fits into the Council's wider accommodation strategy, including the future use of the Station Road estate.	Yes
429	Site Acquisition (Tott & Wood Green).  Wards Corner Market		That Cabinet provide clarity around what provision there is for any potential future contribution to this scheme regarding investment in the long term future of this site, following the withdrawal of Grainger.  The Panel notes that this site will require significant investment and that TfL have, to date, only committed to invest enough funding to make the site safe. Further investment will be required to make the market site viable.	Yes
429	Site Acquisition (Tott & Wood Green).  CPO – Wards Corner		The Panel recommends that if the funding earmarked for the CPO were to remain in the capital budget, and if the Council is minded to carry out the CPO without Grainger, then this allocation	Yes

			<p>should be used for maximum provision of council homes at council rents.</p> <p>The Panel request assurances from Cabinet that this future outcome for the site will be fully considered.</p>	
N/A	HRA Capital Budget	<p>Further information/written clarification is requested around why borrowing constitutes such a significant proportion of the HRA, particularly in Years 1, 2 &amp; 5. The Panel would like assurances that the borrowing costs are sustainable and that the Council is not at risk of being unduly impacted by any future rise in the cost of borrowing.</p> <p><b>RESPONSE:</b></p> <p>Borrowing is one of several sources of funding capital investments in the HRA. The HRA financial plans have been developed to apply borrowing after all other sources of funding (such as grants, market sales receipts, etc) have been recognised. In the earlier years, where capital investments are significant, it is expected that the level of borrowing will be higher. Grants are recognised 50% start-on-site</p>		

		<p>and 50% on completion. Market sales receipts are recognised after completion. These all play a part in the profiling of the borrowing. This plan has been built with the assurance that year on year there is enough cover for the levels of borrowings proposed in the financial plan.</p> <p>Our future interest rates assumptions are based on information available at this time and information from our treasury advisers. The HRA financial Plan is constantly being reviewed (quarterly) – as is the interest rate environment more generally as part of the Council's treasury strategy. Any significant change to the environment or projections in the interest rates in the future, the plan will be revisited. New borrowing within the HRA is being taken out at fixed interest rates (as opposed to variable) meaning that interest rates on borrowing raised to date is certain over a long-term time horizon.</p>		
<b>Environment and Community Safety Panel – Place Priority</b>				

Ref	MTFS Proposal	Further info requested if appropriate)	Comments/Recommendation	Cabinet Response Req'd
N/A	General comment		The Panel are broadly supportive of the budget proposals and welcome the level of investment into the borough. The Panel are particularly pleased to see the long overdue investment into the maintenance of the boroughs drains and road gullies, and a commitment that every drainage asset in the borough would be cleaned at least once a year.	No
<b><u>New Capital Growth Proposals</u></b>				
	Tree Planting - Street & Greenspace Greening Programme.		The Panel welcomes the commitment to invest in its tree stock and noted the aim of achieving a net neutral position. The panel would like to see additional investment in this area, above the £75k per year, rising to £100k per year with match funding that has been allocated. Cabinet should make firm commitment to a net increase in the number of trees in the borough, particularly in light of the historic decline in tree numbers over recent years due to an underinvestment in this area.	Yes
	Tree Planting - Street & Greenspace Greening Programme.		The Panel would also like a commitment from Cabinet that the existing inequities in tree coverage across the borough will be addressed. The Panel noted that the	Yes

			<p>overwhelming number of sponsored trees to date were in the west and centre of the borough.</p> <p>Cabinet Should commit to ensuring that the east of the borough is prioritised when planting new trees.</p> <p>Cabinet should also make a specific commitment that low levels of tree coverage in wards such as Tottenham Hale and Bruce Grove will be addressed.</p>	
	Upgrade Parks Lighting		<p>That Cabinet provided assurances that areas of lighting in parks where sections of the park are lit, whilst others are in shadow are looked at as part on the investment in improved lighting. It was felt that this could create a false sense of security for people travelling through parks at night.</p> <p>The Panel would also like assurances that preservation of wildlife habitat will be considered when determining lighting requirements in our parks and open spaces.</p>	Yes
	Road Casualty Reduction		<p>The Panel notes that a large proportion of the active travel schemes proposed are unfunded at present and would like assurances that funding for these schemes will be pursued.</p>	Yes

			As part of the Road Safety Strategy, the Panel would like to see additional investment into active travel, with a particular focus on improving cycling infrastructure.	
	Highways Asset Maintenance Programme.	<p>That Panel request clarification on the funding for this proposal. The bid is funded by council borrowing for the first year 2022-23. Thereafter it has been assumed that there will be grant funding available to undertake this work. How robust is this assumption of further funding?</p> <p><b>RESPONSE:</b></p> <p>The government's spending review announcements (SR21) made £32bn available nationally for works to roads, potholes, resurfacing and bridges. The detail of how this funding will be disbursed is at the time of writing not yet published, and we have therefore had to make assumptions within our budget and MTFs, and this includes the assumption that this grant funding will be available to finance the capital scheme referred to here. This will be revisited within the next budget</p>		

		round over the course of 2022 at which time it is hoped the detail of government funding have been published.		
<b>Adults and Health Scrutiny Panel – People Priority</b>				
<b>Ref</b>	<b>MTFS Proposal</b>	<b>Further info requested if appropriate)</b>	<b>Comments/Recommendation</b>	<b>Cabinet Response Req'd</b>
N/A	General issue	<p>The Panel noted that, despite revenue growth proposals set out in the agenda pack, the revenue budget for Adults would reduce from £83.208m in 2021/22 to £82.164m in the draft 2022/23 budget. The Panel requested a breakdown of the different elements of the revenue budget, including previously agreed savings and growth funding, in order to illustrate the reasons for the decline in the revenue budget.</p> <p><b>RESPONSE:</b></p> <p>The net change in priority area budgets from year to year will include a number of factors including the impact of agreed growth and savings and other factors impacting on budgets such as variations in the levels of</p>		

		government grants awarded. In this case the net change comprises £0.5m of minor in year changes to the priority area budget, £4.1m of agreed MTFS savings, and £3.6m of agreed budget growth.		
N/A	General issue		The Panel expressed concerns about the significant future increase in interest repayment costs to the General Fund (shown to reach over £29m by 2026/27 according to Table 8.8 on page 34 of the Dec 2021 Cabinet report) caused by the projected rise in capital investment. The Panel requested that Cabinet provide an assessment of the risk associated with the increase in the proportion of financing costs to the net revenue stream over the MTFS period.	
<b><u>MTFS Savings Tracker – 2021/22 to 2025/26</u></b>				
N/A	General issue		The Panel expressed concerns about whether the targeted savings for 2021/22 would be achieved by the end of the year and recommended that further analysis should be provided to demonstrate how this would be achieved.	Yes



AS101/AS102	Fast Track Financial Assessments/Client Contributions		<p>The Panel was concerned that the savings expected in 2021/22 were too high and recommended that the savings should be spread over a longer period within the MTFS. The Panel suggested that a smaller saving in 2021/22 would have allowed for the impact on residents to be properly assessed before the remainder of the savings were implemented in future years.</p> <p>The Panel also recommended that an analysis of the impact of the savings so far on residents and the associated risks should be carried out to ensure that this was not causing financial difficulties for individuals and their families.</p>	Yes
<b><u>Draft Capital Programme – 2022/23 to 2026/27</u></b>				
201	Aids & Adaptations		<p>The Panel was concerned about the significant delays experienced by residents in the installation of aids and adaptations and the consequent impact of this on health and well-being. The Panel noted that this service was funded externally from the Better Care Fund but appeared to be under-resourced. It was also noted that the amount of money available appeared to be the same each year in the MTFS with no increases to keep pace with inflation. The Panel recommended that</p>	Yes

			the Cabinet give consideration about whether the funding in this area is sufficient to meet the needs of local residents and, if not, what steps could be taken to increase the resources available for this including from external sources such as the Better Care Fund.	
214	Osborne Grove Nursing Home	<p>The Panel commented that the total costs for this item seemed high at over £44m. The Panel requested a short summary of the reasons for the increase in the overall costs and details of any contributions from health partners towards the cost of the project.</p> <p><b>RESPONSE:</b></p> <p>The investment in the Osborne Grove Nursing Home is to create a 70-bed nursing and ancillary facilities. This project, like many others, has suffered from cost inflation due to the pandemic and Brexit, which is estimated to have added £1.35m to the cost base. In addition, as part of the process of design development via co production, the specification for the facility has been refined to meet the client group's needs. This has meant that the scheme cost has</p>		

		increased by £2.25m. Also, as the building is larger than the existing one, there is a need to provide a new electricity sub station which has added £0.25m. The project steering group are undertaking a review of the scheme in light of the budget position. There are no budgeted contributions from health partners to the scheme.		
<b><u>Format of reports</u></b>				
N/A	Budget briefings for Panels		The Panel noted that the briefings in advance of the budget scrutiny meetings had included a lot of detail on Q2 of 2021/22 and on the performance indicators. The Panel recommended that in future years, briefings on these matters should be received separately and that the pre-budget briefings should concentrate on the following year's draft budget and the updated MTFS.	Yes
N/A	Format of reports		The Panel noted that the reports in the budget scrutiny agenda packs included information about the budget areas for all Panels. The Panel recommended that the main budget report provided to each Panel should be tailored to only include the information relevant to the policy area of that Panel as this would make the information easier to review.	

			<p>While the Cabinet report on the budget (which covered all policy areas) could still be included as an appendix, the key information for each Panel should be included in a separate report in the agenda pack.</p> <p>The Panel also recommended that risk factors associated with the budget should be highlighted in the budget report to the Panels.</p>	
<b>Children and Young People's Scrutiny Panel – People Priority</b>				
<b>Ref</b>	<b>MTFS Proposal</b>	<b>Further info requested if appropriate)</b>	<b>Comments/Recommendation</b>	<b>Cabinet Response Req'd</b>
N/A		None.	<p>The Panel noted concerns from Special Educational Needs and Disability (SEND) parents and carers that the explanation for the overspend in the High Needs Block of the Dedicated Schools Budget (DSB) as being mainly due to the increase in the number of children with Education, Health and Care Plans (EHCPs) might be misconstrued as apportioning blame. It also noted assurances from the Cabinet Member for Early Years, Children and Families and officers that there was no intention to do this and that the overspend was due to structural issues</p>	No.

			<p>arising from inadequate government funding, as referred to in the report. The Panel recommends that the language used in describing the reasons for the overspend in the High Needs Block in future documentation be modified in order to avoid the possibility of it being misinterpreted as apportioning blame on SEND families.</p>	
N/A			<p>The Panel noted and welcomed the commitment by the Council to engage with the community regarding the MTFS proposals. However, it was felt that attention needed to be given to how they could be made easier to understand so that they were more accessible to the wider community. This could be done through measures such as providing an easy-to-read version as Hammersmith and Fulham had done. The Panel therefore recommends that work be undertaken to improve the accessibility of the MTFS documentation to promote more effective engagement with the local community.</p>	
N/A			<p>The Panel recommends that a briefing be provided on the outcome of the engagement undertaken as part of the MTFS process, including which</p>	

			stakeholders were involved and their responses to the proposals.	
<b>Your Council</b>				
<b>Ref</b>	<b>MTFS Proposal</b>	<b>Further info requested</b>	<b>Comments/Recommendation</b>	<b>Cabinet Response Req'd</b>
<b><u>Revenue Growth proposals</u></b>				
	Residents & Communities Engagement and Participation		The Committee recommended that the Cabinet should publish further details about this project, including specific details on how the funds are expected to be spent and how it would make a difference to participation with residents including hard to reach groups.	Yes
<b><u>New Capital bids</u></b>				
N/A	General comment		In future, where capital bids have multiple elements to them, the Committee requests that these be set out in more detail in the agenda papers.	No
	Web and Self Service Projects	The Committee agreed that the Council's website was in need of improvement and requested that the expected timescales for this improvement work be provided.  <b>RESPONSE:</b>		

		<p>The current implementation date for the installation of a new platform for the Council website is:</p> <p>Start Date 1/12/21</p> <p>End Date 30/11/22</p>		
<b><u>Draft Capital Programme – 2022/23 to 2026/27</u></b>				
330	Civic Centre Works	<p>The Committee requested further information about the self-financing element of the scheme, including the role of the Treasury Management Strategy and the repayment of the debt costs.</p> <p><b>RESPONSE:</b></p> <p>The Full Business Case for the Civic Centre works including the self financing elements of the scheme are set out in the Jan 18 Cabinet report.</p>		
N/A	General issue	<p>The Panel a breakdown of the total of £92m allocated across the five years of the draft capital programme, specifically on the proportion of borrowing and of self-financing and on the expected cost of the borrowing to the revenue budget in future.</p>		

		<p><b>RESPONSE:</b></p> <p>The Council's capital expenditure programme is set out in section 8 of the budgets report presented to cabinet on 7 December. Appendix 4 to the report contains a line by line breakdown of each priority area capital programme, including the financing for each scheme.</p>		
<b><u>MTFS Savings Tracker – 2021/22 to 2025/26</u></b>				
N/A	General issue	<p>The Committee concluded that further clarification was required on the savings and the RAG ratings provided in the table. Specially there were some concerns that some savings were apparently not being achieved but still being rated as amber. The Committee asked for further details to be provided on why the savings had not been achieved and, if pushed into future years, when the savings were expected to be achieved.</p> <p><b>RESPONSE:</b></p> <p>The Council's MTFS savings programme is kept under review throughout the financial year, an update on this will be provided as</p>		



		part of the Q3 cabinet report which will be presented in the March meeting.		
A6.2	Audits and Risk Management	<p>The Committee requested more details about whether the number of audits was being reduced and, if so, an explanation of what these audits involved and why they were no longer required.</p> <p><b>RESPONSE:</b></p> <p>The saving is based on the Council increasing assurances obtained from other parties. The Audit and Risk Management service will continue to identify key areas of audit and present the audit plan to the corporate committee, but with a sharper focus on areas where audits are carried out. The expectation is other parties and external agencies will provide assurances required by the corporate committee over the operations of the Council.</p>		
YC106	Reduction in Legal Services Support	The Committee noted that, under the revenue growth section, there was a proposal to increase funding for back office functions including legal services. However, this		

		<p>previously agreed saving involved a reduction so the Committee asked for further clarification on how the growth and reduction proposals fitted together and whether they involved different parts of the legal service.</p> <p><b>RESPONSE:</b></p> <p>The saving is based on the Council increasing assurances obtained from other parties. The Audit and Risk Management service will continue to identify key areas of audit and present the audit plan to the corporate committee, but with a sharper focus on areas where audits are carried out. The expectation is other parties and external agencies will provide assurances required by the corporate committee over the operations of the Council.</p>		
	Digital Together	<p>The Committee expressed concerns about the low proportion of this saving that had been achieved so far in 2021/22 (£90k out of a target of £750k) and that there was a lack of evidence provided on how this saving would be achieved. The</p>		

		<p>Committee requested further information to clarify this.</p> <p><b>RESPONSE:</b></p> <p>The programme has made a total of £328K savings out of which £90K is cashable. The other savings are either cost avoidance or derived from circumstances in which it is not possible for services to attribute the saving to various budgets which benefit, e.g. efficiencies assisting with savings which impact on many officers' time.</p> <p>We have concentrated effort to find new opportunities which will need to be scoped and then implemented with the necessary savings then being realised. It is the nature of most projects that the savings can only be taken towards the end of the process and would fall in latter years.</p>		
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