

# **MINUTES OF MEETING Cabinet HELD ON Tuesday, 6th December, 2022, 6.30- 7.50pm**

## **PRESENT:**

**Councillors: Peray Ahmet (Chair), Mike Hakata, Zena Brabazon, Dana Carlin, Seema Chandwani, Lucia das Neves, Julie Davies, Ruth Gordon, Adam Jogee and Sarah Williams**

**ALSO ATTENDING ONLINE Cllr Connor and Cllr Brennan**

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

The Chair referred to the notice of filming at meetings and attendees noted this information.

### **2. APOLOGIES**

There were no apologies for absence.

### **3. URGENT BUSINESS**

There were no items of urgent business.

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

There were no declarations of interest.

### **5. NOTICE OF INTENTION TO CONDUCT BUSINESS IN PRIVATE, ANY REPRESENTATIONS RECEIVED AND THE RESPONSE TO ANY SUCH REPRESENTATIONS**

There were no representations received on the exempt items.

### **6. MINUTES**

#### **RESOLVED**

To confirm and sign the minutes of the meetings held on 8 November 2022 as a correct record.

### **7. DEPUTATIONS/PETITIONS/QUESTIONS**

Mr Noah Tucker was invited to make his representations to the Cabinet on the submitted deputation which was calling for Council Homes at Council Rents. He highlighted the following in his presentation.

- Abrogation by the majority party of a key part in its manifesto, which was to build 3000 high quality Council homes at Council rents. He emphasised that the manifesto did not mention London Affordable Rent but specifically said Council rents.
- There had not been wider discussion or consultation with the community or information provided on how the position on London Affordable Rents had been reached and only confirmation provided at a Housing Scrutiny meeting that there would be 870 homes provided on London Affordable Rents and not on Council rents.
- Significant difference in the rate between London Affordable Rents and Council rent of between £30 and £35 pounds a week which was highlighted for one particular development.

In the deputation's view, the increased funding provided from London Affordable Rent formula would provide £600k income to the Housing Revenue Account and this needed to be considered in the context of its impact on poorer families who were already finding the cost-of-living crisis hard to bear. In the deputation's view, the Council could afford to not pass on this increased rent cost given the GLA overall grant provision of £247 million.

The deputation concluded by asking the Cabinet to reconsider this change and to set out the alternatives that had been considered before proposing this change.

There were no questions from the Cabinet to the deputation party and Cllr Gordon, Cabinet Member for Housebuilding, Placemaking, and Development responded to the deputation, expressing that the administration was committed to delivering 3000 Council homes by 2031 and was working everyday to make this commitment real. She continued to outline the following:

- Recent Planning Sub Committee agreement of the Planning application for the Broadwater Farm scheme and to the Woodridings scheme, on the 5th of December, which would mean 327 new Council homes would be built. This further demonstrated the Council's commitment to reach 3000 homes target.
- Considering the national financial situation and impact on the Housing Revenue Account, in particular the huge increase in construction costs and negative impact the September Mini Budget had had on interest charges, contributing in a viability issue for the housing delivery programme.
- Apart from putting the housing delivery programme on hold which would not be in keeping with the commitment on increasing housing, there was a need to have some schemes with London Affordable Rent to enable viability and delivery of 3000 Council homes by 2031.
- Homes at London Affordable Rents were Council homes and would be provided to people on the Council's housing register. The homes were funded by the Mayor of London's Building Council homes for Londoners.
- There were only 870 homes in London Affordable rents and this could be the difference between delivery or non -delivery of homes.

The Cabinet Member continued to explain that as part of the 2021-26 GLA Affordable Homes Programme, the Council had obtained £120.1 million in funding for homes and in the GLA's BCHFL funding pot for 2016 to 2023, and has been awarded up to £127.5 million in grant funding for new homes in the GLA 2021 to 2026 programme. This consistent success in funding was an indication that the GLA had confidence in the Council's ability to deliver housing. The Cabinet noted that it was imperative to maintain this and not put the housing delivery programme on hold.

The Cabinet Member concluded that the Council could not move from one funding pot to another to obtain a slightly lower rent funding formula. It was explained that if the Council did not spend that funding, then it had to be returned to GLA and in turn the government. The Council had already taken significant steps in its housing delivery programme and could not delay this and would need to continue to make tangible steps to deliver the much-needed housing.

The deputation party were thanked for making their representations.

The Cabinet continued to consider public questions, received in accordance with Committee Standing Order 29, from Victoria Ward and Karen Cartwright on the Low Traffic Neighbourhoods. The following questions and responses from the Deputy Leader and Cabinet Member for Climate Action, Environment, and Transport were provided.

#### Question 1

The questioner contended that Councillor Mike Hakata had publicly said that objections raised in the first 3 months of the LTNs would be ignored and asked the Council to confirm that they will be extending the objection period for 3 months, thereby giving the residents and businesses the full 6 months they were entitled to.

#### Response

The Cabinet Member emphasised that debate and challenge were welcomed and was noted that no objections would be ignored at any time. Formal objections could be made in the first six months of an experimental traffic order (which is the legal form that LTNs have to take) - and it was a legal requirement that formal objections can only be made in the first six months. The Council would look at all objections, supporting statements and feedback. There would be both qualitative and quantitative data gathered and compiled by an independent consultant on the LTN trials and a report published on the findings.

#### Question 2

The questioner highlighted an article in Haringey Community Press sharing that the LTN fines were in the budget for the next 5 years and asked the Cabinet how it would convince people that the LTNs were just trials and that the Council did not just have their hand in people's pockets to fix the budget deficit?

#### Response

It was noted that any money that comes into the Council from LTN fines was ringfenced and had to be reinvested in transport and making borough roads safer. The Council had to put a formal projection into the Council's budget saying what it

estimated the revenue from fines to be. This was the same for any fines that the Council might have to give out. But the Council were not relying on those fines and did not want people to incur them. The Council wanted to get to the point very quickly where no one was getting a fine.

The Cabinet Member continued to refer to the Cabinet budget report published online which advised that the main components of the Environment and Neighbourhoods Directorate's budget proposals related to parking and highways and were based on current policy of implementing LTNs. The report noted that the Council were committed to reviewing the operation of LTN schemes and if changes were made as part of the process, these projections would be adjusted to reflect that.

### Question 3

The Questioner asked what was the legal basis for this local LTN scheme that in her view was basically is a violation of our human and civil rights to freedom of movement. She continued to ask how can you legally barricade and ban driving down though roads when it makes congestion and traffic worse in other residential areas affecting thousands of people.

### Response

The Cabinet Member explained that the legal basis for an LTN was an experimental traffic order.

### Question 4

The Questioner advised that Haringey Bounds Green LTN was being called a trial, extended to 18 months. She asked what kind of data were the Council collecting and what does the data need to reflect in order for this project to be declared a success or a catastrophic failure, which it appears to currently be.

### Response

The Cabinet Member advised that the Council had implemented a comprehensive data collection, including quantitative and qualitative data. It was explained that qualitative data would be all the feedback received over the course of the trial and all of this information would be taken on board and looked at. It was noted that some of that information was already being fed in to understand where the Council may need to be tweaking the scheme on an ongoing basis. Therefore, some of this data collection had real practical implications.

There was a network of Vivacity smart cameras that were taking 24/7 data collection around the borough and there were air quality monitors located across the borough, in and around LTN areas. Some of them were in areas where there was no LTN. There would also be automatic traffic counters, counting each and every car at 6 months and 12 months. All this information would be fed into the first data collection report at six months report. Subsequently, all that data would be crunched and collated again by an independent consultant, also at 12 months. This would then form the basis of any kind of arguments towards what changes need to be made. It was explained that six months was an important point, because this generally is the time it takes to understand if the trial is working or not working at all. If the latter then there will be some serious questions about a review. However, if the Council were seeing positive

impacts, which it fully expected to, would then produce another report in 12 months' time. These reports would be publicly available and open to the public scrutiny.

#### Question 5

The Questioner asked that as Haringey is already in an ultra-low emission zone already, why were local LTNs necessary. She said, please explain as it seems to indicate that ULEZs are not working.

#### Response

The Cabinet Member advised that Ultra Low Emission Zone was one way to reduce air pollution. He explained that as most cars were ULEZ-compliant, only a few high-polluting cars were restricted by ULEZ. He expressed that cars still pollute and collectively contributed to London's smog which was consistently above safe levels and was affecting the health and life expectancy of all London residents. An estimated 4,000 deaths were caused by air pollution in London each year.

#### Question 6

The Question asked that for the sake of transparency, tell us please what these LTNs are really about? They make no sense when related to improving climate safety or happiness or in the reduction of co2 emissions.

#### Response

The Cabinet Member responded that the LTNs were responding to the climate change agenda and the need to significantly reduce carbon emissions. They were also about making borough roads safer, making them less congested in the long run, and cutting air pollution and reducing accidents.

#### Question 7

The Questioner asked why has a local Council agreed to carry out a global agenda on a local level that is the directive of a non-elected Govt affiliated organisation - the World Economic Forum - called Agenda 30 - and why has there been no public consultation on this Agenda 30 that will detrimentally affect everybody's lives and rights to live and work in the borough and their freedom of movement?

#### Response

The Cabinet Member advised that the administration had introduced LTNs as a way to reduce traffic and make roads safer, less congested and less polluted. He advised that the World Economic Forum think that they are a good idea too. He advised that lots of London boroughs and cities cross the world have LTNs. They all have the same shared problem that comes from busy cities, and expressed that London is the most congested city in the world. He expressed the need to encourage more people out of their cars and into buses, tubes, trains, trams, bikes as also recommended by the AA. There was a modal shift needed to deter unnecessary car journeys.

In response to supplementary questions for clarification purposes, the following was noted:

Commitment was given by the Leader that there would be a given minimum of a 6 month period to consider representations.

The Deputy Leader understood that there had been disruption in these early weeks of the LTNs and recognised that the changes were creating a lot of anxiety and worry. He acknowledged it was not easy to get around the LTN areas in busier times, in the mornings and mid-afternoon, and the administration wanted local people to be able to get around during these times. There was understanding of the disruption and it was hoped that it passed and the schemes became settled as quickly as possible.

The Cabinet Member referred to an earlier remark and explained that this was in the context made to referring to the World Economic Forum and he had wanted to convey that LTN's were actually very widespread and globally considered a good way to reduce traffic, congestion and pollution. He added that even an organisation such as the AA were promoting similar ways to get around busy town centres.

## **8. MATTERS REFERRED TO CABINET BY THE OVERVIEW AND SCRUTINY COMMITTEE**

The Chair advised that the scrutiny report on the Gambling Inquiry Day and the Scrutiny Panel Review on Sheltered Housing: Access to Health and Social Care Services as part of items 9 and 10.

## **9. CABINET RESPONSE TO THE GAMBLING INQUIRY DAY**

Cllr Connor, Chair of the Adults and Health Scrutiny Panel, introduced the Scrutiny report on the Gambling Inquiry Day and thanked fellow members, Co-opted members, and all of those who participated in this work.

Cllr Connor continued to provide a background to the report and recommendations. She outlined that at a meeting of the Overview & Scrutiny Committee, in July 2021, when the Council's draft Statement on Gambling Policy was considered, attracting a deputation from local residents expressing concerns about the proliferation of gambling establishments in Haringey and their negative impact on residents living in deprivation areas. The Licensing Team leader had explained that the legislation limited the ability of local authorities to refuse licenses simply on this basis. It was reported that Westminster City Council had undertaken their own research on gambling harms and that evidence gathered from this research was subsequently used as grounds to refuse a licensing application. The Overview and Scrutiny Committee agreed to look into this key local issue and subsequently took forward an Inquiry Day into Gambling held in March 2022. The purpose of the Inquiry Day was to gather evidence on gambling-related harms in Haringey and explore what action could be taken to address this. This had led to the recommendations outlined in the report.

Information was sought from Cabinet on: the progress with a date for taking forward the gambling summit, whether the local residents involved in raising this issue could be invited to the summit, and whether a Member champion had been nominated.

Cllr das Neves Cabinet Member for Health, Social Care and Wellbeing introduced the response to the recommendations and thanked the Overview and Scrutiny Committee for their work on this key local issue. She continued to outline:

- That the Cabinet recognised the prevalence of gambling establishments on borough high streets and the growth of online gambling which also needed to be considered.
- Council offering training on gambling harms to Council officers and had reviewed the offer of Council support available to those experiencing gambling harm in the borough to improve this.
- Council were working with Gamcare and their partners Gamble Aware to develop a funding bid around both increasing the support.
- Aim to improve the quality of data, knowledge, and awareness that is available to the Council in order to increase the response to gambling harm in the borough.
- There would be a Gambling summit in January 2023 and local residents involved in the inquiry day were welcome to attend and participate.
- Progress being made to recruit a gambling harms champion.

## **RESOLVED**

1. To agree to seek an external funding source for additional local research on gambling harms.
2. To agree to greater use of education/prevention on gambling in Council activities.
3. To agree to the establishment of a Councillor as a 'Gambling Harms Prevention Champion' to lead any lobbying activity aimed at the government on this issue, and that no special responsibility allowance shall apply to that role.
4. To agree to note that the functions of the Licensing Authority shall continue to operate in accordance with provisions of the applicable legislation, Codes of Practice and Guidance as well as the Council's policies pertaining to Licensing and Gambling.

## **Reasons for decision**

The recommendations in the Overview and Scrutiny Report are aligned with the public health team led campaign that is underway.

## **Alternative options considered**

The Cabinet Member for Health, Social Care & Wellbeing could decide not to take account of the findings from the Overview and Scrutiny Committee report; however, the findings confirm the campaign approach taken by the Public Health team.

## **10. CABINET RESPONSE TO SCRUTINY PANEL REVIEW ON SHELTERED HOUSING: ACCESS TO HEALTH AND SOCIAL CARE SERVICES**

Cllr Connor, Chair of the Adults and Health Scrutiny Panel, introduced the Scrutiny Review on Sheltered Housing: Access to Health and Social Care Services. It was stated that a number of people living in sheltered housing could feel forgotten, particularly if action was not taken on complaints. It was highlighted that the access of

these residents to health and care provision and the governance around this provision was key. It was explained that the recommendations of the scrutiny review were based on the comments received from residents, families, and staff working in the sheltered housing context. Cllr Connor welcomed the planned review of sheltered housing in 2023 and asked that the Support and Wellbeing Co-production Group was included in this process.

It was noted that the Scrutiny Panel found that residents were best served by a joined up approach with Council and health services. It was asked that GPs, the Integrated Care Board (ICB), and the Barnet, Enfield, and Haringey Mental Health Trust (BEH MHT) were included in the report scheduled for 2023 and that the Scrutiny Panel was given sight of these plans. It was also noted that some older residents felt unsupported where they were now living alongside adults with sometimes complex needs; it was requested that these older people were included in the review and that a clear explanation of their engagement was provided to the Scrutiny Panel.

It was added that repairs were a key issue for sheltered housing, particularly any issues of delays. It was asked that joint working was progressed between health and housing officers to address this issue.

The Cabinet Member for Health, Social Care, and Wellbeing welcomed the scrutiny report and noted that it was proposed to agree all of the recommendations relating to Council services. It was explained that the current model in sheltered housing was due to be reviewed in 2023 and it was anticipated that this would address a number of issues raised in the report. It was also highlighted that the review would assess the offer for residents and ensure that it was locality-based approach.

It was noted that some of the recommendations related to health services and that these had been passed onto the relevant NHS partners. The Cabinet Member added that the issues would be considered by the Health and Wellbeing Board in the first instance and, if required, they could be raised at Borough Partnership and ICB level.

In response to questions from Cabinet Members, the following information was provided:

- In response to a question about the changes to health and social care regionally, the Cabinet Member explained that the Integrated Care System (ICS) was still at an early stage of development. It was noted that the ICS Borough Partnership was currently setting its priorities. It was highlighted that this was a new model that was being implemented across the country so it was difficult to assess its effectiveness; however, it was important that the ICS would enable partnership working across health and social care.
- The Director of Adults and Health confirmed that the ICS was discussing working together in neighbourhoods and focusing on localities based working. It was anticipated that the ICS would encourage and enable multi-disciplinary teams and supporting structures to work together in an integrated way. It was acknowledged that there was currently some duplication in this space and the ICS was starting to discuss how to bring developments forward, working alongside residents.

**RESOLVED**



1. To note the report and recommendations of the Adults and Health Scrutiny Panel (AHSP), outlined in Section 7 of this report, and the progress made on each to date.
2. To agree to the proposed response to each of the proposed recommendations as set out in Section 7 of this report.

### **Reasons for decision**

On 17 March 2022, the Overview and Scrutiny Committee approved the report and its recommendations and agreed that it be submitted to Cabinet for response.

This report outlines the Cabinet response to the AHSP recommendations. As the report contains recommendations for health and mental health partners, their response has been sought and is incorporated into the response.

### **Alternative options considered**

Full consideration of the recommendations has been undertaken so no alternative options have been considered.

## **11. PAN LONDON COMMISSIONING VEHICLE**

The Cabinet Member for Children, Schools, and Families introduced the report which made a recommendation for the formation of a (PLV) Pan-London Vehicle for Commissioning which would bring local authorities together in a new jointly owned legal vehicle to plan and commission provision for London children.

The Cabinet Member highlighted the national and London wide shortage of Children's Home provision for children and young people with very high complex needs with local authorities currently facing weekly costs, per individual, ranging from £10k to £50k. London Councils had been working for several years to develop these proposals for this complex cohort which would be provided in London and would help children and young people stay local to their families.

This provision would be jointly owned by London authorities and they would share the risks and benefits.

The Cabinet Member added that the DFE were providing the £50m for establishing this provision and £3m for compiling the final business case.

London boroughs would each contribute £20k per year for the first 5 years but the benefit of this provision to children and families would far exceed the investments.

In response to questions from Cllr Hakata and Cllr Connor, the following information was provided.

- With regards to the confidence in the proposed governance arrangements: the Cabinet Member referred to appendix 1, which contained the legal structure and the membership of the vehicle. The Cabinet Member further highlighted

that this vehicle would be a company limited by guarantee, which safeguarded against the potential for insolvency. It was noted that these arrangements could further enable other provision, aimed at supporting small cohorts of particular complex vulnerable, children, and young people, to be added to this model and, overall, this public sector model was helping meet a London wide local authority need.

- That over 20 local authorities across London were currently taking a similar report through their Cabinets. The final number of local authorities opting into this agreement would be fully known at the end of the financial year. Once the sign up was complete, this would inform who was on the governing board.
- The Director for Children's Services advised that the calculated number of 20 places that would be provided at this future provision was reasonable.

Cllr Connor would be provided with a written response on weekly unit costs for secure placements.

## **RESOLVED**

1. To agree that Haringey Council becomes a member of a not-for-profit company, limited by guarantee, provisionally to be known as the Pan London Vehicle, to develop and then oversee the running of London's secure children's home provision for a five-year period from 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2028, with a breakpoint after three years.
2. To note that by the three-year breakpoint period, the refreshed business case will have been developed as well as the service pricing structure, commissioning approach, operating model, practice model and the SCH's location will have been confirmed.
3. To note that once the PLV has launched, membership of the PLV will be at a fixed annual cost of £20K (subject to inflation adjustment), unless an alternative model for funding the PLV, that does not require annual subscription, is agreed by members during the development phase and
4. To agree to collaborate with other PLV members on future joint commissioning Programmes.
5. To commit in principle to joint oversight and risk/benefit sharing of the secure children's home provision, through the PLV, for a five-year period to 31<sup>st</sup> March 2028 (with three-year break point), that includes the build, service development and service commissioning phases; and
6. To note that the commitment in paragraph 2 shall be subject to ratification after the revision of the SCH business case; and shall be renewable on a ten yearly cycle thereafter, with breakpoint after five years.

7. To delegate authority to Director Children's Services, after consultation with the Director of Finance, the Lead Member with the relevant portfolio responsibilities, and the Council's Monitoring Officer:
8. To agree the final legal documents required to set up, join and run the PLV and enter into all the legal agreements, contracts and other documents on behalf of the Council required to implement and run any aspect of the PLV arrangements up until the three-year breakpoint period; and
9. To note that in advance of this first break point this matter shall be reported to Cabinet for its further consideration.

### **Reasons for decision**

Children with particularly complex needs, including those who are at significant risk of causing harm to themselves or others, including risk to life, can be placed in a secure children's home when no other type of placement would keep them safe. Children placed in SCHs are likely to have experienced a number of placements that have broken down, missed a lot of education, have unmet emotional and physical health needs and have suffered a great deal of trauma in their lives. SCHs provide a safe place where these very vulnerable children can receive the care, education and support that they need. A secure children's home is a locked environment, where their liberty is restricted, and they are supported through trauma aware and psychologically informed integrated care, health and educational services.

Across London, a relatively small number of children require a secure welfare placement, which is very high-cost provision and despite their complex needs, these children are often placed the furthest from their home local authorities, an average distance of 192 miles, which impacts detrimentally on children who lose contact with family and the community. Additionally, the loss of local contacts and pathways in education, training and employment has a negative impact on their development post-placement.

Further, there is a national shortage of provision and places are often not available when referrals are made so children are then placed in less suitable but higher cost alternatives. This shortfall in provision is particularly acute in London where there is not any Secure Provision – over three years London referred 295 children to Secure Provision but only 159 received places. The majority of requests (72%) are for children from Black and Minority Ethnic groups, well in excess of the London comparable profile of 41%. The current arrangements are exacerbating poorer outcomes for this group and racial disparities.

Pan-London analysis pre-Covid (eight-month period October 2017 to May 2018) highlighted that an average of 21 London children were in Secure Welfare provision at any one time.

Snapshot data taken at the end of each month, in the period between December 2021 and September 2022 shows that there is, on average, 12 of London's children in a secure welfare placement at the end of each month – this includes 3 children each month who are living in a secure welfare provision in Scotland - over 450 miles away.

Although this looks like a fall in numbers compared to pre-Covid, in the same period, the data shows that 29 referrals were made but a placement was not offered. In a September 2022 survey, London local authorities reported that due to the known shortage of provision, they often do not make a formal referral at all. This indicates that the national shortage of provision is impacting even more of London's children than the data suggests.

Of a sample of 50 'alternative to secure' placements reported in a September 2022 survey, 17 related to children with a deprivation of liberty order in place. Instead of being placed in a secure children's home, as required by the court order, these children were placed in settings that are not specifically designed to keep them safe and 10 of these placements were in unregulated settings or in provisions that are not legally registered to operate as a children's home. This means these vulnerable children would be at risk of not receiving the care, education and support that they needed.

Financial data provided by London local authorities in the September 22 survey shows that the average cost of a secure welfare placement has increased; the average being £7K per week in 2019, rising to £10.5K per week in 2022 and some local authorities have paid up to £25K per week for secure welfare placements in that period. In the same period, local authorities have also paid up to £30K per week for placements made as an alternative to secure.

The numbers of children are too small, and the investment required too great for any one local authority to run its own provision, but there is potential for a pan-London approach, which would enable the benefits to be shared whilst also jointly managing the risks of developing such provision. A pan-London approach also fits with recent reports from the Competition and Markets Authority (<https://www.gov.uk/government/publications/childrens-social-caremarket-study-final-report/final-report>) and the Independent Review of Children's Social Care (<https://childrensocialcare.independent-review.uk/>) which recommended multi-authority approaches to develop greater understanding of need, engage with the market and stimulate new provision.

The need for provision was also highlighted through Her Majesty's Chief Inspector's Annual Report to Parliament (2020) which stated –

*The national capacity of Secure Children's Homes remains a significant concern, with approximately 20 children awaiting a placement on any given day and the same number are placed in Scottish secure units. This increases pressure to use unregulated provision. Provision is not always in the right place, so that some children are placed a long way from their home and family.*

The Association of London Directors of Children's Services (ALDCS), working with NHS England and the Mayor's Office for Policing and Crime (MOPAC) commissioned a review in 2018 of the use of Secure Children's Homes by London's children and young people. This review provided detailed evidence of the need for provision in London, which has informed this report.

There is also a shortfall of high-cost low incidence provision in London, estimated as at least 225 places, which drives up costs resulting in overspends across London local authorities which exceed £100 million. The Competition and Markets Authority highlighted the lack of suitable local provision nationally, but particularly in London citing – ‘lack of placements of the right kind, in the right place...materially higher prices...and providers carrying very high levels of debt.’

### **Alternative options considered**

The Association of London Directors of Children’s Services (ALDCS), London Councils, NHS and London Innovation and Improvement Alliance (LIIA) have expressed unanimous support for the development of secure children’s home provision and developed a business case for secure children’s home provision in London. This business case has formed the basis of a successful bid to Department for Education and funding has been allocated to develop the required provision for London children.

As well as ALDCS members, a range of stakeholders were engaged throughout the development of the business case including:

London Councils’ Executive, Leaders’ Committee and Lead Members;

- Society of London Treasurers;
- Local authorities (children’s social care and youth offending teams);
- Central government (Department for Education, the Mayor’s Office for Policing and Crime, OFSTED, Ministry of Justice);
- Clinical experts and practitioners within the field of children’s services and health;
- Third sector organisations delivering children’s services and
- Children and young people with lived experience of SCH.

The proposed provision will be designed specifically for London, with purpose-built accommodation. This will reduce the risk of beds needing to be held vacant after a high-risk child is placed there in order to maintain a safe environment. The provision is being designed with co-located step-down facilities with wrap-around support, which is an innovative approach to supporting the children post-placement. This will enable a smoother transition and a return to the family or to the most appropriate long-term placement that will meet the child's needs. This will also prevent use of emergency placements following a 72-hour placement in secure, when the local authority may not have enough time to identify best next placement or prepare child and family for safe return home. This can lead to placement breakdowns or return to care, which incur avoidable costs and impact detrimentally on outcomes for the child.

The business case to address the need for Secure Welfare Provision, considered a range of options as listed below –

- Do nothing
- One small Secure Children’s Home (8-12 places)
- One large Secure Children’s Home (20-24 places)
- Two small Secure Children’s Homes (8-12 places each)
- Enhancing existing resource
- Specialised community team

- Step-down facility
- Specialised open facility

These were evaluated through stakeholder engagement and assessment against the following criteria –

Impact on early intervention and prevention

- Accessibility of a secure placement
- Continuity of care and relationships
- Care and education in the placement
- Transition from secure to community
- Value for money
- Initial investment
- Deliverability

This options analysis has led to the recommendation for Secure Welfare Children's Homes provision for London with capacity for 24 placements, alongside facilities for step-down accommodation and support to support the children after placement. The key reasons are summarised below –

- Provision for 24 places would meet the demand in London
- Step-down provision would enable better exit planning and work to take place to support children and young people within the community, reducing the likelihood of repeat placements in secure welfare
- Step-down facilities will enable more holistic support to be provided to prevent unnecessary transitions into secure provision for children and young people on the edge of a secure placement

The following options were rejected for the reasons given:

- Enhancing existing resource - rejected due to the complexity of allocating resource to disparate CAMHS, social care and YOT teams across London and the lack of a joined-up approach across London.
- Specialised community team - rejected due to the risk of duplicating the role of Community Forensic CAMHS teams and fragmenting care pathways.

In February 2022, DfE confirmed the funding to take a proposal forward for Secure Children's Home provision in London with 24 places, alongside stepdown provision. The step-down provision will provide for much improved transition after placement. Over £3 million has been allocated for development, with capital of over £50+ million expected subject to completion of the development phase. The development funding is currently being held by the London Borough of Barnet on behalf of all London local authorities. DfE is reviewing progress against gateway milestones, one of which is the commitment of local authorities in London. This report seeks that commitment.

The DfE development grant will cover the PLV's costs during the development period, therefore local authorities will not be required to make a financial contribution to the running of the PLV until the SCH provision launches. During this development phase, PLV members will work collaboratively to agree how the SCH provision will be run and managed. This includes:

- developing and approving the pricing strategy and revenue model for generating financial income;
- developing the practice model and operating model including but not limited to:
  - the approach to working with children, young people and their families,
  - safeguarding and risk management arrangements,
  - quality assurance arrangements,
  - the commissioning approach / staffing model,
  - the process for managing referrals and placement allocation.
- Inputting into and approving a refreshed business case which will
  - revisit and update the 'case for change',
  - provide up to date and well-developed costings, informed by the final model of practice and operating model,
  - identify the benefits that will be delivered by the new model (financial and non-financial),
  - consider the most suitable route for appointing a service provider.

During the development period, member local authorities will also explore alternative models for covering the cost of running the PLV that does not require annual subscription.

## **12. 2022/23 FINANCE UPDATE QUARTER 2**

The Cabinet Member for Finance and Local Investment introduced the item which provided an update on the Quarter 2 budget monitoring and Council's financial position and sought approval for any changes to the Council's revenue or capital budgets required to respond to the changing financial scenario and the delivery of the Medium Term Financial Strategy.

It was explained that, in the last update, the Cabinet Member had highlighted the significant impact of external factors, such as inflation, the rising cost of living, and high demand for services. It was noted that these pressures were still evident at Quarter 2 and there was an overspend but the positions were relatively constant. Given these external factors and the uncertainty about the impacts of a recession, the Council was focusing on mitigating actions as much as possible. It was explained that there was a need to maximise the delivery of the savings programme and it was noted that the forecast delivery for Quarter 2 savings was 61% which was an additional £2.1 million compared to Quarter 1. It was added that the Council would need to focus on the issues within its control to stabilise the budget position as much as possible to have the best starting position for next year.

In response to questions from Cllr Connor, the following information was provided:

- In relation to the delivery of savings in the Adults, Health, and Communities area, the Cabinet Member acknowledged that this was always challenging, particularly with the current economic context. It was noted that Adults was a demand-led service but the Cabinet Member was relatively pleased with the performance in terms of delivering savings.
- In relation to the delivery of savings generally, the Director of Finance highlighted that the report sought to be transparent on how the authority would manage savings in this difficult year. It was commented that there were some successes,

such as the forecasted over-delivery in Children's Services but it was highlighted that, across all areas, the Council's planned response was the most important thing to consider.

- The Director of Finance noted that a realistic approach had been taken in the draft budget strategy for next year which proposed moving on from some legacy savings, where delivery was not possible, and introducing new proposals. It was explained that a number of new proposals for savings related to similar areas as the proposed discontinued savings but considered new approaches. It was added that this was a demanding programme of savings and that development work had taken place to ensure that the Council could track delivery as much as possible.
- In relation to the use of agency staff in Corporate Finance, the Director of Finance noted that this had been a characteristic for some time but that there were periodic recruiting tranches to reduce dependence on interim staff. It was added that a number of jobs were being advertised and it was hoped to confirm some appointments shortly.

## **RESOLVED**

1. To note the forecast total revenue outturn for the General Fund of **£16.1m** comprising £8.1m base budget and £8.0m (39%) savings delivery challenges and note that Directors are developing actions to bring the forecast down before the end of the year. (Section 6, Table 1, Table 2 and Appendices 1 & 3).
2. To note the net DSG forecast of £3.8m overspend. (Section 6 and Appendix 1).
3. To note the net Housing Revenue Account (HRA) forecast is £0.3m over budget. (Section 6 and Appendices 1 and 2).
4. To note the forecast GF and HRA Capital expenditure of **£337.8m** in 2022/23 (excluding enabling budgets) which equates to **66%** of the revised capital budget (Section 8 and Appendix 4).
5. To note the debt write-offs approved in Quarter 2 2022/23 (Appendix 7).
6. To approve the revenue budget virements and receipt of grants as set out in Appendix 6.
7. To approve the proposed budget adjustments and virements to the capital programme as set out in Table 3 and Appendices 5 and 6.

## **Reasons for decision**

A strong financial management framework, including oversight by Members and senior management, is an essential part of delivering the council's priorities and statutory duties. This is made more critically important than ever as a result of the on-going financial implications placed on the Council by the Covid-19 crisis and the uncertainties surrounding the wider economic outlook.

## **Alternative options considered**



The report of the management of the Council's financial resources is a key part of the role of the Director of Finance (Section 151 Officer) in helping members to exercise their role and no other options have therefore been considered.

### **13. 2023-24 BUDGET AND 2023-28 MEDIUM TERM FINANCIAL STRATEGY REPORT**

The Cabinet Member for Finance and Local Investment introduced the report which set out details of the draft General Fund (GF) Budget for 2023/24; the Medium Term Financial Strategy (MTFS) 2023/28; the draft HRA Budget 2023/24 and its draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.

The Cabinet Member highlighted that the budget was being developed against a backdrop of unprecedented economic uncertainty and high inflation. The administration recognised the cost of living crisis and impact on residents, businesses and communities and would also be focused on getting information, advice and support to those that needed it the most and achieving the best possible outcomes.

In the context of the limited resources available to the Council, the Cabinet Member outlined the budget priorities and these were summarised as follows:

- Continuing collaboration with the community on service provision.
- Investment in Children's Services and Adults Services.
- Utilising funding to support to residents through the Council Tax Reduction scheme and Household Support Fund.
- Identifying Capital programme opportunities to meet needs in communities.
- Active life programme.
- Ongoing investment in Council homes.

In response to questions from Cllr Brabazon, Cllr Brennan and Cllr Connor, the following information was provided.

- There was no further announcements or information supplied from the government, since the report had been published, on the areas that were listed as awaiting further information.
- With regards to the Council applying Formula Rent to all housing schemes when economic circumstances were better and reviewing this position annually or even awaiting the government financial settlement before taking the decision on London Affordable rents, it was noted that the London Affordable Rents would only apply to the 870 properties in the new build developments. These were being built under grant funding obtained through the Mayor's Building Council Homes for Londoners scheme and were those that needed to be onsite by March 2023. Therefore, this did not affect any other policy decision or other rent levels. This position could not be reviewed annually as this only applied to a specific housing programme which would expire next year. It was reiterated that there were no plans for any of the homes that were being delivered in the GLA's 2021 to 2026 Affordable Homes Programme to be delivered at London Affordable Rent.
- With regards to the indication of social housing rent being increased and capped at 7% and whether this should go forward due to the cost of living

- crisis, this was a modelling assumption which had been used by officers to inform the report and based on the government's announcements on what was possible. This potential increase was a decision for Cabinet to make in the 2023/24 year. However, it was noted that a 7% increase would still represent a lower than inflation level increase.
- It was noted that both Formula Rent and London Affordable Rent could apply to the Cranwood housing development scheme as set out in the committee report considered by Planning Sub Committee. Both these rent policies were considered as social rent schemes under the Mayor's Building Council Homes for Londoners scheme. It was explained that, under the Council's current financial planning, the Cranwood scheme would be considered as a scheme moving to London Affordable Rent. However, this would require final decision, either through Planning Sub Committee Chair's delegated decision or through the Planning Sub Committee meeting.
  - In relation to potential increased costs on the revenue budget and in turn impact on service areas as a result of external economic and market conditions, the drafting of the attached report recognised the current treasury market conditions and was describing the relevant rates that would be factored in. The report did make clear that there were higher treasury forecasts than actually currently built into the base budget and was highlighting the potential additional £3 million to be added to the base budget. However, there was still a 3 month period, before the final decision on the budget and MTFs in February 2023, to work through these costs. The Section 151 Officer considered regular advice from Treasury advisors and would ensure that the final report had the best estimate in place.

## **RESOLVED**

1. To note the draft General Fund revenue and capital budget proposals and financial planning assumptions set out in this report and note that they will be refined and updated after the final Local Government Finance Settlement is received in January 2023 and to incorporate further budget changes as required;
2. To note the Draft General Fund 2023/24 Budget and MTFs 2023-28 detailed in this report and Appendix 1;
3. To note the Draft revenue and capital budget growth proposals summarised in Sections 7 and 8 and Appendices 2 and 5 and note the draft revenue savings proposals summarised in Section 7 and Appendix 3;
4. To note the Draft General Fund Capital Programme for 2023/24 to 2027/28 as set out in Appendix 4;
5. To note the Draft Housing Revenue Account (HRA) Revenue and Capital Programme proposals and HRA Business Plan as set out in Section 9;
6. To note the 2023/24 Draft Dedicated Schools Budget (DSB) and update on the DSG reserve position set out in Section 10;

7. To note that the detailed proposals will be submitted to Overview and Scrutiny Committee / Panels in December 2022 and January 2023 for scrutiny and comments;
8. To agree to commence consultation on the 2023/24 Budget and MTFs 2023-28;
9. To note that an updated General Fund and HRA 2023/24 Budget and MTFs 2023-28 will be presented to Cabinet on 07 February 2023 to be recommended for approval to the Full Council meeting taking place on 02 March 2023;
10. To delegate the final decision on whether or not to participate in the proposed 8 borough business rates pool from 1 April 2023 to the Director of Finance in conjunction with the Lead Member for Finance and Local Investment;
11. To agree that some of the new homes delivered under the GLA's 2016-23 Affordable Homes Programme, 'Building Council Homes for Londoners' be let at London Affordable Rent (LAR) levels.

### **Reasons for decision**

The Council has a statutory requirement to set a balanced budget for 2023/24 and this report forms a key part of the budget setting process by setting out the forecast funding and expenditure for that year. Additionally, in order to ensure the Council's finances for the medium term are maintained on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years in the form of a Medium Term Financial Strategy.

### **Alternative options considered**

The Cabinet must consider how to deliver a balanced 2023/24 Budget and sustainable MTFs over the five-year period 2023-28, to be reviewed and ultimately adopted at the meeting of Full Council on 02 March 2023.

Clearly there are options available to achieve a balanced budget and the Council has developed the proposals contained in this report after determining levels of both income and service provision. These take account of the Council's priorities, the extent of the estimated funding shortfall, the estimated impact of wider environmental factors such as the Cost of Living crisis, inflation and legacy Covid-19 pandemic and the Council's overall financial position.

These proposals are subject to consultation, both externally and through the Overview and Scrutiny process, and the outcomes of these will inform the final budget proposals.

## **14. MINUTES OF OTHER BODIES**

### **RESOLVED**

To note the minutes of other bodies.

**15. NEW ITEMS OF URGENT BUSINESS**

There were no items of urgent business.

**16. EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED**

That the press and public be excluded from the meeting for the consideration of agenda items 17 to 18 as they contained exempt information as defined in Section 100a of the Local Government Act 1972; Paragraph 3 – information relating to the financial or business affairs of any particular person (including the authority holding that information; and Paragraph 5 – information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

**17. EXEMPT - MINUTES**

**RESOLVED**

To confirm and sign the exempt minutes of the meetings held on 8 November 2022 as a correct record.

**18. NEW ITEMS OF EXEMPT URGENT BUSINESS**

There were no new items of exempt urgent business.

CHAIR: Councillor Peray Ahmet

Signed by Chair .....

Date .....