

MINUTES OF MEETING Overview and Scrutiny Committee HELD ON Monday, 24th July, 2023, 7.00 - 9.10 pm

PRESENT:

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

1. FILMING AT MEETINGS

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

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Yvonne Denny and Lourdes Keever

3. URGENT BUSINESS

There were no items of urgent business.

4. DECLARATIONS OF INTEREST

None.

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

There were no deputations, petitions, presentations, or questions.

6. MINUTES

RESOLVED

That the minutes of the previous meeting on 8th June 2023 be agreed as a correct record.

7. 2022-23 PROVISIONAL FINANCIAL OUTTURN

The report was introduced by Councillor Carlin, Cabinet Member for Finance and Local Investment as set out in the agenda pack at pages 13 to 52.

By way of introduction, the Panel was advised that the provisional financial outturn is completed every quarter and provided an analysis of departmental budget management performance and projections on where the department would be for the

rest of the financial year. The report presented was the provisional outturn for the fourth quarter and the outturn for the year 2022- 23.

The findings outlined that by the end of the financial year, the council had overspent just over £16million in Adult's and Children's Services which was tracked throughout the year and the forecasts were accurate.

The borough had high level of deprivation and was struggling with budgets. This was because of the overspend being primarily in Adult Social Care and it has been difficult to manage additional costs. However, prudent financial management resulted in ending the year just under budget.

The Council's Corporate Management Team and Service Leads had undertaken a dedicated review of the budget over the previous two weeks, to look at what officers could do to manage the budgets going forward. Detailed proposals were received and were being reviewed.

The following arose during the discussion of this item:

- a. The Chair sought clarification on table 1 on page 19 of the reports pack. The Chair suggested for the table to be clearer, easier to understand and more explanatory about what the figures mean. This would be particularly beneficial for new members coming on the Council. Josephine Lyseight, Assistant Director of Finance provided clarity on Table 1 – Revenue Budget Monitoring Provisional Outturn 2022-23 as set out in the agenda pack on page 19. The table outlined the impact of proposed movements to/from reserves on the final position and the movement from the outturn forecast at Qtr3. The first column set out the allocated budgets for 2022-23. Officers advised that the outturn should be identified before any transfers are made to/from reserves and this was reflected on the second and third column in the table. The revised outturn was shown on the 4th column and the highlighted column outlines the revised outturn to budget variance and this was the key column which showed the current position. The overspend was highlighted as £16.381 M over budget. Corporate budgets, movements and contingency had brought the final underspend down and this could be seen from the general revenue total
- b. In response to a question about the delay in publishing the statement of accounts as it was noted that there was a mandatory requirement for the council to publish the document by May 2023. The Committee was advised that the delays were due to the lack of audit activity post pandemic and the accounts were not audited for about 2 years preventing the team from closing their accounts. Opening accounts were not reviewed or audited in the previous years. In terms of this issue being on a national level, there were not enough auditors available to deal with the capacity and there was a huge backlog that external auditors had to face. This issue had been escalated nationally and the team was trying to have their accounts audited in a timely fashion and have the statement of accounts published by end of July 2023.
- c. Regarding use of reserves, the committee was advised that the majority of the £12.8m net transfer from reserves against the External Finance line is the planned use of the Collection Fund Smoothing reserve to offset business rates

- income losses manifesting in 2022-23 for which grant was received in 2021/22. The Collection Fund Smoothing reserve was largely created at the beginning of the Covid pandemic, when the government had introduced a large number of reliefs to support businesses. Officers advised that they continued to hold the reserve, as business rates were still volatile and would be useful if no further support is provided by the government. The reserve was specifically held to deal with business rates and council tax income fluctuations, not to offset budget pressures across the rest of the council.
- d. In response to concerns about where the council would be at the end of the year in terms of new bandings. The committee was advised that officers were looking at a number of proposals and had been working through 15 streams across the council to assess where savings could be made. In Adult Social Care, the costs were not expected to go down yet. This would be a challenge going forward as the biggest pressure in the service was around temporary accommodation where there had been an increase in costs due to high rent.
 - e. Regarding the Dedicated Schools Grant overspend position, officer advised that there was a separate Safety Valve programme. Funding was received for 2022-23 to help mitigate the deficit. The outturn overspend was £ 3 million which was planned and agreed DFE outturn with Haringey as part of a five-year programme.
 - f. In response to questions asked, officers advised that in terms of budget setting, departments sign off the proposals and the saving targets that were put into the budget. The budget was set based on information provided at the time and this was monitored against the savings rate throughout the year. The 2023 – 24 budgets had been re-profiled to reflect saving targets that were not deliverable in 2022 – 23.
 - g. Regarding council tax collection, the collection rate quoted in the report were in relation to the bills raised for 2022 - 23.
 - h. The Committee questioned about the House Building Programme where there was a commitment in building 3000 Council homes over 10 years. The officers advised that there were already 2000 Council homes which would be starting on site.
 - i. The Committee agreed to having a meeting on Microsoft Teams with the Committee and finance officers for an hour before the next committee meeting where there would be able to go through and answer questions around the report. **(Action: Clerk)**.
 - j. The Qtr1 report would be provided in September where the committee would be able to see the progress and receive an update on the overall budgetary position. The Committee agreed to go through the Qtr1 report at the next committee meeting. **(Action: Clerk)**.

RESOLVED

Noted

8. CABINET MEMBER QUESTIONS - CABINET MEMBER FOR FINANCE AND LOCAL INVESTMENT

The Committee undertook a Q&A Session with the Cabinet Member for Finance and Local Investment. The following arose as part of this session:

- a) The Committee queried about plans in managing progress with the Haringey deal, participatory budgeting and enabling residents to have a say over their priorities. In response the Cabinet member advised that the Council had been in austerity since 2010 and there are parameters that would be set by the officers. The team would have to stay focused on the priorities and commit to the manifesto commitments. This would be delivered for the residents and would have to be delivered within budgets.
- b) In response to a follow-up question, the Cabinet Member advised that in terms of participatory budgeting, residents don't have a say in how the money is spent but officers are working on improving ways to involve residents in having an input with the way council spends money. Officers are encouraged to engage with residents around certain pots of money. However, it was commented that very few residents understand local authority finance and were not aware, for example, that the council spent 43-44% of its overall revenue budget on Adult Social Care and two-thirds of the budget on Adult's and Children's services.
- c) The Committee sought clarification on whether there would need to be cuts due to the overspend, as this issue had been raised by residents. The committee was advised that it would not be necessary to be cutting services, but instead looking at ways at running services in a different way. Officers had also been tasked to do this over the last two weeks. Ideas had been put forward from offices across different directorates about how things could be done better and in a more cost-effective way.
- d) In terms of scrutiny and ensuring savings are made, the Cabinet Member advised they would be looking carefully at the savings proposals.
- e) The committee asked for further information about costs around agency staffing. In response, the Cabinet Member acknowledged that temporary staffing costs were a concern and that the administration was looking at ways to bring this spend down. It had been difficult to recruit staff post Brexit in full time permanent positions.
- f) The Committee heard that at the time of budget setting, robust advice had been sought from external advisors and that nobody had foreseen the extent which interest rates would rise.

RESOLVED

Noted

9. LEISURE UPDATE

The Committee received an update in relation to leisure services, and in particular provided background information to the decision to reconsider the provision of leisure services in Haringey, part-way through the existing 20-year contract with Fusion Lifestyle and following the successful insourcing of New River Sport and Fitness in

August 2021. The report was introduced by Zoe Robertson, Head of Place, as set out in the secondary report pack at pages 1-5. Cllr Emily Arkell, Cabinet Member for Culture, Communities and Leisure was also present for this agenda item. The following arose during the discussion of this agenda item:

- a. The Committee sought assurances around what was meant by the assertion in the report that the current contract was good for the Council financially and that it could not be replicated in the current market. In response, officers advised that it was recognised that the leisure industry had changed since the contract was signed, particularly in terms of the rise of budget gyms. Most of these types of facilities did not have swimming pools, which were very expensive to run, and had very few staff working there. A lot of staff were taken out of the Council leisure centres during the pandemic, which impacted their maintenance and repairs. The provisions of the existing contract could not be replicated in the current market and any changes made to the existing service provision had to be mindful of that.
- b. In relation to a question about the source of water ingress, officers advised that the water had been tested and it was believed to be freshwater. Negotiations with Thames Water were ongoing.
- c. In response to a question about what ran off the high-voltage electrical system that was still in operation, officers advised that this was mainly for the circulation of water in the swimming pool.
- d. The Committee commented that there were significant equality implications in relation to the only pool in the east of the borough having been out of action for since 31st December 2022. The Committee also highlighted the lack of access to pools for schools and emphasised the lifesaving skills that learning to swim provided to children and in particular children on the autism spectrum, who may be naturally attracted to water. The Committee sought assurances about when this facility would reopen. In response, officers advised that a tender process was underway for the works to the high-voltage system which was a very specialised field, and that once these works had begun the high-voltage supply would have to be switched on and all of the systems checked to see whether any damage may have been caused. In light of this it was expected to take several more months and that it would realistically be towards the end of the year before the pool was up and running again.
- e. The Committee enquired as to what contingency plans had been drawn up to provide leisure facilities for those in the east of the borough, given that it will have been out of action for around one year. In response, officers advised that it was recognised that there was a significant lack of swimming facilities in the borough. A study by Sport England reported that there were 40% less swimming facilities in the borough than there should be. Officers set out that as a result, there were very few places that residents could be redirected to locally.
- f. The Committee highlighted the frustration from residents around the poor communication from the Council about what was happening and asked whether improvements could be made in relation to the communications between Fusion, residents, Thames Water and councillors. In response, officers advised that the communications with residents and councillors had improved as time

- went on. Officers agreed to provide feedback to Fusion and the team that Members would appreciate more comms. **(Action: Zoe Robertson).**
- g. The Committee sought assurances around some of the other services that had been impacted by the water leak, such as Marcus Garvey Service Centre and Library as well as the crèche. In response, officers advised that all of the electricity to the building was lost and that once the low power voltage was restored and plant room had dried out then these services were restored in April 2023.
 - h. The Committee sought assurances about what options were available to the Council as part of the review of leisure services. Officers advised that in broad terms, as part of a review, the options could include; insourcing the service, seeking a different provider, continuing with Fusion on as-is basis, and continuing with Fusion in some form of amended basis.
 - i. The Committee commented that Fusion had been underperforming for some time and that they were clearly not delivering what they were contractually obliged to deliver. It was suggested that this had happened for so long as to have exhausted any good will within the community. In that context, Members asked for a commitment from the Cabinet Member that this would be dealt with. The Chair of the Children's Panel also welcomed a physical activity review taking place and advised that the Panel was currently concluding a scrutiny review on this topic. In response, the Cabinet Member advised that the report clearly set out that the Council was not happy with the current situation and that serious concerns existed, not least with the fact that the pool had been closed for so long. The Cabinet Member gave assurances that the matter was a source of significant concern and was being dealt with. The Cabinet Member also welcomed the opportunity for the scrutiny review to link in with the review being undertaken by the service.
 - j. The Committee asked for an outline of the process for the review into future leisure services provision and how Scrutiny might engage with it. In response, officers advised that there were a number of commercial sensitivities involved in undertaking any review and that they couldn't say much more at this point. Officers advised that they would bring a more detailed update to the next Committee meeting. **(Action: Zoe Robertson).**
 - k. The Committee noted that nationally there was a drive for greater integration of health services with leisure facilities and sought assurances about what Haringey was doing about this. The Cabinet Member advised that there was an opportunity to link up leisure services with a much more holistic Health & Wellbeing Strategy, that was much more responsive to user need and also can be better linked in with parks and green spaces, as well as other services we deliver.
 - l. The Committee requested assurances about whether the Council had applied for any government funding for swimming pools from the monies announced at the Spring Budget 2023. In response, officers advised that they had looked at the detail of the announcement and that per local authority the funding amount equated to around two weeks running costs for a swimming pool.
 - m. The Committee enquired whether there were any service level agreements in place with neighbouring boroughs for residents to use their swimming facilities. In response, officers advised that there were no SLAs currently in place with

- neighbouring boroughs and that each one had different leisure arrangements in place, potentially with different providers.
- n. The Committee recommended that officers and the Cabinet Member look into what arrangements can be put in place with neighbouring boroughs for similar situations that might occur in future. **(Action: Zoe/Cllr Arkell).**
 - o. In response to a suggestion from a member of the Committee that the Council should seek to extricate itself from the leisure contract, officers advised that they were unable to comment further on the matter at this time.
 - p. The Committee also made a recommendation that when considering potential insourcing options in future, that full consideration be given to weighting in favour of some form of resident oversight of leisure services, rather than it simply considering whether it was a good deal for the Council financially. **(Action: Cllr Arkell).**
 - q. In response to a question, officers advised that they would of course consider the experiences of successfully insourcing at New River when considering any future review of the leisure provision.
 - r. Cllr Bevan thanked officers for providing an informative report. Cllr Bevan also highlighted the fact that the showers at Broadwater Farm had not been working for 9 months and that there was a long running issue about the temperature of the pool at Tottenham Green Leisure Centre. Cllr Bevan commented that the Council should be doing more to advertise to residents about the fact they could use the Fusion leisure facilities in Enfield. Officers agreed to take this feedback to the team. **(Action: Zoe Robertson).**

RESOLVED

Noted

10. WORK PROGRAMME UPDATE

The Committee considered its work programme as set out at pages 53-82 of the agenda pack.

Members set out that they would like an update at a future meeting on the income raised from major events in Finsbury Park. The Members wanted to know what the additional income generated had been spent on at Finsbury Park, and whether there was any scope for residents to have a say in how this was spent in future. The Members also expressed an interest in whether the additional funding for Finsbury Park from events has meant that core funding has been redirected to other parks and green spaces in the borough. **(Action: Clerk).**

The following items were put forward for the October meeting:

- Finance Q1 update
- Performance Q1 update
- The impact of the introduction of voter ID requirements on elections

The following items were put forward for the November meeting:

- Parks – Income from Major Events
- Leisure follow-up update.

RESOLVED

- I. That the current work plan for 2022-24 was noted
- II. That the Committee gave consideration to the agenda items and reports required to its meetings for 2023/24.
- III. That a change of name for the Climate, Community & Culture scrutiny Panel to: Climate, Community Safety & Culture scrutiny Panel, was agreed.

11. NEW ITEMS OF URGENT BUSINESS

N/A

12. FUTURE MEETINGS

- 12 Oct 2023
- 27 Nov 2023
- 9 Jan 2024
- 18 Jan 2024 (Budget)
- 11 March 2024

CHAIR: Councillor Matt White

Signed by Chair

Date