

MINUTES OF THE MEETING Overview and Scrutiny Committee HELD ON Tuesday, 23rd July, 2024, 7pm – 10pm

PRESENT:

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

ALSO ATTENDING:

Andy Donald – Chief Executive Officer
Cllr Peray Ahmet – Leader of the Council
Cllr Dana Carlin – Cabinet member for Finance
Taryn Eves – Director of Finance
Dan Paul – Chief of People Services.
Haylee Nunes Da Souza- Legal – online.
Cllr Diakides – Central Tottenham – Late arrival.

36. FILMING AT MEETINGS

The Chair referred Members present to Item 1 as shown on the agenda and ran through requirements. Members noted the information contained therein.

37. APOLOGIES FOR ABSENCE

None

38. URGENT BUSINESS

None

39. DECLARATIONS OF INTEREST

None

40. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None

41. MINUTES

The minutes of 24th June 2024 were **AGREED** as a true and accurate record.

42. THE LEADER'S PRIORITIES FOR 2024/25 & CABINET MEMBER QUESTIONS

The Leader, Cllr Ahmet introduced the Corporate Development Plan for 2024 – 2026 and ran through the achievements of the council so far. Information that was highlighted is included below.

- A translation policy has been introduced and will be bedded down into corporate culture over the next year. Several initiatives were to be trialed next year including a Participatory Budgeting Pilot, a Community Assembly, and a Youth Council.
- It was mentioned that in response to the Climate Emergency, engagement work had started on the Climate Partnership and Forum. This is the basis for a Climate Action Plan to be co-produced with residents. More school streets are also planned for next year and 400 more EV point locations by 2026.
- The senior management team are working on a 10-year vision for the borough and are involving stakeholders in this.
- The Homes for the Future Board chaired by Andy Donald are driving improvements and standards in housing. Consequently, the housing repairs complaints backlog is down and resident satisfaction with repairs is up. SLT is now focusing on reducing voids and housing disrepair legal cases. It was emphasised that Housing and Housing Repair had been a major priority for the last two years after Homes for Haringey had been brought back in-house. It was pointed out that the council had self-referred to the regulator and not shied away from doing what was necessary to get Housing up to standard. Timely progress has been made and work is still being done to get the service up to the level that residents expect. In the design and quality of builds, a new focus has been made on family sized and intermediate income housing. And the placemaking aspect of building was emphasised as key to creating great communities.
- It was also noted that the borough had also built up a new Culture Team, which has led to Haringey being named the Borough of Culture in 2027. The library strategy has also been co-produced with residents and Cllr Arkell was now leading on its implementation.
- Meetings were being held on a regular basis with Jewish and Muslim community groups in the area to reduce hate crime and increase safety following the events of Oct 7th. Also, Community Safety and Hate Crime strategies have been delivered. Other work included the effect of 'Stop and Search' and trauma on young people in the area. The council are also building a gambling harm reduction strategy for the borough.
- Through Haringey Works, 800 residents have been placed in employment so far.
- It was noted that the budget was a significant challenge with little or no funding expected from the government. The cost of adult and children's social care had increased and was set to increase further, as had the price and availability of temporary accommodation.
- It was pointed out that there were issues with clearing up the council's property portfolio and historic leases.

- The council will continue to work towards 100% decency in Housing Standards.
- The insourcing of leisure centers in the borough would also present some challenges.
- It was also mentioned that a recent peer review by the Local Government Association highlighted issues that SLT had since rectified. The long-term vision for the borough is now on track. Ensuring that controls are in place for the Capital portfolio and embedding a culture of performance management and service improvement will continue.

The floor was then open to questions from the committee.

- In response to questions from Cllr Gunes, the Leader assured the Committee that the delivery of the Corporate Plan was achievable. However, it was noted that there may be some changes around the budget, as funding from central government was not yet known. Chief Executive Andy Donald noted that the worst-case scenario was planned for in all instances. The longer-term vision would inform all priorities in the Corporate Plan and how money is spent.
- The predictability of wider issues that affected spending was discussed. Cllr White noted that the council could not predict factors such as a decrease in funding or an increase in demand in care provision. The Leader stated that although unpredictable factors exist good planning could be made for these scenarios. It was affirmed that the Corporate Development Plan was realistic and achievable, and if there was need to re prioritise to respond to external factors – then opinion would be sought from many stakeholders. It was also clarified that although overspends had occurred this year, it was understood as to the reasons why - and this could be addressed. The budget is now being driven by the Corporate Plan.
- Cllr Connor raised questions about ‘safe havens’ for women and girls experiencing domestic abuse. More information was promised to the Committee from the Chief Executive’s Office, as to these. **ACTION**
- Cllr Connor then asked for clarification on the dates that the new phase of the LTN trials would take place. Information was to be checked and detailed to the Committee by the CEO’s office. **ACTION.**
- The Borough of Culture award and its impact on spending was then discussed. It was noted that there was anxiety around this, however SLT had secured this in a clear bid with a lead in time to secure extra resources. The project team was in place, and the council had the expertise to produce the project on time and on budget.
- Cllr Connor then raised questions about the high legal costs incurred by Housing Repairs. Assurance was given that this was needed to recover costs – and to build a safer and better service.
- Cllr Worrell raised a query regarding accountability in the Corporate Development Plan. The Leader responded that there were lines of

accountability and measurements within the Corporate Development Plan. Special emphasis was given to a performance management culture being bedded down in the council. Cllr White then asked whether a performance report had been produced this year. Although this had been promised twice a year – the Committee had not yet received a copy of the most recent report. The CEO's office promised to investigate this and send a copy as soon as possible. **ACTION**

- Cllr Worrell then asked the Leader and CEO about the specific areas for concern in the future. The Leader responded that aside from the financial challenges – housing and temporary accommodation demands remain the most concerning. Although progress has been made with housing and support had been given from both the Mayor and new government, there are still issues that need to be addressed. Mr. Donald also added that a CQC inspection for Adult Social Care will bring its challenges as the service had not been inspected for 15- 20 years.
- Discussion then followed about alternative sources of funding for the council. It was noted that the GLA and Mayor's Office were traditionally a useful source of funding, especially regarding housebuilding, youth and eco projects. The Borough of Culture award was given by City Hall. However, it was emphasised that the generation of income was another area that was considered a priority for the council. It was explained that the new government's focus is one of growth and that usually comes with resources. However, there may be more emphasis on working with partners to gain funding. There also maybe more focus on preventative projects.
- Cllr Buxton then enquired about the longer-term plans for the future that the CEO had mentioned. More details were requested. The Leader then clarified that the longer-term plans had grown from a Peer Review led by the GLA. This would set out the vision for the borough over the next 10 years – the Corporate Delivery Plan would sit under this. A special emphasis on levelling up inequalities in the borough has been made. Mr. Donald added that the vision would be going to September Cabinet and November Council for approval and wide-ranging stakeholder engagement was planned.
- Cllr Buxton then raised the issue of local government funding and how it had been consistently reduced this past decade or so. He enquired whether plans were being made to plan for times of financial stability and ensure that the budget the council received was sustainable. Mr. Donald responded that the vision was the place for this – it would outline the council's role in a more ambitious way. However, he stated that although there was good progress, there was still a way to go, the focus was more about getting the basics right as a council first.
- Questions about co-production were then discussed. Cllr Buxton wanted to know what had been learned from the approach and how the council's culture had changed. The Leader responded that coproduction was about engaging people who would not normally engage. She also stated that there

had definitely been a positive culture change in the organisation – and it had been picked up from the recent Peer Review. Mr. Donald added that staff understood that a good understanding of the communities had to be achieved first to deliver a good service, and this was part of the culture change.

- Cllr Buxton then stated that in terms of working together with partners in funding bids and service delivery, how was it being ensured that Haringey residents were being represented in a fair way within the partnership. Mr Donald replied that the current relationships were mature enough to have robust conversations as to the roles and responsibilities within the partnerships. He felt very confident that directors were able to handle this in the way that was right for Haringey.
- Cllr White then raised the issue of residents feeling less safe across the borough. There is open drug dealing in areas, and a perception that nothing is being done about it. Although there has been work done with council's ASB and Safer Neighbourhood's Team, a lack of funding in the police and an increase in the external forces pushing people into addition has made things worse. Tottenham being an example of addicts and dealers moving into the area making it an intimidating place to live. Cllr White then asked whether this was on the radar of the Leader. The Leader stated that being councillor herself, this was something she was familiar with. She emphasised that work needed to be done on the partnerships with the Police, and for the council to provide more input into the ways communities work. There was also more work that could be done with preventative measures and projects such as drug and alcohol projects and more. More work on early interventions and working with communities. Mr. Donald added that most early prevention projects had disappeared with austerity. He also stated that Haringey had two intervention services in Finsbury Park and Northumberland Park – however it should only be expected to disrupt drug supply. After extensive lobbying, changes also had been made to how the police defined 'high harm wards' - meaning that not only is it being defined by serious violence but also the drug supply that underpins it. This means there are now more resources for Haringey - however the Met are now having problems filling the posts to deal with this. Mr. Donald stated that they were also working with the police to look at the root causes of drug dealing. He said they would have to multiagency approach at a national and Europewide level to deal with stopping the drugs supply.
- Cllr Worrell then asked how the council was approaching ASB within general needs housing settings. She stated that those with extra needs – such as those exiting the criminal justice system or those who have mental health needs are increasing being placed in a general needs setting where there is not the appropriate support. From her conversations with the police, there had also been a significant increase in neighbourhood disputes across the board. The Leader responded that there are definitely challenges around Tenancy Management. The CEO responded that there needs to be a better ratio between tenants and housing officers, so they are investing in recruiting more people. He emphasised that there needed to be a more in-

depth relationship between tenants and housing officers, whereby officers understood each tenant's need and could offer them the right support. Regarding ASB and Mental Health, work needed to be done around how the voluntary sector and community groups can be engaged to help with providing support. The way in which Mental Health issues are dealt with has changed – with more focus on preventative measures. Mr Donald stated that Mental Health Social Workers have been brought back in-house. There are also now Social Work Assistants, who deal with lower-level mental health support issues and will prevent residents reaching crisis point.

- Cllr Connor raised that for many years the Joint Health Overview and Scrutiny Board had been looking at ways in which communication between GPs, Council, the Police, and the Mental Health Trust could be better improved. However, this is something that would be helpful to have higher up on the agenda with partners as it has been reprioritised many times. Mr. Donald stated that work was being done within the Borough Partnership meeting which included senior managers from all the partners that Cllr Connor mentioned. However, they had been looking at health issues from a perspective that covered themes that were wider and included other areas of work such as Housing. This was a way to deal with health issues at the intersection with housing. The Partnership had produced workstreams and an action plan on this. The challenge would be resourcing and how to redirect it to produce better outcomes.

43. AGENCY STAFF CONTRACT UPDATE

Cllr Carlin introduced the report, as summarised below.

- Reducing agency staff was a key priority of the council. However, in the pre-election period, there was a proposed increase in funding for the Matrix Contract - which at the time was up for renewal.
- Cllr Carlin highlighted that the Matrix contract renewal should be seen as part of the overall workforce strategy - and in context of the actions taken to reduce the number of agency workers, including monthly performance monitoring of agency staff and quarterly meetings with directors to discuss making staff permanent.
- Although this approach had driven down numbers of agency staff, she noted that there were specific work areas where being made permanent was not an incentive.
- A specific effort was being made to make permanent those agency staff who have been with the council for more than a year.
- However, converting the highest paid agency staff to permanent may not be cheaper for the council. Pension arrangements are 23.5% for permanent staff whereas only 3% for agency staff.
- Previously spending on agency staff was £45 million, whereas now costs are £40million and are being driven down further.

The floor was open to questions from the Committee.

- Cllr White noted that the council had a drive to reduce agency workers – but the Matrix contract was being extended for an increased amount. He asked

whether this was because efforts to reduce agency staff had been unsuccessful or were there other factors involved. Cllr Carlin responded that additional costs within the contract were because of unforeseen factors, such as the migration of staff from Homes For Haringey. In addition, post 2021 there had been an increase in salaries and extra costs associated with that. Furthermore, the council had migrated all agency workers on to Matrix contracts to reduce overheads. Cllr Carlin also noted that the focused drive to reduce agency staff has only recently been driven and overseen by the CEO and corporate centre. Now, every agency worker must be signed off by a director. This has resulted in a culture shift within the organisation- which is beginning to bear fruit.

- A question was asked by Cllr Connor about the difference in cost between retaining staff as agency and putting all agency members on a permanent payroll. Dan Paul responded that there was no easy answer to this. Some agency staff are employed on council pay scales whereas others are not. The Committee should also consider that permanent staff members are entitled to more pension contributions and agency margin rates may also vary by tenure.
- Cllr Connor then asked when migration occurred from Homes For Haringey, if there had been an opportunity to put Homes for Haringey agency staff on permanent contracts. Mr. Paul responded that there had not been an opportunity at the point of migration, however all agency staff employed by Homes for Haringey had been migrated onto the Matrix contract therefore increasing the contract value.
- Cllr Connor asked why it is difficult to compare the number of agency staff with other boroughs. Mr. Paul responded that boroughs are varied sizes and also outsource different council services. Although this means the council is employing fewer agency workers through outsourcing, the council service is still being delivered by agency staff.
- Cllr Carlin added that in order to build a collaborative and stable workforce it was favourable that most staff would be permanent. However, she recognised that some agency workers would prefer to remain so rather than become permanent. She added that there would always be a degree of flexibility needed as short-term workers are still needed.
- Cllr Gunes asked for clarification on the total cost of the contract. It was clarified that the most it could extend by would be £30million - although it would depend on the number and cost of the agency workers hired. This would make the total cost of the contract £40 million. Cllr Gunes commented that although efforts were being made to address the issue of agency workers, she had been in the council for ten years and had numerous discussions on this, for her progress had not been made, however she appreciated the efforts around this. Cllr Carlin responded that the reduction of agency staff is now a corporate priority, and this approach differs to past efforts.

- Discussion then turned to the number and costs of consultants. Cllr Gunes enquired why we still need high-cost consultants. Cllr Carlin stated that the council was still reducing the number of consultants in the same way that all agency staff was being reduced. Mr Paul also clarified that the numbers given in the report – did not just include consultants but any agency worker paid over £500 per day. He stipulated that this could also include specialist workers – working in IT, Digital and Regeneration, whose specialist skills were needed and are in high demand.
- Cllr Buxton then raised the issue of the imminent insourcing of Haringey's leisure services. He asked whether we could expect an increase in the number of agency staff on the books because of this. Mr. Paul affirmed that would be the case, although he didn't know numbers, he felt that the numbers wouldn't be substantial. He stated that after migration it would be up to the council to decide whether to keep them on as permanent staff or not.
- Discussion turned to whether there was an incentive for agency staff to turn permanent and whether the usual route for the recruitment of permanent staff would be cheaper for the council. In reply, Cllr Carlin said the council intended to build a committed, collaborative workforce and that wasn't possible with temporary staff. Mr. Paul added that temporary staff were incentivised through 'part carrot part stick'. If an agency worker isn't interested in staying, then there would be an evaluation as to whether they possess skills that the organisation can't replace. He reiterated that this would be on a case-by-case basis.
- Cllr Worrell then asked whether this contract encompassed all agency staff – and there were no separate contracts elsewhere. Mr. Paul affirmed this was the case.
- Discussions then turned to costs again. Cllr Worrell highlighted that it was stated hiring staff as agency was cheaper and although she understood that the move to permanent would be better for the organisation and the worker – cost also had to be considered. Cllr Carlin responded that for lower paid workers it was not cheaper to bring them in as permanent staff but for higher paid workers it was considerably cheaper also in terms of benefits. Permanent staffing was advantageous for the stability of the organisation.
- Cllr Worrell asked if there were any set targets in relation to the reduction of agency staff numbers. Mr. Paul replied that although there were no targets set out per se, his department was continually measuring and reducing agency staff as a percentage of the whole workforce.

44. PROVISIONAL FINANCIAL OUTTURN 2023-24 & FINANCE UPDATE

Cllr Carlin introduced the Q4 report and provisional outturn for 2023- 2024.

- Cllr Carlin noted that throughout the year her department had predicted a considerable overspend in the corporate budget. This was due to the increased cost of adult social care, children's social care and temporary accommodation. Also, there was additional spend that came in late in the

year, after the budget setting process. Consequently, these factors combined to create a £19million overspend in the corporate budget.

- The overspend was covered from reserves at the end of the year, however the council used more than anticipated. The predicted overspend earlier in the year was £11 million, however £19 million was the final total.
- Cllr Carlin assured the committee that steps were being taken to ensure that directorates were delivering savings and processes were in place so that directorates could not overspend without detailing how the overspend could be reduced.
- She also stated that the overspend had been predicted earlier in the year, so steps were taken to build in additional funding in the budget setting process last year. However, this means that there will be an additional £5 million gap this year.

The floor was open to questions from the Committee.

- Cllr White pointed out that he found this report very concerning. The additional spend had not been predicted accurately, which meant that reserves were significantly reduced. Their ongoing use will not be sustainable. He pointed out that the pressures that had led to the overspend in adult and children social care and temporary accommodation will continue. Although it was good to hear that there was a plan to recoup the reserves, he wanted to know how the council could accurately predict the demand-led service budgets considering that demand is growing greater every year and our reserves are dwindling. Cllr Carlin responded that Haringey was not in an exceptional position. The government had provided 29 other boroughs with funds in exchange for the selling off of capital. Cllr Carlin added that in terms of demand-led services as an Outer London borough our demand is high, however it also means that our reserves are lower. Cllr Carlin referred to Taryn Eves regarding the detailed plans to be put in place.
- Ms Eves then outlined that Haringey's reserves are lower than other boroughs especially when looking at net spend. She also stated that we would be facing significant uncertainty in the coming years, so her department had been planning for the worst-case scenario and no increase in government funding for 2025- 2026. Over the next five years her focus was to get spending down, and to top-up reserves with small amounts to ensure sustainability in the future. More understanding was needed as to the risks that were faced when setting the budget and more scrutiny in understanding whether the pressures were 'one-offs' or reoccurring. She stated that she will be able to update the Committee in the autumn with regards to the progress being made in this and the work being done at department level to reduce spend and increase income.

ACTION

- She warned that it may not be possible in the short term to add to the reserves, however she felt that she could plan to not have to draw from the reserves to balance the budget. Also, longer term plans could be made to top up the reserves slowly. She stated that there was a particular importance in doing this work now, as time can be given to mitigate issues that occur later down the line.

- Cllr White then asked about the total amount of reserves before the £19 million drawdown. He also asked whether the amount in reserves was fixed throughout the year. Ms. Eves stated that she would provide the Committee with the total amount of reserves prior to Q3 in the minutes. **ACTION**

Response from Ms. Eves for the minutes: £97.234m Total General Fund Reserves at 31.3.2023. This compares to £67.449m at 31.3.2024.

- Ms. Eves then stated that there would be a review of reserves over the summer. She stated that it can be quite misleading to talk about the total amount of reserves. She was keen to measure the total amount of reserves that had already been committed. She also stated that a five-year forecast of reserves was necessary – making sure that future commitments were considered. She felt it was better to think of the reserves the council had, in terms of uncommitted funds.
- Cllr Gunes highlighted that Haringey was in a worse position than most local authorities in terms of reserves, however she appreciated that the new financial plan was trying to identify where the problems lay and solve it in an open and transparent way. She enquired about the kind of work that needed to be done in order to top up the reserves and asked Ms Eves whether she was confident that this could be achieved. Ms Eves replied that it was important not to look at the reserves in isolation but to view it as part of the medium-term financial strategy. She emphasised that the focus was to look at what was driving pressures on the budget and try to predict how this would affect the reserves for the coming years. In addition to the work on the budget reserves, and potential income that could occur- she emphasised that the council was looking at everything that was being spent and evaluating it in terms of efficiency. The work was being done over the summer and a clearer view would be brought to Committee in time for the November meeting.
- Cllr Connor commented that this amount that had been taken out had been a shock and she had not seen this high amount in years. She enquired whether the overall amount of savings that was required for 2024- 2025 was £20 million. She questioned whether this was realistic given the unanticipated overspent of this year. Ms. Eves responded that although Haringey would aim for 100% of savings forecast, it maybe that 77% or so will be in the higher end of expectations. Work was being done to look at the savings that haven't been delivered for 2023 -2024 and ask whether the unachieved target was a timing issue or whether it was something deeper. She assured the Committee that quality assurance was being carried out by her team. She also stated that the estimated budget gap was assuming that all the £20 million savings would be delivered. She was looking at ways in which her team could monitor directorate savings in terms of the green, amber, and red scheme. She also gave assurance that she wouldn't be building savings into the budget unless she was sure of delivery. Ms. Eves reiterated that there will be a review in autumn that will make things clearer.
- Cllr Connor then questioned whether Haringey's position was worse than shown-given that an external audit of the accounts had not happened in a few years and was due to happen soon. Ms. Eves agreed that this was a

considerable risk. She explained that a new external auditor had been engaged with a view to reporting to the Audit Committee in autumn. Work had started now. She explained that when a new auditor was engaged – more scrutiny was given in all areas of accounts, including reserves and transactions. She assured the committee that work would be done in conjunction with the auditors and pointed out that all other local authorities were in the same position with regard to un-audited accounts.

- Cllr Worrell enquired about the change in policy on flexible capital receipts and what affect that would have on the council. Ms. Eves explained that capital receipts were used to fund capital expenditure. The flexibility on the use of these receipts allowed the council to fund revenue expenditure related to transformation. However, this is due to end in 2025 and there is currently a government consultation being carried out about extending its use to 2030. The government had proposed that this was a way for local councils to address pressures and overspends, so hopefully this was an indication that it may be extended. She added that planning would be done to address the scenario if the policy should end in 2025.
- Discussion then turned to expenditure. Cllr Worrell wanted an explanation of why £5 million had been taken out of the HRA budget in order for the council to make a surplus of £5 million. Ms. Eves explained that the accounting of the HRA was slightly different to the general funding. It is completely ringfenced as the income that the council generates must fully fund the expenditure. Therefore, a surplus is always budgeted for. She explained that the report acknowledges that because of the legal costs associated with the disrepairs, the surplus was not as high, and the council had to draw down on reserves. The surplus for the HRA is always budgeted for because there's also a contribution towards the capital programme. She emphasised the importance of finding out where in the overspend there were 'one -off' or reoccurring costs, and also tracking what has turned from a liability to a provision.
- Cllr Worrell asked whether they could have an explanation as to the overspend on leisure. As she understood it this was partly as a result of New River Leisure Centre not making the required income. She enquired whether it boded well for council finances now that leisure services were coming in house. Ms. Eves then requested to reply to the Committee once she had spoken to her team about the risks in that area. **ACTION**
- Cllr White asked Ms Eves to clarify further the Parking and Highways budget stated in the report. He explained that this budget is overspent by £880,000, but the Q3 position was that it was under budget by £880,000. Ms Eves wanted to clarify that part of end of year accounts was to look at bad debt provision. She had two areas that were of particular concern – and that was Parking and Adult Social Care. Ms Eves stated that she would investigate and give a full response for the minutes. **ACTION.**

Response from Ms Eves for minutes: At Q3 the forecast underspend of £883k within Parking & Highways was mainly attributable to lower concessionary travel costs, lower staffing costs within this area and lower costs on reactive works than budgeted for. At Q4 (Outturn), the overspend of £880k was mainly

attributable to the Bad Debt Provision (BDP) required on Penalty Notice Charge (PCN) income which is difficult to forecast accurately until the end of the year. Additionally, there were salary costs in the business hub not covered by Flexible Use of Capital Receipts as previously assumed and the budget provided for to cover the impact of increased utility costs was kept centrally rather than allocated to each Directorate. This meant that the street lighting budgets were shown as overspent but offset by a corresponding under spend in the corporate budget area.

- Cllr White sought clarification from Ms Eves around the budgeting profile error that had led to an overspend in Operational Facilities Management as listed in the report. Ms Eves asked to return a response to the Committee in the form of the separate note or minutes. **ACTION**

Response from Ms Eves for the minutes: This was incorrectly described as a budget 'profiling' issue. The cost pressure leading to the overspend relates to security costs and staffing costs. The service advises that a full review of the future levels of security required and associated costs will be undertaken with a view to reduce costs and avoid the 2023/24 pressure continuing.

- Discussion then turned to Housing Benefit. Cllr White wanted clarification on why there was an overspend in light of the fact that Housing Benefit was paid by central government. Ms Eves explained that Housing Benefit should be thought of in terms of a grant received each year from central government that Haringey administers to its residents. She stated that her team had discovered that historically there had been some overpayments which had meant that the council have had to pay this back to government. She explained that this was only discovered in Q3 and that her team was still carrying out work to find out how much the overpayment actually was.
- Cllr White then reiterated that in the report there was a disparity in budget between Q1 and Q3 in Children's Services due to an integrity of the data. He asked Ms Eves to explain why this was. Ms Eves explained that both Children's and Adults Social Services had moved from Mosaic to Liquid Logic IT system. As part of the project there had been some data cleansing exercises – and that had thrown up some issues that had to be recorded in Q3 that may have happened earlier in Q1 one.
- Cllr White then discussed the Planning Building Standards and Sustainability budget and indicated that it looked like there was some kind of accounting error. Ms Eves said that she would look into it and detail a response either in the minutes or in a separate note to the Committee **ACTION**.

Response from Ms Eves for the minutes: The accounting error was that in 2022/23 financial year, income of £161k due to Schools was inadvertently allocated to Planning Building Standards and Sustainability budgets. This was identified but the reversal of the credit did not take place until the following year (2023/24). This was a one-off and has no on-going implication for either service area.

- Cllr Diakides then asked what the final figure for the overspend was and the reasons behind the massive differences in Q1 and Q4 and subsequent overspend. He asked whether it was down to bad financial planning or management that had led to this situation. Ms Eves pointed Cllr Diakides to page 17 of the report and stipulated that the final figure was indicated in a table presented together with the HRA ring-fenced budget. She suggested that the two budgets were sometimes presented together, which could lead to confusion as to the overall figure. She agreed that there was a strong need to get budget profiling right and review the capital programme due to high levels of slippage. She said also reducing agency staff would be a priority in the coming months.

Cllr Diakides then asked whether the Cabinet would be risking again signing a budget that would be millions outside what was agreed or whether financial management should be looked at to avoid this. Ms. Eves replied that there is significant work underway to understand where the overspend happened and why, as well as the assumptions that were made during the budget setting process. She stated that assumptions would be constantly under review until the budget would be locked down in December. As this work was occurring early in the year, mitigating actions could be taken by her team to rectify the situation.

45. WORK PLAN DEVELOPMENT 2024-26

Cllr White then asked the committee to agree some recommendations as to the workplan of 2024 -2026.

- A discussion was to be had by the Committee outside this meeting on any changes to the workplan. **ACTION**
- The Committee then was asked to recommend some agenda items and areas of work for scrutiny for forthcoming meetings. Cllr White then suggested that the new performance report should be on an agenda and suggested another meeting to discuss more agenda items. **ACTION**

The Scope in terms of reference for the scrutiny review for the financial planning process was then AGREED by the Committee.

The proposal to delegate the task of reviewing the statement of gambling harms to The Climate, Community Safety and Environment Scrutiny Panel was also AGREED by the Committee

46. FUTURE MEETINGS

- 14 October 2024
- 25 November 2024
- 12 December 2024 – Budget CSE
- 20 January 2025 -Budget
- 27 March 2025

47. NEW ITEMS OF URGENT BUSINESS

No new items of urgent business were recorded.

CHAIR: Councillor Matt White

Signed by Chair

Date