

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON TUESDAY 22ND JULY 2025, 7.00 - 9.35PM

PRESENT:

Councillors: Matt White (Chair), Pippa Connor (Vice-Chair), Makbule Gunes, Anna Lawton and Adam Small

13. FILMING AT MEETINGS

The Chair referred Members present to Agenda Item 1 as shown on the agenda front sheet, in respect of filming at meetings, and Members noted the information therein.

14. APOLOGIES FOR ABSENCE

None.

15. URGENT BUSINESS

Cllr White reported that revised versions of the Scrutiny Protocol and the Scrutiny Panel remits had been tabled as an item of urgent business.

Dominic O'Brien, Scrutiny Officer, explained that two significant changes were proposed to the Scrutiny Protocol. The first change was to paragraph 9.2 which clarified that a Committee member from the largest opposition group was responsible for chairing the Budget Scrutiny process. The second change was to add a new section (Section 10) to set out the formal role of Overview & Scrutiny in the scrutiny of local health services as specified in national legislation and guidance. In addition, the Scrutiny Panel remits had been revised through the addition of two new bullet points to the remit for the Adults & Health Scrutiny Panel to clarify its role in the scrutiny of health services.

Cllr Gunes queried whether the scrutiny of health services had previously been part of the remit of the Adults & Health Scrutiny Panel or whether the scope of the remit was being widened through the amendment. Dominic O'Brien explained that the Panel had always had a focus on health services but that the remit did not reflect this as it tended to be based on the Cabinet Member's portfolio. The amendment was therefore intended as a clarification rather than a significant change to the remit. Cllr White added that the changes would also help to ensure continuity of the scrutiny function in the future by setting out clearly in writing the health scrutiny role as currently performed.

The Committee approved the recommendations as summarised in the report.

RESOLVED – That the revised Scrutiny Protocol document be approved by the Committee.

RESOLVED – That the revised Scrutiny Remits and Membership 2025/26 document be approved by the Committee.

16. DECLARATIONS OF INTEREST

None.

17. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

18. MINUTES

The minutes of the previous meeting were approved.

RESOLVED – That the minutes of the meetings held on 19th June 2025 be approved as an accurate record.

19. 2024/25 PROVISIONAL FINANCIAL OUTTURN

Cllr Carlin, Cabinet Member for Finance and Corporate Services, introduced the report on the 2024/25 Provisional Financial Outturn. She informed the Committee that the cost of delivering essential services had outstripped funding, particularly in adult social care, children's social care and temporary accommodation. An agreement had been made with the government for Exceptional Financial Support (EFS) to be provided but, due to the hard work of officers to make additional savings and through the use of contingency funds and reserves, the amount of EFS required had been reduced to £10m in order to balance the budget.

Cllr Carlin then answered questions from the Panel, with contributions to the responses also made by Josephine Lyseight, Director of Finance & Deputy S151 Officer, and Frances Palopoli, Head of Corporate Financial Strategy & Monitoring:

- Cllr White acknowledged the work that had been carried out to make savings but expressed concerns that quarterly finance updates to the Committee throughout the year had continued to show a level of overspend. He queried what more could be done to tackle this. Cllr Carlin agreed that this was concerning and highlighted some contributory factors. She noted that the areas of additional spend were mainly related to statutory services which the Council was obliged to provide and the number of cases, for example in adult social care, had been rising in Haringey. The number of cases had also been rising in most other Boroughs and so there was a lot of work underway to understand the causes of the drivers of the demand such as ill-health. There was also strict monitoring of the costs of these services in order to minimise the levels of funds used. Cllr Carlin added that the Council did not always receive enough funds

from the NHS for certain types of care packages and that there was an ongoing programme of work to address this.

- Asked by Cllr Gunes about fair funding for local government services, Cllr Carlin said that conversations were ongoing at national and regional level but that, with pressures on national government finances, local government overall had not received a significant increase in funding. She added that there was also action internally, including the implementation of new spending control panels.
- Cllr Connor observed that the proportion of proposed savings that were actually achieved appeared to be reducing year by year, suggesting that the nature of the savings required after previous cuts were now becoming more difficult. She queried how the Committee could have confidence in the savings proposals for 2025/26. Josephine Lyseight acknowledged that the proportion of savings being achieved had reduced and said that there were measures in place to strengthen the process for 2025/26.
- Referring to paragraph 6.3 of the report, Cllr Connor noted that corporate budgets had underspent by £24.4m and queried the reason for this. Cllr Carlin explained that this comprised of a number of factors including the corporate contingency budgets and reduced borrowing costs resulting from the reductions to the capital programme. She clarified that the Council was still investing in the Borough, such as improvements to parks and roads, but that some major capital projects were no longer financially viable due to the Council's financial circumstances and higher interest rates on borrowing.
- Referring to the situation with the Council's reserves, Cllr White queried whether there would be funds available over the Medium-Term Financial Strategy (MTFS) period which could be used to reduce the amount of EFS drawn down from national government. Cllr Carlin explained that there were small pots of money that were set aside for specific purposes but may not actually be needed, for example for unclaimed Council Tax overpayments by residents who had left the Borough. These small pots of money could potentially be deployed to reduce the EFS requirement on a one-off basis.
- Cllr Small observed that in-year projections appeared to show the significant overspends about six months into the year with the subsequent position for the rest of the year remaining quite stable and on course with the revised predictions. Cllr Carlin commented that assumptions and predictions were made when the budget was set about anticipated costs and acknowledged that the trends could then become clearer during the relevant financial year itself. Asked by Cllr Small about the potential risk for optimism bias when setting a challenging budget, Cllr Carlin said that modelling on anticipated costs had been improved but the reality was that there was not enough money in the system for local authorities to meet the increased level of demand for services that they were facing.
- Asked by Cllr Gunes about the future impact of the reduced levels of the Council's reserves, Cllr Carlin responded that, while the levels of reserves were now low, they were not dangerously low because it had been necessary to maintain a certain safe level of reserves in different areas. However, she acknowledged that there were not sizeable amounts of reserves remaining to be used in future years. She added that the government did expect the Council to use its reserves in circumstances where the EFS facility was being used. Josephine Lyseight referred to the Appendix 4 table (on page 55 of the agenda

pack) which set out the various reserve levels in greater detail. For the General Fund this included earmarked reserves specifically for 'risks and uncertainties' and for 'contracts and commitments'. These reserves had been reviewed with a deep dive to understand whether they were truly committed and then driven down where appropriate to help with the outturn position. The reserves would be reviewed again this year in a similar manner. Josephine Lyseight highlighted the sections of the table which illustrated that the General Fund reserves balance in March 2024 was £67.4m and in March 2025 was £49.3m. Cllr Connor noted that, according to the table, the General Fund reserves balance in March 2023 was £97.2m and expressed concern that almost half of the overall reserves had been used in the past two years. Josephine Lyseight commented that the overspend on the budget had been an issue for a number of years now.

- Cllr Connor queried why the Council had proceeded with borrowing £10m through the EFS facility, which would require the payment of interest, while there was still at least £49m in reserves that could be used instead. Josephine Lyseight explained that these reserves were earmarked for specific purposes and therefore could not be released. However, she reiterated that reserves would be subject to a further review during 2025/26 in order to limit any future EFS borrowing.

20. DRAFT 2026/27 BUDGET AND 2026-31 MEDIUM TERM FINANCIAL STRATEGY REPORT

Cllr Carlin introduced the report on the draft 2026/27 budget and the 2026/31 Medium Term Financial Strategy (MTFS), noting that it set out the latest information on the risks and opportunities for setting a balanced budget in 2026/27 including details of the national context and inequalities within the Borough. She also highlighted the shifting demographics with Haringey no longer representing a cheap place to come and live. However, there were still increasing numbers of people aged over 65 and high numbers of people in insecure private accommodation.

Cllr Carlin, Josephine Lyseight and Frances Palopoli then answered questions from the Panel:

- Cllr White referred to Table 5 on page 95 of the agenda pack (which set out the figures for the projected budget gap for 2026/27 to 2029/30) and noted that, according to paragraphs 11.4 and 13.3 of the report, the projections were already budgeting for the use of £37m of EFS in 2026/27 in addition to the budget gap of £44m. He added that the cumulative budget gap over the four years from 2026/27 to 2029/30 was over £161m, which appeared to be a very high figure in the context of an overall annual budget of approximately £300m, and expressed concern that this appeared to represent a financial cliff edge which was going to be difficult to avoid. Cllr Carlin acknowledged that the situation was very challenging but did not accept that nothing could be done. She said that it would not be possible for the Council to simply cut its way out of the problem as many of the viable cuts had already been made and because cuts to preventative services would result in higher costs in the future. It was therefore necessary to look much more deeply at what the Council does in order to make sure that everything that the Council delivered was necessary. It would also be important to look at any changes to the money coming in from

the NHS and from central government in areas such as adult social care and homelessness.

- Expanding on the previous answer, Cllr White highlighted paragraph 14.6 of the report which stated that, in the future, not everything may be affordable which may mean spending more in areas of greatest need and significant reductions in other areas. However, he noted that the majority of the Council's revenue budget was spent on demand-led services and so major cuts in other areas such as parks or libraries may not be sufficient to meet the challenge. It appeared that there needed to be a funding source for demand-led services that was sufficient. Cllr Carlin commented that it would be necessary to look at what was driving the demand, whether this would level off in future and how this compared to similar Boroughs. The Council would also need to continue to push down on non-essential spend including by improving recruitment and management structures in order to run an essential and lean Council without damaging future resilience. Josephine Lyseight added that the Council would respond to the consultation on the government's Fair Funding review on local government finance with the details of the settlement for 2026/27 expected in around November. The Council would also be working on opportunities for savings over the summer and also carry out scenario planning.
- Cllr Connor referred again to the figures in paragraph 11.4 which assumed the use of £37m of EFS in 2026/27 and asked if the interest incurred by this borrowing had been accounted for in the projections for subsequent years. Cllr Carlin confirmed that this had been built in the future budget projections and added that this was also why the capital programme was an important consideration because borrowing would add to the budget gap. Cllr Connor requested that future reports should include a table which illustrated how much money was being used to pay interest on EFS and capital receipts, including details of the interest rates. **(ACTION)**
- Cllr White sought clarification that EFS funding had only been agreed by the government for 2024/25 and 2025/26 so far but that the Council had budgeted for the use of EFS in subsequent years in the projections in the report. Cllr Carlin confirmed that this was the case and that, while the Council would continue to work on reducing costs and raising additional funds, the significant budget gap remained in current projections. She added that it was quite difficult to project financial outcomes several years into the future and that these figures only illustrated a projection based on a scenario where no further savings were made. Cllr Carlin added that the Council had a sizeable property portfolio and, while much of this included valuable community assets, there were some properties that were unused and were costing money. A detailed examination of the property portfolio was therefore being carried out. If money was raised and the borrowing requirement was reduced, then this would also cut the interest payments required in future years. Josephine Lyseight reiterated that the outcome of the Fair Funding review would provide greater certainty about the anticipated funding for future years and could change the projections.
- Cllr Small requested further details on how the assumptions on year-on-year increases in costs were calculated and how the confidence in these projections could be scrutinised. Cllr Carlin reiterated that work was being carried out on the possible drivers of the increases in demand and, while it was not known whether those increases would actually happen, it would not be prudent to predict that they was going to stop. Another issue was that a large proportion of

the increase in demand from those in the 18-64 age cohort was mental health related and there needed to be the appropriate level of support from NHS mental health services.

- Cllr Small asked about the anticipated future recovery of bad debt, noting the significant write-off of debts set out in paragraph 9.3 of the report. Frances Palopoli commented that the Council had participated in an eight-Borough pool and recent recovery had been an overachievement. It was not assumed that this would continue at the same rate and so future projections were quite prudent. John O'Keefe, Head of Finance (Capital, Place & Economy), commented that when the budgeting and monitoring was carried out, it was not expected that all of the parking debt would be recovered and so this was factored into the bad debt provision.
- Cllr Connor referred to paragraph 11.6 of the report about financial recovery and spending controls and asked how details of the work of the various panels could be brought to the Committee for scrutiny. Cllr Carlin agreed to take this request away and consider whether reports could be provided in future, possibly with the quarterly update reports. **(ACTION)**
- Cllr Connor asked how the Committee could scrutinise the capital programme more closely, including potentially by tracking one individual project in detail. Cllr Carlin felt that tracking one project could be difficult but that she would speak to officers about this suggestion. **(ACTION)** She added that updates on the capital programme were included in the quarterly reports. Cllr Connor clarified that the reason for her request was that it was not always possible for Councillors to understand the reasons for capital underspends and whether this meant that key projects were not being brought forward or whether there were specific delivery problems for example. The purpose of the scrutiny would therefore be to understand the governance and how decisions were being made. Josephine Lyseight suggested that some kind of workshop or training for scrutiny could be an alternative way of improving understanding in this area. Cllr White emphasised the importance of the Committee having oversight of the new arrangements for decision making on the capital programme and on spending controls while the Scrutiny Panels needed to have oversight of pressures in its service areas. He suggested that next steps on this should be discussed outside of the meeting with Taryn Eves. **(ACTION)**
- Asked by Cllr Lawton about oversight over school closures and the associated budget implications, Cllr Carlin said that Children's Services would have a clear understanding of the financial implications. She also reiterated that the demographics of Haringey was changing with a higher proportion of older people while younger families were moving further afield.
- Cllr Small suggested that the Committee should be able to see the modelling assumptions associated with the possible funding changes arising from the government's Fair Funding review. Cllr Carlin responded that there should be a clearer indication of the likely direction of government policy in this area after the outcome of the consultation was published, which was expected in around October 2025. She added that there could also be transitional arrangements to implement any shift in funding policy but that the detail of this was currently unclear. The details of the funding settlement for 2026/27 was currently expected towards the end of November 2025 or early December 2025. The next finance report on the Budget and MTFS was scheduled for the Cabinet

meeting in October 2025 but this would be too early to take the outcome of the Fair Funding consultation into account.

- Cllr Connor reiterated the huge amount of savings currently required in 2026/27 according to the projections in the report and the reference to potentially more radical changes in paragraph 14.6 suggesting that there needed to be discussions at the Committee throughout the year on how this was progressing. Cllr Carlin commented that this was likely to emerge throughout the scrutiny of the budget process but that this could not be pre-empted. Josephine Lyseight added that the in-year scrutiny on a quarterly basis would be on the delivery of the previously agreed savings for 2025/26 while the proposed new savings for 2026/27 would be looked at through Budget Scrutiny. Cllr White responded that it was apparent that new savings proposals were unlikely to be able to fully address the budget gap illustrated by Table 5 in the report and so it was appropriate for the Committee to scrutinise the other work ongoing in this area about how the Council operates. He reiterated the agreement that there would be a meeting involving Taryn Eves to discuss appropriate scrutiny arrangements for this going forward. **(ACTION)**
- Cllr Lawton expressed concerns about how further savings could be made without adversely affecting frontline services. Cllr Carlin agreed that this was difficult as the Council had already been experiencing substantial budget reductions over a number of previous years. As the specific savings had not been decided yet, it would not be until the budget setting process later in the year that these could be fully scrutinised. It was clarified that the savings for 2026/27 would be proposed through a paper to Cabinet in October 2025 and then examined by the Scrutiny Panels in November 2025 with recommendations finalised by the Committee in January 2026.

21. WORK PROGRAMME UPDATE

Dominic O'Brien, Scrutiny Officer, informed the Committee that the annual questions session with the Leader of the Council had been scheduled for the next meeting on 18th September 2025. The next Committee meeting after this would be on 20th October 2025 with the agenda reserved for non-finance items.

Cllr White commented that a prominent item arising from the Scrutiny Café consultation event was the experience of residents when communicating with the Council. He therefore suggested that an agenda item be arranged on this with the Cabinet Member for Resident Services and Tackling Inequalities. **(ACTION)**

Cllr White and Cllr Connor requested that the Scrutiny Officer make contact with the relevant officers to progress and complete the Committee's Scrutiny Review on Violence Against Women and Girls. **(ACTION)**

22. FUTURE MEETINGS

- Thurs 18th Sep 2025 (7pm)
- Mon 20th Oct 2025 (7pm)
- Thurs 27th Nov 2025 (7pm)
- Thurs 11th Dec 2025 (7pm)

- Mon 19th Jan 2026 (7pm)
- Thurs 12th Feb 2026 (7pm)
- Thurs 12th Mar 2026 (7pm)

CHAIR: Councillor Matt White

Signed by Chair

Date