

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON WEDNESDAY 10TH DECEMBER 2025, 7.00-9.40pm

PRESENT:

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

58. 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.

59. APOLOGIES FOR ABSENCE

Apologies for lateness were received from Cllr Makbule Gunes.

60. URGENT BUSINESS

None.

61. DECLARATIONS OF INTEREST

None.

62. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

It was noted that, following the questions from Nazarella Scianguetta about disabled accessibility in the Borough at the meeting of the Committee on 20th October 2025, several applications for deputations had been made and accepted for the round of Scrutiny Panel meetings commencing from 15th December 2025.

63. MINUTES OF SCRUTINY PANEL MEETINGS

Cllr White informed the Committee that there were two sets of minutes to note from joint meetings of the Adults & Health Scrutiny Panel and the Children & Young People's Scrutiny Panel which were held on 28th May 2024 and 10th June 2025 and had not previously been considered by the Committee.

Cllr Connor requested that the actions from the joint meetings should be clearly summarised at the end of the minutes in future and that an action tracker from the two previous meetings should be provided so that the responses to the actions could be monitored by the Panel Members. **(ACTION)**

64. FINANCE UPDATE - Q2 2025/26

Cllr Dana Carlin, Cabinet Member for Finance & Corporate Services, introduced the Quarter 2 update report for the Council's 2025/26 financial forecast which projected an overspend of £23.4m. This was an improvement of £10.7m since Quarter 1 and this included a substantial reduction in the overspend on Adult Social Services and Temporary Accommodation. Officers had been working to reduce spend wherever possible including through spending control panels and tight controls on staffing, including a reduction in the use of agency staff. Cllr Carlin also reported:

- An increase in the cost to the Housing Revenue Account (HRA) of dealing with cases of damp and mould.
- That the Council's capital programme was under constant review in order to balance for need for infrastructure in the Borough with the need to reduce expenditure. Priority capital investment would continue, particularly where it would save on future revenue costs.
- 72% of the Council's forecast services spend was on adult services, children's services and temporary accommodation. These were areas where the Council had a statutory responsibility to provide support to those who were eligible. In particular, she emphasised the high number of elderly people living in poverty in the Borough.

Cllr Carlin and Taryn Eves, Corporate Director of Finance & Resources, then responded to questions from the Committee:

- Cllr White noted the ongoing concerns with the size of the budget gap and the additional burden of financing this that would be added to revenue expenditure in future years. He also noted that only £3.8m out of the £10.7m of improvements to the projected overspend could be attributed to the services and requested further details on other factors, including over £5.2m of improvements attributed to 'External Finance'. Taryn Eves explained that this included a revised forecast for corporate budgets and the interest received on this as well as reduced interest payments from lower capital spend than had been budgeted for. It also included an accumulated surplus from the collection fund of Council Tax and Business Rates which had now been brought into the revenue position in order to reduce reliance on EFS rather than a reserve fund which might previously have been the preferred option. She added that the £5.2m should be regarded as a one-off in-year benefit rather than something that could also be budgeted for in future years.
- Cllr Carlin commented that it was reassuring to see some overall improvement in Q2 as there had been constant deterioration in the quarterly updates in the previous year, particularly in areas such as adult social care and temporary accommodation.
- Cllr White highlighted the importance of borrowing and investments as a way of improving the Council's financial position, noting that much of the focus in discussions had been on savings and preventing overspending. Taryn Eves agreed on the importance of long-term financial planning to get to a more sustainable position, particularly given that such a large proportion of the Council's budget was focused on meeting statutory responsibilities.
- Cllr Connor requested further details on unbudgeted additional bad debt provision referred to in paragraph 6.3 of the report. Taryn Eves explained that this related to the debt held across all services and an estimate of how much could be recovered with the remainder then classified as the bad debts

provision. This had increased to £3.9m. She had been keen to include this as part of the Q2 report rather than just at the end of the year, but it was still only a forecast at this stage and had not yet been written-off. This was different to the 'write-offs' figure of £4.7m elsewhere in the report which related mostly to parking. This was actual written-off debt which could not be recovered. Asked by Cllr Connor about the break-down of bad debt provision by each service, Taryn Eves explained that this was currently shown 'corporately' as a total figure in the table rather than within the services because this was still a work-in-progress estimate. She added that the Committee could request further details on these figures if required.

- Cllr Small requested clarification on the gap between the bad debt provision and the 'write-off' category and how this impacted on the EFS requirement. Taryn Eves explained that the provision was an estimate of the debt that would not be recovered which was required for accounting purposes. All opportunities to recover the debt were then explored and exhausted. If the estimate for the bad debt provision subsequently proved to be accurate, then no further pressure would be added to the budget once it reached the 'write-off' stage as it would have already been factored in. In terms of EFS requirement, she said that it was important to forecast how much money would be required as accurately as possible when budgeting for EFS. Cllr Carlin concurred with this approach and said that it was a necessary responsibility to make this kind of provision.
- Cllr Connor requested further details on the housing benefit overpayments referred to in paragraph 6.5, including how much had been lost to the Council as a result of these overpayments. Cllr Carlin clarified that local authorities administered housing benefit on behalf of the government, but it was acknowledged that there would be a certain number of overpayments due to delays or incorrect information which the government would cover. However, if high levels of overpayments were found to be occurring then the government would not cover this in full. Taryn Eves clarified that the overpayments related to historic years and so a written response could be provided to the Committee with the specific figures for the overpayments and the categories that they related to. **(ACTION)** She added that a lot of work had been done in the last couple of years on the detail of the housing benefit pressures including what debt was recoverable and what was not. With more residents moving over to Universal Credit, the issue with overpayments was expected to decline in future years. Cllr Carlin commented that much of the overpayments related to supported exempt accommodation which was a complex area.
- Cllr White referred to paragraph 6.28 of the report which stated that the interest incurred by EFS for 2025/26 would be £2.91m but queried why this was the case when the money had not yet actually been borrowed. Taryn Eves responded that this figure represented the forecast at the Q2 position but acknowledged that this could change by the year end position. She clarified that some EFS borrowing had already taken place within 2025/26 but that any EFS funds that were only borrowed for part of the year would impact on the calculations for the overall final position on the amount of interest incurred.
- Referring to Table 3 on page 27 of the agenda pack, Cllr Connor requested clarification on the difference between the total figure for the savings delivery column for 2025/26 (£5.27m) and the Green savings column of £15.98m. Taryn Eves clarified that the £5.27m had been achieved as a reduction in the budget

whereas the £15.98m was projected to be achieved by the end of the financial year. The £1.64m in the Amber column was at risk of not being delivered and the £11.67m in the Red column was not expected to be achieved. She reiterated that a key reason that the amount of new proposed savings in 2026/27 was limited was that there needed to be a focus on improving the delivery of the £29m of existing savings in 2025/26. Cllr Connor suggested that the Committee should register its concern about the low proportion of the proposed savings that had actually been achieved by the end of Q2. **(ACTION)**

- Cllr White noted that the figures in the savings delivery column for 2025/26 were quite low for some individual areas, such as Housing Demand, and asked what confidence there was that they would be delivered by the end of the financial year. Taryn Eves responded that Housing Demand was moving in the right direction and that savings measures were having an impact. She acknowledged that further due diligence may be necessary and that some one-off mitigations may be required to achieve the full £3.4m of savings, but this was currently forecast to be achieved.
- Asked by Cllr Connor where a tighter grip on savings delivery might be needed, Taryn Eves said that the cross-cutting savings were mainly the ones that were not being delivered in full and so these were the priority.
- Cllr Small acknowledged how much hard work had been going into achieving the savings required by the Council. Asked by Cllr Small how much more might be saved from reducing the Council's reliance on agency staff, Cllr Carlin said that all the Directors had targets to meet on this but acknowledged that this was more difficult in some sectors because of the difficulties in recruiting in certain sectors. However, there were also some longer-term changes that could be made such as training new permanent staff and improving retention. However, Haringey had previously been an outlier in London in having a high level of agency staff but were now slightly below the average. Taryn Eves added that there was now a recruitment panel that met fortnightly in order to maintain tight control on recruitment, with strict criteria on the recruitment of agency staff.
- Cllr Small noted that there was a small underspend on the budgeted spending for capital projects and requested further details on how this had reduced borrowing costs and whether there were plans to reduce this further. Taryn Eves said that some capital spending was from external sources but, where it came from borrowing, any reduction would feed into an underspend on the treasury management budget line which combined several different elements. She noted that it may be useful to separate out interest received and interest paid in future budget papers and would take this as feedback. **(ACTION)** She added that the capital underspend illustrated in Table 5 on page 35 of the agenda pack reflected only the variance from Q1 to Q2 rather than the overall change since the beginning of the financial year. It was agreed that the figures from the beginning of the year would be provided to the Committee. **(ACTION)** The total capital underspend over 2025/26 was therefore higher than this which reflected scale of the benefit to the treasury management line. While some capital spending was essential, she noted that minimising capital borrowing was part of the Finance Recovery Plan and so there had been schemes that were taken out of the capital budget following a review in the summer. She added that an underspend of £2m on capital financing had resulted from changes to the historic minimum revenue provision (MRP) following an external review.

- Asked by Cllr Gunes about the impact of unachieved 2025/26 savings on the 2026/27 budget, Taryn Eves explained that the proposed budget and EFS requirement for 2026/27 was set on the assumption that all 2025/26 savings would be achieved in full. Unachieved savings would therefore need to be offset by one-off mitigations or through contingency.
- Cllr Gunes queried the consequences of the approach to asset management, for example if the organisations that were the existing tenants were not able to pay higher levels of rent. Taryn Eves said that maximising the use of operational assets and commercial assets were important to the Council's financial sustainability. All properties in the commercial portfolio were being considered, including the leases in place and ensuring that the rents reflected the current market. If any local organisations were in need of additional support then this would be treated as a separate conversation from the lease and rent reviews.
- Cllr Gunes requested further details on the overspends in the large service areas such as adult social care, children's services and temporary accommodation. Taryn Eves acknowledged that the reason for the overspends was that the previous budget projections had not been accurate and so attempts had been made to strengthen the estimates this year, including through greater use of scenario planning. Nevertheless, there would always be some risks and uncertainty and so she was considering bringing forward a higher level of corporate contingency to manage that risk.
- Cllr Lawton referred to paragraph 6.7 of the report which described the off-one use of contingency to target a backlog in the Benefits team and sought reassurance that this would not need to be repeated in future years. Taryn Eves explained that bids were required to be made to her and the Corporate Leadership Team (CLT) for the use of contingency funds and clarified that any regular overspends would need to be built properly into future budgets. The use of contingency for the Benefits team was for a 12-month period to address the workload. However, she acknowledged that there was a need for improved processes in the services to ensure that situations like this did not recur and that this was part of the overall consideration.
- Cllr Lawton requested further explanation of paragraph 6.22 of the report which stated that the approach to income generation was not delivering as expected. Taryn Eves explained that £500k of new income had been built in as an assumption but that the programme had been delayed. She acknowledged that the programme had not been resourced and prioritised as it perhaps should have been and that there was potential to generate in excess of the £500k figure in future. She noted that income generation was taking place within the Directorates and that this programme was part of an additional cross-cutting approach. She expected that the position for this programme would show an improvement by the time of the Q3 update report. Cllr Connor suggested that this issue should be monitored further by the Committee in future update reports. **(ACTION)**
- Cllr White raised the issue of the 5% staffing saving and any negative consequences arising from this, such as the increased workload for staff or knock-on financial implications such as difficulties with achieving income generation. Taryn Eves said that each Directorate had been set the 5% target which then had the flexibility to determine how to achieve this. Clearly it would not make sense to remove posts which generated income and the approach

had varied across Directorates so Scrutiny Panels may wish to explore these separately in their relevant service areas. However, she acknowledged this it was very difficult to maintain the same workload while reducing the workforce and so any restructure required an element of prioritisation.

- Cllr Small commented that the focus of the scrutiny work was often skewed towards looking at savings more than income generation which was just as important. Taryn Eves responded that there were some very specific income targets in the papers and recommended that these should be considered by the Scrutiny Panels. She added that income generation could be strengthened across the Council and may require a culture change to adopt a more commercial approach as the range of income opportunities had not been exhausted.
- Cllr White raised the Disposals Policy which was referred to in paragraph 9.13 and asked how this could be scrutinised given that much of this was exempt information due to commercial sensitivities. Cllr Carlin commented that there was some benefit to keeping politics out of property with a logical and objective process and without being vulnerable to lobbying. She also noted that local authorities in receipt of EFS were specifically precluded from disposing of any property that was considered to be a community asset. Cllr White said that there was still some value in the scrutiny role to ensure that the disposal of assets was getting best value and was not against the public interest. He proposed a recommendation that careful consideration be given to what information about the Disposals Policy could be provided to the Overview & Scrutiny Committee. **(ACTION)**

Recommendations on the main report were then summarised:

- Paragraph 6.5 - That the figures for the housing benefit overpayments and the categories that they relate to should be provided to the Committee.
- Paragraph 6.22 – That progress on the cross-cutting income generation programme should be included in future update reports to be monitored by the Committee.
- Paragraph 9.13 – That consideration should be given to what information about the Disposals Policy could be provided to the Overview & Scrutiny Committee.
- Table 3 – The Committee registered its concern that a low proportion of the proposed savings had been fully delivered by the end of Q2 (£5.3m out of £29.3m).
- Table 5 – That details of the capital budget from the beginning of 2025/26 (rather than the beginning of Q2 as in Table 5) should be provided to the Committee.

The Committee then considered the ten appendices to the report. In some cases, all or part of the individual appendices were not scrutinised by the Committee as these would be scrutinised instead by the relevant Scrutiny Panels at a later date.

Digital Transformation Savings

It was noted that Digital Transformation Savings were included in Appendix 3 and marked as Red on the RAG rating but were also included in Appendix 4 and Appendix 6. Asked by Cllr Connor about any changes in Q2 compared to Q1, Taryn Eves referred back to the service modernisation programme which the Committee had

received a full update about in October 2025. This was a cross-cutting programme looking at digital opportunities across all Council services overseen by a board which was chaired by Taryn Eves. The current priority was on housing demand and adult services issues due to the financial pressures in these areas and because of the pressure on customer services from housing issues. As a consequence of this, the delivery for the services that were not prioritised would take longer and this is why they were currently rated as Red.

Cllr Connor queried why the shortfall for this item and other items in the savings table in Appendix 4 (pages 73-76) were shown as zero even though some were marked Amber or Red. It was clarified that this was an error and Taryn Eves agreed to circulate a corrected version of the table to the Committee. **(ACTION)**

Appendix 4 – Finance & Resources

Cllr White noted that, under Finance & Resources, there was a small increase in the overspend by £303k but some significant movements in both directions within this including an overspend of £169k from the Chief Executive's Office even though the base budget was only £115k. Taryn Eves said that she would provide a written response about the line on the Chief Executive's Office. **(ACTION)** On the Capital Projects and Property line, she explained that the significant movements related to the significant overspend on the corporate landlord model which had consolidated costs such as utility bills and business rates which had revealed a budget pressure. This had previously been reported on as part of the budget scrutiny meetings in November 2025. In addition, as explained in paragraph 1.5 of Appendix 4, there were some staff costs which had previously been capitalised but now needed to be categorised as revenue costs which created a further budget pressure.

Appendix 5 – Corporate Directorate

Asked by Cllr Connor for further explanation about the Enabling Services Review on page 84 of the agenda pack, Taryn Eves said that this review was to consider the best operating model for non-frontline services including project management, finance, business support, human resources, digital communications and engagement. Some of these services were centralised and others were decentralised or mixed and so the review aimed to identify areas of duplication and possible efficiencies. She acknowledged that there was a shortfall of £900k against a target of £1m and said that this was largely because the priority had been on the service specific savings and so projects such as this had been slow to get started with only the project management area worked on so far. The shortfall was expected only in 2025/26 with the full saving made in subsequent years.

Cllr Connor noted that the projected saving for Commissioning, Procurement and Contract Management was zero against a target of £3m. Taryn Eves said that this was again because this project had been slow to get started but explained that there were two elements to this project – the review of existing contracts and the recommissioning of contracts with the majority of the savings expected to be realised through the latter element.

Appendix 10 - Finance Response and Recovery Plan

Referring to the item on improving forecasting accuracy, Cllr Connor noted that an exercise was underway on the Strategic Property budget which was forecast to be a high-risk area. Taryn Eves said that this was about getting the forecasting as accurate as possible by looking at the detail of the Strategic Property budget in terms of both spending and also on income where there had been some historic underachievement on income. As this budget had been carrying a shortfall for a number of years, her priority was to consider future income opportunities as this was where the greatest potential for addressing the shortfall would be.

Cllr Connor queried the meaning of the term “one version of the truth” which was used twice in Appendix 10. Taryn Eves explained that the Council had multiple ways of collecting information such as financial forecasts and RAG ratings which created challenges when assembling dashboards. The aim was therefore to establish one set of information on key indicators and forecasts that could be owned corporately and understood across the Council.

65. PREVIOUSLY APPROVED SAVINGS

Cllr Connor chaired the Committee for this item as it related to the proposals for the Budget 2026/27 and MTFS (Medium-Term Financial Strategy) for 2026/27 to 2030/31.

Cllr Connor explained that the purpose of this item was to receive an update on the progress of savings under the remit of the Overview & Scrutiny Committee which had been approved in previous years but were being implemented during the forthcoming MTFS period. She commented that, because these were often multi-year savings and that the table showed only the current MTFS years from 2026/27 to 2030/31, it would be helpful in future for the table to include information about any part of the savings which had already been achieved in the years prior to the MTFS period. Taryn Eves said that a 2025/26 column could be inserted into the table. **(ACTION)** Taryn Eves commented that this was not new information and, because these savings had previously been agreed, they had been shown as a single line in the recent Budget papers and this additional table provided a more detailed breakdown of that line.

The Committee then raised questions about specific items in the table:

- Asked by Cllr Connor about the reduction in Housing Benefit costs (Corporate & Customer Services), Taryn Eves explained that £3.5m had been added to the budget for this in 2025/26 and the aim was to reverse this growth by £1m in 2026/27 and then a further £2m in 2028/29. This was why it was classified as an ‘Other Adjustment’ as opposed to a new saving. However, the £1m reversal for 2026/27 could now no longer be achieved and so this had been reintroduced as a budget pressure in the 2026/27 budget proposals. The proposed saving of £2m in 2028/29 would need to be kept under review with three further budget rounds to take place before this point. Cllr Carlin reiterated that it had previously been expected that the Council would no longer be administering Housing Benefit due to the transition over to Universal Credit. However, it had since become apparent that some groups, such as those in

supported exempt accommodation, were remaining on Housing Benefit with some complicated cases still being administered by the Council.

- Asked by Cllr Connor about the reduced cost of internal audit contracts, Taryn Eves explained that the current contact with Mazars was due to end in February and it was forecast that a small saving could be made by competitively re-tendering.
- Cllr Connor referred to the Asset Management savings/income growth (Capital Projects & Property) of £450k in 2026/27 and £300k in 2027/28. She compared these to the £350k savings/income growth for asset management in 2025/26 set out in Appendix 4 of the Q2 Finance Update report (page 75 of the main agenda pack). After some clarification of the figures, it was understood that marginally higher improvements were anticipated in 2026/27 compared to 2025/26.
- Asked by Cllr Connor about the agreed savings on Digital Transformation (Digital & Change), Taryn Eves clarified that previous budget report had forecast savings of £2.8m in 2025/26, £2m 2026/27 and £2m in 2027/28. It had since been necessary to re-profile this forecast as the savings would now take longer. The two £2m sections were moved back by one year with no savings proposed for 2026/27 in order to allow more time for the first £2.8m section to be achieved.
- Following on the above question, Cllr Small observed that it appeared to be the commercial and income generation parts of savings that sometimes lagged behind. Cllr Carlin said that she shared this frustration and that, if there was an area that could deliver an income, the Council needed to finance this properly, for example in digital transformation which had taken some years to get to the current stage. She added that it was recognised corporately that the reliance on EFS was not sustainable and that cross-cutting savings and income generation from assets were necessary elements of stabilising Council services but that resources were required to achieve this. In relation to the digital transformation, Taryn Eves added that the team only went live in February/March 2025 with over 40 projects now underway and this work was now delivering results, although the forecasts for 2025/26 had been too optimistic. Cllr Carlin commented that, as the cost of procuring digital products for public services was so high, the benefits of delivering these bespoke programmes in-house with permanent staff was a strong position with which to achieve transformation.
- Asked by Cllr Connor about the total figures for management actions and budget changes at the bottom of the table, Taryn Eves said that this was based on the position in July with further management actions and pressures added through the new budget report that had recently been seen by the Committee.

66. WORK PROGRAMME UPDATE

Cllr White then resumed the chairing of the meeting.

Cllr White reminded the Committee that the final budget meeting of the Committee would take place on 19th January. The following meeting on 12th February was

reserved for non-finance items with only 'worklessness' pencilled in so far with other suggestions required for this meeting.

In view of the heavy agenda for the 19th January 2026 meeting, the possibility of an earlier start time was discussed with Committee members indicating they could be available by 6pm at the earliest. However, as the Treasury Management training usually took place before the meeting, Dominic O'Brien, Scrutiny Officer, said that he would look into the scheduling of the training and then agree a start time for the Committee meeting in consultation with the Chair. **(ACTION)**

Committee Members requested that paper copies of the agenda be distributed to them by post in advance of future Committee meetings. **(ACTION)**

67. DATES OF FUTURE MEETINGS

- Mon 19th Jan 2025 (7pm)
- Thurs 12th Feb 2026 (7pm)
- Wed 11th Mar 2026 (7pm)

CHAIR: Councillor Matt White

Signed by Chair

Date