

MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON MONDAY, 28TH JANUARY, 2019, 19:00.

PRESENT:

Councillors: Lucia das Neves (Chair), Pippa Connor (Vice-Chair), Mahir Demir, Ruth Gordon, Adam Jogie

Also Present: Luci Davin and Yvonne Denny

1. FILMING AT MEETINGS

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mark Chapman.

3. URGENT BUSINESS

There were no items of urgent business.

4. DECLARATIONS OF INTEREST

There were no declarations of interest.

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

6. MINUTES

The minutes of the meeting on 14th January were agreed as a correct record.

7. MINUTES OF SCRUTINY PANEL MEETINGS

RESOLVED

That the minutes of the following Scrutiny Panels were noted and the recommendations contained within were approved:

Housing and Regeneration – 17th December 2018.
Children and Young People – 18th December 2018.

Environment and Community Safety – 18th December 2018.
Adults and Health – 18th January 2019.

8. CABINET MEMBER QUESTIONS - CABINET MEMBER FOR CIVIC SERVICES

The Cabinet Member for Civic Services responded to a number of questions from the Committee in relation to her portfolio. The Chair acknowledged that the Cabinet Member had only recently been appointed and suggested that she be invited back in due course to give a further update. The following arose in response to the discussion of these questions.

- a. The Committee enquired about library provision and plans for improvement. In response, the Cabinet Member advised that retaining all 9 libraries was key priority for the administration and that there was a planned approach to improving those libraries as part of a programme of capital works. Phase one involved works to Marcus Garvey Library. In addition, works were also underway at Hornsey library as well as some smaller branch libraries. Officers had consulted with staff as well as stakeholder groups on these works. The Committee was advised that proposals were in place to improve Wood Green Library to improve accessibility and make it feel like a proper library, following the implementation of the customer service centre on site. The Committee requested to see current plans for improvement of branch libraries and the capital spend allocated. **(Action: Andy Briggs)**.
- b. In response to a concerns raised about length of time taken to answer calls to customers services, particularly in relation to housing and repair queries, officers suggested that there were plans to ensure channel shift to other methods of responding to queries. The Committee was advised that the Council had an SLA with HfH and worked closely with the Housing Repairs service. 40% of call volumes across the Council were related to housing. The Committee was advised that 96% of calls were answered in the previous week and that was the best performance that had been achieved in a long time. Officers acknowledged that spikes and log-jams did occur and advised that the average call time was two to five minutes.
- c. In response a query about the location and the launch of the youth space event in Marcus Garvey, the Cabinet Member acknowledged concerns about holding the launch event in term time and advised that the youth space was located immediately on the right as you entered the building. The Cabinet Member acknowledged that there were still some niggling issues in relation to Marcus Garvey, such as signage and the back door. The Cabinet Member agreed to bring a report back to a future meeting setting out the ongoing issues in relation to library improvement works. **(Action: Cllr Amin/Andy Briggs)**.
- d. The Committee raised concerns with the lift in Marcus Garvey being regularly out of order. The Cabinet Member agreed to speak to Fusion about the lifts and to include the lift issue in her future briefing to the Committee on Marcus Garvey Library. **(Action: Cllr Amin/Andy Briggs)**.
- e. In response to a question around progress of the Fairness Commission, the Cabinet Member acknowledged that she was hoping to meet with the previous Cabinet Member to determine how best to move it forwards. A number of pop-up events had taken place in the borough along with some other consultation events with community groups and the public. The Cabinet Member agreed to

- bring a further update in the Fairness Commission to the April meeting of OSC. **(Action: Cabinet Member/ Daria Polovina).**
- f. In response to a query in relation to Bruce Castle, the Committee was advised that a lot of work was being done to ensure the building issues were addressed. A fabric maintenance survey was to be undertaken to assess the building's condition. The Cabinet Member advised that she was in the process of re-establishing the Cabinet steering group on Bruce Grove.
 - g. The Committee enquired what support was being offered to residents in relation to the rollout of Universal Credit. In response, the Cabinet Member advised that a lot of work had been done to improve signposting and offer advice to residents. A number of trained champions for Universal Credit had been established within Customer Services. In addition, HfH were providing support to tenants directly and the HfH advice team were holding resident surgeries. The Committee requested a further update in relation to Universal Credit at an upcoming meeting. **(Action: Cllr Amin/Mark Rudd).**
 - h. The Committee sought clarification about what the Council could do to negate some of the impact of the government's Hostile Environment policy. In response, the Cabinet Member acknowledged the key role that the Windrush generation had played within the Borough and that a number of events had been put in place to celebrate their contribution as well reassure subsequent generations of the Council's support. The Committee also noted that the Council was also developing its offer of support to EU migrants in relation to Brexit.
 - i. The Committee sought clarification about what was being done to improve the quality of benefits advice. In response, the Cabinet Member advised that Quality Assurance Officers were responsible for checking on the quality of responses to the public and that there was up to date advice and frequently asked questions available on the Council's website. The Committee was reassured that a lot of work had been done within the team to ensure that customer correspondence gave comprehensive and well-informed advice.
 - j. In response to concerns about recurrent issues leading to some residents having their benefits stopped, the Cabinet Member agreed to undertake a piece of work to understand what those recurrent issues were. **(Action: Cllr Amin/Amelia Hadjimichael).**
 - k. The Cabinet Member agreed to bring a report to a future meeting around performance against FOI requests. **(Action: Cllr Amin/Mark Rudd).**

9. TREASURY MANAGEMENT STRATEGY STATEMENT 2019-2020

The Committee received a cover report and the Treasury Management Statement for 2019/20 – 2021/22 for comments, prior to its submission to Corporate Committee and Full Council for final approval. The following arose from discussion of the Treasury Management Statement:

- a. The Committee was advised that the Strategy identified £670m of new borrowing over the next three years, which was approximately split into a third for the HRA and two-thirds for the General Fund. In light of the lifting of the HRA debt cap, there had been significant expansion of the capital programme.
- b. The Committee sought clarification about the term 'unplanned cash flow shortages' as set out in the report. In response, officers outlined that the organisation handled around £1 billion in income and expenditure over the

- course of a 12 month period, and that whilst a great deal of work was done to forecast cash flow there were inevitably fluctuations in cash flow levels. Officers reassured the Committee that the organisation would not run out of money as a result.
- c. The Committee sought assurance about the pressure on revenue accounts arising from the Council significantly increasing its levels of borrowing. Officers advised that interest rate costs and the costs of increased borrowing were factored into the MTFS. The Committee noted that parts of the capital programme were predicated on making savings as a result of the introduction of those schemes. Officers elaborated that of the new schemes identified in the Capital Programme; 16% were core funded, 75% were self-funding and therefore predicated on savings, and 9% were based on external funding.
 - d. In response to a question, officers agreed to circulate further information in relation to the interest costs arising from the borrowing set out in the TMSS. **(Action Thomas Skeen).**
 - e. In response to a question around the interest rates involved in borrowing money from the Public Works Loan Board, the Committee was advised that the PWLB was widely recognised as having the lowest borrowing costs on the market for local authorities.
 - f. In relation to a question around LOBO loans, officers advised that there was very little chance of the lenders increasing the borrowing rates in the short to medium term, whilst interest rates remained low.
 - g. In response to a question, officers acknowledged that the authority was fairly risk averse in its investment strategy. This was linked to the fact that the Council held very low levels of cash reserves. The Committee noted that, in contrast to some other London local authorities, Haringey limited the amount of money invested through commercial banks and exposure to bail-in as a result.
 - h. The Committee sought clarification around charges for Minimum Revenue Provision (MRP) overprovision. The Committee noted that the Council was currently on a MRP holiday which created savings within the revenue budget. Officers agreed to circulate a response to members with further information in relation to the historic overprovision of MRP. **(Action: Thomas Skeen).**

RESOLVED

- i. That the proposed updated Treasury Management Strategy Statement for 2019/20 – 2021/22 was scrutinised and comments provided prior to its presentation to Corporate Committee and Council for approval.

10. BUDGET SCRUTINY; PANEL FEEDBACK AND RECOMMENDATIONS.

Clerks note – Cllr Connor chaired this agenda item as the Chair of Budget Scrutiny item, as per paragraph 7.4, Part 4, Section G of the Council's Constitution.

The Committee received a report which set out how budget proposals detailed in the draft 5 year Medium Term Financial Strategy (MTFS) for 2019/20-2023/24 had been reached by the Overview and Scrutiny Committee and the Scrutiny Review Panels. The Committee was asked to consider and agree recommendations contained within the report so that these could be considered by Cabinet on 12th February 2019.

The Chair sought the Committee's feedback on the budget scrutiny process. The following points were raised in response to this discussion:

- a. The Committee sought additional support from finance officers for future budget monitoring and scrutiny sessions. It was felt that further clarity around the risks involved with implementing individual saving proposals and any potential knock-on effects, would be useful going forwards. The Committee also requested more information around the impact of savings on residents and how this fed into the wider strategy across the Council.
- b. The Chair of the Housing and Regeneration Panel raised concerns around receiving information requested late and the ability to digest that information as a result. The Chair of the Housing and Regeneration Panel suggested that the budget scrutiny process should be elongated to improve the robustness of scrutiny.
- c. The Committee requested regular budget monitoring sessions and to receive regular updates on the capital budget as part of this process. It was also suggested that monitoring of capital projects should form part of the work programme for the relevant Scrutiny Review Panels.
- d. The Committee agreed that improving the robustness of financial monitoring would form part of the wider review of Scrutiny taking place in March. **(Action: Chair/Clerk).**

The following was noted in response to the discussion around the MTFS and the proposed budget:

- a. The Committee enquired about the use of corporate reserves and whether there was any expectation that this would be available in futures years. In response, officers acknowledged that the draft budget had utilised £10.5m of reserves to part fund the shortfall in the budget. Officers advised that the reserves were available partly due to the decision taken at the close of the 2017/18 accounts to establish a budget resilience reserve. The report that went to Cabinet in December set out that the budget gap was projected to be £26m by 2022/23 and that the use of corporate reserves could not be counted upon to plug this gap. Further reductions in the revenue budget were required instead. Officers advised that from 2021 onwards the assumption was that there would not be a corporate reserve available to address the structural shortfall in the budget.
- b. In response to a question around the extent to which the Council's budget had been shrunk since 2010, officers advised that there had been around £122m of funding reductions since 2010.
- c. In response to a question around the role of Council Tax in the Council's budget, officers advised that the three main sources of income for the Council were Council Tax, Business Rates and income from fees and charges. The Council Tax base was around £100m. The Committee noted that the locally generated financial resources were playing an ever increasing role in council budgets, as councils move toward self-financing models.
- d. In response to further questions, officers advised that the report to Cabinet recommended a 2.99% increase in Council Tax, any further increase would require a local ballot. The financial modelling on the MTFS was predicated on the assumption of an increase but the Council may decide that it did not want to proceed with this.

- e. In response to a question on what was meant by a structural funding gap, officers advised that the authority's cost base exceeded its resources and that this was reflected in its base budget position. In response to a question around income generation, officers advised that both income generation and a reduction in revenue budgets was required to meet this gap.
- f. In response to a question around contingency planning and Brexit, officers advised that the budget resilience reserve was a £7m sum set aside on an annual basis in response to any unforeseen pressures on the budget.
- g. The Committee sought clarification around earmarked and unearmarked reserves. In response the Committee was advised that the ear marked reserves totalled around £70m and the General Fund unearmarked reserves totalled around £15.5m. The 10.5m used to balance the 2019/2020 budget would be allocated from the £70m earmarked reserves. Officers advised that each of the sums of money that made up the earmarked reserves were specifically allocated to a defined purpose. The Section 151 Officer advised that, in his opinion, the Council was utilising a significant level of reserves in its 2019/20 budget.
- h. In response to a question in relation to the Director Finance's confidence in the budget put forward and the savings identified, the Committee was advised that part of his role in this regard was to give an assurance statement as part of the budget. The Director of Finance acknowledged that the Council's track record of delivering savings had not always been where the authority may have wished it to be. Having undertaken a review of the savings programme early on in 2018/19, confidence in achieving some of the savings identified in the previous iteration of the MTFS led to the authority writing off £10m of savings proposals mid-year. Officers advised that this was quite an unusual act for a local authority to undertake. The Committee was assured that officers had made significant efforts to put in place deliverable plans and that a significant level of detail had been put into the proposals that were in front of the Committee. Officers acknowledged that it was unlikely that every single saving would be realised, hence it was prudent to have a budget resilience reserve.

The following was noted in response to the discussion of the recommendations put forward by each of the Panels, as set out in Appendix D of the report.

Priority 1 – Children's Services

The Committee sought further assurance about whether these elements of the overall constituent savings within PC2 and PC3 could be made and assurance sought about the potential risks involved.

PC3 – Reduce cost of placements.

e) Ensure that children with Special Educational Needs and disabilities placed in out of borough schools are receiving independent travel training to encourage independence where appropriate. The Committee were concerned that this would lead to a reduction in service and transport provision for vulnerable children.

PC2 – Reduce Operational Costs

a) Use of family support workers rather than social workers when managing less complex children in need cases and those families needing immigration advice and support. The Committee were concerned about the level of risk that this could expose the Council to and the potential for a lower level of advice to be offered by a family support worker.

e) Reducing the costs of running children's centres through reducing the management costs. The Committee were concerned about the impact of reducing the number of managers and the impact on care. The Committee emphasised the important role that a good manager played.

Priority 2 – Adult Social Services

PA7 – Sexual Health

The Committee raised concerns with the introduction of self-testing, particularly in terms of instances where some people would prefer a face-to-face meeting. There were potential implications around VAWG and the need to ensure that some sections of the community were not disproportionately impacted. The Committee also raised concerns with accessibility and that a number of residents may not have access to a computer to order a self-test. The Committee recommended that Cabinet re-examine this saving in light of accessibility issues and the potential for a disproportionate impact on particular sections of the community. The Committee would also like reassurance around how any changes would be communicated to residents.

PA1 – Charging for Managed Accounts.

The Committee raised concerns with the introduction of administration charges for Appointeeship clients. The Committee noted a seeming discrepancy in some of the information provided on the figures involved. An average of £350 was inferred from a £70k income for 200 new clients, however additional information from officers suggested that the fee would likely be the Category 2 fee of £745 for the first year and £650 for subsequent years (page 13 of the addendum pack). The Committee requested that officers provide some clarity on those figures (**Action: John Everson**).

The Committee recommended that Cabinet reconsider charges for Appointeeship clients, and the suitability of making savings in this area particularly given the amount proposed and the likelihood that these residents could be receiving benefits.

The Committee also raised concerns about what information would be given to residents for administration of Appointeeship services.

PA5 – Care Negotiation Activity and Adults Care Packages

Further assurances were requested about the potential impact on the level of care received by residents. The Committee requested further information about the risks and mitigations involved as these were not picked up in the report pack. Once those savings have been made, how would those people in semi-independent care and supported living settings be assessed to ensure that they were in the correct setting?

PA6- Day Opportunities – Transfer of high cost out of borough placements into borough.

The Committee were broadly supportive of this proposal and recognised the need for service users to be closer to existing support networks.

The Committee raised concerns with profiling all of the savings into 2020/21 rather than staggering it over a longer term. The Committee considered whether those savings may need to be made further down the line to facilitate the investment and allow day opportunities to bed-in. In response officers advised that the savings were scheduled to be realised in Year 2 as that was the best estimate at this stage. Officers reassured the Committee that, as it was profiled for Year 2, there would be an opportunity during next year's budget setting process to assess the feasibility of achieving all of the savings in 2020/21.

The Committee highlighted the risk to Cabinet around profiling the package of savings into 2020/21 rather than staggering them over a longer term. The Committee requested that this be monitored and that a further detailed update be provided to Scrutiny during the 2020/21 budget setting process.

Additional P2 Recommendations.

The Committee raised concerns about the carry forward of £2.4m of savings from 2018/19 in relation to care packages, which was in addition to £2m saving identified for 2019/20. The Committee sought to highlight that ongoing budget pressure to Cabinet and were concerned about the amount of money being taken out of this area. The Committee requested assurance from Cabinet about how these savings would be achieved and the feasibility of making those savings in light of £2.4m of carried over savings from 2018/19.

The Committee requested assurances from Cabinet that discussions were taking place with partners at a strategic level to ensure that joint funding arrangements with the CCG were considered and that any potential reduction in services provided by the CCG wouldn't have an undue knock on effect to the Council's budget. Assurances were also sought that the impact on residents were fully considered in respect of savings made at a partnership level.

In response to concerns raised by the Committee in respect of deliverability of savings, the Section 151 Officer highlighted that there had been additional growth money invested in care services as part of this budget setting process. Around £7m of additional funding had been allocated to Children's Services and a similar amount in relation to Adult Social Services, in recognition that there was an underlying structural gap and that expenditure had to reflect costs. Part of this additional funding was through external grants and part was through use of the Council's financial reserves.

Priority 3 – Environment and Neighbourhoods

The Committee broadly welcomed the introduction of the additional HMO Licensing and the potential to improve the quality of housing across the Borough.

In respect of the proposed saving PL5 to remove public toilets, the Committee suggested that there was a piece of work to be undertaken around adequate signage for toilet provision and working with businesses to ensure that this was done in a joined-up way.

The Committee acknowledged the importance of tackling litter across the borough and noted that the proposed saving PL7 was dependent upon a £300k growth bid to generate fines. The Committee expressed a view that it was important to make sure that fines were targeted in the correct way.

In respect of leisure centre concessions, the Committee expressed strong support for ensuring that discounted leisure facilities were available for those that used them and suggested that prices should be kept as low as possible. The Committee also emphasised the need to ensure that any concessionary rate was applied fairly across the Borough. The Chair of the Adults and Health Panel agreed to speak to the Chair of the Environment and Community Safety Panel in relation to looking at the impact of compulsory swimming provision and school budgets. **(Action: Cllr Connor and Cllr Jogee).**

The Committee set out concerns in relation to 100% Controlled Parking Zone coverage and cautioned that high demand for CPZs did not necessarily equate to a mandate for blanket coverage across the Borough.

PL11 – Flexible Policing Resources.

The Committee raised concerns about PL11 and proposals to cut the funding for flexible police resources, given the problems with anti-social behaviour and crime in the borough. The Committee agreed with the recommendation of the Environment and Community Safety Panel that Cabinet should be asked to reconsider this proposal.

Priority 4 & Priority 5 – Housing and Regeneration

The Committee expressed concerns in relation to the level of consultancy spend within Regeneration. It was noted that, following receipt of additional information as requested at the OSC meeting on 14th January, the Chair of the Housing and Regeneration Panel had further concerns about the sums involved. The Committee agreed to endorse the Housing and Regeneration Panel's recommendation in relation to consultancy spend.

The Committee agreed to elaborate upon the Housing and Regeneration Panel's recommendation in relation to outdoor media advertising, and request that Cabinet also bring forward a robust policy on the nature of advertising that is permitted through Council controlled advertising space. The Committee suggested that the Council should follow the Mayor's policy of prohibiting junk food advertising given the impact on public health.

The Committee reiterated the concerns of the Housing and Regeneration Panel's in relation to Muswell Hill flats should be being used for social rent rather than as shared ownership properties.

The Committee contended that there was the potential for significant development of the income stream within the commercial portfolio and suggested that achieving this should be further up the Council's agenda.

The Chair of the Housing and Regeneration Panel agreed to speak to the clerk around the final wording of the Panel's recommendations. **(Action: Cllr Gordon)**.

In response to a question around progress of the Wholly-Owned Development Vehicle, the Chair of the Housing and Regeneration Panel advised that the vehicle was being reviewed in light of changes to the HRA borrowing cap and that it was anticipated that a business case would be coming back to the panel in due course.

The Committee agreed the Children and Young People Panel's proposal in relation to Fortismere School and requested that a report should be brought back to OSC once a business case was in place, given that the issue spanned a number of different Cabinet portfolios. **(Clerk to note)**.

The Chair of Housing and Regeneration expressed concerns to officers about some of the difficulties in properly scrutinising capital budgets given the large sums involved and a lack of detail in some of the areas. Officers acknowledged these concerns and agreed that this feedback would be taken on board. The Director of Finance commented that going forward he would look at how to improve engagement on the Capital Programme and whether officers could give briefings to the political groups on this.

RESOLVED

That the Overview and Scrutiny Committee:

- I. Noted the budget information and capital schemes proposals, attached at Appendices A and B of the report, considered by Scrutiny Panels and the Overview and Scrutiny Committee in December/January 2018;
- II. Considered the additional information, attached at Appendix C of the report, which was requested during the December/January round of budget scrutiny meetings;
- III. Agreed final budget recommendations to be put to Cabinet on 12 February 2019, following consideration of recommendations arising out of the budget scrutiny process, set out in Appendix D of the report.

11. WORK PROGRAMME UPDATE

This item was deferred to the next meeting.

12. NEW ITEMS OF URGENT BUSINESS

None.

13. FUTURE MEETINGS

25th March
29th April

CHAIR: Councillor Lucia das Neves

Signed by Chair

Date