

Meeting of the

OVERVIEW & SCRUTINY COMMITTEE

Monday, 23 January 2017 at 6.00 p.m.

SUPPLEMENTAL AGENDA

	PAGE NUMBER
3. UNRESTRICTED MINUTES	
To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 4 th January, 2017.	1 - 16

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LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.00 P.M. ON WEDNESDAY, 4 JANUARY 2017

ROOM C1, 1ST FLOOR, TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG

Members Present:

Councillor John Pierce (Chair)
Councillor Clare Harrisson – Scrutiny Lead for Adult Health and Wellbeing
Councillor Muhammad Ansar Mustaqim
Councillor Danny Hassell
Councillor Denise Jones
Councillor Gulam Kibria Choudhury
Councillor Andrew Wood

Co-opted Members Present:

Victoria Ekubia – (Roman Catholic Church Representative)
Dr Phillip Rice – (Church of England Representative)

Other Councillors Present:

Mayor John Biggs
Councillor David Edgar

Apologies:

Councillor Abdul Mukit MBE – Scrutiny Lead for Resources
Councillor Amina Ali – Scrutiny Lead for Development and Renewal
Councillor Abdul Asad
Councillor Julia Dockerill – Scrutiny Lead for Children's Services
Councillor Oliur Rahman
Councillor Helal Uddin

Officers Present:

Agnes Adrien – (Team Leader, Enforcement & Litigation, Legal Services, Chief

	Executive's)
Corporate Director, Resources Ed Hammond	– Head of Programme Programmes, Local Accountability
Sharon Godman	– (Divisional Director Strategy Policy and Equality)
Neville Murton	– (Divisional Director, Finance, Procurement & Audit)
Denise Radley	– (Corporate Director, Health, Adults and Community)
Peter Quirk	– Senior Strategy, Policy & Performance Officer
David Knight	– (Senior Democratic Services Officer)

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Amina Ali; Abdul Asad; Julia Dockerill; Oliur Rahman and Helal Uddin.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

No declarations were received.

3. UNRESTRICTED MINUTES

The Chair Moved and it was:-

RESOLVED

That the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 8th December, 2016 be approved as a correct record of the proceedings.

Subject to the following amendment

1. **Item 9.3 Mayor's Spotlight** first bullet point **delete** "The results of Air Quality reports indicate that traffic calming measures increase the emissions of some pollutants from motor vehicles" and **insert** "The results of Air Quality reports indicate that **some** traffic calming measures increase the emissions of some pollutants from motor vehicles; and
2. **Item 9.3 Mayor's Spotlight** twelfth bullet point **delete** It would seem that traffic calming measures do increase the emissions of some pollutants from motor vehicles however motorists can be re-educated to understand the effects of their driving style and roads can be re-designed" and **insert** "It would seem that **some** traffic calming measures do increase the emissions of some pollutants from motor vehicles however motorists can be re-educated to understand the effects of their driving style and roads can be re-designed".

In addition with regards to Item **9.1 Welfare Reform** the Committee requested that they be provided with an update on the lobbying of the Government over the reforms in Welfare Benefits.

4. REQUESTS TO SUBMIT PETITIONS

Nil items

5. UNRESTRICTED REPORTS 'CALLED IN'

Nil items

6. FORTHCOMING DECISIONS

The Committee received and noted the published list of forthcoming decisions.

7. OVERVIEW & SCRUTINY COMMITTEE QUERY AND ACTION LOG 2016/17

The Committee received and noted an update on the outstanding actions.

8. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The Committee considered the Cabinet agenda for the 10th January, 2017 the questions submitted and responses received as set out in **Appendix A**.

9. SCRUTINY SPOTLIGHT

Nil items

10. UNRESTRICTED REPORTS FOR CONSIDERATION

10.1 Budget Scrutiny

A. BUDGET SCRUTINY

The Committee considered a number of reports including the proposals which form part of the draft Medium Term Financial Plan (MTFP) 2017/18 to 2019/20; the Council Tax Base 2017/18; Local Tax Reduction Scheme and Fees and Charges 2017/18.

The Committee noted that with the new Budget Process there would be a focus on a three year period so as to ensure a proper balance that would ensure the Council had the staff with the right skills mix to deliver the services needed. The focus of services would be to meet the specific needs of LBTH and to promote a culture where people have a greater sense of community and

independence.

The Chair also reminded the Members of the Committee that this was the first step in a new process and that following on from this formal meeting there would be an informal workshop on 16th January, 2017 and that a note of that workshop would be made available at the next formal meeting of the Committee on the 23rd January. However, it would be the formal views from that meeting on the 23rd which would go back to the Cabinet so as to be taken into account before making recommendations to Council.

The Committee noted that the new budgetary process is more explicit than before and has a high level of detail and with a three year period it is anticipated that it is more likely that the outcomes as set out in the report will be delivered.

The Committee then considered the reports on the Cabinet agenda and the questions and comments on these various reports may be summarised as follows:

- What is being done to address Sickness Absence?
- What is the current position regarding the Waste Contract?
- Will schools be able to sustain the level of service with the education budget that supports those children with Special Educational Needs (SEN)?
- What is the current position regarding the establishment of a new collaborative relationship with the Third Sector?
- Can we know what is the position regarding the New Homes Bonus?
- What is the position regarding the introduction of Universal Credit?
- Would it be possible to have details of the numbers of households affected by the introduction of Universal Credit; the numbers of children in the households and what household income is considered?
- The charging for English as a Second Language courses is that an increase or an introduction?
- Are the figures set out in the Budget Pack in relation to the Core Grants 2017 – 2020 confirmed?
- What is the Greater London Authority precept?
- Have we an indication of the impact of Brexit on businesses in LBTH and what can be done to mitigate the impact?
- How will the Councils reserves be used to mitigate the reduction in Government funding?
- What will be done to support Children's Services?
- It is apparent both from the 2015/16 outturn position and also the 2016/17 budget monitoring process that there are

elements of the Council's budget that require re-basing as budgets are misaligned. I understand that situation has previously been masked through the use of contingencies and the application of one-off reserves. How will this be addressed?

The responses to these questions may be summarised as follows:

1. The management of sickness is an important matter and as the reorganisation of the senior management restructure has now been implemented we will ensure this is given the highest priority to address;
2. Regarding the management of waste in Tower Hamlets it is accepted that there are some areas requiring more attention than others that require more enforcement and improvement in working methods to deliver outcomes;
3. Work is being undertaken to address the current backlog of assessments and the overall management of the SEN Service. In addition, consideration is needed regarding the costs of the Service when set against outcomes; budgetary pressures and the provision of the Service in mainstream schools;
4. The work on the establishment of the collaborative relationship with the Third Sector is in hand and is being scrutinised by the [Grants Scrutiny Sub-Committee](#) . In addition, consideration is being given to building up the capacity in the Third Sector Team prior to the 2018 Grants Process and the development of the Grant Policy;
5. The New Homes Bonus is being cut by the Government so that they can fund the Adult Social Care however overall there will be a £3m reduction in the Grant received by Tower Hamlets;
6. With regards to the concerns over the introduction of Universal Credit risk assessments will be undertaken and we will look at what support can be given to households (e.g. those that have never to pay rent direct to their landlords before). It is accepted that we need to look at these changes so that they better reflect household incomes;
7. We would be happy to provide details on the numbers of households affected by the introduction of Universal Credit once they are available;
8. Regarding the charging for English as a Second Language courses there is an expectation that charges for such courses will be in line with other types of educational programmes. As Section 3.4.47 of the Fees and Charges report states the new model is proposed in order to maximise the fee income from those learners who can afford to pay a realistic fee level whilst adhering to Skills

- Funding Agency (SFA) funding requirements. This will have no impact on learners who cannot afford to pay and who meet the SFA's definition of being eligible for fee waivers. All courses will be free or subsidised for learners who meet the eligibility criteria;
9. The figures set out in the Budget Pack in relation to the Core Grants 2017 – 2020 are subject to change;
 10. The Greater London Authority precept is 1.5%;
 11. Whilst it is difficult to point to a precise or definitive impact of Brexit on LBTH business growth the effects will be monitored;
 12. The Council's overall approach to reserves will be defined by the system of internal control. The system of internal control is set out, and its effectiveness reviewed, in the Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management. The Council will maintain a general fund general reserve; a housing revenue account (HRA) general reserve; and a number of earmarked reserves;
 13. With regards to the support for Children's Service we will institute a more vigorous policy of intervention early in the lives of young people in need;
 14. It is not good financial management practice to continue to allow reserves to be used to cover on-going budget pressures as the reserves are one-off in nature and will eventually not be available. There are a number of areas in the Council's budget where it is proposed that adjustments are made between centrally held provisions for growth, relating to previous years' that remain unallocated and a small number of those areas where re-basing is considered appropriate; and
 15. The overall intention is to have a more transparent process whereby issues are addressed and it is clear to see how challenges and situations are addressed and that there is a sustainable budget position. In addition, evidence based policy and decision making that will provide a reliable body of evidence that ensures expenditure in a particular way that produces results (**e.g.** the three year budgetary process will allow time to develop proposals on the recruitment and retention of social workers).

In conclusion after having reviewed the (i) Nature of the financial resources funding the budget including council tax and business rates, reserves policy, schools funding, Capital and HRA budgets and the robustness of the approach to risk; and (ii) Range of budget pressures and proposed growth allocations along with an

overview of the extensive range of savings proposals, the Committee **agreed** that the suggested focus and lens for the scrutiny work is on the following priority areas:

- Enabling Growth in the Borough; and
- Prevention and proactive initiatives.

In addition, that the approach for the in depth reviews should be in determining: Firstly that the proposed outcomes are clear and appropriate and that the evidence base and rationale is robust, and to consider areas of significant risk and the robustness of the mitigation measures.

Finally, the Committee noted that the next part of the budget scrutiny process would be an informal workshop at 18.00 on 16 January 2017 at the Town Hall, which will be more focused on the in-depth review and scrutiny of a small number of key elements of the proposed budget.

10.2 Appointment of Lead Councillor

The Committee noted that following the introduction of the new Council structure a review of the Scrutiny lead portfolios will need to be undertaken prior to any appointments of Lead Councillors being agreed.

10.3 Appointment of Co-Optees

The Committee was reminded that following the expiry of terms of office of current co-optees, the Council has conducted a campaign to seek nominations to all six co-opted positions [Including the Muslim faith community representative] on the Overview and Scrutiny Committee. Nominations for all these positions have now been received and will be considered by Council on 18th January, 2017.

11. ANY OTHER UNRESTRICTED BUSINESS WHICH THE CHAIR CONSIDERS TO BE URGENT

Nil items

12. EXCLUSION OF THE PRESS AND PUBLIC

The agenda circulated contained no exempt/ confidential business and there was therefore no requirement to exclude the press and public to allow for its consideration.

13. EXEMPT/ CONFIDENTIAL MINUTES

Nil items

14. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items

15. PRE-DECISION SCRUTINY OF EXEMPT/ CONFIDENTIAL) CABINET PAPERS

Nil items

16. ANY OTHER EXEMPT/ CONFIDENTIAL BUSINESS THAT THE CHAIR CONSIDERS URGENT

Nil items

The meeting ended at 8.50 p.m.

**Chair, Councillor John Pierce
Overview & Scrutiny Committee**

LONDON BOROUGH OF TOWER HAMLETS
Pre-Decision Question - Overview and Scrutiny Committee – 4th January 2017

Cabinet Report	Question / Response
<p>5 .4 Local Council Tax Reduction Scheme 2017/18</p>	<p>Question 1. Which organisation submitted the petition received by the Council regarding this item and what was the level of support for the petition?</p> <p>Response The petition was submitted by an organisation called Zacchaeus 2000 Trust (Z2K), a London based charity Z2K providing free advice and support for vulnerable people with household debt, housing or welfare problems. The petition included the names of 521 residents.</p> <p>Question 2. What is the nature of the risk assessment which has been undertaken in assessing the impact of this decision, how will the risks be minimised?</p> <p>Response The council undertook an extensive public consultation which included a number of options for changing the current LCTRS scheme. No decision has yet been taken in respect of whether the current scheme should be changed and if so which option should be adopted.</p> <p>In order to assess the impact of the options, modelling was conducted on the main options to determine:</p> <ul style="list-style-type: none"> • The annual cost to the council • The number of households affected (separated into vulnerable and non-vulnerable households) • The average loss of income for each household affected. (separate figures for vulnerable and non-vulnerable households) • The impact on household types, family size, working/non-working <p>Some options protect vulnerable households and the proposals contained in the Cabinet report include provision for discretionary funding to protect households that may suffer hardship including those who do not fall into the protected vulnerable groups.</p>

Cabinet Report	Question / Response
	<p>Question</p> <p>3. Quantify the number of people/households affected and scale of the impact and potential savings for each of the proposed additions to options at 3.17 in the report?</p> <p>Response</p> <p>If agreed, the proposed additions set out in 3.17 of the report will apply from April 2017 and will only affect future claims, so it is difficult to quantify the numbers of households affected. Examples include a resident failing to claim at the appropriate time or decisions to travel abroad for longer than 4 weeks, and therefore it is difficult to predict the number of these events and frequency with which they are likely to occur. However, any derived savings are likely to be nominal and the main purpose of their inclusion is to bring the LCTRS scheme in line with changes to Housing Benefit as both are claimed via a single application and administered simultaneously by the council's Benefit Service.</p> <p>Question</p> <p>4. In determining council tax liability in individual cases, how are households defined and what approach is taken to defining individual and household income levels.</p> <p>Response</p> <p>With regard to council tax liability, the liable person must be aged at least 18 years and is normally the tenant or owner occupier. In the case of couples both partners are jointly and severally liable. In respect of Council Tax Reduction only the liable person or partner can apply and the household consists of all people residing in their home. For income purposes under Option 4 the income of all adults living in the home is taken into account in the assessment of entitlement, whereas in Option 5 entitlement is assessed using only the claimant and partner's income and deductions are applied in respect of other adults living in the household. The level of deduction is predicated on the other adults' income and circumstances. However where an adult other than the claimant or partner income of £370.50 per week this will exclude the household from entitlement.</p> <p>Question</p>

Cabinet Report	Question / Response
	<p>5. Under Option 4 will LCTRS claimant's income from (a) Job Seekers Allowance, (b) Employment Support Allowance, (c) Disability Living Allowance, (d) Personal Independence Payment and (e) Housing Benefit taken into account as part of total household income?</p> <p>Response Under option 4 for LCTRS purposes all claimant's income other than Housing Benefit would be taken into account as it is now. Housing Benefit is not treated as income in the assessment of LCTRS.</p> <p>Question</p> <p>6. Under Option 4 will non dependent's income from (a) Job Seekers Allowance, (b) Employment Support Allowance, (c) Disability Living Allowance, (d) Personal Independence Payment and (e) Housing Benefit taken into account as part of total household income?</p> <p>Response Under option 4 all non-dependants income other than Housing Benefit would be taken into account. Non dependants do not receive Housing Benefit.</p> <p>Question</p> <p>7. Under Option 4 will the applicable amount and associated premiums remain as they are in the current scheme? If they will not remain unchanged how will they be amended?</p> <p>Response Applicable amounts and premiums will remain the same (annual uprating will apply).</p> <p>Question</p> <p>8. How many of the 2,634 claimants estimated to be affected by Option 4 will lose their entire entitlement to LCTRS?</p> <p>Response It is estimated that 515 households with non dependants would lose their entire entitlement at an average of £23.61 per week.</p>

Cabinet Report	Question / Response												
	<p>Question</p> <p>9. Under Option 5 does the figure of £370.50 refer to a) the total income of a household containing one or more non-dependent or b) the total income of all non-dependents resident in the property c) the income of each non dependent resident in the property?</p> <p>Response</p> <p>Non dependant deductions will apply individually for each non dependant (or non-dependant couple) as is the case currently.</p> <p>Non Dependant Deductions in the event that option 5 were to be introduced</p> <table border="1" data-bbox="506 597 1459 789"> <thead> <tr> <th data-bbox="506 597 1272 630">Aged 18 or over - All income</th> <th data-bbox="1272 597 1459 630">2017</th> </tr> </thead> <tbody> <tr> <td data-bbox="506 630 1272 662">- gross income: less than £195.00</td> <td data-bbox="1272 630 1459 662">4.00</td> </tr> <tr> <td data-bbox="506 662 1272 695">- gross income: £195.00 to £281.99</td> <td data-bbox="1272 662 1459 695">8.00</td> </tr> <tr> <td data-bbox="506 695 1272 727">- gross income: £282.00 to £370.49</td> <td data-bbox="1272 695 1459 727">12.00</td> </tr> <tr> <td data-bbox="506 727 1272 760">- Income £370.50 per week and above</td> <td data-bbox="1272 727 1459 760">No CTR</td> </tr> <tr> <td data-bbox="506 760 1272 789">- Lowest Deduction</td> <td data-bbox="1272 760 1459 789">4.00</td> </tr> </tbody> </table> <p>Under Option 5 there would be no entitlement to CTR for any household where a non dependant's income is greater than £370.50 per week.</p> <p>Question</p> <p>10. Under Option 5 will non dependent's income from (a) Job Seekers Allowance, (b) Employment Support Allowance, (c) Disability Living Allowance, (d) Personal Independence Payment and (e) Housing Benefit taken into account as part of their total income?</p> <p>Response</p> <p>Under option 5 the income of each non dependant resident in the property would be taken into account. Non dependants are not eligible for Housing Benefit as they do not have a rental liability.</p> <p>Question</p> <p>11. How many of the 1,261 claimants estimated to be affected by Option 5 will lose their entire entitlement to LCTRS?</p> <p>Response</p> <p>It is estimated that 464 households with non dependants will lose their entitlement at an average of £24.04 per week.</p>	Aged 18 or over - All income	2017	- gross income: less than £195.00	4.00	- gross income: £195.00 to £281.99	8.00	- gross income: £282.00 to £370.49	12.00	- Income £370.50 per week and above	No CTR	- Lowest Deduction	4.00
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Cabinet Report	Question / Response
	<p>Question 12. Under Options 4 and 5, are the potential savings of £1.3 million and £700,000 additional to the income generated if the current Non Dependent Deduction regime is retained?</p> <p>Response Yes, as current non dependant deduction regime does not provide any savings.</p> <p>Question 13. Under Options 4 and 5, is it proposed that pensioner households in receipt of Local LCTRS would be subject to the revised income assessment for non-dependents or remain subject to the current banded scheme of Non-Dependent Deductions?</p> <p>Response Options 4 and 5 only apply to working age claimants/households. Pension age claimants are protected as required by the Government.</p> <p>Question 14. Further to Paragraph 3.17, is it still the Mayor's intention that the period for which backdated claims can be made will be reduced from six months to one month, and if so, what is the saving achieved by this change?</p> <p>Response The purpose of this proposed change is primarily to align the LCTRS rules with Housing Benefit rules; the change will provide nominal LCTRS savings.</p> <p>Question 15. Further to paragraph 3.17, is it still the mayor's intention that the length of time claims can continue while the recipient is abroad will be reduced from 13 weeks to four weeks, and if so, what is the saving achieved by this change?</p> <p>Response The purpose of this proposed change is primarily to align the LCTRS rules with Housing Benefit rules; the change will provide nominal LCTRS savings.</p>

Cabinet Report	Question / Response																				
	<p>Question 16. What has been the total number of (a) pensioner households and (b) working-age households in receipt of (i) full LCTRS and (ii) partial LCTRS in each year since 2013/14?</p> <p>Response Identifying partial and full LCTRS recipients in each category requires a bespoke report which is being developed and will be made available on completion. The information below details Pensioner and Working age households in receipt of LCTRS.</p> <table border="1" data-bbox="506 516 1633 708"> <thead> <tr> <th>Year</th> <th>Pensioner households</th> <th>Working age households</th> <th>Total households</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td>9,760</td> <td>25,675</td> <td>35,435</td> </tr> <tr> <td>2014</td> <td>9,405</td> <td>24,920</td> <td>34,325</td> </tr> <tr> <td>2015</td> <td>9,028</td> <td>24,318</td> <td>33,346</td> </tr> <tr> <td>2016</td> <td>8,751</td> <td>23,163</td> <td>31,914</td> </tr> </tbody> </table> <p>End of April LCTRS figures shown above.</p> <p>Question 17. What is the total number of working-age LCTRS claimants whose claim is affected by a Non-Dependent Deduction(s), broken down by each of the four current bands?</p> <p>Response Similarly identifying by band requires a bespoke report which is being developed and will be made available on completion.</p>	Year	Pensioner households	Working age households	Total households	2013	9,760	25,675	35,435	2014	9,405	24,920	34,325	2015	9,028	24,318	33,346	2016	8,751	23,163	31,914
Year	Pensioner households	Working age households	Total households																		
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2015	9,028	24,318	33,346																		
2016	8,751	23,163	31,914																		
<p>5.7 Six Month Strategic Performance Monitoring report</p>	<p>Question 1. What actions and initiatives are there either in place or being developed to manage sickness absence, and what is the approach to monitoring and measuring the impact of these actions?</p> <p>Response Information requested.</p>																				

Cabinet Report	Question / Response
	<p>Question</p> <p>2. What is the current position in relation to the extension of specific elements of the waste contract, how is this linked to performance?</p> <p>Response</p> <p>There has been a meeting with Veolia regarding the contract extension, which centred around identifying efficiencies, and improving the performance. A number of challenges have been identified, and these require all Members to be involved in discussions regarding the current contract, and how it is retendered in the future. A briefing paper is being developed, which will be used to discuss the key issues at an all Member workshop on 8th February 2017. The paper will be circulated prior to the meeting to prepare Members for the discussion.</p> <p>Question</p> <p>3. Regarding the activity “Develop a sustainable offer of support to children with special educational needs (SEN)” what is the current status of this activity, and will the development of the future offer take account of the context of reducing schools budgets and the need to review and restate the school/ Council relationship and responsibilities in relation to SEN?</p> <p>Response</p> <p>An external review of SEND provision was undertaken and the resulting report was shared with headteachers and other stakeholders during the autumn.</p> <p>A new SEND strategy is being drafted, informed by a number of workshops which include opportunities to discuss the budget position, an analysis of SEND data and projected trends upto 2010. Key focuses include consideration of how the anticipated increase in demand can be managed down, improvements in joint commissioning of services and transition to adult social care.</p> <p>Once the new strategy is in a draft form, there will be a wider consultation which includes the community, parents and young people. The final outcome will be a sustainable SEND strategy for the borough which clearly articulates roles and responsibilities and takes account of the council’s and schools budgets.</p>

Cabinet Report	Question / Response