

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.15 P.M. ON MONDAY, 19 JANUARY 2015

COMMITTEE ROOM ONE - TOWN HALL, MULBERRY PLACE

Members Present:

Councillor Joshua Peck (Chair)
Councillor John Pierce (Vice-Chair)
Councillor Asma Begum
Councillor Denise Jones
Councillor Dave Chesterton
Councillor Peter Golds
Councillor Mahbub Alam
Councillor Abjol Miah
Councillor Muhammad Ansar Mustaquim

Co-opted Members Present:

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| Victoria Ekubia | (Roman Catholic Church Representative) |
| Dr Phillip Rice | (Church of England Representative) |
| Nozrul Mustafa | (Parent Governor Representative) |
| Rev James Olanipekun | (Parent Governor Representative) |

Other Councillors Present:

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| Councillor Alibor Choudhury | (Cabinet Member for Resources) |
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Officers Present:

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| Stephen Adams | (Finance and Resources Manager, Communities Localities & Culture) |
| Kate Bingham | (Service Head, Resources, Education Social Care and Wellbeing) |
| David Galpin | (Service Head, Legal Services, Law Probity & Governance) |
| Chris Holme | (Acting Corporate Director - Resources) |
| Nishaat Ismail | (Committee Officer, Democratic Services, Directorate Law Probity and Governance) |
| Kevin Kewin | (Service Manager, Strategy & Performance) |
| David Knight | (Senior Democratic Services Officer) |
| Paul Leeson | (Finance Manager, Development & Renewal) |
| Robert McCulloch-Graham | (Corporate Director, Education Social Care and Wellbeing) |

Sajeed Patni
Anthony Walters

ESCW Finance Business Partner
(Transformation Manager, Education Social Care
and Wellbeing)

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

There were no declarations of Disclosable Pecuniary Interest.

3. UNRESTRICTED REPORTS FOR CONSIDERATION

3.1 GENERAL FUND CAPITAL AND REVENUE BUDGETS, MEDIUM TERM FINANCIAL PLAN 2015 - 2018

The Committee received and noted a report that set out the proposals which form part of the draft Medium Term Financial Plan (MTFP) covering the three-year period from 2015-2016 to 2017-2018. It included a revised assessment in each of the next three years of the General Fund, Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and the Capital Programme including the:

1. Financial resources available to the Council;
2. Cost of providing existing services; and,
3. Overall level of savings that have been and still need to be identified to give a balanced, sustainable budget over the medium term financial planning period.

The Committee also considered a summary of the projected General Fund budget for each of the three-years together with a more detailed service analysis. The main points of the discussion may be summarised as follows

The Committee:

- Noted the growth bid with regard to the Demographic Pressures in Adult Social Care and that this bid was based upon an increase in population; age; ethnicity; deprivation and other demographic factors. It is also assumed that this will lead to additional cost pressures within homecare; day care; meals service; direct payments and residential and nursing care. However, the intention was to mitigate these costs by the reduction of the commissioning budgets.
- Noted that revenue funding for key stages 2-4 in state-funded schools is based on a rate for each meal taken by pupils who are eligible for a Free School Meal (FSM) as a result of the changes in policy by the Department for Education. The Government has also introduced a

new indicator on the Schools Census that enables schools to state how many newly eligible pupils are taking a FSM. Therefore, it is of the utmost importance that schools are proactive in ensuring that those parents or carers who are in receipt of any of the relevant benefits (e.g. Income Support; Jobseekers Allowance and Child Tax Credit) declare their eligibility. Accordingly, the Committee noted that ESCW works closely with the schools to monitor any shift in those eligible and those who have registered.

- Noted that it is in the interests of schools to ensure all those families eligible have registered as this has a potential impact upon school budgets.
- Noted that the benefits of every child receiving a healthy, nutritious meal at school every day is being monitored by Public Health with regards to improved health and attainment. However, it is recognised that it will take some time before the investment in improving the health of younger pupils will see a return in improved attainment.
- Noted that a Mayoral Executive decision had been taken in September, 2014 to proceed with the option to lease Leven Road to support the Council's interim depot strategy. However, at this time no decision has been taken to move the depot out of the Borough.
- Noted that it was proposed to increase the budget allocated for Mayoral Advisors by 16% (**Mayor's Advisors Item Ref: GRO/LPG/01/15**). This proposal was intended to ensure that engagement with residents would not be compromised and the Council would continue to address the needs of the communities that it seeks to serve (e.g. the provision of strategic advice so as to ensure that the reach of the Council's communications team is effective). Whilst the Committee observed that the Service is intended to compliment the work done by the Council's own officers, it was suggested that instead Council staff should be trained; or their teams restructured or officers recruited on fixed-term contracts to address any skills deficit. In addition, it noted that these advisors will be:
 - a) Procured through the Council's procurement process which will ensure appropriate value for money considerations are taken into account; and
 - b) Subject to the proper monitoring processes and procedures.
 - c) Assisting in the refresh of diversity and inclusion strategies and will improve engagement with residents, community groups and organisations.

The Committee:

- ❖ **Recommended** that the Mayor should reconsider the decision as this proposal did not represent value for money and that the Mayoral Advisory Service would represent duplication with Council staff;

- ❖ Wanted to be provided with a breakdown of comparative figures for other London Borough's Mayoral Advisory Teams; and the value/terms and duration of the Advisory Teams contracts; and
 - ❖ Wanted more details regarding reasons for the 16% increase (e.g. higher volume of work).
- Noted that in line with delivering the Mayor's Manifesto, there was a one off growth bid to enable events (**Celebration Events Item Ref GRO/**) to take place in the Borough which commemorated the contributions of residents to Tower Hamlets (e.g. promoting disabled residents' dignity and wellbeing and the contributions that older residents have made and continue to make in Tower Hamlets as well as an opportunity to provide information about support services, activities and leisure opportunities for the most vulnerable members of the community). Notwithstanding the intended aims and objectives of these events, the Committee wished to be assured that the appropriate checks and balances would be in place so as to ensure there was no opportunity for the misuse of such events for any political gain; and that all Councillors would receive details of the dates/times. Accordingly the Committee:
 - ❖ Felt that such events did not really represent good value for money; and
 - ❖ Asked to be provided with assurances that the appropriate checks and balances were in place so as to ensure these events would not be misused for political purposes.
 - Noted that a recent stock condition survey had been carried out on the wider council portfolio of buildings and an analysis of the survey output had been carried out to support a planned maintenance programme (**Planned Maintenance Corporate Property Item Ref GRO/D&R02/15**). To date the Committee observed any works of an urgent nature or for essential health and safety compliance have been financed through responsive maintenance expenditure supported by capital where necessary. This approach is reactive and unplanned, impacting adversely on budgets, service delivery, working conditions and reputation. Whilst a bid to fund a planned maintenance programme of the 30 corporate buildings would protect the Council's assets; ensure investment is prioritised on assets with the greatest service value; and will be compatible with the objectives of the revised Asset Management Strategy. As a result of consideration of this bid the Committee indicated its concern that no detailed list of the 30 corporate buildings had been published (including information on the occupants and users and what work was to be undertaken) that are subject to the maintenance programme. Therefore, the Committee **recommended** that:
 - ❖ The Mayor should publish a list of those buildings including the occupants and users of the properties and what work was to be undertaken.

- Noted a bid to support the Stairway to Heaven Memorial Trust (**Stairway to Heaven Item Ref TBC**) which had been set up to raise funds to build a memorial to the worst civilian disaster of World War 2 – the Bethnal Green tube shelter disaster. The Committee was informed that the Trust urgently needed to find £30,000 to complete the project before the small numbers of remaining survivors pass away. The Committee felt that:
 - ❖ As part of a positive gesture from the Council the investment into the Trust should be considered as providing support to a valuable community asset.
- In considering those savings to be achieved via the re-procurement of the **Public Health – Drug Service Commissioning (Ref: CD/PH/0011/15-16)**, it was noted that the majority of the savings will be generated from non-frontline expenditure. However, there will be some loss of frontline capacity and the service will therefore need to be monitored on an annual basis.
- Noted that as part of the 2014/15 financial and business planning process, the Cabinet had approved in December a number of savings for 2015/16, including those listed below that will have an impact on the draft MTFP.
 - I. Deliver More Street Monitoring Through Champions and Volunteers;
 - II. Introduce Residual Waste Limits for Multi Occupancy Premises;
 - III. Reconfiguration of Homecare Services;
 - IV. Review of Non-Statutory Independent Reviewing Functions; and
 - V. Reduce Duplication in leaving Care Service.
 - ❖ As a result of consideration on the above the Committee expressed its concern that these savings will have a significant impact upon the most vulnerable residents in local communities and lead to a further deterioration of the cleanliness of the Borough's streets.
- Noted the Summary of the Draft Medium Term Financial Plan 2014-18 and that the Council's strategy of using reserves to smooth the delivery of savings that provides time to develop and implement savings proposals which will reduce costs while doing as much as possible to preserve services. It was noted that this strategy needs to be kept under review but remains affordable. In addition, the Committee was informed that each of the Councils Directorates had been asked to put forward reductions of 10% and that these would be considered by the Mayor's Advisory Board to assess the proposed reductions.
 - ❖ The Committee indicated that it would wish to receive details of the net budgets for each directorate together with the proportional savings.

- Commented that it had concerns regarding the £50million slippage in the Decent Homes Programme (**Housing Revenue Account – Decent Homes Backlog**) as set out in the Current Capital Programme and that it was felt the Decent Homes Programme had been poorly planned and the work undertaken was not to an acceptable standard. Accordingly the Committee indicated that:
 - ❖ It wished to see an allocation of funding to introduce targeted intervention so as to address the slippage in the **Decent Homes Programme**; and
 - ❖ With regard to the schemes listed in the **Current Capital Programme 2014/15 to 2016/17** it would wish to see the more detailed background information in relation to each scheme as set out in the directorate's individual capital programmes.

- Noted that the Community Infrastructure Levy (CIL) will replace elements of the current Section 106 planning process which will continue in a reduced capacity. However, the Authority currently generates substantial resources via the Section 106 system, and this will continue under the CIL (*i.e.* the Council will still seek to secure infrastructure through Section 106 agreements and there may be scope for securing an increased level of affordable housing and enhancements to the required on-site infrastructure). Although the Borough's infrastructure needs and the likely resources available must be subject to an ongoing review.
- Noted the schedule of discretionary **Fees and Charges 2015-16** and expressed concern at the fifty percent increase in fees and charges in relation to the treatment of bed bugs. As a result of consideration of this saving this Committee felt that:
 - ❖ This will discourage the use of this service and was therefore a false economy.

As a result of a full and detailed discussion on this report the Chair Moved and it was:-

RESOLVED that the following recommendations be submitted to Cabinet:

A. Mayor's Advisers Item Ref: GRO/LPG/01/15

RECOMMENDATION: That the Mayor reconsiders the decision to fund the Mayor's Advisers as the Committee does not feel that this money represents value for money and that the advisors represent duplication with Council staff.

B. Celebration Events Item Ref GRO/

RECOMMENDATION: That the Mayor reconsiders the decision to fund celebration events in the Borough as the Committee:

1. Considers that these events do not represent value for money; and

2. Was not reassured that there were appropriate processes in place to ensure these events would not be misused for political purposes.

C. Planned Maintenance Corporate Property Item Ref GRO/D&R02/15

RECOMMENDATION: The Committee indicated its concern that there was no detailed list of the 30 corporate buildings that are subject to the planned maintenance programme. Accordingly, the Committee asks that the Mayor publishes a list of buildings including the occupants and users of the properties and what work was to be undertaken.

D. Stairway to Heaven Item Ref TBC

RECOMMENDATION: The Committee endorsed the recommendation to set aside £25,000 as a one off contribution to the Stairway to Heaven Memorial Trust.

E. Savings Proposals Approved at December 2014 Cabinet

RECOMMENDATION: That the Mayor reconsiders the following savings as these will have an impact upon the most vulnerable residents in our communities and lead to a further deterioration of the cleanliness of the Borough's streets.

1. CLC010/15/16 Deliver More Street Monitoring Through Champions and Volunteers;
2. CLC012/15-16 Introduce Residual Waste Limits for Multi Occupancy Premises;
3. ESCW006/15-16 Reconfiguration of Homecare Services;
4. ESCW013/15-16 Review of Non-Statutory Independent Reviewing Functions; and
5. ESCW057/15-16 Reduce Duplication in leaving Care Service.

G. Housing Revenue Account – Decent Homes Backlog

RECOMMENDATION: That the Mayor considers the allocation of funding to introduce targeted intervention to address the £50million slippage in the Decent Homes Programme.

H. Fees and Charges 2015-16 – Pest Control

RECOMMENDATION: That the Mayor does not increase the pest control charges for Bed Bugs. As the fifty percent increases is unjustified and will discourage the use of this service and was therefore a false economy.

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

Nil Items.

5. EXCLUSION OF THE PRESS AND PUBLIC

No motion to exclude the press or public was passed.

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

Nil Items.

The meeting ended at 9.45 p.m.

Chair, Councillor Joshua Peck
Overview & Scrutiny Committee