

**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 10<sup>th</sup> 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 16<sup>th</sup> January, 2017 and that a note of that workshop would be made available at the next formal meeting of the Committee on the 23<sup>rd</sup> January. However, it would be the formal views from that meeting on the 23<sup>rd</sup> 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 18<sup>th</sup> 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**