

OVERVIEW & SCRUTINY COMMITTEE

Monday, 25 January 2021 at 6.30 p.m., Online 'Virtual' Meeting -
<https://towerhamlets.public-i.tv/core/portal/home>

SUPPLEMENTAL AGENDA

This meeting is open to the public to view.

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For further information including the Membership of this body and public information, see the main agenda.

3. UNRESTRICTED MINUTES

3 - 16

To confirm as a correct record of the proceedings the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 11th January, 2021

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

17 - 20

To consider any other unrestricted business that the Chair considers to be urgent.

1. Members are asked to note the Action Log

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.30 P.M. ON MONDAY, 11 JANUARY 2021

ONLINE 'VIRTUAL' MEETING - [HTTPS://TOWERHAMLETS.PUBLIC-I.TV/CORE/PORTAL/HOME](https://towerhamlets.public-i.tv/core/portal/home)

Members Present:

Councillor James King (Chair)	
Councillor Bex White (Vice-Chair)	
Councillor Faroque Ahmed	– Scrutiny Lead for Community Safety & Environment
Councillor Marc Francis	
Councillor Denise Jones	
Councillor Gabriela Salva Macallan	– Scrutiny Lead for Health and Adults
Councillor Leema Qureshi	– Scrutiny Lead for Resources and Finance
Councillor Andrew Wood	

Co-opted Members Present:

Halima Islam	– Co-Optee
James Wilson	– Co-Optee

Other Councillors Present:

Mayor John Biggs	– (Executive Mayor)
Councillor Rachel Blake	– (Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing)
Councillor Danny Hassell	– (Cabinet Member for Children and Schools)
Councillor Candida Ronald	– (Cabinet Member for Resources and the Voluntary Sector)

Apologies:

Councillor Ehtasham Haque	– Scrutiny Lead for Housing and Regeneration
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Officers Present:

Kevin Bartle	– (Interim Corporate Director, Resources)
Adam Boey	– (Senior Strategy & Policy Manager - Corporate)
Sharon Godman	– (Divisional Director, Strategy, Policy and Performance)
David Knight	– (Democratic Services Officer,

Filuck Miah	– Committees, Governance) (Strategy and Policy Officer, Corporate Strategy and Policy Team)
Ann Sutcliffe	– (Corporate Director, Place)
Denise Radley	– (Corporate Director, Health, Adults & Community)
James Thomas	– (Corporate Director, Children and Culture)
Joel West	– (Democratic Services Team Leader (Committee))

1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST AND OTHER INTERESTS

The following Members for transparency declared a potential interest in relation to the Item 6:

- I. Councillor Marc Francis due to his wife Councillor Rachel Blake being the Deputy Mayor and Cabinet Member for Adults, Health and Wellbeing; and
- II. Councillor Bex White due to her father being resident in a Care Home within Tower Hamlets.

2. UNRESTRICTED MINUTES

The Chair **Moved** and it was: -

RESOLVED

That the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 14th December 2020 be approved as a correct record of the proceedings and the Chair was authorised to sign them accordingly.

3. REQUESTS TO SUBMIT PETITIONS

Nil items

4. FORTHCOMING DECISIONS

Noted

5. UNRESTRICTED REPORTS 'CALLED IN'

Nil items

6. TO CONSIDER THE RESPONSES RECEIVED REGARDING THE COUNCIL'S 2021-22 BUDGET REPORT AND MEDIUM-TERM FINANCIAL STRATEGY 2021-24

Members received a series of presentations in relation to the Council's 2021-22 Budget and Medium-Term Financial Strategy (MTFS) 2021-24, the main points arising from the Committees questions and comments on these presentations is set out in the following synopsis:

It was noted that:

6.1 Resources Directorate

- ❖ Production of the Council's budget has been challenging for several reasons mainly COVID-19, austerity, growth, and demand for statutory services particularly adults and children.
- ❖ Impact of COVID-19 has slowed down (timescales) staffing reviews to achieve savings. Additionally, the switch by government from providing grant funding to Councils to a greater reliance on council tax.
- ❖ In this budget, the Council is expected to increase council tax to 5% and if not the assumption by government is that the Council will make savings to cover this rather than it being additional income.
- ❖ 56 savings have been identified across most of the council areas and the expectation is that these will reduce the capacity of the Council to deliver on some service areas.
- ❖ There have been extensive efficiencies produced from back office savings to protect frontline services, however, there needs to be balance, as there are capacity implications.
- ❖ Council is implementing a dual track strategy which includes providing a wide range of service for people with particular needs including free school meals and continuing the generous council tax reduction. However, there is an increase demand for this budget that includes (i) 100% rebate for people on low incomes, (ii) tackling poverty programme (funded for the next year). In addition, (iii) providing good range comprehensive service including parks; and (iv) street cleansing.
- ❖ The Council has generous reserves but has had to use some of this in the past year in order to deal with some of the pressures on the budget.
- ❖ The Capital Budget will be going to Cabinet on 27.01.2021 and not included with the budget report.
- ❖ Extra funding from government provided but with different amounts each time and different basis for allocations and has been difficult to plan.
- ❖ The total funding requirement for (2021-22) is £362M including new savings of £6M on top of previously agreed £14M and a small drawdown £1.2M will be required to balance the budget.
- ❖ Next year Health, Adults and Communities set at £110M (1/3 of the total services budget and the largest area of spend, followed by Children and Culture) – These are service areas supported by residents' feedback from the budget consultation.

- ❖ The MTFS suggests using £8.3M of reserves in 2022-23 specifically to get passed the pandemic although reserves are finite and cannot be used more than once.
- ❖ The Council still has a £10M funding gap for future years.
- ❖ Particular Issues have been identified with the budget setting process – impact of COVID-19 on collection fund and existing savings programme.
- ❖ On the Local Government Funding Settlement, the Government has agreed to help with collection fund deficits, picking up 75% of irrecoverable losses. However difficult to determine what the final cost will be and implications for the business community.
- ❖ Business rates are significant to the London's economy and there could be further ramifications for LBTH's budget further down the line.
- ❖ On existing savings programme, the Council has tried to de-risk the savings by re-profiling some and writing off others which are no longer achievable.
- ❖ Main financial risks for the Council are COVID-19, Brexit, business rates reset and fair funding although these may have been pushed back a year.
- ❖ There has been some uncertainty regarding the New Homes Bonus which is a grant paid by central government to local councils to reflect and incentivise housing growth in their areas.
- ❖ Tower Hamlets now finds itself in a materially changed environment from that which existed in February 2020 when the budget and MTFS were approved by the Council. The priorities set out in its strategic plan were temporarily set aside to respond to the crisis. However, ten months further on there is a need to re-evaluate the extent to which those priorities remain relevant in the context of the continuing uncertainty associated with Covid-19 and, just as importantly, the financial position that the council now finds itself in.
- ❖ The Chancellors spending review suggest local government core spending will increase by 4.5% but predicated on the basis that the Council Tax would rise by 2% and Adult Social Care 3% and the Government expects Council is to adopt these rises.
- ❖ The Spending Review has offered local authorities a 4.5% increase in core spending power for 2021-22, the ability to raise council tax for social care and new money for Covid losses. However, local government is still noticeably short of funding and the medium-term financial health of the sector remains uncertain.
- ❖ Adult Social is funded by precept, improved better care fund and social care grants and the assumption is that these are multiyear sources of funding.
- ❖ Scrutiny requested that they are kept updated as new grants are announced by government or become apparent to officers.
- ❖ The Council is under a legal duty to set a balanced and sustainable budget and maintain adequate reserves such that it can deliver its statutory responsibilities and priorities. A MTFS covering the entirety of the resources available to the Council is the best way that resource prioritisation and allocation decisions can be

considered and agreed in a way that provides a stable and considered approach to service delivery and considers relevant risks and uncertainty. The need to respond immediately to the pandemic and the impact that this has had on the Council's finances means that a re-evaluation of the current year's financial position is the starting point for any changes.

- ❖ There is an apparent shift from centrally funded grants to locally funded increases in council tax which means that a greater burden is being placed on the local taxpayer to fund the increasing cost e.g. social care.
- ❖ Centre for Public Scrutiny (CfPS) and Chartered Institute of Public Finance and Accountancy (CIPFA) guidance indicates the report should provide the actuals from last year to compare to the budget going forward and that is not in the report and it is considered best practice for scrutiny to consider the actuals as part of any budget scrutiny. Whilst difficult for the current year it should be possible for previous years to do such a comparison. If not at the directorate level, then it should be still possible to do that on a wider level.
- ❖ The Government has officially confirmed that the business rates revaluation in 2021 would be postponed. The two-year delay means the next revaluation will take effect in April 2023, and to reflect the impact of Covid-19, this revaluation will be based on property values as of April 1, 2021.
- ❖ The Committee asked for the rationale on the decision to place the additional New Homes Bonus of £7.6M into reserves.
- ❖ The New Homes Bonus will be moving to a new, more targeted approach and therefore needs to be looked at not so much as an individual piece of work but within the context of the overall budget setting process once there is more clarity about what is happening with business rates revaluation.
- ❖ The only the additional New Homes Bonus over and above what we were expecting that has been proposed will go into reserves now for two important reasons (i) the need to continue to fund free school meals which has been a draw on reserves and there is a need to supplement those reserves; and (ii) the ability to shift once we have absolute clarity as it is not a ring-fenced grant and can be used flexibly.
- ❖ Only the additional New Homes Bonus received is being proposed to into the reserves, the last year of the New Homes Bonus (expected in 2022-23) will be supporting the base budget.
- ❖ Although Tower Hamlets has seen increases in the number of new homes over the last few years, the pandemic has had a material impact on the level of income received from this source.
- ❖ The virus has impacted the number of people in work or receiving low pay and therefore increased significantly those claiming benefits, including through the Local Council Tax Reduction Scheme (LCTRS). There has also been a drop in the collection rate as residents have been affected by Covid-19 on their income levels.
- ❖ Managing financial risk is of critical importance to the Council and maintaining financial health is essential for sustaining and improving

service performance. Setting a balanced and realistic budget is a key element in this process.

- ❖ The Committee felt that the placing the New Homes Bonus into reserves was too much of a risk averse strategy and questioned why cuts are being made to balance for 2022-23 when the budget is not due to be set. Committee also outlined that they expect a replacement to the New Homes Bonus so that Council will still be in receipt of income.
- ❖ The Committee accepted that whilst savings needed to be made, they raised concerns on the issue of Council's estimates and assumptions made about income and were not convinced on the scale of savings/cuts does not given the additional income received.
- ❖ The Council will maintain a range of budget provision (contingency) earmarked reserves for specific risks and general reserves for unforeseen events and risks.
- ❖ The national environment, both financial and in relation to the virus, continues to be subject to significant uncertainty with Brexit taking effect, the government announcing the deferral of the Fair Funding Review and the Business Rates Reset and there being potential for further waves of the virus.
- ❖ Felt that arguments that have put forward regarding the anticipated income not to be very to be very persuasive regarding especially with reference to (i) New Homes Bonus; (ii) Council Tax Support Grant and (iii) the Social and Care Grant.
- ❖ Need to consider the risks outlined Treasury Management Report that goes before the Audit Committee at that provides an outline of the risks element and will inform the Committee of the timeline that we are working towards.
- ❖ The Committee asked identifying the key assumptions economic and social landscape for LBTH, as well as any suppositions if and when the pandemic will end and if there was any opportunity to use the reserve to defer any of the savings as some savings/cuts will be difficult to wind back.
- ❖ The Committee asked if the Council could invest in strengthening services for the increase in demand for those services that lag behind the economic impact.
- ❖ MTFs assumes that inflation will £6.5M over the next 3 years. The Committee reflected how the Council dealt with inflation issue as it was lower than expected previous and current year and how they are forecasting given that it is starting off from a low base.
- ❖ The Council has outlined that the increase in population growth has placed added budget pressures as they have received insufficient funds to address this.
- ❖ Whilst the Committee acknowledged that there has been a population growth in the last 10 years the Committee felt it was not proportional across all age groups and the biggest increase was the 20's, 30's and 40's age group and not necessarily children and older people with the exception of some mental the committee do not feel that they are increasing the demands on Council services and need to understand what the drivers are.

- ❖ The Committee enquired if free school meals can be funded via public health grant rather than the reserves because of the level of risk e.g. losing staff, restructuring vital services. The Committee requested to understand more detail on the risk of capital borrowing fund and whether the Treasury Management Strategy can be shared with the Committee.
- ❖ The Council confirmed that PH grant is used to support free school meals and Treasury Management Strategy will be looked at by the Audit Committee before it goes to Full Council.
- ❖ The number of reserves that the Council has had to use to balance last year's budget because of overspends and savings has diminished the available reserves and in the coming year the New Homes Bonus will need to be used replenish those reserves. However, the Committee whilst accepting that the level of uncertainty makes planning difficult was concerned that as most of the Council's costs relate to staffing it is likely that significant reductions will see the loss of highly skilled staff with years of experience and organisation knowledge. In response it was noted that the processes by which posts are identified draws upon the lessons learnt during the pandemic about which services are essential, which services are discretionary.
- ❖ Council expects to profile 25% losses to business rates and council tax income over 3 years.
- ❖ The Committee enquired about events savings and where this will be going and if there is likely to be more savings 2022-24
- ❖ Savings are on two events Fireworks (£300K per year) display and the Mela (£310K per year), Council leadership cannot justify spending money on finite items as savings being made in other areas of the Council. The Council would consider in the future cross funding for such events and for the Mela to become a community driven initiative. After closing down, they will be taken out of the budget and would be a growth item if they wanted to recommence them.

6.2 Children and Culture Directorate

- ❖ Committee asked for clarity around savings 6 and 7 and raised concern about young population being more vulnerable to Covid because of the gaps in their education and situation in the family and if the Council was dampening demand and whether it was setting itself up for a bigger crisis and further spending needed in the future.
- ❖ The Council had outlined that they built capacity within the system including restorative practice model, investment in staffing through Social Work Academy, reducing duplication by restructuring early help services, the other area is external partnership including safeguarding children and working intensively with troubled families programme to deliver results.
- ❖ The Council is looking to use some of the schools funding to part fund some of the capacity for educational psychologists but

acknowledged that some of the issue is to make sure that the resources are in the right place.

- ❖ Committee asked if the Council has enough capacity to deal with future demand and how much can be expected from the partners to serve children.
- ❖ The Council outlined that for safeguarding it is the statutory partners such as how the children services is working with health and police. In terms of capacity depends on demand but are confident that they have the resources to support.
- ❖ Council outlined that they are in the process of conducting a review on the proposals to make sure they are delivering against it including increased demand in new assessments and how that measures against the financial assumptions made.
- ❖ SLS 46% cut is across whole service not just one area, the Council outlined that the provision can be supported by other services who are more suitably qualified but have just concluded the consultation for SLS and SEND so have not reached or finalised conclusion.
- ❖ The Committee felt that savings was small compared that what is being delivered by SLS and requested to understand the mapping for other services that will be stepping in.
- ❖ The Committee questioned the level of certainty that there will be a provision akin to what was previously provided.
- ❖ From the changes made previously on the Children's centres it has resulted in a in a much wider reach to parents and is an example of where LBTH are using schools funding to part fund increased capacity for educational psychologists. In addition, on the Special educational needs and disabilities (SEND) improvement work LBTH are working with health partners to look at faster diagnosis of a special educational need or disability such as dyslexia or Attention deficit hyperactivity disorder (ADHD) that turns into increased capacity.
- ❖ In terms of Children's Social Care capacity LBTH have endeavoured to utilise part of the Government's social care grant of which there's an Adults' and Children's element that that has not yet been allocated to a specific area of spend within Children's Social Care. This will be maintained as a buffer as it is not possible to accurately predict what that amount will look like but it will provide LBTH with an element of making sure we can meet that need for Special educational needs and disabilities (SEND) and the Support for Learning Service (SLS).
- ❖ Scrutiny should have access assumptions that upon which a budget for each department is agreed. Therefore, going forward, it would be helpful to have a sense of what the capacity is within service areas to understand any risks associated with the savings being put forward.
- ❖ Directorate plan to use Dedicated schools grant (DSG) early years funding to provide for a more focussed offer of educational psychology consultation through children centres. This will provide a level of certainty that there is going to be provision akin to what is currently was being provided up until the start of the pandemic.

- ❖ The Committee asked if the long-term recovery plan can be shared with Scrutiny which went to Department of Education (DfE) because that provided the context for a lot of the savings.
- ❖ The Committee wants to understand the savings framework for Support for Learning Service (SLS) and raised concerns about the impact for SEND children if the savings are agreed and the Committee requested clarification if the proposal was updated as the original went to the DfE pre Covid and whether or not that is the basis for the savings proposals.
- ❖ Children
- ❖ The Directorate are confident that they will be able to secure some of the early years block from the DSG to maintain this service although it would more of a consultation model that empowers; trains and supports the children's centre workers to deliver the work as part of LBTH in-house educational psychology service.

6.3 Health Adults and Community Directorate

- ❖ HAC is a significant area of Council spend £110M of which £87M is spent on packages for care packages supporting 3500 individuals.
- ❖ The Committee raised concern on the transformation and review of homelessness service and enquired whether some of the Covid grant funding (used for temporary accommodation) could be better utilised to support the homelessness services. It further asked that there should be a focus on substance misuse service reductions given the pressures to make savings the Committee felt that some of the objectives would be missed and to make sure that the households are prevented from becoming homeless.
- ❖ The Council confirmed that for substance misuse reduction, one of the savings is specifically about the rehabilitation services is a manageable reduction in service provision given the current cohort and other options. The Council confirmed that there is a long-term saving about Hostel use and substance misuse scheduled in 2023-24. The reason for that Council should be working in partnership with GLA and other London boroughs in terms of how hostel provision are funded.
- ❖ Savings 15 which are also substance misuse – Healthy One which was previously funded from general fund or core budget. Healthy One is 2 nurses providing clinical support to homeless people with substance misuse and the Council will successfully bid through Public Health England for rough sleeping, drug and alcohol treatment grants that provides support with mainstream pathways.
- ❖ The Council confirmed that in terms of the transformation proposal this will take place in year three of the medium-term financial plan because they wish would have a obtain considered view on their spending for substance misuse and in hostels. It is a significant amount of money and its services users are often people with complex needs.
- ❖ The Committee also felt that services users who have left the services and “cleaned up” should also be considered for support.

6.4 Place Directorate

- ❖ The Council confirmed that there is a need to review and modernise the Housing Options. The challenge is that it is costing the Council more money in rehousing people temporarily against the cost the Council gets back. The saving is over a three-year period and cannot be underwritten by Covid funds.
- ❖ There is a need develop a better understanding the reverberations of the pandemic going forward with reference on the use of the Councils Reserves as the Council needs to maintain the reserves to be flexible enough to support those residents in greatest need e.g. Homelessness is connected to declines in physical and mental health; homeless persons experience high rates of health problems; drug abuse; mental illness and other conditions.
- ❖ Wished to know where the overspend in the Temporary Accommodation Subsidy has come from and some of the specifics there about the assumed level of Housing Benefit Subsidy
- ❖ The Council is developing an infrastructure to ensure that they are ready for the economic shock due to Covid e.g. on the Housing Capital Programme, Homelessness and Housing Options Services.

6.5 Fees and Charges 2021-22

- ❖ Part of the budget making process, an annual review of fees and charges reflects on the challenges the Council faces and has potential impact on the budget proposal.
- ❖ Fees and charges would be increased by rate of inflation with rounding, fees and charges come in different categories some are statutory set by government, majority is set locally and described as being discretionary e.g. parking and use of leisure centres and used to help balance the budget pressures faced by the Council.
- ❖ Some fees and charges being more contentious e.g. parking control because of the supplementary charges on diesels vehicles and a proxy for emissions or three car households for additional third car or differential charge rate on engine sizes for a proxy for emissions from vehicles. Some of these are recent policies so may be above rate of inflation.
- ❖ Charges have increased for street trader accounts (market traders) which is ringfenced account to pay for its own costs including cleansing and inspection.
- ❖ Some of the charges will be subject to an equalities impact assessment decision will be delegated assessment in consultation with lead Members and vary these if they are in breach of the equality policies.
- ❖ Council also benchmarks the fees and charges against other local authorities and are prepared to make adjustments if there are variation inconsistencies.
- ❖ Committee questioned why fees and charges were showing significant increase above the inflation rate across the Council and

further suggested rounding up to the nearest pound (£) or pence in the future.

- ❖ Huge variations within a directorates and services that council offers so comparison for fees and charges is not like for like.
- ❖ Future interpretations of fees and charges should go back to Scrutiny (informally) to ensure clarity and avoid in accurate answers.
- ❖ Committee questioned the charges for resident permits parking (in Band 'A' being significantly high) and market traders pitch can be reconsidered because of the impact of the pandemic.
- ❖ Committee asked if the situation with the pandemic remained the same or became worse, is there scope to freeze the parking charges and to qualify any projections that savings/ income generated will arise from fees and charges.
- ❖ Committee questioned if the increases to the community hub space charges and rental (income source to the Council) will act as a deterrent to people using the assets including market trader fees.
- ❖ To consider better ways of comparing rises in fees and charges e.g. market pitches and parking charges.
- ❖ The policy on increasing parking charges assists in the reduction of unnecessary car use/ownership and aims to address the levels of congestion in what is one of the most densely populated local authorities in the country.
- ❖ LBTH considers that their charges are comparable with or lower than those of other councils.
- ❖ Increasing in parking charges is consistent with policy position agreed and outside of this increase would-be set-in line with CPI rate of inflation and is also influenced by policy drivers such as congestion and air pollution.
- ❖ Estate Parking Charges are managed by a separate Tower Hamlets Homes Policy and are out of the fees and charges scope.
- ❖ Vehicle pollution varies because of different reasons and those that are larger in size tend to be bigger polluters and are not eco-friendly. The larger vehicles use up more fuel and release a lot of pollutants into the ecosystem. Therefore, it made sense to consider proportionate charges for larger engine vehicles; for second and third vehicles per household.
- ❖ Mayor indicated that he is open to representations from the Scrutiny Committee on particular circumstances where the charge is considered intolerable because of the pandemic.
- ❖ Committee felt that the charges were going up parking charges were increasing yearly and that there were some inconsistencies, the Committee also indicated it would welcome examining (via a sub-Committee) some of the parking policies and charges.
- ❖ Committee queried the differential between some of the different charges in particular the significant increase in market pitch fees/ charges for fruit and veg (regular traders) and feasibility implications for fruit and veg market traders and asked for reflection on the 185% increase on charges.

- ❖ Markets work under a ringfenced trading account and are meant to pay their own costs; fruit and veg stores create a lot of waste.
- ❖ Mayor indicated that he would consider a scrutiny or examination of how the Council can make markets better in different parts of the borough.
- ❖ The street trading account reports states it has a huge deficit and that waste costs are considerable and factors in employing market inspectors to regulate and issue and manage the licenses.
- ❖ If there are particular comments from scrutiny, the Mayor is happy to re-visit. Adopting charges will be deferred to Cabinets 27.01.2021 meeting to allow for further examination of fees and charges in detail.
- ❖ On markets the fees and charges charging £1K per year for a Saturday pitch let alone what they would pay Monday to Friday would seem to be completely counterproductive.

6.5 Conclusion

The Chair thanked Councillor Blake; Councillor Hassell; Councillor Ronald; Kevin Bartle; Denise Radley; Ann Sutcliffe; James Thomas for attending tonight's meeting and for the information that they had provided which would help to inform further discussions by the Committee.

Arising from the discussions on the presentations the Committee noted the following key issues that had arisen:

- The main theme of discussions had been on the reserves policy and the interplay between government grants; the reserve policy and the associated risks.
- To consider better ways of comparing rises in fees and charges **e.g.** market pitches, parking, and the community facilities.
- Is the Council putting in place an infrastructure to ensure that they are ready for the impacts of Covid to address the economic shock **e.g.** on the Housing Capital Programme, Homelessness and Housing Options Services.
- Ideally the report should provide the actuals from last year to compare to the budget going forward and that is not in the report and it is considered best practice for scrutiny to consider the actuals as part of any budget scrutiny. Whilst difficult for the current year it should be possible for previous years to do such a comparison. If not at the directorate level, then it should be still possible to do that on a wider level.
- Scrutiny should have access assumptions that upon which a budget for each department is agreed. Therefore, going forward, it would be helpful to have a sense of what the capacity is within service areas to understand any risks associated with the savings being put forward.
- Felt that arguments that have put forward regarding the anticipated income not to be very to be very persuasive regarding especially with

reference to (i) New Homes Bonus; (ii) Council Tax Support Grant and (iii) the Social and Care Grant.

- Budget setting should include context and does not have departmental budgets, elements of the budget are drawn out which are subject to growth/savings and it makes it difficult to piece together.
- Flagged up from their briefing on Covid-19 funding that would look to cover the costs incurred to the Council and felt that more clarity is required on this.
- Wished to know where the overspend in the Temporary Accommodation Subsidy has come from and some of the specifics there about the assumed level of Housing Benefit Subsidy
- On markets the fees and charges 195% increase, charging £1K per year just for a Saturday pitch let alone what they would pay Monday to Friday is completely counterproductive and that this should be reviewed.
- Need to consider the risks outlined Treasury Management Report that goes before the Audit Committee at that provides an outline of the risk's element (including the housing revenue account) and will inform the Committee of the timeline that we are working towards.
- Need a better understanding the reverberations of the pandemic going forward with reference on the use of the Councils Reserves **e.g.** The Council needs to maintain the reserves to be flexible enough to support those residents in greatest need.
- Committee discussions will form the basis of the scrutiny report which will be sent to the Mayor outlining scrutiny recommendations on the budget proposals and the Committee will look to agree and finalise the scrutiny report at the next Scrutiny Committee meeting on 25th January 2021.

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

Noted that the Borough's Schools Forum that provides important oversight and will now be open to the public and for observers and will be published on the Council's website.

8. EXCLUSION OF THE PRESS AND PUBLIC

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

9. EXEMPT/ CONFIDENTIAL MINUTES

Nil items

10. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items

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

Nil items

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

Nil items

The meeting ended at 8.35 p.m.

**Chair, Councillor James King
Overview & Scrutiny Committee**

Overview and Scrutiny Committee

Reference	Action	Assigned to	Scrutiny Lead	Due Date	Response
26/10 meeting	<p><u>1. Budget Monitor as at P5 for 2020/21</u> The Committee would require as part of the budget process in the next quarter a detailed breakdown of the:</p> <ul style="list-style-type: none"> • Covid costs; • Recovery plans versus population vulnerability; and • What costs will not be reimbursed by Central Government. <p><u>2. Waste Service performance update</u> Next time, OSC wanted to see details of service improvement with particular reference to:</p> <ul style="list-style-type: none"> • Improvements in waste heading for reuse; street cleansing and bulk waste collections; • How it is now easier for people to report mis-collections through IT systems • How agency staff are used; and • Action plans for the West of the Borough e.g. Weavers; Spitalfields and Whitechapel. 	Kevin Bartle Dan Jones	OSC Chair OSC Chair & Scrutiny Lead for Env & Comm Safety	Next time this item returns to OSC	
23/11 meeting	<p><u>1. Strategic Performance Monitoring</u> Details on mitigation of poor performance:</p> <ul style="list-style-type: none"> • Number of adults supported into employment by the WorkPath • Young people entering the youth justice system for the first time • Level of household recycling (quarterly audited) <p>In addition, that more detail should be provided within any future report</p> <p><u>2. COVID-19 update</u> OSC to review the Mayor’s response to the Committee’s COVID Review</p> <p><u>3. Councillor Call for Action (CCfA) Guide</u> Sought clarification on what OSC is able to do/act on as a part of the CCfA process</p>	Thorsten Dreyer OSC members Adam Boey	OSC chair	Before next meeting	<p>1. PDSQs’ responses provided before Cabinet on 25 Nov.</p> <p>2. OSC to provide comments to Chair</p> <p>3. Adam to work with Matthew Mannion to develop a communications approach for Members, including examples showing how and when to use CCfA.</p>

<p>14/12 meeting</p>	<p>1. <u>COVID-19 Update</u> The committee requested clarification as to why E1 Health Centre and White Chapel Health Centre were exempt or not participating in the Vaccination 1st Wave Site for Tower Hamlets</p> <p>2. <u>WorkPath</u> To bring back and review WorkPath Services in next year's scrutiny WP</p> <p>3. <u>MTFS 2021 -24 (Budget Update)</u> The Committee requested more information on how and why temporary accommodation costs have arisen and the extent to which this is COVID and non COVID related?</p> <p>The Committee requested more information on:</p> <ul style="list-style-type: none"> • Business Rates • Covid Gap • What support is available from Government • Council Tax Support <p>The Committee agreed to hold a session (prior to the budget scrutiny meeting) on understanding business rates reset</p> <p>4. <u>AOB</u> The Committee welcomed the Executives response to the Call in - Change the Band 3 policy but didn't change the PRS policy. OSC to delegate responsibility to Housing and Regeneration Scrutiny Sub-Committee to review the PRS policy and implications for waiting list in 6 months' time</p>	<p>Dr Somen Banerjee</p> <p>Vicky Clark</p> <p>Karen Swift</p> <p>Kevin Bartle</p> <p>Kevin Bartle</p> <p>Karen Swift</p>	<p>OSC Chair</p> <p>OSC Chair</p> <p>OSC Chair</p> <p>Scrutiny Lead for Housing and Regeneration on Scrutiny Sub-Committee</p>	<p>Before next meeting</p> <p>OSCs next year WP date TBC</p> <p>Before next meeting</p> <p>Before 11 Jan 2021 Budget Scrutiny Meeting</p> <p>June 2021</p>	<p>The increase in costs was Covid related because the service accommodated 200 single homeless people into accommodation (mainly commercial hotels). For those who came in not all costs were recoverable from housing benefit. For example, provision of three meals a day and floating support in the commercial hotels to assist hotel management with supporting residents. Some residents were not entitled to benefits, so the cost of their accommodation was not recoverable. Furthermore, the nightly rate in the commercial hotels was above the eligible housing benefit amounts, so even for those who were entitled for housing benefit, the full cost was not recoverable.</p> <p>The Committee was provided (on 07.01.2021 the information via a briefing session which covered business rate reset. Business rates and council tax and Covid funding. Slides were circulated to O&S members and awaiting on the update slides for Covid funding.</p>
<p>07/01 Meeting</p>	<p><u>Business Rate Reset/ Council Tax Reset and Covid</u></p>				<p>The CTR caseload has increased from 29,268 in March 2020 to currently 31,626, it was as high as 32,482 in May 2020.</p>

	<p><u>Funding briefing</u></p> <p>1. On the Council Tax Reduction Scheme, the Committee sort for clarification on how much of the increase in the cost of the scheme was as a result of the decision to suspend the income floor for self-employed claimants as part of bringing in line with suspension of universal credit</p>	<p>Roger Jones</p>	<p>O&S Committee</p>	<p>By next Meeting.</p>	<p>Overall, the cost of awarding CTR over the same period has increased from £27.9m to £31.4m. Some of this increase will be down to new claims and some will be down to changes in circumstances on existing claims such as and changes in income (an example of this would be the SEISS payments which will impact on self-employed claims) or changes to the number of people in the household.</p> <p>The DWP suspended the Minimum Income Floor (MIF) used in the assessment of Universal Credit (UC) in April 2020. Since March 2020 the number of CTR claims with Self Employed income has dropped from 857 to 838, but of these the number that are UC claims has increased from 443 to 573. All of these are no longer affected by the MIF.</p> <p>As a result of this the number of cases affected by the Council's MIF has decreased from 297 to 261 during the same period. Where we are advised that the MIF is causing hardship, we are looking at each case to assess whether S13a could be used to mitigate the effect of the MIF. To date this year, we have awarded £133,137.67 under Section 13a provisions to address the impact of the MIF being applied.</p> <p>We have had 358 applications so far and awarded in 213 cases and have a further 29 applications still being considered.</p> <p>We have also awarded £1.7m under the Hardship Fund to those who were assessed as still having something to pay.</p>
<p>11/01 meeting</p>	<p><u>Budget Scrutiny</u></p> <p>1. The Committee did not agree that population</p>	<p>Thorsten Dreyer</p>			

