

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 7.00 P.M. ON MONDAY, 18 FEBRUARY 2013

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

Members Present:

Councillor Rachael Saunders (Vice-Chair)
Councillor Tim Archer
Councillor Fozol Miah
Councillor Helal Uddin

Co-opted Members Present:

Memory Kampiyawo – (Parent Governor Representative)
Rev James Olanipekun – (Parent Governor Representative)

Other Councillors Present:

Councillor Alibor Choudhury – (Cabinet Member for Resources)

Guests Present:

Nil

Officers Present:

Alan Finch – (Interim S151 Officer, Service Head Financial Services, Risk & Accountability, Resources)
David Galpin – (Head of Legal Services (Community), Legal Services, Chief Executive's)
Frances Jones – (Service Manager One Tower Hamlets, Chief Executive's)
Alan Ingram – (Democratic Services)

COUNCILLOR RACHAEL SAUNDERS (VICE-CHAIR), IN THE CHAIR

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of:

- Councillor Ann Jackson (Chair)
- Councillor Stephanie Eaton (Scrutiny Lead, Communities, Localities and Culture)
- Councillor Sirajul Islam (Scrutiny Lead, Development and Renewal)
- Councillor Amy Whitelock (Scrutiny Lead, Children, Schools and Families)

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST

There were no declarations of Disclosable Pecuniary Interest.

3. REPORTS FOR CONSIDERATION

3.1 General Fund Capital and Revenue Budget and Medium Term Financial Plan 2013/14-2015/16 (Revised Proposals)

The Committee considered the revised proposals for General Fund, Capital and Revenue Budgets and Medium Term Financial Plan 2013/14 – 2015/15 in accordance with the Council's Budget and Policy Framework. In this connection, the Committee received papers comprising:

- The tabled Cabinet amendments concerning General Fund, Capital and Revenue Budgets and Medium Term Financial Plan 2013/14 – 2015/16.
- The decision of the Mayor in Cabinet at the meeting held on 13 February 2013 concerning General Fund, Capital and Revenue Budgets and Medium Term Financial Plan 2013/14 – 2015/16.

Financial implications

At the request of the Chair, Councillor Alibor Choudhury (Cabinet Member for Resources) introduced a summary of the revised proposals in the Mayor's amended recommendations as indicated in the table shown below.

In response to concerns expressed by the Chair, Councillor Choudhury indicated that reserves had been allocated to future years to reduce budget gaps and ensure that deficits were not as large as those incurred by other local authorities. Financial planning was ongoing for future years and a team of Officers was engaged in identifying further areas to reduce the budget gap.

	Earmarked Reserves	Additional savings	Public Health Grant	Capital	Total
	£m	£m	£m	£m	£m
<u>Funding</u>					
Funding available (all one-off)	1.065	4.848	2.800	5.300	
Transfer of funding for faith buildings	1.000			-1.000	
Total funding available	2.065	4.848	2.800	4.300	14.013
<u>Spending allocations</u>					
Discretionary housing payments	1.000				1.000
Town Centre Managers	0.355				0.355
Boroughwide deep clean	0.710	0.090			0.800
Bursary @ £1,500 for 2 yrs		1.260			1.260
THEOs		1.330			1.330
Measures to support cycling				0.100	0.100
Pothole squad		0.200			0.200
Burial Grounds				3.000	3.000
Free School Meals			2.756		2.756
Additional investment in Faith Buildings				1.000	1.000
Total allocations	2.065	2.880	2.756	4.100	11.801
Balance of funding remaining	0.000	1.968	0.044	0.200	2.212

The Chair expressed concerns relating to management of the vacancies policy, particularly regarding possible effects on the social care services. Councillor Choudhury stated that care would be taken to ensure that front line services were not affected.

The Committee raised queries with regard to the proposed spending allocations as follows:

Boroughwide Deep Clean

Members made the point that funding had been taken from this service in previous years and there was some surprise that the proposed allocation was considered necessary, in view of claims that Tower Hamlets was a clean Borough. Councillor Choudhury undertook to provide further written comments to the Committee.

Bursary

Very strong concerns were expressed regarding:

- the need for fairness in carrying out assessments for and allocations of bursary payments;
- the criteria for any means test that would be used; the need to ensure that students whose parents were just above the benefits range would not be excluded and;
- how many Tower Hamlets students gained university places each year and whether the proposal was aimed at encouraging more students to

secure places at university or reducing drop-out rates of existing university students.

Councillor Choudhury undertook to provide further written comments to the Committee.

THEOs

Members asked whether funding might best be allocated to securing more Police Officers and whether the Metropolitan Police had been approached with this in mind under the existing arrangements. Councillor Choudhury undertook to provide written comments to the Committee.

The Chair raised concerns that the SNT was hugely vulnerable in the face of cuts being made by the Metropolitan Police to service hours and counter facilities. She also queried whether it was appropriate to consider directing funding towards an organisation that appeared to be in a period of instability and flawed working.

Burial Grounds

Members expressed concerns relating to:

- the locations of the two sites under consideration;
- whether they would be for the use of all Tower Hamlets residents;
- how many plots would be provided;
- how long the sites would be considered operational;
- the likely revenue implications for managing the sites.

Councillor Choudhury stated that negotiations were underway and he was reluctant to compromise commercial confidentiality. However, he would provide written comments to the Committee.

Free School Meals

Members made the point that this provision needed to be made a priority to ensure continuation of the project, after the initial two year proposal under public health funding, for Reception and Year 1 pupils.

Additional Investment in Faith Buildings

The Chair asked that guidance be provided on arrangements for the assessment of how services would be delivered to the community and of criteria for heritage protection that were to be taken into account when considering the provision of funding for the Faith Buildings Initiative.

Councillor Choudhury undertook to provide further written comments to the Committee.

Chair's Comments

With a significant budget black hole opening up in the Council's own medium term financial projections, and at a time when all local authorities are facing major cuts from government, the committee was concerned about the viability of a new set of spending proposals. The committee was also concerned that these proposals were published late, after the main budget scrutiny process, leaving limited time for scrutiny questions to be answered. The committee is still waiting for important information, without which neither we nor full council should be expected to make decisions.

Of particular concern was:

- the lack of information about eligibility and purpose of the bursary for university students
- the lack of information about the burial site, with £3 million being committed without any information about how many burial plots will be provided and at what cost to families
- the lack of information about criteria for eligibility of the faith buildings grant, with assertions about the grant being for improving buildings for community use and safeguarding heritage, with no evidence provided for those assertions
- lack of clarity on the objectives for the new THEOs.

RESOLVED

That the above comments of the Committee concerning the revised budget proposals be referred to Mayor Rahman and then to Council.

The meeting ended at 8.00 p.m.

Chair,
Overview & Scrutiny Committee