

**EXTRAORDINARY OVERVIEW AND SCRUTINY**  
**BUDGET 1 SESSION**  
**21 JANUARY 2013**

**DISCUSSION POINTS**

A comprehensive discussion followed which focused on the following points:-

- Clarification sought and given as to:

**CLC**

Q In the context of the outlined budgetary pressures relating to waste treatment and recycling (a growth requirement of £0.6 million relating to waste collection and disposal costs primarily due to the Government “Landfill Escalator”): Why waste minimisation was not being actively promoted, and resources allocated accordingly, as rather than the Council encouraging recycling it would be better if waste was not generated.

A Q Noting the response of Officers that waste minimisation, and in particular education on this, was an element of the Council’s Waste Management Contract: The apparent conflict of interest of those dealing with waste management promoting waste minimisation. The Council had in past years supported regional waste minimisation campaigns e.g. London Nappy Campaign. However these had diminished with a reduction in regional funding, and Council budgets constrained their ability to plug the gap. Waste contractors were not paid purely for moving waste, and services were looked at across the piece with contractors held to account on that.

Q In the context of the outlined budgetary pressures relating to Environmental Health: The nature/ extent of the additional duties/ responsibilities being placed on the Council, anticipated budgetary pressures resulting from these, what provision the Council was making for this risk to the Budget, or whether the Council would be reactive to emerging issue.

A These were thought to relate to premises inspections. **Further information on this to be provided by SH S&R CLC next day.**

Q Performance in delivering savings required of the Communities Localities and Culture directorate in the previous year’s Budget. In particular was the anticipated generation of

advertising income from the 2012 Olympics fully realised, and what amount was this.

- A CLC had met its overall savings targets and the additional income generated from Olympic related advertising was in line with target.
- Q Whether budgetary pressures were anticipated as a result of London-wide CO2 penalties on local councils if they did not meet targets for cleansing the local environment e.g. pollution relating to “through routes”, or whether Government proposals on this were dormant.
- A The issue was how Government re-apportioned penalties on London from Europe. There was speculation of Government top slicing Council Budgets to help pay this. Air quality in any part of London was dependent on prevailing winds and contamination could emanate from neighbouring boroughs, however the Council was pursuing the aim of cleaner air linked to a carbon emissions policy.
- Q What strategy was in place to mitigate the “black hole” in the CLC Budget outlined by Officers relating to land fill and the Government “Landfill Escalator”.
- A The Council would review its position once the Government announced a successor for the “Landfill Escalator”. Adjustment of the service budget would depend on the timing of the announcement, and it might be necessary to draw on reserves in the short term. Longer term structural changes to the Council’s treatment of waste were required.
- Q In the context of the outlined budgetary pressures relating to Safer Communities and the Mayor of London Policing and Crime Funding: Whether the CLC Budget continued £1.45 million provision for additional police for the Borough, and the number of these. Also assurance regarding the anticipated impact of London-wide reductions in policing: What were the current numbers of Met police allocated to Tower Hamlets. The Chair commented that the potential risk for additional budgetary pressure as a result of the new London-wide policing arrangements should be monitored.
- A The Council had reviewed its agreement with the Met Police to fund additional police for the borough, and when the current agreement ended in July 2013 a new agreement would commence providing 18 additional police posts. The Borough Commander had given provisional indications that the London-wide policing arrangements would have a net nil

impact on front line police numbers. **Further information to be provided on numbers of police currently allocated.**

- Q In relation to a number of key contracts longer than 15 years.g. refuse collection: What action was being taken to:
- Assess efficiency and value for money
  - Assess delivery and performance
  - Identify if contractual penalties could be clawed back
  - Review contract clauses allowing for renegotiation of terms given change of circumstances, and take appropriate steps.
- A The longer the contact the more valuable due to initial start-up costs being averaged out. Officers were aware of these long contracts particularly for waste treatment (Veolia) and leisure (GLL) and had scrutinised them closely with wide ranging budget efficiencies delivered which had already contributed to required savings for CLC.
- Q In the context of the introduction of bulk rubbish collection charges in last year's Budget: Whether the overall savings/ income target had been met. Also whether there had been any impact on reporting of on street rubbish dumping.
- A There was no discernible increase in on street dumping as a result of the new bulk collection charges. However there was some controversy regarding mattresses which was thought to link to an active private rented sector, with such material produced at short notice. **Further information on call volumes reporting dumped rubbish to be provided; also on income stream expectations and delivery.**
- Q Whether the recent winter weather if it continued would have an adverse impact on the CLC Budget.
- A Unpredictable, but the last cold-snap unlikely to impact on the CLC budget. Not all roads were the responsibility of the Council , but of TfL and RSLs.
- Q Whether all refunds from LOCOG had been received following the borough's undertaking of its Olympic duties.
- A **Officers to check and report back as to LOCOG meeting contractual obligations. No known areas of contention.**
- Q Whether additional income from controlled parking, anticipated as a consequence of the Olympics, had been achieved, and the part/s of the Budget benefitting from its allocation.
- A It was unclear if there was a significant rise in parking income due to the Olympics. The MTFP had factored in any uplift to offset General Fund budget pressures.

- Q What pressures on front line services/ staff, operated by CLC, resulting from the proposed integration/ reconfiguring of services, were anticipated by Officers.
- A No compulsory redundancies were proposed, although savings from natural wastage would be considered. There was however a commitment to generic working, with a flexible workforce being more secure in the long term. Councillor Choudhury (Cabinet Member for Resources) confirmed the closure of Rushmead OSS had been reviewed, but it was not to be progressed by the Mayor as funding had been identified.

## **CSF**

- Q The underlying reasons for an above inflation rise in school transport costs of approximately 10 per cent.
- A There were more young people with special needs and related transport was more expensive. Many young people were bused across the borough to locations where school places were available, but at additional cost. The Council aspired to reduce the need for busing pupils to school e.g. with development of the Bow Boys School site. There would be a future review of transport services with CLC, which looked at value for money and use of downtime between am and pm school runs.
- Q In the context of the outlined pressures on the CSF Capital Budget relating to current statutory provision of primary/ secondary school places (number of places needed set to rise 30% in 10 years), and the likely future Government requirement for 15 hours of free school based child care for 2 year olds:
- Q The nature and use of the contribution to school infrastructure from Section 106 funding, and the role of the Planning Overview Panel in ensuring that capital costs for school infrastructure needs associated with new development were met.
- A Capital costs for building or refurbishing schools had always been funded by the DfES. Section 106 monies had only provided additionality such as community facilities on a school site. The Government intended to fund the additional school hours for 2 year olds with funding for the private and voluntary sector.
- Q Expressing concern over risks to the Capital Programme: what sources of funding had been identified to meet the

- capital funding gap and provide the necessary infrastructure?  
How would any shortfall in building capacity be managed?
- A Basic needs funding from the DoE to increase school capacity would never be sufficient to acquire land in Tower Hamlets where land was scarce and expensive. Never the less LBTH had been successful in securing 2 secondary schools in the Isle of Dogs and Wapping. Concerted pressure was needed to put the borough's case for basic needs funding. There was mounting concern across London regarding unconfirmed levels of future funding and the Council was maintaining awareness of this whilst endeavouring to be innovative in creating spaces.
- Q Noting the significant level of savings proposed for achievement through "vacancy management" and reduced agency use: what were the risks to staff in terms of morale and wellbeing from the vacancies left open. Also the impact on service stability.
- A There was scope for vacancy management in service areas which were not front line (children's social work, children's centres etc.). Vacancy rates of 8% in CSF and 11% in AHWB and lead in times for recruitment of up to 12 weeks if managed and covered by staff gave scope for savings. This had been modelled at other councils and the private sector, and would provide a more strategic approach to workforce savings than top-slicing staffing budgets. Covering and acting up could also be seen as a career development experience.
- Q In the context of the significant savings to be achieved from integration of the CSF and AHWB directorates (Page 83/4, 2013/14 Budget Pack), scheduled for completion in March 2013 when the Acting Corporate Director for CSF and AHWB was due to retire, clarification/ assurance sought as to strategic and managerial leadership of the new directorate at that juncture.
- A Consultation on directorate merger proposals was currently being undertaken. There had been good stability in the past, and it was acknowledged that long periods of acting or interim arrangements was unsatisfactory for the organisation and staff concerned. It was hoped that experienced and effective senior staff currently with LBTH would express interest in the new management positions and the normal HR processes would then be followed. There was optimism that the outcome would be a strong DMT

- Q The reasons for a significant underspend in the Mayors Education Award budget; with concern expressed that a large number of children were not qualifying for MEA when it would prove very beneficial.
- A Primarily this was due to students not meeting required attendance levels. Good attendance should be expected in return for a bursary. There was an excellent Attendance Welfare Service, which treated poor attendance seriously regardless of MEA. The process to apply for MEA had been simplified in response to client feedback.
- Q Noting that the underspend was primarily due to young people not meeting the required attendance levels, the basis for setting the MEA budget based on higher than previous attendance levels, and whether the outcome of an underspend was predictable. EMA grant take up had been monitored in the past could this information not have informed the MEA budget.
- A When the budget for MEA had been set there was a national EMA scheme and it was unclear if students would get both. Timescales were also unknown. The EMA scheme was a Government initiative and not monitored by the LEA.
- Q Commenting that young people which had made the application for MEA/ met the criteria for award were from disadvantaged groups: concern was expressed that 49 per cent of MEA was being lost due to non-attendance, and clarification sought and given as to the measures taken by the Attendance Welfare Service to support the young people to improve attendance and secure the MEA.
- A The LEA was working with schools and sixth form colleges so young people were focused on attendance, as to receive the award students must both meet the criteria and maintain good attendance. Not awarding MEA was not an indication of non-achievement, in particular other sources of funding young people from vulnerable and low income families was more widely available than thought. Schools/ colleges, Attendance Welfare Service and parents had a responsibility for ensuring attendance.
- Q Noting the Officer comment that although young people may not qualify for MEA that did not signal non-achievement: what were the attendance levels on which they did achieve? If attendance levels had been 95 per cent when EMA had been awarded, how did current attendance compare and what was the variance from target?

- A **To be provided.**
- Q Given the highlighted drawdown of earmarked reserves and the funding set aside for MEA which had not been used, was there a need for the full current budget allocation for MEA, and could the resources be better used elsewhere.
- A If the funds were not needed they would not be drawn down and the Executive would ensure this was reflected in future budget allocations. This did not address the question (Chair).
- Q In the context of the recent £100,000 reduction in MSG funding for the Early Years Network (EYN) and the new duty of provision for 2 year olds, what was the anticipated impact on service delivery by the EYN, and how would increase in demand be met?
- A This organisation provided administrative support for voluntary providers. It had not been successful in its bid for MSG, as Officers had assessed bids for MSG against priorities including actual provision of education and a need to build capacity to meet demand when provision for 2 year olds became a statutory requirement. There would be insufficient capacity to meet need without the voluntary/ private sector. The area would be monitored and spending increased as needed.
- Q With reference to the highlighted funding shortfall of £4.9 million for key service provision (Connexions and children's centres) due to the move of EIG into DSG: Had a mapping exercise been undertaken to identify the impact, and what strategy was in place to mitigate this.
- A The Mayor had decided this funding gap would be met and therefore services would not be affected.

## **AHWB**

- Q What grants or other funding had been used to offset savings slippage of approximately £800,000 relating to domiciliary care provision.
- Q What grants or other funding had been used to offset the savings slippage resulting from the lengthy delay in re-tendering the re-ablement contract.
- A Much work had been undertaken on the Domiciliary Care contract, turnover of clients was now at predicted levels and staffing would now be examined. Funding sources were outlined including: in-house homecare, targets for hospital to

independent living, 2 health grants, better use of supported housing for those with learning disabilities, some of the mental health settlement. Review and replacement of expensive spot purchase arrangements with proper procurement contracts would deliver savings.

Q Noting the delay in moving from expensive spot-purchasing to block-purchasing contracts, concern was expressed that, despite there being some excellent officers, a clear strategic aim had been blown off course by the departure of the Corporate Director AHWB, and the Interim CD AHWB soon after, at significant cost to the Council and the quality of service.

A The Interim Corporate Director gave an assurance that AHWB was back on track, she was confident that savings would be delivered, and a realignment of other contracts to improve on spot purchase arrangements would deliver savings.

Q On-going concern was expressed regarding the directorate integration process and tardy culture change in relation to re-ablement and personalised care budgets. Feedback from service users was that they did not feel as well supported, and officers should listen to their voices and take mitigating action.

A The Interim Corporate Director commented that she had attended a user meeting recently and there was feedback that more support was needed to improve understanding of re-ablement and personalised budgets, and this would be taken forward in the coming year. The Government agenda on this was clear. However it was also apparent that some spot-contract suppliers had persuaded clients to stay with them at significant extra cost to the Council and a doubtful outcome for best meeting client needs. Users were now wary of changing provider.

Q With Council spend on learning disability rising due to increasing demand, and the level of NHS spending falling, how would future provision be ensured. Had work been undertaken to identify the baseline service offer required to inform any future difficult decision on this. What were the implications of the transfer of public health responsibilities to councils in this context.

A The Clinical Commissioning Group was clear that the needs of high end users must be met particularly those with learning disability. Day opportunities at centres would remain the focus, as this was both a much more beneficial experience than being at home or in a special unit, and cost effective provision.



The borough was also reconfiguring health provision for those with disabilities with more advocacy.

- Q Noting that a sizable budget would transfer to the Clinical Commissioning Group, alongside the transfer of public health responsibilities, were Officers confident that the CCG could be persuaded to provide a level of resources that would allow for a service offer for the vulnerable (such as those with learning difficulties, disabilities or dementia) beyond the bare minimum of keeping people alive.
- A The Council was in direct consultation with the CCG and was confident resources of approximately £400 million would be used in areas of need which had been clarified in the dialogue.