

**LONDON BOROUGH OF TOWER HAMLETS**

**MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE**

**HELD AT 6.35 P.M. ON MONDAY, 14 JANUARY 2019**

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

**Members Present:**

Councillor Abdal Ullah (Chair)	
Councillor Marc Francis (Vice-Chair)	
Councillor Marc Francis (Vice-Chair)	– Lead for Resources
Councillor Sufia Alam	– Lead for Children’s Services
Councillor Mufeedah Bustin	–
Councillor Kahar Chowdhury	– Lead for Health, Adults and Community
Councillor Dipa Das	– Lead for Place
Councillor Kyrsten Perry	–
Councillor Mohammed Pappu	–
Councillor Bex White	– Lead for Governance
Councillor Andrew Wood	–
Councillor Val Whitehead	–

**Co-opted Members Present:**

Neil Cunningham	– Parent Governors
Joanna Hannan	– Representative of Diocese of Westminster
Ahmed Hussain	– Parent Governors
Dr Phillip Rice	– Church of England Representative

**Other Councillors Present:**

Mayor John Biggs	
Councillor Amina Ali	– Cabinet Member for Culture, Arts and Brexit
Councillor David Edgar	– Cabinet Member for Environment
Councillor Danny Hassell	– Cabinet Member for Children, Schools and Young People
Councillor Denise Jones	– Cabinet Member for Adults, Health and Wellbeing
Councillor Candida Ronald	– Cabinet Member for Resources and the Voluntary Sector

**Apologies:**

Councillor James King	
Fatiha Kassouri	Parent Governors

Khoyrul Shaheed

Muslim Faith Community

**Officers Present:**

Elizabeth Bailey	– (Strategy & Policy Manager)
Adam Boey	– (Senior Strategy & Policy Manager - Corporate)
Michael Darby	– (Head of Parking & Mobility Services)
Sharon Godman	– (Divisional Director, Strategy, Policy and Performance)
Afazul Hoque	– (Head of Corporate Strategy & Policy)
Dan Jones	– (Divisional Director, Public Realm)
David Jones	– (Interim Divisional Director, Adult Social Care)
Debbie Jones	– (Corporate Director, Children and Culture)
Christine McInnes	– (Divisional Director, Education and Partnership, Children's)
Neville Murton	– (Acting Corporate Director, Resources)
Denise Radley	– (Corporate Director, Health, Adults & Community)
Judith St John	– (Divisional Director, Sports, Leisure and Culture)
David Knight	– (Senior Democratic Services Officer)

**1. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST**

The Committee noted that with reference to agenda item 3 Initial Budget Proposals should there be any formal discussion on the Discretionary Rate Relief then the following Members indicated that they would have to declare an interest:

- Councillors Bex White and Mufeedah Bustin indicated they were both trustees of a locally based charity and employees of another;
- Councillors Val Whitehead and Abdul Ullah indicated they were both trustees of local charity; and
- Councillor Kyrsten Perry indicated she worked for local Grant Making Body.

**2. REQUESTS TO SUBMIT PETITIONS**

Nil items

**3. INITIAL BUDGET PROPOSALS**

The Committee was reminded that in February 2018 the Council had agreed a 3 year budget and Medium Term Financial Strategy (MTFS) for the period 2018-2021; including savings of £10.78m that would need to be delivered to if LBTH was to achieve a balanced budget over that period.

Accordingly, as part of the Council's annual budget cycle, the Committee was informed that the report sets out to provide a review and to update the assumptions made in that report for the years 2019-2021 and incorporates a new year, 2021-22, to maintain the Council's three year MTFS. It was noted that the assumptions as set out in last year's MTFS for 2019-20 have been specifically reviewed so as to allow Members to agree a balanced budget and Council tax requirement for that year.

The Committee was advised that 2019-20 is the final year of the government's four year guaranteed funding settlement, the introduction of a London-wide business rates retention pilot scheme and the Councils decision to participate will have an impact on those resources the Council receives from Revenue Support Grant and Business Rates and this has therefore been considered in this report. In addition, the Committee did note that demographic and inflationary budget pressures together with mayoral priority growth proposals have also been identified and the action that is needed to meet these additional commitments over the existing MTFS assumptions have been outlined within this report.

Finally, the Committee was advised that the impact on the Council's MTFS of the Chancellors Autumn Statement that was announced on the 29<sup>th</sup> October, 2018 and the 2019-20 provisional local government finance settlement which followed on the 13<sup>th</sup> December 2019 had also been considered within the report. The questions and comments from Members on the report may be summarised as follows:

Committee focused on a number of areas including the following:

- That Cabinet, 9th January 2019 had formally proposes the draft Budget. Then on 10th January 2019 formal notification had been sent to the Chair of Overview and Scrutiny Committee confirming that the Mayor's initial budget proposals had been circulated to all Members, and that any response of the Overview and Scrutiny Committee to these must be submitted to the Mayor by noon on Friday 26th January 2019. Accordingly, tonight's meeting was specifically to discuss the Mayor's proposals and then formally consider scrutiny comments to be reported to the Mayor by the deadline above;
- That on 30th January 2019 Cabinet will meet to consider all the feedback (Including from Scrutiny; the Public and those paying NNDR) and then to formally propose the budget to Council. Whilst, on Monday 5th February 2018 the Committee will if needed have the opportunity to meet to specifically to discuss any material changes to the Mayor's proposals announced on 30th January;
- That the report outlines what is being done to address the various budgetary pressures facing LBTH.

#### **GENERAL OVERVIEW**

- That the Budget had been developed through a series of workshops between officers and members to ensure delivering services to meet the needs of residents set against the background of austerity;
- There is a good level of general fund reserve to provide a solid base to address the unexpected;
- Residents had indicated that their main priorities were housing community safety and education;
- The demands on residents budgets have been factored into the development of the budget; Council Tax Increases and Brexit;
- The Budget had been set to be within the agreed parameters;
- Within the base budget there is an additional £3M over and above the monies set aside at the onset of each budget period. This is derived from the previous year's spending and adjustments such as inflation
- The Budget developed based on best practice and have external overview to provide an independent perspective;
- London Authorities are better placed overall in comparison compared to other Metropolitan Authorities;
- The reserves are in line with the size of the authorities as a percentage of the overall budget especially with regard to the General Fund Balance;
- The impact of the Council Tax Reduction Scheme is a very generous 2.4% against most Boroughs which are set at 2.9%;
- The Council has a good track record on achieving the savings as set out in the budget process (i) there had been extensive benchmarking in the development of the budget; and (ii) the three year rolling budget provides an overview that enables forward planning of issues that might arise;
- Fees and charges are agreed at the rate of inflation and in a constructive fashion so as to encourage positive attitudes in respect of various key issues e.g. environmental; planning fees; diesel surcharges; and the meals on wheels service;
- An equality impact assessment of the Council Tax; savings and growth would be considered addressed at the appropriate time for an in depth review;
- There would be a separate report on Fees and Charges submitted to 30<sup>th</sup> January Cabinet;
- The Council Tax Reduction Scheme takes on board the equality impact of the Scheme;
- The degree of uncertainty with regard to the initial level of retained Business Rates has meant that assumptions had to be made. However, going forward there will be a better grasp on what can be retained;
- Certain posts deleted in previous savings that are now required due to the changes in the way that the Council is now required to deliver its services.

## **PARKING AND ENVIRONMENT**

- That there is a need to have effective management of contracts and that in respect of Waste Management a better service can be run “in-house” to achieve the desired levels of cleanliness in the Borough;
- Changes in behaviour is required with schools to understand why parking restrictions are required outside of schools e.g. the School Streets is about creating changes in behaviour to make streets near schools safer;
- Wanted more detail on the parking review and the benefits of developing cashless parking;
- On the vehicle fleet purchase; rental; servicing; repairs of waste vehicles consideration was being given as to how green it can be and where/when it would be maintained and by whom;
- Car Clubs will reduce the pressure of needing a car; the associated costs and where to park;
- Recent increases in the number of Car Clubs in the Borough have been in one-way car rentals which offer an easy and convenient Rent-A-Car scheme;
- The types of vehicles that these Clubs have in their fleets are Hybrid and Electric.

### **COMMUNITY LANGUAGE SERVICE (CLS) SAVINGS PROPOSALS**

- Received deputation on CLS Service to express concern on there being a sustainable service;
- Concern was expressed regarding (i) the future for the organisations effected and the impact on providers/users; (ii) the perceived loss of provision and that it will have disproportionate detrimental impact on the Bengali Community (iii) impact on the children of these community’s their culture; background and language;
- Charging for the service would it was felt that many of the families who are on low incomes could not afford to pay;
- The Mayor welcomed the deputation and commented that the Service does not need to be provided in the current way and could be offered in an alternate fashion;
- Tower Hamlets is the only Borough to provide such a service and whilst the Council places value on that service it needs to be set against the back ground of austerity;
- The development of the new service will be a 3 year process and the suggested fee would be £5/week;
- Parents pay for other tuition whilst this has been a free service for many years;
- The charges proposed have been based on what it is felt to be sustainable fee structure; hours spent in the lessons and number’s in each class although a full business case would be worked up;
- Whilst the Service is used by 1,400 children yet demand is valuable so during the consultation it is hoped to develop a clearer picture in the development of a sustainable business case and look at affordability;
- The Council values the heritage of all the communities in Tower Hamlets;

- The Mayor indicated that there would be merit in undertaking a Scrutiny Review of the Service.

### **CHILDREN'S AND CULTURE: GROWTH AND SAVINGS PROPOSALS**

- THEP is monitored on School Improvement – There is support for schools in the preparation for Ofsted as well as regular monitoring support
- THEP is developing 3 yr. plan and so it can set bench marking/KPI and the Partnership has one of the highest levels of school performance;
- THEP is encouraging BME Teachers to take up senior management roles e.g. the future Heads Course with a specific focus for BME Teachers;
- Bench marking is undertaken in terms of performance and in terms of the amount of money that is put in is lower than with other boroughs;
- Looked forward to see regular updates from THEP around its performance;
- The Foster Grant take up has been promoted but need to look at the based budget to reflect need;
- There will be 3 year programme of support for adopters;
- Social worker recruitment is on target to meet/exceed targets on recruitment/retention;
- Noted with regard to Early Help would be at risk if not put additional resources into that Service;
- The Services also need to be more easy to access and for those accessing to be able to understand how the various services provided can support them;

### **HEALTH AND ADULTS SOCIAL CARE: SAVINGS PROPOSALS**

- Noted annual growth in demand for Adult and Social Care Services nationally is reflected within the Borough;
- Noted the focus is to increase choice and address needs in each care package and to achieve a saving of £18,000/year/person by caring for a person in the community through supported living rather than the more traditional residential care;
- It is about providing a better quality of life and to meeting people's needs in a better way;
- To provide a more flexible approach that can better met needs and address demand than the current provision;
- The offer will be more varied and people can say what they would like to do and not just have to accept what is being offered;
- It is about allowing people to be more independent for a longer period of time if possible and managing quality of life and not just budgets;
- It is about service transformation/investment to provide services to an increasing population of older people and vulnerable adults in a setting of their choice. It was felt that (i) more details were required on the service users and how two different groups of service users can be

supported alongside each other; and (ii) a breakdown of the costs be provided in regard to current costs and the savings envisaged.

## CONCLUSION

- Noted **Lead Member Resources** felt that the Budget as presented protects front lines services and provides investment into services. Also going forward if there are to be changes in saving proposals then this will be brought to the attention of OSC;
- **Mayor** Budget aiming to fund services against a difficult financial climate;
- **Mayor** commented in the proposal's for the Community Language Service it will be subjected to changes in the way it is provided, recognising that changes are needed to bring it in line with other Borough's;
- **Chair** this is a budget about changes in behaviour of providers and users;

The Chair moved and it was:-

**RESOLVED** that the:

1. Council reviews its modelling for income projections and testing expenditure assumptions to ensure income growth is more accurately reflected;
2. Council develops an ambitious income generation strategy in collaboration with partners, businesses, residents and the Overview and Scrutiny Committee;
3. Overview and Scrutiny Committee is provided with the Council's assumptions in modelling increases in fees and charges above the rate of inflation;
4. Council measures the cumulative impact of proposals, including increases in Council Tax and fees and charges to better understand the impact of multiple decisions on particular groups of residents;
5. Council more proactively monitors how partners and service providers (i) address inequality; (ii) support access to employment; and (iii) support progression into leadership roles for groups, such as BME residents and women.
6. Council explores the option of means-testing Community Language Services;
7. Executive refer savings proposals staggered over a three year period back to the Overview and Scrutiny Committee to contribute to the development of savings proposals in year;
8. Council ensures it uses empirical evidence to assess the equalities impact of remodelled services on service users; and
9. Council develops its budget and engages the Overview and Scrutiny Committee, businesses and local residents earlier in the year to more effectively scrutinise and contribute to development of budget proposals.

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

Nil items

**5. 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.

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

Nil items

**The meeting ended at 9.35 p.m.**

**Chair, Councillor Abdal Ullah  
Overview & Scrutiny Committee**