

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.33 P.M. ON MONDAY, 26 SEPTEMBER 2022

**COMMITTEE ROOM ONE - TOWN HALL, MULBERRY PLACE, 5 CLOVE
CRESCENT, LONDON, E14 2BG**

Members Present:

Councillor Musthak Ahmed (Chair)
Councillor Abdul Mannan (Vice-Chair)
Councillor Bodrul Choudhury (Member)
Councillor Marc Francis (Member)
Councillor Ahmodur Khan (Member)
Councillor Abdul Malik (Member)
Jahid Ahmed (Co-Optee) (Co-optee)
Halima Islam (Co-Optee) (Co-Optee)

Officers Present:

Kevin Bartle – (Interim Corporate Director, Resources & Section 151 Officer)
Sharon Godman – (Director, Strategy, Improvement and Transformation)
Afazul Hoque – (Head of Corporate Strategy & Policy)
Ellie Kershaw – (Acting Director, Growth and Economic Development)
David Knight – (Committee Officer)
iluck Miah – (Strategy and Policy Officer, Strategy, Improvement and Transformation Service)
Denise Radley – (Corporate Director, Health, Adults & Community)
Debra Richards – (Principal Project Managers – Housing Delivery)
James Thomas – (Corporate Director, Children and Culture)
Nisar Visram – (Director of Finance, Procurement & Audit)

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Asma Islam and Sabina Khan.

2. CHAIRS ANNOUNCEMENT

The Chair stressed to the Committee the importance of attending the training being organised to help them acquire and develop the necessary knowledge and skills e.g. to (i) provide a 'critical friend' challenge to the executive, external partner authorities, and agencies; (ii) reflect the voice and concerns of the public and its communities, (iii) take the lead and own the scrutiny process on behalf of the public; and (iv) make an impact on the quality of delivery of public services.

3. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST AND OTHER INTERESTS

- I. Councillor Marc Francis in the interests of transparency declared that his wife Councillor Rachel Blake was the former lead member for the Councils Capital Programme including aspects of the Council's Housebuilding Programme.

4. UNRESTRICTED MINUTES

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

RESOLVED

That the unrestricted minutes of the meeting of the Overview and Scrutiny Committee held on 28th July 2022 be approved and signed by the Chair as a correct record of the proceedings.

5. UNRESTRICTED REPORTS 'CALLED IN'

The Committee considered the Call-in requests regarding the following In Individual Mayoral Decisions (IMD):

1. **No. 302** - 3-5 Arnold Road: Approval to increase project budget to enable build contract to be awarded. 8th September 2022; and
2. **No. 303** - Redevelopment of Bancroft and Wickford Street Garages, Mayor's Executive Decision Making - Wednesday, 14th September 2022.

The Committee **noted** that the above Individual Mayoral Decisions had been 'Called-In' by Councillor James King (signed also by Councillors Leelu Ahmed; Sirajul Islam; Amina Ali; Amy Lee; Shubo Hussain and Faroque Ahmed) in accordance with the provisions of the Overview and Scrutiny Procedure Rules of the Council's Constitution.

Accordingly, the Committee considered:

- ❖ Individual Mayoral Decision No. 302 - 3-5 Arnold Road: Approval to increase project budget to enable build contract to be awarded published on 8th September 2022.
- ❖ Individual Mayoral Decision No. 303 - Redevelopment of Bancroft and Wickford Street Garages published on 14th September 2022.
- ❖ the "call in" requisition from the Call-in Members.
- ❖ representations by the Call-in Members; and
- ❖ representations from the Cabinet Member for Regeneration, Inclusive Development and Housebuilding, Councillor Kabir Ahmed.

In addition, the Committee **noted** the following alternative course of action proposed in the call-in to:

- A. Fund the increase in the contract for the Arnold Grove and Bancroft TMO/Wickford Street Schemes from Housing Revenue Accounts Reserves.
- B. Provide an impact and financial appraisal of funding the increase from different sources; and
- C. Keep, amend, or cancel the Gill Street scheme after a transparent impact and financial appraisal.

Councillor James King on behalf of the Call-in Members then formally presented to the Committee the reasons for the call-in and above-mentioned alternative course of action which also indicated:

- D. Tower Hamlets Council Strategic Plan 2022-2026 : Priority 2 states an ambition to 'deliver a minimum of 1000 social homes for rent per annum'. Priority 8 states the council will 'Deliver a balanced budget, innovate to improve value for money, deliver modern services, and improve customer satisfaction across council services. This Mayoral Decision does not provide value for money when £849,000 of spend is to be scrapped.

The discussion on the Call-In can be abridged as follows:

The Committee:

- ❖ **Noted** that the Call-In asks why an uplift of £4.49 million to fund the Arnold Grove site and an uplift of £3m Bancroft Tenant Management Co-operative (TMC) and Wickford Street garages site could be funded from alternative sources **e.g.** including but not limited to underspends within the Housing Revenue Account (HRA), reserves within the Housing Revenue Account, commuted sums from off-site affordable housing contributions which have not yet been spent.
- ❖ **Noted** that the Call-In states that **(i)** the cancellation of the Gill Street site is unexplained and not necessary in order to free up HRA funds; and **(ii)** the report provides no appraisal of the risks and outcomes of this decision.
- ❖ **Noted** that the cancellation of the development at Gill Street loses 15 units for social and affordable rents, a new community space and other new community facilities for the St. Vincent's Estate in Limehouse.
- ❖ **Noted** that the Call-In indicates that it is felt that the decision cancels a scheme on which £848,000 has already been spent and was considered by those councillors who had called in the report to be a waste of council resources.
- ❖ **Noted** that the Budget Monitoring report that had been presented to July's Cabinet had indicated that there is an £8.3million underspend in the Housing Revenue Account, which will be allocated to Reserves if not used by the end of the year. (**Appendix A - 2021-22 Period 12 Budget Monitoring Report** refers).

- ❖ **Noted** from the Call-In that it was felt that this deficit could easily absorb the proposed increase in the Arnold Grove and Bancroft Tenant Management Organisations (TMOs)/Wickford Street contracts without having to cancel an existing scheme.
- ❖ **Understood** from the Equalities Impact Assessment (**EqIA**) within the report that it is recognised that whilst there was a need to build 62 units at Arnold Grove and 33 units at Bancroft/Wickford Street failed to assess the cancellation of the loss of 15 units at the Gill Street site.
- ❖ **Noted** that the call-in requisition from the Councillors had provided the following alternative course of action to (1) fund the increase in the contract for the Arnold Grove and Bancroft TMO/Wickford Street Schemes from Housing Revenue Accounts Reserves; (2) provide an impact and financial appraisal of funding the increase from different sources; and (3) keep, amend, or cancel the Gill Street scheme after a transparent impact and financial appraisal.
- ❖ **Noted** that the Councils Strategic Plan 2022-2026 (a) Priority 2 states an ambition to 'deliver a minimum of 1000 social homes for rent per annum'; and (b) Priority 8 states the Council will 'Deliver a balanced budget, innovate to improve value for money, deliver modern services, and improve customer satisfaction across council services.
- ❖ **Noted** that the Call-in Members felt there was sufficient money available in Housing Revenue account to pay for the uplift in Arnold Rove and the Bancroft and Wickford St Garages development and then Gill St Development would be part of the broader review of the housing Review Account Capital program, which would then come later in the year and then that would give all the stakeholders and potential stakeholders more time to scope out (1) what would be the best use of that site, (2) how the Council pays for it; and (3) how to not waste the £850,000 that the Council's has already invested in this scheme.
- ❖ **Noted** the impact on capital program of the volatile economic situation which has reduced growth prospects and heightened uncertainty about the future. This means that, the Council does not have the money in the capital program to deliver all three programs and has had to go for the programs that will deliver the largest amount of social housing units.
- ❖ **Noted** that whilst the Tower Hamlets has had seven years of a non-volatile economic situation the Council is now having to confront increasingly stringent budgets and has to be prudent how it operates within the established three-year capital program.
- ❖ **Noted** that whilst a refresh of the approved HRA new council homes programme is due to be presented to Cabinet in October 2022, where new schemes will be added, and budget allocations adjusted within the overall budget envelope that is affordable within the HRA Business Plan. However, with the planning consent for these schemes are due to expire in four months, approval for an increase in the budget is required sooner than October 2022 to

ensure the development of new homes for social rent on this site can proceed and any delay will have an impact on overcrowded households and those living in temporary accommodation, many of which fall into one of the protected groups.

As a result of a full and wide-ranging discussion

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

RESOLVED

That the decisions be **reaffirmed** in regard to:

- ❖ No. 302 - 3-5 Arnold Road: Approval to increase project budget to enable build contract to be awarded. 8th September 2022; and
- ❖ No. 303 - Redevelopment of Bancroft and Wickford Street Garages, Mayor's Executive Decision Making - Wednesday, 14th September 2022.

6. ACTION LOG

Noted the updated Action Log and the Committee.

****Support for Customers who cannot access Digital Services****

In response to the performance data on satisfaction level of residents who are unable to access services digitally. The Committee noted concerns expressed by Councillor Marc Francis that:

- ❖ The data provided is in relation to the whole of the Borough in terms of access services digitally and it would have been more useful if that information had been broken down between the in-house and outsourced providers to provide a comparative analysis to measure just how significant that impact has been and is continuing to be on customer access.
- ❖ constituents have expressed concerns about the difficulty that they are having, in engaging with the Council online whether it is about (i) reporting missed bin collections; or (ii) the inability to get through to parking or housing services.
- ❖ prior to the pandemic residents were able to talk to staff directly when they had issues in areas such as council tax and housing. However, despite the easing of restrictions people are being increasingly directed to access services online, leading to concerns people are not getting the help they need at a time of crisis. Therefore, immediate steps need to be taken to provide in person advice to help support people in greatest need.

****Performance data on number of young people attending and number of those achieved accredited outcomes****

- ❖ The performance data for the period April 2021 – March 2022 has seen an increase in the number of contacts, participants, recorded outcomes, and accredited outcomes leading up to the end of Q4 last financial year.
- ❖ This achievement has been supported by a number of factors such as increased 'on-line activities;' 'outreach' and 'detached' work. This has allowed youth providers to put on a wider selection of activities that have appealed to young people keen to come out and re-engage in a youth club setting post Covid. In addition, parents and carers have also been very flexible in allowing young people to engage due to the negative impact of Covid has had on young people being isolated and on their mental health and well-being.

Finally, the Chair thanked Councillor Frances for highlighting his concerns in regard to these issues.

7. FORTHCOMING DECISIONS

The Committee **noted**:

1. The most recent editions of the Forward Plan.
2. The Forthcoming Decisions Plan (or 'Forward Plan') is published at least **28 days before each Cabinet meeting** setting out information on all the Key Decisions that are expected to be taken at that meeting, along with other Cabinet decisions where known.
3. Publication dates for future Forthcoming Decision Plans are available on the **Cabinet web pages**. In advance of being published on the new Plan, individual notices of new Key Decisions will be published as they are known and these are listed as **New Issues**.

8. STRATEGIC PERFORMANCE MONITORING

8.1 P3 BUDGET MONITORING REPORT

The Committee considered a report included in the Cabinet - Wednesday, 28th September 2022 5.30 p.m. that provided details on the Council's financial performance to ensure it is supporting the Council priorities and provides residents with value for money. The main point of the discussion summarised as follows:

The Committee

- ❖ Wanted to understand **(i)** if the Council's savings targets are on track; **(ii)** if there are any significant overspends and the reasons behind this; **(iii)** the main financial risks facing the Council; **(iv)** the implications

those risks will have on decisions; **(v)** and what actions are being taking to tackle these.

- ❖ **Noted** that the Housing Revenue Account (HRA) is forecasting (i) an adverse variance of £0.5m when compared with budget. It is assumed that this balance will be transferred from general HRA balances at year-end; and (ii) an unbudgeted energy cost pressure totalling £2.4m for gas and electricity in 2022/23.
- ❖ **Noted** that these costs are partly recoverable from leaseholders where they relate to communal areas and this additional income has been reflected separately in the forecast.
- ❖ Was **informed** that further cost increases in 2023/24 will result in an unbudgeted cost pressure of £8m which will need to be met from existing HRA income streams. Whilst other variances in the HRA relate to delegated budget, which is forecasting a year-end favourable variance of £0.7m.
- ❖ **Noted** that the management fee is forecasting a year-end adverse variance of £0.4m and the non-delegated budget is forecasting a year-end favourable variance of £1.6m.
- ❖ **Noted** that the forecasts are based on usage data provided by the Council's energy providers over the summer period and this review will continue throughout the year. As the Council is facing significant pressure this year as a result not only of energy price increases but also inflation and the projected increases to the National Living Wage.
- ❖ **Noted** that through a new government scheme energy prices for non-domestic energy customers such as businesses, charities and public sector organisations will be cut – protecting them from rising energy costs, whilst the government will collaborate with suppliers to reduce wholesale energy costs – and the significant rises in bills that businesses have seen this support is in addition to the Energy Price Guarantee for households.
- ❖ **Considered** that it was important to promote the benefits of flexible retirement to the Council employee as it would (i) help staff work to continue working in the LBTH for longer, by varying the nature or pattern of work in the lead-up to retirement, (ii) assist succession planning by retaining valuable skills and experience which can be passed on to other staff; and retaining valuable staff reduces the time and costs of recruitment and training.
- ❖ **Observed** that are assumptions being made about overspends in the first half of the year and then towards the end of the financial year or even the after the financial years close **e.g.**, there have been times when LBTH has found itself with a surplus on what was projected.
- ❖ **Noted** that whilst additional funding was to be made available for social care the Council is now facing additional costs that have not yet been quantified although it is anticipated that the money which is for discharge support will have some rules or requirements attached to it. It is expected that local systems will need to continue to make best use of existing resources, to support safe and effective discharges within local priorities. This should build on existing joint arrangements and best practice and be agreed locally. Therefore, the Better Care Fund in 2022/3 will become more important than ever as the single joint

planning process for health and social care to use pooled resources to deliver better outcomes for people living at home and those being discharged from hospital.

- ❖ **Agreed**, that it would be useful if the committee could get a note once the announcement of how much funding LBTH is to receive and clarification on how that money will be utilized in this current financial year or whether it is going to be put into a reserve to be utilized in 2023-24 onwards.

In conclusion, the Chair thanked Councillor Saied Ahmed (Cabinet Member for Resources and the Cost of Living), Nisar Visram Director of Finance (Deputy S151) all attendees for a really helpful and informative discussion on how **(i)** resources have been deployed appropriately in line with the Councils priorities and **(ii)** levels of financial performance.

9. SCRUTINY SPOTLIGHT

9.1 CUSTOMER SERVICE UPDATES AND IMPROVEMENTS

Item deferred.

10. WORK PROGRAMME

10.1 OSC WORK PROGRAMME

The Committee received a report that set out the 2022/23 work programmes for the:

- Overview and Scrutiny Committee.
- Health & Adults Scrutiny Sub-Committee.
- Housing & Regeneration Scrutiny Sub-Committee; and
- Children & Education Scrutiny Sub-Committee.

The report also described the work programmes for the Scrutiny Leads:

- Resources & Finance; and
- Environment & Community Safety.

The Committee:

- ❖ **Noted** that the work programme has been informed by a councillor workshop session, discussion with all councillors at first Sub-Committee meetings, and in consultation with senior officers and partner agencies.
- ❖ **Noted** that the Work Programme also used intelligence from a range of sources including the Mid pandemic residents survey, council performance reports, annual complaints data and horizon scanning on key national, regional, and local issues that scrutiny may want to engage with.

- ❖ **Noted** that the gambling policy had been added for consideration at the October meeting of this Committee which as a budget and policy framework item needs to be considered by the Overview and Scrutiny Committee and that Work Program will remain agile and flexible to accommodate any new significant issues that are likely to have an impact on residents and wider community.
- ❖ **Noted** that Housing Scrutiny on 20th October had agreed subject to formal confirmation that it would consider (i) Social Landlord's Performance and Parking on Estates; and (ii) Council representation on the boards of social landlord's meeting.

As a result of discussions

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

RESOLVED

Agreed the proposed Scrutiny Work Programme 2022-23 as set in Appendices 1-6 of the report.

11. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

The Chair asked that members inform him of any particular questions that they wanted to be raised with the Mayor in Cabinet on the 28th of September 2022.

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

Nil items.

13. UPDATES FROM SCRUTINY LEADS

The Committee received and noted the updates that had been received from Scrutiny Leads in regard to their portfolio's.

14. EXCLUSION OF THE PRESS AND PUBLIC

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

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

Nil items.

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

Nil items.

17. MEETING CLOSED

As there was no other business the Chair declared the meeting closed and reminded Members that the next meeting is scheduled for Monday, 24th October 2022, 6.30 p.m.

The meeting ended at 8.13 p.m.

**Chair, Councillor Musthak Ahmed
Overview & Scrutiny Committee**