

LONDON BOROUGH OF TOWER HAMLETS

MINUTES OF THE OVERVIEW & SCRUTINY COMMITTEE

HELD AT 6.02 P.M. ON MONDAY, 24 JULY 2023

COUNCIL CHAMBER - TOWN HALL, WHITECHAPEL

Members Present in Person:

Councillor Musthak Ahmed (Chair)	
Councillor Ahmodur Khan	Scrutiny Lead for Adults and Health Services
Councillor Abdul Malik	Scrutiny Lead for Community Safety
Councillor Abdul Mannan	Scrutiny Lead for Housing and Regeneration
Councillor Maisha Begum	
Councillor Mohammad Chowdhury	
Councillor Marc Francis	
Councillor Asma Islam	

Other Councillors Present in Person:

Councillor Kabir Ahmed	(Cabinet Member for Regeneration, Inclusive Development and Housebuilding)
Councillor Saied Ahmed	(Cabinet Member for Resources and the Cost of Living)
Councillor Sabina Akhtar	Call-In Member
Councillor Sirajul Islam	Call-In Member

Co-optees Present in Person:

Jahid Ahmed
Halima Islam

Officers Present in Person:

Simon Baxter	(Interim Director Public Realm)
Stephen Bramah	(Corporate Head of Strategy and Improvement)
Paul Buckenham	(Head of Development Management, Planning and Building Control, Place)
Sharon Godman	(Director, Strategy, Improvement and Transformation)
Stephen Halsey	(Chief Executive)
John Harrison	(Interim Director of Finance, Procurement and Audit)
Caroline Holland	(Interim Corporate Director Resource)
Rafiqul Hoque	(Head of Housing Options)
Ahsan Khan	(Chief Accountant)
Daniel Kerr	(Strategy and Policy Manager)

Ellie Kershaw	(Acting Director, Growth and Economic Development)
David Knight	(Democratic Services Officer, Committees, Governance)
Joseph Leach Filuck Miah	(Business Intelligence and Performance Lead) (Strategy and Policy Officer, Strategy, Improvement and Transformation Service)
Matthew Pullen	(Infrastructure Planning Manager)
Sarah Wilks	(Infrastructure Planning Team Leader, Place)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Sabina Khan and it was noted that Councillor Mohammad Chowdhury was attending as her substitute.

2. DECLARATIONS OF DISCLOSABLE PECUNIARY INTEREST AND OTHER INTERESTS

Nil items.

3. UNRESTRICTED REPORTS 'CALLED IN'

3.1 Neighbourhood Community Infrastructure Levy (NCIL) 21/6/23

The Committee noted that the decision made by the Mayor in Cabinet on Cabinet - Wednesday, 21st June 2023 in respect of agenda item 6.2 'Neighbourhood Community Infrastructure Levy (NCIL)' was 'called in' under the Overview and Scrutiny Committee Procedure Rules of the Council's Constitution by ('Call-in Members').

Accordingly, the Committee considered:

- the Cabinet Report Wednesday, 21st June 2023 on the 'Neighbourhood Community Infrastructure Levy (NCIL).
- the Mayor in Cabinet Decision published on 23rd June 2023.
- the "call in" requisition from the Call-in Members (dated 29th June 2023).
- representations by the Call-in Members; and
- representations from Councillor Kabir Ahmed (Cabinet Member for Regeneration, Inclusive Development and Housebuilding).

The Committee also noted that the decision, published on 23rd June 2023 had:

1. Approve the revised Local Infrastructure Initiatives Programme consisting of LIF Programmes 1-3 as set out in paragraph 3.9-3.11 and Appendix 1 of the report.
2. Note the return of £17.285m of LIF from discontinued projects from LIF Programmes 1-3 to the main NCIL pot.
3. Approve the proposed NCIL implementation framework for decision making on the allocation of future NCIL set out in paragraph 3.12 (Table

- 3) of the report to ensure that spending of NCIL remains in accordance with CIL Regulations 2010 (as amended).
4. Approve the proposed NCIL allocations of £20.456m for 2023-24 to 2025/26 set out in paragraph 3.13 a-c of the report.
 5. Note that decisions on project level allocations of NCIL on an annual basis to Capital Programme and Affordable Housing schemes, will be made via the Council's standard Capital Programme governance process up to Cabinet.
 6. Note that decisions on the allocation of NCIL to individual grants will be made via the existing Council Grants process set out in the Cabinet Paper approved on the 29th of March 2023 Cabinet meeting.
 7. Delegate approval of detailed PIDs and change notes for individual projects remaining to be delivered through LIF Programmes 1 – 3 to the Director, Planning & Building Control following consultation with the Mayor and Chief Executive.
 8. Note the Equalities Impact Assessment / specific equalities considerations as set out in Paragraphs 4.1-4.4 of the report.

The decisions above have been Called-In by Councillors Sirajul Islam, Sabina Akhtar, Shubo Hussein, Amy Lee, James King. This is in accordance with the provisions of the Overview and Scrutiny Procedure Rules of the Council's Constitution.

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

- A. Revisit the consultation process associated with the report on the grounds that it is unconstitutional Part A, Article 3, Section 1, Subsection b, 'This decision does not seem to have been taken with due and proper consultation.'
- B. Ensure that consultation has taken place with affected groups such as neighbourhood forums and community groups and rewrite the consultation process to use neighbourhood forums/plans as the primary consultation method (in areas without forums/plans conduct targeted community consultation) to ensure that the report is in line with government guidance on s106 funding.
- C. Pause the cancellation of the s106 projects listed at appendix 1b of the report on the grounds that it is in contravention to Part A, Article 3, Section 1, Subsections a, and e of the Borough of Tower Hamlets Constitution:
 - ❖ This decision does not seem proportionate to the desired outcomes; and
 - ❖ There is a lack of clarity of aims and desired outcomes.
- D. Assessing the cancelled schemes to ensure that they do not already in line with the Council's strategic plan as this was the given reason at 1.2. for bringing the paper to cabinet.
- E. Under the proposed method for consultation some of the cancelled schemes at appendix.1b would also continue to qualify for NCIL

funding as they align with the issues identified in the ARS and asking for re-submission seems incoherent for best use of resources and officer time.

- F. Cabinet should re-assess whether any of these schemes would fit into the new NCIL programme and revise its blanket cancellation of the schemes at appendix 1b adding more schemes to the list at appendix 1a where appropriate.
- G. Investigate as to whether the cancellation of certain schemes may have equality/statutory implications and subsequently; ensure residents with protected characteristics will receive like for like earmarked funding so they are not disproportionately affected by any decision to cancel schemes e.g., funding for accessible play equipment, dropped curbs etc.

The Call-in Members then presented to the Committee their reasons for the call-in and above-mentioned alternative course of action, and a summary of the points raised is summarised as follows:

- ❖ The projects that have been cancelled were nominated by residents, these infrastructure projects are for the benefit for local people and have achieved wider support. **E.g. (i)** the six-year campaign to bring back the famous statue and repair Frank Dobson Square in Bethnal Green; **(ii)** the regeneration of Roman Road West to provide a sustainable revitalisation of the high street to be delivered in partnership with the wider community; and enhanced street cleaning around Mile End Underground Station. However, the funding for these schemes has now been cancelled, with little to no explanation from the Council.
- ❖ It was felt that the Council has ignored residents and that the community should not be allowed to decide where money should be spent in their neighbourhoods **e.g.**, instead increasing investment in the infrastructure that will underpin the transition to a greener economy there has been reduction to many recycling local projects.

In conclusion, the Committee was asked to recommend to the Executive that they **(i)** re-assess whether any of these schemes would fit into the new NCIL programme; **(ii)** revise the blanket cancellation of the schemes as set out in **appendix 1b** of the report adding more schemes to the list in **appendix 1a** of the where appropriate; **(iii)** investigate as to whether the cancellation of certain schemes may have equality/statutory implications and subsequently; ensure residents with protected characteristics will receive like for like earmarked funding so they are not disproportionately affected by any decision to cancel schemes **e.g.**, funding for accessible play equipment, dropped curbs etc.

The Committee then posed a number of questions summarised as follows concerning:

- ❖ Was not the current administrations manifesto a contract with the electorate that had outlined the visions and policies that made up the

program for delivering what residents wanted **i.e.** What is implemented in 2023 reflects the will of the people as expressed in the election in 2022.?

- ❖ The NCIL is intended to provide a framework for the meaningful participation of local communities to support development by participating in local investment in infrastructure, and to address the demands that development places on an area. Therefore, when the Local Infrastructure Initiatives Programme was revised did the Council go back to those communities that would be affected; residents given enough time to respond and was there sufficient time given to analyse the results, evaluate the process and consider their views before any decision was made?
- ❖ A significant number of the cancelled schemes were concerned with the borough's environmental commitments (**e.g.**, active travel, park creation and recycling) which is a concern as Tower Hamlets consistently ranks amongst the worst authorities in the country for its air quality and recycling rates.
- ❖ Communities should be consulted on how to spend the levy revenues arising from the development that takes place in their area. The Council and communities must consider how NCIL funding can be used to deliver any infrastructure development.
- ❖ The guidance on NCIL requires the Council to engage with the local communities before deciding on how to spend the NCIL and ensure that expenditure reflects the priorities as expressed by the local people.

The Cabinet Member for (Cabinet Member for Regeneration, Inclusive Development and Housebuilding) Councillor Kabir Ahmed then provided his response:

- ❖ As mentioned at Full Council on the 19th of July 2023 the Local Plan the was adopted in 2020 is currently under a full review, including assessing the effectiveness of all policies, and drafting new policies where required.
- ❖ The direction of policies will be underpinned and informed by, national and regional policy requirements, local objectives, new evidence base and consultation and engagement with all Tower Hamlets' communities.
- ❖ Key milestones for the review of a Local Plan are early engagement on issues and policy proposals which will be considered at Cabinet in October 2023.
- ❖ The Officers assessing NCIL bids will follow the same process as under the previous administration that will include the **(i)** range and scale of benefits to the local community; **(ii)** robustness of project plan and delivery time limits; and **(iii)** project viability and value for money.
- ❖ Projects will need relate to one or more of the identified community priorities or Neighbourhood plan priorities.
- ❖ Projects must achieve a long-lasting sustainable outcome by benefiting the local and/or wider community in the Borough. This must provide evidence of improvements for borough residents.

- ❖ As a resource for the Council NCIL income provides indirect positive impacts in the medium to longer term on groups with protected characteristics in the borough. The infrastructure and services that CIL will provide {for example schools, health and community facilities, improvements to green open spaces, climate change mitigation and adaption, public transport improvements, more accessible stations and healthy routes for walking and cycling} will enhance accessibility and liveability of all sectors of society. All infrastructure that is wholly or partly funded by CIL benefits the whole borough, and this in turn has the potential to create positive impacts for those with protected characteristics. There may be particular benefits for those with disabilities, older people, parents, and children, and those on lower incomes.
- ❖ The Council will use existing engagement/consultation processes to gather views on what the local people consider to be a priority for local infrastructure improvements within their local neighbourhoods. The Council conducts an Annual Residents Survey (ARS) to gather residents' feedback on the Council, local area, and the quality of the services.
- ❖ The survey has the advantage of being based on statistically representative sampling. The data from the survey can be broken down by ward which makes it a useful tool to help determine priorities at a neighbourhood level.
- ❖ The NCIL allocations will be informed by the residents' feedback through that survey. The top concerns would be used to inform the NCIL allocations for capital projects for that year using neighbourhood level statistics to ensure local priorities are being addressed.
- ❖ Whilst the NCIL regulations do not specify a specific process for agreeing how NCIL should be spent, the Council's chosen public engagement approach will ensure that the use of NCIL funds aligns to the priorities expressed by local communities, including those set out formally in the neighbourhood plans.
- ❖ There are in addition to NCIL funding a wide range of grants and funding options available to residents of Tower Hamlets that are administered by the Council and projects can be considered for funding through these other funding options on a project-by-project basis (e.g. Cycle Hangers) and where value for money is proven, the Council will be investing in such schemes.
- ❖ At the last Full Council, a petition had been received regarding curbs to infrastructure Projects asking the Council to reserve its decision to cut NCIL funding for infrastructure projects and that it was vital funding for projects that had already been approved were implemented. It was noted that some of the projects that had been approved had been nominated by less than twenty people and as such the administration was reviewing the projects to which NCIL money had been allocated.
- ❖ The Government's wants the Council to increase recycling rates and reduce carbon emissions by aligning household waste recycling and non-household municipal waste that is household-like. Accordingly, the Council will need to look at if recycling material streams where separate collection of recyclable materials is not technically or

economically practical or does not provide a significant environmental benefit.

- ❖ The Council has seen the amount of waste recycled by its residents drop steadily over the last four years. Accordingly, the Council will be redirecting resources within the overall budget so as to reinforce **(i)** infrastructure work, **(ii)** public realm works; and **(iii)** the Boroughs recycling and green agenda as part of the regeneration of the Borough and to support the needs of the residents of the Borough.
- ❖ The projects referenced earlier it is felt do not offer value for money and as funds are not infinite they need to be directed to address those neighbourhood priorities that will have the widest community impact and offer the best value for money will be prioritised.

A summary of the committee's response is set out below:

- ❖ Council finances are in a challenging position as the government tightens the squeeze on local budgets, services either vanish or are scaled down dramatically.
- ❖ Decent, well-resourced public services are essential for the Borough as they are a driver of economic growth and provide the fabric that holds local communities together. The budget therefore needs to be put on a sustainable basis, to manage costs within the amount of revenue received. This is particularly important in an environment where there is uncertainty of future revenue sources, and dependence on grant revenue. The Council needs to commit to services over the longer term, especially those infrastructure projects are for the benefit for local people and have achieved wider support.
- ❖ The Council must manage its costs to ensure that it does not spend more on these services over time than they earn from rates, grants, and fees and charges. Having the right information on costs will allow the Council to make informed decisions on how to decide which services and the level of services to provide to the community and to improve a council's financial position.
- ❖ The Councils current financial position is a serious issue and one that should be subject to further scrutiny.
- ❖ There needs to be transparency and accountability in this process for the benefit of obviously the residents and their communities.

As a result of a full and wide-ranging discussions, the Chair moved, and it was **RESOLVED** that the decision be reaffirmed.

4. DRAFT OVERVIEW AND SCRUTINY FORWARD PLAN 2023/24

The Committee received a report that sets out the draft 2023-24 Overview and Scrutiny Work Programme for **(i)** Overview and Scrutiny Committee; **(ii)** Health & Adults Scrutiny Sub-Committee; **(iii)** Housing & Regeneration Scrutiny Sub-Committee; and **(iv)** Children & Education Scrutiny Sub-Committee. In addition, the report also describes the work programmes for the Scrutiny Leads **(a)** Resources & Finance; and **(b)** Environment & Community Safety. The main points of the discussions summarised as follows:

The Board:

- ❖ **Noted** that the draft work programme has been informed by the members workshop session held on Saturday 17th July 2023 and involved co-opted members across all scrutiny committees.
- ❖ **Noted** that the Strategy and Policy officers also held initial discussion with the departmental leadership team's and gathered intelligence from a range of sources including council performance reports, annual complaints data and horizon scanning on key national, regional, and local issues that scrutiny may want to engage.
- ❖ **Noted** the Annual Residents Survey (ARS) will be published shortly to gather residents' feedback on the Council, local area and the quality of the services and will highlight services that should be subject to scrutiny.
- ❖ **Noted** that a revised work programme would be submitted to the Committee in September 2023 and Member should contact officers with their topics for inclusion in the work programme.
- ❖ **Noted** that the Council has to appoint two Member representative to join the Health and Adults Scrutiny Sub-Committee (HASC) chair in regard to INEL JHOSC activities.
- ❖ **Noted** that INEL JHOSC is a statutory committee that considers London wide and local NHS service developments and changes that impacts upon authorities including Tower Hamlets.

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

RESOLVED

1. To **note** the draft Scrutiny Work Programme 2023-24.
2. To **agree** to defer to HASC the appointment of two Member representative to join the Health and Adults Scrutiny Sub-Committee (HASC) chair in regard to the INEL JHOSC.

5. OVERVIEW & SCRUTINY COMMITTEE ACTION LOG

The Committee received and noted the Action Log.

As a result of discussions on the Action Log it was agreed to add the following:

1. The current situation regarding if any the Right To Buy receipts had, had to be returned to the GLA.
2. What financial support is available to businesses and market traders in Roman Rd.

6. 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**.

7. VERBAL UPDATES FROM SCRUTINY LEADS

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

8. PRE-DECISION SCRUTINY OF UNRESTRICTED CABINET PAPERS

Following comments by the Committee it was **agreed** the particular questions (**See attached**) that they wanted to raise with Cabinet on the 26th of July 2023.

8.1 Annual Strategic Delivery and Performance Reporting 2022/23

The Committee considered a report is to be considered by the Mayor in Cabinet on the 26th of July 2023 that provided an overview of the planned activity to focus on the needs of the Borough's communities. The main points of the discussions summarised as follows:

The Board:

- ❖ **Noted** that the Local Government Act 1999 requires the Borough as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness". Monitoring of performance information and acting on the findings is an important way in which that obligation is being fulfilled.
- ❖ **Noted** last year has seen a new administration begin work following the Council and mayoral election of May 2022. The Council has created a new strategic plan for the 2022-26 period and started investing in a range of services to delivering strategic improvement in the way the council serves its residents **e.g.**, the Council has adopted eight new corporate priorities that provide a framework for action to improve services and bring about strategic change for Tower Hamlets.
- ❖ **Noted** that at the last Full Council the Cabinet Member for Regeneration, Inclusive Development and Housebuilding (Councillor Kabir Ahmed had stated that **(i)** the number of homeless households who were supported to move into affordable, sustainable housing was

317 (under our target of 470); (ii) of the 317 homeless households, 148 moved on to private rent sector accommodation and a further 169 to social housing.

- ❖ **Noted** that as an indicator to understand the issues and the barriers faced by residents at the last Full Council meeting the Cabinet Member for Regeneration, Inclusive Development and Housebuilding (Councillor Kabir Ahmed) had been asked how many residents had applied for homelessness support and were then rejected and had applied for the 2nd or 3rd time. In response it was noted that the Council does have targets and some of the targets are from Government. The Council are reviewing its policies and processes and take this issue seriously.
- ❖ **Noted** that the housing strategy incorporates a commitment to raise private rented housing standards e.g., reviewing licensing schemes, enhanced support for landlords to improve quality and promoting tenant awareness.
- ❖ **Noted** that the Borough is working to enhance the relationship between landlords, lettings agents and tenants, A strong theme underpinning these activities is the role of the Council in facilitating the ability of other organisations to tackle issues in the private rented sector through.
- ❖ **Noted** that the supply of housing has not been keeping up with demand as not enough homes are being built to replace those being taken out of the social housing stock. Therefore, getting access to housing of any type is becoming increasingly difficult for low-income households within Tower Hamlets.
- ❖ **Noted** that successful prosecutions has highlighted the issues involved in enforcement cases e.g., unlicensed, overcrowded; people being housed based on cash for a bed space and sham licences.
- ❖ **Noted** that following a recent article in the national press regarding issues raised by staff in the homeless service. The Borough has appointed an independent investigator to examine the issues raised by staff. Whilst the Council is where possible taking immediate action to address some of the issues raised. As the investigation is ongoing, it was not possible to make any further comment at this time. Notwithstanding the above the Council wants to be as open and as accessible to the questions that have been raised about the performance in relation to homelessness.
- ❖ **Agreed** that Tower Hamlets needs to be able to ensure genuinely affordable homes continue to be built for rent and sale across the whole country for future generations. This is the best way to reduce waiting lists and housing benefit, keep rents low and help more people get on the housing ladder. Affordable rented homes are crucial for enabling those who want to buy their own property to save money towards a deposit. However, the cost-of-living crisis, the mortgage interest rates and rise in house prices above earnings makes housing less affordable for a large and growing proportion of residents. Whilst there has been a 20% increase in the asking rents, a significant reduction of in the number of properties available for letting and in the

commercial market for four bedrooms, the rate is 41% and three bedrooms, it is 36%.

- ❖ **Noted** that to improve this situation the Council have recently agreed to also provide deposits towards rental properties and developing incentives to landlords.
- ❖ **Noted** that the Council is recruiting additional staff to this essential front-line service so that practical and long-term housing solutions can be found for those homeless or at risk of homelessness.
- ❖ **Noted** that London is in the middle of a housing crisis. The longstanding shortage of social housing in the capital has driven up pressures and is the fundamental factor behind London's appalling homelessness rates.
- ❖ **Noted** that the Borough is determined to turn this situation around, but for too long LBTH has lacked the resources required to build housing at mass scale. Whilst the challenges of housing shortages and affordability predate and have been exacerbated by the pandemic accessing additional resources will be crucial for tackling homelessness and will provide a major boost to the post-pandemic economic recovery.
- ❖ **Noted** that following the declaration of the waste emergency in 2022, the Council has been auditing 550 blocks of flats across the Borough to assess options for installing recycling infrastructure for a variety of different sites. Whilst following a recruitment campaign, 33 new recycling champions have joined the council scheme.
- ❖ **Noted** it is one of the Councils priorities to develop a clean and green future. It focuses on key areas of sustainability, including air quality, waste, and carbon emission. Key activities include work to drive up the borough's recycling rate, reducing CO2 emissions, and implementing a number of initiatives to improve air quality, including making Tower Hamlets one of the best boroughs for walking and cycling through our cycle training programmes.
- ❖ **Noted** that at the end of year monitoring stage, 51 performance indicators are reported: 25 performance indicators have met or are exceeding their target, 5 are between target and minimum, and 9 are falling short. Four indicators await monitoring data, 6 are not targeted but are included for reference, and 2 await the universal free school meals service to be in place at secondary schools.
- ❖ **Noted** that the Housing & Regeneration Scrutiny Sub Committee has expressed its concerns over a long period of time in regard to **(i)** the increasing numbers of applications to the homelessness section, **(ii)** the scarcity of available temporary accommodation and the high levels of rent charged to the council, **(iii)** significant service pressures are being faced due to the difficulties in procuring suitable accommodation within the Borough; **(iv)** the need to place families in temporary bed and breakfast accommodation as well as the increasing need for properties to be provided outside of Tower Hamlets; **(v)** the need to provide more resources to the Housing Options Team to address these issues.
- ❖ **Noted** that across London there is declining access to social housing which has seen councils forced to increasingly turn towards the private

rented sector to house low-income households. However, rapidly increasing rents and increasing competition for properties is making this near impossible. As a result, increasing numbers of London councils have been forced to house people in temporary accommodation, despite decreasing supply.

- ❖ **Agreed** that the homelessness system in London is at breaking point. Temporary accommodation should be a short-term emergency measure yet, across London it is increasingly becoming the default solution for many councils. Which is leaving thousands of people living out their lives in a permanent state of limbo, enduring cramped, unsuitable conditions – with a fifth of households in temporary accommodation stuck there for over five years.”
- ❖ **Agreed** that for too long the emphasis has been on managing homelessness, not building the social homes and councils need to provide security to low-income households. The Government needs to address the chronic lack of social housing and increase housing benefit, so it covers the true cost of rents. This situation cannot be allowed to escalate further and consign more lives to the misery of homelessness.”
- ❖ **Agreed** the importance of the transition for children and young people with SEND especially with regards to the provision for the Boroughs younger residents **e.g.**, Annual reviews need to make adequate plans for transition to adulthood and any appropriate services.
- ❖ **Agreed** that there is a need to improve the understanding of projected future demand for SEND and specialist education provision in particular as an area for coproduction with the parents and carers.
- ❖ **Noted** that senior leaders recognise the importance of continued investment in the early identification in relation to SEND and considerable joint work is being delivered in order that families remain known to services, to ensure that no child with additional needs is missed.

Following a full and wide-ranging discussion, the Chair thanked all those in attendance for their contributions to get a sense on the current situation and the future challenges that the Borough continues to face.

8.2 Budget monitoring report 2022-23 Outturn (inc Capital)

The Committee considered a report that presents the provisional outturn compared to the budget report 2022-23 as at 31st of March 2023 for the General Fund, Dedicated Schools Grant (DSG) Budget, Housing Revenue Account (HRA), progress made against savings targets and the council’s capital programme. It also provided projections on General Fund earmarked reserves and the forecast impacts of Covid on the Councils finances in 2022-23. A summary of the discussions is set out below:

The Board:

- ❖ **Noted** that in terms of allocating funds and resources to different directorates, the Council goes through various processes to identify

where growth needs to be increased and to align things with the strategic plan at the end of the day,.

- ❖ **Noted** that the Council needs to make sure it is working towards what has been have budgeted and what can be delivered. This an integral part of resource management that ensures services run as smoothly and efficiently as possible.
- ❖ **Agreed** that effectively allocating resources can help service areas accurately choose, delegate, and manage the components of their projects and avoid over or under-utilising staff or materials **i.e.**, it provides a benchmark to work towards. It provides a comprehensive idea of exactly what, and how many, resources they require to complete a given project or task to avoid overspending or underestimating needs. Allocation provides the visibility necessary to ensure resources are always available and keep projects on track in terms of overall spend.
- ❖ **Noted** that the Council cannot finalise its budget until it knows: **(i)** how much it needs to spend on maintaining its services to an acceptable level; **(ii)** the additional spending pressures it has for service developments, price increases and pay awards; **(iii)** the level of savings it can achieve; and **(iv)** how much it will receive from central government.
- ❖ **Noted** that the Housing Revenue Account has a provisional outturn position with an adverse variance of £6.6m when compared with budget. This represents an adverse movement of £1.4m when compared with the Q3 forecast position.
- ❖ **Noted** that whilst a drawdown from reserves of £6.6m will be made to mitigate the budget pressure. There are a number of favourable and diverse variances that make up the final outturn position **e.g.**, there was a favourable variance of a technical budget of £3.5m against depreciation and interest received interest payable which reduced the actual overspend. However, there are still a number of areas that need to be looked at **e.g.** The HRA has incurred an unbudgeted energy cost pressure totalling £2.2m for gas and electricity. These costs are partly recoverable from leaseholders where they relate to communal areas.
- ❖ **Noted** that the Council and Tower Hamlets Homes (THH) will be looking at the impacts of adverse variances on the budgets for this year and going forward to make sure that the HRA stays in balance because it has a hefty program to support for the new build projects.
- ❖ **Noted** that the Council and THH will also need to make sure there is sufficient resources available for the current stock and the new inspection regime that is coming online.

In conclusion, the Chair thanks those who had presented the report and those councillors in attendance for their contributions to what had been a constructive discussion on this critical issue.

9. REQUESTS TO SUBMIT PETITIONS

Nil items.

10. UNRESTRICTED MINUTES

In considering the minutes of the last meeting the Committee was reminded that it had been requested to have details of the right to buy receipts accrued following the sale of a council home to a tenant under right to buy legislation. Including the details of the return of any retained receipts if these receipts had not been spent on the development of social housing within the agreed time period.

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

RESOLVED

That the unrestricted minutes of the meetings of the Overview and Scrutiny Committee held on 22nd of May 2023 and 19th of June 2023 be approved and signed by the Chair as a correct record of the proceedings. Subject to the reference to the RTB receipts as referred to above.

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

The Committee noted with sadness that:

- ❖ Tonight, would be Sharon Godmans last meeting and that over the past seven years, Sharon has contributed significantly to the growth and development of the Scrutiny function. As the Councils statutory scrutiny Officer her support and guidance has been invaluable to the work of the Committee, and wished her all the best for the future; and
- ❖ David Knight was retiring after 40 years' service to the people of East London and the Committee placed on record its best wishes with his retirement and thanked him for his knowledge and frankness in Committee meetings.

12. 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.

13. EXEMPT/ CONFIDENTIAL MINUTES

Nil items.

14. EXEMPT/ CONFIDENTIAL REPORTS 'CALLED IN'

Nil items.

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, 18th September 2023, 6.30 p.m.

The meeting ended at 8.47 p.m.

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