

MINUTES OF OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 26 January 2021
(7:00 - 9:31 pm)

Present: Cllr Jane Jones (Chair), Cllr Dorothy Akwaboah (Deputy Chair), Cllr Toni Bankole, Cllr Donna Lumsden, Cllr Olawale Martins, Cllr Simon Perry, Cllr Ingrid Robinson, Cllr Paul Robinson and Cllr Phil Waker

Also Present: Cllr Andrew Achilleos, Cllr Sanchia Alasia, Cllr Saima Ashraf, Cllr Abdul Aziz, Cllr Sade Bright, Cllr Princess Bright, Cllr Evelyn Carpenter, Cllr Peter Chand, Cllr Faruk Choudhury, Cllr John Dulwich, Cllr Edna Fergus, Cllr Irma Freeborn, Cllr Cameron Geddes, Cllr Syed Ghani, Cllr Rocky Gill, Cllr Amardeep Singh Jamu, Cllr Elizabeth Kangethe, Cllr Mohammed Khan, Cllr Glenda Paddle, Cllr Moin Quadri, Cllr Foyzur Rahman, Cllr Tony Ramsay, Cllr Chris Rice, Cllr Lynda Rice, Cllr Muhammad Saleem, Cllr Faraaz Shaukat, Cllr Dominic Twomey, Cllr Lee Waker and Cllr Maureen Worby

Apologies: Cllr Bill Turner

40. Declaration of Members' Interests

There were no declarations of interests.

41. Budget Change Proposals

The Chair explained that this extraordinary meeting of the Overview and Scrutiny Committee had been called to review the budget scrutiny proposals before they were presented to Cabinet on 15 February 2021, as part of its 'Budget Framework 2021/22 and Medium-Term Financial Strategy 2021/22 to 2024/25' item (minute 81 refers).

As all 51 Members of the Council had been invited to attend today's meeting, Members had been asked to submit their questions in writing in advance of the meeting, in order to help the meeting to run in a smooth and timely manner. These questions are provided at the Addendum to these minutes. These minutes must be read in conjunction to the Addendum.

The Council's Cabinet Member for Finance, Performance & Core Services (CMF) delivered a presentation on the budget proposals, providing context as to the impact of the Covid-19 pandemic on the Council and local community, as well as the increasing levels of resident demand, despite a decline in government funding. He praised the achievements of the BDCAN community-led response to the pandemic, which had supported over 2,000 residents, as well as some of the many other achievements made during the municipal year, such as the development of the Dagenham Film Studios. The CMF also explained how the Council was funded and the breakdown of this. He encouraged residents to participate in the online budget consultation running from 7 January to 31 January 2021 on the LBBD website, as well as the upcoming budget Facebook Live Q&A event on 28 January 2021.

The Chair proceeded to request that the written questions be addressed by the relevant Cabinet Members and officers.

General Questions relating to the Budget and the Proposals

In response to these questions, the CMF stated that:

I

- Councillors would have the opportunity to comment on proposals that would impact the HRA and capital. The capital and HRA budgets were longer-term in nature, the Council had limited scope to fund new capital projects and this would not be improving for quite some time moving forward.
- Rents in the HRA had been reduced year-on-year for four years, meaning that there was less money available. The HRA was a ring-fenced pot of money, that was separate to the savings that the Council was making as part of this budget, with its own business plan and pressures.

II

- The remaining £15 million to be saved as part of the Medium Term Financial Strategy was a challenge that would arise from future years. There was an issue in terms of the uncertainty around local government funding, with a proper settlement having been deferred again in 2021 from 2020. This meant that it was hard to plan ahead for the next 3 years of the MTFS. The Budget in March would give the Council some indication as to the direction that the Government was moving in and the nature of this budget would define how the Council would deliver the £15 million saving. It would therefore not be prudent for the Council to make a decision on future years without having some certainty on the level of funding that was coming from Government. He would report back to the Committee on the Council's plans for future years for closing the £15 million gap, when more information had been received.

III

- The appendix to the report was correct, but there had been a last-minute reduction to one of the savings, which was £250k, which had not been reflected in the table in the report. As such, whilst the appendix was accurate, the table when written did not reflect the change that had since occurred.

IV

- The budget consultation with residents and organisations within the Borough also tied into the savings and growth proposals. The point of the consultation was to gather ideas from the community to gain a better understanding of the direction that they felt that the Council needed to take, as well as to gather their views on Council Tax and what the Council did in terms of its growth and investment. It also enabled the Council to speak to the community about the necessity of funding for areas such as Social Care, as well as gather the opinions of local businesses, which was particularly important in the context of the Covid-19 pandemic.

Care and Support

The Cabinet Member for Social Care and Health Integration (CMSC) stated that:

V

- There were no savings in Care and Support. The amount of growth and the complexity of the casework coming forward had increased substantially. The majority of the growth had been within the Disability Service, where there had been a 40% increase in children on Education, Health and Care (EHC) plans. Every child had the right to be assessed and would require a regular service, with the Council having not projected for such a high level of growth. The majority of Care and Support services were statutory, with individuals entitled to these services by law.
- A recent change in legislation had meant that the Council now had a responsibility to care for care leavers up until the age of 25, rather than the previous age of 18. Whilst this change was very much welcomed, it was an additional 7 years for which the Council now needed to provide support and there had been a huge change in the complexity of cases. The Council was also building specialised housing for those with Autism Spectrum Disorder (ASD), bringing back 15 units to the Borough which would result in a £1.5 million saving and which would mitigate against the growth in Crisis Intervention packages that the Council would otherwise provide.
- The pandemic had not made things easier, with an increased number of elderly and vulnerable people coming out of hospital with more complex needs and thus needing interventions for longer periods of time.

VI

- The Committee had recently received a report into the Disabilities Improvement Programme (minute 37, 6 January 2021 refers), detailing the increased demand, as well as the need to invest and level up budgets. The CMSC would circulate these presentations to all Members so that they could view the Improvement Programme and gain a better understanding as to why the Council needed to invest rather than save. By starting with a level playing field in relation to the amount of need and with the right services in place, it was hoped that the service would not need to come back for the level of growth that they were having to ask for this year.
- The Council continued to make expenditure on severely ill individuals and those with very complex needs. There was a dual pressure on the service whereby the growth of the Borough was very much welcomed, but that many individuals also arrived in the Borough with social care needs. The growth in the population put pressure on Care and Support services continually and the high complexity of the need of some of the individuals moving into the Borough could not be underestimated. Once individuals with complex social care needs moved to the Borough, they were from thereon the Council's responsibility and this was a cost that the Borough had no way of predicting, making it very difficult to predict the Care and Support budget.
- In relation to the main areas that the Council would be investing in as part of the Disability Improvement Programme, the Council would work to ensure that provision was in the right place so that the right services were there to respond to the needs of the population profile that it had, which currently was not able to happen. It would also work to ensure that it had the right

number of staff to deliver a service, as for example, some of the caseloads that were being held by social workers currently were too high in this area.

- An area where the Council had been quite weak for a number of years had been around the transition between childhood and adulthood, with some individuals falling through a gap when they reached 18, as their support was reduced. As such, the Council would invest in this area to ensure a smoother transition for its young people with Special Educational Needs and Disabilities (SEND).
- The Council would recommission the service for ASD and behavioural challenge as the current service was not adequate. It was also working to improve the Dementia pathway, as there had been an increase in those with Dementia and the pandemic had highlighted the isolation of this group.

In response to a supplementary question, the Council's Chief Financial Officer stated that:

- The Council did not have specific reserves that were set aside for Care and Support funding. The MTFs included contributions to the budget to support reserves in 2020/21 from all services, which were then drawn down in 2021/22.
- There was a growth of £6.1 million in 2022/23 and then of £6.2 million in 2023/24. These were already included in the MTFs for Care and Support services and those growth totals had been updated, with £2.4 million for 2022/23 and £5.3 million in 2023/24. The Council was committed to investing in these services and it was seeing the benefits from its Improvement programmes flowing through into the reduction in growth.
- In terms of the movement in social care budgets, the base budget for 2020/21 was £84.5 million, which would increase by £11.9 million in 2021/22 to £96 million. This would then increase by £2.4 million to £98.9 million in 2022/23, and again by £5.3 million to £104 million in 2023/24.

Education, Youth and Children

The Cabinet Member for Educational Attainment and School Improvement (CME) stated that:

VII

- The fixed penalty charges in the appendix did relate to pupil absences. The compulsory education service in the United Kingdom meant that it was a legal requirement that parents sent their children to school. In spite of everything that a school might do to try to encourage pupil attendance, if parents failed in their responsibilities, then Fixed Penalty charges would come into play.
- In Appendix 1 under Fixed Penalty Notices (FPN) income, the assumption that £50k could be achieved in 2022-23 (and the fact that this reduced to £15k in 2023-24) referred to a proportion of the cost involved in managing elective home education, particularly for those who had an EHC. The Council had previously noted that this area was eligible to be spent from the Dedicated Schools Grant (DSG), but that it had not done this in the past. With elective home education cases rising significantly (with a 70% increase since before the onset of the Covid-19 pandemic), it was fair to apportion some of these costs to the DSG in this way.

- It was important to realise that this transfer to the DSG was not a reduction in funding to schools, as it related to the part of the DSG which related to the central services held by the Local Authority. The DSG had a schools block, a high needs block, an early years block and a small central services block, with the CME referring to the latter. The central services block was retained by the Local Authority for central services, which included youth services as an example and which was allocated £90k per year for staffing costs in regards to its youth mentoring programme. This service had received wonderful external funding and had enabled the Council to have some flexibility in the budgeting, which meant that it could recharge some of the staffing costs to the DSG allocation. As the DSG had increased in any case due to population growth, this did not result in a cut in schools services.
- The Council occasionally received more income than projected and this had been the case in this instance. This saving was to increase the income target, to match the actual FPN income received annually. As such, the number of FPNs issued would not change as a result of the change made to the income target, as it was simply a technical adjustment made by Finance officers.

VIII

- A moderate forecast of £15k had been identified for 2023/24 in line with the trends that had been seen previously. From monitoring the budget, it was known that FPN income did in fact fluctuate, which was why the income target was decreasing in later years.
- The increase in FPNs issued over the past 3 years was due to a restructure within the service. This had followed a gap in provision whereby a staff member had not been as assiduously checking this work. This was not in the interests of children and families and did not just relate to income targets.
- Schools instructed the Local Authority to issue FPNs and these were not initiated by Local Authorities. Not all schools used FPNs as a tool, as there were a number of means that they could use to improve attendance and FPNs were often employed as a last resort method. The Local Authority checked with schools before it issued a FPN as to whether it was appropriate and lawful. The Council also monitored the number of FPNs being issued and would discuss with schools the other strategies they could employ with families who were presenting with school attendance issues.

IX

- The assumption as to the number of pupils that would be absent was based on trends and no individuals were identified when an income target was devised. There was no impact to schools as a result of the changes mentioned, these were all adjusted within the central school budgets of the DSG and they did not affect school staffing or expenditure in any way.

Community Solutions

The Council's Director of Community Solutions stated that:

X

- In relation to its Community Hubs and building transfers, the Council was

building on the success that it had seen from the Chadwell Health and Hedgecock Community Centres. The services and provision would remain within the buildings, but the responsibility for running the buildings would be freed. The Council had noted that with both the Chadwell Heath and Hedgecock Community Centres, there had been an increased use of facilities over the weekends and into the evenings. It was also felt that these buildings now had a greater connection to the local community.

- In relation to its library provisions, the Council had very strong examples, such as Chadwell Health, where it had been able to build a stronger library offer. This was evidenced through Learning Arts, who had worked with the Chadwell Heath provision. This arrangement would take quite a bit of time to think through, but the Council had a good track record, had undertaken this work before and was positive about what it could achieve going forward.
- The position was very much about greater flexibility for the actual assets. This approach had been proven to work and the Council was therefore positive about this going forward. One of the increased flexibilities was that the costs could be reduced (for example, if the building was charity-led, the charity would not have to pay business rates). Furthermore, both the Chadwell Health and Hedgecock Community Centres were running at a profit and were still seen as key community assets.
- He could not give complete assurance as to who would take over the building, but the Council was speaking to a number of different organisations that had shown an interest in taking on its responsibility. The Council needed to carefully work through the details of this, what the approaches of these organisations would be and how the buildings had been utilised previously. Chadwell Heath Community Centre had been a previous positive example, whereby the new owners had let the building over the weekend and in the evenings to the local community. It had charged rents for this, reduced their overheads, and generated a good income.

XI

- The Council was building on the success of how it had helped residents (particularly its care leavers) to move on from supported accommodation such as temporary accommodation. It was working with its residents to help them to find a better housing destination and it had £280k of growth to support this. Within this, the Council had an additional 100 residents that it was hoping to work with and move on through 'rent in advance' and 'moving on' packages. This approach had been proven to work so far and improvements had also been delivered through its temporary accommodation provision.
- In regards to the £750k referenced within the report, this related to reducing pressures in budgets. This was an additional £750k within £2 million, which would take some of the pressure out in those budgets.
- In regards to temporary accommodation, the Council had seen a partial influx in other local authorities placing residents in the Borough; however, it was difficult to quantify the impact this was having on services and their budgets. The Director now had a very strong working relationship with Newham, Havering and Redbridge in relation to who was placing residents in the Borough and the Council was also working through the East London Housing Partnership to address on this. However, a bottleneck would also

be created within the Council's system if it did not take action to help residents to move on and decided to just save money. Therefore, taking positive action to help residents to move on from temporary accommodation and working with residents and other Local Authorities was felt to be the most appropriate course of action.

XII

- In relation to John Smith House (JSH), the £30k saving related to security costs and utilities from closing the part of JSH that the Council was using. JSH was a joint building with the NHS and the NHS was still using part of JSH, from which the Council was generating an income of £80k a year. In terms of the part of the building which was currently empty, there was an Early Years provider that was interested in renting the building from the Council for a period of time. Understandably, this had become more problematic during the Covid-19 pandemic, but the Council hoped that this may become possible as lockdown restrictions loosened. In the longer-term, the Council was considering what to do with the asset and acknowledged that these conversations would need to include the NHS.

XIII

- In Appendix 1, the £37k 'management spans of control' saving was a management saving. The Council had two reasonably small teams working in this area and so were able to move these two teams to work under one manager.

XIV

- In Appendix 1, under Homelessness Prevention, the £280k was made up of 100 lots of £2,800, which the Council had noted was the relevant amount of money to help people to move on with 'rent in advance' and deposits.

The CMF praised the work of the Community Solutions team in working to improve the lives of its vulnerable residents and in challenging the trends across London in relation to the numbers of those residing in temporary accommodation, at a time when rents were rising substantially.

Contact Centre Restructure

The CMF stated that:

XV

- The Elevate savings would still need to be made. The Customer Service proposals were ultimately about moving resources from the Contact Centre to fund the new Customer Experience team, but the Council would still need to make those Elevate savings as part of the core. As Elevate was now back in-house, the Council would have a much better ability to do this as it would not have to go through the Elevate management structure and would instead be able to make the savings directly.
- Investing in the Customer Experience Team was necessary to ensure better access to the Council for residents and to ensure a more efficient service.

Barking Market

The CMF stated that:

XVI

- The Council believed that it was realistic that an extra day for Barking Market would generate additional money over the medium and long-term. Barking Market was already going from strength-to-strength prior to the Covid-19 pandemic and the Council therefore wanted to give local residents more opportunities to access the market, provide local businesses with more opportunities to sell their offerings and to raise more money overall for the Council.
- The Council had spoken to most of the existing traders at Barking Market and 40 of them had said that they would operate should there be an extra day at the market, which was a strong base to work from. There was no other local market operating on a Monday, which meant that if residents wanted to shop at a market, they would be able to come Barking.
- There would be additional costs for processes such as cleaning and collecting rubbish; however the additional staffing and cleansing costs were already factored into the budget. The income target was in the budget and the Council was not looking at taking those charges off afterwards.
- In regards to the £80k identified in 2021/22, this related to what the Council expected to raise when Barking Market started to operate for an additional day for the whole year. The £20k was not a decrease in 2022/23, as this was actually an increase on the £80k. By year 2, the Council expected that Barking Market would raise £100k and that moving forward each year, £100k would be the income target.

In response to a supplementary question from a Member, the Council's Operational Director for Enforcement Services stated that there was only a handful of stallholders who were currently operating and that it was correct that there was a risk that the target income would not be achieved, if the current lockdown arrangements lasted for a long time. The Council did have a model that would allow all of the traders to trade in a socially distanced manner, meaning that it was only the current lockdown arrangements that were impacting on this. The Council also had the option of increasing the footprint of the market, such as through expanding into the area outside of the Town Hall. The Council was thinking about whether it could expand and operate the market from other areas too, which would increase the number of stalls but also help with social distancing.

Parking

The CMF stated that:

XVII

- Parking revenue had to be spent on parking and transport-related issues; and this included non-parking -related transport expenditure such as Freedom Passes and certain highway costs.
- The Council would never knowingly or willingly contravene the law. It worked to strict policies and procedures and was very transparent in the way that operations were managed. Guidance through London Councils, as well as the legislation around how the Council should work, was also very

clear. He was confident that the predicted additional on-street and CCTV PCN income was not based on policies which would contravene the law.

- The Council had expanded its Parking management team and all of its IT systems had been updated, which enabled officers to be more up-to-date with any procedural changes and to more quickly deal with these. New contracts were put in place for measures such as body-worn videos and on-street CCTV to ensure that systems were robust, effective and legislatively compliant. The Parking service was also subject to annual internal governance audits.
- Additional PCN income was based on two things, namely the expansion of Controlled Parking Zones (CPZ) and a predicted increase in enforcement. There would also be an upgrade of the Parking team's CCTV capability. A thorough review of all of the Borough's camera locations had already been undertaken, meaning that new automated cameras would be positioned in areas with the most offences, so that these could be captured and individuals could be fined accordingly.
- Council officers had made income predictions for a number of years and were good at predicting additional income and abiding by legislation and processes.
- The additional PCN and permit income were not forecasted to fall in the year after 2021/22, as the figures were in addition rather than a decrease. There was expected to be a £400k increase in 2021/22 and then a £250k increase the following year, resulting in a £650k total increase by 2022/23.
- The Council wanted to encourage better behaviour around parking. The fact that individuals might stop parking illegally and adjust after a period of time of a camera being in place, was factored into the Council's calculations. The Council's PCN income varied from month to month for various reasons and one of the principal controls that it had around that was the new CCTV contract that it had, which made it easier for it to relocate cameras around the Borough. Once individuals were aware that a camera was there, the Council saw more compliance or avoidance of that area. As such, the Council had a flexible arrangement in place for its cameras.
- Council staff were similarly very mobile and could move around the Borough, using their intelligence to make sure that they could be flexible in the times and the areas that they were operating in. Nevertheless, compliance around certain areas of the Borough was not always seen and, in these circumstances, the Council had to work to continually reinforce parking legislation in these areas.

Additional Fine Revenue

The CMF stated that:

XVIII

- The Enforcement team operated a stepped approach to enforcement and would offer advice to residents and businesses in the first place where this was appropriate. The team had a very measured approach to enforcement and did not suddenly approach anyone with fines, as this would be unfair and build up a bad rapport. Additional fine revenue was not a ring-fenced budget and would be used to contribute to Council priorities as appropriate. The team always tried to work with businesses and residents as opposed to working against them immediately.

- Education was the only way to support the local community to stop fly-tipping and anti-social behaviour. It was acknowledged that targets would never improve unless the local community understood the disruption that these were causing. Communication and listening to residents were also key.

The Council's Operational Director for Enforcement Services also stated that:

- The enforcement approach was partly about toughening up enforcement against some of the Borough's most problematic residents and landlords. All of the individuals, businesses and landlords that the Council would be looking to fine would have already had some element of engagement with the team, as well as advice and opportunities to correct their behaviours.
- The Council could issue Civil Penalty Notices, which could run into thousands of pounds, which would be targeted at problematic landlords who were also likely to be operating in other boroughs. This was a more co-ordinated and forceful approach used to tackle a small number of difficult cases.

Policy and Participation

The Cabinet Member for Community Leadership and Engagement (CMC) stated that:

XIX

- The current agreement with Participatory City (and in 2022), was for a 5-year project. The Council's commitment to that period was £300k per year, which was match funded by various sources. This meant that the Council did not have the opportunity to renegotiate the commitment for this period, without putting that match funding at risk. Nevertheless, the Council did have the opportunity to renegotiate when looking at the next phase of the development.
- The current Every One Every Day (EOED) programme (which built on local community work) had a large research component to demonstrate its impact and the Council expected that this would be less of a feature during the next phase and that it could plan to reduce its investment. Additionally, the Council wanted EOED to be more strongly integrated with its other participation programmes, which would give opportunities for more efficiencies.

XX

- The £500k figure was the net cost involved in managing the soil importation. A specialist consultant had undertaken a rapid assessment of the potential of these schemes across 4 parks (Old Dagenham, Parsloes, Greatfields and Pondfield), and there were also possibilities for this at Goresbrook Park, which the Council had not yet scoped.
- Borough plans were now being researched and the Council was beginning to engage with local communities on the possibilities for these parks. The Council had learnt more from the length of the planning process and the statutory consultations around the Central Park scheme and therefore had the confidence to be able to deliver this scheme by 2023/24.

Inclusive Growth

The Council's Director of Community Solutions stated that:

XXI

- In regards to the increase in rent and the risks against Universal Credit, if a resident was living in TA, they could only apply and get support through housing benefits.
- With regards to the level of rent that the Council would be charging, the Council was considering increasing this up to the level of Local Housing Allowance (LHA) so that this would protect the residents in the property.
- In regards to the people who would be moving into or who were already within Barking Foyer, due to the higher level of support there was a charge on top of the LHA that was covered by the benefits envelope. The Council would make sure that those placed and those currently residing in the Foyer belonged to the eligible cohort. If this was not the case, the Council also had other options in TA that it could move residents across to. There were around 25% of residents living in TA who were not claiming benefits, although the Council believed that this number had reduced during the Covid-19 pandemic.
- In regards to whether the Council would be able to receive the £200k back in rent, the team had thought about the current number of residents that were in the Foyer over the last 12 months. It considered the increase in the LHA and the support up to the LHA to arrive at this prediction. As such, the team was quite comfortable that the £200k in increased revenue would be delivered and would not turn into an additional cost to the Council.

The Council's Director of Inclusive Growth stated that:

XXII

- In regards to the Economic Development team, the proposal related to an allocation for one-off funding to develop a stronger economic development function in the Council. As such, the proposals referred to an allocation to support the set-up of this and the change management arrangement that would be required. It was not an additional revenue burden on the Council, and the proposals considered whether the Council was able to make better use of the Council's Commercial Portfolio (both the existing portfolio and the new assets that the Council was either building or acquiring through Be First) to fund some additional economic development capability. As such, it was a one-off transformation resource to support the change management process required.

Legal Services

The CMF stated that:

XXIII

- The Council's Legal team had been raising income internally for quite some time and had been very successful in doing this. The Council was not looking to go out to external legal firms and had in fact been looking at generating business from Be First. The Council wanted to create a new legal post to be more proactive in collecting payments as a result of fraud

which until this point, had not been targeted in a specifically managed way. This post would cover areas such as housing tenancy fraud, direct payments, blue badge fraud and policy work. There was definite growth in this area in terms of income and prosecution moving forward, and it was sensible to believe that growth could be achieved through this new post.

- The new legal post would be provided internally and the £40k figure was the total cost for a Legal Assistant to be employed in the team. There could be some slight change as to this, as the team could look to fund a Lawyer rather than a Legal Assistant if this was likely to bring in more income and if it would be more effective for the team. The Committee would be updated as to any changes and these would be in the finalised report if this was the case.

XXIV

- The counter fraud review proposals did span the requirements within finances and they did recognise the knock-on of the impact of the work in Legal Services.
- There was not a requirement for counter fraud to generate a cashable saving or income from these budget proposals. Often, fraud identified would enable other departments to avoid costs or to improve services. Targeting housing fraud would be a good example of this, for example with the Council returning a HRA property from an illegal subletter to a resident who needed it or providing advice to prevent fraud from occurring in the first place.

Core Services

The CMF stated that:

XXV

- The finance transformation programme was underway and as part of this transformation, there was a requirement to support the organisation better in the Corporate and Services finance team. The funding would allow a Principal Accountant to be recruited into the team once this was approved by Workforce Board. The approval would provide the additional capacity that was required to undertake this work and would be an invest-to-save in many ways, allowing the Council to bring in a staff member to deal with this capacity. It would also enable the Council to take on this additional work and support the organisation better, which would save costs across departments.

XXVI

- In regards to the potential savings on Roycraft House, these were net savings from closing the doors of the building. Some residual costs had been accounted for and the Council was looking for opportunities to let buildings to other users, which would result in additional income. If the Council did incur costs in the future, the savings would be used to offset these.
- There was a recharge to the Housing Revenue Account (HRA). Any reduction in property costs across the Council for its buildings would be reflected in the amount that it charged back to the HRA and the Council had a recharge apportionment which calculated the percentage that got charged

back to the HRA. Where the Council did have a building that was dedicated to something that was ringfenced such as the HRA, if it was a ringfenced building and was funded directly by the ringfenced budget, then the HRA would benefit in full from this. Nevertheless, this was not the case for Roycraft House.

- In regards to the workforce, it was not considered too early to judge how many staff would want to remain working from home. The Council had already done lots of work around this and had been communicating with staff and unions for months around this, as well as to ensure that people had the right space and equipment. If the Council wanted to be a forward-thinking organisation, it had to take advantage of the fact that staff worked just as effectively from home. There had been lots of communication and surveys, as well as conversations between senior management, line managers and staff and it was evident that many enjoyed the benefits that working from home brought.

The Council's Chief Financial Officer stated that:

XXVII

- ERP was an acronym for 'Enterprise Resource Planning', and this would be the replacement for the Council's Oracle system, which it had had for 20 years. Oracle was originally designed to support manufacturing organisations and not local government. The Council had procured a solution called InConcert, which was being delivered by Moore Insight, who were experts in this field. Moore Insight had designed and would be implementing three solutions for the Council: Advanced E5 which would cover finance and payments, Collaborative Planning, which would cover budget monitoring and MHR, which would cover HR and payroll. All of these were UK firms which were specialised in local government, so the Council was confident that it would get a better product.

The CMF stated that:

XXVIII

- The Council was carrying out ongoing work to develop a dispersed working model, which would be presented to Cabinet in due course in 2021. This model needed to be fluid and flexible. It was expected that only a very small number of officers would ever need to return to the office for 5 days a week. The Council's Community Hubs would also help the Council to disperse staff around the Borough.
- A blueprint for the Human Resources (HR) and Organisational Development (OD) proposals had been agreed. The plans and programmes behind this would continue to go through portfolio meetings and the approach would also be presented to the Committee at a future point. In relation to the HR/OD service restructure, the figures had been adjusted since the publication of the report to exclude one-off project resources that would be funded through transformation, so the growth request in 2021/22 would be £373k and the savings in 2023/24 would be £577k in 2023/24. As such, there would be a reduction in the growth request and a reduction in the saving to match this, with this being rectified in the final report.

XXIX

- In relation to cyber security, there would not be additional costs because remote working used the same IT infrastructure as using an office-based laptop. Remote working had allowed the IT team to deploy new technology, particularly around telephony, which had saved money in addition to savings on stationary, printing and general office working. In relation to cyber security costs, the figures listed were £180k in 2021/22 and £140k following this. This was for a new solution yet to be procured and this would be provided in the final paperwork that went forward in the budget papers. As such, it was a last-minute inclusion.

XXX

- In regards to contract management savings, this was not just about how the Council negotiated contracts, but how it had changed greatly in recent years in terms of looking at social value. There were a range of savings under development in this area that were being scrutinised by the Procurement Board. All of these savings and growth proposals went through a series of checks and were produced and agreed collectively, being internally scrutinised by officers and approved at internal boards before they were presented at Portfolio meetings. Once the Procurement Board had scrutinised the range of savings under development, they would then introduce those that they felt were right.
- The proposals included consideration from a top-down review of 150 suppliers that the Council used to negotiate costs, to potentially change payment terms to access early payment discounts that might have been on offer, to review processes, to realise more efficiencies and to encourage more local suppliers, with the Council being very keen to encourage local suppliers to provide more services. The Council were not going to make the mistakes of any past contracts and would work to be better at negotiating contracts, any costs involved in these and to make savings by being more proactive and making better efficiencies.

The Chair requested that the Committee put forward any further questions or feedback that it had by Friday 29 January 2021, so that these could be incorporated into the 'Budget Framework 2021/22 and Medium-Term Financial Strategy 2021/22 to 2024/25' report due to be presented at Cabinet on 15 February 2021. The Chair also asked that any non-Committee Members email either herself or the Clerk if they had any other questions or matters to raise, to ensure a response could be provided.

The Council's Director of Strategy and Participation observed that whilst it was difficult to get into the detail of some of the questions, given their breadth the questions raised highlighted some areas of concern, which could be captured within the Cabinet report and could be explored further by way of the Committee's 2021/22 Work Programme. Standard Budget Monitoring reports would also be presented to the Committee throughout the year and the Committee would be able to refer back to the discussions at this meeting to delve further into any issues.

The Chair thanked all Members and officers for their attendance and declared the meeting closed at 21:31.

Addendum- Questions for Extraordinary Overview and Scrutiny Committee - 26 January 2021

General Questions relating to the Budget and the Proposals

I

- This report does not cover proposals that will impact the HRA or capital. Will this Committee get an opportunity to comment on these?

II

- The report says that £19.3m needs to be saved over the Medium Term Financial Strategy. This report identifies £4.8m amount of savings. Where will the remaining £15m come from?

III

- Am I right that the Table at 2.2 of the report does not add up if you tie it up with Appendix 1 - the savings don't total 2998 - they are 2748, which means the total is 4833 not 5083?

IV

- The report says that 'the budget consultation with residents and organisations within the Borough is live until 31 January 2021'. How does the consultation fit in with the savings and growth proposals?

Care and Support

V

- In the first section of Appendix 1 in relation to Care and Support, the table says 'The work undertaken by and investment in Care and Support services will result in a reduction in the amount of growth required from 2022-23' - can you explain this in more detail please? This implies that there are no savings to be made, just reductions in growth?
- We are unsure as to the totality of movement in the social care budgets. Could we please have some clarification?
- Paragraph 3.4 of the report says that £7.9m of additional funding has been included in the MTFS for Care & Support services in 2021-22 and the report makes a growth request of £3.4m in addition to this. So that's more than £10m invested into this budget – is this with the hope of achieving savings?
- How will the additional growth request of £3.4m in 2021-22 £3m affect reserves?

VI

- Most of the investment in Care and Support will be in disability services; however, there is not much detail on what this investment will go towards and achieve? Could you please explain this?

Education, Youth and Children

VII

- We presumed these Fixed Penalty Charges relate to pupil absences - is this correct?

- In Appendix 1, under FNP income, what is the assumption that £50k can be achieved in 2022-23 based on, and why does it drastically reduce to £15k in 2023-24?
- In terms of Fixed Penalty Notices, how can you predict who will/will not be absent?
- It is not explained how Fixed Penalty Notices can be increased from 2022-23. Is there a change in the law or will something else change?

VIII

- It is not clear which staffing costs can still be transferred to the DSG. If this reduction to money for schools is justified, why has it not been transferred in the past?
- In Appendix 1, why has no saving been identified under 'Staffing-reduce/move to DSG' in the year 2022-23?

IX

- How are you going to line up schools to make these savings?

Community Solutions

Community Hubs

X

- 3.8 looks like building on volunteer work for the Community Hubs. As good as it is where this can be done, there can be sustainability difficulties and then training costs. If it is about building transfers, there appears to be doubt that current organisations would welcome that responsibility.
- Children's Centres- Building Transfers: This seems a relatively small saving if you consider staff salaries, insurance and maintenance of the buildings.
- Do we actually have voluntary bodies that are interested in taking on these buildings and costs?
- What are the potential risks around the lack of control and influence on their use? Do the savings outweigh the risks?
- One of these sites also houses one of the few libraries left in the Borough. This area is also one of our regeneration areas that will mean an expansion of the young population in the area. Will this Library provision be lost?

Temporary Accommodation

XI

- I believe that 3.9 and TA and moving on from social care needs a bit more explanation if we are to test the robustness of the proposals.
- In 3.9 of the report, is the £750k also included in the figures relating to adult social care, such as the £2m in disabilities?

XII

- What is the £30k saving identified in Appendix 1 in relation to John Smith House retention?
- We have retained John Smith House only to leave it empty to maximise income opportunities – explain?

XIII

- In Appendix 1, what is the £37k 'management spans of control' saving?

XIV

- In Appendix 1, under Homelessness Prevention, is the £280k an assumption of growth? If so, based on what?

Contact Centre Restructure

XV

- A customer experience team is definitely needed. But is this replacing the saving from the elevate restructure or is it something completely different?

Barking Market

XVI

- How realistic is it that an extra day for Barking Market would generate extra money over the medium and long term? The reason for asking this is, is that it could be that the same total consumer spending takes place over the extra number of days. While individual businesses might rent for an extra day at first, that could fall away if overall income increases are not sustainable. There would have to be **extra** money spent from the same population.
- More detailed research might indicate that extra income is sustainable. Has there been any analysis of this?
- Are there any additional costs to the Council in adding an extra day for Barking Market, for example cleaning? Are the figures shown in the table net rather than gross figures?
- Why does the £80,000 in 2021-22 identified drop to £20,000 in 2022-23?

Parking

XVII

- The indication is that extra money is to be spent on increased enforcement. Is the legal situation still that parking revenue has to be spent on parking issues and enforcement? If that is so, how will this raise a net income generation of £400,000?
- Can we get assurance that the policies in place that will lead to the predicted additional on street and CCTV PCN income do not contravene the law?
- What are the additional PCN income predictions based on and are they reasonable?
- Why is the additional PCN and permit income forecasted to fall in the year after 2021-22?

Additional Fine Revenue

XVIII

- I would hope that some of the money made here will be redirected into communication and education. I would rather it didn't happen in the first place.

Policy and Participation

XIX

- £100,000 is a big sum to save from Participatory City/Everyone Everyday. It might be entirely possible, but it means that the current spending that goes towards Everyone Everyday must be large. What is the current total spending? The saving is due in 2023-24. Can that be brought forward if the saving potential is so great?

XX

- Is the 2023/24 soil importation scheme £500k figure, a net figure, rather than a gross figure?
 - Is the £500k in relation to soil importation a prudent estimate? What is this based on?

Inclusive Growth

XXI

- What are the consequences for the current Barking Foyer tenants in moving to LHA rates under the Universal Credit?
- One problem of Temporary Accommodation rates for those not on Universal Credit is that it can be a big blow for the working poor. This is recognised in the report. Is it possible to charge different rents to different people? If not, what are the alternative options to help the non-UC tenants?
- The non-benefit numbers in TA appear to have grown over the last few years, probably due to increasing market rents and rents that are linked to the market rents. Is this growth true? What is the current breakdown of numbers?
- If we cannot get this £200k back in rent, could this end up being a £200k cost to the Council?

XXII

- In relation to the proposal regarding the economic development team, there will be costs associated with this team when it is set-up but these do not appear in future years – why is this?

Legal Services

XXIII

- Are the Legal Services costs with the external legal firm fixed or variable? If variable will the fixed cost of an extra employee necessarily bring in the saving? Is the potential work there? Will a growth in work be beyond one person? What are the current costs of the external legal firm?
- Is the work that will be carried out by the post mentioned in 3.20 of the report currently provided by an external party? And is the £40k a net figure?

Finance and Legal

XXIV

- Does the post mentioned in 3.20 come under the Counter Fraud service review within the Finance department?

- It is not at all clear how the funding of another post will bring in a net income of £249k. How reliable is this estimate? Is there enough Counter Fraud to produce this?

Core Services

XXV

- There is a £150k predicted growth as a result of the transformation review structure changes - what is this based on?

XXVI

- In relation to the potential savings on Roycraft House, are these net costs after taking account of costs in some of the work being carried out elsewhere, particularly those involving public interactions?
- How much does the HRA still pay to the costs of Roycraft House? Is the figure net of any savings due to the HRA?
- In relation to the closure of Roycraft House and dispersed working, is it a little early to judge how many staff will ultimately want to remain working from home and Hub working is still being worked out so is this a realistic saving? How confident that we can make it work in 21/22?

XXVII

- In 3.22 of the report, what does ERP stand for?

XXVIII

- In relation to the Human Resources and Organisational Development service restructure, why is there a £594k growth in 2021/22 and a £762k saving in 2023/24?
- Will there be a project plan for the Workforce and OD proposal, and can we scrutinise this at a later stage?

XXIX

- 3.23 mentions remote working; however, the report does not talk about the increased costs relating to these such as general IT costs, cyber security costs etc.?

Contract Management Savings

XXX

- It is not clear where and how these savings will be made. I am worried that savings here could mean we are at risk of making the mistake of entering into contracts which in the long run will not be to our advantage. The ELWA contract being an example of this.

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