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**MINUTES OF A MEETING OF THE
OVERVIEW & SCRUTINY BOARD
Havering Town Hall, Main Road, Romford
7 February 2023 (7.00 - 9.43 pm)**

Present:

COUNCILLORS

Conservative Group	Ray Best, Keith Prince, Timothy Ryan and David Taylor
Havering Residents' Group	Laurance Garrard, Gerry O'Sullivan (Chairman), Philip Ruck (Vice-Chair), Natasha Summers and Bryan Vincent
Labour Group East Havering Residents' Group	Matthew Stanton and Katharine Tumilty Martin Goode

The Chairman reminded Members of the action to be taken in an emergency.

30 CHAIRMAN'S ANNOUNCEMENTS

The Chairman will give details of the actions to be taken in case of fire or other event that may require the evacuation of the meeting room or building.

31 APOLOGIES FOR ABSENCE AND ANNOUNCEMENT OF SUBSTITUTE MEMBERS

Apologies were received from Councillors Mandy Anderson (Mathew Stanton substituting) Christine Smith (Keith Prince substituting) and Damian White (Ray Best substituting).

32 DISCLOSURE OF INTERESTS

There were no disclosures of interest.

33 MINUTES

The minutes of the meeting held on 7 December 2022 were agreed as a correct record and signed by the Chairman.

34 2023/24 BUDGET SETTING CYCLE

Housing Revenue Account

The Director of Housing Services explained that rates of inflation and interest rates posed significant challenges for the housing market. Rent levels were recommended to rise by 7% which was below the rate of inflation. Other Housing Revenue Account charges were to rise by the same level. Details of major works capital programmes and the regeneration programme were included in the meeting papers.

Budget and Medium Term Financial Strategy

The Director of Finance explained that the Council was in an acute financial position with a large overspend although this had improved recently. The period 8 overspend could not be covered by General Balances and earmarked reserves were expected to drop to c. £30m which was not a sustainable position.

The forthcoming General Election and Spending Review were likely to lead to some more money being made available for social care costs. Both Adult and Children's Services had high cost pressures. It was accepted that the Central Government funding distribution model was unfair and that this did not currently provide sufficient funding for social care in Havering. Havering also received less funding overall than many other London boroughs.

Financial pressures were being addressed by savings proposals as detailed in appendix A of the report but this would still leave a significant budget gap over the four year cycle. A band D property's Council Tax was proposed to rise by 5.94% (including the GLA precept) to £2,088.13 per year.

Capital Programme

Officers advised that the emphasis of the Capital Programme was very much on regeneration. Housing stock replacement would be financed by capital receipts, HRA revenue and grants but principally from borrowing.

Treasury Management Strategy Statement

It was explained that it was aimed to keep the liquidity allowance above £40m and that the Council would borrow as necessary to do this.

Questions and discussion

The 28% projected rise in the cost of housing repairs and maintenance was mainly due to increased expenditure and did not reflect the costs to tenants. It was clarified that the contractor was paid a set fee for a property and was not paid per job. It was accepted that there was a high level of repairs per property – four per property on average and it was hoped to reduce this by e.g. an increase in planned maintenance. The inflation formula used for repairs and maintenance could be confirmed.

Performance penalties were built into the repairs and maintenance contract although not many had been implemented as yet. The contract had

commenced in April 2023 and was monitored monthly. It was suggested that a report on the repairs contact could be brought to the next meeting of the Places Overview and Scrutiny Sub-Committee.

The model for levels of rent payment included assumptions on both the level of inflation and increases in the level of housing stock and officers were happy to review the way in which HRA data was presented. Detail on the delivery of individual units over the next 2-3 years were included in individual business plans.

Assumptions re the level of void properties were also built into the budget setting process and private sector empty homes could be used as provision for additional homeless demands. Officers accepted that the level of homelessness was as bad as it had ever been with both increasing numbers and difficulty in procuring temporary accommodation. Bed and breakfast accommodation was having to be used in Havering for the first time in many years. Most Council empty properties were due to the death of the owner and these often led to a lot of legal issues with the owner's family.

It was noted that the Bridge Close development was due to repay its borrowing at year 30.

It was confirmed that the Council sought to avoid a high level of debt maturities and that 10-20 year maturing loans were also avoided. The Council was unable to borrow in advance of need so levels of inflation had no direct impact on debt levels. It was clarified that the new CIPFA code of practice stated Councils should net off investments prior to any external borrowing. It was accepted that loans to Mercury Land Holdings were at a high cost. Operational lending was only undertaken to Government bodies and UK High Street banks and not overseas. In terms of overseas borrowing, the Council had one loan of around £7m from an EU country and all other borrowings were from the Public Works Loan Board. The risks of further overseas borrowing meant this was unlikely. Loans made could be quickly retrieved if necessary.

It was emphasised that the allocation of Central Government grant did not reflect adult social care needs in Havering. Details of the cost of delivery care services for each borough could be provided although NHS costs were also an issue. Unit costs for adult social care were very low compared to other boroughs.

It was confirmed that the national pay award for Local Government staff was a flat rate of £2,229 per annum. The 2023/24 award was yet to be decided but budget calculations included an assumption of a 3% rise which equated to c. £3m for current staff numbers at the Council.

An unclear statement regarding the outcome of the budget consultation would be clarified and the report amended prior to it going to Council.

The figure of £6m provision to maintain the condition of highways was based on advice from the borough engineers. Officers wished to be transparent on the use and level of earmarked reserves and it was noted that Members felt that Cabinet could be asked to review the use of earmarked reserves. Officers accepted that a point may be reached where there were insufficient resources for the Council's expenditure but this had not been reached as yet.

Some expenditure coded to revenue could be capitalised but the Government had not yet been approached to allow this. There was a need to put more money into reserves but also to generate more funding and income streams. Expenditure also had to be contained to the resources available and it was anticipated that IT investment should generate opportunities to reduce costs. IT investment was not a single budget item and officers were looking at alternative ways to deliver this.

Details could be supplied of the Council Tax support fund the discretionary support available to economically challenged households. The 1.5% discount for households paying their Council Tax for the year in full would be agreed as part of the budget setting process.

Details were requested of the savings proposal to reduce the level of equipment provided and the impact assessment for this and the review of the subsidy for assistive technology. As regards parking savings, detail of the former cost of cash collection from parking machines could be checked.

Charges for community care packages would be backdated to the point where recipients of what the level of charges would be. The position with Council care being available for people for six weeks after being discharged from hospital would be checked with the Director of Adult Services.

There were two posts budgeted in relation to the Climate Action Plan who would report to the Climate Project Manager. The posts were already generating income for the voluntary sector. Part of the roles was also to source funding for the Council for climate change projects. A list of achievements by the two post holders.

The proposed change to CCTV monitoring hours would be offset by the increased use of IT forms.

Details could be provided of the position with the closure of the Corbets Tey public toilets and the saving from this. It was noted that there was considerable opposition to the closure locally and that local businesses were no longer cooperating with the business toilet accessibility scheme.

Clarity could be given over why charges to utility companies for road closures were being reduced and why prices of section 50 licences were being frozen. Licensed premises fees had been frozen by the Government for many years and officers would check whether the Government had been lobbied to allow for the impact of inflation.

It was clarified that VAT on bookings of football pitches did not apply to block bookings in excess of 10 dates. Clarity was also sought over why a charge for parking of solo motorcycles was scheduled to be introduced. Officers would also seek clarification of how charges for pre-application planning advice were calculated.

Officers confirmed that figures for the expansion of the Council Depot shown in the Capital Programme report indicated the amount of additional capital report. Figures for the capital required for the Farnham & Hilldene redevelopment would be reviewed but preparatory work on the project would take place in 2023/24.

A procedural motion to suspend Committee Procedure Rule 8 (b) and allow an extra 30 minutes to conclude the business of the meeting was agreed unanimously.

It was confirmed that the Council purchased vehicles used in the waste contract so the Council would own these, even if the contract were to fail. The Rainham Compulsory Purchase Orders mentioned in the report would proceed on the basis that the new station at Beam Park would eventually be delivered.

The projected lifespan of traffic CCTV cameras was uncertain but they were generally more robust than previously. It was clarified that the cameras mentioned in the Capital Programme report were not income generating. More information could also be provided on the creation of a waterfall in Redcrofts Lake.

A number of proposal to redevelop the roundabout and subway network in Romford were under discussion with Transport for London.

The Board **agreed** the following comments and recommendations for consideration and response by the Cabinet:

- **That the importance of securing a good performance by the housing contractor be recognised, given the impact of this on the budget through for example the imposition of penalty clauses.**
- **The Board agrees that the formula for Social Care Grant allocations is not fair to Havering. It is therefore important that any monies for Social Care are spent appropriately. Evidence on how such services are delivered in other boroughs should be considered.**
- **That Cabinet undertakes a review of the use of earmarked reserves.**
- **Officer training should be reviewed to maximise the cost savings from the investment in IT.**

- **That details be provided on the impact assessments undertaken on the proposed reduction in the level of adult social care equipment provided and the review of subsidies for assistive technology provided to residents.**
- **The impact of the closure of the Corbets Tey toilets should be fully considered.**
- **That an explanation be provided of why the fee charged to utility companies for road closures is to be reduced.**
- **That clarification be given of why fines for flytipping and fixed penalty notices are not being increased. Whilst accepting these levels are controlled by Central Government, the Board would like to establish what lobbying has been undertaken by the Council on these issues.**
- **That an explanation be provided of why charges for solo motorcycle parking are being introduced when there was no such charge previously.**

Chairman