

## Overview & Scrutiny Committee

MINUTES of the OPEN section of the Overview & Scrutiny Committee held on Wednesday 11 January 2023 at 7.00 pm at 160 Tooley Street, London SE1 2QH

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<b>PRESENT:</b>	Councillor Ian Wingfield (Chair) Councillor Irina Von Wiese Councillor Suzanne Abachor Councillor Victor Chamberlain Councillor Ellie Cumbo Councillor Jon Hartley Councillor Laura Johnson Councillor Sunny Lambe Councillor Margy Newens Councillor Jason Ochere Councillor Leo Pollak Martin Brecknell (Co-opted Member) Marcin Jagodzinski (Co-opted Member)
<b>OTHER MEMBERS PRESENT:</b>	Councillor Stephanie Cryan, Cabinet Member for Communities, Equalities and Finance Councillor Darren Merrill, Cabinet Member for Council Homes and Homelessness
<b>OFFICER SUPPORT:</b>	Everton Roberts, Head of Scrutiny Allan Wells, Specialist Governance Lawyer

### 1. APOLOGIES

There were no apologies for absence.

## **2. NOTIFICATION OF ANY ITEMS OF BUSINESS WHICH THE CHAIR DEEMS URGENT**

There were no late urgent items. The following late reports were circulated on supplemental agenda no. 1:

Item 5 – The HRA Budget Rent Setting and Budget Report

Item 6 – Council Delivery Plan Performance Update

Item 8 – Work Programme

## **3. DISCLOSURE OF INTERESTS AND DISPENSATIONS**

There were no disclosures of interests or dispensations.

## **4. MINUTES**

It was reported that the minutes of the meeting held on 5 December were still to be finalised.

## **5. POLICY AND RESOURCES STRATEGY 2023-24 [INITIAL BUDGET SCRUTINY]**

The committee heard from Councillor Stephanie Cryan, Cabinet Member for Communities, Equalities and Finance, and Duncan Whitfield, Strategic Director of Finance and Governance, on the Financial Remit 2023-24. The committee also heard from Tim Jones, Departmental Finance Manager.

Councillor Cryan highlighted the following:

- The current deficit was around £1m. This was considered a good position in comparison to the earlier position in July, £20m deficit, and £6m deficit in December.
- The local government settlement had not provided any inflation uplift - in real terms it was less than 2022/23, taking account of the impact of inflation.
- The government had not provided any financial support for homelessness prevention, homelessness or temporary accommodation for the second year running.
- There was an increasing reliance on ring fencing and grants, which meant the council received funding but it had to be used for a specific purpose, which reduced the local decision making the council could make.
- As grant funding reduced, the government was putting more reliance on local authorities to raise money through council tax and business rates. This meant that residents and businesses were funding a greater proportion than before.

Tim Jones, Departmental Finance Manager went through the presentation on the Financial Remit 2023-24 (available on the council website).

At the end of the presentation, discussion took place around the following:

- Consultation undertaken with residents on the budget.
- Council acquisitions of property – whether collection of commercial rents were exceeding interest being paid, in light of pandemic impact on use of office space.
- Changes to the way Adult Social Care might be funded.
- Climate change implications and climate impact assessment.
- Inflationary pressures and support for the voluntary sector.
- Comparison of this year's settlement to past settlements.
- Council tax and business rates collection targets.
- Local government borrowing and interest rates.
- Growth in budget for No Recourse to Public Funds.
- Use of cash reserves to accrue interest.

Information relating to the Housing Revenue Account HRA budget and rent setting 2023-24 was received under this item.

The committee received a briefing from Councillor Darren Merrill, Cabinet Member for Council Homes and Homelessness and Michael Scorer, Strategic Director of Housing and Modernisation and on the Housing Revenue Account budget and rent setting process for 2023/24. The committee also heard from Ian Young, Departmental Finance Manager.

Councillor Merrill took the report as read and highlighted the following:

- Inflationary costs were at 10%
- Building materials inflation costs were around 30%
- Extreme stress on the HRA ring fenced budget
- Government 7% cap had not allowed for inflation, causing £8m inflationary pressure on the budget
- Proposed rent increase required in order to bring in investment
- Most vulnerable tenants protected by housing benefit and universal credit
- Council proposing to match discretionary housing payments to make sure there are sufficient funds for those in most need that fall just outside of the eligible criteria to receive housing benefit and universal credit.

Following the cabinet member's presentation, discussion took place around the following:

- Increase in district heating and hot water charges, and communication to residents
- Requirements around consulting with residents around charges, and wording in the tenancy agreement in relation to 'consultation'.

- Redesigning the housing revenue account to ensure genuinely affordable high quality council homes.
- Communication strategy to residents around increases
- How cost of energy generated by SELCHP is calculated, and timescales for implementation of heat metering in council housing stock
- Consideration of repayment options for resident leaseholders, in light of potential significant leaseholder charges
- The extent to which the HRA is under unprecedented pressure.

## 6. COUNCIL DELIVERY PLAN PERFORMANCE UPDATE

The committee received an update on delivery against the council delivery plan for the period Quarter 1 and Quarter 2.

Councillor Stephanie Cryan, Cabinet Member for Communities, Equalities and Finance, and Stephen Gaskell, Director of Strategy and Economy provided a strategic overview of the Council Delivery Plan as set out in the report. Councillor Cryan stressed that detail in relation to specific areas would need to be put to the relevant cabinet member(s) during their cabinet member interviews.

Following presentation of the report, discussion took place around the following:

- Possibility of providing scrutiny with detail around the measures, milestones, commentary and performance schedules.
- Processing data from the census.
- Thoughts around backup Council Delivery Plan, if change in government at next election.
- Including deputy cabinet member portfolios into the Council Delivery Plan.
- Need for scrutiny to be provided with KPI's and benchmarking to quantify data.
- Need for targets set out in the Plan to be SMART.
- Targets for adult mental health support.
- Raising awareness around the decarbonisation of pension funds.
- Through her eyes campaign.
- How to scrutinise emerging issues that are not already in the Plan, but relevant to it.
- Pathways for Ward councillors to bring matters that are emerging to the attention of the relevant cabinet member, such as the cost of living crisis.

### RESOLVED:

That it be requested that future reports on performance include RAG ratings and quantifiable KPIs where appropriate.

**7. SOUTH EAST LONDON JOINT HEALTH OVERVIEW AND SCRUTINY COMMITTEE -  
TERMS OF REFERENCE**

**RESOLVED:**

That the revised terms of reference of the South East London Joint Health Overview and Scrutiny Committee as set out in Appendix 1 of the report be adopted.

**8. WORK PROGRAMME**

**RESOLVED:**

1. That the future agenda item on the Central London Bus Review be removed from the work programme in light of the positive outcome of the review consultation.
2. That the work programme as at 11 January 2023 be noted.

The meeting ended at 21.59pm

**CHAIR:**

**DATED:**