

London Borough of Islington

Policy and Performance Scrutiny Committee - 20 January 2022

Non-confidential minutes of the meeting of the Policy and Performance Scrutiny Committee held at Islington Town Hall on 20 January 2022 at 7.30 pm.

Present: **Councillors:** Debono (Chair), Bell-Bradford, Chapman, Clarke, Heather, Ibrahim, Russell and Wayne
Also Present: **Councillor:** Gill

Councillor Theresa Debono in the Chair

- 23 APOLOGIES FOR ABSENCE (Item A1)**
Councillors Jeapes, Gallagher, Khondoker, Nathan, O'Sullivan, Gantly, Ismail, Chowdhury due to COVID restrictions and need to limit numbers attending
- 24 DECLARATION OF SUBSTITUTE MEMBERS (Item A2)**
None
- 25 DECLARATIONS OF INTEREST (Item A3)**
None
- 26 MINUTES OF THE PREVIOUS MEETING (Item A4)**
RESOLVED:
That the minutes of the meeting of the Committee held on 2 December 2021 be confirmed and the Chair be authorised to sign them
- 27 CHAIR'S REPORT (Item A5)**
None
- 28 PUBLIC QUESTIONS (Item A6)**
The Chair outlined the procedure for Public questions
- 29 PRESENTATION EXECUTIVE MEMBER FINANCE, POLICY AND RESOURCES (Item C2)**
Councillor Satnam Gill, Executive Member Finance, Resources and Performance was present together with David Hodgkinson, Director of Corporate Resources and outlined the report

During consideration of the report the following main points were made –
- Key achievements and ongoing work – HR -Leadership and staff development, staff engagement and inclusion, and changes to systems processes and policy
 - Key challenges HR – HR vacancies to be filled following implementation of new HR structure. Most vacancies will be filled by Quarter 4. System improvements cannot

take place until cloud migration has occurred June 2022. Challenging candidate driven recruitment market and impact of COVID on workforce

- Noted key achievements for Digital Services and key challenges especially recruitment issues and supply chain issues. Next steps to continue the 2 year programme to migrate all IT services to cloud delivery
- Democratic services – delivered a full annual programme of in person, COVID safe committee meetings, implemented a webcasting system, reinstated in person advice surgeries, completed induction for 6 new Councillors and managed increased casework. Key challenges noted, included induction may be impacted for new Members due to COVID. Next steps implementing hybrid technology and induction plans post May
- Information Governance – Noted key achievements and successful implementation of new case management system. Key challenges note including demands on staff increased and compliance with FOI's and SAR's below ICO target of 90%. Next steps – procurement of a new system to manage mandatory paperwork for data protection, and increase pro-active publication of information
- Legal Services - noted key achievements including successful defence of claim by OCADO , resisted threats of legal action over People Friendly Streets, and enabled Housing to be built on Dixon Clark Court. Key challenges include managing increased workload, fully implementing cloud based legal case management system, recovery of income due to pandemic and preparing for PFI 2 legal work to come back in house. Next steps include cloud based CASE legal management system, continue to promote development of staff, continue to work collaboratively with clients to achieve best outcomes for residents
- Electoral Services – Noted key achievements including delivery of GLA elections, full borough polling districts and polling places review following boundary revisions , successful delivery of ANGEL bid ballot renewal. Key challenges include delivering elections in a COVID safe environment, the annual canvas delivery, and the Election Bill implementation. Next steps to deliver household notification letters to all households
- Delivery successfully local elections in May 2022
- Transformation – Key achievements include establishment of Directorate Delivery Boards and Transformation Board to provide assurance and oversight of organisational change proposals, support a wide range of transformation programmes. Key challenges include strengthening key priorities and resources to achieve best impact for residents, difficulty in recruitment and funding. Next steps include embedding corporate approach to project and programme management, horizon scanning to help shape future direction, support allocation of resources in best possible way
- Revenues – Key achievements include successful distribution of over £19M COVID restart grants to 2,000 businesses, volume of outstanding customer contacts has been successfully managed, collection of Council Tax on target despite challenging period. Key challenges include resourcing service is becoming increasingly difficult, and business rates collection is tracking 2.4% below pre-pandemic levels. Next steps – Account receivable service reviewed and improvement from that will be implemented to secure income for the Council. Government announced further discretionary grant to support NNDR paying businesses, and proposals being worked up for Member approval, further grant up to £6k for businesses in hospitality and leisure sector and extension of Expanded Retail Relief scheme
- Finance – Key achievements include – tracking of COVID grant funding, conclusion of successful budget process, close management of finances to achieve financial strategy, pension fund performed well, annual pension benefits statements sent out by due date. Key challenges include statutory financial monitoring reporting been a challenge, audit market facing challenges, large degree of political and economic

turbulence which results in short term settlements from the Government and planning challenges in the long term. Next steps include restructure of Finance Department, new budget proposals, uncertainty over long term funding and awaiting fair funding review, increase number of Islington residents in apprentice posts

- Internal Audit – key achievements include implementation of prompt anti-fraud checks to emergency COVID response, alignment of Internal Audit Plan with the Council's Principal Risk report, successful joint working with the wider London Internal Audit and anti-fraud community. Key challenges include recruitment and retention of staff, demand for services, unplanned work at short notice, ensuring staff well-being during COVID. Next steps include delivering high quality service, good governance, draft 22/23 Internal Audit Plan, revise risk management framework, and increase pro-active anti-fraud activity
- A Member referred to the vacancies, particularly in HR and other services and that with the current labour market initiatives should be put in place to ensure that Islington is a place of choice to work. It was stated that all Local Authorities were currently having difficulty in recruiting staff, and that this was particularly the case in HR, Digital Services, Finance and Legal. This is exacerbated by the costs of travel and working in London for staff. It was noted that hybrid working for staff was being offered and it is aimed that there will only be 45%-55% in the office at any one time, however this offer was being made by a great number of employers. Initiatives were being looked at, however the Council wished to employ as many local people as possible so that monies could be retained and spent in the local economy
- Reference was made to the need to attract women who had taken a career break back into the workforce and that this should be looked at
- A Member enquired as to the measures the Council had put in place to avoid a similar cyber-attack that had taken place in L.B.Hackney. It was stated that systems were being migrated to the cloud and training for staff had taken place on phishing emails to alert them to the dangers of cyber-attacks. However the difficulties of attracting IT staff, and the fact that such staff often had to undertake this work at weekends and out of hours presented problems in recruitment
- In response to a question as to the high rate of non-compliance on FOI's and SAR's it was stated that extra resources were being added to assist with dealing with this issue, however much of this was a historical problem
- Reference was made to the Fair Funding review and it was stated that details of this were not yet available as the Government had not yet published this
- Noted the good performance of the Pension Fund, and in particular the investment in decarbonisation programmes
- Noted the difficulties and reasons as to statutory financial reporting, and why Islington was one of 90% of authorities not to have their audit completed by the deadline
- In response to a question it was stated that the Critical Business applications would be mostly transferred to the cloud by July, and the remainder in the next year

RESOLVED:

- (a) That Members be informed of the details of the Critical Business Applications that have not yet been migrated to the cloud
- (b) That Members be informed of the details of the key challenge in Legal in relation to managing increased workload with existing resources, and whether this was as a result of increased housing disrepair cases

The Chair thanked Councillor Gill and David Hodgkinson for attending

30

BUDGET 2022/23 (Item C1)

Councillor Satnam Gill, Executive Member Finance, Resources and Performance was present, and outlined the report

During consideration of the report the following main points were made –

Councillor Satnam Gill, Executive Member Finance, Performance and Resources was present, together with David Hodgkinson, Director of Corporate Resources, and outlined the report

During consideration of the report the following main points were made -

- Welcomed the proposed Budget for 2022/23. Despite a shortfall in government funding for COVID pandemic costs, and 10 years of reduced funding due to Government austerity measures, the committee congratulated and thanked the Executive Member Finance and Performance, all Councillors and officers for achieving a balanced budget and fair budget under difficult circumstances.
- Noted that the COVID crisis has had a massive impact on the Council's work and how it delivers services to residents
- Noted that the Council has had to make new savings of £3.530m in 2022/23, in addition to those previously agreed, with local government funding failing to keep up with rising costs and demand for local services
- In addition, COVID funding from the Government had led to a shortfall in the budget necessitating further budget reductions
- Noted the proposed Council Tax, and social care precept increases, plus the Mayor of London's proposed increase, and that this will result in a total increase of 4.27% for Islington Council Taxpayers, although only 1.99% of this was a rise in additional Council Tax
- The Committee noted the increases in fees and charges, and the HRA and capital programme proposals
- The Committee expressed concern at rising energy costs, plus high current and projected inflation rates, and that this would place financial pressures on both residents and the Council. In addition, pay increases for staff may impact on the budget, however it was felt that it in the circumstances it was a prudent budget, and contingencies and reserves were available if necessary in 2022/23, however if these pressures persisted this would impact on future budgets
- The Committee were of the view that the Fair Funding review when published may impact Islington and other London Boroughs adversely, and that co-ordination should take place with other similarly affected Local Authorities to lobby the Government in this regard
- Welcomed the extra investment in the budget and in particular –
 - An extra £676000 into the Council Tax support scheme
 - Quadrupling the size of childcare bursary scheme to £160000
 - Investing an extra £1m per year through Fairer Together
 - Investing an extra £13.3m in a host of net zero carbon projects
 - Committing an extra £500k for an improved youth offer
 - £2m programme to tackle all forms of violence and abuse against women and girls
 - Another 228 Council home starts by the end of the year
- Welcomed the proposal to share community levies amongst wards
- Noted the increase in the NLWA levy, linked to fluctuating tonnages and balances and that this was expected to 'even out' over a period of 2/3 years
- Noted the COVID 19 pandemic has had a massive impact on the Council's work and how it supports and delivers services
- Noted the details contained in the report relating to the Council budget

- Noted Council is having to make new savings of £3.50m in 2022/23, in addition to those previously agreed, with local government funding failing to keep up with rising demand for council services. Future waves of the pandemic and restrictions are likely to continue to have an impact on the Council's finances

RESOLVED:

- (a) That the comments of the Committee on the draft budget proposals be forwarded to the Executive for consideration
- (b) That details be provided to Members of the Committee of the increase in use of temporary accommodation arising primarily in response to domestic violence and disrepair

The Chair thanked Councillor Gill and David Hodgkinson for attending

31

SCRUTINY REVIEW - EMPLOYMENT, BUSINESS AND COUNCIL FINANCES (Item C3)

Paul Clarke, Director of Finance presented a verbal update on this item, and during consideration the following main points were made –

- Noted that from the last witness evidence submitted in month 3 that in month 8 there had been an overall COVID movement of an additional £36k and the budget was relatively stable at month 8, compared to month 3. The pressure resulting from when the two periods were compared shows a modest increase in forecast despite significant additional costs in relation to Community Wealth Building fire cladding works. When this 'one off' item is set aside, the overall movement has been positive between the periods. COVID spend had increased by £230k over the period, however the costs were mainly in connection with increasing the vaccination programme. There had also been a reduction in waste collection income, and the additional costs in relation to community wealth building fire cladding works

RESOLVED:

That details of the £957k overspend on fire cladding works in the Community Wealth Building, referred to above, be circulated to Members

The Committee thanked Paul Clarke for attending

32

FINANCIAL MONITORING REPORT (Item C4)

Paul Clarke, Director of Finance was present and outlined the report

During consideration of the report the following main points were made –

- Noted that overall the Council is estimating budget General Fund pressures of +£24.096m. This is an increase of £1.315m since the previous reported position, due to adverse movement within the Community Wealth Building Directorate
- After allocation of available resources from contingency budgets and COVID 19 funding, this reduces to a net overspend of £0.447m on the General Fund
- The Housing Revenue Account is currently forecasting an in year deficit of £+9.27m, an increase of +£0.464m since the previous reported position. This deficit is

- predominantly in relation to capital financing costs. This is a timing issue and not a reflection of the viability of the schemes and represents slippage in the programme
- At the end of month 8 the non-housing programme had incurred £8.2438m of capital expenditure, and the non-housing programme had incurred £45.936m. Total capital expenditure of £54.4m had been incurred against a revised capital budget of £228.748m. This means that there is a forecast re-profiling of £65.35m into future financial years. There is a risk of further slippage over the remainder of the financial year

The Chair thanked Paul Clarke for attending

33 MONITORING REPORT (Item)

RESOLVED:

That the report be noted

The meeting ended at 9.25 p.m.

CHAIR