

London Borough of Hammersmith & Fulham
Policy and Oversight Board
Minutes



Tuesday 23 January 2024

PRESENT

Committee members: Councillors Lisa Homan (Chair), Jacolyn Daly, Natalia Perez, Helen Rowbottom, Nicole Trehy, Rory Vaughan, and Victoria Brocklebank-Fowler

Other Councillors

Councillor Rowan Ree (Cabinet Member for Finance and Reform)

Officers

Sukvinder Kalsi (Strategic Director of Finance)

Jo McCormick (Assistant Director of Procurement and Commercial – covering for Nicola Ellis, Strategic Director, Chief Operating Officer, Corporate Services)

James Newman (Assistant Director, Finance)

Alex Pygram (Head of Finance – Corporate Services and Finance)

Andre Mark (Head of Finance – Strategic Planning and Investment)

Zoe Wilkins (Electoral Services Manager)

Kayode Adewumi (Assistant Director – Democratic, Registration and Coroner's Services)

Matthew Sales (Assistant Director, Programmes, Assurance and Analytics)

David Abbott (Head of Governance)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Nikos Souslous.

2. DECLARATIONS OF INTERESTS

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 11 December 2023 were agreed as an accurate record.

4. 2024 MEDIUM TERM FINANCIAL STRATEGY

Corporate Budget

Councillor Rowan Ree (Cabinet Member for Finance and Reform) introduced proposals for the 2024/25 revenue budget – including the risks, financial resilience, and impact of those proposals.

Councillor Ree noted that it had been a difficult time for local government, with Central Government grant reductions and high inflation, but despite the constraints, the Council had delivered a balanced budget that protected core services and continued funding for the areas that were unique to the borough such as free home care, universal free school breakfasts, and the Law Enforcement Team. He said this had been achieved through ruthless financial efficiency and reforming how services were delivered. He thanked Sukvinder Kalsi, the finance team, officers across departments, and his Cabinet colleagues for making that possible.

Sukvinder Kalsi (Strategic Director of Finance) gave a short presentation on the corporate budget. He highlighted the following:

- The difficulties of the operating environment including high inflation, pressures on household budgets, new legislative burdens, and uncertainty around local government funding.
- The key objectives of the financial plan were to protect statutory services, deliver services valued by residents, ensure people's safety, promote prosperity, and be a modern and innovative Council with strong financial governance and resilience.
- That council tax would increase by 4.99%, but an estimated 93,000 households in the borough would not pay the full amount due to discounts and exemptions.

Councillor Helen Rowbottom asked how great the risk of the unexpected increase in inflation reported in December was to the budget proposals. Councillor Ree said high inflation had made setting the budget more difficult, but contingencies had been built into the budget to mitigate its impacts – including funding for 3% pay inflation and 5% price inflation.

Councillor Victoria Brocklebank-Fowler asked for reassurance around the Council's reserves. She also asked how much reserves were being used to support revenue budgets. Councillor Ree said reserves were used to smooth out spending over longer periods and acted as a 'rainy day' fund. He noted that the Council had topped up general reserves last year.

Councillor Natalia Perez asked about the impact of the Government's Household Support Fund ending in March and if a replacement had been announced. Councillor Ree said this was indicative of the chaotic way the Government dealt with council finances. He explained that Councils had been told there may be some money in the Spring Budget, but no further information would be available until 6 March, which made it impossible to plan ahead.

The Chair asked for more information about how the Government's approach to council finances hindered financial planning. Councillor Ree explained that the

Council only received the final financial settlement from Central Government on 18 December. He noted that it used to be provided in November and it covered multiple years, but for the last six years they had only provided one-year settlements. The Council started planning its budget four years in advance but had to use projections and worst-case scenarios in lieu of any certainty from Central Government. He said it would be far easier if settlements were agreed earlier and covered multiple years.

The Chair added that when grant funding was provided it was often at short notice and had to be spent within a short period of time. She asked how the Council tried to make the most of grant funding. Councillor Ree said the Council was good at horizon scanning and had increased the amount of money coming in from grants. He noted there had been a trend for Central Government grants to be ring-fenced for very specific purposes which limited local choice.

Councillor Rory Vaughan said he was very encouraged to see more money being invested in services for young people transitioning to Adult Social Care, noting how important it was to avoid a 'cliff edge' of service provision. Councillor Ree agreed and said it was important to have as seamless a transition process as possible. He noted it was part of a wider project to ensure departments weren't working in silos.

Councillor Vaughan said he was encouraged to see the generous council tax support scheme continue and asked how it was being funded. Councillor Ree said he was proud to have one of the most progressive council tax support schemes in the country and noted Hammersmith & Fulham was one of only 36 councils that had no minimum charge. He said council tax was a regressive tax and it was right that those least able to pay should pay the least. He went on to say that the way the support scheme was funded has changed. In previous years it was funded entirely by the Government, but it had since been rolled into the general fund and funding for it had been cut by 55%.

Councillor Vaughan noted that extra money was being invested in cybersecurity. Councillor Ree said it was a growing problem and highlighted the costly impacts of a recent cyber-attack on the British Library. He said the Council held data about residents and provided many important services that residents relied on, so it was important to ensure its defences were as strong as possible.

Councillor Jacolyn Daly noted the forecast annual budget gap of £10m and asked how it would impact residents if not addressed. Councillor Ree said finding £10m of savings per year was a significant challenge, but the Council had found efficiency savings of £118m since 2014/15 without affecting frontline services, and had invested money to provide free home care, and free breakfasts for school children.

Councillor Daly asked if there had been any new funding from Central Government to support councils. Councillor Ree said the base revenue support grant had not gone up in line with inflation and Councils' spending power only matched inflation if council tax and the social care precept were both put up by the maximum amount allowed.

Councillor Helen Rowbottom said it was shrewd for public services to invest in cybersecurity, but asked what Central Government was doing to protect people's

data. She felt it made more sense to be tackled at a national level. Councillor Ree said he would welcome more support from Central Government but there was not a lot being offered.

Councillor Natalia Perez asked how Section 106 and Community Infrastructure Levy (CIL) money was used. Sukvinder Kalsi said the figure of £100m in the report was the total current balance. The money was usually earmarked for specific purposes such as local projects and programmes.

The Chair noted that the Council had been rethinking its property needs following the Covid-19 pandemic and more staff working from home. She added that she was looking forward to more reforms coming forward.

Councillor Brocklebank-Fowler asked that, in future, financial risks included a range from best to worst case scenarios.

ACTION: Sukvinder Kalsi

Departmental Budget

Jo McCormick (Assistant Director of Procurement and Commercial – covering for Nicola Ellis, Strategic Director, Chief Operating Officer, Corporate Services) introduced the Finance and Corporate Services budget. Alex Pygram (Head of Finance – Corporate Services and Finance) gave a presentation on the proposals and highlighted the following points:

- The Finance and Corporate Services departments were proposing £665k of savings in 2024/25
- Investment of £250k was proposed to enhance the Council's cyber security defences.
- Staff budgets had been inflated for the 2023/24 pay award and a corporately held contingency was available for the 2024/25 pay award. Contract budgets had also been increased to allow for expected inflation.

The Chair noted the savings proposals included £150k of additional income from digital advertising and asked how confident officers were of achieving that goal. Jo McCormick said they were on track to deliver.

Councillor Rowbottom asked if the Council had considered opportunities and efficiencies from generative artificial intelligence. Jo McCormick said the Council had clear policies and procedures in place and officers were exploring the opportunities and risks.

Councillor Brocklebank-Fowler asked how much of the legal services budget was spent in-house and how much was external. Alex Pygram said the figure shown in the report was the internal legal services cost, departments held separate budgets for external legal costs. Councillor Brocklebank-Fowler asked for a breakdown of internal and external legal costs. Sukvinder Kalsi said the Council only used external legal services in exceptional cases or for specialisms not available in-house, and it was a small amount compared to the overall legal services budget.

ACTION: Alex Pygram

The Chair asked how much money was saved through fraud investigations. Councillor Ree said detail of the Council's anti-fraud activities were reported regularly to the Audit Committee. He said the Council took fraud very seriously and believed there was scope for identifying more using business intelligence tools.

The Chair brought the discussion to a close and thanked members and officers for their contributions.

RESOLVED

1. That the Policy and Oversight Board considered the budget proposals and made recommendations to Cabinet as appropriate.
2. That the Board considered the proposed changes to fees and charges and made recommendations as appropriate.

5. UPDATE ON VOTER ID REQUIREMENTS

The Chair introduced the item, noting that with Mayoral and GLA elections in May and a General Election on the horizon the Board wanted to ensure the Council was doing everything possible to include and encourage people to take part in the democratic process.

Zoe Wilkins (Electoral Services Manager) presented the report that provided an update to the previous report to the Board on 20 June 2023 on the implementation of voter ID. The report set out the key findings from reports published by the Electoral Commission and the Department for Levelling Up, Housing & Communities, and provided further details of activities undertaken to support residents to vote.

Councillor Victoria Brocklebank-Fowler asked if the Council was prepared for the upcoming elections. She also noted that there would be a national voter ID advertising campaign and suggested putting local information in the Council Tax leaflet in April. Zoe Wilkins said the Council was prepared and noted that there would be a page in the Council Tax booklet explaining the new voting requirements.

The Chair asked about funding and what else the Council could do to make people aware of the new voting requirements. Zoe Wilkins said a national campaign run through the Electoral Commission started on 8 January. The GLA would also be doing their own advertising. The Council had received £19,747 for communications but could re-allocate small amounts if necessary.

Councillor Rowan Ree (Cabinet Member for Finance and Reform) said 14,000 people were denied the vote at the first election run under the new voter ID rules and £20k of funding for publicity was not adequate. He felt the Government needed to do a lot more to promote such a major change.

Councillor Jacolyn Daly noted the Electoral Commission reported at least 14,000 were stopped from voting and it was likely more were put off completely. There were also changes to postal voting from 2 May 2023. She said it was difficult to

communicate two separate complex changes. Zoe Wilkins added that there were also changes for overseas voters and agreed that there was a lot of complex information to get across to people. She said they were ensuring staff were well trained on the changes and were trying to communicate with residents via as many channels as possible.

Councillor Helen Rowbottom noted that John Pullinger, Chair of the Electoral Commission, had expressed concerns about the voter ID scheme, calling the rules 'very, very tight' and that the need for photo ID disproportionately impacted disabled people, unemployed people, and other under-represented groups- who were more likely to vote for the Labour party. She said nationally 2% of voters had no voter ID which would equate to 3,709 people in Hammersmith & Fulham. Councillor Ree said it was 'a solution in search of a problem'.

Councillor Natalia Perez asked what lessons had been learned at the local level to help engage people. She also asked about the role of the voluntary sector and community groups. Zoe Wilkins said leaflet had had gone out in the annual canvas letters, but it had not had a significant impact on registrations. The elections team were working with Action on Disability to engage people around accessibility. They were also working with the faith forum to ensure people were aware about privacy considerations in polling stations. And they were working with the Youth Council to help reach out to more young people.

Councillor Vaughan asked about the free voter ID councils could provide, including how it was applied for, how quickly it could be sent out, how much it cost the Council, and if the Council had enough capacity to process requests. Zoe Wilkins said people could apply for Voter Authority Certificates (VACs) online through the Council's own website or a national website. So far, they had only received 140 applications. They were quick to process. Applicants could choose to collect the certificate or have it posted out to them. The Council could reissue them locally if necessary.

Councillor Nicole Trehy asked how people who didn't have access to a computer or smart phone could get a VAC. Zoe Wilkins said they could call the helpline or make an appointment to visit the team in Cobbs Hall.

Councillor Daly noted that an all-party parliamentary group report stated people checking photo ID were more likely to accept someone of the same ethnicity, and more likely to reject those of different ethnicities. She asked what data the Council would be capturing on this and what learning could come from it. Zoe Wilkins said polling stations had to complete a standard form to record anyone who was turned away, though it had to be sealed. She said officers would investigate ways to capture data, but it raised data protection issues. She added that training was very important to ensure people were treated fairly and noted that staff were quite representative of the borough.

The Chair asked if officers had a sense of the additional resources required for a General Election, given the higher expected turnout. Zoe Wilkins said the Council had funding for an additional clerk in every station and would be looking again at the numbers after the May elections. They would also consider feedback from voters and political parties and adjust accordingly.

The Chair brought the discussion to a close and noted the following actions:

- Zoe Wilkins to provide guidance for members about how to support people to vote.
- Zoe Wilkins to provide an update on how the Council is reaching out to community groups.
- The Chair noted the 'register to vote' cards with QR codes that led to the Government's voter registration website. She suggested something similar could be produced for Voter Authority Certificates.

ACTIONS: Zoe Wilkins

The Chair thanked members and officers for their time and contributions. She said she welcomed a further report on findings after the May elections.

RESOLVED

1. That the Board noted and commented on the report.

6. WORK PROGRAMME

The draft work programme for 2024 was presented for discussion and noting. Councillor Helen Rowbottom asked that an item on generative artificial intelligence be scheduled for the next meeting.

Members requested an update on Voter ID at the July meeting, incorporating feedback from the May elections.

RESOLVED

1. That the Board noted the draft work programme for 2024 and suggested any additions or amendments.

7. DATES OF FUTURE MEETINGS

The date of the next meeting, scheduled for 29 April 2024, was noted.

Meeting started: 7.00 pm
Meeting ended: 9.15 pm

Chair

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