



The London Borough of Newham

Overview and Scrutiny Committee

12 February 2026

Budget Scrutiny Commission: Budget Scrutiny Report (2026)

FINAL

Contents

Chair’s Foreword.....	3
Executive Summary and Table of Recommendations.....	5
1 Introduction.....	12
2 Methodology.....	14
3 Budget 2025/26: in-year budget position, performance and risks.....	18
4 Draft Budget Proposals 2026/27.....	21
5 Recommendations.....	28
6 Conclusions.....	43
Appendices.....	45

Chair's Foreword

Just as football is a game of two halves, so it has been with Newham Council's budget this year. The first half was dominated by the stark realities of the non-statutory Best Value Notice and the October Finance Review which showed continuing financial strain: optimism bias in proposals, over-ambitious savings against historical slippage, continued fragility of reserves, uncertain credibility of transformation benefits, and the weight of Temporary Accommodation costs pushing Newham Council towards the brink.

The second half brought a remarkable shift — in the form of the Provisional Local Government Finance Settlement and the Fair Funding Review 2.0 — providing relief, but not release, from our structural financial challenges. Central government is following through on its pledge to rebalance funding to the places that need it most, including our Borough.

This is welcome but future resilience requires scrutiny and tough decisions. Throughout this turbulent fiscal year, the Budget Scrutiny Commission has remained steadfast in its purpose: to examine, to challenge, and to support Newham Council in securing a sustainable, transparent, and equitable financial future. Our recommendations are grounded in rigorous evidence and constructive challenge. Our analysis highlights not only where progress has been made but where risks remain. And the risks do remain.

The Cabinet's own papers reinforce many of our central concerns, from modelling weaknesses to the fragility of reserves, the pressures in housing, and the need for strengthened governance. Reflecting on the reports of the Budget Scrutiny Commission since 2024, we have again considered the external factors that can and do contribute to failure in councils. As we have seen within the last few years, these include volatility in international relations, whereby global events and pressures contribute to national financial stressors on local government finances: the cost of living, National Insurance and National Living Wage, competition for and distribution of funding pots, and central government.

We know these to be beyond the control of any council. Local elections in May 2026 will have further implications for local government finance, shaping how councils will manage funding, set council tax levels and allocate resources. But as an organisation, we must make provision for any future uncertainty by not diluting or delaying the difficult decisions which still need to be taken now.

Internal factors, which public interest reports often cite as having contributed to a local authority's failure, include: council-owned companies and joint ventures, an over-reliance on interim or churn in statutory officers, optimism bias, insufficient reserves, attitudes towards risk and borrowing, and a lack of challenge. When preparing for our budget scrutiny this year in autumn 2025, we drew learning from some details of higher-profile financial difficulties experienced by individual councils, including Northamptonshire, Croydon, Slough, Thurrock, Woking, Birmingham, Nottingham and Spelthorne.¹ Common themes included weak financial controls, inadequate modelling, optimism bias and failure to track risks. We also considered the local authority monitoring framework operated by the Ministry of Housing, Communities and Local Government, which had issued a non-statutory Best Value Notice to Newham Council in May 2025.²

¹ This includes research last year which had found that councils were "forced" to spend £9.5 million to pay for commissioners, envoys, and improvement and assurance panels. That figure did not include support staff and consultancy costs. For example, Birmingham expected to spend £586,000 between 2023 and 2026 supporting its commissioners. Peters, D. (2026). Crisis-hit councils spend £1.6 billion on intervention. The MJ (12 February 2026) at page 5.

² See Appendix 6.

Our statutory role is to test whether the assumptions, savings, service growth and delivery plans are robust, realistic and aligned with Newham Council's priorities, whilst safeguarding financial sustainability and value for money. This report reflects the Commission's commitment to its challenging role as it endeavours to assure transparency, challenge and informed democratic decision-making. I extend my thanks to Members, Officers, and all contributors who have engaged with us in the budget scrutiny process this year with professionalism and pragmatism.

As previously, the Budget Scrutiny Commission has been aided in its work by an independent advisor. The Commission should like to thank Riley Yanicki from 31ten Consulting for his assistance with our work. My thanks also go to all my Commission colleagues for their collegial cross-party working and to our scrutiny officers, as well as those Executive Members and Council Officers who fully participated in and contributed to our evidence-gathering sessions with honesty and transparency, as we scrutinised the 2026/2027 Draft Budget Proposals in the service of our Newham residents.

A handwritten signature in black ink, appearing to read 'LH', with a long horizontal line underneath.

Councillor Lester Hudson
Chair of the Overview and Scrutiny Committee
Chair of the Budget Scrutiny Commission (2025-2026)



Executive Summary

This is a qualified report, as the work of the Budget Scrutiny Commission was restricted in its ability to perform its role by limited time and limited access to information. Discussions about the non-statutory Best Value Notice, Exceptional Financial Support (EFS) and Section 114 notices featured in the Commission's autumn sessions. Both act as signals of severe financial distress in any local council. Increasing reliance on EFS across multiple councils underscores systemic weaknesses in local government finance and inherited underfunding; these raise concerns about long-term financial sustainability. The Budget Scrutiny Commission reviewed the [October Finance Report](#), which set out a fragile in year position masked by timing effects and continuing demand pressures, particularly in Temporary Accommodation and Adult Social Care. In December, five days after the Provisional Local Government Financial Settlement, the Draft Budget Proposals for 2026/27 were published, ahead of their presentation to Cabinet on 8 January 2026. These proposals included the revised MTFS position following [Fair Funding Review 2.0](#) (FFR2.0), £23.5m of new savings proposals, and expanded Temporary Accommodation mitigations.

Fair Funding has transformed the outlook for Newham Council, reducing a previously forecast £90–115m MTFS gap to a broadly balanced position by 2028/29, subject to delivery of savings and TA mitigations. Financial resilience remains weak. General Fund reserves remain below recommended levels and the margin for error is small. Optimism bias also remains a risk. Historic slippage in savings delivery and transformation benefits means that plans must be treated with caution. However, Temporary Accommodation remains the single greatest financial risk. Whilst £15m of mitigations for 2026/27 are proposed, these must be closely monitored to avoid re-emerging structural overspends.

Scrutiny access to information has improved since 2024, but gaps remain in clarity, consistency and timeliness of budget documentation, including not having sight of the capital programme budget. The Budget Scrutiny Commission remains concerned that, whilst EFS will not be needed this year, significant risks to Newham Council's future financial resilience remain. BSC Members also considered progress on the implementation of last year's recommendations, missed opportunities for income generation and the impact of the non-statutory Best Value Notice.

The Commission saw a necessity for correction for organisational optimism bias, unduly optimistic projections that have not been delivered. We also saw longer-term solutions in collaborative partnership working with the third sector, and a necessity for changed mindsets at the local level, both within the organisation and beyond, as we bring our residents with us on this difficult journey. Within Newham Council, realistic attitudes are still needed towards our discretionary spending, project overspend, under-delivery on savings, and high borrowing levels, whilst warning that, without fundamental financial reforms at central government level, the problem will persist beyond the current fiscal year.

The findings and corresponding recommendations of the 2025/26 Budget Scrutiny Commission contained here must therefore be qualified due to factors outside of the Budget Scrutiny Commission Members' control. The conclusions of this report are also limited to the extent that the information on which these conclusions are based was often incomplete, inaccurate and inconsistent. The Commission noted that, in previous years, reports received

in July and October had provided a foreshadowing of savings proposals likely to be included in the Draft Budget Proposals: this was not the case this year. Budget Scrutiny Commission Members were also constrained by a tight timeframe within which to perform their scrutiny of the Draft Budget Proposals (from 23 December 2025 to 29 January 2026: 22 working days) and the documentation required or requested to inform the scrutiny process was incomplete or in some cases not provided.

This year, Newham Council's financial outlook (though initially starker) has improved compared to last year. However, the Council's General Fund Reserves balance is below the 5% net revenue budget benchmark that the Council has set as the optimum level to maintain.³

The Budget Scrutiny Commission highlighted the need to plan for financial stability beyond 2028 and once again noted reluctance from the Mayor and Cabinet to consider further reductions in discretionary expenditure. To enhance financial oversight, the Commission recommends various measures, including income-generation and increased restraint, to increase financial mindfulness and probity.

There is no cause for complacency in our Council. The balancing of the Budget this year relies on the *deus ex machina* of the Fair Funding Review 2.0. More sustainable ways of financing local authorities, which touch every aspect of the lives of residents, need to be found. Until then, Newham Council must not dilute or delay difficult decisions and must build its future financial sustainability using the opportunity that it has been given.

Table of Recommendations

A table of strategic recommendations is included here for ease of reference. Please see section 5 for narrative relating to the recommendations.

³ Given how local circumstances vary, CIPFA considers that local authorities should determine the level of their reserves, based on the advice of their S151 Officer. See LB Newham Cabinet on 8 January 2026. Cabinet, Agenda Pack at page 449 (8 January 2025). Available at: [Online] <https://mgov.newham.gov.uk/mgAi.aspx?ID=86968#mgDocuments>. [Accessed on 23 December 2025].

Rec. Number	It is recommended that the Mayor and Cabinet:
1	<p data-bbox="264 261 2112 304">Cross-Cutting Governance and Budget Process</p> <ul style="list-style-type: none"> <li data-bbox="315 331 2112 443">a) Require full, timely and detailed supporting papers for all savings, growth and transformation proposals in the next iteration of Draft Budget Proposals/budget challenge. Each proposal must include: delivery method; financial modelling and assumptions; project plan with milestones; sensitivity analysis; risks and mitigations; and equality and socio-economic impacts. <li data-bbox="315 451 2112 563">b) Prohibit inclusion of new Medium-Term Financial Strategy (MTFS) savings without a clear and evidenced delivery plan. Savings must no longer be entered into the MTFS based on aspirational or undeveloped assumptions with insufficient detail of how this is to be achieved and clear delivery routes. <li data-bbox="315 571 2112 643">c) Strengthen corporate modelling and assurance, including sensitivity analysis, demand modelling and cross-service interdependency assessments. <li data-bbox="315 651 2112 722">d) Improve transparency and early sharing of budget-related information and documentation with Scrutiny to enable effective, timely challenge, especially where there may be potential financial implications. <li data-bbox="315 730 2112 802">e) Ensure cross-Council integration, especially where proposals relate to youth services, community services, public health, housing, and other areas with existing scrutiny recommendations. <li data-bbox="315 810 2112 882">f) Provide a complete, published supporting pack with the next Draft Budget Proposals iteration (pre-Cabinet) for every saving presented for 2026/2027 (and in future budgets).
2	<p data-bbox="264 903 2112 946">Financial Resilience and Sustainability</p> <ul style="list-style-type: none"> <li data-bbox="315 970 2112 1042">a) Publish a multi-year general and earmarked reserves rebuilding strategy, linked to the broader financial sustainability programme by July 2026. <li data-bbox="315 1066 2112 1137">b) Strengthen the corporate savings-tracking system, with regular reporting on delivery, slippage and recovery plans, with the new savings tracker to be operational for Q1 2026/2027.
3	<p data-bbox="264 1169 2112 1212">Council Tax, Council Tax Reduction Scheme (CTRS) and Revenue Collection</p> <ul style="list-style-type: none"> <li data-bbox="315 1236 2112 1308">a) Do not proceed with the CTRS saving until updated legal and financial advice is obtained based on current financial circumstances and the consultation responses are reassessed accordingly.

	<ul style="list-style-type: none"> b) Require Cabinet to justify how proposed CTRS changes align with the use of additional Government funding intended to address deprivation. c) Undertake a full review of council tax debt provisions and the operating model, including improvements to recovery processes and governance. d) Publish a clear equity assessment of Council Tax Reduction Scheme options (cap vs. need-based eligibility). e) Provide a targeted debt-analysis distinguishing “can’t pay” vs. “won’t pay” groups to guide supportive or enforcement actions. f) Assess the feasibility of using the Crisis and Resilience Fund to support the CTRS
4	<p>Libraries Review Savings Programme</p> <ul style="list-style-type: none"> a) Pause the Libraries Review savings programme until all the following have happened: <ul style="list-style-type: none"> i. a full options appraisal is provided, including details of how £1.5m savings will be achieved whilst meeting statutory duties, service redesign options, financial modelling, capital implications and alternatives considered. ii. the Libraries Strategy and needs assessment is published – with a detailed report to Cabinet in February 2026 before budget-setting, including income and cost structures, to provide clarity around the library estate, library staffing (with particular reference to posts funded by other budgets, e.g., Public Health), cross-subsidies and commercial arrangements. iii. impact assessments on service access, especially for vulnerable groups, are provided. iv. communications with residents and stakeholders are improved, to reduce confusion.
5	<p>10 Victoria Street</p> <ul style="list-style-type: none"> a) Rescind the previous decision of 5 December 2023 to pursue a new tower block at 10 Victoria Street, including discontinuation of associated feasibility expenditure. This decision reversal to take place no later than the Cabinet meeting on 17 March 2026 and to include the following: <ul style="list-style-type: none"> i. cease the demolition and rebuilding of 10 Victoria Street to provide 122 new homes; ii. cease expenditure from the capital budget of £3 million on developing this scheme; iii. remove the capital budget of £56.5 million to demolish and rebuild 10 Victoria Street;

	<ul style="list-style-type: none"> iv. repurpose the existing building to provide mixed social tenure accommodation for homeless single people and couples, including wrap-around support and identified investment in building recladding. This would provide a revenue saving on hotel accommodation in the Temporary Accommodation budget, in excess of £750,000 (part year effect); and v. allocate in the capital budget a sum for the repair to the roof and works on the recladding in the next fiscal year. <p>b) Develop a new capital bid for refurbishment of the existing building, enabling:</p> <ul style="list-style-type: none"> i. eligibility for GLA funding; ii. delivery within six months; and iii. use as Temporary Accommodation.
6	<p>Youth Services</p> <ul style="list-style-type: none"> a) Publish impact assessments and a delivery mechanism for the Government’s Youth Matters Your National Youth Strategy b) Provide information about whether Newham Council intends to be a trailblazer borough (higher ambition, higher investment). c) Require business cases for all council-owned youth venues: Custom House, Forest Gate, Stratford-owned youth venues: Custom House, Forest Gate, Stratford d) Ensure that representative, robust comparator data is used to justify any savings or redesigns e) Provide a Value for Money business case reviewing Council-delivered versus Voluntary Sector and schools-delivered Youth Services.
7	<p>Temporary Accommodation (TA) and Homelessness</p> <ul style="list-style-type: none"> a) Undertake a full demographic and demand review of TA households (age, status, reason for presentation, borough/point of origin); b) Model the impacts of asylum hotel residents entering Temporary Accommodation; c) Develop dynamic modelling tools which are agile to changes in Government asylum policy and delivery change; and d) Reassess regeneration and housing pipeline assumptions to properly reflect TA pressures and demographic trends.

8	<p>Housing and the HRA Business Plan</p> <ul style="list-style-type: none"> a) Produce a fully updated five-year HRA business plan, incorporating: <ul style="list-style-type: none"> i. full impact assessments of national leasehold reform (ground rent cap, commonhold shift) ii. regeneration viability risks iii. TA pressures (to be included in General Fund planning assumptions) b) Assess impacts on both HRA and non-HRA residential capital schemes. c) Include Decent Homes compliance as a time-bound objective. d) Disclose all negative-value HRA transfers with mitigation and rationale. e) Reassess the sale of investment properties to ensure that Newham Council is not disposing of assets with good returns. f) Include negative-value HRA transfers in the revised business plan, with full transparency. g) Review the viability of the Populo Business Plan as concerns the impact of the Renters' Rights Act.
9	<p>Environment, Sustainable Transport and Waste</p> <ul style="list-style-type: none"> a) Fortnightly Collections: reverse/pause the proposal to implement fortnightly collections until full impact assessments (public health, equalities, operational feasibility, HMOs, flats and high-density blocks) are completed b) Whole-System Waste Modelling: require a full end-to-end operational model: recycling, food waste, bin chute redesigns, estate infrastructure, street cleansing. c) Produce an integrated strategy for statutory plastic films collection by 2027. d) School Crossing Patrols: reverse or mitigate the cut to school crossing patrols (EST-26-27-006) except where Healthy Streets schemes eliminate risk. Reassign patrol staff to other high-risk areas if displaced. e) Request and publish a briefing paper on the Workplace Parking Levy, setting out legal, financial and operational feasibility, and add this to the next municipal year's Scrutiny work programme, aligned to an Income-Generation Strategy.

	<p>f) Investigate by July 2026 the viability of alternative sources of data, including vehicle insurers and self-reporting, to increase proportion of vehicles with available data to power the introduction of a size and weight-based parking surcharge within the Borough.</p>
10	<p>Inclusive Economy and Income Generation</p> <p>a) Develop a scenario-modelled, stress-tested Income Generation Strategy, considering economic volatility and potential external shocks.</p> <p>b) Review the charging of market rents to Voluntary, Community and Faith Sector organisations.</p>
11	<p>IT, Digital and AI</p> <p>a) Require costed business cases for AI and automation technology, with measurable benefits and impact on roles;</p> <p>b) Produce an implementation roadmap for exiting OneSource, including long-term budget implications;</p> <p>c) Publish a financial reconciliation comparing the OneSource exit business case with actuals;</p> <p>d) Establish a value-for-money and governance framework for digital and AI tools, including usage monitoring, optimisation and duplication controls;</p> <p>e) Provide an organisation-wide inventory of AI software, licences, usage levels and associated spend; and</p> <p>f) Require full business cases for any future shared-services changes (into or out of arrangements), including cost neutrality and transition implications.</p>
12	<p>Newham Council’s Landlord Licensing 2026 Renewal</p> <p>a) Include all wards in the London Borough of Newham, based on more recent data;</p> <p>b) Review licence fee levels based on robust evidence; and</p> <p>c) Strengthen data and data systems to support higher cost recovery fee setting and relicensing.</p>

1 Introduction

Local government remains fundamental to the social and economic fabric of our communities. It delivers essential public services, shapes residents' everyday experiences from cradle to grave, and acts as a vital investor in local infrastructure and growth. Yet in 2026, the legacy of more than a decade of constrained funding remains. This legacy, compounded by inflationary pressures, rising demand coupled with high needs, and structural weaknesses in the local government finance system, has left councils operating in an increasingly fragile environment.⁴ Across the country, authorities continue to face unprecedented financial uncertainty, with confidence in the long-term sustainability of the sector at historic lows.

National analysis highlights how long-term reductions in core funding have eroded financial resilience and depleted reserves across English local government. Between 2020/2021 and 2023/2024, unallocated reserves across England fell from £4.9 billion to £3.8 billion, with three-quarters of councils drawing on reserves to balance their budgets, a pattern identified by the National Audit Office as systemic rather than exceptional. The challenges facing local government cannot be summarised in simplistic narratives of either reduced central funding or isolated failures of governance. Instead, they reflect a complex interplay of escalating statutory responsibilities, volatile income streams, workforce pressures, and growing social need. In this context, effective scrutiny is not optional: it is essential. Robust challenge supports sound decision-making, guards against optimism bias, and ensures that financial planning fully accounts for risk, deliverability and long-term impact, particularly where transformation programmes and savings proposals are concerned.

Within LB Newham, Scrutiny forms a central pillar of accountability and assurance. Newham Council's budget is examined annually through the Budget Scrutiny Commission. This Commission scrutinises the Draft Budget Proposals and so works alongside the Audit and Governance Committee and the Overview and Scrutiny Committee, which together provide year-round oversight of financial performance. This framework exists to support good governance, strengthen Value for Money, and ensure that difficult choices are made transparently and in the best interests of our residents.

One world in one borough, Newham itself continues to embody paradoxes. A borough of both opportunity and inequality, rapid demographic shift and deep roots, youthful and ageing populations, post-war decay and modern infrastructure, deprivation and high-profile capital investment. One of London's most diverse and youthful boroughs, it is home to a growing population of 374,523 residents speaking more than 100 languages, living in communities shaped by rich cultural heritage, with historic and recent migration.⁵ The Borough is notable for long-established areas like Green Street, the Royal Docks and Three Mills Island and has

⁴ According to the Institute for Government, local authority spending power fell by 17% between 2009/10 and 2019/20, and in 2021/22 it was still 10.2% below 2009/10 levels. Institute for Government, "Explainer: Local government funding in England – How local government is funded in England and how it has changed since 2010" (10 March 2020; updated 21 July 2023). Available at: [Local government funding in England | Institute for Government](#). [Accessed on 26 January 2026]. See also Ogden, Kate, Phillips, David, and Sion, Cian, "What's Happened and What's Next for Councils?", The Institute for Fiscal Studies (7 October 2021) at pp. 299 and 311.

⁵ Office of National Statistics, Population estimates for England and Wales: mid-2024 - Population Profile for Newham. Release date: 30 July 2025. Available at: [Online] [Population estimates for England and Wales - Office for National Statistics](#). [Accessed on 18 January 2026]. See also Welcome to Newham info. Available at: [Online] <https://www.newham.info>. [Accessed on 18 January 2026].

benefitted from significant recent regeneration investment and development including Stratford City, City Airport, and the Olympic legacy.⁶ This development has seen East Bank established as a major cultural and educational hub, hosting world-class institutions including the V&A, UCL and the London College of Fashion, and Albert Island soon to be home to the historic Smithfield and Billingsgate markets.

However, these achievements sit alongside persistent and deep-rooted challenges. Housing affordability and availability remain acute, with thousands of households in temporary accommodation and many more waiting for social housing.⁷ A substantial proportion of residents are in low-paid or insecure work, and child poverty remains unacceptably high at 45%. At the same time, Newham is experiencing demographic change, with falling school rolls and a growing older population driving demand for care and support. Levels of deprivation remain amongst the highest in the U.K., mirroring those of inner London boroughs, despite Newham's outer London status, creating unique pressures on local services. This year, the Fair Funding Review 2.0 has acknowledged (and will work to a degree to redress) chronic deprivation imbalances. Many challenges remain.

Need and demand continue to rise. Like authorities across England, Newham Council must meet rising demand for core statutory services, regardless of financial conditions. Adult Social Care, Children's Services, school transport and homelessness provision continue to dominate national conversations and local expenditure, accounting for around two-thirds of Newham Council's budget. These services are essential, but their increasing cost and complexity significantly constrain financial flexibility and limit the scope for discretionary investment.

Looking ahead, the Commission considers that Newham Council's financial strategy must balance immediate pressures with building for long-term resilience. The Budget Scrutiny Commission's recommendations concerning the Draft Budget Proposals for 2026/27 reflect a continued commitment to building future financial resilience, protecting frontline services where possible, investing in prevention, and supporting inclusive growth, whilst recognising that difficult decisions remain unavoidable. The Council's ambition should not be merely to manage decline, but instead to build a more sustainable future: strengthening communities, reducing inequality, and ensuring that regeneration delivers tangible benefits for all residents.

In this environment, Scrutiny plays a critical role in shaping Newham Council's path forwards. By providing constructive challenge, testing assumptions, and maintaining a clear focus on outcomes, Scrutiny helps to ensure that limited resources are conserved and deployed effectively and that financial decisions are grounded in realism and transparency. As Newham Council navigates the coming years, this function will be central to safeguarding services, rebuilding confidence, and supporting the Borough's long-term ambitions.

⁶ See Morrison, R. (2024). "What is our 2012 Olympic legacy? Swanky cultural palaces and a housing crisis", *The Times* (8 August 2024) for a discussion of the cost to the public purse, currently estimated at £675 million in costs to London taxpayers and several hundred million pounds coming from other public funding sources. Available at: [Online] [What is our 2012 Olympic legacy? Swanky cultural palaces and a housing crisis](#). [Accessed on 26 January 2026].

⁷ Trust for London (2026). London's Poverty Profile. Available at: [Online] [Poverty and Inequality Data For Newham - Trust For London | Trust for London](#). [Accessed on 26 January 2026]. In LB Newham, there are 58 households in every 1,000 in TA, making it an outlier and by far the highest in London.

2 Methodology

The Budget Scrutiny Commission (BSC) was established on 22 July 2025 by the Overview and Scrutiny Committee (OSC) to consider the Mayor's Draft Budget Proposals for 2026-2027 and any budgetary matters referred to it, and to report and make recommendations through the OSC to the Mayor, Cabinet and Full Council. At this OSC meeting, the terms of reference for the Budget Scrutiny Commission included:

- i) monitoring and reviewing the Council's budget situation and development of budget proposals throughout the year;
- ii) considering the Executive's initial budget proposals for 2026-2027;
- iii) considering any budgetary matters as referred to it by the Overview and Scrutiny Committee from time to time; and
- iv) making any reports and recommendations through the Overview and Scrutiny Committee to the Mayor and Cabinet, and to Full Council.

However, as in 2024-2025, the OSC Members subsequently reflected that, since the publication of Newham Council's Budget and with the issue by MHCLG of a non-statutory Best Value Notice (NSBVN), the in-year position for 2025/26 had worsened, necessitating continuing monitoring.

The Overview and Scrutiny Committee Members also reflected that financial reporting and member oversight of our varied financial processes were conducted by various committees with diverse memberships and on different timescales. The OSC Members therefore believed that, with the additional context of the NSBVN, there was continuing utility in an additional agile body to provide closer member oversight via receipt of regular reports to monitor savings, financial controls, capital and borrowing strategies, progress against financial elements of the Local Government Association (LGA) Corporate Peer Challenge review action plan,⁸ service reorganisation, and the budget-setting process over the coming year.

This mechanism was intended to complement and not replace the existing financial reporting structures to the Overview and Scrutiny Committee, Audit and Governance Committee and Full Council. It was envisaged as providing an additional level of member oversight that consolidated multiple areas of financial management, allowing for comprehensive monitoring by one member-led group. This resulted in the re-establishment of an informal working party, the Budget Scrutiny In-Year Working Party (BSIYWP or the Working Party), to be composed of five members.⁹ Four informal sessions were held between August and December 2025, supported and attended by Newham Council's scrutiny, directorate and finance officers. BSIYWP Members explored lessons learnt from other local authorities and the Newham context by receiving reports such as the Budget Monitoring Reports, updates on overspend in particular directorates, briefings on areas of local government finance and progress briefings

⁸ For more information on the LGA Corporate Peer Challenge, see the Newham Council website. Available at: [Online] [LGA Corporate Peer Challenge](#). [Accessed on 25 January 2026].

⁹ The membership was composed of the four Scrutiny Commission Chairs and the Vice-Chair of the Audit and Governance Committee: Cllrs Lester Hudson (Chair), Joshua Garfield, Susan Masters, Terence Paul, and Lakmini Shah.

about implementation of the recommendations of the Budget Scrutiny Commission 2024/2025. BSIYWP Members also requested and received a briefing session on 10 Victoria Street.

Membership of the Budget Scrutiny Commission is drawn from the Scrutiny Members and is therefore not composed of the same members from year to year. To build Member capacity and support new BSC Members, as in previous years, Budget Scrutiny Commission Members also met for development sessions run by the Statutory Scrutiny Officer in October and November 2025. A challenge this year was that the BSC Membership changed several times between May 2025 and January 2026 due to various factors, including the September 2025 by-election results which had an impact on proportionality.

Nevertheless, the Budget Scrutiny Commission's Members were clear throughout on adopting strategic approaches to scrutiny of LB Newham's budget. This included flexibility around the compressed budget scrutiny timetable, in part due to portfolio holder availability and release to BSC Members of LB Newham's Draft Budget Proposals on 23 December 2025, resulting on substantial completion of budget scrutiny within 22 working days.¹⁰

In January 2026, as in previous years, the Commission held three evidence-gathering sessions, organised thematically to reflect Cabinet portfolios, relating to People, Place and Resources, for the LB Newham Draft Budget Proposals of 2026-2027. Responding rapidly and on a compressed timetable, the Commission conducted a deliberations session on 5 January 2025 to establish Key Lines of Enquiry. The Commission based its Key Lines of Enquiry on the [Full Council Budget Papers for 27 February 2025](#), the [July Finance Review Report](#) for the [Overview and Scrutiny Committee papers on 22 July 2025](#),¹¹ the [October Finance Review Report](#) for the [Overview and Scrutiny Committee papers on 23 October 2025](#), and Draft Budget Proposals (2026/2027) included in the [Cabinet papers for 8 January 2026](#).¹²

The evidence-gathering meetings to scrutinise the Mayor's Draft Budget Proposals occurred between 8 January and 19 January 2026, ahead of LB Newham's budget-setting Full Council meeting scheduled for 26 February 2026. This thematic ordering, using the model of the two previous Budget Scrutiny Commission processes, was reflected in the organisation of the BSC's work as follows:

- 8 January 2026: PEOPLE: Adult Social Care and Health, Children's Services and Education, Youth Services/Empowerment, and Resident Engagement;
- 12 January 2026: PLACE: Inclusive Economy, Strategic Housing Delivery, Culture, Environment and Sustainable Transport, and Community Safety and Crime; and
- 19 January 2026: RESOURCES: Finance and Resources, Digital, Performance and Transformation.

¹⁰ The Draft Budget Proposals were published at 20:00 on 23 December 2025 as part of the documentation for a meeting of the LB Newham Cabinet on 8 January 2026. Cabinet, Meeting (8 January 2025). Available at: [Online] <https://mgov.newham.gov.uk/mgAi.aspx?ID=86968#mgDocuments>. [Accessed on 23 December 2025].

¹¹ The July Finance Review Report and Appendices can be found in the papers for the OSC meeting of 22 July 2025. October Finance Review Report and Appendices can be found in the papers for the OSC meeting of 23 October 2025.

¹² [Full Council Budget Papers, 27 February 2025](#), [July Finance Review Report, 22 July 2025](#), [October Finance Review Report, 23 October 2025](#), and the [Draft Budget Proposals, 8 January 2026](#).

The Commission also met in a closed session on 29 January 2026 to deliberate and reflect on evidence received. This also enabled the BSC Members to formulate thinking and shape some draft recommendations. This phase of the Budget Scrutiny Commission's work was then completed with a meeting held in public on 9 February 2026 for BSC Members to consider and approve their draft recommendations. These draft recommendations, though subject to refinement and consolidation, were then informally shared with the Executive. This was consistent with the BSC Members' preferred approach of collaborative and constructive sharing of information, and with Budget Scrutiny Commission practice last year.

Following consolidation and further agreement by the BSC Members, the draft recommendations and contextual report were submitted to the Overview and Scrutiny Committee for approval on 12 February 2026, ahead of submission to Cabinet for its meeting on 17 February 2026 and Full Council on 26 February 2026. At its meeting on 12 February, the Overview and Scrutiny Committee Members noted the impacts of the Final Local Government Financial Settlement, which was published on 9 February 2026. The Committee queried when the Executive Response was expected, noting that draft recommendations had been shared with the Executive on 30 January 2026 and a skeleton report on 4 February 2026.

3 Budget 2025 – 2026: in-year budget position

As a precursor to the planned scrutiny of the Draft Budget Proposals 2026/27, the Overview and Scrutiny Committee considered that agility and grip were still required and so re-established an informal working party to examine in-year budget performance, risks and challenges.¹³ The Budget Scrutiny In-Year Working Party (BSIYWP or the Working Party) held four informal sessions in Dockside between 28 August and 24 November 2025.¹⁴ These informal sessions were supported and attended by Newham Council’s directorate, finance and scrutiny officers. The Working Party Members explored lessons learnt from other local authorities, the Newham context in addition to receiving reports such as the Budget Monitoring Reports, the non-statutory Best Value Notice and 10 Victoria Street.

In August 2025, the Working Party met to discuss the Period 3 Budget Monitoring Report. Members discussed finances concerning Adult Social Care, Children’s Services, the Housing Revenue Account (HRA), Temporary Accommodation and the General Fund, in addition to wider discussions about financial controls, central government funding of local government, mitigations, and efficiency savings. The Working Party Members also discussed the Private Rented Sector, benchmarking, the placement policy changes, Temporary Accommodation, 10 Victoria Street, provision for Care Leavers and queried whether Newham Council is building housing that meets the needs of our cohort of young people, including predicted needs (such as for Care Leavers), and whether Newham Council had the right resources and strategies in place to achieve this. BSIYWP Members also asked about the preparatory work for budget setting, ahead of the October Cabinet meeting.

The Working Party was also interested to understand what made Newham Council an outlier, with a Temporary Accommodation crisis of deep historical roots, stemming from a combination of systemic issues and external factors. The Borough has long grappled with high levels of deprivation that have contributed to a persistent (and persistently high) demand for housing assistance coupled with increased private rented sector evictions and a reduction in council housing stock, partly due to policies like the ‘Right to Buy’ scheme, resulting in the shortage of affordable homes.

As Members heard, in recent years, the situation has reached a critical point. As of 2025, over 7,000 households in LB Newham reside in temporary accommodation.¹⁵ This has continued to place immense financial strain on Newham Council, with projections indicating that, by 2027/28, one-third of Newham Council’s budget could be consumed by temporary

¹³ This was in accordance with the LB Newham Constitution, Part 4 Rules of Procedure, 4.1 Council Procedure Rules at paragraphs 27.9-27.10. The current version of the LB Newham Constitution is dated 8 December 2025 and is available at: [Online] [LB Newham Constitution 8 December 2025](#). [Accessed on 23 December 2025]. Working parties are not subject to usual rights of access rules: rights of access to Working Party meetings and to information of such meetings is restricted for the public but is available to members on a “need to know” basis.

¹⁴ One session in September 2025 was postponed, due to political party conferences.

¹⁵ Trust for London (2026). London’s Poverty Profile. Available at: [Online] [Poverty and Inequality Data For Newham - Trust For London | Trust for London](#). [Accessed on 26 January 2026].

accommodation costs.¹⁶ The COVID-19 pandemic and the subsequent cost-of-living crisis have further intensified demand for housing support, leading to a significant overspend in Newham Council's budget allocated for Temporary Accommodation. External economic conditions have also played a role. Rising private rental costs, insecurity in the private rented sector and a lack of affordable housing options have left many of our residents with no choice but to seek assistance from Newham Council. Despite various initiatives and prevention strategies, the challenges persist, highlighting the need for comprehensive solutions that address both the immediate housing needs and the underlying causes of homelessness in the Borough.

At the August meeting, the BSIYWP reviewed the Period 3 (P3) financial position, noting an overall £4m underspend, largely driven by a significant reduction in Temporary Accommodation (TA) costs. Officers highlighted improved control of supplier rates, reduced reliance on larger high-cost units, and early benefits from prevention-focused interventions. However, concerns were raised about escalating SEN home-to-school transport costs, driven by rising demand linked to EHCPs, higher reliance on taxis, and outdated IT systems—producing a forecast £2m overspend. Members also scrutinised the robustness of MTFs savings, especially the risk to transformation-related savings and the feasibility of income-generation targets.

Substantial discussion centred on **10 Victoria Street**, where BSIYWP Members queried delays, governance, and financial assumptions underpinning its proposed temporary use and longer-term redevelopment. Officers confirmed a workshop would be convened to examine the business case in detail. Updates were also provided on **Children's social care**, including over-delivery of accommodation-related savings, ongoing transport pressures, and secondary school place sufficiency issues linked to falling rolls. In **Adults and Health**, the service reported a breakeven forecast but acknowledged significant volatility from high-cost care packages; members sought assurance that CQC-related improvements would not require new budget bids. The meeting concluded with forward planning for deeper analysis of capital programme re-profiling, pressures in building safety investment, and the performance issues highlighted in the **Building a Fairer Newham** report.

At the September meeting, the Working Party reviewed the Period 4 financial position, noting a headline forecast underspend of £4.2m but emphasising that this relied heavily on corporate contingencies rather than improvements within service budgets. Beneath the overall position, significant pressures persisted across major frontline directorates. Children and Young People faced a £2.3m overspend driven by sharply rising home-to-school transport costs linked to growth in Education Health and Care Plans and increasing specialist transport requirements, compounded by reliance on expensive private taxis, outdated IT systems, and high agency

¹⁶ Research using a sample of four inner London and four outer London boroughs has found that the total cost of providing TA in 2024/25 was £543 million; after income from TA HB subsidy and other sources there was a shortfall of £223 million to be met from their general funds or other resources. The research estimated a London-wide overall shortfall of more than £740 million. See the LSE London report for London Councils, the Society of London Treasurers and the London Housing Directors' Group. LSE Consulting (2025). The temporary accommodation subsidy gap in London: Analysis and implications. Available at: [Online] <https://www.lse.ac.uk/geography-and-environment/research/lse-london/Documents/Reports/London-Councils-report-LSE-Consulting-final.pdf>. [Accessed on 20 October 2025]. For a discussion of the human costs and the cost to the public purse of Temporary Accommodation, see Lees, M. (2025). "Our grotty B&B bedroom costs taxpayers £2,383 a month". *The Times* (19 January 2025). Available at: [Online] ['Our grotty B&B bedroom costs taxpayers £2,383 a month'](#). [Accessed on 26 January 2026]. See also Housing, Communities and Local Government Committee (2026), *Housing Conditions in England – Oral evidence HC 27 January 2026*. Available at: [Online] [27 January 2026 - Housing Conditions in England - Oral evidence - Committees - UK Parliament](#). See comments during the 10:45am session by Florence Eshalomi MP and evidence from Paul Kitson, Cllr Grace Williams, Stephen Philpott and Joseph Donohue.

staffing. Adults and Health reported a £1.3m overspend arising from newly-agreed high-cost care packages that exceeded demographic assumptions and reflected increasingly complex needs, alongside ongoing challenges in securing health-partner contributions, rising care home fees, and unplanned Section 117 cases. Additional strain was evident in Inclusive Economy and Housing, where a £2.4m overspend was driven by a shortfall in planning income and escalating building control and staffing costs.

The Working Party was advised that some areas, however, had performed strongly. Temporary Accommodation reported a £5.6m underspend following successful renegotiation of nightly rates, though rising demand continued to pose risks, including a £1.3m pressure linked to housing benefit subsidy loss. Environment and Sustainable Transport delivered a further £2m underspend through increased Penalty Charge Notice income and improved bailiff collections. Against this backdrop, Newham Council had delivered 22% of its MTFs savings by Period 4, with 71% on track, though notable slippage—particularly in Transformation, estates rationalisation, and income-related savings across Planning, Libraries and Fairplay Centres—signalled emerging delivery risks. Wider organisational pressures included fragile school finances, income shortfalls across Repairs and Maintenance, libraries and filming, and a General Fund reserve still below the recommended 5% threshold. Overall, the session highlighted a financial position that appeared balanced in-year but remained vulnerable, with persistent structural pressures in core statutory services and growing uncertainty around the deliverability of planned savings.

At the meeting on 30 October 2025, the Working Party focused on the Period 5 Budget Monitoring Report, emerging financial risks, and areas of over- and underspend identified through the October Finance Review. Discussions also featured Newham Council's response to the **Non-Statutory Best Value Notice**, including progress on organisational improvements and strengthened financial controls; and the implications of ongoing cost pressures in Adult Social Care, Temporary Accommodation and home-to-school transport.

At its meeting on 24 November 2025, the Working Party reviewed the Period 6 Budget Monitoring Report, noting a £5.1m forecast underspend, an improvement of £1.4m from the previous month. BSIYWP Members examined the main drivers of this movement, including an £800k homelessness grant, increased planning fee income, and higher PCN revenue. The Working Party discussed persistent pressures in key directorates: Children and Young People (continuing £2.3m overspend driven by home-to-school transport), Adults and Health (a reduced but still significant £2.6m overspend), and Inclusive Economy & Housing. BSIYWP Members also explored issues in Resources, ICT dual-running costs, Libraries income, Legal and Governance pressures, and underlying structural concerns in the Housing Revenue Account, the Repairs and Maintenance Service, and Transformation.

The Working Party also received a substantial briefing on 10 Victoria Street, covering the options appraisal comparing refurbishment and new-build schemes. BSIYWP Members were taken through design, planning feedback, sustainability modelling, whole-life carbon assessments, programme implications, risk registers, and the financial viability analysis underpinning the officer recommendation to proceed with demolition and rebuild. The Working Party also reviewed progress on Budget Scrutiny Commission 2025/26 recommendations, noting areas of good progress (e.g., monthly monitoring, performance reporting) and areas rated RED, such as Prevention Strategy definition and Third-Sector engagement framework. The session concluded with updates on MTFs savings delivery, including percentages

delivered/on-track, slippage into future years, and the continued scrutiny of directorate-level pressures.

As is to be expected, many themes and lines of questioning which were explored during these closed Working Party sessions between August and November 2025 did recur in later Budget Scrutiny Commission sessions scrutinising the Draft Budget Proposals (2026/2027).

4 Draft Budget Proposals 2026-2027

The Budget Scrutiny Commission Members found that the financial information and documentation provided was inconsistent, which was challenging. Compared to previous publication dates of the Draft Budget Proposals (DBP),¹⁷ publication of the DBP on the evening of 22 December 2025 was an improvement. The Budget Scrutiny Commission had suggested financial briefings and requested early access to financial information: a mayoral briefing was provided to the OSC Chair on 19 December 2025.

This led BSC Members to reflect on parity of esteem, which means that the Scrutiny function of a council deserves the same respect, and has the same importance in the governance system, as Executive activities.¹⁸ For example, BSC Members were given access to the Draft Budget Proposals on their publication with access in effect on 23 December 2025 and budget scrutiny was conducted within 22 working days. BSC Members reflected on how performance of their duties as scrutiny members engaged in scrutiny of LB Newham's budget relies on access to complete and current financial information. BSC Members noted, for example, that the capital budget information was not provided to them. However, the Commission acknowledged that the S151 Officer had stepped into post on 5 January 2026. When formulating their recommendations, BSC Members nevertheless noted the importance of parity of esteem and statutory provisions concerning the enhanced rights of access to information of overview and scrutiny committee members, with particular reference to Regulation 17 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations (2012).¹⁹

8 January 2026 – PEOPLE Evidence-Gathering Session

The Budget Scrutiny Commission met on 8 January 2026 for an evidence-gathering session themed according to the PEOPLE portfolios and examination of Newham Council's Draft Budget Proposals for 2026/27. BSC Members and senior officers discussed key pressures across Resident Engagement, Adult Social Care, Public Health, and Children and Young People's Services.

Council Tax and Support for Residents

The Commission raised concerns about the proposed changes to the Council Tax Reduction Scheme (CTRS), noting the Fair Funding Review 2.0. BSC Members discussed how the FFR2.0 is intended to address long-term disparities and inequities in the current system, and to rebalance how local government funding is distributed. The impact of the overhaul of the

¹⁷For the Mayor's Draft Budget Proposals 2026/2027, see the agenda for Cabinet on 8 January 2026. Available at: [Online] [Cabinet, 8 January 2026](#) [Accessed on 23 December 2025].

¹⁸ See Report of the Communities and Local Government Committee, (2017). "Local authority culture change needed to ensure effective scrutiny". Available at: [Online] <https://www.parliament.uk/external/committees/commons-select/communities-and-local-government-committee/news/2017/scrutiny-committee-report-17-19/>. [Accessed on 18 January 2026]. See comments by the Committee Chair, Clive Betts MP. For more information on executive and scrutiny arrangements, see Statutory guidance: Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities, (2024). MHCLG/DLUHC (22 April 2024). This replaces the guidance issued in 2019. Available at: [Online] <https://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-combined-authorities-and-combined-county-authorities/overview-and-scrutiny-statutory-guidance-for-councils-combined-authorities-and-combined-county-authorities#introduction-and-context>. [Accessed on 26 January 2026].

¹⁹ The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 UK Statutory Instruments 2012 No. 2089, PART 5, Regulation 17. Available at: [Online] <https://www.legislation.gov.uk/uksi/2012/2089/regulation/17/made>. [Accessed on 18 January 2026].

funding formula was discussed and examined, how it better reflects the real costs and pressures faced by local authorities, such as deprivation, population need, and service demand. Mindful of this, BSC Members noted how council tax accounts for a substantial portion of low-income households' costs and questioned whether reducing maximum support to 70% would create hardship for these households.²⁰ Officers explained the consultation and the move to a needs-based approach, but BSC Members emphasised the difficulty that residents face when asked to pay small amounts of Council Tax. Improving Council Tax collection rates and tackling arrears—now totalling £31 million—was also a major focus.

Libraries and Community Access

The Commission challenged the lack of detail behind the proposed £1.5 million savings to the Library Service, referring to information provided during the previous budget scrutiny evidence-gathering sessions in January 2025.²¹ BSC Members highlighted the need for clarity on what is included within the definition of a statutory library service and what was being used as the definition of a library service within the directorate. BSC Members called for transparent consultation with residents before any changes were made.

Adult Social Care

The Commission heard that Adult Social Care continued to experience high demand, complex needs and rising costs, including a £15 million growth pressure. BSC Members questioned how realistic the proposed savings were and asked for clearer explanations of initiatives such as “promoting independence”. Care market pressures and the impact of inflation were also discussed, with officers noting the continuing fragility of local provision.

Children and Young People

Youth services, Children’s Centres, Early Help, and SEND provision were all examined. BSC Members sought reassurance about the future of local youth centres, especially the evolution of Stratford Youth Zone, and asked for better evidence on service impact. BSC Members were aware of the increasing demand for and year-on-year rising expenditure on placements for children and young people in LB Newham, costing between £10,000 and £25,000 per week, which replicated the national picture of demand, need and cost. Budget concerns were a key focus, particularly regarding SEND funding, falling school rolls and the financial implications of school deficits. BSC Members recalled similar budget discussions last year, including the

²⁰ The Resolution Foundation has found that it would take 137 years for lower-income families in the UK to see their living standards double at the current rate of growth, with 55% of households living in poverty containing at least one working person and with council tax as a significant factor in the falling living standards for these families. In its report, *Unsung Britain*, the Resolution Foundation characterises Council Tax as “starkly regressive”, describing it as “the one direct tax that bites more deeply into smaller family budgets”, and observing that Council Tax is “not only a big issue for poorer families, but a rapidly growing one”. Resolution Foundation, *Unsung Britain: A portrait of the country's poorer half*. Resolution Foundation, February 2026, at page 72. Available at: [Online] <https://doi.org/10.63492/ndtl708> [Accessed 9 February 2026].

²¹ At the PEOPLE evidence-gathering session on 14 January 2025, the Commission had been advised that the public Libraries Review would be starting in spring 2026, with the outcomes actioned in 2027. Officers had further advised BSC Members about the difference between a review and a consultation, noting that the Department of Culture, Media and Sport (DCMS) had formal expectations about what constituted a library consultation. The LB Newham Libraries Review would encompass nine different areas of libraries in spring 2026. The Commission queried whether there was already a vision of Newham Council’s Libraries, what needs assessment would be conducted, and how the review aligned with the budget process, with respect to the announced impact of the budget. Officers advised an indicative figure of savings up to £1.6 million and other outcomes, such as information on colocation and potential income generation. This formed the basis of a recommendation for the Libraries Review to be brought forward a year. See Budget Scrutiny Commission, *Budget Scrutiny Report (2025)*, at pages 25-26. Available at: [Online] [Budget Scrutiny Commission Report \(2025\)](#). (Accessed 18 January 2026).

key role played by our Children's Centres in improving life outcomes for our children and young people.

The Commission considered the evidence received and formulated their People recommendations with a focus on balancing financial sustainability and maintaining essential community services. Across all topics, BSC Members called for clearer data, stronger modelling, and more transparent explanations of proposed savings. A series of follow-up actions were agreed, including written updates, data sharing, and additional evaluations.

12 January 2026 – PLACE Evidence-Gathering Session

The Budget Scrutiny Commission met on 12 January 2026 for an evidence-gathering session themed according to the PEOPLE portfolios and examination of Newham Council's Draft Budget Proposals for 2026/27. BSC Members and senior officers discussed key pressures across Environment, Sustainable Transport, Inclusive Economy, Culture, Temporary Accommodation, Landlord Licensing, 10 Victoria Street, and Housing.

Environment and Sustainable Transport - Waste, Recycling and Fortnightly Collections

BSC Members scrutinised the proposal to introduce fortnightly general waste collections alongside borough-wide weekly food waste collection. Key concerns raised by the Commission included whether the Council had fully assessed resident engagement needs, and collection communications in a diverse borough. Discussions also focused on the risks of overflowing bins, odour, pests, and increased fly-tipping; the readiness of bin store capacity on estates and how directorates were working together; the robustness of the behaviour-change programme, including resourcing and cost; and the functionality of online tools residents use to check bin collection dates.

The Commission heard that a food waste pilot had collected 45 tonnes in one area alone and modelling showed that 30–35% of household waste is food. Engagement would be strengthened using recycling engagement officers, neighbourhood forums, and partnership models. Officers also advised that flats and estates would follow a different implementation timetable due to complexity. In terms of funding, the Commission heard that the waste behaviour-change programme pulled together several funding streams and a consolidated costed plan would be provided to BSC Members.

Sustainable Transport

BSC Members discussed the **20mph compliance**, noting with frustration that enforcement powers still sit with the police. Members also explored the potential for future enforcement devolution following London Councils' lobbying. Questions were raised about **school crossing patrol reductions**, and why full **risk assessments and safety modelling** had not yet been shared. Lines of questioning also included potholes and road maintenance, outlining what investment would be needed to reach a Government "green" rating.

Parking, Income and Enforcement

BSC Members queried: the basis for the proposed **£6.2m increase** in parking income and the assumptions about compliance, driver behaviour, and modelling used. Given successes elsewhere. BSC Members explored with officers the rationale for not progressing a Workplace

Parking Levy and why weight-based parking charges (used in some boroughs) were not being developed.

Landlord Licensing Scheme

BSC Members raised strong concerns about the lack of progress since the **March 2025 Council motion** calling for updated evidence and extending licensing to **Stratford Olympic Park** and **Royal Victoria**. Members particularly noted missing data on **migration**, turnover, and renter engagement and requested clarity on how licence fees are calculated and what they fund. Noting other boroughs' fees and the need for cost recovery, BSC Members also challenged whether Newham Council is maximising fee levels, given rising landlord costs and the upcoming [Renters' Rights Act](#).

10 Victoria Street Development

The Commission examined the stalled redevelopment of **10 Victoria Street**, intended for use as supported temporary accommodation, and revisited earlier Scrutiny discussions and processes, including Call In and Budget Scrutiny Commission recommendations last year. BSC Members considered that the building remains significantly **under-used** (approximately 18 residents versus 215 capacity) and noted that previously supplied building information was **inaccurate**, causing major delays. Officers advised that a **Housing Association** is required to take the lease to meet safety standards, with new capital assessments currently underway. BSC Members emphasised a need for clarity on **GLA grant conditions**, particularly the distinction between short-term “meanwhile use” and long-term refurbishment. The Commission considered Newham Council's housing and Temporary Accommodation pressures, highlighting the need to calculate the **opportunity cost** of the building sitting empty, including lost income and increased hotel placement costs. Officers confirmed that a **new Cabinet paper** would be required to clarify any revised model, full opportunity costs would be shared, and that any lessons learned would be built into governance processes.

Temporary Accommodation (TA)

Noting previous Budget Scrutiny Commission recommendations in this area, the Commission challenged the modelling behind projected **60 net new households per month**. BSC Members queried whether this figure reflected rising evictions, the closures of asylum hotel closures, behavioural and market changes, local Housing Allowance freezes, and “pull factors” which contributed towards making LB Newham an outlier. BSC Members requested monthly TA dashboards, including presentations, discharges and preventions; data on complaints, housing conditions, and out-of-borough move offers; and modelling of the **impact of the [Renters' Rights Act](#)**.

Culture and Events

The Commission reflected on previous Scrutiny discussions and examined the scale of proposed savings to the Culture budget, noting low attendance at some publicly organised events. BSC Members highlighted the need for stronger partnership working with **East Bank**, the Royal Docks organisations, and the Borough's cultural institutions. BSC Members also emphasised the importance of clarifying the budget for **Old Canning Town Library** and heritage work. Discussion of the Borough's cultural strategy emphasised Newham Council's **convening** (as opposed to a direct-delivery) role.

19 January 2026 – RESOURCES Evidence-Gathering Session

Owing to time constraints at the previous meeting, the Commission had accommodated discussion of the Housing Revenue Account at its 19 January session. BSC Members were disappointed by the inconsistencies and incompleteness of the overall documentation which had been submitted with the Draft Budget Proposals, stating how important accurate and current information is to the work of Scrutiny. Whilst acknowledging that the S151 Officer had taken up the post on 5 January 2026, BSC Members noted the lack of information relating to the capital budget.

Place / Resources: Housing and Housing Revenue Account (HRA)

The Commission considered evidence relating to Housing and the Housing Revenue Account, including the HRA Business Plan, progress following the Regulator of Social Housing inspection, and the Council's investment priorities.

BSC Members explored progress against the Housing Improvement Plan, including stock condition survey coverage, Decent Homes compliance, and the scale of investment required to achieve regulatory compliance. Officers acknowledged areas of progress but also confirmed that some slippage had occurred and that a voluntary undertaking with the Regulator was being progressed.

BSC Members raised concerns about estate readiness for the new waste and food waste contract, particularly in relation to bin stores, estate layouts and infrastructure. Members sought assurance that sufficient provision would be made within the HRA and that this work would be aligned with environmental services to avoid siloed delivery. BSC Members also examined the ring-fenced nature of the HRA, the treatment of corporate overheads, and schemes transferred into the HRA with negative value.

Place / Resources: CIL and Corporate Assets

The Commission received evidence on the governance and use of Community Infrastructure Levy (CIL), Neighbourhood CIL, and Newham Council's approach to managing its corporate and investment estate. BSC Members expressed concern about the lack of consistent evaluation of completed CIL schemes and limited ward-level visibility of where funds were spent and what outcomes were achieved. The use of Neighbourhood CIL to support street cleansing was discussed, with Members seeking reassurance that this aligned with the purpose of the funding.

The discussion then focused on corporate assets, including Newham Dockside and town halls. BSC Members challenged the length of time major estate decisions had been under consideration and requested greater transparency around the financial modelling underpinning the relocation decisions. BSC Members also queried the strategy for disposing of investment properties, the potential impacts for residents and the treatment of voluntary and community sector organisations occupying Council buildings.²²

²² See Gohil, N. (2026). "Out of the red, but at what cost? Birmingham council asset sales have left city reeling, say residents", *The Guardian* (10 February 2026) for a discussion of the cost to residents and impact on local communities. Residents have expressed concerns about present savings at future costs. A council spokesperson invited to provide comment for the article stated that there were no plans to close libraries in Birmingham, adding that, "The council is conducting a city-wide asset review

Human Resources

The Commission considered workforce issues including sickness absence, wellbeing, performance management and reliance on interim and agency staff. Officers outlined sickness absence trends and confirmed that proposed savings were based on reducing absence levels rather than changes to sick pay policy. Members raised concerns about burnout, vacancy management, and the impact of holding posts vacant to manage budget pressures. BSC Members also sought greater transparency regarding interim and consultant spend and how this compared with other London boroughs.

IT and Digital

The Commission examined the exit from OneSource, cloud migration, cybersecurity and investment in artificial intelligence. BSC Members sought clarity on the total cost of exiting OneSource and whether the original business case had been realised. Officers confirmed the migration had been delivered on time and under budget but acknowledged ongoing stabilisation and modernisation costs. BSC Members also discussed the move to cloud-based systems and AI tools, including Copilot and Magic Notes, and sought assurance that benefits were being measured and licences actively managed.

Procurement

The Commission considered procurement performance and governance arrangements. Senior officers acknowledged that the self-service procurement model had failed and that this had created significant operational and governance weaknesses. BSC Members expressed concern about the frequency of waivers, failed procurements, and the reputational and financial risks to Newham Council. Officers confirmed that procurement reform was a priority and that improvements were being aligned with Audit and Governance Committee oversight. Whilst the Commission felt that this was a priority, it felt that the Audit and Governance Committee was best-placed to deliver this oversight.

Finance: Council Tax Reduction Scheme

The Commission again scrutinised financial issues including the Council Tax Reduction Scheme (CTRS), Fair Funding Review changes, reserves and financial resilience. BSC Members referred to the purpose of the FFR2.0, with the formula adjusted to reflect realities such as demographic shifts, council tax-raising capacity, and the increasing complexity of local authority responsibilities. BSC Members questioned whether the CTRS consultation remained valid given projections that had improved after the Fair Funding Review 2.0 and sought clarity and legal advice on whether alternative funding, including the Crisis and Resilience Fund, could mitigate impacts on low-income working households.²³ Reflecting on research by the National Audit Office, which found that unallocated reserves fell from £4.9 billion in 2020/2021 to £3.8 billion in 2023/2024, Members also examined the Council's reserves position, expressing concerns and emphasising the importance of rebuilding resilience given high debt

and disposal programme to raise up to £1bn in capital receipts by the end of 2027, to support essential services and transformation.” Available at: [Online] [Out of the red, but at what cost? Birmingham council asset sales have left city reeling, say residents](#) [Accessed on 10 February 2026].

²³ Resolution Foundation, *Unsung Britain: A portrait of the country's poorer half*. Resolution Foundation, February 2026, at page 51. Available at: [Online] <https://doi.org/10.63492/ndt1708> [Accessed 9 February 2026].

levels and recent overspends.²⁴ The Section 151 Officer confirmed a full review of general and earmarked reserves would be undertaken as part of the Section 25 statement.

Transformation

The Commission considered Newham Council's transformation programme, including savings delivery, slippage and the proposed £400k growth allocation, BSC Members expressed concern about the lack of specificity around how the growth funding would be used and how transformation savings were being tracked. Officers explained that transformation required flexibility and that funding supported capacity to identify and deliver savings across the organisation, in addition to including remuneration for the Newham Transformation and Improvement Board Independent Members.

BSC Members emphasised the need to balance efficiency with service quality and organisational values.

29 January 2026 – Recommendations / Deliberation Session

The Budget Scrutiny Commission held a deliberations session on 29 January 2026 to discuss evidence gathered during the thematic sessions and to shape draft recommendations.

²⁴ Sandford, M. (2025), House of Commons Library, 15 May 2025. "Local Authority Financial Resilience". Available at: [Online] [CBP-8520.pdf](#). [Accessed on 21 May 2025], at page 11. Three-quarters of councils used reserves to balance budgets in 2023/2024.

5 Recommendations

As last year, a key thread to our work remains that a “**whole council, one borough**” approach must be taken, that all areas in the organisation must play their part in ensuring our collective future financial leanness and health.

This requires embedded organisational grip and pragmatism. Noting the local elections in May 2026, the Budget Scrutiny Commission’s recommendations collectively call for a decisive shift in the current administration and any future administration towards realistic, evidence-based financial planning, strengthened governance, and transparent decision-making across Newham Council, in readiness for external stressors. These recommendations emphasise the need for fully costed, deliverable savings; deeper and more reliable modelling; clearer alignment between policies, risks and outcomes; and robust early engagement with Scrutiny. At their core, the recommendations seek to address long-standing structural weaknesses - particularly in Temporary Accommodation, housing, and major service redesigns - by ensuring that budget proposals are credible, data-driven, and equitable. They push for improved financial resilience, better cross-Council integration, and the redirection of resources towards statutory duties and priority services, whilst safeguarding our vulnerable residents and ensuring that Newham Council’s budget is sustainable, transparent and fit for purpose.

This push for future assurance of council finances underpins our recommendations, because our role as Scrutiny is to provide the Executive with alternative perspectives and challenge, to test the robustness of decision-making in a context where difficult decisions are demanded.

1. Cross-Cutting Governance and Budget Process

Through the Commission’s evidence-gathering sessions and detailed examination of both directorate proposals and Cabinet papers, a consistent pattern emerged: across multiple services, savings and growth proposals continued to lack the depth, clarity and rigour required for informed, responsible decision-making and challenge. BSC Members repeatedly encountered savings put forward without delivery plans, incomplete or absent modelling, unclear assumptions, or risks that had not been quantified or mitigated. In several areas - such as Libraries, Education, Youth Services, Temporary Accommodation and Digital Transformation - Scrutiny observed optimism bias, uneven quality of supporting documentation, and limited cross-council coordination.

These gaps placed Scrutiny in the position of challenging proposals without the full information needed to assess deliverability or impact, despite the legal and democratic importance of this function. The Commission stated that the lack of detail related to the Libraries Review had been a significant driver in the formulation of this recommendation.²⁵ However, the Commission also noted that information concerning the under-reporting of pupil numbers to the Department for Education with potential financial consequences was not actively highlighted in the evidence-gathering sessions.²⁶ BSC Members also remarked on the delays experienced in receiving papers, impeding timely scrutiny and reducing the effectiveness of challenge. Taken together, these issues highlighted the need for a more disciplined,

²⁵ See Recommendation 4.

²⁶ There was an under-reporting of the Borough’s pupils to the Department for Education (DfE). 128 pupils were not included in the Number on Roll (NOR) submission to the DfE. See Newham Schools Forum, Meeting 15 December 2025. Available at: [Online] [Newham Schools Forum Minutes 151225.pdf](#). [Accessed on 4 February 2026].

transparent and corporate approach to financial planning. The Commission therefore developed a suite of cross-cutting recommendations aimed at strengthening governance around the budget process: requiring full supporting documentation for every proposal; prohibiting the inclusion of aspirational or un-evidenced savings in the MTFs; improving the robustness of corporate modelling; ensuring earlier and more detailed information-sharing with Scrutiny; and embedding cross-departmental planning where proposals intersect with areas already subject to scrutiny recommendations. These recommendations reflect the Commission's conclusion that without a significant enhancement in the quality and completeness of budget information, neither Members nor residents can have confidence that Newham Council's financial decisions will be deliverable, equitable or sustainable.

1) Recommendation: that the Executive:

a) **Require full, timely and detailed supporting papers** for all savings, growth and transformation proposals in the next iteration of Draft Budget Proposals/budget challenge. Each proposal must include:

- i) delivery method;
- ii) financial modelling and assumptions;
- iii) project plan with milestones;
- iv) sensitivity analysis;
- v) risks and mitigations;
- vi) equality and socio-economic impacts.

b) **Prohibit** inclusion of new Medium-Term Financial Strategy (MTFS) savings without a clear and evidenced delivery plan. Savings must no longer be entered into the MTFs based on aspirational or undeveloped assumptions with insufficient detail of how this is to be achieved and clear delivery routes.

c) **Strengthen** corporate modelling and assurance, including sensitivity analysis, demand modelling and cross-service interdependency assessments.

d) **Improve** transparency and early sharing of budget-related documentation with Scrutiny to enable effective, timely challenge.

e) **Ensure** cross-Council integration, especially where proposals relate to youth services, community services, public health, housing, and other areas with existing scrutiny recommendations.

Every saving presented for 2026/2027 (and in future budgets) to have a complete, published supporting pack with the next Draft Budget Proposals iteration (pre-Cabinet).

2. Financial Resilience and Sustainability

The Commission discussed exceptional financial support, whereby councils can use capital resources to meet revenue pressures, increasing long-term borrowing and reducing future

financial flexibility. BSC Members discussed global financial stressors²⁷ and national sector fragility, including reports that up to 100 councils would be applying for Exceptional Financial Support. Referencing lessons learnt from other local authorities, such as Croydon, the Commission reflected on failures to maintain adequate financial reserves and resultant poor positioning to weather crises.²⁸ Through the Commission's examination of the Draft Budget Proposals, BSC Members encountered evidence of structural fragility in Newham Council's financial position, particularly in relation to low reserves and inconsistent delivery of planned savings. Despite the improved national settlement, both Cabinet papers and officer testimony highlighted that Newham Council's reserves remain significantly below what is considered prudent for an authority of its size, leaving the Council exposed to shocks, volatility in demand-led services, and chronic pressures such as Temporary Accommodation. Scrutiny also noted that several directorates continued to rely on optimistic assumptions about the timing and achievability of savings, with slippage reported in prior years and limited transparency about in-year recovery actions. Taken together, these issues underscored the need for a clearer, more disciplined approach to building towards future long-term resilience.

Against this backdrop, the Commission determined that a multi-year reserves rebuilding strategy is essential - not as an administrative exercise but as a core element of financial sustainability. BSC Members further concluded that Newham Council's current savings monitoring arrangements require strengthening to ensure that agreed savings are delivered on time, risks are identified earlier, and slippages are not allowed to accumulate unaddressed. The development of a new corporate savings tracker, to be fully operational from Q1 2026/27, reflects this need for robust oversight, consistent reporting, and greater corporate accountability. Together, these recommendations aim to ensure that Newham Council stabilises its financial position, avoids over-reliance on short-term fixes, and builds a sustainable foundation for future decision-making.

2) Recommendation: that the Executive:

- a) **Publish** a multi-year general and earmarked reserves rebuilding strategy, linked to the broader sustainability programme by July 2026.
- b) **Strengthen** the corporate savings tracking system, with regular reporting on delivery, slippage and recovery plans, with the new savings tracker to be operational for Q1 2026/2027.

3. Council Tax, Council Tax Reduction Scheme, and Revenue Collection

The Commission identified substantial risks and unresolved questions surrounding the proposed changes to the Council Tax Reduction Scheme (CTRS). BSC Members noted that the proposal to reduce maximum support had been developed under financial assumptions that no longer reflected Newham Council's current position following the improved Local Government Finance Settlement and the Fair Funding Review 2.0. Although the Budget Scrutiny Commission received legal advice, the Commission had issues with the validity of

²⁷ Discussions ranged widely across local, national and international financial stressors, including continuing conflict in Ukraine, the US military operation in Venezuela in addition to threatened military actions concerning, for example, Greenland, Iceland and Iran, and increased U.K. defence spending.

²⁸ Atkins, G. (2020). Institute for Government. "Croydon council's bankruptcy is a warning for the UK government", 26 November 2020. Available at: [Online] [Croydon council's bankruptcy is a warning for the UK government | Institute for Government](#). [Accessed on 18 January 2026]. See also Grant Thornton's London Borough of Croydon Council Auditor's Annual Report Year ending 31 March 2025. Croydon Council, Full Council, Agenda, 22 October 2025. Available at: [Online] [Croydon Council 22 October 2025](#). [Accessed on 16 November 2025].

the use of the consultation in decision-making in view of the changed circumstances resulting from the Local Government Financial Settlement and leading to a shift from a projected £90m deficit to a surplus. In this new context, Scrutiny considered it essential that the Council reassess consultation feedback in light of changed circumstances, and ensure that the scheme would neither impose disproportionate hardship nor undermine wider anti-poverty objectives.

Throughout the evidence-gathering process, BSC Members also drew attention to the need for Cabinet to demonstrate how any proposed CTRS changes align with the additional Government funding intended to address deprivation, particularly given that Newham continues to experience some of the highest levels of poverty in the country. 93% of dwellings in the Borough are in Council Tax bands A to D, as compared to City of Westminster where 36% of housing is valued in bands A to D. In terms of tenure 39% of homes are in the private rental sector, with social rented properties accounting for another 28%. The Commission further identified longstanding weaknesses in Newham Council's approach to council tax debt, including limited visibility of debt categories, insufficient differentiation between residents who **cannot pay** and those who **will not pay**, and an operating model that may inadvertently exacerbate debt cycles for vulnerable households. This pointed to the need for a comprehensive review of debt provisions, governance, and recovery processes.

Additionally, the Commission highlighted the absence of a transparent equity assessment comparing different CTRS design options - such as capping support versus using a needs-based model—despite the clear distributional implications of each approach. Given the ongoing pressures on low-income households, BSC Members considered such analysis essential for informed and responsible decision-making. Finally, recognising the pressures on the General Fund, Scrutiny identified the need to explore whether the [Crisis and Resilience Fund](#) could appropriately be used to support CTRS costs, thereby strengthening financial resilience whilst protecting the Borough's most vulnerable residents.

Taken together, these findings formed the basis of the Commission's recommendation to pause the CTRS saving, strengthen the evidence base, and ensure that any changes to the scheme are legally robust, socially equitable and financially sustainable.

3) Recommendation: that the Executive:

- a) **Do not proceed with the CTRS saving** until updated legal and financial advice is obtained based on current financial circumstances and the consultation responses are reassessed accordingly.
- b) **Require** Cabinet to justify how proposed CTRS changes align with the use of additional Government funding intended to address deprivation.
- c) **Undertake** a full review of council tax debt provisions and the operating model, including improvements to recovery processes and governance.
- d) **Publish a clear equity assessment** of Council Tax Reduction Scheme options (cap vs. need-based eligibility).
- e) **Provide a targeted debt-analysis** distinguishing “can't pay” vs. “won't pay” groups to guide supportive or enforcement actions.
- f) **Assess** the feasibility of using the [Crisis and Resilience Fund](#) to support the Council Tax Reduction Scheme.

4. Libraries Review Savings Programme

The Commission reflected on the Budget Scrutiny process in 2025, with specific reference to the Libraries Review and recommendations made at that time. Reviewing the 2026/27 Draft Budget Proposals, the Commission found that the proposed £1.5m savings from the Libraries Review were not supported by the level of detail required for responsible financial and strategic decision-making. Throughout evidence sessions, BSC Members noted repeated gaps in the information provided: no full options appraisal had been shared; the statutory Libraries Strategy and needs assessment were still pending; and there was insufficient financial modelling to demonstrate how the proposed savings could be achieved without undermining statutory duties. Significant uncertainties also remained around capital requirements, staffing structures - particularly posts funded from other budgets such as Public Health - and the nature and extent of cross-subsidies and commercial arrangements within the service. These omissions left BSC Members unable to assess whether the savings were deliverable, sustainable or equitable.

The Commission was further concerned by the absence of comprehensive impact assessments, especially for vulnerable and digitally excluded groups who disproportionately rely on library services. BSC Members also highlighted issues with the communications approach, noting that residents had already expressed confusion about the scale and implications of proposed changes. Taken together, these shortcomings led the Commission to conclude that the saving was and should be paused until the necessary evidence base is developed. In reaching this view, the Commission recognised that recommending a pause—without proposing an alternative saving—was an exceptional departure from its usual principle of offsetting any rejected saving. However, BSC Members agreed that the lack of a coherent redesign framework, combined with unresolved questions about capital streams and statutory compliance, made the current proposal untenable.

Looking beyond 2026/27, the Commission also cautioned against introducing ambitious library-related savings into the MTFs without clear delivery routes. The review highlighted a recurring pattern across services: savings targets being included prematurely, before the underlying redesign work was complete. The Commission therefore considered that Recommendation 1(b) applied to the Libraries Review, including that future MTFs planning incorporate only those savings that are supported by robust evidence, fully developed implementation plans, and appropriate governance assurance. This approach, BSC Members concluded, is essential to ensuring both financial sustainability and the protection of vital community services.

4) Recommendation: that the Executive:

- a) **Pause** the Libraries Review savings programme until all the following have happened:
 - i. a full options appraisal is provided, including details of how £1.5m savings will be achieved whilst meeting statutory duties, service redesign options, financial modelling, capital implications and alternatives considered.
 - ii. the Libraries Strategy and needs assessment is published – with a detailed report to Cabinet before budget-setting, including income and cost structures, to provide clarity around the library estate, library staffing (with particular reference to posts funded by other budgets, e.g., Public Health), cross-subsidies and commercial arrangements.

iii. impact assessments on service access, especially for vulnerable groups, are provided.

iv. communications with residents and stakeholders are improved, to reduce confusion.

5. 10 Victoria Street

Through previous scrutiny²⁹ and its scrutiny of this year's Draft Budget Proposals and detailed evidence from officers and Cabinet Members, the Commission identified 10 Victoria Street as a significant example of a capital project where early assumptions, modelling gaps and governance weaknesses had led to delay, cost escalation and missed opportunities for both financial resilience and improved service delivery. BSC Members noted that the original 2023 decision to demolish and rebuild the site—costed at over £56.5m, with an additional £3m in feasibility expenditure—had been predicated on information that had since proven inaccurate, including assessments of the building's condition, safety requirements and the viability of a full redevelopment model. Evidence presented during scrutiny demonstrated that the building has remained substantially under-utilised for an extended period, despite acute Temporary Accommodation pressures and escalating spend on nightly-paid hotels.

The Commission further observed that housing and commissioning officers had since undertaken extensive reassessment work, concluding that the existing structure could be viably refurbished and repurposed to provide high-quality accommodation for single people and couples experiencing homelessness—together with wrap-around support. Such an approach would not only avoid the significant capital cost of demolition but generate meaningful **revenue savings**, estimated at more than £750,000 (part-year), through reduced reliance on hotel placements. BSC Members also highlighted the opportunity to unlock **GLA capital funding** for recladding and safety works, provided the building is committed to long-term use, and to align this refurbishment with broader corporate aims of improving TA supply, reducing risk, and strengthening Newham's fiscal position.

Given the combination of financial, operational and governance concerns—and recognising the urgency created by increasing TA demand—the Commission concluded that the Council should **rescind the December 2023 redevelopment decision** and urgently progress a new business case focused on refurbishment. This includes ceasing further expenditure on the previously approved scheme, removing the demolition budget from the capital programme, and reallocating capital resources to essential repairs and recladding. Members also recommended that Cabinet develop a **new capital bid** for a refurbishment-led model capable of being delivered within six months, with eligibility for GLA grant funding, and suitable for immediate use as TA. The Commission emphasised that this course of action is both financially prudent and operationally necessary, and represents the most efficient means of bringing the building into productive use while relieving acute TA pressures.

The Commission reflected that, in the event of rejection of these propositions within this fiscal cycle, these should be considered by the next Mayor and Cabinet. The Commission further reflected that use of 10 Victoria Street would result in generation of an estimated part-year

²⁹ The Cabinet Decision: Victoria Street Options Appraisal Report (5 December 2023) was called in by the Overview and Scrutiny Committee on 8 December 2023. A meeting of the OSC was held on 25 January 2024, with the call in featuring at Agenda Item 11. Agenda papers are available at [online] [Agenda for Overview and Scrutiny Committee on Thursday 25th January 2024, 7.00 p.m. – Newham Council](#). [Accessed 12 February 2026].

revenue saving, which could be applied to three youth schemes (e.g., three cohorts of SMILEing Boys), school crossing/lollipop patrols, a grant regime to cover VCFS rents (linked to outputs from the VCFS organisations), and fortnightly bin collections.

5) Recommendation: that the Executive:

a) **Rescind** the previous decision of 5 December 2023 to pursue a new tower block at 10 Victoria Street, including discontinuation of associated feasibility expenditure. This decision reversal to take place no later than the Cabinet meeting on 17 March 2026 and to include the following:

- i) cease the demolition and rebuilding of 10 Victoria Street to provide 122 new homes,
- ii) cease expenditure from the capital budget of £3 million on developing this scheme,
- iii) remove the capital budget of £56.5 million to demolish and rebuild 10 Victoria Street,
- iv) repurpose the existing building to provide mixed social tenure accommodation for homeless single people and couples, including wrap-around support and identified investment in building recladding. This would provide a revenue saving on hotel accommodation in the Temporary Accommodation budget, in excess of £750,000 (part year effect).
- v) allocate in the capital budget a sum for the repair to the roof and works on the recladding in the next fiscal year.

b) **Develop** a new capital bid for refurbishment of the existing building, enabling:

- i) eligibility for GLA funding;
- ii) delivery within six months; and
- iii) use as Temporary Accommodation.

6. Youth Services

Through its hearings and review of evidence, the Commission found that the proposals relating to youth services lacked the strategic clarity, delivery detail and evaluative rigour needed to ensure that changes would be equitable, effective and aligned with both statutory expectations and the needs of young people in Newham. Members noted that, while the Government's Youth Matters National Youth Strategy sets out a national framework with clear expectations for local authorities, no accompanying impact assessments or delivery mechanism had yet been provided for Newham. This left Scrutiny unable to understand how the borough intended to meet its obligations, what level of ambition it sought to demonstrate, or whether Newham intended to position itself as a "trailblazer" borough with higher investment and a more expansive offer.

Scrutiny also identified significant gaps in the financial and operational evidence supporting proposed changes to council-owned youth venues, including Custom House, Forest Gate and Stratford. Members emphasised that any savings, service redesigns or repurposing of buildings must be grounded in robust business cases, demonstrating both deliverability and value for money. The Commission was particularly concerned that, in the absence of such

business cases, assumptions were being made about usage patterns, operational efficiencies and financial benefits without the underlying data required to validate them.

During the evidence session, BSC Members further noted an absence of representative comparator data—either between Newham and other boroughs, or between different delivery models within the borough. In a context where youth services involve a mix of council-delivered, voluntary sector and school-based provision, Scrutiny considered it essential to understand the relative effectiveness and cost-efficiency of each model. This included examining the outcomes achieved by Voluntary and Community Sector (VCS) providers and schools, and assessing whether these partners might deliver certain services more efficiently or with greater reach than the Council alone.

The Commission was clear that a value-for-money business case comparing Council-delivered youth services with those delivered by the VCS and schools is necessary to avoid make-or-break decisions being based on incomplete or incomparable evidence. Without this analysis, Scrutiny concluded that the Council could neither justify proposed savings nor protect the long-term interests of young people.

Taken together, these findings formed the Commission's recommendation that the Council urgently publish the outstanding impact assessments, clarify its strategic intent under the national youth strategy, require full business cases for all council-owned youth venues, and ensure that all proposed changes are underpinned by robust, representative data and a transparent value-for-money assessment. Only with this strengthened evidence base can the Council ensure that decisions affecting youth provision are equitable, defensible and aligned with the needs and aspirations of Newham's young people.

The Commission further reflected that revenue savings generated by 10 Victoria Street should be used towards several purposes (listed above), including Youth Services, noting previous Scrutiny recommendations concerning the SMILEing Boys pilot.³⁰

6) Recommendation: that the Executive:

- a) **Publish** impact assessments and a delivery mechanism for the Government's Youth Matters National Youth Strategy
- b) **Provide** information about whether Newham Council intends to be a trailblazer borough (higher ambition, higher investment).
- c) **Require** business cases for all council owned youth venues: Custom House, Forest Gate, Stratford
- d) **Ensure** that representative, robust comparator data is used to justify any savings or redesigns
- e) **Provide** a Value for Money business case reviewing Council-delivered versus Voluntary Sector and schools-delivered Youth Services.

³⁰ See the Recommendations of the Relationship Between Black Boys and the Borough Scrutiny Commission Phase II Report (2025). Available at:[Online] [R4B Phase II Report](#). [Accessed on 2 February 2026].

7. Temporary Accommodation (TA) and Homelessness

The Budget Scrutiny Commission noted with significant concern that a disproportionate number of proposed budget reductions affect the community, voluntary, faith and social enterprise sectors. This observation is particularly pertinent in light of the recent LGA Corporate Peer Challenge review findings, which emphasised the need for strengthened relationships with these crucial partners.

It is of considerable concern that there appears to be no strategic framework in place for managing corporate relationships with the third sector. Given the vital role these organisations play in delivering services to our most vulnerable residents, this represents a significant strategic gap. The Commission therefore recommends a reset in the relationship with the third sector, as a key partner in service delivery.

7) Recommendation: that the Executive:

- a) **Undertake** a full demographic and demand review of Temporary Accommodation households (age, status, reason for presentation, borough/point of origin)
- b) **Model** the impacts of asylum hotel residents entering Temporary Accommodation
- c) **Develop** dynamic modelling tools which are agile to changes in Government asylum policy and delivery change
- d) **Reassess** regeneration and housing pipeline assumptions to properly reflect TA pressures and demographic trends.

8. Housing and the Housing Revenue Account Business Plan

The Commission identified that the Council's Temporary Accommodation (TA) pressures are now the single greatest financial and operational risk facing the authority. Members noted that, despite significant work undertaken across 2025/26, the underlying drivers of TA demand remain poorly understood at a granular level. The Council continues to experience unusually high levels of presentations compared with other London boroughs, and the absence of a comprehensive demographic and demand analysis—examining the **age, household type, needs profile, presenting routes, and point of origin** of households placed in TA—has constrained Newham Council's ability to design effective upstream prevention or targeted interventions. This lack of foundational insight prompted the Commission to call for a full demographic and demand review as a prerequisite for credible long-term planning.

The Commission also considered the imminent impact of the Government's national policy changes on asylum hotel closures. Evidence from officers confirmed that residents from asylum / hotel accommodation are expected to enter local authority housing pathways, creating a pressure on Newham Council's already stretched TA system. BSC Members found no evidence that the Draft Budget Proposals contained sufficiently detailed modelling of this influx, nor that Newham Council had tested scenarios reflecting different rates of closure, presentation patterns or household compositions. Given the potential scale and urgency of this cohort, Scrutiny concluded that dedicated modelling is essential to avoid severe under-forecasting and reactive crisis management later in the year.

Beyond specific cohorts, BSC Members expressed concern that Newham Council's existing modelling tools remain too static and insufficiently responsive to rapid changes in the external environment, such as shifts in national asylum policy, private rented sector contraction, inflation impacts, or changes in eviction patterns. Officers confirmed that current TA trends are highly sensitive to policy changes outside Newham Council's control, reinforcing the need for **dynamic modelling tools** capable of incorporating real-time data and enabling agile decision-making. The Commission therefore recommended the development of modelling systems that can adapt to emerging pressures, allowing the Council to project costs, demand and supply needs with greater accuracy and to adjust interventions accordingly.

Finally, Scrutiny highlighted that existing regeneration and housing pipeline assumptions no longer reflect the Borough's demographic realities or the intensifying Temporary Accommodation crisis. BSC Members noted that housing supply planning had historically not fully integrated TA demand modelling, nor had regeneration timelines been stress-tested against current pressures or projected surges. The Commission therefore concluded that a reassessment of pipeline assumptions is necessary to ensure that new supply—whether from acquisitions, regeneration schemes or major estate programmes—meaningfully contributes to alleviating TA pressures rather than operating in parallel. BSC Members also challenged whether Newham Council is maximising fee levels, given rising landlord costs and the upcoming [Renters' Rights Act](#), and in light of this recommended review of the viability of the Populo Business Plan.

Taken together, these evidence gaps led the Commission to recommend a comprehensive programme of improved modelling, demographic analysis and strategic reassessment. Only through a deeper understanding of who is entering TA, why, and at what volume—and through models capable of responding dynamically to external shocks—can the Council plan effectively, safeguard its financial position, and design interventions that reduce reliance on costly nightly-paid accommodation whilst improving outcomes for residents.

8) Recommendation: that the Executive:

- a) **Produce** a fully updated five-year HRA business plan, incorporating:
 - full impact assessments of national leasehold reform (ground rent cap, commonhold shift)
 - regeneration viability risks
 - TA pressures (to be included in General Fund planning assumptions)
- b) **Assess** impacts on both HRA and non HRA residential capital schemes
- c) **Include** Decent Homes compliance as a time bound objective
- d) **Disclose** all negative value HRA transfers with mitigation and rationale
- e) **Reassess** the sale of investment properties to ensure that Newham Council is not disposing of assets with good returns
- f) **Include** negative value HRA transfers in the revised business plan, with full transparency

- g) **Review** the viability of the Populo Business Plan concerns the impact of the [Renters' Rights Act](#).

9. Environment, Sustainable Transport and Waste

The Commission concluded that several elements of Newham Council's environmental and transport savings programme required significantly more evidence before implementation could be justified. BSC Members noted that the proposal to introduce fortnightly residual waste collections lacked the necessary impact assessments to ensure that the change would be safe, deliverable, and equitable. Evidence presented to the Commission highlighted persistent operational issues—such as ongoing problems with waste collection reliability, high rates of contamination, and capacity challenges on estates—which raised serious concerns about whether fortnightly collections could be introduced without exacerbating public health risks, fly-tipping, vermin, and service dissatisfaction. BSC Members were particularly concerned that no comprehensive modelling had been provided for high-density areas, HMOs or flats, where waste behaviours and infrastructure constraints differ significantly from street-based households. For these reasons, Scrutiny considered it necessary to **pause or reverse** the proposal until full public health, equalities, operational and demographic impact assessments are completed.

The Commission also identified the absence of a **whole-system approach to waste management** underpinning the proposed savings. Officers acknowledged, during the evidence session, that major changes to food waste, residual waste, recycling, street cleansing and bin-store design had interdependencies not fully reflected in the current modelling. The Commission therefore recommended that Newham Council develop a full end-to-end operational model—one that incorporates recycling performance, food waste capacity, estate infrastructure, chute redesign needs and the staffing and behavioural-change resource required—to ensure that the implications of one service change are not unintentionally displaced onto another.

Scrutiny further noted that the Council must prepare for the statutory requirement to collect **plastic films by 2027**. Whilst this obligation has financial and operational implications, no integrated strategy had yet been presented to BSC Members. The Commission therefore recommended that a full, costed and timetable-aligned strategy be developed to ensure compliance and avoid further service pressures arising from late implementation.

In relation to **school crossing patrols**, BSC Members raised significant concerns about a proposed saving (EST-26-27-006) that would reduce patrol officers at Healthy School Streets without clear evidence that safety risks had been assessed or mitigated. Members highlighted the lack of collision data, risk modelling and pedestrian movement analysis provided to Scrutiny, and emphasised that decisions affecting child safety must be supported by robust evidence. The Commission therefore recommended reversing or mitigating the proposed cut, except where Healthy Streets schemes demonstrably remove risk. Members also advised that displaced patrol staff should be reassigned to other high-risk locations to preserve overall safety capacity. The Commission also noted that their recommendations for the usage of 10 Victoria Street might generate savings to cover the cost of school-crossing patrols.

Taken together, these findings indicate that several environmental and transport savings proposals were insufficiently evidenced, carried disproportionate risk, or did not yet form part

of a coherent strategic approach. The Commission's recommendations therefore aim to ensure that changes proceed only once fully modelled, safety-tested, and supported by transparent impact assessments, thereby strengthening service integrity and protecting residents.

Scrutiny also found that Newham Council still lacked a clear, transparent assessment of the **Workplace Parking Levy (WPL)**, despite noting the success of similar schemes elsewhere³¹ and repeated requests across multiple Scrutiny cycles. BSC Members emphasised that the WPL is in use elsewhere in England and may provide a potential revenue stream with wider transport, environmental and public-health co-benefits. Given the ongoing budget pressures and the need to diversify income sources, the Commission recommended the production and publication of a briefing paper setting out the legal, financial and operational feasibility of a WPL, with a commitment that the topic be added to the next municipal year's Scrutiny work programme. The Commission also recommended that this be produced in alignment with an Income-Generation Strategy.

During discussions on parking income specifically, BSC Members highlighted the constraints created by gaps in vehicle data held locally. Officers acknowledged that incomplete data—particularly relating to vehicle size and weight—limits Newham Council's ability to design a fair and effective **weight-based parking surcharge**, which has been implemented successfully in other boroughs. The Commission therefore recommended that Newham Council investigate alternative data sources, including vehicle insurers and resident self-reporting, to increase the proportion of vehicles for which reliable data is available. This work should be completed by **July 2026**, allowing Members to assess feasibility as part of future budget rounds.

9) Recommendation: that the Executive:

- a) Fortnightly Collections: **reverse/pause** the proposal to implement fortnightly collections until full impact assessments (public health, equalities, operational feasibility, HMOs, flats and high-density blocks) are completed
- b) Whole-System Waste Modelling: **require a full end-to-end operational model:** recycling, food waste, bin chute redesigns, estate infrastructure, street cleansing
- c) **Produce** an integrated strategy for statutory plastic films collection by 2027
- d) School Crossing Patrols: **reverse or mitigate the cut to school crossing patrols** (EST-26-27-006) except where Healthy Streets schemes eliminate risk. Reassign patrol staff to other high-risk areas if displaced.
- e) **Request and publish a briefing paper on the Workplace Parking Levy**, setting out legal, financial and operational feasibility, and add this to the next municipal year's Scrutiny work programme, aligned to an Income-Generation Strategy.

³¹ Nottingham City Council introduced the UK's first [Workplace Parking Levy](#) (WPL) in 2011, charging employers for parking spaces provided to staff. This initiative reduced traffic congestion growth by 47%, raised over £25 million in its first three years, and funded major improvements to public transport like the tram network expansion and station renovation. Since inception, some £103 million of revenue has been raised directly from the levy. See Friends of the Earth, "[How Nottingham used a parking levy to cut congestion and raise millions](#)". (20 September 2024). [Online] Available at: [How Nottingham used a parking levy to cut congestion and raise millions | Local action](#) (Accessed 31 January 2026).

f) **Investigate** by July 2026 the viability of alternative sources of data, including vehicle insurers and self-reporting, to increase proportion of vehicles with available data to power the introduction of a size- and weight-based parking surcharge within the Borough.

10. Inclusive Economy and Income Generation

The Commission reflected on its recommendations last year concerning income generation, which had included exploration of what income could be generated, for example, via BIDs, or in other ways (e.g. tourist/hotel levy³²), and had also recommended a repurposing for the Community Wealth Building team to pursue sponsorship (from businesses and developers), source funding, and work towards establishment of BIDs.

Through its review of this year's Draft Budget Proposals and associated evidence, the Commission identified that Newham Council's income-generation strategy remains under-developed and insufficiently resilient in the face of economic volatility, changing resident behaviour, and external shocks. BSC Members noted that while the authority relies heavily on fees, charges and parking income to balance its budget, there was no comprehensive, scenario-modelled approach setting out how these income streams might perform under different economic conditions. Given Newham Council's exposure to fluctuations in car ownership patterns, inflation, labour market pressures and shifts in transport behaviour, Scrutiny concluded that a **stress-tested income generation strategy** is required to ensure the stability of future revenue and prevent over-optimistic assumptions from entering the MTFS.

Finally, the Commission identified concerns regarding the **market rents charged to Voluntary, Community and Faith Sector (VCFS) organisations**, particularly in the context of rising financial pressures on community providers and Newham Council's wider ambitions for civic participation, prevention and neighbourhood working. BSC Members noted that without a structured review of how rents are set, what subsidies or concessions exist, and how these align with strategic objectives, Newham Council risks undermining the sustainability of VCFS partners while limiting its own ability to make fair and evidence-based decisions about income and estate use. The Commission therefore recommended a full review of VCFS rent levels to ensure transparency, equity and alignment with Newham Council's broader social and economic goals.

Collectively, these recommendations aim to strengthen Newham Council's financial resilience by ensuring that income-generation measures are evidence-based, adaptable to external uncertainty, and consistent with the borough's wider priorities for inclusive growth and community wellbeing.

10) Recommendation: that the Executive:

a) **Develop** a scenario modelled, stress tested income generation strategy, considering economic volatility and potential external shocks.

³² The Budget Scrutiny Commission in 2025 had made a recommendation, Recommendation 9, that the Mayor and Cabinet explore new sources of revenue, including: a) the potential for income generation through a tourist levy (short term) and lobby as a council for primary legislation for a tourist tax in the longer term. c.f. London Councils, Press Release (6 February 2026). London Councils calls for boroughs to keep at least 50% of overnight visitor levy to support services and boost growth. Available at: [\[Online\] 'Keep the levy local' – London Councils calls for boroughs to keep at least 50% of overnight visitor levy to support services and boost growth | London Councils](#). [Accessed on 7 February 2026].

b) **Review** charging of market rents to the VCFS.

11. IT, Digital and AI

The Commission identified that the Council's growing use of digital tools, AI systems and shared-service arrangements lacked the governance, transparency and financial oversight needed to ensure Value for Money and organisational resilience. BSC Members noted that proposals referring to digital transformation or automation did not contain **costed business cases** or technical assessments demonstrating how these tools would deliver measurable efficiency gains, improve service quality, or impact staffing. In the absence of this evidence, Scrutiny was unable to determine whether investment in AI and automation represented a net benefit or a risk of cost escalation without commensurate return. The Commission therefore concluded that all such proposals must be supported by fully costed business cases, outlining benefits, risks, workforce implications and dependencies.

Scrutiny also examined progress on the Council's planned **exit from OneSource**, noting that whilst this represents a major organisational shift with long-term budgetary implications, no clear implementation roadmap had been published. BSC Members emphasised that leaving a shared-service model requires careful planning around systems, staffing, procurement, liabilities and transition costs. The Commission therefore recommended that an implementation roadmap be produced, setting out timelines, milestones, risks and anticipated financial impacts across the medium term. Alongside this, BSC Members highlighted the need for a **financial reconciliation** comparing the original OneSource exit business case with the actual financial outcomes to date, ensuring transparency, accountability and learning for future shared-service decisions.

More broadly, evidence presented to the Commission indicated that Newham Council does not yet have a coherent **value-for-money and governance framework** for digital and AI tools. Usage levels, duplication across services and optimisation opportunities are not consistently monitored, and BSC Members expressed concern that AI licences may be procured or maintained without strategic oversight. To address this, Scrutiny recommended the establishment of a framework governing digital spend, including monitoring arrangements, performance measures, duplication controls and processes for evaluating whether tools remain fit for purpose.

The Commission also found that Newham Council lacked a complete **organisation-wide inventory** of AI software, licences, usage levels and expenditure. Members noted that without such an inventory, the Council cannot meaningfully assess duplication, cost efficiency or alignment with strategic objectives. Developing this inventory is therefore essential to best-value decision-making.

Finally, given the complexity, costs and risks associated with shared-service arrangements, the Commission recommended that **any future changes to shared services**—whether moving into or out of such arrangements—must be supported by full business cases. These should include transition plans, cost-neutrality assessments, scenario modelling and

workforce implications, ensuring that the Council does not repeat past challenges experienced under the OneSource model.

Collectively, these recommendations aim to ensure that Newham Council's digital, AI and shared-services landscape is governed with transparency, strategic oversight and financial discipline, enabling innovation while maintaining robust value-for-money standards.

11) Recommendation: that the Executive:

- a) **Require** costed business cases for AI and automation technology, with measurable benefits and impact on roles.
- b) **Produce** an implementation roadmap for exiting OneSource, including long term budget implications
- c) **Publish** a financial reconciliation comparing the OneSource exit business case with actuals.
- d) **Establish** a value for money and governance framework for digital and AI tools, including usage monitoring, optimisation and duplication controls.
- e) **Provide** an organisation wide inventory of AI software, licences, usage levels and associated spend.
- f) **Require** full business cases for any future shared services changes (into or out of arrangements), including cost neutrality and transition implications.

12. Newham Council's Landlord Licensing 2026 Renewal

Through its examination of the evidence presented during the Budget Scrutiny process, the Commission concluded that the forthcoming **2026 renewal of Newham Council's borough-wide Landlord Licensing Scheme** represents an opportunity for cost-recovery and requires a significantly stronger data foundation, broader geographical coverage, and more robust cost-recovery modelling. BSC Members noted that, despite Newham Council pioneering one of the most extensive licensing schemes in the country, key gaps remain in the evidence base used to justify ward inclusion—particularly in **Stratford Olympic Park** and **the Royal Victoria**, where high levels of private renting, migration/population churn and housing pressures have long been documented. Scrutiny found no compelling rationale for the continued exclusion of these wards and therefore recommended that the next scheme include **all areas of the Borough**, ensuring consistency, fairness and improved protection for tenants.

The Commission also scrutinised the current fee levels and highlighted the need for a more rigorous approach to calculating and justifying licensing charges. BSC Members emphasised that licence fees must be set on the basis of **robust and transparent evidence**, reflecting the true cost to Newham Council of regulating the private rented sector—including compliance activity, enforcement, data management, and support for residents living in poor-quality accommodation. Without such evidence, the authority risks under-recovering costs, placing

additional pressure on the General Fund and limiting its ability to intervene effectively in a rapidly changing market.

Finally, the Commission identified weaknesses in Newham Council's **data systems**, noting that accurate, comprehensive and up-to-date data is essential both for meeting statutory criteria for a licensing designation and for ensuring effective policy, enforcement and cost-recovery. BSC Members found that improvements are required in how data on property conditions, complaints, churn, migration, enforcement outcomes and landlord behaviour is captured, analysed and used. Strengthening these systems will enable more defensible fee setting, better targeting of compliance activity, and a more resilient evidence base for the 2026 designation process.

Taken together, these findings underpin the Commission's recommendation that the Executive expand the scheme to all wards, review and evidence licence fee levels, and invest in improved data and analytical capabilities to support a more effective and financially sustainable licensing regime.

12) Recommendation: that the Executive:

- a) **include** all wards in the London Borough of Newham, based on more recent data;
- b) **review** licence fee levels based on robust evidence; and
- c) **strengthen** data and data systems to support higher cost recovery fee setting and relicensing.

Concluding comment

We are conscious that our recommendations will have cost, project, policy, and service implications. However, the Budget Scrutiny Commission's recommendations focus on a collective call for a decisive shift toward realistic, evidence-based future financial planning, strengthened governance, and transparent decision-making across Newham Council. The recommendations emphasise the need for fully costed, deliverable savings; deeper and more reliable modelling; clearer alignment between policies, risks and outcomes; and robust, early engagement with Scrutiny. At their core, the recommendations also seek to address long-standing structural weaknesses—particularly in Temporary Accommodation, housing, and major service redesigns—by ensuring that proposals be credible, data-driven, equitable, and evidenced. The Commission has referenced national and global financial stressors, the non-statutory Best Value Notice, the FFR2.0 and a continuing need for improved financial resilience, better cross-Council integration, and the redirection of resources towards statutory duties and priority services, whilst safeguarding vulnerable residents, ensuring that Newham Council's budget is transparent and fit for purpose in the present, and building for future financial resilience and sustainability.

6 Conclusions

The Budget Scrutiny Commission concludes this year's work with cautious optimism, shaped by the renewed direction of national leadership but grounded in the realities of local government finance: rising complex needs, ever-increasing demand, and limited funding. Whilst the Commission welcomes the commitment to reform signalled through the [Fair Funding Review](#) and the [Final Local Government Finance Settlement](#), it is clear that these mechanisms have assisted Newham Council in balancing its budget, much like a *deus ex machina* in ancient Greek theatre.³³ The overhaul of funding for local government means that 210 councils will have their funding cut over the next three years. Any injection of central government funding, however welcome, will be incremental, contested, and insufficient on its own to reverse more than a decade of structural fragility across the sector.

Newham Council must therefore proceed on the basis that no external intervention will remove the continuing need for difficult local choices. Financial sustainability cannot be deferred in anticipation of further future settlements. Like Odysseus, navigating the shoals and other hazards of uncertain waters, the Council must rely not on rescue but on judgement, discipline and foresight. The temptations of short-term relief and deferred decision-making—the modern-day Sirens—must be resisted, however persuasive they may appear, as a course is steered for future financial sustainability.

This requires a decisive shift from short-term balancing to long-term resilience. Rebuilding reserves to prudent levels (or above), creating genuine financial headroom, and strengthening Newham Council's capacity to absorb future shocks must become strategic priorities. Reserves are not a luxury: they are a core component of organisational stability. Without them, Newham Council and the residents that it serves remain exposed to volatility in demand, policy change, economic conditions, and international turbulence: the organisation will continue to be constrained in its ability to invest in prevention or sustain meaningful transformation.

The Commission is clear that optimism bias, slippage in savings delivery, and reliance on future funding uplifts must be actively resisted. Newham Council must maintain an uncompromising grip on expenditure, including discretionary spend, accelerate delivery of agreed savings, and pursue credible income generation. Decisions taken even recently must remain open to review as circumstances evolve. Financial discipline is not a finite, one-off exercise; it is an ongoing responsibility.

Renewal will not come from waiting for national reform alone. It must be built locally through strengthened governance, transparent decision-making, and a culture that actively embraces challenge. Scrutiny has a vital role in testing assumptions, recognising headwinds, interrogating risk, and ensuring that policy ambition is matched by financial realism. Members require timely access to complete information, and the organisation must continue to mature its approach to collective accountability and parity of esteem between Executive and Scrutiny.

Scrutiny developed with the Local Government Act legislation in 2000 to ensure that residents are at the heart of transparent local government and this Commission remains resolutely focused on our residents. Yet the financial pressures on statutory services risk crowding out the wider services that sustain our communities and their quality of life. Without decisive

³³ See LB Newham Cabinet (2026), *Draft Budget Proposals 2026-2027*, *deus ex machina* is referenced at paragraph 1.13, on page 26. [Online] Available at: [Cabinet, 8 January 2026](#) (Accessed 23 December 2025). In ancient Greek drama, *ἀπὸ μηχανῆς θεός* or in Latin, *deus ex machina*—literally “god from the machine”, i.e. divine intervention—was a stage device in which a god or supernatural figure was lowered onto the stage by a crane to resolve a conflict that seemed otherwise insoluble, often bringing the play to a sudden conclusion. The playwright Aeschylus (c.525/524-c.456/455 BC) used this technique, but it was in the tragedies of Euripides (c.480-406 BC) that *deus ex machina* became especially frequent, appearing in more than half of his surviving plays. Critics since Aristotle have debated its artistic value, with some seeing this as a convenient plot contrivance.

action, councils face the prospect of becoming providers of little more than crisis care. In navigating between Scylla and Charybdis³⁴—between cutting too deeply into valued services and allowing unsustainable financial drift—the Council must steer a careful course, guided by evidence, realism and long-term purpose.

This year's budget presents a critical inflection point. The Commission urges the Mayor and Cabinet to seize this moment to reset expectations, sharpen priorities, and act with urgency. As stewards for the next administration and, more long term, for Newham of the future, we must make provision for any future uncertainty by not diluting or delaying the difficult decisions which still need to be taken now. Financial sustainability, resilience and renewal must be pursued deliberately and relentlessly: earlier sharing of complete financial information, rebuilding reserves, creating headroom, and restoring stability are essential foundations for Newham Council's future.

There are no easy answers. But there is an opportunity not to be trapped in short-term, reactive behaviours if Newham Council does not dilute or delay difficult decisions today and builds its future financial sustainability by decisively replenishing reserves. And there is a clear responsibility to do this. By exercising fiscal probity and prudence today, taking firm grip on costs, and making timely, sometimes uncomfortable decisions, Newham can move beyond crisis management towards a more secure footing—one that enables the Council to continue serving our residents, meeting statutory obligations, and, even as hazards remain on the horizon, shaping a sustainable future for the Borough.

³⁴ In Homer's *Odyssey* (Book 12), Scylla was a man-eating, six-headed monster that lived on a cliff and snatched sailors from passing ships whilst Charybdis, another monster, created a deadly whirlpool. Together they represent hard decisions where options may be neither desirable nor straightforward.

Appendices

1. Budget Scrutiny Commission Membership and Attendance
2. Budget Scrutiny Commission Work Programme Timelines
3. Budget Scrutiny Commission Phase II Work Programme Draft Timetable
4. Budget Scrutiny Commission (2024/25): Report, Recommendations and Executive Response
5. Mayor and Cabinet Portfolios
6. MHCLG – Non-Statutory Best Value Notice, 8 May 2025

Appendix 1 – Budget Scrutiny Commission Membership and attendance

As of 12 January 2026 ³⁵	October 2025 – February 2026
COUNCILLORS	ATTENDANCE
Lester Hudson (Chair)	All Meetings attended
James Beckles*	<i>Joined on 9 January. Attended 12 Jan, 19 Jan, 9 Feb</i>
Joshua Garfield	<i>Sent apologies for Meetings due to personal circumstances.</i>
John Gray	19 Jan
Nate Higgins	All Meetings attended
Susan Masters	28 Oct, 8 Jan, 12 Jan, 19 Jan, 9 Feb <i>Sent apologies for 29 Jan</i>
Anthony McAlmont	28 Oct, 12 Jan, 19 Jan, 9 Feb
Mehmood Mirza	8 Jan
Melanie Onovo	12 Jan, 19 Jan, 29 Jan, 9 Feb
Terence Paul	28 Oct, 8 Jan, 12 Jan, 19 Jan, 29 Jan
Lakmini Shah	28 Oct, 8 Jan, 19 Jan. <i>Sent apologies for 9 Feb</i>
Harvinder Singh Virdee	28 Oct, 8 Jan, 12 Jan, 19 Jan, 29 Jan. <i>Sent apologies for 9 Feb</i>

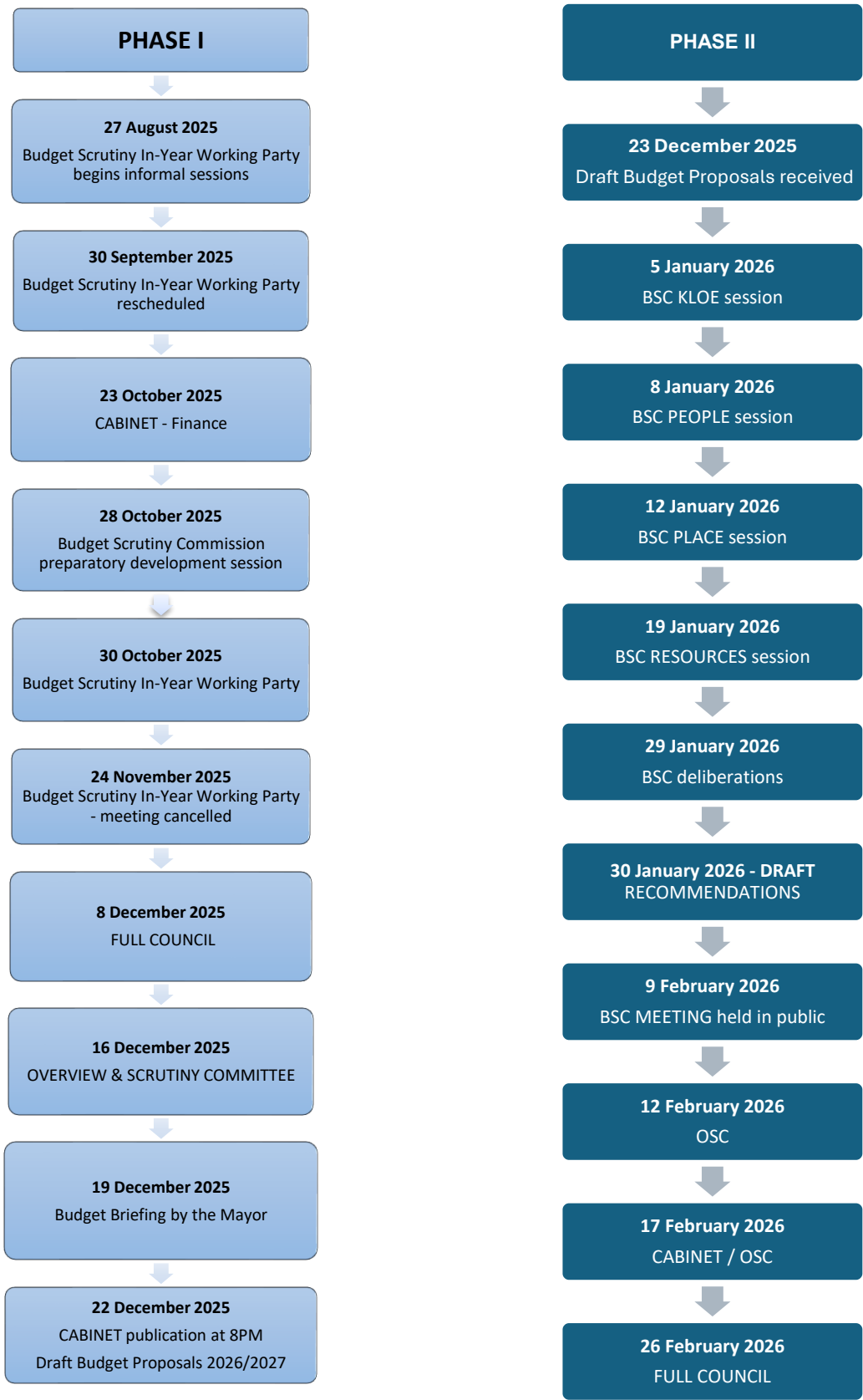
DECLARATIONS OF INTEREST

All Members’ interests are held in the [Register of Interests](#). All Members’ gifts and hospitality are listed in the [Register of Gifts and Hospitality](#). For transparency, Budget Scrutiny Commission Members have highlighted and declared the following interests during their conduct of scrutiny of the Draft Budget Proposals 2026/2027:

Councillor	Interest
Lester Hudson	Family member on a care package
Susan Masters	Former employee, Bonny Downs Community Association
Anthony McAlmont	Private Landlord
Mehmood Mirza	Private Landlord
Terence Paul	Board Member, Fight for Peace
Harvinder Singh Virdee	Private Landlord; father of a Cabinet Member

³⁵ This reflects the final Commission membership as at 12 January 2026. The following Members stepped down from the Commission since its establishment on 22 May 2025: Cllr Stephanie Garfield (23 October 2025), Cllr Rohima Rahman (18 November 2025), Cllr Shantu Ferdous (18 November 2025), Cllr Musawwar Alam (16 December 2025) and Cllr Akhtarul Alam (9 January 2026).

Appendix 2 – BSC Timelines



Appendix 3 – Budget Scrutiny Commission 2025/2026: – Phase II Work Programme Timetable

Budget Scrutiny Indicative Timetable: 2025 - 2026		
2025		
23 December DAY 1	BSC receives the Draft Budget Proposals (DBP) for 2025/2026	
25-26 December	BANK HOLIDAYS	
29-31 December	CLOSEDOWN	
2026		
1 JANUARY	BANK HOLIDAY	
5 January DAY 4	BSC Pre-meeting – Key Lines of Enquiry for PEOPLE and PLACE HASC PAPER DEADLINE Papers published for HASC meeting (13 January)	BSC Members Scrutiny Team
6 January DAY 5	BSC Key Lines of Enquiry - PEOPLE Time: 15:00 Draft Key Lines of Enquiry sent to PEOPLE directorates	
6 January	All Member Briefing	Cancelled
7 January DAY 6	BSC Key Lines of Enquiry - PLACE Time: 15:00 Draft Key Lines of Enquiry sent to PLACE directorates	
7 January	Essential All Member Training	All Members
8 January DAY 7	CABINET Time: 10:30 BSC First Meeting – PEOPLE Time: 6:30pm Venue: WG.04/05, Newham Dockside Witnesses: <ul style="list-style-type: none"> • Mayor • CMs • Corporate Directors • Officers Key issues: Draft Budget Proposals Key challenges, pressures, risks and investments <ul style="list-style-type: none"> • ASC and PH • Children’s Services (including Education and Youth Empowerment) 	Mayor Cabinet BSC Members Mayor CMs Cllr Charlene McLean Cllr Sarah Ruiz Cllr Rita Chadha Chief Executive Directorate Officers Alan Adams Adeola Agbebiyi Maria Christofi Fiona Connolly Laura Eden Claire Gresczuk

	<ul style="list-style-type: none"> Resident Experience/Engagement 	Sarah Sturrock Finance Team Maria Christofi Andrew Ward Heads of Finance Monitoring Officer Scrutiny Team
9 January DAY 8	BSC – PLACE Time: 15:00 Directorates to provide any written reports/responses requested ahead of the meeting (12 January) BSC – PEOPLE Time: 17:00 Directorates to provide any written reports/responses requested following the meeting (8 January)	Directorates
12 January DAY 9	<u>BSC</u> <u>Second Meeting – PLACE</u> Time: 6:30pm Venue: WG.04/05, Newham Dockside Witnesses: <ul style="list-style-type: none"> Mayor CMs Corporate Directors Officers Key issues: Draft Budget Proposals Key challenges, pressures, risks and investments <ul style="list-style-type: none"> Culture Community Safeguarding Environment Housing Inclusive Economy Sustainable Transport 	BSC Members Mayor CMs Cllr Sarah Ruiz Cllr Amar Virdee Cllr John Whitworth Cllr Blossom Young Chief Executive Directorate Officers Rebecca Johnson Paul Kitson Michael Kelleher Darren Mackin Zulfiqar Mulak Finance Team Maria Christofi Andrew Ward Heads of Finance Monitoring Officer Scrutiny Team
12 January	CABINET/OSC PAPER DEADLINE	Democratic Services/Scrutiny Team
13 January DAY 10	STANDARDS PAPER DEADLINE Strategic Development Committee <u>HASC</u>	Democratic Services HASC Members
14 January DAY 11	<u>AUDIT and GOVERNANCE COMMITTEE</u> <u>INEL JHOSC PAPER DEADLINE</u>	AGC Members Scrutiny Team
15 January DAY 12	<u>BSC</u> Pre-meeting – Key Lines of Enquiry for RESOURCES	BSC Members
19 January DAY 14	HREGEN PAPER DEADLINE	Scrutiny Team

19 January DAY 14	<p>BSC Third Meeting – RESOURCES Time: 6:30pm Venue: WG.04/05, Newham Dockside Witnesses:</p> <ul style="list-style-type: none"> • Mayor • Chief Executive • CMs • Corporate Director • Officers <p>Key issues: Draft Budget Proposals</p> <ul style="list-style-type: none"> • Overview 2025/26 • Local Government Financial Settlement • Background to 2026/27 • MTFP to 2029/30 • Transformation • IT/Digital • Procurement • Communications 	<p>BSC Members Mayor Chief Executive CMs Cllr Zulfiqar Ali Cllr Rita Chadha Directorate Officers Maria Christofi Alison Chessell Ravi Dhindsa Damian Mayer Sujal Patel Sarah Sturrock Finance Team Maria Christofi Andrew Ward Heads of Finance Monitoring Officer Scrutiny Team</p>
20 January DAY 15	<p>CABINET Time: 10:30 am</p> <p>OSC Time: 19:00</p>	<p>Mayor Cabinet</p> <p>OSC Members</p>
21 January DAY 16	<p>HWBB Pensions Committee</p>	
22 January DAY 17	<p>INEL JHOSC</p>	<p>Cllr Ann Easter Cllr Susan Masters Cllr Danny Keeling</p>
26 January	<p>LDC</p>	
27 January DAY 20	<p>CET PAPER DEADLINE Papers published for meeting (4 February)</p>	<p>Scrutiny Team</p>
27 January DAY 20	<p>HREGEN</p>	<p>HREGEN and OSC Members</p>
28 January	<p>Essential All Member Training</p> <p>CLB Paper Deadline</p>	
29 January DAY 22	<p>BSC Informal meeting - deliberations</p>	<p>BSC Members</p>
30 January DAY 23	<p>BSC PAPER DEADLINE Papers published for meeting (9 February)</p> <p>Share draft recommendations with Executive and CLT</p>	<p>Scrutiny Team</p>
31 January – 4 February	<p>BSC Produce Draft Report Comments by BSC Chair</p>	<p>BSC Chair Scrutiny Team</p>
2 February DAY 24	<p>CLB</p>	<p>Scrutiny Team</p>

3 February	All Member Briefing	All Members
4 February DAY 26	<u>CET</u> <u>STANDARDS COMMITTEE</u> OSC PAPER DEADLINE Papers published for meeting (12 February)	CET Members SC Members Scrutiny Team
5 February DAY 27	<u>CABINET</u> Time: 9:30 am	Mayor Cabinet
9 February DAY 29	<u>CABINET/OSC PAPER DEADLINE</u> Papers published for meetings (17 February)	Democratic Services/ Scrutiny Team
9 February DAY 29	<u>BSC</u> Meeting held in public Time: 19:00 Venue: EHTH Finalise report and recommendations	BSC Members
10 February	<u>STRATEGIC DEVELOPMENT COMMITTEE</u>	SDC Members
11 February	<u>AUDIT and GOVERNANCE COMMITTEE</u>	AGC Members
12 February DAY 32	<u>OSC</u> Time: 19:00 Venue: Newham Dockside (tbc) Acknowledgement/Endorsement of BSC budget scrutiny recommendations	OSC Members
13 February DAY 33	<u>BSC</u> Finalise BSC Report for Cabinet (17 February)	
16 February DAY 34	HASC PAPER DEADLINE Papers published for HASC meeting (24 February)	Scrutiny Team
17 February DAY 35	<u>CABINET</u> Time: 10:30 am <u>OSC</u> Time: 19:00	Mayor Cabinet OSC Members
18 February	<u>RAMADAN</u> FULL COUNCIL PAPER DEADLINE Papers published for Full Council (26 February) BSC Report with recommendations to form part of those papers	Democratic Services
24 February	<u>HASC</u>	HASC Members
26 February DAY 45	<u>FULL COUNCIL</u> Draft Budget to be approved	Full Council
9 March	<u>DEADLINE FOR BUDGET SETTING</u> Statutory deadline	
13 March	FULL COUNCIL PAPER DEADLINE Papers published for Full Council (23 March)	Democratic Services
23 March	<u>FULL COUNCIL</u>	Full Council
26 March	<u>Last date for Pre-Election Period to commence</u>	

Appendix 4 – Budget Scrutiny Commission (2024/25): Report, Recommendations and Executive Response

In 2024 – 2025, the Budget Scrutiny Commission (BSC) was the scrutiny vehicle via which LB Newham’s Building a Fairer Newham Budget (2025/26) was scrutinised. At its meeting on 30 January 2025, the BSC made recommendations, which were rationalised and are listed as ten recommendations in a table below.

A table of these ten strategic recommendations is included here for ease of reference. The report also included a table stating recommendations concerning individual savings proposals, with section 5 providing the narrative relating to the recommendations and Appendix 4 the underlying documentation for the individual savings proposals.

The report was submitted to the Overview and Scrutiny Committee on 10 February 2025 for consideration and for endorsement of the recommendations.

The report was subsequently also submitted to Cabinet for its meeting on 18 February 2025 (Agenda Item 9) ahead of submission to Full Council on 27 February 2025. A copy of the report can be accessed via the LB Newham website [here](#).

A copy of the Executive’s response to the BSC’s recommendations can be accessed [here](#) (at Agenda Item 9).

BUDGET SCRUTINY COMMISSION (2024-2025): RECOMMENDATIONS

Rec. Number	It is recommended that the Mayor and Cabinet:
1	<p>a) focus on savings delivery throughout the year and continue to provide monthly Budget Monitoring Reports (management accounts) for in-year scrutiny of the accounts to continue.</p> <p>b) share Budget Monitoring Reports (management accounts), business plans and performance reviews of subsidiary companies owned by Newham Council on a quarterly basis with the Overview and Scrutiny Committee, as per the 2023/24 audit recommendations and the LGA Corporate Peer Challenge review.</p>
2	<p>a) identify and make further substantial savings in discretionary spending, to ensure the financial viability of Newham Council. To assist, where information and data has been provided, the Budget Scrutiny Commission has provided suggestions against individual proposals (Appendix 4). These include:</p> <ul style="list-style-type: none"> i) bring forward Libraries Review by a year - B15; ii) further reduce the level of spend on Events, Culture and Heritage – B5; and iii) further reduce spend on Heritage, Archive and Local Studies or replace with grant funding – B6. <p>b) ensure clear identification of discretionary and non-discretionary expenditure and ensure that all expenditure over £50k is declared at a key officer meeting, to be published.</p>
3	<p>a) devise a mission statement for Newham Council, sharing its intent to become an enabler and facilitator (as opposed to a provider) of place, as an underlying principle of budget setting and to be presented to the Overview and Scrutiny Committee by June 2025.</p> <p>b) adopt a position statement on its shared understanding of early intervention and prevention, and consider how this is measured and documented as part of the performance review framework and to be presented to the Overview and Scrutiny Committee by June 2025.</p>
4	Provide bi-annual reports to the Overview and Scrutiny Committee on blockages and delays in delivery of strategic priorities.
5	Develop an improvement framework for the development of budget proposals' savings and growth pro forma documentation in 2025/2026 and beyond by June 2025.

6	<p>Strengthen future budget consultation processes, including development of savings proposals, by June 2025, by:</p> <ul style="list-style-type: none"> a) developing a comprehensive stakeholder engagement strategy; b) establishing formal consultation protocols with public sector partners; c) integrating existing community forums, particularly People Powered Places, into the budget consultation process; and d) creating structured engagement opportunities with the development sector.
7	<ul style="list-style-type: none"> a) develop a comprehensive third sector engagement strategy generally as a council, to reset our relationship with this sector; b) review the cumulative impact of proposed savings on voluntary and community organisations; c) establish clear protocols for managing relationships with the sector; and d) create a structured approach to partnership development and sustainability setting. <p>To achieve this by June 2025.</p>
8	<p>Address concerns of optimism bias, including, for example, in assumptions used as the basis for savings proposals or revenue prediction.</p> <p>Re-examine all savings proposals for achievability of savings, with regard to the average 20% slippage rate and set more ambitious savings targets. The LB Newham scrutiny commissions, in turn, will incorporate optimism bias assessment as a standing item in their budget review processes. This systematic approach will help ensure more realistic planning and risk assessment in future budget cycles.</p> <p>Revise modelling, using 60 presentations as the basis for the Temporary Accommodation model.</p> <p>Accelerate the development of an Asset Management Strategy, including a comprehensive list of assets. To be presented to the Overview and Scrutiny Committee by June 2025.</p>

9	<p>Explore new sources of revenue, including:</p> <p>a) the potential for income generation through a tourist levy (short term) and lobby as a council for primary legislation for a tourist tax in the longer term; and</p> <p>b) business sponsorship to enable the reversal of A14 – the provision of street decorations and lights, as part of a wider repurposing of Community Wealth Building team to source funding and set up BIDS within the borough.</p>
10	<p>Ensure equity of burden and outcomes of the Budget Proposals. Examples of this include:</p> <p>a) a reversal of the savings proposal concerning Our Newham Money - B20;</p> <p>b) a reversal of the savings proposal concerning the removal of the Pest Control Subsidy - A12;</p> <p>c) a reversal of the savings proposal reducing the Council Tax Reduction Scheme – B4; and</p> <p>d) a freeze on Members' Allowances and withdrawal of all Deputy Cabinet Members. In view of Newham Council's serious financial circumstances this year, such a recommendation seems appropriate and necessary.</p>

Appendix 5 – Mayor and Cabinet Portfolios

Cabinet until 29 January 2025³⁶

CABINET MEMBER	PORTFOLIO	Supported by
Mayor Rokhsana Fiaz OBE	Inclusive Economy, Strategic Housing Delivery, Culture and Youth Power	
Councillor Zulfiqar Ali	Statutory Deputy Mayor and Cabinet Member for Finance and Resources	
Councillor Sarah Ruiz	Deputy Mayor and Cabinet Member for Children’s Services and Education and Sustainable Transport	Councillor John Morris – Deputy Cabinet Member for Sustainable Transport
Councillor Amar Virdee	Deputy Mayor and Cabinet Member for Community Safety, Housing Need, Homelessness and Private Rented Sector	
Councillor Rita Chadha	Cabinet Member for Health and Adult Social Care and Transforming Newham for the Future	Councillor Mumtaz Khan - Deputy Cabinet Member for Health and Adult Social Care
Councillor Charlene McLean	Cabinet Member for Resident Engagement and Resident Experience	
Councillor John Whitworth	Cabinet Member for Air Quality, Climate Emergency and Environment	Councillor Miraj Patel - Deputy Cabinet Member for Environment
Councillor Blossom Young	Cabinet Member for Council Housing Improvements	

³⁶ See LB Newham website for current details of the Cabinet. Available at: [Online] [Cabinet – Newham Council](#). [Accessed on 3 February 2026]

Appendix 6 – MHCLG –

Non-Statutory Best Value Notice, 8 May 2025



Ministry of Housing,
Communities &
Local Government

Abi Gbago
Chief Executive
Newham Borough Council

James Blythe
*Deputy Director, Local
Government Stewardship and
Interventions*

**Ministry of Housing,
Communities and Local
Government**
2 Marsham Street
London SW1P 4DF

www.gov.uk/mhclg

8 May 2025

Newham Borough Council Best Value Notice issued on 8 May 2025

The department expects authorities to identify and implement arrangements to secure continuous improvement. We acknowledge the steps you are already taking to identify and address issues at Newham Borough Council, including working with the Local Government Association (LGA) and an independent improvement board. However, ministers remain concerned as to Newham's capacity to comply with its best value duty under the Local Government Act 1999 and have therefore decided to issue Newham with this best value notice ("notice").

This notice is a formal notification that the department has concerns regarding your authority and requests that the authority engages with the department to provide assurance of improvement. The department expects authorities that have been issued with a best value notice to continue leading their own improvement.

This notice is issued following:

- Significant value for money weaknesses around the council's governance arrangements, highlighted by the council's external auditor in their annual report published on 20 February 2025.
- Cultural and governance issues identified in a scrutiny improvement review by the Centre for Governance and Scrutiny in 2023, and the LGA's corporate peer challenge completed in December 2023 and subsequent progress review in October 2024.
- Significant delivery concerns about some of the programmes delivered by the authority, particularly following the Regulator of Social Housing C4 grading published in October 2024.

Given the seriousness of the issues identified, failure to deliver the level of change required at sufficient pace would be very concerning. I am therefore setting out the department's expectations of the authority in providing assurance of progress.

As you know, on 20 February, the department confirmed that the council's request for exceptional financial support (EFS) for financial years 2024-25 and 2025-26 was

agreed in principle. As noted in the letter from the Minister for Local Government and English Devolution, in order for the department to provide a final capitalisation direction, the council is required to undergo an external assurance review. The department may make exception to this requirement where the council has already undertaken an independent review that is deemed acceptable by the department. Officials will continue to engage with the council on this and will confirm review scope in due course.

We also expect the authority to:

- Take steps to improve its financial sustainability, reflecting this in the council's medium-term financial strategy.
- Continue working with the independent improvement & transformation board, making full use of its expertise and responding to its recommendations.
- Review and clarify roles and responsibilities and scrutiny processes to enable more effective decision-making.
- Continue to implement and measure cultural change, particularly in improving relationships between members as well as officers and members.
- Ensure the effectiveness of the council's officer and political leadership, by developing a comprehensive retention strategy and appropriately managing any leadership changes.
- Continue to deliver at pace against the recommendations from the various review/inspection recommendations and action plans, meeting the set milestones and measuring the impact of change.
- Continue engaging constructively with the department on at least a quarterly basis to discuss progress.

The department will also look to your independent improvement board for assurance on the council's progress and expects its role to be strengthened and embedded into day-to-day operations.

Whilst your authority may continue to receive and be awarded government funding whilst under this notice, we would emphasise that receipt of funding does not indicate the department's broader view of the performance of the authority, nor would it indicate any change in the status of this notice, with individual funding programmes being managed and assured independently by their respective departments.

This notice will be reviewed after 12 months, at which point the department will confirm whether we deem it necessary to continue to seek assurance through such a notice, in which case it will remain in place. The notice may also be withdrawn or escalated at any point based on the available evidence.

This notice is issued outside the statutory powers held by the Secretary of State under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of best value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities. However, a failure to demonstrate continuous improvement may be judged to contribute to best value failure and the Secretary of State will consider using these powers as appropriate. I also intend to keep the content of this notice under review in light of any developments.

It is important to ensure transparency in relation to the challenges faced by local authorities and the department's engagement on these issues. A copy of this notice

will therefore be published on GOV.UK. I encourage you to make a copy of this letter available on the authority's website and to share a copy with the improvement & transformation board, the full council and the audit committee. In line with this, we will notify your external auditor of this action.

I note the authority has already engaged the support of the LGA and I would encourage you to continue making use of the full range of support they have to offer. A member of my team will be in touch with you to arrange regular engagement on this notice. I look forward to receiving updates on your progress.

Yours sincerely,

James Blythe

Deputy Director, Local Government Stewardship and Interventions

