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OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

4 SEPTEMBER 2013

(19.00 - 20.30)

PRESENT Councillors Peter Southgate (in the Chair), Dennis Pearce

Paul Dale (Interim Assistant Director of Resources), Caroline Holland (Director of Corporate Services) and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillors Iain Dysart and Suzanne Grocott.

2 ELECTION OF CHAIR (Agenda Item 2)

Councillor Southgate was elected to chair this meeting.

3 FINANCIAL MONITORING REPORT - QUARTER 1 (Agenda Item 3)

The Director of Corporate Services, Caroline Holland, briefly introduced the report. She drew the task group's attention to the forecast year end underspend of £1.2m, adding that it is still early in the financial year so the position is likely to change. She highlighted the mixed position in relation to departmental spend as set out in section 3 of the report, and the forecast underspend on corporate items shown on page 12. She said that regular updates on the capital programme would be provided and that the accuracy of predicted capital spend is continuing to improve.

The task group noted the £222k transfer to the capital programme. Members requested more detail on the two Transport for London Biking Borough Schemes and noted that the borough has passed stage one of the shortlisting process for a Mayor of London cycling funding scheme. ACTION: Head of Democracy Services to ask Director of Environment and Regeneration for the details of these schemes.

In response to a question on corporate items, the Director confirmed that the line "investment inc" on appendix 2 refers to investment income, which is predicted to be higher than in the original budget and is greater than the re-profiled cost of borrowing. The task group welcomed the more finely tuned approach to profiling investment income and the cost of borrowing.

Members asked a number of questions in order to understand the background to the financial decisions that they are required to make at Council. The responses of the Director and the Assistant Director of Resources, Paul Dale, are set out below:

Departmental summary

- The performance of the new Local Welfare Support discretionary scheme is being closely monitored and all claims are thoroughly checked. The underspend is partly due to applicants who want cash rather than the food and other vouchers offered under the scheme. This has also been experienced in other parts of London. The uptake on furniture and white goods offered under the Scheme has also been lower than expected.
- Vacant posts are kept under review and deleted if not needed.
- Shared services have released savings but this is not always the primary motivation behind the shared services approach, for example resilience and quality are often main drivers. Existing shared services are kept under review in terms of both service performance and costs. The Director emphasised the importance of choosing partners carefully so that they could work together in a compatible way and also to make sure tools are in place for continuous improvement.
- The underachievement of income in corporate communications has been included in the public value review. There will be an update on the pilots to the Overview and Scrutiny Commission on 19 September 2013.
- The Council is working closely with the Citizens Advice Bureau on the use of bailiffs and has found that current practice is already in accordance with forthcoming government regulations. Income expectations will be re-set to reflect current costs.
- The level of pressure on the Children, Schools and Families budget is not unusual for this service and is indicative that the budget is about right.
- The budgets for public health, new to the Council, are being checked carefully in order to align to need and some aspects are subject to ongoing discussion with the Clinical Commissioning Group.

ACTION: The Head of Democracy Services undertook to ask the Director of Environment and Regeneration what the Council's financial position is in relation to targets on waste and recycling.

Task group members noted that the review of the commercial waste service would be reported to a future meeting of the task group.

Capital programme 2012-16

- Modelling of demand for school places has become more sophisticated and the numbers predicted for secondary schools has reduced compared to initial estimates

Savings 2013-14

- The savings in adult social care (page 31) that have been flagged as "red" are at risk of not being achieved due to a combination of factors. Some of these will be deferred and other options brought forward to address the budget gap

Miscellaneous debt update

- Members commented that Table 2 on page 39 shows a steady rise in the level of miscellaneous debt over the past four years. The Director replied that a significant part of this is due to housing benefit debts and that this will continue to grow. In response to a question, she added that the responsibility for dealing with the most complex housing benefit claims is likely to remain with the Council rather than pass to government and these claimants are the most likely to incur debts. She asked Members to note that more than £1.6m has been recovered from ongoing benefit (page 41, paragraph 4.5).
- In response to a comment about how provision is made for bad and doubtful debts (Table at paragraph 6.3), the Director offered to include in future reports the level of debt that is written off. ACTION: Director of Corporate Services

Reserves

Members noted that revenue reserves will decrease and some of the capital reserves will increase.

Cash flow

Members noted the cash flow statement that was circulated by email. The Director said that officers are still working to make the statement easier to understand.

4 DATE OF NEXT MEETING - PLEASE BRING YOUR DIARIES (Agenda Item 4)

ACTION: Julia Regan to email all task group members to arrange the dates of the next two meetings.