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OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

5 MARCH 2020

(7.15 pm - 9.25 pm)

PRESENT Councillors Stephen Crowe(in the Chair), Nigel Benbow, Natasha Irons, Paul Kohler and Peter Southgate

Caroline Holland (Director of Corporate Services), Bindi Lakhani (Head of Accountancy), Roger Kershaw (Assistant Director of Resources), David Keppler (Head of Revenues and Benefits) and Zoe Church (Head of Business Planning)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Ed Gretton and Councillor Owen Pritchard.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF LAST MEETING - 14 JANUARY 2020 (Agenda Item 3)

The minutes were agreed as an accurate record of the meeting.

Matters arising - Bishopford Road Bridge – no update, the council is still awaiting the results of the structural engineers' report (carry forward to next meeting).

4 SOCIAL CARE CHARGING (Agenda Item 4)

The Panel welcomed Michael Turner, Policy and Strategy Manager for Merton CIL, to the meeting.

Keith Burns, Head of Commissioning and Market Development, gave an opening overview of the Financial Assessment process. Keith explained that it is understood that service users can have difficulties with completing the paperwork but home visits are offered regularly and engagement with the service user is our priority. The full cost is implemented to safeguard the Councils interests.

Michael Turner summarised his briefing note for the group;

- Would like to work toward a position where there is no charge for home care (similar to Hammersmith & Fulham Council).
- The Disability Related Expenditure disregard has been £10 for ten years which is not a sufficient allowance. This figure is too low and does not reflect the true cost of extra items that are required.

David Keppler (Head of Revenues and Benefits) provided additional information in response to further questions;

- The Debt Recovery team also attempt engagement with the service user.
- Cases are passed to Merton's legal team or a specialist debt collector only as a last resort.

- Case are scrutinised at six weekly meetings with the Directors of Corporate Services and Community and Housing.
- The Council does look to recover legal fees but there have been instances when the Council has footed the fees (no assets, debt can't be recovered etc.)
- A Financial Assessment can be conducted at any point during the process, the timeframe never expires.
- The Debt Recovery system is unable to report on the Homecare/Residential split, however we have requested our accountancy colleague work it out manually.
- When benchmarked with other Local Authorities, Merton is mid-range in terms of debt (4.4 million)
- Action: David Keppler will bring data along to the next task group meeting with the debt report.

Action: Keith Burns agreed to provide details of the minimum and maximum payments, in response to a query about the average payment amount.

Action: Keith Burns agreed that there is scope to look at increasing the £10 DRE disregard and will look at reviewing this figure with Michael Turner (Merton CIL).

5 DEEP DIVE REVIEW OF THE FUTURE CAPITAL PROGRAMME (Agenda Item 5)

The Assistant Director of Resources, Roger Kershaw, introduced the report.

The Head of Business Planning, Zoe Church, gave a presentation explaining the definition of capital expenditure, the key documents (Capital strategy and the Treasury Management strategy) grants, CIL/Section 106 and forecast funding.

Zoe Church and Caroline Holland provided additional details in response to questions:

- The Neighbourhood CIL bidding process occurs annually.
- Action: Caroline Holland will circulate further details to the group including ward allocation, minimum bid details and broadcast details.
- The 4 million for fleet vehicles was a contractual agreement with the South London Waste Partnership. Purchased vehicles are estimated to last eight years.
- Merton has not borrowed externally since 2007. Main borrower is PWLB.

6 FINANCIAL MONITORING REPORT - QUARTER 3, 2019/20 (Agenda Item 6)

The Director of Corporate Services, Caroline Holland, outlined the overall financial position at the end of the third quarter and provided additional detail in response to questions:

- The turnover is 12% due to high agency (long term) in Legal and Children's, Schools and Families.
- Dedicated Schools Grant - We are awaiting CIPFA guidance in the new financial year. Reserves were set aside to offset this but there is still an ongoing dialogue about whether it should be separate to the general fund.
- The undelivered Environment and Regeneration savings are due to the delay in the implementation of the parking charges.

7 PROPOSED WORK PROGRAMME FOR 2020/21 (Agenda Item 7)

The task group discussed potential items for the coming year, should the task group continue.

- Potential item for July – Make or Buy review
- Capital Budget programme could be scheduled for November 2020 or March 2021.
- Adult Social Care – Debt follow up
- Refresh of the Target Operating Models (to be combined with service plans)