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OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

9 DECEMBER 2020

(7.15 pm - 9.10 pm)

PRESENT Councillors Stephen Crowe(in the Chair), Nigel Benbow, Edward Gretton, Paul Kohler, Peter Southgate and Simon McGrath

Caroline Holland (Director of Corporate Services), Bindi Lakhani (Head of Accountancy), Roger Kershaw (Assistant Director of Resources), David Keppler (Head of Revenues and Benefits), Zoe Church (Head of Business Planning), Paul McGarry (FutureMerton Manager) and James McGinlay (Assistant Director for Sustainable Communities)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Cllr Joan Henry.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of interest.

3 MINUTES OF THE PREVIOUS MEETING (Agenda Item 3)

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

Two of our Members have moved on to Cabinet – Cllr Owen Pritchard and Cllr Natasha Irons. Both made many fine and challenging contributions to the task group, which we thank them for, and they will be missed.

Matters arising:

Cllr Peter Southgate gave an update on the recommendation from the Financial Monitoring Task Group which was presented at the Overview and Scrutiny Commission meeting on the 11 November. In light of the current budget situation, OSC Panel Members were concerned about the financial implications of an increase in Disability Related Expenditure, therefore the Panel resolved to delay the recommendation at this time, with a view that it should return to the Commission in the future.

ANY OTHER BUSINESS

Cllr Paul Kohler suggested that funding of apprenticeships could be added to the February agenda of the task group. This stems from the OFSTED report where it was said that the Council needs to do a little more to strengthen our approach in relation to criminal exploitation of youth. Apprenticeships are an acknowledged way of

helping the youth of the borough. We should look at the funding issues and costs around that.

Action: Task group agreed to add apprenticeships to the work programme.

4 QUARTER 2 2020/21 (Agenda Item 4)

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

- Debt Report shows the level of arrears has gone down slightly. Please note, Merton are not enforcing debt recovery in some areas due to Covid.
- First digital court hearing today for Council Tax Summons.
- Cabinet papers say it will be 8.2m loss at year end, though it is a moving picture and we are expecting some additional income in from sales, fees and charges.
- Cllr Paul Kohler asked what proportion of 8.2m is expenditure and what is lost income. What will the Council not get back? Finance claim for income will not be until financial year end. Action: Caroline Holland to provide more details.
- There has been a 13% reduction in PCN's issued.
- Majority of staff working from home has created a reduction in internal and external printing budgets.
- Further to a request for an explanation on the Council's approach to the DSG, Caroline Holland informed the group it will be included in the Budget Report to Cabinet in January.
- With regards to underspends, Budget Managers often overestimate projected spends therefore we have undertaken a substantial amount of re-profiling to allow for this.
- The year on year comparison, included in the debt update report, showed an increase of 1.5m between September 2020 (38.9m) and September 2019 (37.4m).

The Task Group noted they had received David Keplers's email with an update from the legal team on an outstanding debt of £823,940.

5 MORDEN TOWN CENTRE REGENERATION (Agenda Item 5)

The Head of Future Merton, Paul McGarry, gave a summary of the investment and funding plans needed to support the regeneration of Morden Town Centre.

Merton Council and TFL are the major freeholders in Morden however there are over 350 individual leaseholds that still have to be acquired in order to deliver the comprehensive regeneration needed for Morden.

The Council and TFL have been working to secure external funding to support the land assembly element of the project. In March 2020, GLA advised the fund was oversubscribed and, with a potential impact of Covid on the industry on the horizon, the GLA re-prioritised allocation of funding to less risky schemes that could deliver housing quicker.

With regards to the 350 leases, Officers have mapped where all the plots are and when the leases expire. Any decisions as to which ones we buy and which ones are left to expire are taken on a case by case basis.

The group moved to a private session to discuss the exempt reports containing commercially sensitive information.

To RESOLVE that the public are excluded from the meeting during consideration of the following report on the grounds that it is exempt from disclosure for the reasons stated in the report.

The following paragraph of Part 4b Section 10 of the constitution applies in respect of information within Appendix 1 to this report and it is therefore exempt from publication:

“Information relating to the financial or business affairs of any particular person (including the Authority holding that information)”.

6 EXEMPT APPENDIX 1 TO ITEM 5 (Agenda Item 6)

7 EXCLUSION OF THE PUBLIC - PRESENTATION TO ITEM 5 (Agenda Item 7)