

Agenda Item 3

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OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

14 JANUARY 2020

(7.15 pm - 9.00 pm)

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

Caroline Holland (Director of Corporate Services), Roger Kershaw (Assistant Director of Resources), Bindi Lakhani (Head of Accountancy), Zoe Church (Head of Business Planning), David Keppler (Head of Revenues and Benefits), John Dimmer (Head of Policy, Strategy and Partnerships) and Julia Regan (Head of Democracy Services)

1 APOLOGIES FOR ABSENCE (Agenda Item 1)

Apologies were received from Councillor Ed Gretton.

2 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 2)

There were no declarations of pecuniary interest.

3 MINUTES OF LAST MEETING - 29 AUGUST 2019 (Agenda Item 3)

The minutes were agreed as an accurate record of the meeting subject to one correction to amend the figure on the last line of the first paragraph of item 5 – this should read £1.5m rather than £1.5

ACTION: Head of Democracy Services to make the change and re-publish the minutes.

Matters arising:

- the task group noted that the additional information requested on the removal of side waste and the unbudgeted surplus in the Housing Benefit budget had not been provided.
ACTION: Director of Corporate Services and Head of Revenues and Benefits
- Bishopford Road Bridge – in response to a question, the Director of Corporate Services said that there was no update in relation to the insurance provision as the council is awaiting the results of the structural engineers' report.

4 ALLOCATION OF GRANTS THROUGH THE VOLUNTARY SECTOR STRATEGIC PARTNERS PROGRAMME (Agenda Item 4)

The Head of Policy, Strategy and Partnerships, John Dimmer, introduced the report drawing the task group's attention to the key features of the new approach to strategic partner funding; in particular the clarity of objectives, transparency of the process and consolidation of five pre-existing funding streams into one. He said that

the involvement of the voluntary and community sector at all stages had resulted in improved working relationships.

In response to questions about whether the process disadvantaged smaller organisations, John Dimmer said that although the larger organisations had been better placed to demonstrate value for money and to present strong proposals, a number of smaller organisations had also been successful in securing funding. The bidding process had been reviewed with the voluntary sector – they said that it would be helpful to have a longer time to prepare applications and to have had more support from MVSC, particularly for smaller organisations. John Dimmer said that he was considering whether to propose that in future larger organisations should be expected to work jointly with smaller ones, including them in the application where they could provide real value locally.

John Dimmer provided additional information in response to further questions:

- the council and MVSC were aware that services for young people were under-represented in the process and that this would be addressed.
- the allocation of funding was broadly similar in terms of proportions, with an increase in investment in infrastructure. The council's website contains a database showing the amount allocated to each organisation each year.
- Applicants were asked to provide their accounts and information on other funding sources so that there was no duplication
- Funded organisations are required to complete six monthly performance monitoring returns so that funding could be adjusted if required.

Task group members commended the new approach and asked whether sufficient had been done to communicate the outcome to the community so that they would know what services would be provided. John Dimmer said that service users had been involved in the specification but that there had not been targeted publicity regarding outcomes. He said that the services had been advertised and that a new "hub of hubs" was being created so that service users would know where to go to, to request a package of support regardless of where they initially made contact. He agreed that more thought could be given to the best way to communicate with the wider public in addition to service users – task group members said that this would be helpful.

5 SHARED SERVICES (Agenda Item 5)

Councillor Peter Southgate introduced the report of the shared and outsourced services task group review that was carried out in 2015/6 and the subsequent Cabinet response setting out how the recommendations would be implemented. He said that some of the recommendations had lapsed and reminded members that there had been a lot of learning nationally and locally since the report was published that would inform how these matters would be approached now.

In response to a question about whether the council had implemented the recommendations and when the outline business case had last been updated, the

Director of Corporate Services, Caroline Holland, said that this had been superceded by the Make or Buy review approach within the target operating model (TOM) process and offered to share this template with the task group.

Members discussed whether further work on scrutinising the council's approach to shared and outsourced services should be a priority for the Overview and Scrutiny Commission's 2020/21 work programme. The Head of Democracy Services, Julia Regan, reminded members that, following a saving that had been agreed during the budget process last year, there would be a reduction in scrutiny officer support from 2.5FTE to 2FTE during 2020/21. The Overview and Scrutiny Commission would therefore need to consider its priorities carefully in order to use its resources to the greatest effect.

The task group AGREED to receive an update report to provide information on the latest position in regard to implementation of the shared and outsourced services task group's recommendations, details of the Make or Buy review approach and the extent to which this supercedes the task group's recommendations. If the financial monitoring task group is re-constituted by the Overview and Scrutiny Commission, it would expect to receive this report at its July meeting.

6 FINANCIAL MONITORING REPORT - QUARTER 2, 2019/20 (Agenda Item 6)

The Director of Corporate Services, Caroline Holland, introduced the report and outlined the overall financial position at the end of the second quarter, with a forecast net positive variance at the end of year of £1,478k. She said that Cabinet would receive a report on the deficit on the Dedicated Schools Grant and the proposed recovery plan at its meeting on 27 January.

Caroline Holland provided additional detail in response to questions:

- Cabinet will receive a report on the annual review of the Veolia contract in January and this will be reported subsequently to the Sustainable Communities Overview and Scrutiny Panel
- savings are monitored continually and replacements are required for any that cannot be met
- Cabinet will consider a growth bid for the Children Schools and Families budget at its January meeting and the subsequent budget will be monitored closely to ensure that the budget is set at the right level and that outcomes are delivered
- The staffing establishment (page 138 onwards) shown in the iTrent column is higher than that shown in the budget FTE column because it includes all staff in posts including those for projects and maternity leave cover.
- Spend on agency staff is monitored and challenged in order to reduce this wherever possible. The total number of agency staff has reduced but costs have increased due to the specialist nature of the roles being covered. Standards and General Purposes Committee receive quarterly updates.

- IT capacity is one of the issues being examined as part of the internal review. The council is currently working with BT to rollout SharePoint and Office 365.
- The Director of Corporate Services has delegated authority to sign up to the Londonwide council grants scheme this year – timing issues this year mean that the decision will not be taken by Cabinet

Miscellaneous debt update (page 122 onwards)

The Head of Revenues and Benefits, David Keppler, introduced the update and drew members' attention to the increase in the net level of arrears during the second quarter, which had reduced slightly in subsequent months. He said that there had been some progress on recouping adult social care debt, that the use of a specialist debt collection agency had continued to be productive and that the South London Legal partnership had agreed to undertake this work for an initial trial period of six months. He said that the level of housing benefit debt that was recovered continued to increase, largely due to the Department of Work and Pensions' real time data matching initiative.

David Keppler provided additional information in response to questions:

- Adult social care debts include unpaid charges for services plus agreed charges against clients' property
- PCN debt is for parking and moving traffic offences, one third of which relate to vehicles registered outside the borough.
- CCTV photos have been helpful in encouraging people to pay fines promptly. CCTV and ANPR has been helpful in finding vehicles against which an unpaid PCN is due
- The South London Fraud Service investigates misuse of Blue badges