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OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

5 NOVEMBER 2014

(19.00 - 20.05)

PRESENT: Councillor Suzanne Grocott (in the Chair),
Councillor Peter McCabe, Councillor Dennis Pearce and
Councillor Peter Southgate

ALSO PRESENT: Paul Dale (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 Councillor Hamish Badenoch.

2 MINUTES OF MEETING HELD ON 22 JULY 2014 (Agenda Item 2)

Agreed.

3 FINANCIAL MONITORING REPORT - QUARTER 2 (Agenda Item 3)

Caroline Holland, Director of Corporate Services, introduced the report. She said that the forecast overspend of £4.37m had decreased by £0.9m since the previous month. Mitigating action taken by officers should lead to further decreases but there is likely to be a small overspend at year end. She drew the task group's attention to the recommendations made to Cabinet and to information that had been provided, including on capital virements, progress on previous savings and the miscellaneous debt update.

Councillor Suzanne Grocott asked to be sent further detail of the charges and work done on the item "rebuild unsafe wall" (page 17). ACTION: Director of Corporate Services.

In response to a question about the virement for the procurement strategy, Paul Dale, Assistant Director of Resources, explained that the additional staff would enable efficiency savings to be made.

Revenue budget 2014/15 (pages 18-37)

Task group members expressed concern at the projected overspend and asked what was being done to address this. Caroline Holland said that officers had been required to be much more rigorous and to control spend where possible. She added that the decrease between months 5 and 6 demonstrated that this action was beginning to take effect and that officers were taking the projected overspend seriously.

Paul Dale, described the work that he was carrying out to establish which aspects of the overspend were one-off items, which were ongoing cost pressures and which were caused by failure to deliver on previously agreed savings. He said that there were different factors in different areas.

Caroline Holland and Paul Dale provided further detail on some of the departmental items was provided in response to task group members' questions:

- Human resources (page 22) – the contract for the WCN recruitment system will last a further 18 months
- Childrens social care (page 25) has an ongoing overspend on social workers due to difficulties of recruiting and retaining permanent staff. A variety of measures have been put in place to address this but it is a regional issue and success so far has therefore been limited
- South London Waste Partnership (SLWP) overspend (page 34) is being investigated by Paul Dale
- Greenspaces (page 35) budget is being reviewed to address the mismatch between service activity and the base budget
- Building and development control (page 35) – the enhancement of the service was actioned in response to a recommendation from the Sustainable Communities Overview and Scrutiny Panel

Paul Dale undertook to ensure that acronyms would be set out in full in future reports.
ACTION: Assistant Director of Resources

Savings progress 2014/15 (pages 58-72)

Task group members noted that the 30% shortfall in the delivery of savings was an improvement on the 47% reported at the last meeting and asked whether further improvement was expected. Caroline Holland confirmed that further progress was expected.

In response to questions about lack of progress on some of the community and housing department savings, Caroline Holland said that the Director was reviewing the adult social care service to identify what is required to drive these savings forward.

Miscellaneous debt update (pages 80-87)

Task group members noted that the level of housing benefit debt had stabilised but that for community and housing was rising. Paul Dale explained that the community and housing debts included debt secured against property whilst the owner was in residential care. This would eventually be recouped.

Caroline Holland added that debt is reviewed regularly and written off if deemed to be unrecoverable.