

OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

15 SEPTEMBER 2020

(7.15 pm - 9.25 pm)

PRESENT Councillors Stephen Crowe, Nigel Benbow, Edward Gretton, Natasha Irons, Paul Kohler, Owen Pritchard, Peter Southgate, Joan Henry 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) and Zoe Church (Head of Business Planning)

1 ELECTION OF CHAIR (Agenda Item 1)

Councillor Stephen Crowe was elected for Chair. Councillor Natasha Irons seconded this. All voted in favour.

2 APOLOGIES FOR ABSENCE (Agenda Item 2)

No apologies received.

3 DECLARATIONS OF PECUNIARY INTEREST (Agenda Item 3)

There were no declarations of pecuniary interest.

4 MINUTES OF LAST MEETING (Agenda Item 4)

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

Matters arising:

Bishopford Road Bridge – Agreed this matter has been covered at the Overview and Scrutiny Commission.

Keith Burns agreed to provide details of the minimum and maximum payments, in response to a query about the average payment amount. Not yet provided so to be carried over to the next meeting.

The Head of Revenues and Benefits provided the requested breakdown of Adult Social Care debt by Residential and Homecare services.
Invoices raised in 19/20 showed Residential = 4m and Non-residential = 1.3m.

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).

Following on from this, the Chair proposed making a recommendation to the Overview and Scrutiny Commission with regards to reviewing the £10 Disability Related Expenditure disregard for social care customers, which has remained unchanged for many years. Cllr Peter Southgate agreed and seconded.

Whilst acknowledging the severe financial pressure facing the Council due to the Covid crisis, the FMTG agreed to make a recommendation to the Overview and Scrutiny Commission on the matter of the disregard, inviting Cabinet to review the appropriateness and fairness of the Disability Related Expenditure disregard of £10 per week.

5 OUTTURN REPORT 2019/20 (Agenda Item 5)

The Director of Corporate Services gave an overview of the current situation including:

- General fund outturn balance was 1.7m.
- Additional grants received – most significant being the Covid Emergency funding of 4.8m.
- Dedicated Schools Grant deficit.
- Slowdown in Capital

In response to Panel Member questions, the Director of Corporate Services provided additional details:

- Corporate Services are looking to review their top structure which has led to some vacant posts not being recruited to and an increase in agency staff in an effort to maintain a flexible and agile approach whilst still ensuring the Council has resources and capacity.
- Budget for redundancy payments not required, which led to a favourable variance of £233,000.
- SEN Transport Review is currently underway between the Directors of Children's, Schools and Families, Environment & Regeneration and Community & Housing. Looking at the current and projected levels of transport and looking at retendering the taxi contract for schools transport.
- Office 365 roll out has already restarted and will be completed by December.

Action: Member queried invoice of £820,000 unpaid and passed to the legal team. The Head of Revenues and Benefits agreed to check.

6 QUARTER 1 2020/21 (Agenda Item 6)

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

- Current deficit is 23.7m.

- As a result of Covid, the Children's, Schools and Families and Community & Housing departments are underspending whilst Corporate Services and Environment & Regeneration are overspending.
- We are seeing much less commercial waste / more residential waste due to people working from home.
- The Head of Revenues and Benefits explained some debts (including council tax) aren't being collected yet. The administration team have been on furlough since mid-June (9 admin staff furloughed in total)
- Dedicated Schools Grant is still an ongoing debate as to who holds deficit.

7 FUTURE MEETING DATES AND WORK PROGRAMME (Agenda Item 7)

The task group discussed potential items for the coming year. Suggestions included:

- Make or Buy review
- Capital Budget programme
- Adult Social Care – Debt
- Refresh of the Target Operating Models
- Covid expenditure (how much is it costing, increases etc)
- Morden Regeneration plans (finance, ownership, financial pressures and viability, impact of covid on plans)
- Quarterly returns (as mandated in the groups Terms of Reference)

Strong Member support for Morden Regeneration and understanding the impacts of Covid on the Council's finances.

Draft work programme:

- Nov (now 9 December) – Morden Regeneration with Q2
- 16 Feb – Covid – effect on income and costs with Q3
- 20 July – TBC with Q4