

Agenda Item 3

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OVERVIEW AND SCRUTINY COMMISSION - FINANCIAL MONITORING TASK GROUP

29 AUGUST 2019

(7.15 pm - 9.45 pm)

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

ALSO PRESENT: Caroline Holland (Director of Corporate Services), Roger Kershaw (Assistant Director of Resources), David Keppler (Head of Revenues and Benefits), Sophie Ellis (Assistant Director of Customers, Policy and Improvement) 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 - 17 JULY 2019 (Agenda Item 3)

The minutes were agreed as an accurate record of the meeting, subject to two factual changes:

- Page 2 – the one off savings were £1.1m, not £1.1k
- Page 3 – “housing property council” to be changed to “housing property company”

ACTION: Head of Democracy Services to make changes and re-publish minutes

4 CUSTOMER CONTACT PROGRAMME - LESSONS LEARNED (Agenda Item 4)

The Assistant Director of Customers, Policy and Improvement, Sophie Ellis, introduced the report, highlighting the aspects of the customer contact programme that had gone well, those that had gone less well and what lessons had been learned and steps taken to ensure that the learning is shared.

Discussion with the task group explored the balance between using internal staff with a stake in the long term future of the project and bringing in external experts; the extent to which the project was an ambitious one that sought to have a single user log-in (compared to the multiple interfaces that other councils have); the balance between agility and cost particularly in relation to having one large contract compared

to several smaller ones and the use of break clauses. The importance of effective change management was also discussed and how the extent to which this was needed could never be underestimated. Sophie Ellis confirmed that this was being considered and resources applied to other projects and programmes.

Sophie Ellis reassured the task group that, even though there was always scope for further user involvement, there had been large scale customer insight work at the start of the programme that had created customer profiles that were used to inform the programme at key stages.

The Director of Corporate Services, Caroline Holland, reminded members that the programme had a long history and that councillors had been critical of a lack of ambition in an earlier proposal for a “CRM lite” approach. She said officers had taken that on board in the subsequent customer contact strategy and associated website development. In response to a question about whether officers and councillors had been over-ambitious, both Caroline Holland and Sophie Ellis said that Merton’s aspiration to be London’s Best Council demonstrated that the council’s ethos is to be ambitious and that it hadn’t been over ambitious in this instance.

Task group members said that a number of the lessons learned were already known from the experience of other large scale public sector projects. Sophie Ellis said that the council had been mindful of that wider experience and had taken steps to address this. For example, although external expertise had been used, including a specialist contract lawyer, the programme had still encountered difficulties and lessons learned required future programmes to focus on how to manage difficulties as they arise and how to achieve the best balance between outcomes and cost. Caroline Holland added that, although a number of new systems have been subsequently introduced, this was the first major new IT system for many years and so one of the learning points was to look at how to help staff to get involved in shaping change as well as adapting to it.

In response to questions about the monitoring and enforcement of the contract, Caroline Holland said that those aspects had been successful and enabled a good proportion of the outcomes to be delivered despite the staffing and other issues experienced by the contractor which have previously been reported to the Overview and Scrutiny Commission. In a private session at the end of the meeting, Sophie Ellis explained what the mediation process had been, how this had worked in practice and what outcomes had been achieved.

Caroline Holland said that a number of the learning points had already been actioned, including making contact with other councils using the same provider in order to share experiences and exert leverage when required.

In response to questions about recruitment, Caroline Holland said that the council was exploring every avenue to recruit staff with specialist IT project management skills but that these staff were in short supply.

In response to a question about the next steps for the customer contact programme, Sophie Ellis said that further developments would be actioned once the council had

moved to Office 365 (which will happen shortly) and that there were some other incremental changes being implemented through a number of providers. One recent improvement is that residents can now report street issues such as fly tips without being required to provide a name and address. Sophie Ellis agreed that further communication to residents would be helpful and that she would consider other ways in which users could input, for example through a user forum. She stressed that the council continued to learn through its analysis of complaints and other user feedback.

5 FINANCIAL MONITORING REPORT - QUARTER 1, 2019/20 (Agenda Item 5)

Open minute of closed session

The Director of Corporate Services, Caroline Holland, introduced the report and summarised the content. She drew the task group's attention to the £700k overspend that is currently forecast for the end of the year. She stressed that the three month report is early in the year in terms of the forecasts for both the revenue and capital budgets and said that the increase in debt is typical for this stage of the year. She added that the quarterly monitoring report excludes information on the business rates pilot that could potentially bring in an additional £1.5 of income.

Caroline Holland, Roger Kershaw (Assistant Director of Resources) and David Keppler (Head of Revenues and benefits) provided additional information on specific sections of the report in response to questions:

Environment and Regeneration

Waste services – the non-budgeted internal debt charge arose due to an error in assigning the capital costs for vehicles.

Caroline Holland undertook to clarify what arrangement the council had made in relation to the removal of side waste that was reported in the Wimbledon Guardian.

ACTION: Director of Corporate Services

Members noted that Veolia would be attending a meeting of the Sustainable Communities Overview and Scrutiny Panel on 3 September, providing an opportunity to ask questions about operational and contractual issues.

Children Schools and Families

Caroline Holland said that there was ongoing discussion with the department in order to identify the level of growth that will be needed.

Dedicated Schools Grant – Caroline Holland said that the £800m put aside by the government to assist with DSG budgets nationally would not go far, that developments were awaited on this and it was an area of concern for the council.

Community and Housing

The predicted overspends this year are marginal and are being addressed by the department.

Caroline Holland undertook to ensure that the next quarterly monitoring report would contain more information on the Public Health budget. ACTION: Director of Corporate Services

Capital Programme

The cost of repairs to or rebuild of the Bishopford Road Bridge and whether this will be covered by insurance will depend on the reason for its collapse. It is currently being inspected by structural engineers.

Morden regeneration update – currently awaiting funding confirmation from Transport for London, seeking a joint venture partner and working to clarify ballot conditions.

Miscellaneous debt update

David Keppler reported that the arrangement whereby a portion of housing benefit debt that had previously been written off was passed to a third party to collect and to share proceeds fifty-fifty had raised about £25k in the first two months of operation. He said that the longer term projections would become clear shortly. He reminded members that in future a lower level of housing benefit debt will be accrued and written off in future due to new data matching processes that have been introduced.

David Keppler undertook to provide an explanation for the unbudgeted surplus in the Housing Benefit budget referred to on page 5 of the report.

ACTION: Head of Revenues and Benefits

The task group AGREED that it would discuss the miscellaneous debt update earlier in the agenda than previously.

HR data

The task group asked the Director to consider how the data is presented and whether there was a way to show how much was spent rather than just showing headcounts. Caroline Holland explained that the data was presented this way in response to requests made by the task group in previous years but that she would give some thought to providing budget information on staffing.

Task group members expressed interest in discussing the Merton offer and recruitment and retention.

The task group AGREED to discuss HR issues earlier on at the next meeting.

6 DATES AND AGENDA ITEMS FOR FUTURE MEETINGS (Agenda Item 6)

The task group AGREED the work programme set out in the report and AGREED to add the item on social care charging to the agenda for the February meeting.

The task group also AGREED that it would have a private briefing session on treasury management immediately prior to its meeting on 12 November and AGREED that invitations should be extended to all councillors.