

Decisions of the Financial Performance and Contracts Committee

17 December 2018

Members Present:-

Councillor Peter Zinkin (Chairman)
Councillor Anthony Finn (Vice-Chairman)

Councillor Kathy Levine
Councillor Shimon Ryde
Councillor John Marshall
Councillor Arjun Mittra
Councillor Alex Prager
Councillor Barry Rawlings (Substitute)

Apologies for Absence

Councillor Jess Brayne

1. MINUTES OF THE PREVIOUS MEETING

The Chairman, Councillor Peter Zinkin opened the meeting and it was **Resolved that the Minutes of the previous meeting of the Financial Performance And Contracts Committee held on 9th October 2018 be agreed as a correct record.**

2. ABSENCE OF MEMBERS

Apologies were received from Councillor Jess Brayne who was substituted by Councillor Barry Rawlings.

3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND NON-PECUNIARY INTERESTS

The following declarations were made:

Councillor	Agenda Item(s)	Declaration
John Marshall	11	Non-pecuniary interest by virtue of being a Council appointed Director of Re
Peter Zinkin	7	Non-pecuniary interest by virtue of being a Member of the North London Waste Authority

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

The Responses to the Public Questions were published prior to the meeting and tabled. There were no further supplementary questions.

6. MEMBERS' ITEMS (IF ANY)

There were none.

7. CHIEF FINANCIAL OFFICER REPORT (PERIOD 7)

Upon invitation of the Chairman, Officers presented the report to the Committee.

Following a query from the Committee on staff retention within Children's Services, Officers informed Members about the work of the Agency Board to support staff from agency to permanent employment. Members were informed that this remains a challenging area as it relates to individuals' personal preferences.

In response to a query about maintaining contingencies and reserves, Officers informed the Committee about the council's overarching financial strategy of eradicating the use of one-off funding to balance the budget over the MTFS period.

The Committee noted the data relating to the level of debt and list of top 10 debtors under Table 19 of the report. Members also noted the importance of regularly reviewing this data to ensure that action is being taken in respect of debt owed.

The Committee was informed that this will continue to be closely monitored going forward and that a Debt Board has been established to ensure that debts are paid in a timely manner.

Members requested that under the Debtors section within the next report, further analysis be provided in relation to the top 10 Debtors, including an update on the Barnet CCG debt and the work of the Debt Board. **(Action)**

Officers informed the Committee that the Barnet CCG debt listed within the table relates to a number of invoices which are due to be resolved and settled. The Chairman encouraged further dialogue between Officers of the LBB and CCG Finance teams.

Members agreed that the Adults & Safeguarding Committee, when considering whether investment in Early Prevention has made a difference to outcomes, request assistance where practicable, from the Financial Performance & Contracts Committee. **(Action)**

It was noted that additional funding would be made available in year towards Adult Social Care. Members queried the risks associated with the budget for Adults and Communities. Officers noted that estimated forecast include a level of risk and that if mitigating actions are not achieved, this could lead to an increased pressure.

Members were informed about the challenge to positions provided by Service Areas and Budget Holders in order for reporting to be as accurate as possible.

In relation to CSG and Council Managed Budgets, Members asked for an update on the improvement work – Officers briefed the Committee about improvements to budget management and monitoring processes which has resulted in a much better understanding of current position and therefore enhanced reporting.

It was agreed that Officers provide data to the Chairman and Councillor Kathy Levine on the collective experience from other Local Authorities on the impact of Universal Credit towards Housing and Homelessness. (**Action**)

Members expressed concerns over the level of deficit in respect of the Dedicated Schools Grant balance and noted the new requirement for Local Authorities to report on how they will bring any deficit position back in line if the deficit is more than 1% of total DSG which for Barnet equates to £2m. Officers noted the concerns raised.

It was **RESOLVED** that:

1. **The Committee noted the 2018/19 revenue forecast outturn, as detailed in Table 1 and in Appendix A;**
2. **The Committee noted the savings anticipated to be delivered in 2018/19, as detailed in Table 5;**
3. **The Committee noted the level of reserves and balances as detailed in Tables 9 and 10;**
4. **The Committee noted the 2018/19 capital forecast outturn, as detailed in Table 6 and in Appendix B;**
5. **The Committee noted the treasury position outlined in section 2.4.**
6. **The Committee noted the debtors position outlined in section 2.5.**
7. **The Committee noted the strategic financial matters outlined in section 3.**

8. PERFORMANCE OF BACK OFFICE FUNCTIONS - LEGAL SERVICES

The Chairman introduced the item and invited Mr David Tatlow, Chief Legal Advisor and Monitoring Officer and Ms Jessica Farmer, Head of HBPL to present the report.

The Committee received a presentation on the core purpose of the HBPL agreement and overall performance of the service, costs and key challenges and improvements.

Following a query from the Committee on recruitment, Ms Farmer informed that in addition to growing and developing internally, various recruitment methods have been deployed such as Open Days and Market HR tools to attract interest.

In response to a query about Rates charged to LBB, Ms Farmer noted that LBB is one of the largest clients for HBPL and that as such a large number of hours are contracted which makes hourly rates more effective in comparison to purchasing smaller number of hours.

Mr Tatlow briefed the Committee on the main changes in respect of managing the HBPL contract, namely

- (i) the methodology for charging of hours - which will alter from hours of work 'estimated' to hours of work completed and a revision to the hourly rate to allow a contingency fund to be developed
- (ii) to monitor demand for instructions by service areas in order to review demand trends and the reasons, and
- (iii) to increasingly look at fixed hourly prices in line with benchmarking exercise with other LA's and the private sector.

The Committee noted that monitoring will continue on a regular basis.

The Chairman welcomed the report and it was agreed that the HBPL Contract will be included in future Monitoring reports to this Committee alongside other key contracts. (**Action:** Q Performance Reports)

It was **RESOLVED:**

1. **That the Committee noted the report and progress in approving the revised Inter Authority Agreement with Harrow.**
2. **That the Committee noted the details of the revised monitoring arrangements and the overview of the performance and financial position.**

9. QUARTER 2 2018-19 CONTRACTS PERFORMANCE REPORT

Officers presented the report. In reference to page 62 Paragraph 1.27 the Committee agreed to receive an update on Incident Resolution under the Customer Services Improvement item at a future meeting.

Following concerns expressed over the response to the Pensions Regulator it was noted that improvement work is ongoing and that a response will be put together in respect of the issues raised by the Regulator. It was agreed that the Committee would be further updated on the matter. (**Action:** Pensions)

It was **RESOLVED that:**

The Committee reviewed the Quarter 2 (Q2) 2018/19 performance in relation to back office functions delivered by the Customer and Support Group (CSG) and Planning (CSG) and to note any recommendations to Policy and Resources or Theme Committees on issues arising from this review.

10. UPDATE ON MAJOR CONTRACTS AND CONTINGENCY PLANNING

Upon invitation of the Chairman, Ms Deborah Hinde Interim Assistant Commercial Director joined the Committee and presented the report.

Following concerns expressed by Members over risks associated with Capita becoming insolvent and continuing ICT provision, Ms Hinde noted that business continuity and disaster recovery plans in place for ICT are reviewed on a regular basis as well as arrangements for ensuring continued access to data centres. She also noted that officers have carried out further work to strengthen the contingency plans for these two areas of activity.

It was **RESOLVED:**

That the Committee noted the contingency planning arrangements set out in the report.

11. RESOLUTION OF IT ISSUES BETWEEN REGIONAL ENTERPRISE AND CONWAY AECOM

The Chairman introduced the report which sets out the IT issues between the Regional Enterprise (Re) and the council's term maintenance contractor, Conway Aecom, and explains the path to resolution. The Chairman welcomed Mr Alun Parfitt Operations Director at Re who provided a detailed presentation to the Committee.

It was **RESOLVED:**

That the Committee noted the progress to date on the resolution of IT issues.

12. COMMITTEE FORWARD WORK PROGRAMME

The Committee noted the standing item on the Agenda which lists the items on the Committee's Forward Work Programme for 2019.

RESOLVED that the Committee noted the Forward Work Programme for 2019.

13. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT

None.

The meeting finished at 9.10 pm