

## Decisions of the Financial Performance and Contracts Committee

19 June 2019

Members Present:-

Councillor Peter Zinkin (Chairman)  
Councillor Thomas Smith (Vice-Chairman)

Councillor Anthony Finn	Councillor Alex Prager
Councillor Kathy Levine	Councillor Barry Rawlings
Councillor Arjun Mitra	Councillor Julian Teare (Substitute)

Apologies for Absence

Councillor John Marshall

### 1. MINUTES OF THE PREVIOUS MEETING

The Chairman, Councillor Peter Zinkin welcomed all attendees, including Councillor Thomas Smith as new Vice-Chairman of the Committee and opened the meeting.

It was **RESOLVED** that the minutes of the previous meeting of the Financial Performance and Contracts Committee held on 11<sup>th</sup> March 2019 be agreed as a correct record.

### 2. ABSENCE OF MEMBERS

Apologies were received from Councillor John Marshall who was substituted by Councillor Julian Teare.

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

None.

### 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 - 2018/19 REVENUE AND CAPITAL OUTFURN

The Chairman introduced the report, which was presented by the Director of Finance, Anisa Darr and the Deputy Director of Finance, Paul Clarke.

Mr Clarke summarised the key points set out in the report.

Following a query about long-term loans, Officers noted that the total value of long-term loans to the Council as at 31 March 2019 was £304m and agreed to include in future reports, draw-downs of loans by the Council to third parties which are recorded in the accounts under short-term investments alongside long-term loans. **(Action: CFO Report)**

The Committee requested that Officers include the gross position in relation to outstanding debtors. **(Action: CFO Report)**

Following a comment from the Committee about making additional contributions to the Pension Fund, Officers informed Members that currently discussions are being held with Hymans as part of the tri-annual evaluation about pension contribution rates.

Officers spoke about that in the eventuality that the Authority pre-paid employee contributions rates for the coming 3-year period the Authority would have the benefit of the discount rate being higher than the borrowing rate and additional funding would be available for the Pension Fund for investment purposes.

In response to a comment about the underspend for Street Lighting, which was £324K due to cost saving actions taken, the Committee noted that the Environment Committee has recently approved a programme of works to replace Street Lighting with energy saving LED lighting.

It is anticipated that the programme of work will take approx. a year to be completed. The level of spend will continue to be reported to this Committee for monitoring purposes.

The Chairman and Councillor Levine requested an update from Officers in respect of the income from Libraries, the target commitment which was set and the current achievement against that target. **(Action: Finance/ Estates)**

The Committee noted the overall position in relation to the Children's Service budget, which is offset by the use of £2.3m one-off funding.

In response to concerns expressed by the Committee over ongoing pressures, Officers noted that future data for Q1 will inform plans to meet ongoing pressures and that some pressures remaining at the end of the year were recognised during the 2019/20 budget setting process.

In respect of the Community Infrastructure Levy (CIL) Reserve funding it was agreed that a breakdown of CIL spent over the last 2 years and current annual projected budget be circulated to the Chairman and Councillor Levine. **(Action: Finance)**

Following a comment from the Committee about the level of debt, it was noted that this information is a snapshot as at that date and the position is updated on a daily basis as payments are made.

Officers informed Members about the reduction in the overall level of debt and spoke about the work of the Debt Board and its aim to work strategically with organisations towards reducing the level of outstanding debt.

The Committee asked about the actions taken to address outstanding debt owed for more than 90 days – Officers informed that actions include seeking expert legal advice and mediation discussions with debtors in order to expedite recovery. The Committee requested an update about Comer Homes debt and any associated dispute resolution. **(Action: Forward Work Programme)**

It was unanimously **RESOLVED**:

- 1. The Committee noted the 2018/19 revenue outturn, as detailed in Table 2 and Appendix A;**
- 2. The Committee noted the savings delivered in 2018/19, as detailed in Table 6;**
- 3. The Committee noted the level of reserves and balances as detailed in Table 11;**
- 4. The Committee noted the 2018/19 capital outturn, as detailed in Table 7 and in Appendix B;**
- 5. The Committee noted the treasury position outlined in section 4.**
- 6. The Committee noted the debtors position outlined in section 5.**

## **8. LEGAL SERVICES REPORT**

Upon invitation of the Chairman, David Tatlow Chief Legal Advisor & Monitoring Officer (LBB), Jessica Farmer Head of Legal Practice (HB Public Law) and Sarah Wilson Deputy Head of HBPL joined the meeting. The Committee welcomed the report which, as requested, will be included in future monitoring reports to the Committee.

Mr Tatlow presented the report and noted that the Inter Authority Agreement with Harrow was extended for a further period of five years until 1 September 2022 and that the revised Agreement has now been signed by both Harrow and Barnet. He noted that overall, performance is good and feedback has been positive.

In respect of budget monitoring, the Committee noted that the once centrally managed budget has been amalgamated to the various departments within the organisation with Chief Officers having responsibility to monitor their respective HBPL budget to avoid overspending.

Ms Farmer provided an analysis of the services provided by HBPL. The Committee heard about the various areas and types of work covered by HBPL, including fraud and other prosecutions.

Following a query about staff retention, it was noted that areas such as planning law have experienced some difficulty with recruitment – various actions have been

implemented to address this such as organising open days, workshops as well as offering internship and trainee opportunities.

It was unanimously **RESOLVED** that:

1. **That the Committee noted the report and completion of the revised Inter Authority Agreement with Harrow.**
2. **That the Committee noted the overview of the performance and financial position.**

## **9. PERFORMANCE OF BACK OFFICE FUNCTIONS - OFF-CONTRACT AGENCY EXPENDITURE**

The Committee received a presentation and summary of the report from Natasha Edmunds, HR Director who spoke about the work delivered to continue to reduce off-contract agency spend.

It was unanimously **RESOLVED**:

**That the Committee noted off-contract agency spend and the actions taken by officers to reduce this expenditure.**

## **10. REVIEW OF CAPITA CONTRACTS - LESSONS LEARNED**

The Commercial and IT Services Director, Deborah Hinde presented the item. The Committee noted the correction in relation to the link set out in paragraph 6.1 in the report:

<http://barnet.moderngov.co.uk/documents/s50134/Review%20of%20Capita%20Contracts.pdf>

Following a query from the Committee about service delivery and staff retention in respect of the transition, Officers informed that feedback from staff has been positive. The Committee also heard that the duration of the transition process was relatively long to ensure that staff are supported and that correct procedures were followed.

It was noted that good service delivery has been maintained during the transition period as well as the Office move to Colindale and that there has been no loss of staff.

In response to a query about the identification of new KPI's for Capita retained services, the Committee agreed that any material changes to KPI's be reported back to the Committee for review and approval. (**Action: Forward Work Programme** – to be incorporated within future report)

Councillor Rawlings moved a motion which was seconded and following discussion agreed by the Committee to amend recommendation 2 to read as follows:

*2. Noted the lessons learned from the process, which will inform any future insourcing activity as will analysis of the financial information required in order for the Committee to make informed decisions.*

It was therefore unanimously **RESOLVED** that the Committee:

1. **Noted the successful return of Finance and Strategic HR services to the council.**
2. **Noted the lessons learned from the process, which will inform any future insourcing activity as will analysis of the financial information required in order for the Committee to make informed decisions.**

## **11. END OF YEAR 2018/19 CONTRACTS PERFORMANCE REPORT**

The Chairman introduced this agenda item and invited the Head of Commercial Management, Elaine Tuck to present the report.

In reference to the Capita Contracts Review report considered by the Policy & Resources (P&R) Committee on 17 June 2019, the Chairman drew the Committee's attention to recommendation 11 which was agreed by P&R Committee - that:

*The review of remaining services be carried out through the year 6 (CSG) and year 7 (RE) contract reviews commencing in the autumn of 2019, with terms of reference and progress being reported to the Financial Performance and Contracts Committee. Any resulting recommendations would be made in a further report to the Policy and Resources Committee.*

In response to a query about the current scope of the reviews, the Chairman noted that a report will be brought to this Committee this year in order to agree the terms of reference and scope of the Y6 and Y7 reviews. (**Action: Forward Work Programme – Y6 and Y7 scope**)

It was unanimously **RESOLVED** that:

**The Committee reviewed the End of Year (EOY) 2018/19 performance in relation to back-office functions delivered by the Customer and Support Group (CSG) and Planning delivered by Regional Enterprise (Re) and noted any recommendations to Policy and Resources Committee or Theme Committees on issues arising from this review.**

## **12. COLINDALE OFFICE MOVE - UPDATE**

The Chairman invited Chris Smith, Assistant Director Estates who summarised the report for the Committee.

He noted that as expected, there were some concerns expressed over travel routes and parking but that overall the feedback from staff has been positive. Housing Options and Family Services are due to move into the new Offices in Colindale in September.

In response to a query about anticipated footfall at the entrance of the building once Housing Options have re-located to Colindale, it was noted that there will be a separate entrance for Housing Options services with separate security for each entrance of the building.

It was **RESOLVED**:

1. That the Committee noted the progress including the first successful relocation of services to the new council office in Colindale.
2. That the Committee noted the current contractual position with the council's main construction partner delivering the new offices in Colindale.

**13. COMMITTEE FORWARD WORK PROGRAMME**

The Committee noted the standing item on the agenda which lists the business items for consideration at future meetings of the Committee during 2019-2020.

It was **RESOLVED** that the Committee noted the Forward Work Programme 2019-2020 which was updated during the meeting with additional items.

**14. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

None.

**15. MOTION TO EXCLUDE THE PRESS AND PUBLIC**

The Chairman moved a motion, which was seconded and approved, to exclude the Press and Public on the basis that the exempt items will involve discussion of confidential information. Members of the press and public vacated the room and the public gallery was cleared.

**16. LEGAL SERVICES (EXEMPT)**

The Committee noted the exempt information as set out within the exempt report.

**17. COLINDALE OFFICE MOVE - UPDATE (EXEMPT)**

The Committee noted the exempt information as set out within the exempt report.

**18. ANY OTHER EXEMPT ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT**

None.

The meeting finished at 9.40 pm