

# Decisions of the Financial Performance and Contracts Committee

2 July 2018

Members Present:-

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

Councillor Kathy Levine  
Councillor Shimon Ryde  
Councillor John Marshall

Councillor Jess Brayne  
Councillor Arjun Mittra  
Councillor Alex Prager

## 1. ABSENCE OF MEMBERS

The Chairman, Councillor Peter Zinkin welcomed all attendees to the first meeting of the Financial Performance and Contracts Committee.

All Members of the Committee were present at the meeting.

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

The following declarations were made:

Councillor	Agenda Item(s)	Declaration
John Marshall	7, 10	Non-pecuniary interest by virtue of being a Council appointed Director for Barnet Group during the timeframe covered within the report
Shimon Ryde	7, 10	Non-pecuniary interest by virtue of being a Council appointed Director for Barnet Group
Arjun Mittra	7, 10	Non-pecuniary interest by virtue of being a tenant of Barnet Homes.
Jess Brayne	7, 10	Non-pecuniary interest by virtue of being a leasehold tenant together with her partner of Barnet Homes

## 3. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

## 4. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

The responses to the submitted Public Questions were published and tabled at the meeting. The Chairman invited the speakers, Mr John Dix and Mr Roger Tichborne who were in attendance, to join the meeting.

The Committee heard two Public Comments from Mr Dix and Mr Tichborne respectively.

The Committee also received a number of supplementary questions from Mr Dix and Mr Tichborne which were answered verbally by Officers and the Chairman.

## **5. MEMBERS' ITEMS (IF ANY)**

There were none. The Chairman confirmed that Members' items can be considered in relation to areas of concerns that Members have about matters within the terms of reference of the Committee.

## **6. FINANCIAL PERFORMANCE AND CONTRACTS COMMITTEE GOVERNANCE ARRANGEMENTS**

The Chairman introduced the report and noted the core business items which will be considered on a regular basis in line with the Committee's Terms of Reference.

Members heard about the proposed reporting mechanism between this Committee and the Thematic and Policy & Resources Committees. The Chairman noted that any lessons learnt can be applied to ensure that the proposed arrangements work as efficiently as possible.

In respect of the remit between this Committee and the Performance and Contracts Management Committee (de-commissioned) the Chairman noted that Performance of services is reported to the relevant Thematic Committees. This follows the principles and recommendations set out by the Ofsted Monitoring review on the topic of management of performance.

The Committee noted that where issues are raised which fall within the terms of reference of another Thematic Committee, the specific request/ action will be noted and raised with the Chairman of the relevant Committee.

It was unanimously **RESOLVED** that:

- 1. The Committee approved the core papers that will be considered by the Committee on a regular basis.**
- 2. The Committee noted the Committee's relationship to the broader Performance and Risk reporting frameworks.**

## **7. FINANCIAL MONITORING REPORT OUTTURN 2017/18**

The Chairman introduced the report which provides an overview of financial performance for the year to 31 March 2018 and treasury management activity. The Director of Finance and S151 Officer Kevin Bartle presented the report to the Committee.

Following a query about the reported adverse variance, it was noted that overall variance is largely driven by overspends in CSG and council managed budgets. The Chairman noted that overspend in certain service areas are pressure and demand-led.

The Committee expressed concerns about the drawdown from specific and general earmarked reserves – it was agreed that action is needed to address the future sustainability of achieving a balanced budget.

The Committee highlighted the ever-increasing demand pressure in Adults and Safeguarding as an ongoing challenge and in response, Mr Bartle noted that the financial challenge is underpinned by underlying pressures which is being reported to the Policy and Resources Committee.

In response to concerns raised about the funding of Capital Programme, the Chairman noted that the Capital Programming is included on the Committee's Forward Work Programme for review and discussion. The Policy and Resources Committee is due to consider the profile of Capital Programme in more detail at their next meeting.

Members queried the borrowing mechanism reported within Table 13 on page 29 of the Agenda. It was noted that certain expenditure was classed as borrowed internally and that therefore there is no interest charge resulting from such borrowing.

The Committee noted the revised budget for HB Public Law 2017/18 on page 33, Appendix A Revenue Outturn. The Chairman noted that the Committee will consider the HB Public Law contract at a future meeting.

It was unanimously **RESOLVED** that:

- 1. The Committee noted the 2017/18 General Fund revenue outturn, as detailed in paragraph 1.2 and in Appendix A.**
- 2. The Committee noted the savings delivered in 2017/18, as detailed in paragraph 1.2.16.**
- 3. The Committee noted the level of reserves and balances as detailed in paragraph 1.3.**
- 4. The Committee noted the additions and deletions (which include virements) and accelerations and slippages in the capital programme, as detailed in paragraph 1.4 and in Appendix B.**
- 5. The Committee noted the treasury position outlined in paragraph 1.5.**

## **8. FUTURE FINANCIAL REPORTING**

The Chairman noted the proposed timetable and structure of Future Financial Reporting to this Committee which consist of three broad sections.

The first section, Executive Summary covers high level summary of performance and key issues, the second section will cover Financial Management which includes Revenue monitoring, Capital programme, Reserves, Debtors and Treasury. The third section covers strategic financial matters such as internal controls and long term financial planning.

In response to a query on reporting of CIL and S106 funding, Mr Bartle informed the Committee that a report will be taken to the Audit Committee which can be circulated to Members. **(Action)**

He also noted that CIL and S106 funding will be referenced as part of the Capital programme Financial report to this Committee.

It was unanimously **RESOLVED**:

**That the Committee approved the proposed reporting contents set out in Section 1 of the report.**

## **9. PERFORMANCE OF BACK OFFICE FUNCTIONS**

The Chairman introduced the item which sets out the forward work programme for the Committee's review of the performance of back office services.

A correction was noted on page 58 of the agenda, under paragraph 1.3 to read c) *Pensions Administration*.

The Committee requested to receive a list of all back office services. **(Action)**

It was unanimously **RESOLVED**:

**That the Committee agreed the approach and forward work programme for the Financial Performance and Contract Committee's review of the performance of back office services.**

## **10. END OF YEAR 2017/18 CONTRACTS PERFORMANCE REPORT**

The Chairman introduced the EOY Contracts Performance report for 2017/18 and invited Gillian Clelland, Assistant Director of Finance (CSG) to join the meeting.

Given the significance of some of the issues, the Committee requested that updates are provided where issues were closed off post reporting period. In order to incorporate this suggestion within future reports, the Chairman and Officers agreed to discuss this in more detail. **(Action)**

Going forward, reports will include a footnote where issues are being reviewed by other Thematic Committees to avoid duplication of work. **(Action)**

### The Barnet Group

In respect of Fire Safety, the Committee received confirmation that as reported in the End of Year performance report to Policy and Resources Committee, all fire risk assessments had been completed. It was requested that the report due to go to the Housing Committee on the delivery of the programme and value of works also be circulated to this Committee. **(Action)**

### Customer and Support Group (CSG)

Referring to page 69 of the Agenda, the Committee requested an update on the progress of works for Tarling Road Community Centre. **(Action)**

Following a comment about satisfaction with the website, GovMetrics and accuracy of information, it was agreed that the Committee will consider this issue at its next meeting. **(Action: Forward Work Programme)**

In response to concerns expressed over the Oakleigh Road Depot and bin collection dates, it was noted that the Environment Committee had considered both matters. It was agreed that both issues will be raised with the Chairman of the Environment Committee. **(Action: refer)**

The Committee asked for information on page 71 of the Agenda covering finance contract indicators, KPIs 29 and 30, which measure the quality of budget and savings monitoring to be circulated. Officers agreed to provide an update of the final versions of KPIs 29 and 30 to all Members of the Committee. **(Action)**

Following a discussion on Pensions administration, the Committee heard about the improvement plan which was put in place to address issues. The Chairman informed the Committee about the reporting mechanism of Pensions administration and that the Committee is due to review this topic at its future meeting. Officers agreed to contact Councillor Mittra outside of the meeting to address any further queries. **(Action)**

Officers agreed to respond to Councillor Brayne to confirm whether the wider impact of Universal Credit was previously reported and reviewed. **(Action)**

It was unanimously **RESOLVED** that:

**The Committee scrutinised the annual performance of the council's key strategic contracts as above and note any recommendations to Policy & Resources or Theme Committees on issues arising from the scrutiny of external providers and financial performance.**

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

There were none.

**12. 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 item will involve discussion of confidential information.

Members of the press and public vacated the room and the public gallery was cleared.

**13. EXEMPT ITEM - UPDATE ON COMMERCIAL MATTERS**

The Committee noted the exempt information.

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

None.

The meeting finished at 9.35 pm