

Decisions of the Financial Performance and Contracts Committee

7 December 2020

Members Present:-

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

Councillor Anthony Finn	Councillor Kathy Levine
Councillor Alex Prager	Councillor Barry Rawlings
Councillor Julian Teare	Councillor Arjun Mittra

1. MINUTES OF THE PREVIOUS MEETING

The Chairman of the Financial Performance and Contracts Committee Councillor Peter Zinkin, welcomed all attendees to the virtual meeting. Actions agreed at the previous meeting were circulated to the Committee, the Chairman apologised for the late circulation of the responses to the actions. It was agreed that the response for the action regarding Comer Homes on p.2 of the minutes would be circulated as soon as the data is available.

It was RESOLVED that the minutes of the previous meeting of the Financial Performance and Contracts Committee held on 27th October 2020 be agreed as a correct record.

2. ABSENCE OF MEMBERS

None.

3. DECLARATIONS OF MEMBERS DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS

None.

4. REPORT OF THE MONITORING OFFICER (IF ANY)

None.

5. PUBLIC QUESTIONS AND COMMENTS (IF ANY)

None received.

6. MEMBERS' ITEMS (IF ANY)

There were none.

7. CHIEF FINANCIAL OFFICER REPORT FORECAST FINANCIAL OUTTURN AT MONTH 7 (OCTOBER 2020)

The Chairman invited Ben Jay, Assistant Director for Finance and Anisa Darr Chief Finance Officer to present the report. Mr Jay provided a summary and breakdown of each section of the Chief Financial Officer report.

The Committee noted the summary of the budget forecast for the main operations of the council as set out within the report. Members queried whether there would be any anticipated drawdown of reserves for the current financial year.

Mr Jay stated that it should be possible to manage the current financial year without any unplanned or Covid-19 related use of reserves in the general fund – subject to the detail of the recently announced government funding and future Covid-19 related costs as they materialise. He noted that whilst uncertainty remains for future years, the SR20 statement has provided support for the next financial year.

Members queried how the overall financial position of the Council compares to other boroughs taking into account Covid-19 related pressures.

Ms Darr informed Members that Covid-19 recovery and related pressures had an impact on the financial standing on the local authority sector as a whole, with some authorities (but not Barnet) requiring direct intervention.

As for Barnet, Ms Darr noted that the Covid-19 financial position is under review and continuously monitored for clearer understanding and reported for scrutiny to this Committee.

In response to the below two requests it was agreed that Officers provide the following data to Councillor Levine and the Chairman (**Action Finance**):

- a) the number of applications made by local businesses for grant funding but which were rejected
- b) the number of applications paid out but subsequently challenged as a result of concerns regarding eligibility

The Committee commended Officers for the analysis and reporting on the overall position in relation to Covid-19 related funding and costs.

Following a query about setting a target for HRA reserve contingency, Officers noted that generally HRA reserves should be positive. Furthermore, in Barnet the target figure is set around £3m which is also the case for the current financial year.

Ms Darr noted that in the absence of clear guidelines, local authorities have discretion as to risk appetite taking into consideration local factors. The Committee also heard about the ongoing work with The Barnet Group to review the appropriate target balance for the HRA general reserve, the Major Repairs Reserve and the Depreciation Policy. The outcome of which will be reported to the January Housing & Growth Committee as part of the HRA Business Plan.

Members requested that an explanatory note be added for future CFO reports in respect of Table 13 Funding the Capital Programme 2020/21, in order to clarify that the unfunded figure cannot be spent unless the associated funding bid is successful. (**Action: CFO Reporting**)

The Committee noted that the overall debtors decreased by £329k between September and October 2020 and highlighted the importance of continued vigilance in this area.

It was RESOLVED that the Committee:

1. Noted the current financial forecast outturn for 2020/21 and the level of uncertainty within that forecast;
2. Noted the cost of the pandemic and the operational response to it;
3. Noted the current view on use of reserves, and the outlook;
4. Noted the current debtor position and related action.

8. Q2 2020/21 CONTRACTS PERFORMANCE REPORT

The Chairman welcomed the report which provides an overview of Quarter 2 (Q2) 2020/21 performance for the contracted services delivered by the Customer and Support Group (Capita), Regional Enterprise (Capita), The Barnet Group (TBG) and HB Public Law.

Tim Campbell, Head of Commercial Management presented and summarised the report.

The Chairman on behalf of the Committee thanked Tim Campbell and other Officers for their work on managing the Test and Trace self-isolation payments scheme which went live on 12 October 2020 and will run until 31 January 2021 to support residents on low income receive a Test and Trace Support Payment or discretionary support payment of £500.

The Committee expressed concerns over performance failures of Highways and noted the impact of Covid-19 and staff shortages on service performance. In relation to response to drainage and flooding issues, the Committee noted the plans to improve performance against the target. Plans have been put in place to triage complaints and an engineer has been brought in to assess and respond to drainage and flooding issues.

In respect of the pensions data remediation plan, Officers responded to concerns regarding correcting data and noted that WYPF will continue to work on correction of the remaining member records. Ms Darr also informed Members that WYPF are undertaking a review of the remediation plan which will be reported to both Pension Fund Committee and Local Pension Board in due course.

It was RESOLVED that the Committee reviewed as set out above the Quarter 2 (Q2) 2020/21 performance for the back-office functions delivered by the Customer and Support Group (Capita); Building Control, Hendon Cemetery & Crematorium, Environmental Health, Strategic Planning, Regeneration and Highway Service delivered by Regional Enterprise (Capita); the housing services delivered by The Barnet Group; and the legal services delivered by HB Public Law.

9. BRENT CROSS COSTS DEEP-DIVE

Upon invitation of the Chairman, Karen Mercer Programme Director presented the report which updates on the financial performance of the contracts within the Brent Cross programme that are being directly delivered by the council. Ms Mercer also informed Members about the governance arrangements for monitoring delivery progress and financial performance of the elements of the Brent Cross programme that are being directly delivered by the council funded by the HM Government Grant.

The Chairman moved a motion which was seconded and agreed by the Committee to amend the wording of the recommendation to read:

The Committee is asked to note delivery progress across the Brent Cross (BX) programme as set out in the report to the Housing and Growth Committee on 24 November 2020. and the relevant extracts from the presentation to the HM Government Assurance Board on financial performance as set out in the associated exempt report.

It was therefore RESOLVED that the Committee noted delivery progress across the Brent Cross (BX) programme as set out in the report to the Housing and Growth Committee on 24 November 2020

10. COMMITTEE FORWARD WORK PROGRAMME

The Committee noted the standing item on the agenda which lists the future reports to the Committee.

It was RESOLVED that the Committee noted the Forward Work Programme 2020-21.

11. ANY OTHER ITEMS THAT THE CHAIRMAN DECIDES ARE URGENT

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. The public meeting was concluded. The Committee moved to a separate private virtual session for the exempt report item.

13. BRENT CROSS (EXEMPT)

It was RESOLVED that the Committee noted the exempt presentation and information as set out within the report.

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

There were none.

The meeting finished at 8.35 pm