

CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

THURSDAY, 23 AUGUST 2018

PRESENT: Councillors David Burbage (Vice-Chair, in the Chair), Dr Lilly Evans and Eileen Quick

Also in attendance: Councillor Derek Wilson

Officers: Rob Stubbs, Russell O'Keefe, Andy Carswell and Kevin McDaniel

APOLOGIES

Apologies for absence were received from Cllrs Rayner and Ilyas.

DECLARATIONS OF INTEREST

There were no declarations of interest received.

MINUTES

Resolved unanimously: that the Part I minutes of the meetings held on June 21st and July 9th 2018 were both approved as a true and correct record.

FINANCIAL UPDATE REPORT

The Head of Finance informed Members that a total overspend of £1.4million had been forecast in the report. Members were informed that when the annual Budget was set in February, opportunities to offset overspends had been identified with a number of underspends; however over time these opportunities had diminished and budgets had become tighter. £3.6million in mitigation had been found and further work was being done to provide mitigation; however an overspend of £1.4million was still being predicted. Officers were confident however that the Budget for 2019/20 would be on a more solid footing. The Head of Finance indicated the budget pressures were not unique to the Royal Borough, and informed the Panel that the Leader had recently written to the government expressing concerns on finance constraints relating to children's services.

The Head of Finance informed Members that there was no virement to offset budget incomes that were no longer relevant; for example it was noted that there was an unachievable income offset of £90,000 with regards to printing, which had existed for several years even after the Council's print centre was closed. It was noted that the projected income from increased car parking charges had failed to materialise. The Panel was informed that more work was being done to understand the reasons for this, as the majority of the Council's car parks had remained busy. The Head of Finance stated his belief this was likely to be an annual performance quirk rather than an accounting one. It was noted that a proposed change to the operational management of car parks had not progressed as planned, and there was an unachievable budget pressure of £625,000 relating to car parking. Members noted that these issues had not been picked up either by the Council's external and internal audits, and that nothing had been presented to the Audit and Performance Review Panel.

The Director of Children's Services stated that overspends in the children's services budgets had been offset by underspends elsewhere, and the contracts with Optalis and Achieving for Children had helped with this. Much of the spending related to children in care and this would continue to be so for the foreseeable future. It was hoped that the contract with AfC would enable a larger supply of local provision for children in care. However the Director of

Children's Services advised that this could take some time to come to fruition. Regarding children in care, members were informed that on August 1st 2017 there were 1,112 open cases relating to social care for children. This figure was now 742. The number of children with care plans – which included those who were looked after, or who had a Child Protection Plan – was around 150.

Members were informed that it was possible for amendments to be made to the AfC contract and minor changes had been made in the past. There were no plans to change the terms of the contract in relation to placements of children in care, although this was being kept under review by commissioning services. The Director of Children's Services stated that a joint commissioning team, alongside Kingston and Richmond Councils, was in the process of being set up, which would help provide a larger pool of carers.

Regarding an overspend on bus routes, Cllr Quick asked where the proposed offsettings were due to come from, and stated that at a previous meeting of Full Council assurances had been given that bus services would not cost the Council any additional money. The Head of Finance stated that there had been an expectation that the costs associated with bus services could be managed, but anticipated underspends in other budgets had not come to fruition.

Responding to a question from Cllr Evans about the non-recovery of budget subsidies, the Head of Finance stated that in previous years the Council had been able to cover this by drawing money from the debt provision plan. However it was no longer considered financially prudent to do this.

The Panel was informed that the service affected by the £795,000 of in-year deficit from the dedicated school grant funding related to the high needs block. The Director of Children's Services stated that the budget for the dedicated school grant was generally kept separate from the remainder of the budget for children's services; if the dedicated school grant budget was overspent then this would create significant problems for the Council. Members were told that the Council had met with a number of chairs of governors and finance bodies from schools that were at risk of running a deficit. Referring to the specific example of Manor Green School mentioned in the report, the Director of Children's Services stated that much of the additional funding required was due to a large intake of pupils who were from outside the Borough. It was now the Council's responsibility to provide the funding for this because there had been a change to the financial regulations.

The Panel reported that they were concerned about the overspends which had led to an unbalanced budget, particularly with regards to budget lines which had been kept despite the knowledge that they were no longer needed. The Panel reported that it agreed with the Leader's concerns over the lack of funding from government for children's and education services, as the Council was in a position where it was obliged to meet expenditure which it was unable to cover. The Panel also agreed that it would be prudent to write to the Chairman of the Audit and Performance Review Panel about the quality of the audits taking place, particularly with regard to budget lines which had been closed.

Members endorsed the report on capital monitoring.

WORK PROGRAMME

Cllr Evans requested that Members be given an update on the next phase of the proposed operating structure and senior management structure. It was agreed that the Head of Human Resources should be asked to provide an update on the organisational performance at the December meeting.

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED UNANIMOUSLY: To approve the motion to exclude the public for the remainder of the meeting.

The meeting, which began at 6.30 pm, finished at 7.39 pm

CHAIRMAN.....

DATE.....