

## Recommendations of Overview and Scrutiny Committee

**CABINET** 20 July 2020

**Report title:** Financial Planning and Medium Term Strategy Report 2020/21 to 2024/25:  
Recommendations of Overview & Scrutiny Committee

**Wards:** All

**Portfolio:** Cabinet Member for Finance & Performance: Councillor Maria Kay

**Report Authorised by:** Alison McKane: Director of Legal & Governance

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**Report summary**

This report sets out the recommendations of the Overview & Scrutiny Committee (OSC) on the 20/07/20 report to Cabinet 'Financial Planning and Medium Term Strategy Report 2020/21 to 2024/25'. The report was considered by the Overview & Scrutiny Committee at its meeting on 16 July 2020, and the resultant recommendations are submitted to Cabinet for consideration.

**Finance summary**

There are no capital or revenue implications arising as a direct result of this report.

**Recommendations**

That the following observations and recommendations from the Overview & Scrutiny Committee be considered:

1. That a briefing be arranged for committee members regarding an overall 'big picture' view of the Council's finances
2. That the need to maintain a level of reserves commensurate with the Council's spending plans and the current high level of financial risk be highlighted, especially in light of the potential need to use reserves to address the in-year budget gap
3. That the committee be updated regularly on income generation performance, including mitigations in the event that income falls below expected levels
4. That clarity be provided regarding the shortfall between Covid-19 related costs (incorporating additional expenditure and lost income) and compensation levels from Government as and when figures become known
5. That the committee is concerned about the potential impacts of the Council's financial position on the borough's most vulnerable residents, especially those with protected characteristics under the

Equality Act, and wishes to be kept informed regarding the process of identifying savings measures, with a particular focus on the related Equalities Impact Assessments

6. That an evaluation of the cost and performance of Covid-19 specific measures put in place during the lockdown period, such as the food hub operation and actions to tackle homelessness, be carried out and reported back to the committee, in order that lessons can be learned and implemented in case of a second wave of Covid-19
7. That the committee urges greater co-operation between boroughs on addressing Children's Services budget pressures
8. That the assumptions underpinning the Children's Social Care budget be reviewed to ascertain whether any revision is necessary, in light of consistent overspends in recent years
9. That clarity be provided on temporary accommodation spend and how it envisaged this will change over time
10. That the committee notes the unprecedented nature of the current situation in terms of budget pressures and risks, and stresses the need for robust governance underpinning decision making processes, including greater engagement with members
11. That the committee wishes to monitor the Capital Investment Programme and therefore requests that this be included in future budget-related reports
12. That the committee expresses concern at the level of additional budget pressures unrelated to Covid-19 which have been identified since the budget was passed in February, and requests further information regarding how these arose and why they were not foreseen

## **1. CONTEXT**

- 1.1 At its meeting on 16 July 2020, Overview & Scrutiny Committee (OSC) considered the budget overview and financial implications for the Council set out in the Cabinet report 'Financial Planning and Medium Term Strategy Report 2020/21 to 2024/25'. OSC hereby submits its recommendations arising from scrutiny of the report for consideration by Cabinet.

## **2. PROPOSAL AND REASONS**

- 2.1 At the meeting on 16/07/20, OSC put questions to the Leader of the Council and the Cabinet Member for Finance and Performance, along with the Director of Finance and Property.
- 2.2 Arising from the discussions OSC agreed a number of observations and recommendations be submitted to Cabinet. These were as follows:
  1. That a briefing be arranged for committee members regarding an overall 'big picture' view of the Council's finances
  2. That the need to maintain a level of reserves commensurate with the Council's spending plans and the current high level of financial risk be highlighted, especially in light of the potential need to use reserves to address the in-year budget gap
  3. That the committee be updated regularly on income generation performance, including mitigations in the event that income falls below expected levels
  4. That clarity be provided regarding the shortfall between Covid-19 related costs (incorporating additional expenditure and lost income) and compensation levels from Government as and when figures become known
  5. That the committee is concerned about the potential impacts of the Council's financial position on the borough's most vulnerable residents, especially those with protected characteristics under the Equality Act, and wishes to be kept informed regarding the process of identifying savings measures, with a particular focus on the related Equalities Impact Assessments
  6. That an evaluation of the cost and performance of Covid-19 specific measures put in place during the lockdown period, such as the food hub operation and actions to tackle homelessness, be carried out and reported back to the committee, in order that lessons can be learned and implemented in case of a second wave of Covid-19
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  8. That the assumptions underpinning the Children's Social Care budget be reviewed to ascertain whether any revision is necessary, in light of consistent overspends in recent years
  9. That clarity be provided on temporary accommodation spend and how it envisaged this will change over time
  10. That the committee notes the unprecedented nature of the current situation in terms of budget pressures and risks, and stresses the need for robust governance underpinning decision making processes, including greater engagement with members
  11. That the committee wishes to monitor the Capital Investment Programme and therefore requests that this be included in future budget-related reports
  12. That the committee expresses concern at the level of additional budget pressures unrelated to Covid-19 which have been identified since the budget was passed in February, and requests further information regarding how these arose and why they were not foreseen

### **3. FINANCE**

3.1 There are no capital or revenue implications arising as a direct result of this report.

### **4. LEGAL AND DEMOCRACY**

4.1 None in addition to those contained in the budget report.

### **5. CONSULTATION AND CO-PRODUCTION**

5.1 The report was considered at a public committee meeting held on 16 July 2020.

### **6. RISK MANAGEMENT**

6.1 None in addition to those contained in the Cabinet report.

### **7. EQUALITIES IMPACT ASSESSMENT**

7.1 None in addition to those contained in the Cabinet report.

### **8. COMMUNITY SAFETY**

8.1 None in addition to those contained in the Cabinet report.

### **9. ORGANISATIONAL IMPLICATIONS**

9.1 None in addition to those contained in the Cabinet report.

### **10. TIMETABLE FOR IMPLEMENTATION**

10.1 Not applicable

<b>Audit Trail</b>				
<b>Consultation</b>				
<b>Name/Position</b>	<b>Lambeth directorate/ department or partner</b>	<b>Date Sent</b>	<b>Date Received</b>	<b>Comments in para:</b>
Alison McKane, Director	Legal & Governance	17.07.20	17.07.20	
Nisar Visram, Assistant Director, Corporate Finance	Finance & Investment	17.07.20	17.07.20	
Wayne Chandai, Head of Chief Executive's Office and Democratic Services Manager	Legal & Governance	17.07.20	19.07.20	
Cllr Liz Atkins	Chair, Overview & Scrutiny Committee	17.07.20	17.07.20	

<b>Report History</b>	
<b>Original discussion with Cabinet Member</b>	16.07.20
<b>Report deadline</b>	
<b>Date final report sent</b>	20.07.20
<b>Part II Exempt from Disclosure/confidential accompanying report?</b>	No
<b>Key decision report</b>	No
<b>Date first appeared on forward plan</b>	N/A
<b>Key decision reasons</b>	N/A
<b>Background information</b>	<a href="#">Meeting documents for 16/07/20 Overview &amp; Scrutiny Committee meeting</a>
<b>Appendices</b>	None