

Minutes of a meeting of the Finance Overview and Scrutiny Committee held at the Town Hall, Wandsworth, SW18 2PU on Wednesday, 4th December, 2024 at 7.30 p.m.

PRESENT

Councillor Critchard (Chair); Councillor Lawless (Deputy Chair); Councillors Ambache, Corner, Fraser, P. Graham, Hedges, Lee, Richards-Jones and Worrall

In attendance: Councillor Kemi Akinola (Cabinet Member for Voluntary Sector, Business Engagement and Culture) and Councillor Angela Ireland (Cabinet Member for Finance).

1. Minutes of the Previous Meeting

The minutes of the meeting held on 9 October 2024 were agreed as a correct record.

2. Declarations of Interests

There were none.

3. Wandsworth Heritage Collections Development Policy (Paper No. 24-375)

The committee agreed that Councillor Osborn would speak briefly on the item. Councillor Osborn highlighted the importance of being more positive about the museum despite the stringent deaccession policy, to withdraw or remove items from the museum collection. He emphasized the need for better access to the collection, such as digitising it and distributing parts of the collection to other locations like libraries and family hubs to create mini museums.

Members supported the positive attitude towards the museum and agreed with the policy. Members raised a concern about Part D of the recommendations, suggesting that families might have undue influence over the policy if the contents of the collections were not fully known.

Officers clarified that the family mentioned had been in discussions with the Wandsworth Archive about transferring items to the Wimbledon Museum.

Members questioned the measures in place to prevent the destruction of archives due to potential technology failures. Officers responded that efforts were being made to develop a risk plan, but that currently, no budget was attached to the collection. It was hoped that funding could be secured as part of the London Borough of Culture legacy to host the collection in the cloud with an off-site backup.

Members inquired about plans to ensure all Wandsworth residents had access to the rich heritage, to which officers explained that the first phase involved cataloguing the collections and creating an online database on the "Welcome to Wandsworth" website. Collaboration with volunteers and students from Roehampton University

was ongoing, with plans to expand this work year by year. Memory boxes were also being created to bring collections into community settings, and two mini museums had already been opened with more in the pipeline.

Members asked if the term "deaccession collection items" was defined in the policy. Officers stated that the policy needed to specify what could and could not be removed from the collections. Discussions about transfers to other collections were ongoing.

Members suggested approving the paper but recommended amending the wording of Part D at the Executive meeting. This was noted in the minutes.

The recommendations were unanimously agreed upon with the understanding that the above amendments would be considered by the Executive.

RESOLVED, unanimously, to recommend to the Executive to:

- (a) Adopt the Wandsworth Heritage Collections Development Policy.
- (b) Give approval for the deaccession and transfer to the appropriate organisation of all human remains found within the collection.
- (c) Give approval for the deaccession and transfer to the appropriate organisations or, if that is not possible, the safe disposal of any items that are hazardous to public health.
- (d) Give approval to deaccession collection items and return them to individuals (or their families) who previously donated these items to the Wandsworth Museum and who have now identified another organisation that could:
 - i) put the items on public display;
 - ii) make them easily accessible to researchers/general public or
 - iii) more effectively care and conserve the items.

4. Change Programme: Progress Update (Paper No. 24-376)

Regarding Appendix 1, Members inquired about the outcomes and benefits of projects started since February 2024, now in the second year of the change programme. Members requested future documentation to be included in reports. Officers summarised key outcomes and agreed on the importance of a benefits-tracking process, confirming that ongoing work would be reported in future.

Members raised questions about the approach to creating 1,000 apprenticeships and securing financial sustainability. They also inquired about the establishment of a new external funding team. Officers explained that ongoing work with staff apprenticeships and collaborations with the University of Roehampton and local businesses was in place. Officers also mentioned the recruitment of a financial funding team, with updates to be provided at the next meeting.

In answer to questions, officers described the Decision-Making and Accountability (DMA) tool, developed with the LGA, Birmingham University, and CIPD, which aimed for organisations to have no more than five layers of responsibility and promoting good practice on direct reports. A full explanation of the levels was to be sent out.

Members also asked how good work was tracked. Officers stated that a successful change programme becomes embedded in the organization, leading to continuous

improvement. Officers further explained once a culture of continuous improvement was imbedded in an organisation a change programme became redundant.

Members inquired about the publication of the residents' survey. Officers confirmed it was published on the website in July as part of the NCIL report.

Members also questioned the use of resources for an asset strategy review. They asked if this was similar to the strategy already presented in November 2023 in Paper No. 23-409 (Wandsworth Asset Management Strategy). Officers in the Change Team explained they were unaware of this work and promised to follow up with an answer.

Members asked for details and examples of staff volunteering days. Officers mentioned the policy was launched 3-4 months ago, granting staff two volunteering days per year which would be logged in the HR system. Staff were encouraged to discuss volunteering with their line managers and write about their activities and their relevance to council priorities. The policy was well-received, and tracking of volunteering activities would continue.

Members asked about roles needing extension beyond current employment contracts within the Change Management team. Officers explained the team was working within the financial envelope available and assessing future needs based on recommendations from the DMA. Future funding would be through individual business cases for new projects.

The Executive Director of Change and Innovation provided an update on the customer service KPI, which was red during the waste contract changeover period. The live dashboard of calls allowed for closer monitoring, and performance was back on track.

Members sought clarity on the delegated authority mechanism and the decision-making process of the Change programme board. Officers clarified that the Executive Director of Finance previously held the delegated authority. The Executive Director of Change and Innovation now held this role, and all decisions went through the change programme board. The acting Chief Executive added that the board served as the governance structure aiding executive directors in decision-making. Members asked why there had been no decision notices for each of these decisions. Officers promised to provide a detailed response later.

The Chair mentioned that the setup of the Change Board remained the same since its inception, and that a check could be made to confirm the original setup.

RESOLVED, with six votes in favour and five against, to recommend to the Executive to agree delegated authority to the Executive Director of Change and Innovation to approve the draw down and spend of the 'Change programme Delivery Fund'. This is to align the fund to the responsibilities of the relevant officer, whilst retaining scrutiny through the regular updates to members (Para 14).

5. Infrastructure Funding Statement 2023/24 (Paper No. 24-377)

Members asked about the total borough Community Infrastructure Levy (CIL) income and why it had decreased this year compared to previous years. Officers responded

that despite the reduction, Wandsworth remained the third highest collecting authority in the country. The decline was attributed to country-wide financial uncertainty impacting developer confidence, but the council's position remained healthy. Members also inquired about Wandsworth's rank in previous years to which officers confirmed that last year, Wandsworth was the top collecting authority in the country. Members noted that CIL was overspent by £21 million last year and questioned the prudence of committing to such over-expenditure. Officers explained that the overspend was against future receipts, and there was a pipeline of developments. The forward estimates were prudent relative to the number of units listed. Officers agreed to follow up with an answer about the number of CIL details that had come from the Nine Elms neighbourhood.

Members asked if there would be law enforcement officers paid for by levies on property developers, as committed by the Administration. Officers confirmed that that was the intention.

RESOLVED, unanimously, to recommend to the Executive to:

- a) approve the publication on the Council's website of the Infrastructure Funding Statement of 2023/24, as set out in Appendix 1.
- b) To delegate to the Executive Director of Finance, in consultation with the Chair of the Finance Overview and Scrutiny Committee, republication of the Council's Infrastructure Funding Statements where modifications are required.

6. Medium Term Financial Strategy (Paper No. 24-378)

Members highlighted the reduction in turnover of agency staff in social work. Wandsworth was named "Supportive Social Work Employer of the Year" at the Social Worker Awards 2024. Officers confirmed that the teams were delighted at this, noting significant work with an academy and enhanced support for Newly Qualified Social Workers (NQSWS), resulting in a considerable reduction in spending on agency staff.

Members referred to a real-terms increase in core spending power of 3.2%, questioning if this assumed a full Council Tax (CT) increase. Officers confirmed it did. The Member noted that if the administration froze the CT main rate, the increase would not be at that level. Officers explained that anything less than a full increase would reduce that percentage.

Members queried why the projected £13 million budget gap this year was smaller than presented as the year 1 gap in the same paper one year ago. Officers attributed this to a more favourable finance settlement last year in terms of a real terms increase in funding and when inflation was higher, this led to increased funding, particularly for social care. The council will be able to balance the budget because in a fortunate position to have a high level of reserves. Actions were needed to address the structural funding gap by either reducing expenditure or increasing income. Several options were being considered.

Officers clarified that this MTFS did not make any assumptions about the 2025-26 settlement from Central Government.

Members inquired about further plans for social value initiatives, to which officers responded that current efforts focused on specific projects or programmes, with plans to roll out wider where possible.

Members asked about lobbying the government for structural underfunding of local government. Officers confirmed ongoing lobbying efforts through groups such as London Councils, LGA, and others. The Cabinet Member added that liaison and collaboration with MPs and assembly members occurred at every opportunity.

Members asked about the council's debt management strategy. Officers stated the council's debt position was very strong, with the final tranche of HRA borrowing due this year, after which there would be no external debt. Future borrowing plans to deliver homes were measured by using internal resources to minimise external borrowing costs while creating long-term assets to address housing needs.

In response to a question from Members about the impact of the National Insurance increase for employers, officers and the Chair stated that the exact impact was still unclear. Funding assurances had been received from the Government that it would match direct costs but the detail of that is still awaited. It was unclear whether Government funding would cover indirect costs of the NI changes for the council, or whether the costs will be experienced immediately or in time as contracts came to an end. Estimates were being made to include in the budget-setting paper.

RESOLVED, with six votes in favour and four abstentions, to recommend to the Executive to approve the Council's Medium Term Financial Strategy for 2024/25 as set out in Appendix A to the report.

7. Budget Monitoring: Second Quarter 2024/25 (Paper No. 24-379)

In response to concerns from Members that it had been highlighted the previous year that the overspend in adult services was not under control and the budget allocation was deemed inadequate, officers responded that budget numbers were best estimates at the time each year. This year's budget was set before the end of the last financial year, and the situation had worsened since then. High demand continued, with pressure on placement costs and market pressures driving the overspend. The next budget round would aim to set a realistic budget, reflecting on past experiences.

Members noted the increased projection of health budget overspend and questioned the collaboration with the health authority, the withdrawal of continuing healthcare funding by the NHS, and the potential extension of the pilot for health and care integration to reduce care budget pressures. Officers acknowledged significant costs and financial challenges faced by the NHS. They urged that the council must support clients with social care despite funding issues, and emphasised the importance of collaboration with the NHS, with the pilot on hospital discharge being a key example.

Members highlighted that while the number of cases might not be increasing, the range of complexity of support need had grown dramatically. Members mentioned the advancement in healthcare analytics to improve forecasts and inquired about the council's plans to invest in these capabilities, to which officers stated that it was being explored as part of the Change Programme.

RESOLVED, unanimously, to receive the report for information.

8. Treasury Management Mid-Year Review 2024/25 (Paper No. 24-380)

Members expressed concern regarding the amount of debt being accumulated by the HRA. Members were worried that the total repayment of the debt over a 50-year period of debt would be more than the debt value itself.

Officers explained in response that the value to the council would far outweigh the cost of the loan. The money was being used to purchase property that would avoid expensive temporary accommodation costs and provide subsidised social housing to residents who needed it, and the asset would be available for the council in perpetuity and potentially a guaranteed rental income. The asset purchased would outlive the debt considerably. Therefore, officers asserted that it is an investment worth making.

RESOLVED, unanimously to recommend to the Executive to:

- a) Note the end of year and mid-year review of Treasury Management activity as required by the CIPFA Treasury Code of Practice.
- b) Authorise the change in the Council's Treasury Policy Statement as outlined in paragraph 9 and produced in full in the statement in Appendix E.

9. Annual Corporate Complaints (Paper No. 24-381)

In response to a question from Members, officers explained that upheld complaints often resulted in training being rolled out in the relevant service and mentioned efforts to improve communication. Further details would be provided after the committee.

Members highlighted case studies showing the importance of written communication in plain English and preventing digital exclusion, emphasising the need for inclusive and accessible complaints processes. Officers stated that the central complaints team worked closely with directorates and that training was a key part of their efforts.

Members asked that all departments could learn from Children's Services' experience of writing letters in plain English. This could be adopted throughout the council.

In response to comments from members, officers mentioned ongoing efforts to build comprehensive complaints monitoring and plans to roll out a case management system. It was explained that conversations at Departmental Management Team meetings were helping identify common themes and address them.

Officers agreed to include complaint-handling as part of the Member training programme.

RESOLVED, unanimously to recommend to the Executive to:

- a. Note the Annual Complaints report for 2023/24 and learning for Council services.

- b. Agree the new corporate complaints policy and changes to associated timescales and targets, to take effect from 1st April 2025, to ensure compliance with the ombudsmen's new Complaint Handling Codes.

10. Debt Write Off (Paper No. 24-382)

Members raised concerns about the impact of increased business rates on high streets following the new government's first budget. Officers acknowledged the potential impact but highlighted efforts to engage with businesses and provide flexible payment arrangements, such as extending the payment period for Council Tax (CT) and business rates from ten to twelve months. Additionally, efforts are being made to ensure businesses applied for all available reliefs.

Officers discussed the use of the Low Income Family Tracker (LIFT) across several services, noting the importance of understanding and supporting families with children. Efforts were being made to create a more holistic view of household debt through a "data lake" and using the Digital Economy Act to gather information from HMRC to better understand debt positions and provide appropriate support.

In response to a question from Members, officers confirmed that rent increases directly impacted arrears and noted the substantial amount of subsidised rent compared to the private market. The team proactively helped tenants claim benefits and manage arrears, especially after changes due to COVID-19 and court procedures. Officers acknowledged the point about referencing maximum rent increases and agreed to share rent figures outside the meeting.

RESOLVED, unanimously to recommend to the Executive to:

1. To approve the Debt Management Policy (Appendix 4) which includes a Debt Fairness Charter and will form part of the Council's Financial Regulations.
2. To approve writing off the 9 irrecoverable debts totalling £723,053, summarised in table 1 in paragraph 33, which are individually in excess of £25,000.

11. Wandsworth Corporate Plan Actions and KPIs Performance Monitoring (Paper No. 24-383)

In response to a question from Members, officers explained that the figure in relation to the targets for the Citizens' Advice Bureau (CAB) represented the half-year mark and that it was on track to meet year-end expectations. They also mentioned that the CAB was also funded through the Cost of Living (COL) fund, and overall figures were adjusted as needed.

In response to a comment from members, officers reported positive feedback and successful engagement with residents needing detailed casework support at the money advice roadshow. A similar event was held in Richmond, with plans to run more and potentially expand the case management approach through the CAB.

In response to a question about the link between the KPI on customer service and the change programme, and the distribution of warm home packs, officers stated that customer service and response were part of the change programme. Warm home packs had been successful, with many distributed during the Leader's roadshows.

Further details on links with other programmes would be provided outside the meeting.

Members inquired about the reduction in the number of placements through Work Match, especially in the construction industry, and asked if this was linked to a reduction in construction in the borough. Officers noted that Work Match had diversified into other sectors, including hospitality, and across the borough. They agreed to provide further information on the reason for the reduction from the service.

RESOLVED, to receive the report for information.

12. The Impact of the Autumn Budget 2024 (Paper No. 24-384)

RESOLVED, with four votes in favour and five against, not to uphold the recommendation in the report.

13. Budget Variations (Paper No. 24-386)

RESOLVED, with five votes in favour and four abstentions, to approve the General Fund budget variations, as detailed in paragraph 3 of the report.

The meeting ended at 10.49 p.m.