

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

05 NOVEMBER 2013

Present:

Adeleke	Marshall
Ayling	Organ
B Chapman (Chairman)	Taylor
Clark	Townsend (Vice – Chairman)
Collins	W Wyatt - Lowe
N Hollinghurst	

Also in attendance: Councillor Tiley - Portfolio Holder for Finance & Resources
Councillor Harden - Portfolio Holder for Residents & Regulatory Services

Officers:

Steve Baker	Assistant Director – Legal, Democratic & Regulatory Services
James Deane	Assistant Director – Finance & Resources
Robert Freeman	Lead Planning Officer
Martin Hone	Corporate Director – Finance & Operations
Shane Flynn	Assistant Director – Project Governance
Matt Rawdon	Group Manager – People
Mark Brookes	Group Manager – Legal Governance
Jim Doyle	Group Manager – Democratic Services
Louise Collins	Member Support Officer (Minutes)

The meeting started at 7.30pm.

OS/201/13 MINUTES

Minutes of the meetings held on 08 October 2013 were confirmed by the members present and were then signed by the Chairman.

OS/202/13 APOLOGIES FOR ABSENCE

An apology for absence was received on behalf of Councillor Doole and N Hollinghurst.

OS/203/13 DECLARATIONS OF INTEREST

None

OS/204/13 PUBLIC PARTICIPATION

None

OS/205/13 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN

None

OS/206/13 ACTION POINTS FROM PREVIOUS MEETINGS

Councillor Townsend suggested that all action points that have been completed should be removed off the action point list. All Members agreed with this point.

S Baker brought Members attention to one of the action points from the last meeting regarding the Localism Act. He said that he had been contacted by Councillor Anderson whom had requested that a report be brought to the next Finance and Resources OSC in January 2014 on the Operation of Community Right to Bid. S Baker said that he would incorporate the two reports together for the next meeting.

All Members agreed with this.

There were no further action points discussed at the meeting.

OS/207/13 QUARTER 2 RISK MANAGEMENT REPORT 2013/14

Apologies were received on behalf of L Dargue who was unable to attend the meeting to present her report. J Deane highlighted the key points in his report and offered to accept questions on behalf of L Dargue in her absence.

Key points of discussion

Councillor Collins made reference to the revised Strategic Risk Register on pages 6 and 7 of the report. He pointed out that he was slightly confused on how the risk scores are collated and asked how the percentages are estimated on the risks.

J Deane mentioned that the current method of scoring the risks would be considered as part of a Risk Management review scheduled for early in 2014/15. He explained to Members that this review would already have been undertaken, but for delays caused by the issues around the provision of the Internal Audit Service taking place.

Councillor Collins referred to page 7, risk PP_R02 and pointed out that the risk had gone up from an 8 in Q1 to a 12 in Q2. He asked the officer to explain the reasons behind this.

S Flynn said that the answer to his question would be dealt with later on in the report.

There were no more questions from Members.

Outcome:

Members noted the content of the report and recommended to Cabinet for approval.

**OS/208/13 QUARTER 2 PERFORMANCE & OPERATIONAL RISK
REPORT 2013/14 - LEGAL GOVERNANCE, DEMOCRATIC SERVICES AND
PEOPLE**

S Baker introduced the report to Members and welcomed M Rawdon as the new Group Manager for People. S Baker brought Members attention to the latest update on the Q2 Quarterly Performance report and said that the last 3 risks had no comments against them as no further comments were warranted.

Key points of discussion

Councillor Collins indicated to Members that the cost of an election for Town/Parish Councils could potentially rise by 300%. He asked officers to confirm whether there was any evidence that more than two elections could happen on the same day.

J Doyle said that this was highly unlikely to happen on the same day as both the Parish/Town Councils have their own budgets in place to cover any increase in elections.

J Doyle informed Members that with the Parish/National and Borough elections taking place in 2015, this would not be something that would take place. Special legislation had been granted and election guidance meant that only two elections at any one time can take place. The cost to the Parish Councils would only be a 1/3 of the cost. J Doyle explained to Members that a conference would take place at the end of the month whereby this concern would be addressed.

The Chair said he felt that 300% was a lot. He asked officers to bring Members attention to the costs nearer to election time and an estimate on costings would be highly beneficial to Members.

Councillor Collins said that he received an estimate for Berkhamsted Council and it had increased from £9k to £27k.

Councillor Taylor made reference to page 18 3.1, and asked if there was any truth behind the rumour that Morrison's were withdrawing some of their expansion plans which had been highlighted in the press recently. He asked officers to clarify whether our Morrison project was safe or under potential threat.

Councillor Tiley said that he felt it was not fair to discuss this topic in part 1 based on the financial press speculation. He told Members that he was unaware of any private information happening in Hemel Hempstead's Morrison's project. Members should take reassurance from this.

Councillor Tiley made reference to the comment made about Berkhamsted Council and said to the officer J Doyle that an unfair answer had been given. He said that he felt that it was misleading to Members and it was not an adequate response on behalf of Dacorum Borough Council.

Councillor W Wyatt – Lowe referred to Communications and Partnerships and asked if it would be possible to find out how much is given to core partners this year and what amount is given to other organisations.

M Rawdon said that he did not have the information to hand but would look into this for Councillors and get back to them.

S Baker confirmed that the non – funded groups had a separate process to award grants. The first step would be to send it to the Portfolio Holder and then to publish it on the website and explain where and why if it is refused.

Councillor Marshall made reference to page 18, 4.1 and asked how the Community partnerships were being co-ordinated with the new consortium.

S Baker said that the dacortium had been set up so that voluntary organisations can come together as a legal entity to bid on contracts.

Councillor Marshall expressed that she had concerns with regards to this.

S Baker said that he had met with Members of the consortium. He mentioned that there was a lack of suitable contracts available from the Council for them to bid on.

Councillor Adeleke referred to page 17 2.2, and the new recruitment website. He asked the officer if internal staff would go through the same application process as external staff.

M Rawdon explained that internal staff would complete a slightly different application form as we would already hold their personal information on file. All of the other information on the application form would be the same.

Councillor Adeleke referred to page 18 3.4 and the staff survey. He asked the officer if Cabinet have had any involvement in the staff survey.

M Rawdon confirmed that they only involve Members on the results to present at meetings.

Councillor Taylor declared a personal interest as he is a Member of the Community Action Dacorum.

Councillor Collins made reference to page 22 7.11 and 7.12 regarding the Electoral Services. He asked if Dacorum Borough Council would incur any of the costs.

S Baker confirmed that the contractors have accepted full liability.

Actions:

1. M Rawdon to update Members on how much money is given to Core Partners and other organisations.

Outcome:

Members noted the report.

**OS/209/13 QUARTER 2 PERFORMANCE & OPERATIONAL RISK
REPORT 2013/14 – PERFORMANCE & PROJECTS**

S Flynn introduced the Quarter 2 Performance & Operational Risk report and outlined the key elements in the report. He informed Members that he had added a number of new risks to the performance register. He told Members that he wanted to focus more on the issues and the performance management areas of his services and the risk register had been updated to reflect this..

Key points of discussion

Councillor W Wyatt – Lowe asked the officer if the Council was still at risk to the connection of the PSN.

S Flynn confirmed to Members that the Council is still at some element of risk.

Councillor Adeleke asked the officer how the security of information was being managed once files had been taken off site for loading into Information@Work.

S Flynn pointed out that the tender documents required high levels of security to be in place, up to national and international standards, to protect the Council. The winning bidder provided these assurances. For example, a cheaper solution, offered by some companies, is for boxes to be collected by a lorry that was making several visits to different customers but we had opted for a dedicated collection so that our files could not potentially be mixed with others. Security measures are also in place to check that all material handover is checked and confirmed on arrival. Any information that was required once the files had left the Civic Centre could be reclaimed within 24 hours and all information would be stored for a period of 3 months and then destroyed, once approval has been received by the responsible officer. , In addition, Northgate were selected as they scan all of the documents directly into our system through a Virtual Private Network (VPN) connection.. This offers a much safer way of sharing information as other providers would have to use third party software or transfer scanned data by disk, which are clearly less secure alternatives..

Councillor Adeleke asked if there was any assurance within the planning process.

S Flynn said that in September there was an implemented plan put in place which allowed them to monitor and assess the processes taking place. Setrvei Level Agreements will be made with each Group Manager and an overall plan can then be compiled. All provisions will be put in place so that they can make sure all data will be returned fully as it will be eventually audited.

Councillor Marshall referred to scanning of the documents and asked how this would take place.

S Flynn stated that each department would be responsible for the scanning of their own documents and have their own filing system. This allows them to choose how they set this up.

The Chair referred to page 38 4.9, and asked how they would co-ordinate the performance indicators that need to be reviewed by the Assistant Directors and if there was a deadline to complete this by.

S Flynn said this would all need to take place by the next financial year but they still needed to develop the process.

The Chair welcomed this idea and said that anything reduced would be helpful.

Outcome:

The Committee noted the content of the report and the performance of the division for Quarter 2, 2013/14.

OS/210 /13 QUARTER 2 PERFORMANCE & OPERATIONAL RISK REPORT 2013/14 – FINANCE & RESOURCES

J Deane introduced the Quarter 2 Performance and Operational Risk report for 2013/14 and highlighted some key areas for Members attention.

- Page 91 1.2, There had been three changes to the following risks;
 - FR_F02 – This had changed from amber to red as there was an increased underspend from 4-9 million.
 - FR_F03 – This had changed from amber to red. There would be more detail on this in the next report.
 - FR_I02 – This had changed from amber to green as there has been an improvement year on year.

There were no questions from Members with regards to the report issued. All Members agreed that this was an excellent thorough report.

Outcome:

The Committee noted the contents of the report and the performance of the Finance & resources for Quarter 2, 2013/14.

OS/211/13 QUARTER 2 FINANCIAL OUTTURN REPORT 2013/14

J Deane provided Members with an update on the Quarter 2 Financial Outturn report 2013/14 on behalf Paul Sutton who was unable to attend the meeting and highlighted some key areas of the report.

- Page 113, right column, 4th column down – The officer indicated that there had been an underspend of which he was aware of. He mentioned that it was a significant amount and said he suspected that it may go up by the end of next year. All figures will be monitored closely on a revised budget.
- Page 115 Repairs and Maintenance – There had been an increase on the number of voids across the Council.

J Deane explained to Members that the forecast balance on the HRA as at 31st March 2013 was 1.96 million, which was below the approved target minimum balance. He said that this was an error in the report and that the Revenue Contribution to Capital

would be reduced to ensure the target balance was achieved. He reassured Members that the capital programme would be unaffected by this.

Key points of discussion

Councillor Townsend made reference to the general fund underspend increasing and asked the officer to explain why this might go up.

J Deane said that the year to date position suggests that unless expenditure patterns increase dramatically in the second half of the year then the year-end underspend will increase. At present budget holders are confident that they will increase expenditure patterns. This will be closely monitored throughout the revised budget setting process.

Councillor Marshall requested that the officer send Members an update on the HRA.

J Deane said that he would update them as requested.

Councillor Townsend asked the officer to clarify the underspend process.

J Deane said that he would update Members at the next Quarterly report which is due on 4th March 2014.

Actions:

1. J Deane to provide an update on the HRA to all Members.
2. J Deane to provide Members with an update on the underspend process by next meeting on 4th March 2014.

Outcome:

The Committee noted the Forecast Outturn report.

OS/212/13 COMMUNITY INFRASTRUCTURE LEVY

R Freeman introduced the Community Infrastructure Levy report and brought Members attention to the additional information provided at the meeting with regards to Appendix 1 – Draft Charging Schedule. He mentioned that the description of the retirement housing within the Schedule should reflect that on page 127 of the report and refer to accommodation with communal floor areas amounting to less than 10% of the gross floor area. He highlighted that it was proposed not to charge CIL on three housing sites at land at West Hemel Hempstead (LA3), land off Icknield Way, Tring (LA5) and Spencer's Park.

Key points of discussion

Councillor Collins referred to page 128 2.9 and the viability testing. He asked if the two Berkhamsted sites were able to withstand the CIL. He said that it was important to the Town/ Parish Councils to have some element of control and that he had some concerns over the criteria which was required.

R Freeman advised that both the sites tested in Berkhamsted had been demonstrated to be capable of paying the proposed CIL in addition to S.106. The judgement made in relation to removing the charge on the three sites identified was one over the need to

deliver significant and strategic infrastructure items and the most appropriate mechanism for delivery. Officers were mindful of the need to avoid double charging developers for items of infrastructure. In the cases of land to the west of Hemel Hempstead (LA3) and Spencer's Park there were large items of infrastructure; the cost of which would exceed the CIL bill. These should be secured through a S.106 agreement. The land at Icknield Way, Tring had been removed to facilitate the delivery of an expanded cemetery meeting the wider needs of the town and this out-weighed the need to levy a CIL.

Councillor Harden arrive at 8.30pm.

Councillor Townsend said that he was not clear on the argument presented to Members by the officer. He mentioned that the needs of the local residents, schools and local GP's had not been mentioned in the report nor was there any pro's or con's to support his argument. He asked if the officer could come back to Members with further clarification and if other Council's had been consulted on the change. Councillor Townsend explained to the officer that the report should serve the residents of Dacorum with some evidence to suggest that the responses have been consulted.

R Freeman confirmed to Members that the results of the viability process are at the draft stage. He said that the viability report would set out the pro's and con's of using a S.106 agreement in preference to CIL. The key issue was the mechanism for the funding and delivery of infrastructure. The Town/Parish Council's will be consulted for their input in the process.

Councillor Taylor referred to Woodwell Cemetery and asked the officer why the land was secured and then sold on.

R Freeman said that he was unaware of the circumstances behind the sale, but could investigate and get back to Members with an update of this.

Councillor Marshall said that she was confused with the consultation process and asked the officer to explain it in more detail.

R Freeman said that next stage in the process was to consult on the Draft Charging Schedule and consider whether any comments at this stage resulted in any need to modify the Charging Schedule. Council would approve any changes. He said that the consultation period would start following Council on the 15th January 2014.

Councillor Collins expressed his concerns on the draft charges and asked the officer to produce some guideline on how this will be presented.

R Freeman said that there was a two stage consultation process in the CIL Regulations which needed to be followed. The Preliminary Draft Charging Schedule had been consulted upon and feedback and amendments have been made to the Draft Charging Schedule. The latest consultation would seek views on these amendments.

Councillor Townsend expressed concerns over the pros-cons of adding the land charge on the Land off Icknield Way (LA5). He said that they were not explained either in the report or verbally at the meeting. He requested a further report to Members justifying this change.

Actions:

- R Freeman to provide a further report to Members on the pros and cons of the arguments raised in relation to the CIL report and specifically relating to whether charges should be imposed at land off Icknield Way, Tring (LA5).

Outcome:

1. Members noted the progress and programme for the development of a CIL for Dacorum.
2. Members noted the content of the Draft Charging Schedule and policies on Discretionary Relief, Exceptional Circumstances Relief from CIL, Instalments, Payments in Kind and Regulation 123 List and support consultation with the public thereon.

OS/213/13 **CORPORATE PLAN**

S Flynn introduced the Corporate Plan to Members and highlighted the key areas of the report.

- Page 159, Affordable Housing 2012/2013 result should be changed from 481 to 274.
- Page 159, Affordable Housing 2012/2013 result should be changed from 61 to 150.

Key points of discussion

Councillor Marshall pointed out that some parts of the report was very repetitive and asked the officer if it would be possible to send another version of the report to Members.

S Flynn reassured Members that there would be further opportunities to reduce the content during and after the Cabinet approval process as publication would not be until February alongside the budget. He offered to provide an example from another authority which would show how the final version was intended to look..

Actions:

- S Flynn to send an amended version of the Corporate Plan report to Members prior to publication.

Outcome:

Members noted the progress and commented on the Corporate Plan and Performance Management cycle.

OS/214/13 SHARED AND OUTSOURCED SERVICES UPDATE – CUSTOMER SERVICE CENTRE AND GATEWAY CONTRACT (CSCG)

S Flynn introduced the Shared and Outsourced Services Update and outlined some key areas for Members attention.

- Page 180, table 2 – average wait time went from 2.09 minutes to 78 seconds.
- Page 180, table 2 – longest wait time went from 26.10 to 28 minutes.
- Page 180, table 2 – standard call length went from 3.21 to 3.4 minutes.

He reassured Members that things were running more smoothly now within the CSU unit.

Key points of discussion

Councillor W Wyatt – Lowe and Collins both said that they attended D Gills presentation on the 360 and pointed out that they were very impressed with it.

Councillor Townsend asked the officer for a copy of detailed analysis mentioned in 5.2 on page 179.

S Flynn said that he would be happy to provide Members with this information.

Councillor Marshall referred to page 180 7.1 and the call lengths and asked what the issues were.

S Flynn said that the key issues were surrounding the management of the back office and staff. He mentioned that there had always been issues logged it was just a matter of controlling them and reducing them going forward.

Actions:

- S Flynn to provide Members with a copy of the detailed analysis mentioned in 5.2 on page 179.

Outcome:

Members noted the progress of the report.

OS/215/13 EXCLUSION OF PUBLIC

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during this item there would be disclosure to them of exempt information relating to:

OS/216/13 WORK PROGRAMME 2013/14

- Members requested that the item – Asset Management and the Localism Act to be added to the work programme for the meeting taking place in January 2014.

The meeting ended at 9.10pm