

## MINUTES

### FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

4 JULY 2017

**Present:**

**Councillors:** Howard  
Herbert Chapman  
(Chair)  
Douris (Vice-  
Chairman)  
Clark  
E Collins  
Fethney  
Silwal  
Taylor  
Gbola Adeleke  
Armytage  
McLean

<b>Officers:</b>	Chris Baker	Group Manager - Revenues, Benefits & Fraud
	Richard Baker	Group Manager - Financial Services
	Ben Hosier	Group Manager - Commissioning, Procurement & Compliance
	Matt Rawdon	Group Manager - People
	Robert Smyth	Assistant Director - Performance, People and Innovation
	Ben Trueman	Group Manager – Technology & Digital Transformation

**Also Attendance:**

The meeting began at 7.30 pm

**37**            **MINUTES**

The minutes of the Finance and Resources Overview and Scrutiny Committee meeting held on 7 March 2017 were not available; Councillor Chapman offered his apologies and agreed that a set will be presented for signature post meeting.

**38**            **APOLOGIES FOR ABSENCE**

No apologies for absence were received.

**39**            **DECLARATIONS OF INTEREST**

None.

**40**                    **PUBLIC PARTICIPATION**

None.

**41**                    **CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN**

None.

**42**                    **BUDGET MONITORING REPORT**

Councillor Chapman referred to provisional outturn report found at pg 3 of the agenda pack. He asked if there were any questions about it. Councillor Douris noted that a number of these questions had been raised at the Audit Committee which had taken place the previous week.

Councillor Douris referred to pg 7 of 17 of the report, in respect of the Waste Services Income. He asked if it was related to the AFM (Alternative Financial Model), and if the figure could be relied on. Councillor Elliot confirmed that the income did relate to the AFM, however said that the figure could not be relied upon.

Councillor Douris went on to refer to pg 8 of the agenda pack (pg 5 of 17 of the report), specifically item 3.9. He noted the pressures of £100k that related to the Pay & Display, caused by savings that had not been achieved due to contractual negotiations; He asked when this contract was due to terminate. B Hosier said that the current contract expires on 31 March 2018. He said that DBC was about to commence the tendering process with the parking enforcement contract. He said that they would be ready to have this new contract in place by 1 March 2018. Councillor Douris asked if this would be a direct contract between DBC and the contractor; B Hosier confirmed this. He said that the current ongoing contract is with Watford Council, while the new contract would be procured by DBC going to market.

Councillor Chapman asked if the costs of £15k that related to additional costs incurred from upgrading Pay & Display machines to accepting new £1 coins were final, or if any further machines required updating; B Hosier confirmed that all machines had been updated and this was the final cost.

Councillor Silwal referred to paragraph 3.10 (pg 6 of 17 of the report), and asked for further clarification regarding the pressures of approximately £120k in relation to Third parties. B Hosier said that this related to a large invoice that had submitted to Hertfordshire County Council (HCC) in respect of the library and registry office; this was a service charge for facilities management. However, he said that HCC were not satisfied with the meterage of the building (this is what the management fee is based upon). He said that there was a meeting tomorrow (5 July 2017) with HCC to discuss this. The last resort was for HCC to conduct their own measurements of the disputed areas. The sizing has been undertaken by an independent third party to measure the size of each of the areas in The Forum. B Hosier said that this matter needed to be resolved, however this would hopefully be in a better position by close of play tomorrow; he said he was happy to provide the Committee with an update via email.

**Action point.** B Hosier to provide Committee with an update regarding the status of HCC's outstanding invoice.

Councillor Chapman referred back to item 3.9 (pg 6 of 17 of the report); in relation to the pressures of £40k in the cemeteries Service. This related to new monitoring equipment, including Hand Arm Vibration monitoring, satisfy Health and Safety requirements. He noted that this issue had also arisen in the Joint Negotiating Committee (JNC), and asked if this cost/equipment was solely for cemeteries, or it was going to be used by other departments as well. It was initially suggested it was for just cemeteries. M Rawdon confirmed that other services were also monitoring Hand Arm Vibration, such as clean, safe and green.. Councillor Chapman noted this.

Councillor Chapman referred to item 3.11 (pg 6 of 17 of the report); specifically the additional £210k generated from properties being used as temporary accommodation by the Housing Service. He noted that a greater number of properties were being used temporary accommodation; he asked for further clarification. R Baker confirmed that this was a temporary measure that related to homelessness; previously DBC had used bed & breakfast accommodation, but now were using its own commercial properties, such as properties above shops.

Councillor Chapman went on to note that car parking income achieved a surplus of £100k over the financial year, and asked what this was in terms of volume/percentage increase against this time last year. B Hosier said he would be able to provide this information via email. As a point of interest, Councillor Douris asked why (as stated in the report) it was considered that the mild and dry year had such a significant impact on these figures. B Hosier said that it was thought that people came out more in the town centre, rather than staying in, and then used the car parking facilities.

**Action point.** B Hosier to provide the Committee with the volume/percentage increase of the £100k car parking income against the previous financial year.

Councillor Chapman referred to item 4.2 (pg 7 of 17 of the report), the over-achievement of budget of £222k. He commented that there were ten local authorities within Hertfordshire County Council, and that this seemed a particularly good result. He wondered where this placed DBC in terms rank/place of income received against the other local authorities. It was thought that DBC was at the top end of the rank; R Baker said that he would confirm.

**Action Point.** R Baker to confirm DBC'S rank within Hertfordshire in terms of income received through the AFM.

Outcome: At the invitation of the Chairman, the Committee noted and agreed the provisional outturn position.

## **43**                    **FINANCE AND RESOURCES Q4 PERFORMANCE REPORT**

Councillor Chapman introduced the report, and invited the officers and portfolio holder to offer any comments on it. He invited any questions from the Committee.

Councillor Douris referred to pg 40 of the agenda pack and noted that 'CSU10 - Call Handling: Average wait time'. The report indicates that the target has been met,

however in real terms the result has decreased from the previous year from 178 seconds to answer from 2016, to 198 seconds. He questioned whether this should be rewarded with a tick at green level, however he noted that the move to The Forum may have impacted on this figure. Councillor Harden noted that there were issues with the telephone system which had an impact on calls waiting time; he said that this system was no longer in use, and the telephone system had now migrated over to a virtual system. As a result, next month's call waiting figures should show an improvement in call waiting times. He confirmed that the explanation given at CSU11 also applied to this item.

Councillor McLean asked for a further explanation regarding a virtual call handling system. B Trueman explained that telephone system at the Civic System were analogue lines; on the move to The Forum, these were then converted to digital telephone lines. This initially caused problems during the transfer process, however they had now been resolved. Councillor Taylor asked of this now meant that the notice on the top of the DBC website had been removed; B Trueman confirmed it had.

Councillor Chapman referred to the Sign Off comments at pg 35 of the Agenda pack. Specifically "The drop in Business Rates collection occurred with the late addition of a significant property to the rating list mid-March 2017 therefore reducing the opportunity to collect the rates dues and a company that frequently pays late but in full. With these additions the collection rate would have been maintained at 98.3%". He asked what was being done in respect of companies that were consistently paying late but in full, and what were the reasons behind it.

C Baker explained that there were two different issues. The first related to a significant building on Maylands Business Estate that had been in operation since November 2016 and DBC were only advised of its position on the ratings list in the middle of March 2017. C Baker explained that collection rate is calculated on total income received against total liability; therefore a great deal of liability was then added at the end of the year. He said that the rules in respect of when instalments for businesses were due meant that nothing was due to be paid until the following financial year. However, he said that the company had another property at Maylands, and were good creditors, therefore he was satisfied that DBC would catch up with these outstanding payments.

C Baker said that the second issue related to a large office property that was currently empty and owned by a developer; the developer is minimising its own rates liability by making frequent short-term lets to another company (company B); company B is not a prompt payer, and so DBC is currently pursuing enforcement action against them, and details have been passed onto bailiffs; however DBC are also trying to have a dialogue with company B, trying to encourage them to pay the outstanding balance without incurring additional bailiff/enforcement fees. C Baker said payment was filtering through, albeit several months later than it should be.

Councillor Douris if C Baker was comfortable with the financial probity of company B; He expressed concerns if the company were to continue to accrue debt and then liquidate. C Baker said that he shared these concerns, however there was little more that could be done than what already was. He was satisfied that it was being actively managed through the enforcement agencies. The hope was that at some point a new tenant would reside in the building.

Outcome: At the invitation of the Chairman, the Committee noted and agreed the contents of the report, and the performance and risk report for Quarter 4 2016/2017.

#### **44                    LEGAL GOVERNANCE AND DEMOCRATIC SERVICES Q4 PERFORMANCE REPORT**

Councillor Chapman introduced the report, and invited the officers and portfolio holder to offer any comments on it.

J Doyle referred to the recent elections conducted by DBC; he said that all reports and feedback indicated that they were successfully completed, and that the process had been praised by all parties and their agents. He was very pleased with the continual improvements in the way elections are conducted. J Doyle confirmed he was happy to take any questions from the Committee that related to Democratic Services.

Councillor Harden passed comment on the new counting process. He said that in the past elections, members had expressed concerns to S Marshall and J Doyle about the slowness of the count, and the time taken for the result to be declared. Because of this, the election team had completely changed the counting process, and had put in place a new system, which was operated during the most recent two elections. Councillor Harden said that as a result of this the speed of the count was very much improved. He was extremely encouraged by the team taking on members concerns, learning lessons on what did not work, and developing a new improved system. Councillor Douris wished to endorse this comment, and added that he thought the recent elections had been excellent; He was sure that members of all parties would wish to endorse this.

Councillor Silwal referred to pg 52 of the agenda pack, specifically the red Inherent Risk Score of '16'; he asked why this was so high? J Doyle said that the red was the impact if something were to go wrong with the election process. He said that in this case, the financial penalties would be substantial, as well as significant reputational damage, if a mistake in the election process were occur. J Doyle went on to emphasise that all the planning and execution of the recent elections meant that this had not been allowed to happen, however it was essential to highlight that if something were to go wrong, there would be significant consequences.

Councillor Harden added that the current controls that had been put in place were what produced this risk score. He said that there were 16 red warnings to highlight any potential risks. J Doyle said that election planning meetings had been regularly conducted since January 2017, where the Senior Management Team went through the proposed election plan, and then met more and more frequently as the election approached, to ensure that the plan was being met. He said that it was indicative of the strength of the plan that DBC were able to cope so well with the announcement of a snap parliamentary election.

R McLean said that he would like to take the opportunity to formally record his thanks to J Doyle and the entire Democratic Services team for all their support during his mayoral year, both with the High Sheriff tours, and town and parish liaisons. Although he was reticent to highlight individuals, he considered that particular thanks should be given to Sharon Collins.

Councillor Douris referred to pg 48 of the agenda pack; the successfully defended Judicial Review (JR) claim relating to the proposed Berkhamsted Multi Storey Car Park. He asked Councillor Elliot if we had received payment of these legal costs. Councillor Elliot agreed to report back after the meeting

**Action Point:** Councillor Elliot to confirm if awarded legal costs in respect of successful JR had been paid.

Outcome: At the invitation of the Chairman, the Committee noted and agreed the contents of the Legal Governance and Democratic Services report for Quarter 4 2016/2017.

#### **45**                    **PERFORMANCE, PEOPLE AND INNOVATION Q4 PERFORMANCE REPORT**

Councillor Chapman introduced the report, and invited the officers and portfolio holder to offer any comments on it. Councillor Harden said that the report contained some information of particular interest; he highlighted complaints handling and sickness absence, and commented that these were very positive figures in areas that HR dealt with. Councillor Harden said that the team were doing a lot with Digital Dacorum, as well as identifying/addressing a number of improvements with efficiencies within the council.

Councillor Chapman referred to the Sign Off comments at pg 8 of 13 of the report "The HR team continues to provide dedicated support and coaching for all managers engaged in employee relation issues. We also enjoy good relations with our recognised Trade Unions (Unison and Unite)". He commented that when recent JNC meetings had been conducted, officers had attended in full, however only one trade union representative was present; he said that the purpose of the meeting was to ensure maximum input from both sides. He asked if unions could be encouraged to attend to ensure this. He noted that the time of the meeting had already been re-arranged to take place earlier to encourage union attendance. Councillor Chapman stressed that the meeting was working extremely well, which was why he was keen to have the full complement of union representatives. Councillor Taylor added that although there three union representatives on the JNC, in practice only one representative regularly attended, and this individual was leaving in July. Council Taylor questioned whether they were doing justice to the union membership by not taking the opportunity to fully engage with this Committee. Councillor Harden noted these comments, however said that union representatives could only be encouraged, they could not be compelled to attend. M Rawdon also noted these comments, and said that he would bring them to the attention of the union representatives.

**Action Point:** M Rawdon to highlight these comments to the trade union representatives, with the intention of encouraging trade union representatives to fully engage with JNC.

Outcome: At the invitation of the Chairman, the Committee noted and agreed the contents of the Performance and Risk report Quarter 4 2016/17 for Performance, People & Innovation.

#### **46**                    **ACTION POINTS FROM THE PREVIOUS MEETING**

The report was not attached to the agenda; therefore no detail was available to the Committee. Councillor Chapman apologised for this, and requested that this was made available to the Committee for the next meeting. Councillor Chapman also proposed moving 'Action Points from the previous meeting' to item 6 of the agenda for future meetings.

#### **47                    WORK PROGRAMME**

The work programme was not available to the Committee; Councillor Chapman once again apologised. He also requested that this was made available to the Committee after the meeting. He confirmed that this would remain the final item of the agenda.

The Meeting ended at 8.10 pm

Councillor Chapman noted that the Audit Committee had taken place prior to this Committee, and that a number of questions had already been answered; As a result, the Finance & Resources OSC concluded early.