

## MINUTES

### FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

5 SEPTEMBER 2017

**Present:**

Cllr Adeleke	Cllr Howard
Cllr Armytage	Cllr McLean
Cllr B Chapman (Chairman)	Cllr Silwal
Cllr Clark	Cllr Taylor
Cllr Douris (Vice Chair)	Cllr Tindall

**Also Present:**

Councillor Elliot – Portfolio Holder for Finance and Resources; and  
Councillor Harden – Portfolio Holder for Residents and Corporate Services

**Officers:**

J Doyle	Group Manager - Democratic Services
B Lisgarten	Legal Governance Team Leader
D Skinner	Assistant Director – Finance & Resource
B Hosier	Group Manager - Commissioning, Procurement and Compliance
N Brown	Group Manager – Commercial Assets & Property Development
C Baker	Group Manager – Revenues, Benefits & Fraud
R Smyth	Assistant Director – Performance, People & Innovation
B Trueman	Group Manager – Information, Communication & Technology
R Twidle	Member Support Officer (Minutes)

The meeting began at 7.30 pm

**48**            **MINUTES**

The minutes of the Finance and Resources Overview and Scrutiny Committee meeting held on 4 July 2017 were agreed by the Committee, and signed by the Chairman.

**49**            **APOLOGIES FOR ABSENCE**

Apologies for absence were sent by Cllr Collins and Cllr Fethney

**50**            **DECLARATIONS OF INTEREST**

Cllr Douris noted that a company which he owned was a tenant of a commercial property owned by DBC.

**51**                    **PUBLIC PARTICIPATION**

None.

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

None.

**53**                    **ACTION POINTS FROM THE PREVIOUS MEETING**

Cllr Chapman introduced the Action Points found at page 3 - 4 of the agenda pack.

Cllr Tindall noted item 3, DBC'S rank within Hertfordshire in terms of income received through the Alternative Financial Model, and the outcome, namely that Dacorum ranked first in Hertfordshire for total income received, and second in Hertfordshire for income generated per property. He asked what was the context of these figures? He said that the size of DBC meant that this figure could be misleading. He asked if this figure was per thousand per population, was it per council tax, per capita? He wanted some context so that they could judge DBC's performance in comparison to other district borough's within Hertfordshire. C Baker said that the officer who had provided this response had now left DBC, however they would return to the team and ask for some further context behind this figure.

**Action Point: Chris Baker to ask Financial Services to provide context to DBC's ranking within the AFM**

Cllr Douris noted the layout of the action point table and asked if a further column could be inserted noting the minute number that the action point related to. This would enable members to find the action point more easily. Cllr Chapman agreed.

**54**                    **LEGAL GOVERNANCE & DEMOCRATIC SERVICES Q1 PERFORMANCE REPORT**

(The Chairman brought forward this agenda item as the lead officer for the scheduled item was running late)

Cllr Chapman introduced the report, and invited the officers to offer any comments on it. J Doyle noted that Cllr Harden was not yet at the meeting to introduce the item; he also offered his apologies on behalf of Mark Brookes, Solicitor to the Council. He said that he had no comments on the Democratic Services section of the report. B Lisgarten also confirmed that she had no comments on the Legal Governance sector; both officers said that they were happy to take any questions on the report. (Cllr Harden also arrived at 7:35pm)

Cllr Chapman said that he had no questions for either officer, however he noted with some concern point 13 of the report (pg 24 of the agenda pack), regarding the Councillor attendance of in respect of Member Development sessions - specifically that 40 Councillors had not attended any sessions, 8 attended one session, and that

3 had attended both sessions. He said a significant amount of time went into organising these sessions for members; he thought that this should be brought to the attention of Councillors, and that they should all make an effort to attending such sessions.

Cllr Taylor thanked the Chairman for these comments; he noted the Modern Slavery session, emphasising its particular importance. He noted that Hertfordshire had its own dedicated Detective Sergeant in charge of Trafficking and Slavery. Cllr Taylor said that he was one of the three individuals that had attended both the member and staff session, and it was just as chilling the second time. He noted point MS01 of pg 26 (which stated 'No Data'), and said that this data was contained in point 13. He said that as Chairman as Member Development, the group was looking at ways of encouraging greater member attendance at these training programmes. Cllr Taylor said that group had reviewed the Constitution, however this did not allow the mandatory attendance of Councillors to these events. Cllr Taylor noted that there were a number of members on this committee that were also members of the steering group; he invited Cllr Douris to add any comments. Cllr Douris noted that there were some external facilitators that were engaged by DBC to provide member training at some cost. He said that when calculated in terms of the number of people attending training events, the cost per head was not insignificant. He echoed Cllr Taylor's comments, with the need to engage and encourage members to attend these events.

Cllr Douris referred back to the Modern Slavery Training event. He said that he had been at a meeting that day, where the Chief Inspector of that particular district had produced a very interesting set of information and targets. Cllr Douris said that he would share this information and concept with Cllr Harden, as it would be useful to replicate and bring to the Community Safety partnership. Cllr Taylor asked Cllr Harden if he had seen the documentation that Detective Sergeant Gordon has provided to DBC about trafficking and slavery; Cllr Harden said that he was not aware of this. Cllr Taylor said that he would arrange for a copy to be sent to him.

Outcome: The Chairman noted the recommendation of the report (for members to note its contents), as well as the Committee's comment in respect of attending training events.

## **55** **PERFORMANCE, PEOPLE & INNOVATION Q1 PERFORMANCE REPORT**

(The Chairman brought forward this agenda item as the lead officer for the scheduled item was running late)

Cllr Chapman introduced the report, and invited Cllr Harden to offer any comments on it. Cllr Harden confirmed that he had no further comments, however there were a team of officers to answer any questions.

Cllr Tindall noted points 2.2 and 2.3 at pg 55 of the report; he asked for some further explanation why the move to a new complaints system had resulted in two indicators dropping into the red zone. R Smyth said that a new complaints policy had been introduced, with a streamlined approach of two stages instead of three; there were also a number of new rules and conditions. This was with the intention of improving the complaints system. He said that a lot of work had been completed developing this

new system, with the business rules and business processes as well improving the way DBC monitor, record and collect data. R Smyth said that during the transition from the three stage to two stage there had been a 'bedding in' period for staff and managers as they got used to the new responsibilities and time limits. As a result, there had been a few complaints that had been responded a couple of days outside of the new time targets. R Smyth said that training to staff had been provided as part of the roll out of the new process, however he said that the introduction of any new system always brought teething problems. As part of the continued learning, they were working with each group manager to understand the types of complaints that they received, and if there was anything further that could be done to assist them in responding to complaints. R Smyth said that this had been a positive process; he said that the figures contained within the report were for Quarter 1, and already there had been a much improved service. Cllr Tindall asked if, given this, there would be any red indicators at Quarter 2. R Smyth said that he would expect the performance to be improved.

Cllr Douris asked when the new system had come into play; did it come into play before it went into red, or after? R Smyth confirmed it had been introduced in April. Cllr Douris then asked if with the benefit of hindsight, a greater level of attention should have been paid to the transitional arrangements, to protect the public from a less good service. R Smyth said that the biggest change to the process had seen managers having to take greater responsibility for the investigation into a complaint; he said that this had been a learning curve for all involved, and that ongoing lessons had been learnt for the continued management of the new system.

Leading on from this, Cllr Tindall referred to point 2.5 of the report (pg 55 of the agenda pack), which stated "Three Stage 2 complaints were unresolved". This, he said, was his most significant concern of this matter. R Smyth provided further clarification; he said that they were not completed within the initial timeframe, however he confirmed that they had now been completed. Cllr Tindall asked what were the results; were they satisfactory? R Smyth said that he would need to look into this; He said that the purpose of the stage two process was to independently review the original decision and consider if it was a fair one. The Chairman asked if there were any further questions in this matter; none were forthcoming.

Cllr Adeleke noted point 2.10 at pg 56; "The number of website users in the quarter is 132,907". He asked if this had increased, and if it was satisfactory. B Trueman said that this was a new measure that had only been introduced this year. He said DBC needed to track if internet traffic was increasing or decreasing, however he said that there was presently no industry standard figure. B Trueman said that they were most interested in the quality of the journey; how many users were attracted to the site, and how long they stayed. B Trueman said they were just beginning to record and measure this information. Cllr Adeleke responded, saying that when this measure was set up, there must have been a target in mind. R Smyth said that, as with all DBC indicators, some were set up with the purpose of ensuring that targets were met, while others were for information purposes. He said this was about understanding how customers were contacting us, and what they were contacting us about. This information then linked to the various digital improvements DBC were making such as a move towards printing, etc.

Cllr McLean noted point 2.7 (pg 55 of the agenda pack) "Staff turnover is a new indicator, which can help the organisation to understand its performance in relation to

employee retention and motivation. The average rate in Q1 was 8% compared to a public sector average of 12% and a broader business average of 15%". He asked for some clarification regarding this figure; was it 8% of total staff; permanent; agency? Do DBC measure them together? Do DBC keep separate stats of the different groups? Do DBC undertake exits interviews, were any trends identified as to why staff were leaving the organisation?

M Rawdon confirmed that the figures included both fixed term and permanent staff. Cllr McLean asked how many staff there were; M Rawdon said that were approximately 720-730. He said that they did not track the turnover of agency staff, as they may only be required for a short or set time. Instead with agency staff, the focus was on the spend. M Rawdon said that exit interviews were conducted with all permanent and fixed term staff; the reasons why staff were leaving were then reviewed; work was then conducted with managers where staff had raised a particular concern to try and improve or resolve this issue in the future. M Rawdon said that in terms of identifying trends, there was a move to improve the exit interview process, by having them in a digital format online. He said that they were currently very paper heavy and harder to identify trends. M Rawdon said that this would be easier to identify areas within particular groups that they may need to focus on. This will enable a more strategic, corporate approach.

Cllr Douris asked M Rawdon if he was able to confirm the number of full time equivalent staff. M Rawdon thought that it was approximately 680. Cllr Douris noted that this was a new indicator, however asked how it compared against staff turnover from the year before within the same quarter. M Rawdon said that he did not have this information to hand, however confirmed if this was available. Cllr Douris requested that this information be provided to the committee after the meeting.

**Action Point: M Rawdon to provide staff turnover figures for quarter 1 of 2016/2017.**

Cllr Douris noted point 2.14 of pg 57 "All community contracts have completed the procurement process and have gone live. We have held a number of contract meetings with each of the service providers". He asked Cllr Harden if this meant that this had not gone as originally anticipated. Cllr Harden said that there were regular, informal update meetings with the various providers, to check that everything was on track, and if any issues had been raised. He said that this was very much a positive. Cllr Douris thanked Cllr Harden.

Cllr Douris noted 2.19 of pg 57, in particular "... and to introduce tablets to field officers"; he asked how useable tablets were. Leading on from this, he also observed that within Hertfordshire each district appeared to be using different tablet, none of which seemed to be entirely satisfactory. Cllr Douris asked if tablets were the right choice, or if laptops were more appropriate for use. B Trueman said that when talking about tablets for field officers, they specifically meant two-in-one devices; these provided the full Windows operating system. Although there were limits with screen size, there was a detachable key board. It could be used in the field as a tablet, but also placed into a docking station within the office, and then used as a PC. B Trueman said that this was for some officers in the field that required a portable device. Other officers may be provided with a very light weight laptop. The device provided would be dependent on the operational and role requirements of the officer. Cllr Douris asked if this philosophy would also be applied to members. B Trueman

agreed that it would; although this was moving forward somewhat, as IT had yet to formally review the technology provided to members, feedback would be reviewed in due course and consideration given to whether tablets were the appropriate device.

Leading on from this, Cllr Tindall noted that he was using a different device in his role as a County Councillor; he said that there were 10 District Council and one County Council – he asked if these IT departments talked to one another about the devices that they were each using, or if they just went their own way? B Trueman confirmed that they did: there was a Herts group of IT Managers that discussed and consulted one another about the technology that they used/provided. However, there were a range of approaches across the organisations. Cllr Harden accepted that it would be ideal if Hertfordshire could purchase all the devices at the same time, however he highlighted that various councils were at very different stages in the refresh of their hardware. Cllr Tindall observed that if this could be co-ordinated, an entire County Council would present significant procurement power.

Cllr Chapman referred to point 2.17 of pg 57 “The HR team provides dedicated support and coaching for all managers engaged in employee relation issues...” He asked if this was ongoing, or if all managers had received coaching. M Rawdon said that as part of a manager coming into the organisation, they receive training around DBC’s policies and how to approach people management. With the HR team, where there was a staff incident of conduct or capability issue, time was invested working with the manager through that case so that they were in a better position in the future to deal with this. M Rawdon said that this approach appeared to be working well.

At this stage, Cllr Tindall apologised to the Chairman, and declared an interest. He noted that there were members of Unite that worked for DBC; He confirmed that he was Branch official for Unite, although he concentrated on London, and Civil Servants. He confirmed that he did not have any dealings with Local Authority staff. Cllr Chairman thanked Cllr Tindall for this, and also confirmed that he was the Chairman of the JNC which had union members as part of the Committee.

Cllr Silwal noted point 2.6 of pg 55 “The total days lost through sickness, absence has reduced by 23% compared to the last quarter. However, the figure is worse than the same period the previous year. The primary cause is long-term sickness and the Council is developing a new project to understand and address this”. He asked for some further explanation of this project. M Rawdon said it had been noted that there appeared to be a spike in long term sickness for this quarter. As part of the project, the team will be looking to identify the best way to support these individuals back to work, as well as whether managers were doing all they can to enable this. M Rawdon said that when an individual had been off for longer than a month, the percentage of them ever returning to work dramatically decreased. As well as offering support to these individuals, there was a need to assess that all cases of long term sickness absence were genuine; this was why DBC had an occupational health service that they used to ensure that there is medical opinion around an individual’s condition, and what we can do to help them return to work. M Rawdon said that the second part of the project was the statistical side of the sickness outturn. He said that DBC needed to understand the sickness trends in each group rather than (as was at the moment) just a corporate perspective; however there needed to be a better understanding of why people were on long term sickness, and what could be done to prevent this. This linked to health and well-being, and what DBC provided to staff to improve their health. M Rawdon confirmed that the Sickness Scrutiny Group would

continue to meet monthly; as well as scrutinising all sickness within that month, to ensure that they are being consistent with all staff, and if appropriate, identify any staff that presented concerns.

Cllr Taylor noted the latter part of point 2.17 of pg 57 "... We also continue to enjoy good relations with our recognised Trade Unions (Unison and Unite)". He noted that at the last JNC, they had been informed that the Unison representative was leaving. He asked if a new representative had been appointed, and if they had been encouraged to attend. M Rawdon confirmed that new representative, Matthew Nix, from Cupid's Green had been appointed to the Unison Branch Secretary, and had been encouraged to attend.

Outcome: At the invitation of the Chairman, the Committee noted and agreed the contents of the Performance and Risk report Quarter 1 2017/2018 for Performance, People & Innovation.

## **56                    BUDGET MONITORING REPORT**

Cllr Chapman introduced the report, and invited the officer to offer any comments on it. David Skinner began by offering his apologies for arriving later than expected. He wanted to draw the Committee to a number of key items; he said that there was continued success from the previous financial year, a lot of the same areas that were delivering surplus income continued to forecast surplus income. D Skinner went onto highlight a number of key points that were set out in full within the report. The Chairman also asked Cllr Elliot if he wished to add any comments at portfolio holder; he confirmed that he did not.

Cllr Tindall noted 1.13 of pg 8, that there was a pressure on the budget for the Parking Enforcement contract. He asked what this pressure was. D Skinner said that when they were setting the budget for 2017/2018, a review had been conducted by consultants who identified that there was scope for some savings in the parking contract. However, following detailed negotiations with Watford Council about the parking contract, it became apparent that these savings were not available. However, savings had been identified elsewhere; these savings, along with the surplus income meant that the overall net position is what had been planned, however the detail behind this had slightly changed. D Skinner added that DBC were currently out to tender to renew the parking contract, so he hoped that further savings could be made with the assistance of technology, although this may require some capital expenditure to enable this.

Cllr Douris noted 1.14 of pg 8, that parking income was forecast to exceed budget by £125k. He asked the following three part question in relation to this point: (a) How much of this was generated by tickets, and how much was generated by Penalty Charge Notices; (b) what was the percentage of appeals upheld by the Traffic penalty tribunal; and (c) is the parking contract a stand-alone contract, or were DBC partnering with another authority?

B Hosier said (a) that the revenue generated from PCN's was on a downward trend. The available information indicated that the number of sessions were the same, but the income had increased – the assumption was that people were paying to stay longer in car parks; (b) He confirmed that he would return to the Committee with

information to this question; and (c) B Hosier also confirmed that the parking contract was solely DBC contract; there was no partnering with other organisation.

**Action Point: B Hosier to confirm the percentage of appeals to PCN's upheld by the Traffic Penalty Tribunal**

Leading on from this, Cllr Tindall asked if with the new contract, the intention was to have more 'smart' machines' that would be able to analyse trends more effectively; if this was the case, Cllr Tindall asked if consideration would be given to return to free parking on Sundays (if analysis demonstrated that the enforcement costs were greater than the revenue generated). B Hosier said that they would be utilising more up to date technology within the tender process, this would enable far greater analysis of the ongoing parking trends.

Cllr Tindall noted point 4.13 of pg 12, specifically the overspend of £184k on the Water Gardens. He asked if this was the final sum, or was there likely to be more over spend in the forthcoming months. D Skinner said that although he would like to say that this was the final figure, a meeting recently took place between DBC and the contractor, and as a result, that figure would be reported in the next quarterly report.

Cllr Adeleke noted 4.10 of pg 11, specifically the expected underspends in salaries due to vacancies within the Housing Cleaning Service (£60k) and Supporting People (£80k). He asked if these vacancies were going to be filled; he also asked if these vacancies were affecting the service provided? D Skinner said that the vacancy levels were similar to last year; his understanding was that they were looking to fill these vacancies during the year, but he confirmed would clarify this with a representative from Housing. In terms of the impact on service, Housing were able to provide the service with similar levels. Cllr Adeleke asked why it was recorded as an underspend if DBC were looking to fill these vacancies. D Skinner explained that if there was a vacancy, it meant that there was a salary that was unspent.

**Action Point: D Skinner to confirm if Housing intended to fill the vacancies in Housing Cleaning Service and Supporting People.**

Cllr Douris noted the final paragraph 4.3 of pg 10, which stated "Under-achievement of income of £90k – A pressure of £90k has been identified in the Commercial Waste service. The decline previously seen in the number of customers has not improved, and a deficit in income is forecast. Work is ongoing to understand why customers have left the service. The pressure is offset slightly by a reduction in disposal fees of £20k, to give a net pressure of £70k". He was disappointed to read this again, and believed that this was the third occasion that the Committee had been provided with a near identical explanation of this situation. He asked how long it would take for them to understand why customers had left the service. Cllr Chapman concurred with this, and said that he also intended to ask this question; he wanted to know if we were competitive on costs against other businesses. D Skinner said that a lot of work had gone into understanding why customers had left; he said that part of the reason were that other companies were offering initial free fee period, which encouraged customers to move; they had looked at cost base in terms of the competitiveness of the rates, however there did not appear to any great discrepancies. He knew that the service had looked at other ways to mitigate the impact of the deficit. He said that if members wished, he would ask a member of Waste Services Management to attend the Committee, and explain in the more detail the work that they were doing. Cllr



Douris re-iterated his disappointment that the report did not contain more detail on what was the outcome from looking into this matter, and what steps they were taking to gain more business; He also felt that it would have been appropriate for a representative to attend this meeting to provide the Committee with this information.

**Action Point: D Skinner to ensure that a representative from Commercial Waste Services attend the next quarterly meeting, and provide the Committee with a more detailed explanation why customers had left the service and what they were doing to address this.**

Cllr Douris noted Line 97 at pg 13 "...Due to recruitment challenges, a portion of the budget will be required in 2017/18 with the balance being in 2018/19". He noted that this related to the CRM in house solution; He asked that if recruitment was so fragile, could DBC be 'left in the lurch' part way through the operation of this, if a member/s of staff were to leave? B Trueman said that the initial recruitment approach, of recruiting a developer on a fixed term contract, had not worked. He said that they had been unable to people on the rate that DBC could offer. As a result, a new approach had been taken, which was to use agency staff. However they were more expensive, and so were only able to be used for less time. B Trueman said that there were benefits with this; there were a selection of strong candidates to choose from, that they were then able to 'hit the ground running' and less time spent on training, and in the event that they were to leave, DBC could be supplied immediately with another candidate. B Trueman said that it was a more resilient approach, albeit at less value for money.

Cllr Tindall noted the figure of £35,875 contained at line 186 in Appendix C (pg 20 of the report); he went on to note that this figure did not appear in the current budget for projected – he asked why this had not been included. D Skinner accepted that there appeared to be an issue with this figure. He confirmed that he would look into this.

**Action Point: D Skinner to investigate and provide clarification regarding line 186 of Appendix C.**

Cllr Tindall also went onto note the figures contained in line 169 of Appendix C (pg 19 of the report) outlining the costs for The Bury. Again, he asked for some clarification regarding these. D Skinner said that he would.

**Action Point: D Skinner to provide a more detailed explanation of the finances relating to The Bury, line 169 of Appendix C.**

Outcome: At the invitation of the Chairman, the Committee agreed the contents and recommendations of Budget Monitoring report for Quarter 1 2017/2018.

## **57                    FINANCE & RESOURCES Q1 PERFORMANCE REPORT**

Cllr Chapman introduced the report, and invited the officer to offer any comments on it. D Skinner began by saying that this would be the final quarter that CSU performance was reported, before it was moved to Performance, People & Innovation. He then went onto highlight a number of key points that were set out in full within the report.

At the invitation of Cllr Harden, R Smyth referred to the abandoned call rate; he said that there were some initial IT issues that had now been resolved. He also noted that there had been a significant increase in face to face contact with DBC; work was being undertaken to encourage customer to use self-service options. This related to the broader vision of customers experience of contact with the Council.

Cllr Tindall noted the comments at CP02 on pg 31 "One tenant is having a strong effect on arrears here" – he asked if they were not paying and so needed to be evicted. N Brown confirmed that the tenant was very slow creditors. He said there were continues efforts to recover the arrears, however pressure continued to be applied to ensure its payment.

Cllr Douris noted from pg 40 the following; "As at the end of quarter 1 forecast slippage for Capital schemes for the general Fund is 27%". He expressed concern that slippage had developed to this percentage. D Skinner accepted that slippage was an issue and had become more important to DBC, given the capital programme and the need to borrow. He said that there was a need to try and balance competing areas and try and develop a reliable cash flow forecast to work with. He said that DBC had improved, but also accepted there was more to do. One of the options being looked at was staggering borrowing so that it did not take place all at once.

Following this, Cllr Adeleke wished to add although slippage was a concern, officers at DBC had delivered an excellent programme and projects. He felt that this slight setback should not take the focus on all the good work that had been achieved. Cllr Chapman echoed these comments and was sure that the rest of the Committee did.

Outcome: At the invitation of the Chairman, the Committee agreed the contents and recommendations of Finance and Resources report for Quarter 1 2017/2018.

## **58                      WORK PROGRAMME**

The Chairman noted that there were very little items on the work programme for the next meeting, but would see what was forthcoming.

The Meeting ended at 8.50 pm