

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

11 SEPTEMBER 2018

Present:

Councillors

Present:

Cllr Adeleke
Cllr Armytage
Cllr Barrett
Cllr Banks (Vice Chair)
Cllr Chapman (Chair)
Cllr E Collins
Cllr Douris
Cllr Howard
Cllr McLean
Cllr Taylor
Cllr Tindall

Also Present:

Cllr D Collins – Portfolio Holder for Corporate and Contracted Services

Officers:

C Baker	Group Manager – Revenues, Benefits and Fraud
V Cody	Commercial Contracts and Supplier Relationship Lead Officer
S Cox	Area Contract Manager - Everyone Active
J Doyle	Group Manager – Democratic Services
B Hosier	Group Manager – Commissioning, Procurement and Compliance
N Howcutt	Assistant Director – Financial Services
L Roberts	Assistant Director – Performance, People and Innovation
S Turner	PA to the Corporate Directors (minutes)

The meeting began at 7:30pm

100 **MINUTES**

The minutes from 17 July 2018 were agreed and then signed by the Chairman.

101 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Elliot.

102 **DECLARATIONS OF INTEREST**

None

103 **PUBLIC PARTICIPATION**

None

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

None

105 **ACTION POINTS FROM THE PREVIOUS MEETING**

The Chairman asked about item 7 regarding the use of the digital monitoring company and that we are nationally 50 out of 409. I'm very pleased to see that we were currently the highest ranked local authority in Hertfordshire. When you do any looking at where we stand nationally that we will come from 50 down to number one.

L Roberts mentioned that in the comments that we should take pride in the fact our score is 98.8 but the industry benchmark is 83.4 so we are doing alright.

The Chairman commented that this was excellent.

The Chairman also said that the information in the action points are excellent and that they came in on time. Thank you all for that.

106 **LEISURE CONTRACT KPI'S AND FIRST QUARTER PERFORMANCE.**

Cllr Collins would like to introduce Steve Cox from Everyone Active who would be making the report tonight. The purpose of the report is to provide you with an overview of how the contracts have started. To provide information on the first three months have gone and to discuss some key performance indicators. This will be the first time that there will be KPI's on our sports contract.

B Hosier mentioned that he had left a hard copy report on the tables as there were some errors which had been changed. The measurement for accidents should be 10,000 not 1,000 visits. Also the target for accidents should be 0.05% not .05%. Accident rates per 10,000 visits was shown as a percentage that should be shown as a number and the column to the right of that is the percentage. B Hosier will ensure that the proper copy is placed on the records.

Action: B Hosier

B Hosier introduced Steve Cox from Everyone Active and then myself, Victoria Cody and Steve Cox will take any questions.

S Cox, Area Contract Manager for Everyone Active, said that he has been working for the company since 2009. I have been overseeing the Dacorum Council contract since the start of the mobilisation.

S Cox gave a presentation to The Committee and then summarised at the end. It has been a challenging mobilisation but overall a successful start to the contract. We are over the three month storm as it wasn't an easy mobilisation but customer feedback has been generally very positive and the negative feedback at the beginning we worked very closely with the customer to overcome. Excellent general and department managers appointed at every centre. Overall very good feedback, fantastic refurbishment at Hemel due to open next week and facilities and activity programmes continue to operate as normal.

The Chairman asked if there were any questions.

Cllr Tindall said on paragraph 1.6 of the report you highlight that repairs and maintenance of the building and equipment had not been adequately carried out. Cllr Tindall understood that DBC were responsible for repairs and maintenance of the buildings so therefore it would perhaps be apt to make a note of that. B Hosier replied that it is for the building and plant that we were responsible for, all other responsibilities with the existing service provider as it does with Everyone Active.

Cllr Tindall confirmed that he thought that DBC were responsible and perhaps there wasn't the money to do it. DBC must take a share of that responsibility. B Hosier confirmed that there was a capital bid due to take that on board.

Cllr Tindall asked on 2.3 you mention the Operational Board, who on that Board has leisure management experience on behalf of the Council. B Hosier confirmed that V Cody was on the board and she had managed a leisure operator at Slough Borough Council.

Cllr Tindall noticed that there are 30 clubs and asked if that was an increase or decrease from last year. V Cody advised that at the moment it's the same as last year.

Cllr Tindall queried the wording TBC when it refers to a target for number of casual users/members who are registered disabled, please could this be explained. B Hosier clarified that at present members do not have to inform anyone if they've got a disability so it's in there as my understanding is that we have to monitor that during the remainder of the first year of the contract, it would be unfair of us to set a target for EA if members don't want to divulge that information.

Cllr Tindall asked if we were giving disabled people a special dispensation or fee in which case we would be able to identify immediately who is disabled. B Hosier confirmed that the payment and charges for memberships and non-members has not changed, it has to remain the same in the first 12 months.

Cllr Taylor wanted to clarify that in the past there was a tapered grant from DBC to Sportspace. Then they came to us on a number of occasions asking for additional funding to improve the facilities, however the work that had been done was not to a standard that we would expect, but at that time there was no KPI's or SLA's or anything else. Now we have that control and that would endorse some of the past work not being done properly, we provided the money but the Board of Sportspace were responsible for granting the contract and the contractors did not perform to the required standard.

Cllr Douris asked if EA operate manage or have control of any other facilities in Dacorum. S Cox replied no.

Cllr Douris queried 1.5 regarding the transferred staff requesting voluntary redundancy, 29 is a high number. Can you give any input or insight into that. BH replied that EA have their business model, Sportspace have their business model, clearly the number of officers that asked for redundancy fitted the business model that EA had submitted and the feedback from customers and the costs involved in running the contract support the release of those individuals.

Cllr Collins added that as someone who's been involved in a number of business acquisitions, it is not unusual for people in the first couple of months to decide to move on.

Cllr Douris enquired if anyone would like to comment on failure points and whether or not any performance payments have been paid. B Hosier confirmed that there had not been any performance payments as KPI's have only just been monitored from September, so it took from contract start until about July to agree the KPI's, so they will be monitored from September. There are a number of failure points that can and will be apportioned subject to the performance standard in the annual and monthly KPI's targets not being realised. It's quite a complex process, there are a number of performance standards which the specification for the service was built around. It's a standard contract from Sport England. Happy to share the information but didn't want to put too much in the report as it's pages and pages. The suggestion is that we come back once a year to Scrutiny to report on performance and any issues.

Cllr Douris put it to the panel that the period for project review which you've shown as an annual report, he would like to suggest it is a six monthly report for the first two years, if that is the wish of the Committee.

Cllr Douris confirmed he had an eye for detail and said that the slide showed MBE Max Whitlock and it should be Max Whitlock MBE, also on the flyer it says Max Whitlock M.B.E and there are no stops, so it would be MBE.

Cllr Douris raised that the report identifies customer feedback had been very positive and queried if there had been any formal customer feedback and if there are any statistics to back up the promise, it would have been comforting for The Committee to have seen it. S Cox confirmed that the customer feedback has been submitted as part of the quarterly report to the Council and that report includes a full detailed breakdown of the feedback and any actions that we've taken from receiving that feedback. S Cox confirmed that he can provide the details or if he's invited to the meeting again he can do more of a breakdown.

Cllr Douris felt it would be of interest but would take guidance on whether it should be part I or part II. M Brookes said it will be fine as long as it's anonymous, no names or addresses, then it would be fine to include. Cllr Douris said he was thinking more of statistical number or smiley faces.

B Hosier advised we do have that information but chose not to overburden Members with too much information at this stage. If Members agree he's quite happy to share that information electronically and then it can be included on a six monthly basis moving forward. The Committee felt this would be helpful.

Cllr Collins wanted to add that he's been round the facilities a couple of times and he was very pleasantly surprised when he went to Berkhamsted how pleased people were, happy smiley faces and some people actually came up and said it's going well.

Cllr Douris mentioned the Armed Forces Day in Gadebridge Park in the Summer, he also spoke to some of the folk who were manning the tent and they were saying exactly the same thing.

Cllr Tindall pointed out that he was discussing the contract with Rob Smyth and had put forward the suggestion for an advisory board made up of organisations that used the leisure centre, which could then talk to EA as a way of ensuring everyone was happy and he did say he would take that on board. B Hosier said that club feedback is asked for and that is feedback to EA, also they have been out and spoken to all the major clubs and is aware that there is a requirement that Alex Care meets with the clubs, that could be the advisory board, but he is happy to take that away and clarify with Alex.

The Chairman asked for clarification on point 1.5, 29 staff transferred and 27 accepted redundancy what was the percentage of people that transferred. When we say it's 29 out of how many, just give the final figures. B Hosier will confirm this information.

Action: B Hosier

The Chairman set out the recommendations and confirmed that the comments from Committee would be included. Committee agreed that the performance of the leisure contract would be presented six monthly for the first two years.

Action: Member Support

107 Q1 BUDGET MONITORING REPORT

N Howcutt presented the Budget Monitoring Report and then asked Committee for any questions.

Cllr Tindall enquired if there were dates for the utilities to give us the all clear for knocking down the rest of the Civic. N Howcutt confirmed that there was a meeting next week with the utilities providers and that we have submitted plans which have been approved, we are cautiously optimistic that it is all going ahead as planned within the next six to nine months. There is a DevCo report going to Cabinet which will set out more details of progress.

Cllr Tindall asked if there was any way something could be done if it's going to take a long time for the utilities to be sorted. N Howcutt confirmed that the costs were prohibitive, at present we are not committing those funds but if we think it may take longer then anticipated it may be something we would consider.

Cllr Tindall mentioned the slippage of £155k on the CRM project, we have an item in further down about staffing and the difficulty of professional recruitment, where we say about recruiting a professional resource are we talking about people. L Roberts confirmed that it was a specific dynamics resource which is very highly competitive in

the market, it's not something that we need at that level full time, so it is a temporary resource. We had difficulty at first we found someone, they've subsequently left because they were offered a full time job with Microsoft, we've now got someone else in.

Cllr Tindall said he was not too keen on people being labelled as a resource.

The Chairman requested clarification on point 6.1 on overachievement of income £210k, the pressure is offset by net additional income over budget relating to Temporary Accommodation. The Council's own properties are being used to house tenants on a temporary basis, rather than more expensive bed and breakfast elsewhere. The Chairman, thought it was a good thing but also does it impact the people on the housing list having to wait longer for them to be vacated. N Howcutt confirmed this was use of assets that are not deemed appropriate for long term rental so it's mainly use of assets above the shops, where we've got work to do in them, but in the short term they can be used temporary, so effectively using stock that we would rent to the private sector. The levy that we get for temporary accommodation is significantly more than if we'd rented privately.

The Chairman on point 7.5, the cost to the Council on void properties is driving a pressure of £30k, would that be fitting into the accommodation of short term letting. N Howcutt advised that temporary accommodation is in the general fund, this is the HRA assets which effectively is what applicants on the waiting list are waiting for. When these properties become vacant the reason they are void is not because we don't have people waiting to go into them, it's because we have works we have to do. This also affects Council Tax but when you consider we have 11,000 units in the HRA and there's a pressure above what's been projected, it's actually quite a small percentage.

Cllr Barrett asked about the pressure of £100k on commercial waste due to declining customer numbers, is that because we are not competitive. N Howcutt confirmed that a review is currently being undertaken by a specialist service to get to the bottom of this. It might be that we are not competitive in the way we create our contracts, ours are more flexible to allow businesses to have the different levels that they need. We are looking at it as part of the review.

The Chairman queried the overachievement of income of £150k as a result of incentive payments from HCC, this is a normal thing they do every year, is this an increase or decrease. N Howcutt said that last year we had an increase in income in what they call the alternative funding model. Last year we had a £50k windfall, projections in terms of tonnage this year are lower than they were last year against targets set by Herts. It's early in the year so there is a certain amount of caution.

Cllr Tindall advised there is now going to be in the autumn/winter the introduction of recycling at blocks of flats, has that been taken into account when thinking of the rebate from HCC or will that be a further windfall as that is likely to boost our recycling rate. N Howcutt confirmed there is a pilot underway, in terms of the impact of that we have put in a very prudent estimate on how much it will impact recycling levels. It will be monitored very closely once the results come out from that pilot and it will be reported to the various Scrutiny Committees.

Cllr Tindall was thinking of the money from HCC, does that mean that we will have the flats next year will put less in their black bins and more recycling, so ultimately potentially that's a better return from HCC. N Howcutt advised that for 19/20 we will definitely be looking at modelling that. In terms of the volumes of flats compared to houses is quite small as a percentage and it would have to be a significant change to have an impact.

Cllr McLean asked about the pressure of £100k in Building Control and the over achievement of income in Development Control, are they related. N Howcutt said that there are two elements here, the Development Control side of it we have a few large contracts that we oversee those developments and they've been growing, the Building Control side the volume applies to us that have been coming to us on the small sites and they have been receding in recent years. There's a pressure on Building Control staff and there's this under achievement. Cllr McLean said this is no way related to residential. N Howcutt confirmed it wasn't.

Cllr Douris was very pleased to hear about the specialist looking at commercial waste, a number of years ago I raised that we were losing money on commercial waste. There seems to have been a pressure of £100k, I don't know if that's the same pressure or if it's increasing. We do need to do something otherwise we will lose income and we need to be a bit more commercially savvy in how we deal with it.

The Chairman confirmed the recommendation and Committee agreed.

108 Q1 FINANCE AND RESOURCES PERFORMANCE REPORT

N Howcutt introduced the report and then asked for any questions.

Cllr Tindall congratulated staff as the majority of them are under pressure as we've learnt from the last few meetings and it is appreciated what they have achieved.

Cllr Tindall asked what the header was on the 5th column. N Howcutt confirmed it was the last quarter.

Cllr Douris asked about the comments column which had not been populated. C Baker advised that the performance system had been upgraded and this needs to be looked at but he would ensure they were there for the next meeting. L Roberts agreed to take this action.

Action: L Roberts

The Chairman confirmed the recommendation and this was agreed.

109 Q1 LEGAL GOVERNANCE & DEMOCRATIC SERVICES PERFORMANCE REPORT

M Brookes presented the report and asked for questions.

Cllr Tindall asked about the windfall from the unlawful advertising fines, if it went into the pot. M Brookes confirmed this went to Government although we did get costs awarded.

The Chairman asked if this was joint advertising as the amounts are the same. M Brookes advised he would provide the details but he thought the firms were linked.

Action: M Brookes

The Chairman queried the CCTV alarm receiving centre, is the external companies working alongside Cupid Green or separate. B Hosier said that at the moment we pay separate companies for both fire and burglar alarm monitoring. What we are looking at doing with CCTV staff and to bring in some money, so we are trying to set up an alarm monitoring centre, initially to be able to reduce the cost of delivering that service to Council properties and potentially to look at trading to go out to schools and public to generate some income.

Cllr Douris asked if the Active Communities Manager was a DBC or EA appointment. B Hosier confirmed it was EA who appointed. It was a key role for them to perhaps go into community centres or even peoples homes.

Cllr Douris declared an interest in that he sits on PATROL representing DBC, he gave to the Portfolio Holder for Parking, a booklet about the annual report, which is highly regarded in the industry and he didn't think that Dacorum submits a report. B Hosier confirmed that the report was passed to him and this year is the first year we have been asked by PATROL to submit a report which is what we've done, that went off about three or four weeks ago.

Cllr Tindall asked about the 188 FOI's received and asked if we could have more detail. M Brookes confirmed that broad areas might be possible. Cllr Taylor advised that tomorrow night at Audit there will be a very comprehensive report and the list is voluminous. If there are any questions let him know and he'll speak to John Worts.

The Chairman confirmed the recommendation and it was noted.

110 Q1 PERFORMANCE, PEOPLE & INNOVATION PERFORMANCE REPORT

L Roberts presented the report and asked for any questions.

Cllr Douris asked about the usage of the big screen down in Reception, is it used for promoting events in the Borough. It appears that we don't do it very much and it's a resource that's in the public eye, where we can let people know what's going on in the Borough. L Roberts will ask Kelvin, she is aware that we put things that relates to us but she isn't aware of wider events so will have to ask.

Action: L Roberts

The Chairman confirmed that if it was local issues we should look at that.

The Chairman asked about sickness and that we had worked with JNC regarding mentoring people on long term sickness. He would like to know the percentage of long term and short term sickness and if long term sickness had an adverse affect. L Roberts confirmed that it had but that they had both been affected. With the long

term sickness in the 1st Quarter, where people had expected to have surgery, they still didn't have surgery in March so we are now having an impact in the 2nd quarter.

The Chairman set out the recommendations and they were agreed.

111 MEDIUM TERM FINANCIAL STRATEGY REPORT

N Howcutt presented the report and asked if there were any questions.

Cllr Tindall wanted confirmation on the date in 5.2 that the report was presented to Audit in July, and if that was 2018. N Howcutt confirmed it was.

Cllr Tindall queried the pension contributions in table 3 there are some zeros in that line and he would have thought that 1% was more appropriate. N Howcutt confirmed that the expectation is that there is a one off requirement historically, it's not going to be ongoing.

Cllr Tindall mentioned the staff pressures as this links in to the sickness as he believes because of staffing pressures and the fact we may not have as much staff as we need, we then have problems with pressures and stress on other staff, which means we perhaps get more sickness. It's a horrible viscous circle. It says that Council Officers continue to work with other authorities and have we formed a partnerships in order to share the load. N Howcutt said that there's lots of small partnerships and also Building Control are looking at partners, there are some suggestions for my team, but he is interested in looking at economies of scale with purely back office. It's not necessarily to reduce the cost but it helps with resilience. Also it helps with succession planning, if there is some commonality it will come through more and more. The new normal concept that will be rolled out within the next few months will look at that partnership working.

Cllr Tindall mentioned the implementation of Universal Credit, we had an excellent report that identified the problems associated with the Government paying benefits 5 weeks in arrears, that could mean we end up with arrears of payments from residents. Are we looking at factoring in the potential for Council Tax arrears going forward. N Howcutt that Universal Credit will impact the HRA and we have increased the bad debt provision for the next four years to allow for that and then tailing off when we believe that the welfare reforms have been embedded, which will hopefully reduce over time. The issue with Universal Credit at the moment is that it is going to get rolled out from December but over a four year period and we have no understanding of what that peaks and troughs is going to be.

Cllr Tindall said he was thinking about Council Tax collection. N Howcutt said it would link into the Council Tax Support programme. We haven't factored in non-payment as we have a fairly good Council Tax Support process but it is worth consideration.

Cllr Barrett asked about the budget assumptions and utilities you've got 5% year on year increase, is that quite high. N Howcutt said that if you take into consideration retail generally you would be looking at 3-4% and that includes petrol, which is a large chunk of that. It's not a large budget item but it is something that we've been seeing.

The Chairman confirmed the recommendation and it was agreed.

112 **WORK PROGRAMME**

The inclusion of the performance of the leisure contract needs to be included on the work programme every six months for the first two years.

The Chairman confirmed that the next meeting on 09 October was cancelled due to lack of agenda items. The next meeting will be held on 06 November.

The Chairman thanked everyone for attending and closed the meeting.

The Meeting ended at 21:00