

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

4 NOVEMBER 2015

Present:

Members:

Councillors: Herbert Chapman
(Chair)
Douris (Vice-
Chairman)
Ashbourn
Barnes
Birnie
Brown
Clark
E Collins
Guest
Imarni
Silwal
Tindall

Officers:	Louise Collins	Member Support Officer
	Steven Baker	Assistant Director - Chief Executive's Unit
	Mark Brookes	Group Manager - Legal Governance
	Jim Doyle	Group Manager - Democratic Services
	Ben Hosier	Group Manager - Commissioning, Procurement & Compliance
	Matt Rawdon	People
	David Skinner	Assistant Director - Finance & Resources
	Robert Smyth	Assistant Director - Performance & Projects

Also Attendance: Councillor Elliot - Portfolio Holder for Finance and Resources

The meeting began at 8.00 pm

35 **MINUTES**

The Chairman requested that Item 8 – Budget Monitoring Quarter 2 2015/16 be discussed first on the agenda followed by the Quarter 2 Performance and Operational Risk Register Reports.

The minutes of the Finance & Resources OSC meeting held on 7 October 2015 were confirmed by the Members present and signed by the Chairman.

36 **APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of Councillors Mills and Taylor. Councillor Fethney was absent.

37 DECLARATIONS OF INTEREST

None.

38 PUBLIC PARTICIPATION

None.

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

None.

40 ACTION POINTS FROM PREVIOUS MEETING

None.

41 BUDGET MONITORING QUARTER 2 2015/16

Councillor G Elliot, Portfolio for Finance and Resources highlighted some key points within the report;

- £785k Overspend at the beginning of the year. He mentioned that officers have responded well to reducing the overspend, however there are still significant challenges ahead and pointed out that they will need to be vigilant and ensure that the expenses are controlled and managed over the next 6 months.

D Skinner, Assistant Director for Finance and Resources brought Members attention to the amended report and apologised for the confusion. He added that the results of the reduction in the overspend involved some positive action that has been taken by officers.

Councillor Tindall referred to page 71, employees over budget - £419k (5.3%). He asked if this was an accurate estimate or if it would be changed in future years.

D Skinner pointed out that the estimate given was based on the re-modelled service. The re-modelled service is not delivering as expected but there is a performance monitoring group that will be meeting on a monthly basis to go through a joint action group concerning Waste Services, HR, Performance and Finance. They will look at a number of factors that are affecting the Council's financial position. D Skinner said that his team are confident that this will be resolved by the end of the year.

Councillor Tindall asked for clarification that the anticipated savings can be sorted by 2016/17.

D Skinner confirmed that the anticipated savings would be corrected by 2016/17. Councillor Birnie referred to page 74, Line 169; an underspend of £1m on the Heart of the Maylands project and asked why the work is no longer required and the budget will not be spent.

D Skinner confirmed that the details regarding this have gone into a separate report which went to Cabinet last week.

The Chair referred to page 74, Line 149 – Underspend of £129k on the Car Park Refurbishment project and asked what 3 car parks will be refurbished.

D Skinner said that he would send the details of the 3 Car Parks onto Members.

Councillor Imarni pointed out to Members that there were a number of slippages within the report. She asked if the money will be reinvested for the projects for 2016/17.

D Skinner said that if the projects are already slipping in 2016/17 then he anticipates that the funding will also be slipping.

Councillor Tindall referred to the estimated surplus on off street car parking. He asked if there would be any consideration given to use the surpluses for off street car parking or putting into the verge hardening fund that currently has no funding.

The Portfolio for Finance and Resources mentioned that there are plans in place next year for a budget for verge hardening.

Councillor Tindall referred to page 73 6.5 and the £130k over-achievement of income (114%). He asked the Portfolio Holder if the Council was anticipating a loss for the rest of the year.

The Portfolio Holder replied that this figure related to cash deposits.

Councillor Birnie referred to page 75 Line 159: the slippage of £1.63m on the Fleet Replacement Programme. He asked what the individual costs were.

The Portfolio Holder confirmed that the costs were a ¼ million, however they are in a position to source second hand machines which will hopefully reduce costs.

Councillor Guest referred to the £100k surplus which is expected in Planning Fees. She asked if this surplus was due to the developers trying to get their applications in before CIL kicked in. And since CIL has been introduced what affect has been implemented upon the Council.

D Skinner confirmed that there had been an increase in applications; however they are confident that these will be sustained for the rest of the year.

Outcome:

Members noted the report.

Action:

1. D Skinner to provide Members with details as to why there was £1m underspend on the Heart of the Maylands Project.
2. D Skinner to provide Members with the details of the 3 Car Parks that fall under the Car Park Refurbishment project.

**QUARTER 2 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORTS
- LEGAL GOVERNANCE, DEMOCRATIC SERVICES, COMMISSIONING,
PROCUREMENT & COMPLIANCE**

S Baker, Assistant Director – (Chief Executive’s Unit) presented the Quarter 2 Performance and Operational Risk Register for Legal Governance, Democratic Services, Commissioning, Procurement & Compliance and People. He drew Members attention to page 21 of the corvu performance report (MS01) and explained that the reason this had not been signed off was due to the fact that they were unable to upload the information before it went to publication.

S Baker informed Members that so far in Quarter 2 there had been a total of 177 attendances by Members at the training courses which equates to 3.47 courses per Councillor. Therefore the target of 5 by the end of the financial year should be achieved.

Questions:

Councillor Tindall referred to page 10 of the report and asked if the £630k parking enforcement expenditure for Watford Borough Council was net or gross and if they keep all of the income.

B Hosier, Group Manager – (Commissioning, Procurement and Compliance) confirmed to Members that £30k of that figure goes to Watford Borough Council for running and managing the contract. Approximately £600k goes to the contractor and then net of that the income that comes in, comes back directly to Dacorum Borough Council.

Councillor Ashbourn asked in relation to Legal Governance if there had been many people which had attended tribunals within the current quarter.

M Brookes, Group Manager (Legal Governance) confirmed that these were the cases that did proceed to court. He mentioned that there are a lot of cases which they advise clients on which don’t proceed to court and may be settled in a more informal way.

Councillor Guest asked for clarification on the SME expenditure.

B Hosier said that this related to expenditure on goods and services and in some instances in works with small and medium enterprises based in Dacorum.

The Chair referred to page 6 regarding obtaining an order for costs in the sum of £31k against a person. He asked if the Council claims against one individual when we have a success or is it up to the judge.

M Brookes confirmed that the Council would generally claim their legal costs if they were successful. The judge would look at their means to see whether they would make an award against them.

The Chair said it would be helpful to have a balance on legal costs at the end of the year of what the Council claims and what is paid out.

S Baker said that it is very rare for costs to be awarded against the Council.

The Chair referred to the contractual cost reductions with Northgate and a saving of £189310. He asked if the Council was on track to increase the savings.

B Hosier said that there are contractual savings that are written into the contract. He added that there are monthly amounts and certain costs that are paid in advance in terms of annual payments. He added that contract costs must reduce each year and this is written into the contracts. On the anniversary which is August of each year, the cost reduces less 12 months. Invoices are continued on a monthly basis as part of that contract.

Councillor Barnes referred to the number of sick days highlighted within the report and asked why the figure was so much higher.

M Rawdon, Group Manager – (People) explained that within the private sector the average is approximately 9 days per FTE per year and the Council's target is set at 8. The slight increase could be due to the introduction of the First Care sickness system where staff are required to report their sickness to a qualified nurse, so under reporting in the past could be a cause. This is quite typical when implementing such a system, what we need to do now is look to reduce it. To support this we have recently launched a corporate sickness project sponsored by a Corporate Director (James Deane) which focusses on: analysing of sickness absence trends, reviewing staff cases with high level of sickness absence, wellbeing initiatives, the suitability of the sickness policy and manager training.

Councillor Birnie asked if it would be harder to meet the sickness targets for those staff that worked in outside conditions.

M Rawdon said that as trends show it is harder to reduce sickness over the winter months. There have been flu vaccinations offered recently to front line staff to try and minimise sickness amongst the Council. In previous years the vaccination has been offered much later, however this year they have offered the vaccination earlier in September/ October.

Councillor Ashbourn asked if the new sickness project has any actionable tasks implemented to reduce the high levels of sickness mentioned.

M Rawdon explained that the project has only just been launched and at present they are collating the data and have some employment hearings due.

Councillor Tindall told the officer that he was not very pleased with the use of the word “absenteeism” within the report as this referred to people who have deliberately taken time off work rather than those who have genuinely been off sick.

Councillor Tindall asked the officer if he could provide Members with a breakdown of Short and Long term sickness figures.

M Rawdon mentioned that this terminology would be avoided in the future.

Councillor Silwal added that the 28.6 minutes that a customer has to wait for their call to be answered within the CSU is far too long and asked the officer to confirm what plans were in place to rectify this.

B Hosier drew Members attention to page 15 of the report. He added that there are a huge number of calls which come through to the CSU and they come through at various times of the day. He added that unfortunately there will be occasions where there will be several people all trying to get through at the same time. Through the channel shift project they are trying to ensure that all avenues are looked at to eliminate the waiting time for people to get through to the Council.

Councillor Barnes asked if there was a call back facility in place.

B Hosier mentioned that the call back solution has previously been looked at and was rolled out. All calls are answered automatically and within the system there are some call back facilities on there of which members of the CSU do call back customers. B Hosier said that he would come back to the committee with further information.

Councillor Douris drew attention to the number of downward trend red risks within the report and asked for some reassurance that those that are responsible for them are vigilant about them.

B Hosier confirmed that the risks within Commissioning and Procurement and the trends are in hand. The average and targets have been worked out on a profile of 12 months. In terms of the CSU, the team does not have any control over the number of contacts, telephone and face to face. B Hosier confirmed that if any of the trends are in risk of turning red they will keep an eye on them on a monthly basis so if there are any issues to be resolved they can be actioned quickly.

Outcome:

Action:

1. M Brookes to provide Members with a balance of legal costs for the end of the year which the Council claims and the amount received.
2. B Hosier to report back to the committee with regards to the call back facility in the CSU and if this is still in place.
3. M Rawdon to provide Members with figures of Short and Long term sickness figures.

QUARTER 2 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORTS – PERFORMANCE AND PROJECTS

R Smyth, Assistant Director (Performance & Projects) introduced the report to Members. He added that the performance in the last quarter had been largely positive. The last quarter had previous issues with new starters being processed. This was due to vacancies within the ICT Services which have now been filled and performances are improving.

Questions:

Councillor Douris made reference to the changes within the website and asked if Councillors will be alerted of the changes as they come through.

J Doyle, Group Manager (Democratic Services) replied that the website had changed as a result of the introduction of Modern.Gov. He added that all Members will be notified on a weekly basis through Members News however, there are a number of changes and work to be done within the pages on the website. He asked Members to notify Member Support should they have any issues. Modern.Gov still has a lot of changes which are currently being worked on but it is a working progress. He added that lots more information is yet to go on the website so apologised to Members in advance for this whilst the updating phase continues.

R Smyth mentioned that there is a consultation meeting being held on 18th November to which all Members are welcome.

J Doyle added that there is a meeting on Monday 16th November with R Smyth's team to try and clean up the pages of the website. This should in effect make the website faster.

Councillor Birnie referred to the public access on the website. He pointed out that a member of the public would find it increasingly difficult to access certain information and asked if this element of the webpage would be re-looked at.

R Smyth confirmed that information is regularly updated and is provided additionally on "Dacorum Look No Further". One of the things that his team have recognised is that a lot of the information is there to be accessed but is not very easy to find. All these issues will be looked at within the team to make it more responsive to customers.

Outcome:

Members noted the report.

QUARTER 2 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORTS – FINANCE AND RESOURCES

G Elliot, Portfolio Holder for Finance and Resources gave a brief update on the Quarter 2 Performance and Operational Risk Register.

- He concluded that this was a good outturn report.

- Commercial property had very few voids
- Arrears are slightly up compared to the last quarter, but better than last year
- Investment income is up
- Investment property income will be 2.5% over budget
- Changes within Revenues and Benefits is on target for the year
- Council Tax collection is on target for the year

Questions

Councillor Imarni queried why the Council Tax collection rates were at 30%.

D Skinner explained that this was the profile as determined by where in the year the report and expected income would be. The 30% referred to June 2015 and that as at September 2015 the collection rate was on target at 58%.

Councillor Tindall referred to the earlier point that the Investment Property Income is 2.5% over budget. He asked if this information was contained within the report or if it would be provided at a later date.

The Portfolio Holder confirmed that all of the information was contained within the report.

Councillor Tindall referred to page 56, FIN11 – and asked if this would be an excessive rise to note for the future.

D Skinner explained that the £216k gap is where the Council is on the profile, in time there will be improvements to be made. The specific rents relating to the Snow Centre are profit related. He also added that the Council had a good year which helped close some of the gaps which is why the figures have been anticipated to be at £110k for the end of the year.

The Portfolio Holder said that 2.5% on a £3 million budget is considered to be good performance.

Councillor Douris asked if the Council received an income from penalty charge notices issued for car parking.

D Skinner said that he would provide Members with the information on the income received on penalty charge notices for car parking.

Outcome:

Members noted the report.

Action:

1. D Skinner to provide Members with information on the income received on penalty charge notices issued from car parking.

There were no amendments to be made to the Work Programme.

The Meeting ended at 9.07 pm