

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

13 OCTOBER 2020

Present:

Cllr Adeleke	Cllr Sobaan Mahmood
Cllr Barrett	Cllr Sinha
Cllr Chapman	Cllr Symington
Cllr Claughton	Cllr Tindall
Cllr Guest	Cllr Townsend (Vice-Chairman)
Cllr Suqlain Mahmood (Chairman)	

Also Present:

Councillor Williams – Leader of the Council and Portfolio Holder for Corporate and Contracted Services

Councillor Elliot – Portfolio Holder for Finance and Resources

Officers:

S Marshall	Chief Executive
J Deane	Corporate Director – Finance and Operations
M Brookes	Assistant Director – Corporate and Contracted Services
L Roberts	Assistant Director – Performance, People and Innovation
T Angel	Corporate and Democratic Support Officer (Minutes)

The meeting began at 6.30 pm

1 MINUTES

The minutes of the meeting held on 8 September 2020 were agreed by the members present and will be signed by the Chairman at the next available opportunity.

2 APOLOGIES FOR ABSENCE

There were no apologies for absence.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 PUBLIC PARTICIPATION

There was no public participation.

5 CONSIDERATION OF ANY MATTER REFERRED TO THE

COMMITTEE IN RELATION TO CALL-IN

None.

6 ACTION POINTS FROM THE PREVIOUS MEETING

The Chairman highlighted that 3 of the 5 action points had been completed and closed down. He asked for an update on the two ongoing action points raised by Councillors Claughton and Symington.

Councillor Claughton advised that Mark Brookes had emailed him and he was expecting some further information later this week. The Chairman asked if he was happy for the action point to be closed. Councillor Claughton confirmed it could be removed and he would raise the issue again at the next meeting if he wasn't satisfied with the additional information.

Councillor Symington explained that her query was around the wider consultation process rather than just Water Lane but it was that consultation that highlighted the issue. She said she received some more information yesterday from Ben Hosier and had replied so she was happy for the action point to be closed for now. She added that she wasn't satisfied with how the Water Lane consultation was conducted and would like to ensure that future consultations enabled more people to be involved in them and were made available at a more appropriate time of the year.

7 MEDIUM TERM FINANCIAL STRATEGY

J Deane apologised for the late submission of the report due to the additional detail and uncertainty that we wouldn't normally experience. He gave a detailed presentation to the committee and welcomed questions.

Councillor Symington questioned if there was any scope to increase our fees in certain areas. J Deane replied there could be and they would look at income streams from all areas through the budget setting process.

Councillor Townsend felt it was difficult to look at this strategy in isolation from the capital strategy and suggested it would be useful to put the information together. His understanding was that the marked reserves would impact our ability to deliver on our capital programme and if we were able to see them both alongside then we would understand the impact we're making in terms of our future spend. J Deane explained that the call on reserves that were required from the capital programme were already factored in to this strategy and he drew attention to Appendix B. He advised that we had a fully financed capital programme at present. It was a five year programme and was approved with the budget every February.

Councillor Tindall referred to the youth provision reserve. He said up until recently it was £100k and was set aside for the Highfield Youth Club which never happened. He asked if J Deane could look into the history and find out where £56k of the £100k had been spent as it hadn't been spent in Highfield. J Deane agreed. **Action: J Deane**

Councillor Guest asked if there had been any linkage between our MTFs and Hertfordshire County Council's Integrated Plan. J Deane advised it was linked in the extent that when HCC have something in their plan that involved taking money from

us that would be factored into our MTFs. There's a couple of areas of pressure on the alternative financial model on the waste side where some of these savings and efficiencies HCC were putting through were having a detrimental effect on us financially.

Councillor Symington queried if there was a specific target in terms of what we put in to reserves overall. She then referred to the earmarked reserves and suggested that an outsider could find it difficult to know what they were earmarked for, how they are used and if that's the specific amount or an estimated cost. J Deane referred to Appendix B and explained there were two different kinds of reserves; the general fund reserves and the working balance. The working balance is the only one where we have a target which is 2.5%. The target there is to keep it between 5 and 15% of net cost of services and it was there as a contingency against unforeseen eventualities that require additional expenditure in year. He said every earmarked reserve is detailed within the budget report which is presented every year in February.

Councillor Symington asked if she was correct in thinking that the grants and additional funding that we have received this year haven't been factored in to next year's budget. J Deane confirmed that was correct although we would of course welcome additional funds if that happens. Councillor Symington asked if there was any indication that we would receive any additional funds next year. J Deane said it was impossible to know at the moment.

Councillor Symington sought clarification on the increased cost of employees in the next few years. J Deane advised it related to pension benefits that had been accrued for people no longer working and we had to make a payment for that. There is two ways we can do that; a small amount in year every month or we can pay three years' worth every time we get a triennial valuation.

The Chairman asked if J Deane could add serial numbers to each line in the Appendix B summary in future so it was easier to refer to. J Deane agreed.

The Chairman questioned how they decided which reserve to use money from. J Deane advised it was a council decision but the benefit of doing it when it comes closer to setting the budget is that we have a clearer idea on what we might want to do or what members might want to spend on in the coming years. By knowing that we will know which reserves are likely to have a draw down on them already.

Outcome:

The report was noted.

8 COVID-19 UPDATE

S Marshall thanked all DBC staff for their dedication, professionalism and contribution in ensuring our community have stayed safe and services have been able to continue as normal. She ran through some key points within the report and welcomed questions.

The Chairman asked how well prepared we were for a second wave of coronavirus and another lockdown. S Marshall advised we had continued with IMT (Incident Management Team) throughout the pandemic and will continue to meet to ensure

preparations were in place for the pressures that winter will bring. She said various restrictions are inevitable and we had heard from the government yesterday about the three-tier model. We also continue to work with our various colleagues across the county. She stressed that it shouldn't be referred to as another lockdown but as localised restrictions, unless the government decide otherwise. She said it was going to be a difficult winter and we shouldn't underestimate the scale of the impact on services but financially we're in a robust state, and in terms of officer planning we're as prepared as we can be.

Councillor Tindall asked if we had any contingency plans in place if the leisure centres had to close again due to localised restrictions. S Marshall advised that the government had announced support packages within areas that were experiencing localised restrictions so we would have to wait and see what was made available. She added that we had built up a good working relationship with Everyone Active so she was confident that we could work through the issues together.

Councillor Tindall expressed concern with the change in Universal Credit payments and the extra pressure it would put on our staff. S Marshall explained that the housing and revenues and benefits teams were working closely with our residents to ease the financial struggle where possible. She felt the teams were extremely hard working and were experienced enough to deal with the heavy workload. Councillor Tindall expressed his gratitude to all the staff for continuing to provide a good service to our residents.

J Deane ran through the key financial areas within report. He welcomed questions from the committee.

Councillor Adeleke questioned if any additional pressure had been put on the government by local authorities as there was no end to coronavirus in sight. J Deane advised there were various organisations pulling together to put pressure on the government and there were several councils that were in a really difficult financial position which was pushing a lot of conversation.

Councillor Adeleke asked how long DBC would continue to be in a strong financial position if the current situation continued for longer than expected. J Deane said that was a difficult question to answer but felt we would be in a better position than most other councils.

Councillor Chapman sought clarification on the projected loss of garage income. J Deane advised that garage income was entirely dependent on the disposal income residents have and at the moment we have no idea on the severity or duration of the recession. He suggested that although garages were holding up at the moment we could see a drop at any time so we had to be prepared for the unknown.

Councillor Townsend sought clarification on the support given to the leisure centres. He said the email that had been circulated to members after the last meeting only covered one element of the supplier support package but didn't give a full picture. J Deane said he would provide a summary to Councillor Townsend via email.

Action: J Deane

The Chairman asked if officers were visiting premises in the borough to ensure they're complying with Covid-19 restrictions. J Deane advised that the Environmental

Health team had been targeting businesses where it had been suggested they weren't complying with restrictions and social distancing. The team have also been working with HCC to track down where there may have been a localised outbreak of coronavirus within the borough.

The Chairman thanked the officers for a very good and detailed report.

Outcome:

The report was noted.

9 **NEW NORMAL PROGRAMME UPDATE**

L Roberts introduced the report and gave an update on the progress of the programme. She highlighted key areas within the report and welcomed questions from the committee.

Councillor Tindall firstly congratulated the team on the work with apprentices. He asked if we were considering apprenticeships in environmental services where additional skills were needed as he recalled difficulties with recruitment in that area. L Roberts said they spoke to all service areas about their requirements. J Deane advised there were currently two apprentices at cupid green depot and one at the water gardens. He said they were limited due to the supervision of apprentices but they would consider taking on more in the future.

Councillor Adeleke referred to the 15 apprenticeships enrolled this year and queried if there would be 15 every year. He then asked if we were recruiting local individuals or if anyone could apply. L Roberts advised we received a limited amount of funding which would need to be staggered over a number of years. We would only be looking to recruit 2 or 3 this coming year. She added that our apprentices were predominantly from the borough.

The Chairman asked if we were looking at improvement and investment opportunities within the pilot schemes. L Roberts advised that on the technology side they were ensuring back office systems were available to all individuals working remotely and from home. On the people side they were reviewing policies to ensure everything is up to date, focusing on the health and wellbeing of staff especially during this difficult period, and also looking at our leadership and management skills courses. Another focus will be supporting people on hybrid meetings which is something that will commence in the coming weeks. The Chairman said it was important to keep positive and stay in regular contact with our staff to keep their spirits up.

Outcome:

The report was noted.

10 **WORK PROGRAMME**

There were no changes to the work programme.

The Chairman reminded members to notify him if they had any particular interests or topics that they would like to see on the work programme.

The Meeting ended at 8.20 pm