

## MINUTES

### FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

3 NOVEMBER 2020

**Present:**

**Members:**

**Councillors:** Guest  
Tindall  
Adeleke  
Mahmood  
Mahmood  
(Chairman)  
Townsend (Vice-  
Chairman)  
Claughton  
Symington

<b>Officers:</b>	Mark Brookes	Assistant Director - Corporate and Contracted Services
	Victoria Coady	Commercial Contracts and Supplier Relationship Lead Officer
	Ben Hosier	Group Manager - Procurement and Contracted Services
	Nigel Howcutt	Assistant Director - Finance and Resources
	Farida Hussain	Group Manager (Legal & Corporate Services)
	Linda Roberts	Assistant Director - Performance, People and Innovation
	Ben Trueman	Group Manager – Technology & Digital Transformation

**Also Attendance:**

The meeting began at 6.30 pm

**11**            **MINUTES**

The minutes of the meeting held on 13 October 2020 were agreed by the members present and will be signed by the Chairman at the next available opportunity.

**12**            **APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of Councillors Barrett, Chapman, Elliot and Sinha

**13                    DECLARATIONS OF INTEREST**

There were no declarations of interest.

**14                    PUBLIC PARTICIPATION**

There was no public participation.

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

None.

**16                    ACTION POINTS FROM THE PREVIOUS MEETING**

**17                    QUARTER 2 BUDGET MONITORING REPORT**

Nigel Howcutt introduced the report to members and ran through the report highlights.

Headline figures

The general fund for this year as of period 6 is showing revenue pressure of £3.1 million of which £3 million is linked to Covid over and above the funding received to date or believe we will receive. In terms of HRA, they are showing a surplus of £0.1 million in year with a few variances particularly around maintenance which they will talk about in more detail. He said the high level position on the capital perspective, the general fund is showing a small overspend of £100k which is less than 1% of the capital budget and is showing slippage in year of less than 10% which considering Covid has slowed or stopped projects entirely he said it's a fairly good performance to date. The HRA capital is showing a £1 million slippage which is about 5% of the HRA capital program which is within the realms of what they would expect, he said they don't like to see any slippage greater than 10% so at present they are performing well under difficult circumstances. There is an underspend in the HRA capital program, this is predominantly due to the maintenance they do in the properties, of £1.65 million as they've not been able to access peoples properties. He said, to be able to engage with that in terms of high level figures from a government funding perspective, the government income scheme is reimbursement for the income losses, they will be receiving a projected £1.3 million for expenditure incurred throughout the year. In terms of overall expenditure incurred there are now four tranches that have been announced and in total Dacorum will be receiving £2 million of government funding to cover those expenses. So net £3 million is made up of various expenditure areas that is over and above the £2 million that is being funded by central government. He said there is under the very large income stream of investment property which isn't covered by the government income reimbursement scheme which they are absorbing also the 30% of other income streams. He concluded that that's a high level summary, however this was produced prior to the new lockdown measures, the new lockdown will impact the projections. He said they

will update them and feed in assumptions into the Cabinet report which is due for publication next week.

Councillor Tindall referred to page 13 item 4.1 which mentions £60k pressure within neighbourhood delivery due to interim resource to support delivery of new initiatives within the service and asked what it was.

Nigel Howcutt explained that was for the short term cover of Officer Bill Buckley to support neighbourhood services.

Councillor Tindall asked, on page 16 point 5.1 on waste service, the 1st paragraph states this is due to over 20 staff having to self-isolate for 12 week, he said he assumed we didn't have 20 staff off for the full 12 weeks and could anyone explain what the maximum absenteeism were that had to be covered by agency staff.

Nigel Howcutt said he doesn't have the exact number of people absent at any one time however confirmed Councillor Tindall was correct in saying there were 20 staff that were absent at different time frames that needed to be covered, he said the service now has a different way of working going forward meaning they are less impacted by future decisions.

Councillor Tindall also asked about another point on page 16 where it mentions £50k in planning where staffing levels had been higher than budgeted, he asked if they have an offsetting income stream for that because if they have more staffing than then potentially they have more income coming in, he asked if this is correct.

Nigel Howcutt explained that this was partly due to work overlaying from the last financial year, he said Councillor Tindall was correct in saying that having more planning staff is because we have a busy planning team but the income was a benefit from last year where we exceeded our income. He said they are also exceeding their income levels this year on planning and if you don't take into consideration Covid as they are performing very well compared to normal.

Councillor Tindall referred to page 28 and the refurbishment of the car park and that there was plan to put in additional electric vehicle charging points, he said he understands that things may be delayed however wondered if the additional chargers were going to go in when the water gardens car park is refurbished.

Ben Hosier confirmed that they are reviewing the electric vehicle charging points in a number of our car parks and the best time do them, however he said there are some issues with Distribution Network Operator (DNO) costs and that there currently isn't the capacity with the electrical supply to put in new or upgraded electric vehicle charging points without first upgrading the supply. He said the DNO costs are considerable so there will be a paper produced and this will be circulated to members at some stage in the not too distant future. Ideally he said they would be looking at putting them in at an opportune moment, an opportune moment for the water gardens would be during the car park refurbishment.

Councillor Adeleke referred to page 13, he said it mentioned some new burdens grants, he asked how much these grants were. He also referred to the bottom of page 13 where is mentions an under spend of 50k in the cemeteries provision, he said he thought during this situation spending should go up and not down.

Nigel Howcutt explained that they have received just short of £110k for the new burdens funding to cover the not insignificant costs of rebilling for business rates and the reissuing of hardship funds and council tax which has required a lot of system changes also. He said the funding they have received just about covers the costs they are incurring, to give the members for foresight he said the annual billing costs us around £45k in postage. He said that they did expect an increase in costs from the cemeteries provision however they saw a reduction in burials, and there had been a reduction in memorials due to no mass gatherings. He said that during the summer they didn't require as many agency staff and they were carrying a vacancy which they have now filled.

Councillor Guest referred to the £540k used for agency staff for waste services and asked if it would have been possible to recruit in house staff on short term contracts, would this have been more cost effective, she also asked if the temp staff require the same level of training and qualifications as permanent staff.

Nigel Howcutt responded that there are a number of elements to this, firstly he said that due to the time frame they were given for lockdown and the instruction for people to shield meant they had a week's notice to cover these. Nigel Howcutt explained that they first took staff from the Clean, Safe & Green team who were already trained, they then went to agencies, and they have a relationship with agencies who have a pool of staff to meet their requirements and are trained to use their vehicles so there was no health and safety issue. He concluded that the time did not allow for wholesale internal recruitment. Although that is done where possible.

Councillor Cloughton referred to page 17 section 5.3 2nd paragraph and that an additional budget of £300k was required for the strategic planning service. He said whilst he understand the challenges around the local plan, withdrawing and then resubmitting however he said presumably they know beforehand the stages that have to be gone through, he said he didn't quite understand the need for extra expenditure.

Nigel Howcutt explained that whilst they do have an annualized average budget many factors can affect this this process, such as the changes in government policy and plans, changes to the set time frames, he said that the local plan that they currently have out for consultation is 12 months later than planned, this was due to government changes on how the plan would be submitted and reviewed and they had to change their approach. He said they do have the local development framework reserve to cover the peaks and troughs of the local plan and the revenue is smoothed out however they always make sure they've got the reserve. He stated that in 2021 they hadn't expected the local plan to continue with the same workforce that they have had, hence the reason for the increase in costs.

Councillor Cloughton feels the wording in the reports could be clearer to help the councillors understand the reasons and help answer their questions.

Councillor Symington explained she looked at this report and it seemed to her that a large proportion of shortfall and differences come from staff. With the costs from finance and costs from strategic planning were talking just short of £1 Million difference from what was originally budgeted. She asked if collectively they could have a better approach to how they deal with staff, she believes that something were

know and could there be a contingency when planning so the costs are not an extra. She said that this is possibly something that HR maybe better able to answer.

Councillor Townsend referred to 5.1 on page 16, the employer's costs for waste management. He believed they were told of the Covid implications so this isn't new to them however wanted to clarify the 20 staff for 12 weeks, he asked if there was a material waste element here, possibly an increase of waste driving the increase costs in waste services.

Nigel Howcutt confirmed that the £545k were solely staffing costs relating to the waste service and that costs for additional waste disposal come later in the report. He said he can provide greater details however that those costs were a result of what's happened between April and September as well as ongoing. He said this report covers what they project for the whole financial year.

Councillor Mahmood asked how much of these pressures are Covid related and how may are normal pressures.

Nigel Howcutt said if they take the waste service, it's normally extremely easy to monitor to manage with the set routes and set staff, then when Covid came along they had to make changes to the number of staff in a vehicle due to Covid rules. He explained there is little mitigation in this service, this proves to be a costly service.

Councillor Mahmood asked if some of these pressures due to some staff working from home and not coming into the office.

Linda Roberts responded that she feels there is no material changes to the pressures from working from home. She said whilst some services have been affected, such as environmental services as they cannot go to premises and housing as were prevented from entering properties to undertake repairs, taking those out of the equation they can absolutely deliver the service from home, and example of this is Nigel Howcutt and the financial team have delivered all the yearend reports from home with no delays.

Outcome:  
The report was noted.

## **18**                    **QUARTER 2 PERFORMANCE REPORT - FINANCE AND RESOURCES**

Nigel Howcutt said there are 2 main elements to this report and this is the overall financing resource is direct to a performance and KPI management and then also the operational risk register for the service.

They key aspects to this report are there are 5 red KPI's at present, down from 6 in the previous month, He explained these correlated with Covid.

Nigel Howcutt went through each KPI and welcomed questions from the committee

Councillor Tindall referred to RBF01 page 29 and then to page 43 FRR02 delays and errors in the process of benefit claims he asked if these were the same subject.

Nigel Howcutt confirmed that FRR02 is a larger subject and not just housing benefit, and it includes council tax support and other areas.

Councillor Tindall referred to an impact that's said, Customers could suffer hardship as a result from delays or errors in processing the claim, he asked if there was a way of monitoring this hardship, he said there are a lot of people out there who's employment is in question and he would not like to feel that we are not doing all everything we can to mitigate the hardship.

Nigel Howcutt responded and said that there are 2 aspects to this, he said in terms of benefits, the only one they administer now is universal credit. He said any existing housing benefit claimants will have been with them for a period of time would be change in circumstance and we're performing in green in this area so any impact to them would be minimal. He said what the KPI is showing is with new housing benefit claims and they were not achieving the turnaround time they would like as they are predominantly in temporary accommodation and are residents that have been taken off the streets during Covid so they have to claim through DBC. Nigel Howcutt said that DBC are leaders in the turnaround time of updating claims and rarely receive complaints about this and if residents are facing hardship we will often give them information on agencies which can help.

Councillor Adeleke referred to page 29 and the point it mentions council investments and that some of them are returning zero returns. He asked how confident we were moving into the future with the reserve we have with the current Covid situation.

Nigel Howcutt explained that that section refers to the treasury management function and that they invest our cash in a very safe and secure investment agencies, he said these are normally British banks and other local authorities, as a result of interest rates collapsing and the availability of people being able to borrow at a lower rate although investment returns are being driven down. He said he is confident that in the long term that the rates will go up and now that they are more aware of the medium term fiscal impact that they can better plan for the next couple of years, he said he is confident they will get a better rate of return than what they are now but probably not as good as last year prior to the world going into recession. He concluded that the Treasury management team will always guide them on what they can look at in terms of investments and the strategy is always revised on an annual basis which is approved by members.

Councillor Mahmood asked for clarification on money from debtors, he asked if this was monies owed to Dacorum.

Nigel Howcutt confirmed it was.

Councillor Mahmood referred to a point Nigel Howcutt made about collecting commercial rents and how they were working with local businesses, he asked what will happen now as a result of the 2nd lockdown.

Nigel Howcutt confirmed they are waiting for guidance on what they can and cannot do in regards to rules and regulations around collection. He said they will likely liaise with local businesses that are willing and be open to discuss payment and payment plans. He said those that aren't currently trading or are difficult to do business or

furloughed, they would have to wait until the lockdown period has ended to continue those discussions. He said the collection rate over the last month has been far better than expected and this will feed through into quarter 3. He said he expects their commercial property income might be better at P6 however he doesn't expect it to be positive through November to March because businesses will have run out of money and there doesn't appear to be any significant government grants coming through, particularly if they are in lockdown or not trading.

Councillor Mahmood asked if they are planning for next year and if there is a plan B for things such as furlough schemes as he said he can't see this ending before December. He asked if there is a scenario planning if we are using up the reserves.

Nigel Howcutt said that members will have seen the medium term financial strategy that went to cabinet last month and that they would bring back more frequent reporting to members to update that medium term strategy, he said they will do that as part of the budget papers that will come to scrutiny in December and then again in February as it's a changing picture and they have scenario planning in the models as things will go up and down.

Outcome:

The report was noted.

## **19                    QUARTER 2 PERFORMANCE REPORT - CORPORATE AND CONTRACTED SERVICES**

Mark Brookes introduced the report and picked out some key achievements.

He said they have prosecuted for the first time for a breach of the town centre public space protection order, this was for cycling through the town centre which he hoped would serve as an example not to do that.

He said that sections 13 and 15 highlight the impact that Covid has had on the service, particularly car parks and leisure... He also said that members will note in the report that the multi-story car park in Berkhamstead is now complete and thanked Ben Hosier for his work on this.

Mark Brookes opened up for any questions.

Councillor Townsend referred to the case of DBC vs WE Black LTD he said this was a large development and there was a number of attempts to protect the trees in that area. He said looking at page 47 of the report he asked to what extent we'd made a choice to settle at that level of fine because from the perspective of a developer that's a great many houses meaning a multimillion pound project. He said he had heard that although it's hearsay that the developer would remove the trees and pay the £5k fine for doing so. He asked could we have gone higher with the fine and what sort of control we have, also was this a judgement that we made.

Farida Hussain responded this is prosecuted in the magistrate's court so it is up to the court to decide the fine. She said they are able to submit witness statements and facts then it's up to the magistrate to decide.

Councillor Townsend asked if the magistrate would be aware of the miniscule amount of the fine in comparison to the profit and loss of the development.

Mark Brookes said that they would usually present a statement of aggravating factors and things that made the offence worse so this information would be before the court. He said the magistrate would be aware of the benefit to the developer for their action and this would be taken into account, he said there are also national guidelines which the court would have to follow in terms of sentences.

Councillor Townsend asked if it was correct in law that W E Black LTD have committed a criminal act.

Mark Brookes confirmed that they will have a criminal record against them which will cause issues in various areas. He said unfortunately some developers will take view they will take the fine as they will benefit more going forward, all they can do is put the information before the court.

Councillor Tindall referred to page 50 item 11 and that the CCG have stopped their planned return. He asked if this has any financial implications for us or are they just doing this for the Covid situation.

Mark Brookes responded that they still committed to their lease terms and still have to pay the rent.

Councillor Guest said we don't have a KPI for the percentage of complaints responded to in 5 working days, she said that this has been raised with her. She asked who decides what the KPIs are that we do.

Mark Brookes responded that the stage 1 complaints must be responded to in 15 working days which has been pretty consistent for some time.

Councillor Guest said that the initial acknowledgement was 5 working days and that used to be a KPI. She asked who it is that determines what KPI's we look at.

Mark Brookes said the service considered what is relevant and we go through a process with the performance team.

Linda Roberts added that they are done on an annual basis and that they agree with the Leader and the Chief Executive will agree on what KPI and if any of the measures need to change or not.

Councillor Adeleke asked if he could check on item 5 page 47 and that about 10 pavement licences have become the council's temporary responsibility. He said there are quite a lot of claims against the council where people have fell over on pavements, he asked for clarification on what this mean and does this mean future claims would be against the council and not the county council. He also referred to Corporate and Democratic Support on committee meetings, he wanted to give commendation to the staff in that team for the time they give to meetings and minutes.

Mark Brookes responded that there is a difference between the licencing of pavements and ownership of pavements. He said any responsibility of injury on the

pavements remains the responsibility of the owner of the pavement and the Licencing is to do with the government measures to allow traders in pubs and licence premises to sit outside their premises, to try and create distance between people attending, he said that is what we have temporary responsibility for that.

Councillor Mahmood asked if someone were to put scaffolding on a pavement, would this be the council's responsibility.

Mark Brookes confirmed that the new temporary responsibility was very specific in covering just spaces where pubs may wish to place seating outside for the Covid restrictions.

Councillor Mahmood referred to page 47 and that there was a consultation out on taxi licencing and there was a query previously from the council about the timing because of the financial impact on the taxi service.

Mark Brookes responded that the team were keen to get the consultation going because of the environmental benefit of some of the proposals. He said that there are long lead times on some of the proposals so the targets were set for quite a few years ahead so he said it's thought this will not have an impact now as we know some of the drivers are struggling at the moment. He said that they wanted to get the consultation out and progresses but they will take on board everything we hear back from the trial and get back to the committee for decisions.

Outcome:

The report was noted.

## **20                    QUARTER 2 PERFORMANCE REPORT - PERFORMANCE PEOPLE AND INNOVATION**

Linda Roberts introduced the report for members and went through some key points and KPI's and welcomed questions from the committee.

Councillor Adeleke referred to the sickness scrutiny committee and asked how this was made up and if there is any medical opinion in this committee.

Linda Roberts explained that when they are going through particular investigations they request occupational health and any medical assessments and those reports would be presented to those to review, she said they don't actually have the medical people in there as they wouldn't require that level of detail, the reports are sufficient to understand where things started, where they are finishing.

Councillor Mahmood referred to the risks with the ICT, computing and internet these days to carry out our function. He said he had looked at the risk of things going wrong and the mitigating risk going down to amber, he asked if they'll be putting anything in place to guard against a big IT failure.

Ben Trueman explained that they take every opportunity to make the systems as resilient as possible, he said for example we have diverse phone lines so if one gets cut between one of the primary sites and the data centres we have a secondary line, he said they have also build into the data centres virtualizes servers rather than dozens of individual servers so if one of them fails it immediate will fall to another

virtualized server. He said at every layer of technology they have built in resilience as much as possible and that as a final sanctuary they have disaster recovery and they have a separate disaster recovery data centre which is quite a lot of work to bring that up so not something we want to do unnecessarily so as much as we can we frontload resilience into our system. He added they are looking more at cloud technology which lifts a lot of dependency from the systems and we make use of the resilience that our suppliers, and especially people like Microsoft have got built in to their offerings.

Nigel Howcutt added that we also have an audit for cyber security, business continuity and disaster recovery. He said they give us an independent viewpoint on how well things are working or any areas for improvement, this ensures they are doing things the right way.

Councillor Mahmood noted that there doesn't seem to be pressures & budgets for ICT and that he could see.

Nigel Howcutt responded that they are looking at budgets for both lockdown and normal times, the budget setting for next year makes sure the capital programme supports the need for ICT and that the revenue support provided is enough for new licences and they have new licences, as Ben Trueman mentioned for the cloud technology and that is increasing the ICT budget. He said that they will also add the reserve to cover any short term instances.

Councillor Mahmood asked if as we are all at home could we have a ticker on the website providing regular updates on things that are happening, somewhere where residents can go to see what's happening.

Ben Trueman explained that tickers are quite unfriendly to the kind of adaptive technology that is used. He said they can work with the Comms team and look at the nature of the content on the website however on the whole comms manage the content and ICT manage the technical side of things.

Outcome:  
The report was noted.

## **21                    EXCLUSION OF THE PUBLIC**

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the items in Part 2 of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that, if members of the public were present during those items, there would be disclosure to them of exempt information relating to the financial and business affairs of the Council and third party companies/organisations.

Local Government Act 1972, Schedule 12A, Part 1, paragraph 3.

## **22                    LEISURE    CONTRACT    OPERATIONAL    &    FINANCIAL**

## **IMPLICATIONS OF COVID-19**

Details can be found in the Part II minutes

### **23            WORK PROGRAMME**

There were no changes to the work programme

### **24            AOB**

The Committee will reconvene to discuss the leisure contract once the figures have been re-done to reflect the latest Covid situation, Mark Brookes to email the committee once he understands from Everyone Active when they may have the revised figures.

Councillor Symington asked if there was a chance Everyone Active could provide a financial status of the business and the sense of the financial backing Everyone Active has so they can get a sense of overall performance.

Nigel Howcutt said they have been trying to do risk assessments from independent risk assessors on Everyone Active and other leisure business providers, however he said this data is often based on historical data.

Councillor Adeleke asked if Everyone Active got any government support.

Nigel Howcutt responded other than Furlough, no they didn't.

The Meeting ended at 9.00 pm