

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

2 FEBRUARY 2021

Present:

Cllr Barrett

Cllr Claughton

Cllr Chapman

Cllr Guest

Cllr Sinha

Cllr Suqlain Mahmood (Chairman)

Cllr Symington

Cllr Tindall

Cllr Townsend (Vice-Chairman)

Officers:

C Hamilton

N Howcutt

M Brookes

L Roberts

B Hosier

B Trueman

F Hussain

R Rice

T Angel

Chief Executive

Assistant Director – Finance and Resources

Assistant Director – Corporate and Contracted Services

Assistant Director – Performance, People and Innovation

Group Manager – Procurement and Contracted Services

Group Manager – Technology and Digital Transformation

Group Manager – Legal and Corporate Services

Group Manager – Commercial Asset and Property Development

Corporate and Democratic Support Officer (Minutes)

Also Present:

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

Councillor Elliot – Portfolio Holder for Finance and Resources

Councillor Douris

The meeting began at 6.30 pm.

James Deane (Corporate Director of Finance and Operations) gave a presentation on the budget for 2021/22 to all overview and scrutiny committee members.

The Finance & Resources OSC meeting began at 6.56 pm.

1 MINUTES

The minutes of the meeting held on 1 December 2020 were agreed by the members present and will be signed by the Chairman at the next available opportunity.

Councillor Symington noted that the update report for Berkhamsted Leisure Centre had been removed from the work programme and asked when it was likely the committee would receive this report. M Brookes advised it was something they were looking at internally at the moment to consider their options but they should be able to come back to members soon with a timescale in terms of decision making.

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

There were no outstanding actions from the previous meeting.

7 BUDGET 2021-22

N Howcutt introduced the report and drew attention to table one on page 12 of the report which highlights all the major financial changes other than the ones that James Deane discussed in his presentation, and these are one off growth request funded reserves.

L Roberts provided an overview of the additional funding items in the budget that fall under her directorate. She welcomed questions from the committee.

Councillor Tindall queried if and when the councillors would have sight of the proceedings for the new governance structure of corporate boards.

L Roberts advised that the boards hadn't met yet, they were still in the process of setting them up. She said part of what needs looking at is how they disseminate the information from those boards so we are aware of how we keep the Council and Portfolio Holders etc. up to date, but she agreed that was something they needed to agree on.

Councillor Tindall said he would like every councillor to have some idea of what's going on and particularly those in the opposition.

L Roberts explained that one of the things included in the budget was a replacement for the Rocket system that we use for reporting KPI's and ultimately we would like to move towards using a form of dashboard so that members would easily be able to see the performance of our main services. She advised that they needed to implement that and to crossover from Rocket but expected to run some sessions with members to identify what other things they would like to see.

Councillor Tindall asked if there was any intention to recruit Apprentices in conjunction with the local college. He said young people have been through a really

difficult time and their employment and future prospects have suffered terribly due to Covid.

L Roberts advised that Apprenticeships were already included in the budget and they were looking to take on a number of Apprentices. She continued by saying that there was a new government scheme which looks to provide work experience placements for 16-24 year olds so they were considering how they could do that too.

Councillor Tindall suggested that as we had some additional money this year which was going into reserves, we could consider using some of that to enhance our services for young people and help them get through this difficult time.

L Roberts said it was something to consider. She added that they were looking at the provision of community services and youth was included within that so they would be looking at the wider picture of how to provide support with employment opportunities, mental health awareness, health and wellbeing etc. We are looking at that as to how best we can deliver services to our residents.

Councillor Tindall asked to be kept in the loop by the relevant Group Manager as he took a keen interest in the matter.

The Chairman highlighted that we have all had to become digital for nearly a year now but he couldn't see any costs in the presentation slides for working from home or training etc.

L Roberts advised it was already covered in the budget. She added that they were going live this month with RPA (Robotics Process Automation) in Environmental Services which was one of the hardest hit services. This should save around 650 hours a month of an Environmental Health officer's admin work on one of their systems. She said the aim was to work on a foundation of a transformation programme which enables us to really look at what and how we deliver our services, what works and what doesn't work, and how we can capitalise on the differences and changes in how we work. She expected that over the coming year and beyond they would be coming back to members at OSC and Cabinet to draw down on reserves in relation to developing those transformation programmes.

The Chairman queried if we were scenario planning for when everyone is vaccinated and ready to return to the Forum.

L Roberts advised that IMT (Incident Management Team) meet regularly to discuss the ongoing Covid impact and SLT (Senior Leadership team) also meet regularly from a more strategic perspective. She was aware of the financial modelling that Nigel and his team were leading on to look at the various scenarios and what the impact may be to us as that has a direct impact on the level of services we can provide. She confirmed the new virtual way of working had been more successful than they initially thought but they need to follow government guidelines in terms of when people can safely return to the Forum. Frontline services would be the priority to return so that would be the first thing to look at. She believed that going forward there would be a hybrid model of working as meetings can be as engaging and productive virtually as they would be in person.

N Howcutt advised that every two or 3 months they produce a Covid response paper for Cabinet which highlights not only the operational response in the community and front facing staff but also the financial modelling and the changes that we're making to that month on month. He explained that when government make different announcements they interpret that and look at the financial impact in the short and medium term and will continue to update members regularly on the impact of Covid financially and operationally.

Councillor Guest referred to the general fund budget summary and the estimate of capital charges and bad debts. She asked if there was a breakdown of the two.

N Howcutt advised there is a small element for significant bad debts that we are aware of that we will need to be written off. The vast majority (£4.8m of the £4.9m) is depreciation which are capital charges.

Councillor Guest said it was reassuring to know that we have very little in the way of bad debt to write off.

N Howcutt replied we had to have a provision in the service lines for bad debt but at the moment even with Covid we hadn't seen a massive increase in our bad debt. We have seen it grow in our commercial asset sector which we have allowed for in the budget for next year with an additional 20% allowance for provision of bad debt in that area. He said the government grants had helped support local businesses and our approach to those businesses and how they pay has helped them reduce any bad debt levels.

Councillor Cloughton asked for a brief general overview about where the council may need to spend more or less in the coming year.

N Howcutt explained as discussed at the December meeting, we've looked at decreasing a lot of our income streams for the next year and that was the significant change year on year in the budget. The decrease in income streams totalled around £2million, £1 million of that is a provision for commercial income next year. He advised we would see an increase in bad debt and voids next year and have also projected no income from our leisure service. In other areas such as commercial waste and garages, he said they will be looking at reductions in demand and freezing some fees as potentially the recession could hit people hard and they may start looking to cut back on unnecessary costs. He summarised that we hadn't had to reduce any other expenditures in our core services, mainly because we understand the fundamental nature of our services to support the economy in the community during these tough times.

Councillor Tindall asked if we had been given any indication of positive news in the Chancellors budget in March.

N Howcutt said he didn't know and wasn't convinced that a huge amount would come out at the moment as there was too much uncertainty and change due to Covid.

Councillor Guest queried if we had been able to access any external funding for the Climate Emergency Officer role.

N Howcutt advised we hadn't but one of the key fundamentals for that role will be helping the council to secure additional grant funding for a lot of the climate change initiatives and help us tap in to what expertise we can get. The expectation is that although the post will cost money, the amount of funding we may be able to bring in for future green initiatives will outweigh the investment the council is putting into that role.

Councillor Symington sought clarification on the budget for car park refurbishment detailed on page 36 of the report.

N Howcutt explained it referred to the Broad Water Road re-surfacing project which we're looking to undertake in the short term to fix the road on a more medium term basis. He said they were liaising with local residents at the moment to get feedback in terms of ensuring we as a council can potentially look to do that investment as a short term fix and get an understanding from residents that they'll support the longer term need to maintain that road.

Councillor Symington referred to the £17million for undisclosed capital projects and asked for more details.

N Howcutt advised it was Part 2 item as it is commercially sensitive it was introduced to the medium term capital programme in 2020/21 budget setting so he would discuss that with Councillor Symington outside of this meeting. **Action: N Howcutt**

Councillor Symington queried if the budget for sports development and community recreation supplies and services related to Everyone Active.

N Howcutt confirmed it did. He added that we're projecting no income from the leisure service next year due to the pandemic.

Councillor Symington asked if there was a budget line for cost despite the closure of the leisure centre.

N Howcutt explained there had been no agreement for any additional funding to Everyone Active in 2021/22 at present. He said they would respond to Everyone Active's desires and bring that back to this committee to agree any additional funding requirements. He added that there were reserves set aside for Covid pressures that they could utilise for next year if required.

Councillor Townsend referred to the community adventure playgrounds improvement programme. He sought clarification on why the papers state minus £1.5million and then £500k for the next three years.

N Howcutt explained that when the capital programme was set last year we put £1.5million into the adventure playground improvement programme to start in 2021/22. This last year due to Covid restrictions there were capital projects that either weren't started or couldn't start. He advised they have re-evaluated the programme and the £1.5million from 2021/22 is now split over the next three years to deliver the improvements to adventure playgrounds post the pandemic.

Outcome:

That the Committee reviewed and scrutinised the draft budget proposals for 2021/22 and provided feedback to be considered by Cabinet.

8 **WORK PROGRAMME**

The Chairman asked if there would be a Covid update report in March. N Howcutt said he couldn't answer that yet as it would depend on whether it could be produced on time but there would definitely be an update report going to Cabinet.

The Chairman reminded the committee to let him know if there was anything they would like to see on the work programme.

The Meeting ended at 7.35 pm