

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

6 JULY 2021

Present:

Cllr Adeleke

Cllr Allen

Cllr Chapman

Cllr Claughton

Cllr Douris

Cllr Sobaan Mahmood

Cllr Sinha

Cllr Townsend (Vice-Chairman)

Cllr Tindall

Cllr Suqlain Mahmood (Chairman)

Officers:

N Howcutt

C Baker

T Angel

Assistant Director – Finance and Resources

Group Manager – Revenues, Benefits and Fraud

Corporate and Democratic Support Officer (Minutes)

Also Present:

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

The meeting began at 7.30 pm

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MINUTES

The minutes of the meeting held on 8 June 2021 were agreed by the members present and then signed by the Chairman.

Councillor Tindall apologised that he hadn't got round to contacting the Chairman and Vice-Chairman regarding items for the work programme. He said he would action this as soon as he could.

Councillor Claughton asked a question on behalf of Councillor Symington. He noted in the minutes of the previous meeting that Ben Hosier said he would update the committee on whether the Portfolio Holder Decision in relation to parking in Berkhamsted High Street would be proceeding or not. He was aware that Berkhamsted Town Council had decided to withdraw from the scheme so he assumed the decision was not going ahead.

Councillor Williams confirmed that assumption was correct. Following the last meeting he received notification from the Town Council that they didn't wish to proceed and so there was no need for the Portfolio Holder Decision.

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APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Guest and Elliot.

Councillor Symington was required to self-isolate so was unable to attend the meeting.

35 DECLARATIONS OF INTEREST

There were no declarations of interest.

36 PUBLIC PARTICIPATION

There was no public participation.

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

None.

38 ACTION POINTS FROM THE PREVIOUS MEETING

The Chairman advised there were no outstanding action points from the previous meeting.

39 BUSINESS GRANTS PRESENTATION

N Howcutt provided a presentation to the committee detailing the distribution of Business Grants in the Borough.

Questions:

Councillor Tindall firstly thanked all the officers involved in distributing business grants and felt they had done a marvellous job. He understood it was difficult to interpret some of the government guidance. He noted that the local government chronicle were saying that the government data they were using was inaccurate which led to a surplus of around £4billion in councils nationally, and councils were being accused of not distributing all the cash they had. He asked if N Howcutt agreed with that assessment.

C Baker advised there was no way the government could have had the level of data needed to know the exact amount of money every local council should have. The data they were looking at to make their estimates was to ensure councils had the cash flow to be able to pay the grants and they only had access to the rating list information which gives indications of what a building was but not how a building was being used and that was part of the grant eligibility. He felt it was better that they overestimated than underestimated.

Council Tindall asked if it would be possible to identify the businesses that weren't able to receive sufficient funding or lost out altogether because of the guidance we had to follow.

N Howcutt advised they had done several wash-ups, particularly when they've been looking at the criteria for the ARG (Additional Restrictions Grants) and a lot of

businesses had received various different levels of support from different areas. Whether businesses will perceive the level of support to be substantial or not will vary from individual to individual. He felt the support we had provided had been significant but there was one area we struggled due to government supports such as grants to big businesses, the furlough scheme and self-employment support as we've not been able to access a lot of that data which makes our wash-ups quite difficult and time consuming. He advised we would have another round of ARG post August and then we will have another wash-up.

Councillor Cloughton congratulated N Howcutt and his team for finding their way through this maze and getting grant money out to businesses. He said he was made aware of frustration from individuals not knowing where to go to apply for grants, what the eligibility was etc. however the frustration did ease slightly when the restart grants were going out as it was better signposted on our website. He understood it must have placed an extra burden on our staff but he did feel it made it easier to handle. He questioned how they would handle the grant presentation differently and if we could improve on communication, should we end up in this position again in the future.

N Howcutt agreed with some of the comments and suggested we learnt a lot of lessons along the way. He said we used the website and social media more during the second release of grants as a lesson from the first round of grants. He felt our processes had improved along the way. For example, one of the ARG's goes through four tiers of approval in terms of economic development, revenue service, benefits service and then the final sign off so we can be sure we're absolutely airtight on the controls and that does take a lot of resources but he felt it was worthwhile. He suggested the slower release had helped us but as we've got our processes fine-tuned and we've learnt from our marketing campaigns we've improved so much so we would take that forward should we ever be in this position again.

Councillor Adeleke congratulated N Howcutt and his team for the way they've handled the grant process. He said, given the amount of work that staff have had to take on and how the pandemic has affected us all, what has been the impact mentally on staff? He also asked if we had to bring in additional resources to cope with the additional workload.

C Baker felt that the team had bonded and supported each other extremely well despite being under so much pressure. He said staff were keen to get the grant money out to businesses as quick as possible. He advised there was a lot of resource juggling and there were pandemic related tasks that had to be the priority so staff generally concentrated on those tasks.

N Howcutt explained we had learned how to work more effectively with IT in terms of getting systems uploaded and we have been able to get E-Forms on the website within a week for businesses to apply for grants. He felt Covid had helped show people different ways of working and we have more online access than we did and many more people using the website which was positive. He said we had also learnt what can be achieved without being in the workplace since staff had been working from home and now we do more things electronically and remotely.

Councillor Adeleke noted from the presentation that we had approximately 6,000 applications. He queried the level of complaints and satisfaction we received during the application process.

C Baker advised we had received approximately 20 enquiries via the local MP from unsuccessful local businesses but that gave another chance to explain why the application was rejected. He said, with some of the people that were unable to get one of the specific grants we used that knowledge and fed that into the design of the ARG. He explained where there was an element of discretion and where can see a sector has been impacted but hasn't qualified for any other support we look at how we can build them up and give them more support.

Councillor Adeleke questioned if any money was leftover, do we get to keep it or does it have to be returned to the government.

N Howcutt advised any unutilised grant money need to be returned to the government. In terms of ARG, if we don't fully utilise the first £4.4m we won't get the additional £1.4m on the 1st August.

Councillor Douris advised in the interest of transparency that a company of which he was the largest shareholder in was in receipt of grant support. He said the experience of that company was that the service from the Council was absolutely exemplary and was without any stress at all.

Councillor Allen echoed Councillor Douris' comments. He then questioned whether any data was collected and fed back to the government relating to the clear 'winners' and 'losers' in the grant process to help them fine tune later iterations of the funding.

N Howcutt replied they had fed-back data weekly, fortnightly, monthly and quarterly depending on the grant. He said he would love say the data was being collected effectively so that the government could assess if there were any sectors or businesses that they feel they were too generous to but in his view a lot of the data collection was to tell the media how much money was being paid to which sectors. He advised they had to complete various questionnaires and C Baker had to attend lots of livestreams with various Secretaries of States, and they completed and submitted everything they had to for the government to assess.

C Baker advised the first set of grants probably had the most 'winners' as they had to get a lot of money out quickly to a lot of businesses. He said if you compare those grants to the more recent ones they're much more complicated and over targeted and it made it more difficult to be able to communicate it to businesses.

Councillor Allen said he was aware of one business that had unfortunately had to close due to Covid and not benefiting from the government support. He asked if we had any idea how many other businesses across Dacorum may have been in a similar situation.

N Howcutt advised that now the furlough scheme was starting to unravel, the volume of grants were stopping and the economic was starting to open up, we would start to see how many businesses were trading and how many were not. He suggested there were positive signs out there.

Councillor Townsend sought clarification on how the market traders in Tring would have been informed of the grants and how they would have to apply for them.

N Howcutt advised we were fortunate as we were able to get the list of market traders very easily and they were able to apply for the ARG for market traders. He explained it was a sector that at first they thought could be a struggle because market traders don't necessarily work electronically or use internet connection but actually they were very resourceful.

Councillor Townsend asked if we proactively approached the market traders.

N Howcutt advised we proactively approached all different business groups and Parish Councils about all the grants.

The Chairman felt that the market traders provide a good service to the community.

The Chairman advised he had been doing some calculations on the amount of people in the Borough and the amount that was paid out in grants. He suggested it was a lot of money coming into the Borough to help local businesses and hoped it would have a positive impact.

The Chairman questioned how the officers think the next year will go.

N Howcutt suggested the work post-Covid was going to be harder than pre-Covid due to businesses potentially struggling to pay their business rates and all the uncertainty across finance at the moment relating to income streams, business rates and council tax. All that uncertainty creates more work, analysis, scrutiny, and understanding of what's happening in terms of the medium term financial outlook. He said they did get funding from the government to support these grants and had to take on a lot of additional resources but fortunately we had a resilience contract with a third party provider that we're able to make use of for seasonal peaks and troughs.

The Chairman asked what happened with any grants that were paid in error.

N Howcutt advised there was a process in place; firstly they needed to satisfy the government that we've done the right post payment assurance checks and they will scrutinise everything that we submit. If we find out that we've paid somebody erroneously or somebody has given the wrong information then we will go back to them and ask them to repay. If we have overpaid or somebody claims erroneously and another grant was introduced and claimed for, we effectively said we would net the owed amount off of what they would receive. In terms of fraudulent applications, the National Audit Office early on in 2021 said they felt that the government grant scheme across the board could be up to 25-30% of fraudulent activity.

The Chairman queried whether businesses that paid their business rates collectively as a social enterprise received any grants.

N Howcutt replied they picked those businesses up through discretionary grants where and if they could.

The Chairman asked if there was a loss to the Council for not collecting full business rates or do we just collect and pass them on to the government.

N Howcutt explained as the situation was outside of our control and we were not able to collect 100% of business rates, the government business rates relief grant covered those costs so there wasn't a financial impact in year to the Council. He advised that there would be an impact on our projected growth in our MTFs (Medium Term Financial Strategy) due to the overall economic impact of businesses declining.

C Baker said they had concerns about businesses recovering and having to build the costs of business rates back into their budgets. He felt it would be challenging and they needed to work out how to effectively work with businesses to ensure we collect the business rates that are due.

There were no further questions.

The Chairman thanked the officers for a very comprehensive and reassuring presentation.

Outcome:

The report was noted.

40 **WORK PROGRAMME**

The Chairman suggested an item for the local community impact post pandemic.

N Howcutt advised Chris Taylor and her team had delivered presentations on this topic at the Strategic Planning and Environment Overview and Scrutiny Committee (SPAEC OSC). He said anything to do with financial impacts would be presented to this committee.

The Chairman highlighted that September was a full meeting so nothing should be added until October onwards.

Councillor Townsend requested a report on car parking charges and whether we're getting value for money. The Chairman said that request would be put forward to the responsible officer.

The Meeting ended at 8.51 pm