

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

7 SEPTEMBER 2021

Present:

Cllr Adeleke

Cllr Allen

Cllr Arslan

Cllr Claughton

Cllr Chapman

Cllr Douris

Cllr Sobaan Mahmood

Cllr Suqlain Mahmood (Chairman)

Cllr Symington

Cllr Sinha

Cllr Tindall

Cllr Townsend (Vice-Chairman)

Officers:

N Howcutt

M Brookes

L Roberts

B Hosier

F Hussain

B Trueman

F Jump

M Kange

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 – Legal and Corporate Services

Group Manager – Technology and Digital Transformation

Group Manager – Financial Services

Corporate and Democratic Support Lead Officer (Minutes)

The meeting began at 7.32 pm

41 **MINUTES**

The minutes of the meeting held on 6 July 2021 were agreed by the members present and then signed by the Chairman.

42 **APOLOGIES FOR ABSENCE**

There were apologies from Cllrs Guest and Arslan.

43 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

44 **PUBLIC PARTICIPATION**

There was no public participation.

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

None.

46 **ACTION POINTS FROM THE PREVIOUS MEETING**

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

The Chairman advised that the question about the car parking would be addressed in the new report.

47 **QUARTER 1 BUDGET MONITORING REPORT**

NH was invited to talk through the budget monitoring report, noting the change in format and style of the report so it is more service driven. NH is open to feedback on the report. There is a general fund pressure of circa £1 million, of which £0.7 million is linked to COVID and £0.3 million is linked to non-COVID risks. One of those non-COVID pressures is the lack of temporary accommodation which could be argued is partly due to COVID.

There is no movement in the capital for the Q1 programme. This isn't to say there won't be changes, but these will be known by Q2. The HRA is largely on budget with a £50 million budget and a variance of only £59,000. The reason for the variance is due to 10% of the capital programme slipping into 2022/23 due to COVID linked delays. The COVID linked delays extend as far as tender processes needing to be longer, lack of resources and skilled workforce and materials.

There is still uncertainty around COVID, some of the behaviours are returning to pre-COVID levels, like the commercial assets portfolio but car parking revenues are still significantly down.

Questions and Answers:

Cllr Tindall asked whether the contractor costs for car parking remained the same even though revenue collected was down. BH explained that the contractors' costs remained the same regardless of usage in car parks or the number of PCNs issued. NH added that when the contractor did furlough staff last year, there was a cost savings, but now the cost is the full amount.

Cllr Tindall asked whether the public could use the upper decks of Water Gardens North car park and whether CCG would allow this, given they would in due course be integrated in the care services restructuring. BH commented that the upper deck of Water Gardens North car park has actually been opened already to members of the public throughout August until the end of September because Water Gardens South car park is closed. There are discussions that are due to take place about public use longer term of the upper decks of Water Gardens North car park. NH added that these are ongoing discussions and another tenant could be considered as well.

Cllr Tindall also queried whether the Police and Crime Commissioner fund could help pay towards costs of clearing fly tipping. AW clarified that this fund is only for the costs of clearing fly tipping from private land and wouldn't apply to the council. Therefore the costs of £40,000 relating to fly tipping couldn't be amended.

Cllr Symington asked how pressure on wages and materials is anticipated in capital programmes. NH commented that it's difficult and frustrating as they're seeing increasing costs in tenders of between 8-25% so it's very difficult to gauge how much these are short-term changes or longer-term cost increases. NH hopes that by the

time the next budget is set he will have a better idea of what the increases will be to set the budget accurately.

Cllr Symington also asked when it seems that the traffic levels are at pre-COVID levels, and in some instances in excess of this, why is car parking income lower. For NH, everyone assumes that this is due to COVID when there could be many reasons such as people are choosing not to use their cars for short journeys. The council's car parks are in the town centres and local community parades, so through people not commuting or wanting to be more 'green' they may naturally choose to not drive for short journeys.

However, overall car parking revenue is improving month on month. The September data is due shortly and it will be interesting to review as it's post-holiday and will be a better barometer for the future. BH added that that whilst the report showed an average reduction of 36% in parking sessions for the quarter, for August this is actually 16% so things are moving in the right direction.

Cllr Symington asked for an update on the £90,000 for the government compensation for the leisure contract. NH explained that the £90,000 was included in the last meeting but the Income Guarantee Scheme for the first quarter was made after the budget was set in January which is why it's shown here.

Cllr Adeleke queried whether the assistance received from the government as a result of COVID was sufficient and what conditions were attached to the spending of it. NH responded saying that the funding was based on many aspects, from population number, the amount of benefit encumbrance, etc. Co-funding also has different criteria and the Council has no say in how much is allocated. The burdens they've provided are sufficient for the additional cost and the amount seems sufficient but doesn't cover additional areas, such as waste, that has seen increased costs during COVID.

Cllr Adeleke asked for clarity about the additional costs in waste services. NH explained this was due to access issues and having to hire more staff to do more routes which impacted route time and length. Cllr Adeleke asked that residents are informed that they need to be more considerate.

Cllr Adeleke asked a third question about whether there are sufficient measures to enforce and discourage fly tipping. NH said there is an effective policy on clearing fly tipping and that it has to be cleared promptly so as not to encourage more fly tipping but some of the camera surveillance work wasn't possible during COVID. MB added that this enforcement was with the environmental services team, but the key focus is on taking surveillance and all action possible.

Cllr Symington asked if the £1 million budget is just a survey for 10,000 dwellings. NH explained it is, but there had been an under-spend as the stock condition surveys had been delayed. Repairs and maintenance costs are approximately £15 million on HRA stock. 30% of the surveys have been carried out. NH added that these full stock condition surveys are carried out every 5-10 years. NH believes the surveyors usually carry out the surveys based on selected neighbourhoods. Maintenance is carried out based on the existing stock condition surveys.

The Chair asked what the process is for dipping into reserves. NH stated all reserves require cabinet approval to be drawn down. All reserves have a specific set up that they can be utilised for. Cllr Townsend's understanding is that at the end of each year the general reserve fund is balanced and a contribution is made to the reserves. NH explained that at the end of the year if there is an under-spend a recommendation is made as to how that money is to be spent. In recent years this hasn't been a problem as it's rare to underspend, in addition the reserves are predicted to be going down £2-3 million this year and next so an underspend is unlikely.

The Chair queried how potential additional costs like new legislation and inflation are taken into account in the budget. NH responded saying that when the budget is set it includes setting a contingency of 2.5-10% depending on the complexity and value of the contract. Inflation isn't a contingency as it's taken into account as part of the budget. For longer term budgets, these are reviewed annually to ensure they are accurate.

The Chair is concerned by fly tipping and particularly when fly tipping waste includes asbestos as it's dangerous for the animals and plants as well. The Chair also asked if underspends are a blessing and if they have helped. For NH, in a perfect world there wouldn't be overspends or underspends. Underspends and overspends need to be based on information that wasn't available at the time the budget was set.

The Chair asked for more information on the £500,000 allowance for the Building Safety Bill and NH commented that this was new legislation going through parliament which will require additional expense on existing HRA stock, mainly because of changes required as a result of the Grenfell Inquiry. There are also additional requirements for commercial properties due to come in force in April 2023 regarding EPC ratings. This budget of £500,000 will also include additional officers and employees time required, if necessary.

Cllr Tindall asked for clarification about the £100,000 dealing with asbestos and NH explained this was an expense relating to existing council housing properties to ensure that the database for asbestos is maintained and repots are carried out annually or on an on-going basis.

Action:

NH to see if there is a report on enforcement measures for fly tipping to share.

NH to find out how the surveyors decide which dwellings to survey first, if this differs from being by neighbourhood.

Outcome:

The report was noted.

48 QUARTER 1 PERFORMANCE REPORT - FINANCE & RESOURCES

NH was invited to talk about the finance and resources performance. There are 5 red KPI's that are the same as last year and these are all a direct response to Covid. There are more enquiries about people struggling to pay council tax and people who aren't au fait with the benefits system to make the most of it. This is taking time to

resolve and there are additional requests for temporary accommodation which is harder to resolve from a council tax and housing claims perspective.

Investment income is also a red KPI. Investment that is with the government, as a 'DMO', is receiving 0% interest compared with 0.8% pre-Covid. NH doesn't envisage interest rates changing in 2021/22 or 2022/23 so this KPI will need re-calibrating.

Time taken for debtors to pay is also down. The council has been lenient with its debtors and allowed different payment mechanisms, like instalments, to prevent debtors from going bust.

Whilst for commercial property more income is being collected, there are more arrears. Payment plans are what is helping and also allowing the council to remain close to the sector. The council is also seeing demand for commercial units in local arcades and shopping centres.

Looking at the risk report, the risk scores haven't changed since the last quarter. Council tax collection is up year on year but it's difficult to predict council tax and business rate collection at the end of the year due to the uncertainty around business rates in the first quarter.

Questions and answers:

Cllr Tindall wanted to thank the council for ensuring that their creditors were paid within 30 days. He asked what requirements there are for the larger contractors to ensure that once the council had paid them that they pay their sub-contractors as expeditiously. NH explained there are standard conditions in the contract with contractors to ensure they have good payment terms with their sub-contractors.

Cllr Townsend queried the extent of the 'significant debt provision' on cp02 of the report. NH clarified this was about making larger provisions for bad debt. Last year an additional £800,000 was put into bad debt provision for commercial properties, as part of good accounting practice. From 1st April 2021, bad debt over 6 months was 100% 'bad debt', then there was a sliding scale of 25% for debt that was older than 1 month but less than 3 months' old. The council was applauded by its external auditor on its bad debt provision. NH added that income collected from investment property at fin11 (page 27) is outperforming compared to what was expected and is 'green'. NH hopes this gives members confidence that this year the council is performing well against the poor performance due to Covid. Cllr Townsend asked if there was a figure for the bad debt in the budget. NH said this would be provided the following evening at the audit committee.

Cllr Symington asked what the timescale is between people asking for repairs and repairs being implemented in the housing stock. NH said this wasn't under his jurisdiction but he would find out.

Cllr Adeleke queried whether in the current climate it was the right time to be selling properties. nh clarified that this is only done when the council is unable to get good value out of an asset, and it usually means that the property concerned is derelict or needs redevelopment to be repurposed. It's usually best to offload an asset rather than incurring the costs of keeping it.

The chair queried where NH got his information on regarding his expectation for interest rates, given he said last year that we would be in a recession. The chair wants reassurance that the budget and funding is proactively dealt with rather than reactive.

NH wants the committee to trust his judgement. He also utilises external advisors and consultants who comment on interest rates as well as looking to treasury advisors and the Hertfordshire chief finance officers' group. NH feels that most of the time they get things right and felt strongly that there was a proactive approach taken with DBC finances.

Action:

NH to find out how long it takes between repairs being requested and implemented in the housing stock.

Outcome:

The report was noted.

49 **QUARTER 1 PERFORMANCE REPORT - CORPORATE & CONTRACTED SERVICES**

MB was invited to talk about the report for corporate and contract services. The key point to note was Q1 was dominated by the Hertfordshire Council and Police and Crime Commissioner election which was a massive effort during a time of COVID restrictions and MB commended the team on delivering this. The report also looks at leisure attendance, which is now increasing month on month, which is really positive. MB is optimistic but cautious going forward.

Cllr Tindall asked for an update on page 43 of the report where it is said 'chasing up members of staff who have not yet provided proof of right to work in the UK'.

MB advised that it was in connection with staff employed for the elections and not permanent staff.

Cllr Adeleke asked if the Council was prepared for virtual meetings if another COVID lockdown required it. He also asked what requirements there are to get CCTV installed in specific locations.

MB responded saying that there has been a period of remote and hybrid meetings with significant investment into the Council's facilities, if hybrid meetings were required, they have the facility in place to hold such meetings.

BH added that from a CCTV perspective, the Council have a code of practice which feeds into the national commissioners CCTV strategy and there are rules and regulations for putting CCTV into public spaces. BH encouraged Cllr Adeleke to come to him with his request for CCTV so it could be looked at in line with the relevant procedures.

Cllr Symington congratulated the team on the recent election but noted that a number of postal votes weren't delivered and also the report noted 450 postal votes 'failed'.

Was this 450 over 2 elections or a total of 2 lots of people? MB explained that the process for postal votes is that the signature on the postal vote form must correspond with the signature the Council holds. On many of these the signatures didn't correspond and on others the date of birth listed was incorrect. If either of these occur, then the postal vote has to be rejected. After the election those people are written to so they can update the Council's records accordingly to prevent the same thing from happening.

Cllr Tindall asked if there had been complains from people about their inability to vote. MB noted that there were complaints but the process and reason for the rejection is always explained.

Cllr Symington asked for a budget for the list of procurement. BH stated these were tenders that were at various stages in the tender process. There is a procurement pipeline that's advertised on the council's procurement page of its website for up-and-coming tenders. Once contracts are awarded, they are added to the Contract Register which is published and updated monthly. The value and duration of those contracts are included there too. BH can however obtain the estimated value of the tender requisition form for the members. The Chair queried whether this would break confidentiality and perhaps give contractors an advantage if they knew the estimated tender figure the Council had placed on a contract. MB explained this could be published in confidence and to the Committee only.

Cllr Symington asked why the number of PCNs have declined much less than the number of parking sessions as a proportion of parking sessions. BH said there is a small correlation between number of sessions and number of PCNs, but the majority of PCNs relate to on street parking e.g. parking on double yellow lines.

Cllr Symington queried what progressing 'the ORCS application' referred to in respect of EV charging. BH explained that ORCS is the 'on street residential charging scheme' which is a fund that the Council can apply to and receive money to help install on street charge points. However due to lack of support from Hertfordshire Council there is little progress with on street charging points. The Council has therefore been looking at the possibility of installing EV charging points in its car parks. The Council have commissioned BP Pulse to look at its car parks but many have been found not suitable as they are not in the vicinity of suitable electrical charge for the charge points (many being over 500 metres away from the required electrical apparatus for the EV charging point). ORCS will fund 75% of the cost and BP Pulse will fund the additional 25%. Therefore, there is no cost to the council but the charging points must be commercially viable to BP Pulse. BP Pulse will provide a report on all the car parks within the next 6 weeks. The Council can then review if it is worthwhile paying with their own funds towards some EV points in some of the car parks, but this will depend on the cost to the Council. BP Pulse will include this cost in their report. Cllr Symington asked what the Plan B was if the Council can't progress with BP Pulse. BH explained this all depended on the result of BP Pulse's report. Cllr Symington is keen that the Council communicates with residents about the position on EV charging points clearly, when the time is right.

Cllr Douris wanted to comment the staff on the recent election and asked for clarification about the 'licence to caravan sites' and which caravan sites these referred to. MB explained this was mobile caravan sites, like Scatterdells in

Chipperfield and the bigger residential sites where people require a licence to ensure the residents are safe and secure.

Cllr Adeleke asked what numbers of electric cars there were on the road in the borough. BH explained there was an in-depth report that looked at the future requirements for EV charging. BH is happy to share that report but it doesn't give an exact figure of numbers of cars on the road that are electric or what the current need for EV charging points is. It does explain that roughly 30% of Dacorum households won't have access to EV charging points at their home. Cllr Symington added that the national average for charger provision per 100,000 is 36 and in Dacorum this is 15 per 100,000 and looking specifically at rapid chargers, the national figure is 7 per 100,000 but in Dacorum it's 2.6 per 100,000. So, across Dacorum there is very low access to EV charging points. This means that people are dissuaded from ever having electric cars.

The Chair added that care is needed with EV charging points and on street charging to ensure there is adequate space for residents as often business fleets take up charging points which isn't the intention of the charging points in the first place when the primary focus is on providing charging for residents.

The Chair noted that there are still 1,000 letters sent a day and asked what is being done to encourage communications to be sent electronically. MB noted that post is a last resort to meet statutory requirements.

The Chair queried the number of attendees under the leisure contracts, noting it was 6,000 on average in 2019 and now it was 12,000. BH explained that gym attendance 2019/20 is for scanned membership cards which was much lower as people were holding doors open for others. Now each individual must scan in, which has meant numbers have artificially risen. Pre-COVID attendance was 20,000 a week and this target is close to being met now. Gym attendance did drop off slightly when group exercise classes resumed as they took longer to resume after lockdown. Swimming attendance has also increased.

The Chair concluded on this report that Dacorum Borough Council was the first to become a silver level Carbon Literate borough council. The Chair also commended the charity work done by its Mayors and Cllr Douris.

Action:

BH to share the report on electric cars and charging in the borough.

MB to provide the tender estimates for the procurement contracts.

Outcome:

The report was noted.

FR/050/21 QUARTER 4 PERFORMANCE REPORT – PERFORMANCE, PEOPLE AND INNOVATION

LR was invited to talk about the performance in people and innovation. LR pointed out the key points are making sure employee sickness is monitored carefully, making sure the Council is aware of health and safety issues around any sickness and monitoring staff overall. LR was keen to commend the team on their drive to support health and wellbeing. 8 members of staff have been trained as Mental Health First Aid Workers and there has been funding from Hertfordshire's Protection Board to help with health and wellbeing. Staff turnover remains low but there have been some new recruits. LR also commended the IT system that allowed working from home, noting the hard work the IT team had put in.

Website users are slightly down from the previous quarter but up from the previous year, the amount of portal users has gone up. So customers are able to make online work for them.

Questions and Answers:

Cllr Adeleke asked whether additional IT staff had to be employed and what the plan is for returning to the office. It was noted that additional IT staff hadn't been employed but instead of looking at a mix of 'service requests' and 'incidents' during the pandemic, output from the IT team had been more focused on 'incidents' which was a fire fighting approach and isn't a sustainable approach for the future. This means that resource may need to be looked at so that 'service requests' become more part of the everyday work.

In terms of getting back to the office there is a transformation programme, and the date of Monday 27th September is when the Council is proposing for the return to the office for staff. LR noted there is a desire for the Council to embrace hybrid working as well as working within the communities, so not being office-based all the time. LR explained that the second floor of the building will be for fixed desk stations for those working in the office. Meeting rooms will then be enhanced to allow for hybrid meetings. The second floor will also include collaborative areas. There will be quiet workspace corners and a wellness area for people to get away from their screens with bistro seating in the kitchens as well to allow for social interaction. The red zone will have a 'touch down' area which will be for people who are in between meetings, or who need a workspace for a short amount of time before their next appointment.

To deal with the new layout of the building, signage is important so people can see where teams are located. LR hopes this will empower people with the way they're working.

Cllr Adeleke asked whether the requirement is that people will be in having a gradual return or a hard date for their return to the office. LR explained that everyone has had a different approach to working in the pandemic. It's important to get workers into the communities. There has been a briefing for management looking at the needs of different teams in the office. The shift into the new configuration will be from 27th September and that will happen all at once.

The Chair asked whether the amount of mental health incidents rose or were the same during the pandemic. LR didn't see an increase but did note that it was a

reflection on society that people are more aware of mental health issues. More work is needed to understand general mental health and managers are encouraged to interact and connect with their staff. Those members of staff who engage with harrowing calls also have counselling available to them.

The Chair asked what the Council was doing digitally as a result of the pandemic that it hadn't been doing previously. It was stated that the Council is looking at new technologies. Data is really important and needs to be seen as an asset by the Council. Currently there are many different systems and the future is about getting those systems linked and interacting with each other. Another focus is automation through robotic automation, instead of having a website trigger a process for an officer that process needs to be automated in the future.

Outcome:

The report was noted.

51 WORK PROGRAMME

The Chair thanked everyone for their attendance noting that the next meeting was looking at the Medium Strategy and the Garages Presentation. The Chair encouraged members who had queries on specific areas within the Council to submit their queries so reports could be prepared, noting that 2-3 months' notice was required for the preparation of these reports.

The Meeting ended at 9.33 pm