

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

1 DECEMBER 2021

Present:

| | |
|----------------|---------------------------------|
| Cllr Allen | Cllr Suqlain Mahmood (Chairman) |
| Cllr Chapman | Cllr Tindall |
| Cllr Claughton | Cllr Townsend (Vice-Chairman) |
| Cllr Douris | Cllr Guest |

Officers:

| | |
|----------------------|---|
| Claire Hamilton (CH) | Chief Executive |
| Robin Barton (RB) | Strategic Director – Corporate and Commercial |
| Nigel Howcutt (NH) | Chief Finance Officer |
| Linda Roberts (LR) | Assistant Director – Performance, People and Innovation |
| Mark Brookes (MB) | Assistant Director – Corporate and Contracted Services |
| Trudi Angel (TA) | Corporate and Democratic Support Officer |

Also in attendance:

Cllr Andrew Williams (Portfolio Holder, Corporate and Contracted Services)
Cllr Graeme Elliot (Portfolio Holder, Finance and Resources)

Attended remotely:

Ben Hosier (BH) – Group Manager, Commissioning, Procurement & Compliance
Chris Baker (CB) – Group Manager, Revenue, Benefits and Fraud
Matt Rawdon (MR) – Group Manager, People and Performance
Ben Trueman (BT) – Group Manager, Technology and Digital Transformation
Farida Hussain (FH) – Group Manager, Legal and Corporate Services

Following a joint meeting of the OSC's where a presentation on the budget proposals for 2022/2023 was given, the Finance & Resources OSC meeting began at 8.57 pm.

The meeting began at 8.57 pm

73 MINUTES

The minutes of the last meeting were agreed.

74 APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Adeleke, Cllr Symington and Cllr Arslan.

Cllr Sinha attended remotely so was unable to participate in the meeting.

75 **DECLARATIONS OF INTEREST**

Councillor Douris advised that the company he owned was a tenant of a DBC commercial garage.

The Chairman noted that he was a director of a company that pays business rates locally.

76 **PUBLIC PARTICIPATION**

There was no public participation.

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

None.

78 **ACTION POINTS FROM THE PREVIOUS MEETING**

All action points from the previous meeting had been resolved.

79 **BUDGET PREPARATIONS 22/23**

NH provided a presentations on the key proposals for the budget.

In terms of efficiencies or income generation NH gave details of savings proposals of £290,000, resource baseline growth proposals of £240,000, growth/funding proposals of £270,000 and new and amended capital bids of £3.2 million as follows:

INCOME GENERATION

Cemetery restructure of management saving of £40,000 in 2022/23.

Commercial property portfolio income - the reduction in commercial property income that we projected for 2021/22 coming into the baseline for 2022/23 resulting in a total of £250,000.

BASELINE GROWTH

Estates team warden to cover additional responsibilities for the commercial property portfolio, overseeing the delivery of energy performance certificates for the whole portfolio and working with tenants on the 'prevent' agenda and monitoring of large scale events at a cost of £45,000 for 2022/23.

An increase in insurance premiums up to 20% which is an increase of £160,000 on 2022/23. NH confirmed this is yet to go through the procurement process and there will be an update before the final budget on this.

SHORT TERM/ONE OFF – RESERVE FUNDED ITEMS

The revenues and benefits restructure at a cost of £110,000 in 2022/23 and £110,000 in 2023/24 which was approved prior to Covid but had to be delayed due to how busy the department was during the pandemic.

Providing energy performance certificates across the property portfolio at a one off cost of £160,000 for 2022/23, which is a new government requirement. Future policy is expected in terms of standardising EPC's but this is awaited from the government.

CAPITAL – NEW AND AMENDMENTS

Den's one stop shop which will replace the existing food bank at the paradise depot site with a café at a cost of £625,000 for 2022/23 and £1,875,000 in 2023/24. Part of this will be funded through the sale of adjacent land and a contribution from den's and their partners.

Commercial property investment of £520,000 in 2022/23, £90,000 in 2023/24, £70,000 in 2024/25 and £30,000 in 2025/26.

QUESTIONS

Cllr Tindall asserted that he didn't want to see cost increases or rent increases for tenants. NH confirmed there was no change to the policy with regards to rent reviews and the rent cycle. Occupancy in the borough of commercial property is at 94-95% which is achieved through balancing rates and bringing in a return. Expected income from commercial property has been reduced in the budget to account for Covid and this will pick up in the next 3 years.

Cllr Guest asked whether the officer dealing with the general fund budget change analysis and if the healthy hub officer will be replaced. NH will come back on this.

Cllr Townsend asked if the 'bad things' that have happened as a result of Covid have been accounted for in the budget for the following year. NH explained the economic recovery reserve was set up in 2021 with £7.5 million set aside to cover the cost and impact for Covid for a 3-year period. Looking specifically at commercial property income, this income is overachieving what's in the budget, albeit it's still behind Covid times. The budget put it at £1 million reduction in 2021/22 and then £700,000 less in 2022/23 and £400,000 less in 2023/24. Leisure income has been stripped from the budget for 2 years. Car parking however hasn't been covered by this reserve. Car parking income started the year 28% behind pre-Covid levels and is now 20% behind pre-Covid levels.

Cllr Townsend also asked what unknown savings had to be made, he believed the figure was £1 million to £1.5 million but a figure of £2 million was now being presented. NH confirmed there had been changes in government funding and this was regularly updated to reflect the accuracy of the situation.

Cllr Townsend's final question looked at the borough's expectation of inflation being 5% on goods and 2.5% on costs and how this was calculated. NH explained the council were prudent and sensible with inflation. Some areas will be more than the 5% and 2.5% but this is an average across the budget. There is also growth in the budget to reflect interest rates being low. The council's treasury management adviser has advised that interest rates are likely to remain low in 2022/23.

Cllr Douris asked if there has been an update on negative RSG and NH confirmed there hadn't been. The cost of negative RSG to the council will be £1 million for the next year (a total of £2.6 million over the 3-year period that it's accrued). Cllr Douris also queried what the £130,000 cost in enhanced community services related to. NH explained this wasn't for this committee but there is a new group manager for communities and this and their resources has been taken into account in the budget.

BH confirmed to Cllr Douris that the £90,000 saving on MFD's (multi-functional devices) was due to extending the life of existing ones by a year.

Action:

NH to confirm to the committee by email if both the officer dealing with the general fund budget change analysis and the healthy hub officer will be replaced.

Savings and growth proposals for Corporate and Contracted Services

MB set out the savings and growth proposals for corporate and contracted services as follows:

Savings and income proposals

Corporate services team restructure saving - £20,000 (2022/23).

Office admin review and savings on equipment, postage and printing - £20,000 (2022/23).

Saving in respect of off street parking electricity charges - £10,000 (2022/23).

Leisure income was calculated at £0 and this has been amended to reflect a saving. The council continues to work with everyone active on this - £100,000 (2022/23).

GROWTH PROPOSALS

HRA lead lawyer to deal with the increased housing development work making a part time post full time - £25,000 (2022/23).

Car parking reserve top up to fund controlled parking zones - £40,000 (2022/23).

Reducing inflationary growth on car parking income to try and attract users to the car parks in the Covid recovery period - £70,000 (2022/23).

Re-phasing of arc income (alarm receiving centre) with proposals for commercialising CCTV units – at a cost of £25,000 in 2026/27.

QUESTIONS

The Chairman asked what digital tools are provided to people working from home to save using paper/stationery. MB explained that employees were equipped to work from home but he wasn't aware of specific software for this.

The Chairman also asked if the legal work was done in house or outsourced. MB confirmed it depended on the complexity and volume of the work but making the lead lawyer a full time post (as mentioned above) would allow more to be done in house.

Savings and growth proposals for Performance, People and Innovation

LR set out the proposals as follows:

SAVINGS PROPOSALS

Historical underspend in the customer services budget and retirement of existing HR software – £20,000 (2022/23).

Moving the data centre back into the CCTV facilities at cupid green - £12,000 (2022/23).

RESOURCES GROWTH PROPOSALS

Providing a counselling service to employees dealing with emotional work related cases and providing coaching support to managers - £20,000 (2022/23).

2-year fixed term resource to support communications as a result of Covid - £50,000 (2022/23).

Service reviews (including the major housing review which resulted in the housing action plan and the customer strategy review) - £80,000 (2022/23).

Dealing with Microsoft's price increase - £35,000 (2022/23).

Introduction of the housing IT business partner to bring the best use of technology to this area (this will be funded by the HRA) - £65,000 (2022/23).

Funding licences to allow truly mobile working for all officers - £60,000 (2022/23). This is £55,000 in software costs and £5,000 in set up costs.

NEW AND AMENDED CAPITAL BIDS

Renewal of firewalls for internet and network security (the current ones having been installed since 2015) - £95,000 (2022/23).

Civica are ending support for the app system so a flare replacement for a cloud replacement at a cost of £100,000 in 2022/23 and £50,000 in 2023/24. LR noted this was purely an estimate currently and market testing hadn't yet been carried out.

On the capital bid side of things, there are just 2 amendments. The first is for £95,000 in 2022/23 to replace our firewalls. Firewalls are essential. It's the main way of making sure the council is protected from cyber threats. Current ones were installed in 2015. It's a like for like replacement.

The last one is, there is a Civica system flare replacement at a cost of £100,000 in 2022/23 and £50,000 in 2023/24. Civica are ending their support for the app system, they're replacing that with a cloud-based system. The council don't have to stay with them, there are other products on the market but this particular product will definitely need replacing and hopefully it can be replaced with something that's fit for purpose. That's an estimate of what the costs will be, no market testing has been done as yet.

QUESTIONS

Cllr Douris queried whether the offer for the new software from MRI was an introductory offer that would result in a higher rate in the coming years. LR will revert on this.

Cllr Tindall queried what communication had been had with the CCG as a tenant and whether a new tenant would need to be found when they were incorporated into ICS. NH confirmed they are still a tenant, despite not being physically present but the CCG can now give 6 months' notice, as per their tenancy. The council is keen to continue to have a close relationship with the local care sector and hopes to continue to have them as a tenant in the future.

The Chairman welcomed Robin Barton to the team who will be dealing with the commercial strategies in the coming months.

ACTIONS:

LR to confirm whether MRI are offering a discount on their new software.

Cllr Townsend noted it was hard to reconcile the slides that had been provided in this meeting with the reports that were provided prior to the meeting. Something to consider for future meetings.

80 WORK PROGRAMME

The Chairman noted that he would liaise with officers to see if the meeting on 5th January would take place depending on what the items for the agenda may be.

BH to provide reports on (1) car parking and (2) electrical vehicle charging points.

The Chairman thanked everyone for their attendance and closed the meeting.

ACTIONS:

The Chairman to revert in due course as to whether the meeting on 5th January will go ahead.

The Chairman and BH to liaise offline about the timing and content of the reports on car parking and electrical vehicle charging points.

The Meeting ended at 9.48 pm