

MINUTES

HOUSING AND COMMUNITY OVERVIEW AND SCRUTINY

1 FEBRUARY 2023

Present:

Members:

Councillors: Adeleke (Vice-Chairman)
Imarni (Chairman)
Pringle
Johnson
Hollinghurst
Barry
Dhyani
C Wyatt-Lowe

Banks - Portfolio Holder for Communities
Griffiths – Portfolio Holder for Housing Services

Officers: Natasha Beresford Assistant Director - Strategic Housing
Fiona Jump Head of Financial Services (Deputy S151)
Diane Southam Assistant Director Place Communities and Enterprise
Darren Welsh Chief Housing Officer
Kayley Johnston Corporate & Democratic Support Officer (minutes)

The meeting began at 7.30 pm

12 MINUTES

The Chair advised that the minutes from 11 January 2023 had not yet been published or sent round for approval.

13 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Durrant

14 DECLARATIONS OF INTEREST

There were no declarations of interest.

15 **PUBLIC PARTICIPATION**

There was no public participation.

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

None

17 **JOINT BUDGET**

N Howcutt presented the revised draft budget, noting that all the budgets were presented on 1st December and that they are now looking at a second scrutiny with the focus to look at changes that came out as a result of the Local Government Finance Settlement that came out on 19th December 2022 and to also highlight minor changes from a service perspective. The impact of the pensions review will also be considered as well as changes to treasury management.

The Local Authority Fair Funding Review has been delayed until the next parliament in 2025. It was assumed that council tax would be retained at the higher rate of 2.99% or £5, and DBC has proposed an increase of 2.9%, an equivalent of £6.27, for every resident on average at a Band D level. Several decisions were made as part of the Local Government Finance Settlement, firstly that the council tax referendum level has been extended to 2024-25. For negative RSG, this is the money that the government expected the Council to return as the level of funding required was exceeded by other income streams. This was set in place 2019-20 and the government have suspended negative RSG and therefore the payment will not be made, though no certainty has been provided regarding 2024-25. This additional budget will now be allocated to reserves to support overall corporate objectives. The government has also implemented a new Minimum Funding Guarantee, meaning that each authority has had an increase in funding of at least 3% year on year. This additional funding will be allocated to reserves. The Services Grant, originally implemented to cover the cost of the National Insurance increase and social care payment, has been higher than expected.

N Howcutt referenced the change to the New Homes Bonus, noting that they are receiving more than previously projected, meaning that the planning moratorium has had less of an impact on the bonus. It is assumed that the New Homes Bonus will not continue after 2023-24, and whilst there will be another vehicle to fund housing, it is not yet known what this will be.

Looking at reserves for 2023-24, N Howcutt noted that reserves have been used over recent years to support some service areas. One-off payments in 2023-24 are helping to bolster reserves back up to closer to pre-COVID levels. For 2021, reserves were high due to the number of one-off grants that covered multiple years and were therefore held in reserves.

There have been three key areas for changes to the General Fund regarding business rates, pensions and treasury. On business rates, there is a revaluation that has taken place nationally for 2023-24, resulting in significant increases across the country. Whilst the national average increase has been 7.3%, Dacorum has an increase of over 25% and Hertfordshire has 8 of the highest 26 increases nationally in business rates. DBC will continue to receive the same level of funding that was expected and more business rates will instead go to central government to allocate elsewhere. To reduce the impact, the government has brought in transitional relief for businesses and will reduce the amount by up to 75% or £110k per business, though there will be an overall increase over 3 years. Due to the increase in rates, DBC has had to increase its budget for 2023-24 by £60k, which will increase over the next 3 years as transitional relief rolls out to an overall increase of £230k by 2025-26.

There has been a greater return on treasury management, reaching around 3% from levels of 0.5% and lower throughout the COVID period. The Council decided, in December, to repay £10m of loans taken out for this facility, meaning that the Council could take advantage of favourable terms offered by the government to repay debt at a time they wanted to increase their own cash flow, meaning the Council could reduce the amount owed. There are also very low levels of borrowing at around £7m and the Council will therefore continue to look to repay this, where possible.

N Howcutt noted the pensions triennial report, advising that the Council has to review its pension fund every 3 years as part of the Hertfordshire Fund. The review suggested that there would be a 1% reduction in primary contribution rates, though the report shows that the fund for Dacorum has performed well, going from having the funds to cover 93% over the next 20 years to being 101% funded, meaning that fewer contributions are required to meet future liabilities of the pensions of current and previous employees. The review was performed on the basis of the pension fund in March 2022, and the increases in pay will also increase future liabilities. This will be monitored annually and further money may need to be kept aside to address any future shortfalls.

There are 3 additional capital projects requested for the leisure service, and there is an intention to expand the football pitches refurbishment capital project to ensure pitches are fit for purpose going forward. On reserve allocations, N Howcutt noted the proposal to allocate £50k for Armed Forces Day and the King Coronation events, and the allocation of £50k in 2023-24 and £65k in 2024-25 for project support for the development of the new Light Industrial Programme.

N Howcutt noted a minor change for the draft HRA budget, advising that they are looking to put additional money into the existing HTIP for next year, with an additional allocation of £550k, as well as an additional £250k in response to legislation around damp and mould.

N Howcutt was happy to take any questions.

Cllr Hollinghurst commented on the move towards hybrid working and asked if businesses would retract in terms of the office space they occupy and therefore the business rates that they are liable for. N Howcutt advised that if a business has a low rateable value, then they don't pay business rates and therefore the smallest businesses will not be impacted. Some businesses will grow just outside of this as part of the revaluation and will therefore be impacted. Office space has decreased in certain areas and if rental rates decrease, then business rates will also drop. A business rate revaluation has been promised every 3 years and further changes are expected at the next revaluation.

Cllr Hollinghurst noted that cash holdings remain static and asked if the rising interest rates would result in a net benefit to the Council. N Howcutt advised that debt levels from a General Fund perspective are very low at around £7m, which was taken out around 2017, with favourable interest rates that were fixed at the time of the loan. On the cash balances, these are healthy, which is primarily due to COVID and the delaying of several capital projects. There is an extensive capital programme for 2023-24 that will eat into these cash reserves, though the Council will ensure there is as great a return on these funds as possible. Minor changes will be proposed on treasury management, though there will be no change to the risk approach. N Howcutt noted that whilst there is a benefit now in terms of interest rates, there will be an impact on budgets when they come back down.

Cllr Banks commented on the reference to grants that the Council had been successful in receiving and whether this funding would be repeated. Cllr Banks asked if this is being experienced across the country. N Howcutt confirmed that this is a collective issue. For Negative RSG, there are 100 authorities across the country impacted by this and Dacorum were in the top 10 in terms of value, so whilst it is a national issue, Dacorum is one of the biggest winners. N Howcutt confirmed that the minimum funding guarantee was nationwide.

The Chair thanked the Finance team for the work completed.

The Committee proposed the draft budget to Cabinet.

Actions:

N Beresford to liaise with M Pinnell for update on housing with regards to actions on damp and mould issues to be circulated to all council members.

18 Q3 - FINANCIAL MONITORING REPORT

F Jump presented the report. There is a pressure of around £0.8m, driven entirely by inflationary costs around fuel and the pay award, and a request will be taken to

Cabinet to fund these particular pressures via the use of reserves. For housing, a deficit of £1.4m is forecast, driven almost entirely by inflationary measures around repairs and maintenance costs, as well as utilities, and the use of HRA reserves and reducing the revenue contribution to the capital programme will be proposed to support these costs. For the capital programme, slippage of around £2m on the general fund is forecast and a further £10.6m on the HRA. Part of the slippage on HRA is driven by the planning moratorium and other issues around timing of particular schemes.

F Jump was happy to take questions on the report.

Cllr Hollinghurst noted the possibility of capital expenditure with regards to generating income and asked if officers would agree that expenditure for projects such as the installation of solar panels would help generate income or mitigate expense and could therefore be considered over the coming years. N Howcutt advised that there is an evolving commercial programme, including the Light Industrial Programme that looks to get revenue return and part of this will focus on asset maximisation through the use of existing assets as well as any further assets that can be purchased. N Howcutt agreed that capital investments bring a revenue return and confirmed that this is an area of focus.

The Committee approved the recommendations as stated in the report.

Actions:

F Jump to circulate capital slippage percentage compared to overall capital spend.

19 KEY PERFORMANCE INDICATOR UPDATE

Hannah presented the report, noting that developing a strong performance management culture is one of the key transformation foundations along with the development of a project management office and implementation of the Digital, People and Communication strategies. The paper outlines the key elements of the new performance management framework and steps that will be taken to implement it with the intention that this will deliver enhanced reporting, accountability and opportunity for detailed scrutiny of council performance. The paper also brings proposed changes to the KPIs to adapt to changes in council focus and priorities. Key drivers for changes to KPIs are technical refinements, removing duplicated KPIs, and amalgamating duplicate KPIs to ensure succinct and meaningful reporting.

Hannah was happy to take questions on the report.

N Howcutt reminded members that removed KPIs are either picked up elsewhere or have been replaced with more appropriate KPIs.

The Chair commented that all KPIs will be reflected in individual committees and that there will be an opportunity to interrogate why they have been removed.

N Beresford looked to the comment on the KPI regarding tenant satisfaction measures, noting the consolidation and removal of measures is in response to the new introduction of regulation of social housing and tenant satisfaction that has been brought in.

The Committee noted the report.

20 **OLD TOWN HALL**

Report was presented by Diane Southam who thought Members might welcome the report as an alternative to the refurbishment report identified in the forward plan as it was too soon to bring this report forward.

This paper provides members with an update on the program between 22-23 and performance.

She stated, I won't take members time by reading it out to you in detail, but Section 2.3 identifies that we're currently looking at and working towards objectives that look to maximize income, therefore reducing the subsidy that's currently going into the old town hall. This includes utilizing technology to improve the customer experience and doing that in an inclusive and accessible way and ensuring greater use of the venue in terms of the High Street vision and the old town vision. There is an additional objective to conclude the full service and building review and we will bring that report back to you in due course.

Section three sets out the performance in terms of ticket sales over recent years, and members will note that from 2021 to 2022 to 2023 to date, which is around the christmas period, maybe the first week in January, there was a 60 percent increase on ticket sales year on year, 2187, increase on ticket numbers, which is encouraging. Since that point there is at least a further 800 ticket sales to add to that figure. The second part of that table in 3.1 identifies where those ticket sales are in terms of the activity within the Old Town hall and you will see the majority is clearly still within the theatre facility.

The table identified how we're targeting clients and the approach we're taking with that in terms of the types of offer.

Diane drew Members attention to 4.2 that we've got a 105% increase since the 1st of January in terms of our mailing list, which is really encouraging and that does continue to increase.

We are also used to utilizing a number of social media platforms and 4.3 identifies the numbers and the levels of increase that we've seen in that activity as well over that period. We have a new website that's been developed as well and that has had 187% increase in terms of session duration and usage of that website and we will continue to enhance the use of the website. Coupled with that there is a supplement to the online presence, with a 'What's On' guide.

Copies of that are available for members to have. If you would like that, I can arrange for us to be to, to be delivered.

Section 5 just sets out the program of activity to date and the proposals for future, just to note though we did start the programme earlier in January than it has traditionally happened, and we can see that the ticket sales that happened after January that I just mentioned, the additional 800 tickets.

Diane was happy to take questions from members.

Councillor Adeleke thanked her for her presentation and asked the following, we recently had a very successful story on the old town. I hope it is not going to be just a one hit wonder and that you do plan to have more faith. Now I've spoken to a number of businesses around there and they are fully aware of what happened. What they did, sort of make some presentation that it looks as if the Council is concentrating more on those town and there is no interaction or not sufficient that interaction with other businesses. He asked if that was something you can perhaps expand on?

Diane Southam replied, we will very much be working with local businesses and engaging with them in terms of how we can use the town hall as part of that wider offer of the old the town in its entirety and how we can look at events or business events and become very much part of that old town community.

Cllr Adeleke referred to 7.1 you put together a list of ideas for the future, which I think they are quite brilliant. When are you actually thinking of starting the implementation of some of these brilliant ideas?

Diane Southam said that they very much take that on board and I would just say that these are things that aren't definitely going to happen, They are Ideas of what we could explore and put forward to Members to discuss and with Councillor Banks to discuss in terms of whether they are things we want consider or not. These are just options that are possible in that type of venue. So I very much take the point about the business interaction and wouldn't want to be seen to be doing anything in detail but we could work together with businesses as we develop proposals.

Cllr Wyatt-Lowe I'm looking at 3.1 which regards to activity, you detail the ticket sales but I can't really see any indication of occupancy rates. So for example you talked about the marketing opportunities, so how much spare capacity have we got to exploit and improve the ticket sales? I understanding perhaps you might not have that information to hand right now?

She said it's a very good point and will include the occupancy levels and the income generations part of the future plans, and yes, you're right, some of the proposals and developments will be constrained by the size of the building and the size of the theatre and the number of seats, what we'll be considering is maximizing the use of the space, the whole space. There's a combination of have we got the theatre and have we got program events fully maximized in terms of use of the theatre or other events and shows that we could put on some maximize the number of days the theatre is in use for that type of activity, But are we making best use of the downstairs area? Or is there more we could do? There is something more we could do with the bar and cafe area and the exhibition area. Its a combination of things, It's around available days for each of those areas, but maximizing the use of each of those areas for different things as well.

Cllr Adeleke asked, roughly, when will you be implementing these ideas?

Diane Southam said that the implementation would be a little bit later on. Some will be quicker wins than others, But in terms of the review and the further exploration

and the more detailed consideration of some of those ideas, I'll be commencing work with the team on that over the course of the next month.

Councillor Adeleke asked a supplementary question, Will you be coming back to the committee if you hit any jackpot.

Diane Southam replied, yes that would be an idea to work with Cllr Banks and Bring it back to the committee.

21 WORK PROGRAMME

The work programme was noted.

The Chair introduced the new Chief Housing Officer, Darren Welsh to the committee.

The action plan was noted.

The Meeting ended at 9.17 pm