

MINUTES
FINANCE & RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE

11 JUNE 2019

Present:

Cllr Suqlain Mahmood (Chairman)	Cllr Sobaan Mahmood
Cllr Adeleke	Cllr Sinha
Cllr Chapman	Cllr Symington
Cllr Cloughton	Cllr Taylor
Cllr Johnson	Cllr Tindall
	Cllr Townsend (Vice-Chairman)

Officers:

M Brookes	Assistant Director – Corporate and Contracted Services
N Howcutt	Assistant Director – Finance and Resources
B Trueman	Group Manager – Technology and Digital Transformation
B Hosier	Group Manager – Procurement and Contracted Services
F Hussain	Group Manager – Legal and Corporate Services
C Baker	Group Manager – Revenues, Benefits and Fraud
V Coady	Commercial Contracts and Supplies Relationship Lead Officer
T Angel	Corporate and Democratic Support Officer (Minutes)

Also Present:

Councillor Williams – Leader of the Council and Portfolio Holder for Corporate & Contracted Services
Councillor Elliot – Portfolio Holder for Finance and Resources

Councillor Douris attended to observe the meeting.

Steve Cox and Mark Leahy from Everyone Active.

The meeting began at 7.30 pm.

F&R/001/19 MINUTES

The minutes of the meeting held on 26 March 2019 were agreed and then signed by the Chairman.

F&R/002/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Arslan, Barrett and Guest.

Councillor Johnson substituted for Councillor Barrett.

F&R/003/19 DECLARATIONS OF INTEREST

There were no declarations of interest.

F&R/004/19 PUBLIC PARTICIPATION

There was no public participation.

F&R/005/19 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO A CALL-IN

None.

F&R/006/19 ACTION POINTS FROM THE PREVIOUS MEETING

There were no actions to be followed up from the previous meeting.

F&R/007/19 PROVISIONAL FINANCIAL OUTTURN 2018/19

Councillor Elliot introduced the financial outturn report for 2018/19. It is provisional as the financial outturn report is yet to be finalised and scrutinised by Audit. The final outturn with audit opinion will be reviewed and approved by the Audit Committee on the 18 July.

In summary, the financial outturn report details that DBC has on the revenue finances delivered: a balanced outturn position against the approved budget for the general fund and that the HRA has delivered an operating underspend of £235k.

In regards to the capital budget, the general fund capital programme has slipped £4m in the final quarter 4 and this relates predominantly to small timing differences in 3 major capital projects such: Housing Grant payments to Housing Associations for the delivery of affordable homes, £2.1m. Berkhamsted multi storey car park £15m and Tring swimming pool completion £0.3m - This project is now completed. The HRA capital programme has slipped by £1.5m predominantly due to; slight delays in Stationers Place project, and a reduction in commissioned capital works of £0.9m. This is as a result of a £465k gain share payment from Osbornes and a well targeted replacement programme reducing the need for additional works.

This week External Audit conducted their review for the outturn and there were no new issues.

Councillor Tindall referred to paragraph 6.1 on page 16 and asked for a likely timescale of the garage stock condition survey. N Howcutt advised that it had now been procured but wasn't sure of the timescale so he would find out and let him know.

Action: N Howcutt

Councillor Tindall noted that there was a difference of £57k on premises and asked what it referred to. N Howcutt advised it was small amounts across different premise areas on Housing and Community and he said it was difficult to highlight every variance. He offered to circulate a breakdown but Councillor Tindall suggested it was only necessary if it was a significant amount.

Councillor Cloughton referred to paragraph 5.4 regarding recyclable materials and asked if we anticipated how much bigger this problem could become. N Howcutt advised we didn't anticipate as much of an impact in 19/20 but it was susceptible to fluctuations. He said we were fortunate though to work as a group with Hertfordshire waste services.

Councillor Adeleke referred to paragraph 4.1 regarding recruitment and asked what level of vacancies we had now. N Howcutt advised that finance were now fully staffed at present. In terms of the internal audit plan for 18/19, all finance reports

received a full commendation from internal audit which gives him the full confidence that staff are performing to the top of the market. In terms of reports they produce there isn't huge variations quarter on quarter which proves that financially they're monitoring in an effective and suitable manner. Equally the comments received from internal and external audit were very positive. The other difficulty was recruiting for senior positions, however all posts have been filled in the last year.

Councillor Chapman referred to paragraph 5.4 on page 15 and noted he had asked at the previous meeting if there was a possibility of working alongside other local authorities to look at the recycling of glass. He asked if this would be considered in the future. N Howcutt advised there was a waste consultation paper out by Government in March which we had submitted our response to. He said we will wait and see how the consultation exercises go but we are very happy to do all the proposals they set out. He added that glass was very profitable but was unfortunately a small percentage of our recycled products, with plastic being the highest percentage.

Councillor Cloughton referred to paragraph 5.5 and sought clarification on the income reduction of £180k in the commercial waste service. N Howcutt advised that a report had been done on our commercial waste service to look at how we change the service and that report will be going to various groups in July/August. He explained that commercial waste doesn't cost the council or the tax-payer anything, it just isn't achieving the profit levels that are in budget at present.

Councillor Townsend referred to Appendix A, finance and resources by month column. He queried if there was any commentary on the -£4.728m variance. N Howcutt explained that within finance and resources there were two significant parts of our business; one is revenues and benefits and the other is third party payments for revenues and benefits which is around £40m but this fluctuates throughout the year and then we get large grant payments at year end. He advised that the actuals within the provisional report don't really tell you anything but he said he was more than happy to go through it in more detail with him. Councillor Townsend said it was a large variance and felt it should be more detailed. N Howcutt explained that the budget constantly changes every month and every time you have a variance so it wouldn't make sense.

The Chairman queried if 'third parties' related to contractors. N Howcutt explained it related to specific contracts we have with set organisations to deliver certain services.

The Chairman referred to paragraph 9.3 regarding the slippage on the HRA new builds and asked for more detail. N Howcutt said slippage does happen in capital projects because of the nature of the work and explained there had been an overspend at the Martindale site and Stationers Place had been delayed due to a third party wall. He said capital at year end is most vital so going forward they will be making sure they profile the capital spend more appropriately.

Outcome

The report was noted.

F&R/008/19 QUARTER 4 FINANCE & RESOURCES PERFORMANCE REPORT

Councillor Elliot introduced the finance and resources performance report for quarter 4. He advised that the operational risk register had no score changes. 12 out of 14 KPI's were all green and the overall performance was strong.

Councillor Tindall referred to paragraph 5 on page 27. He said we're going to be seeing the gradual roll out of Universal Credit in the coming months and asked if there had been any estimate as to the effect of Universal Credit on our targets. C Baker advised that so far we had seen a reduction in the overall case load since December, but what that means is there are fewer cases for us to process and so doesn't cause us any difficulty. He explained that a lot of how we pay for the administration of Housing Benefit is through admin subsidy from the DWP and that will be significantly reduced as our workload reduces so that will need to be monitored in the future.

Councillor Tindall referred to page 35 relating to council tax collection and said he was concerned about the comment 'drops slightly year on year.' C Baker said it wasn't phrased well and explained that last year we were a percentage point down (0.1%) on the previous year but the year before that was a couple of percentage points up. He said we were consistently between 98.3-98.5 as an in-year collection level.

The Chairman referred to item 4 on page 27 and asked for more information on the technical accounting changes that have delivered a balanced budget. N Howcutt explained that there were technical accounting changes between when this performance indicator was completed in March and the provisional outturn which has assisted to deliver a balanced budget. He said we always need to make sure we monitor our budgets closely and have set an approved budget that we can deliver in 19/20. He added that we highlight the risks every month and every quarter but there are things out of their control so there are always risks involved but it's how you deal with those risks and turn some of them in to opportunities.

Outcome

The report was noted.

F&R/009/19 QUARTER 4 CORPORATE & CONTRACTED SERVICES PERFORMANCE REPORT

M Brookes introduced the report and welcomed questions from the committee.

Councillor Tindall referred to paragraph 15 on page 46. He asked what assurances we had that residents will still have use of Tring swimming pool now that it is managed by Tring School. M Brookes advised they had a new school use agreement and funding agreement which closely mirrors the previous commitments to community use so there should be no significant changes. Councillor Tindall asked what minor adjustments could be made by Tring School. M Brookes explained they could change the operating hours slight but the overall aim is to maximise community use. He highlighted that we wouldn't have control over every operational decision anymore, it is down to them how they run it but there was no aim to stop community use as it is key to them generating income.

Councillor Tindall referred to paragraph 16 and asked if the multi-storey car park was on target for May/June. B Hosier said the enabling works were due to be completed in June but they were waiting for one more statutory utility company certificate and they cannot commence further works until that has been completed.

Councillor Chapman referred to paragraph 4 regarding the Prosecution for breach of Health and Safety at Tesco and queried why the Sentencing was adjourned, and for how long. F Hussain explained that it had been to a case management hearing

where they had produced 2000 pages of evidence to try to reduce any sentencing and that hearing is due to be scheduled for a couple of months' time. M Brookes added that although they pled guilty to the offences but they still had an opportunity to put forward the facts to mitigate the fine.

Councillor Adeleke said the team had done very well to carry out two elections in a short space of time. He asked if we were prepared if another election was called. M Brookes explained the challenge with the European Election was the timetable was overlapping with the Local Elections and also it was called at short notice. He said getting all the staffing into place was the biggest challenge. Now that those Elections are all complete he said he felt satisfied that we had everything in place should another Election be called.

Councillor Adeleke asked if there was any progress on generating income from our CCTV as he believed it had been mentioned before. B Hosier said there were some ongoing discussions on this but he couldn't expand on it further at the moment.

Councillor Symington referred to the 32 week construction period for Berkhamsted car park and asked what date this had commenced. She also asked if there was a budget for the overall programme. B Hosier confirmed there was a budget for the overall project. He then explained that contractor took possession of the site on 2 January but cannot commence with the construction until certain planning conditions are discharged – one of those being the diversion of the utilities and for that to be certificated by the statutory utility companies. Until we have that the start date keeps moving, however the contractor will incur costs if it overruns so it's not within their interests to not start work. He highlighted that their 32 week period doesn't commence until they have the certificates. Councillor Symington asked if the budget for that was available to view. B Hosier advised that the budget was transparent and was available to view on the website from February's budget OSC meeting. Councillor Symington asked if that could be sent to her or if she would have to find it herself but N Howcutt said he could send her the figures. **Action N Howcutt**

Councillor Symington referred to the car park income being below target by £7k and asked if there was a reason why it wasn't as they expected. B Hosier said there were a number of reasons; one being the weather which causes it to fluctuate. He highlighted that last month it was above target possibly due to half term, the good weather, the splash park being open and the car park being extended. He added that it was nothing specific and certainly nothing to worry about.

The Chairman asked if CCTV was keeping crime levels down. B Hosier explained that obviously CCTV can capture crime happening and be used as evidence but whether it would actually led to a reduction in crime was difficult to say. He said the public seemed happy with the level of CCTV around.

Councillor Tindall referred to the Tesco case and asked if that stopped us claiming the costs back. M Brookes advised we could still claim the costs back as they pled guilty.

Councillor Tindall referred to page 48 regarding the out of target indicators for DPA requests and complaints and asked if there was a reason for this. M Brookes advised that the DPA indicator was due to one complex request that had taken a long time to resolve.

Outcome:

The report was noted.

F&R/010/19 QUARTER 4 PERFORMANCE, PEOPLE & INNOVATION PERFORMANCE REPORT

B Trueman introduced the report on behalf of Linda Roberts.

Councillor Tindall referred to page 52 paragraph 3 and said he was concerned to see a rise in musculoskeletal injuries. He asked if this was caused by working practices. B Trueman said he would investigate the matter and come back to him with more detailed information. **Action: B Trueman**

Councillor Chapman referred to the long/short term sickness figures. He said JNC had been working with the Unions for mentoring the individuals that are off work and was disappointed to see that the figures were still increasing. B Trueman said there were some initiatives in place such as wellness days and stress awareness courses that are proactively being put in place to try and address both short and long term sickness.

Councillor Townsend referred to page 53, performance indicator PPR017 and suggested that as the move to The Forum had occurred it was no longer relevant. B Trueman said he would make that amendment. **Action: B Trueman**

Councillor Adeleke referred to page 53 regarding the leadership course for aspiring and middle managers and sought more information. N Howcutt explained it was part of the new normal programme which is currently being put together and there is a provisional project in there which is looking at leadership training but starting with Team Leaders and working upwards to Director level. This is as a result from the Peer Review and members will be updated as the programme progresses.

Outcome:

The report was noted.

F&R/011/19 WORK PROGRAMME

The following changes were made to the work programme:

July - Add Medium Term Financial Strategy (J Deane)

October – Review of Commissioning Procurement Standing Orders and Commissioning Procurement Strategy (B Hosier)

F&R/012/19 PERFORMANCE OF THE LEISURE CONTRACT

Councillor Tindall asked why the report was considered Part 2. B Hosier advised that there was some financial information within the report that Everyone Active didn't want published. He said they would try to ensure that future reports were Part 1.

Full details are in the Part 2 Minutes.

The meeting ended at 9.40 pm.