

MINUTES
FINANCE & RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE

11 SEPTEMBER 2019

Present:

Cllr Adeleke	Cllr Stevens
Cllr Barrett	Cllr Taylor
Cllr Chapman	Cllr Tindall
Cllr Sobaan Mahmood	Cllr Townsend (Vice-Chairman)
Cllr Suqlain Mahmood (Chairman)	

Officers:

M Brookes	Assistant Director – Corporate and Contracted Services
N Howcutt	Assistant Director – Finance and Resources
L Roberts	Assistant Director – Performance, People and Innovation
B Trueman	Group Manager – Technology and Digital Transformation
B Hosier	Group Manager – Procurement and Contracted Services
F Hussain	Group Manager – Legal and Corporate Services
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 and Contracted Services
Councillor Elliot – Portfolio Holder for Finance and Resources

The meeting began at 7.32 pm.

F&R/001/19 MINUTES

The minutes of the meeting held on 9 July 2019 were agreed and then signed by the Chairman.

F&R/002/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Claughton and Symington.

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 PARKING ENFORCEMENT CONTRACT

B Hosier introduced the item and explained it was requested that the performance of this contract was reported to this committee every six months for the first two years of the contract. He drew member's attention to section 2 of the agenda where the ten KPI's could be found. He advised there were three KPI's that the contractor had failed on which were highlighted in red. He explained that there was a high turnover of staff in that industry due to the nature of the role and the abuse they can receive.

Councillor Tindall asked if there was a plan in place in case the staffing issue wasn't resolved. B Hosier said the contractor has held open days at the Job Centre and have attended job fairs so they're actively trying to resolve the issue. Councillor Tindall then asked what the risk was to us if the contractor continues to lose money trying to fulfil their obligations and then can't continue with the contract. B Hosier said they were in constant dialogue with the contractor to ensure that doesn't happen and they had discussed some options to consider. He added that the number of PCN's had increased recently so that could either mean that more people are parking inconsiderately or more are being caught.

Councillor Tindall said he had noticed members of the public parking in the upper deck of the Water Gardens during the working week when it is permit holders only. He asked whether we had considered increasing the signage. B Hosier advised there was a sign on the approach to the upper deck and further two signs within the upper deck. The machines have signs on them and also won't allow you to make payment during the week. B Hosier said despite that, they were considering more signage to make it clearer for the public.

Councillor Stevens asked how many civil enforcement officers they should have according to the contract. B Hosier replied it was the hour's equivalent to 6.8 people; this has decreased due to new technology.

Councillor Chapman asked how long the contract was. B Hosier advised it was a 5 + 5 year contract which included a break clause.

Councillor Chapman referred to the KPI's and asked if we could review the contractor's performance if they weren't achieving their targets. B Hosier advised that from April 2019, the second year of the contract, they have added a further 5 KPI's making it 15, and that will increase to 18 in the third year. He said all the KPI's were relevant to the service delivery and was a standard form of contract from the British Parking Association which was used all over the country.

The Chairman asked if the contractors used electric vehicles. B Hosier advised they used a very small and economic vehicle. However as part of the council's commitment to a sustainable environment they were meeting with the contractors tomorrow to discuss the potential of using electric vehicles.

The Chairman asked if we were losing money due to the contractors being understaffed. B Hosier explained that we were paid £25 per hour for each civil enforcement officer not in position, however the purpose of the service was to stop people parking inconsiderately rather than to generate income. He said ideally we

wouldn't be asking for money back from the contractors as we would rather that they were delivering the contract above our performance indicators.

Councillor Adeleke asked what would happen legally if a civil enforcement officer was assaulted. B Hosier advised that it was a criminal offence so the contractor could prosecute but fortunately there had been no incidents of violence so far in Dacorum. He added that they discussed the officer's health and safety regularly. V Coady advised that the officers do sometimes wear body cameras and M Brookes said any incidents should be reported to the police.

Councillor Tindall said he had previously raised the point of the charging bays on the upper deck of the Water Gardens no longer being accessible for DBC staff due to the way the car park was divided. He asked if there was any update on this. B Hosier advised that they were in contact with the service provider and they had looked at getting the existing charging points upgraded to make it faster to charge vehicles which is of no cost to the council. He said we had requested two more charging points on the upper deck in the white zone and two on the lower deck for members of the public to use. However, as the council is in the process of constructing a multi storey car park in Berkhamsted we are in contract to install charging points in there so that will take precedence. He advised he would have to come back to them with a date for the charging points in the Water Gardens car park.

Councillor Townsend asked if it was possible for the council to buy the charging points directly rather than go through a contract and a service provider. B Hosier said we could investigate that and produce a report but he had been advised by other local authorities that it takes roughly 6-7 years to break even on the cost of purchasing, installing and maintaining the equipment before starting to make an income. B Hosier added that technology moves at such a fast pace and he wouldn't want to incur charges for the council and take that financial risk.

Councillor Taylor asked if it was possible for the council to look at alternative providers. He said he drove a hybrid vehicle and had to pay a membership cost per month whether he uses the charging points or not. B Hosier advised we could look at alternatives which could be cheaper for the public but that may have financial implications for the council. Councillor Taylor asked that this information is shared with the committee if and when it has been investigated.

Councillor Stevens asked if the civil enforcement officers were employed by the contractors or were agency staff. B Hosier advised they were directly employed by the contractors on a full time basis. Agency staff were only used if someone has left and cover is required.

Outcome:

The Committee noted the performance of the Parking Enforcement Contract over the last 10 months and acknowledged the additional KPI's that are applicable from year 2.

F&R/008/19 BUDGET MONITORING REPORT

N Howcutt introduced the report and highlighted that there was a general fund pressure of £121k, the HRA has a surplus of £391k and there was a small capital slippage of £1.5m.

Councillor Tindall referred to paragraph 3.2 and noted £90k additional income for the Leisure Management Contract identified as a reduction in business rates. He asked if that meant the income from business rates will be impacted by this. N Howcutt advised as part of the contract with SLM we agreed that if they met the criteria for charitable status they would have a reduced business rates bill and if that happened we would reduce the management fee we pay to them or increase the management fee they pay to us. They met that criteria and therefore they made that payment to us. He explained that in terms of the way that business rates work, they make the payment to us and 100% of the reduction they get in business rates is beneficial for us so this is a far better way for the council to operate.

Councillor Tindall referred to paragraph 3.3 relating to the additional £50k income from the HRA. He sought clarification on whether it saved us money to use our own staff and if so how do we justify the contract. N Howcutt advised it related to small elements of work that Clean, Safe and Green carry out such as clearing gardens or storage spaces which is outside of the usual service agreement.

The Chairman referred to the previous question and asked if other areas were being neglected due to Clean, Safe and Green working elsewhere. N Howcutt replied their core business comes first and this was additional work if they had the capacity.

Councillor Townsend referred to 7.2 regarding the capital variance of £400k on Bunkers Farm and asked how that was signed off in terms of governance. N Howcutt explained that we had no option but to do the works that were required to pass the planning consent so they had a Portfolio Holder update and assessed all options. He said these things don't happen very often but they reported to Cabinet at the first available point to get the approval.

Councillor Stevens referred to 3.3 and asked if there was scope for using Sunnyside Rural Trust instead of Clean, Safe and Green. N Howcutt advised we can procure for any works and look for alternative providers but this happened to be ad-hoc and only lots of small pieces of work.

Councillor Barrett referred to 4.3 and the £90k pressure on commercial waste. He asked when the findings of the review would be reported. N Howcutt explained that Plan B had built the review of the service and fed back some initial findings and options that the service needs to take forward to the Portfolio Holder and agree some decisions on the way ahead for that service. Councillor Barrett asked what the £90k was as a percentage of the total income. N Howcutt said he would have to come back to him on that.

Action: N Howcutt

Councillor Barrett referred to 4.2. He asked if all the new vehicles would be coming at once or if it would be phased. N Howcutt advised it would be phased over a 2-3 year period starting in November.

The Chairman asked if the new vehicles were coming from the UK or Europe. B Hosier replied they're typically made in Europe. He said we would have entered into contract and those contracts are fixed price.

Councillor Adeleke sought clarification if it was more expensive to use agency staff. N Howcutt advised it varied significantly depending on the role but on the whole it was more expensive, particularly highly skilled roles. Councillor Adeleke said it had been discussed before about the training of graduates and paying more to attract people to work here. He asked what we were doing to resolve the issue of recruitment once and for all. L Roberts said this issue had been raised on a number

of occasions and they were making a concerted effort to look at how to improve recruitment. She said they had carried out some detailed analysis of data to understand which of the roles they found problematic, benchmarked ourselves against other authorities to see if there is an issue with pay and adjusted some of the ways of recruiting. She added that they're using agencies to help recruit some specialist roles which has proved more effective, and they were in the process of developing a micro site which gives a better view of how it feels to work for Dacorum. She summarised by saying there is a lot of activity around this and there is also a new HR system being implemented in February 2020 which will help with the collection of data and ongoing monitoring.

Councillor Tindall asked if the new fleet would be multi-purpose and could reduce cost for commercial waste. N Howcutt said the fleet would definitely be more efficient but he would need to speak to staff at Cupid Green about more detailed information.

Councillor Chapman referred to 4.3 regarding loss of customers. He asked if we had looked at the charging structures and what the charges were elsewhere so we can be more competitive. N Howcutt advised we would understand more once the final reports come back.

The Chairman asked if there was any update on garages. Councillor Elliot advised there was a report on garages coming in the autumn.

Outcome:

The Committee noted the financial position for the Council for 2019/20 as at Quarter 1.

F&R/009/19 QUARTER 1 FINANCE AND RESOURCES PERFORMANCE REPORT

N Howcutt introduced the report and drew attention to the KPI's. He explained that collection of debt and overdue CIL payments had caused red scores but they had reacted to the KPI's and were back on track.

Councillor Tindall referred to page 13 regarding the processing of benefit claims. He asked if there was any indication whether benefit recipients are meeting problems due to Universal Credit. N Howcutt said that Revenues and Benefits weren't seeing a huge negative impact and Housing weren't seeing an increase in arrears. He added that it was still very early days and time will tell. Councillor Tindall asked if we could keep a close eye on this.

Councillor Townsend asked where the CIL arrears were coming from. N Howcutt said it was primarily large developments and advised there is often difficulties with where the invoices go and who to chase. He said they were looking at their systems and implementing a more robust mechanism of chasing.

Councillor Barrett asked if we could introduce penalties for those that don't pay the invoices on time. N Howcutt said he wasn't sure of the specific details but generally it was down to cash flow and is often overlooked due to their programme. He added that his expectation was to get this under 40 days and hoped the better systems will help achieve that. Councillor Barrett asked if they could look into the possibility of penalties. N Howcutt said he would investigate and come back to him.

Action: N Howcutt

The Chairman asked N Howcutt to split the risks in the KPI. N Howcutt confirmed he would.

Action: N Howcutt

Outcome:

The committee noted the report.

F&R/010/19 QUARTER 1 CORPORATE AND CONTRACTED SERVICES PERFORMANCE REPORT

M Brookes advised that the KPI's were at an acceptable level and there were no reds to note. He drew member's attention to the successful delivery of the Local and European Elections which dominated most of the first quarter for many members of the council. He was happy to answer questions.

Councillor Tindall asked if the KPI's relating to SLM had been resolved as there were no targets to work with. B Hosier said the report had been presented in June and was very well accepted. He advised we had two aspects to the KPI's; one was the commercial and contractual performance which will be presented again in January 2020, and the other aspect sits with Linda Roberts and related to satisfaction and outcomes. Councillor Tindall felt the other aspects weren't as important as the income and funding. M Brookes said the payments were contractual and weren't performance related so we didn't need to rely on the KPI's.

The Chairman said we needed to make sure the customer satisfaction KPI was monitored as that was just as important as the financial aspect. M Brookes said that information was presented to the Housing and Community OSC so it was monitored.

Councillor Chapman asked for the timescale on completing the garage surveys. Councillor Elliot said it was due in the autumn and the report and strategy will be decided from those findings.

Councillor Tindall asked if the garage survey findings would be reported to the Housing or Finance Committee. N Howcutt advised the full report would go to the Housing Committee but some of that would fit into the budget monitoring reports. Councillor Tindall asked that if they felt that it was relevant to this committee would it be possible to discuss the financial implications. The Chairman agreed that was a reasonable ask.

Councillor Barrett asked how we marketed the sale of the garages. N Howcutt said an independent valuation was carried out and we used local agents to market them for us. Councillor Elliot added that they're marketed without planning permission.

Councillor Taylor asked what the price differences were for garages sites. N Howcutt advised that it varied so much between sites it was impossible to give him any figures. He suggested speaking to the team directly for more information.

The Chairman congratulated the legal team on winning three cases in quarter one. He asked if we had lost any cases. M Brookes advised we hadn't lost any this quarter.

The Chairman drew attention to the members training figures and asked what we were doing to increase attendance. M Brookes said training figures had increased this year compared to last year. He said it was probably due to mandatory training being introduced.

Outcome:

The committee noted the report.

**F&R/011/19 QUARTER 1 PERFORMANCE, PEOPLE AND INNOVATION
PERFORMANCE REPORT**

L Roberts introduced the report and advised that they continued to monitor and manage sickness carefully. She said they had seen a rise in musculoskeletal injuries which has led the health and safety team to run some courses. Staff turnover remained the same and the ICT services were in a good position in terms of performance and the website users have significantly increased.

Councillor Tindall referred to the performance indicator ‘failure to effectively and proactively manage all aspects of employee relations’ and highlighted that the last 2 or 3 JNC meetings had been cancelled due to lack of business. He asked how the employee/employer relations were conducted if not through the JNC (Joint Negotiating Committee). L Roberts advised there were a number of employee forums for engagement and they had regular staff engagement sessions. She said she could investigate why the JNC meetings had been cancelled recently.

Action: L Roberts

Councillor Chapman asked for the percentage breakdown for long term and short term sickness. L Roberts said she could send them to him. Councillor Chapman added that the mentoring had been well received and congratulated them.

Action: L Roberts

Councillor Tindall referred to the robotics article in the local paper and asked if there would be reports coming to us on exactly what is expected to happen. L Roberts explained that it was all part of the New Normal and looking at the new ways of working, new technology and new working processes. She said they were looking at ways of taking information from one system to another to save people doing jobs that may be considered boring and allow them more time to be doing important jobs. She said once they had looked at the processes and been through tendering she would come back with an update for the committee.

Councillor Tindall asked for more detail on the new HR system. L Roberts said she could send something to all members. She summarised that it was a system used by many other authorities and it had a full suite of functionalities which links to the New Normal. Councillor Tindall asked if the system would be accessible to members. L Roberts said she would need to check and understand the definition of a user before she could confirm.

Action: L Roberts

Councillor Taylor asked what the process was for robotic adoption. L Roberts said she would send it procedure to the committee.

Action: L Roberts

Councillor Adeleke referred to his previous question about the problems with recruiting staff. He asked if they felt staff were happier and more comfortable working here. L Roberts said there would always be turnover and turnover isn’t necessarily a bad thing but from the most recent staff survey people appeared to be happier and were recognising that we’re continuing to try to improve their prospects which is another part of the New Normal. She added that she wasn’t overly concerned about our retention figures.

The Chairman asked if we had a Dacorum App. B Trueman said they had been focusing on the website first but may look at an App in the future.

The Chairman asked if we had looked at using artificial intelligence to improve our systems. B Trueman said it was probably something we would look at in the future but one of the biggest challenges with using AI was that you have to have your data in perfect order. He said they would need to work on a data strategy first.

The Chairman referred to the musculoskeletal problems and suggested we could consider having a wellbeing board with leaflets etc.

Councillor Adeleke asked if it was easier for hackers to get into Apps. B Trueman said our network security was very resilient and they were confident they could block out any attempts of hacking.

Outcome:

The committee noted the report.

F&R/012/19 WORK PROGRAMME

There were no changes made to the work programme.

The meeting ended at 9.22 pm.