

MINUTES
FINANCE & RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE

4 FEBRUARY 2020

Present:

Cllr Barrett	Cllr Suqlain Mahmood (Chairman)
Cllr Chapman	Cllr Symington
Cllr Cloughton	Cllr Taylor
Cllr Douris	Cllr Tindall
Cllr Guest	

Also Present:

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

Officers:

M Brookes	Assistant Director – Corporate and Contracted Services
B Hosier	Group Manager –Procurement and Contracted Services
N Howcutt	Assistant Director – Finance and Resources
S Marshall	Chief Executive
V Coady	Commercial Contracts and Supplier Relationship Lead Officer
T Angel	Corporate and Democratic Support Officer (minutes)

Following a Joint meeting of the OSC's where a presentation on the budget was given, the Finance & Resources OSC meeting began at 8.34 pm.

OS/001/19 MINUTES

The minutes of the meeting held on 3 December 2019 were agreed and then signed by the Chairman.

OS/002/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Adeleke, Sobaan Mahmood and Townsend.

OS/003/19 DECLARATIONS OF INTEREST

Councillor Douris declared an interest as a company he has an interest in rents two commercial garages from DBC.

OS/004/19 PUBLIC PARTICIPATION

None.

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

None.

OS/006/19 BUDGET 2020/21

Councillor Elliot introduced the item and read the following statement:

“2019/20 has been another productive year in the finance and resources division. The Service is set to deliver on key KPI’s but special note should be made to:

- The Revenues and Benefits service on achieving the targeted collection rates on council tax and business rates to ensure the major funding streams achieve the expected returns.

- The Commercial Assets team for ensuring uncharacteristically high occupancy in the council’s commercial portfolio of over 600 assets, and hence providing much needed income to support the good quality front line services DBC aspires to deliver.

- The Finance support team have provided good quality, timely financial support to ensure members supported by officers have the tools to enable decisive decision making and good fiscal management.

Looking Forward to 2020/21, the year ahead in the finance and resources division is set to be yet another challenging year but one that the service is very well prepared for.

The Budget papers on the agenda tonight show very few changes to that presented to Scrutiny in December. A combination of good early budget decision making by members and accurate financial modelling have resulted in very little requirement to make changes to the previously presented budget proposals. These proposals are in line with the approved Medium Term Financial strategy and detail a stretching yet achievable budget for 2020/21.

There are many challenges ahead in the Finance and Resources Portfolio in 20/21 that the services are planned and prepared to tackle.

The **Financial Services** team are expecting the conclusion of the fair funding review in year, this will be the single biggest change to local authority funding in a generation. The completion of the fair funding review is expected to provide a more definitive understanding of medium term Local Authority funding, and specifically provide the clear future funding streams available. The outcome of the Fair funding review is expected to make changes to business rates retention and central government grants.

The current DBC Medium Term Financial Strategy, outlines the council’s prudent approach to central government funding with an expectation of DBC being self-sufficient by 2022/23. The finance service will continue to work closely with MHCLG and lobbying partners to update members as and when new information and guidance is produced.

In 20/21 the **Revenues and Benefits Service** will continue to evolve the services to residents and will be developing more web based services in regards to council tax and revenues that will improve the overall customer experience.

At present 1/3rd of resident contacts in regards to council tax are via the internet and the aim is to increase the volume of service contact via the internet, through improved functionality and customer experience.

The benefits service will continue to react and evolve during 20/21 as central government policy changes are announced, with close attention in particular to Brexit and the ongoing roll out of Universal Credit by September 2024.

The **Commercial Assets and Property Development** service will continue to work hard with tenants to strike the challenging balance between the commercial and social implications of its commercial assets.

The very real contribution the Estates team makes to supporting our local communities and shopping parades through a difficult retail environment is demonstrated by its continued ongoing occupancy rate in excess of 95% for the council's commercial units, whilst at the same time exceeding a challenging income target in excess of £5m in 20/21 – this is the Council's largest income stream.

In 20/21 this service will continue to invest in this portfolio by implementing over 25 capital improvement projects that are aimed at improving council services and assets, ranging from Civic centres to leisure centres and allotments.

At the same time the commercial assets service will oversee the generation of a projected £4m from the disposal of surplus assets, these funds are essential to allow the council to continue to invest in the wider assets portfolio and to fund the wider capital programme detailed in the budget report.”

Councillor Tindall referred to page 28 regarding past service costs. He noted that this year's budget was £1.5m and next years was £4.6m and queried the increase. N Howcutt explained that the Council made the decision to pay the 3 year lump sum payment for secondary contribution to pensions upfront to reduce the charge. He said this seemed like the sensible approach.

Councillor Symington referred to page 36 and sought clarification on the car parking charges and length of stay at Water Lane. N Howcutt advised that the charges were currently out for consultation so these were the draft proposals. Councillor Williams said nothing could be confirmed and the decision for the length of stay at Water Lane car park was currently a Portfolio Holder Decision. He said the maximum stay would be two hours as that was the most convenient car park for shoppers, and Lower Kings Road would be for longer term stay.

Councillor Symington drew attention to the £4 charge for up to ten hours stay at the multi-storey car park. She felt this would attract commuters and asked how we proposed to address that. Councillor Williams explained they were charging that figure because it was comparable to other parking charges in the Borough. He said they didn't want to discourage use of the car park. Councillor Symington said that shoppers could have difficulty finding space in the car park as it would be full of commuter's vehicles. Councillor Williams felt it was unlikely that shoppers would need to park in a 4+ hours car park. Councillor Symington asked if there was a certain number of spaces for up to 10 hours. Councillor Williams explained that the car park had 8 half decks; 2 floors for business permits, 2 floors for long stay and the 4 lower for a maximum of 4 hours. B Hosier added that the business permit spaces become long stay parking on weekends.

The Chairman referred to page 16 regarding savings within the Revenues and Benefits Team. He asked if that compromised the service. N Howcutt advised it was a rationalisation of the service and there would be no negative impact.

The Chairman suggested a report on allotments this year as it had been a long while since we had an update. N Howcutt agreed.

Councillor Douris referred to page 25 on property management and asked for more information on the income line. B Hosier advised it was the rental income from tenants in The Forum.

Councillor Douris sought clarification on the investment income line on page 30. N Howcutt advised it was the income from our commercial portfolio of assets within Dacorum.

The Chairman referred to page 20 and queried the increase in income for temporary accommodation. N Howcutt explained we had taken a proactive approach to ensure we have enough facilities to put those in unfortunate circumstances in to our own properties. As part of that, the properties in Northend and Westerdale were a significant counter investment for additional temporary accommodation so there is a reasonable amount of capital investment as part of that healthy revenue stream. The Chairman said this was a welcome development.

Outcome:

The Finance and Resources Overview and Scrutiny Committee reviewed and noted the draft budget proposals, fees, and charges for 2020/21.

OS/007/19 BUDGET MONITORING QUARTER 3 2019/20

N Howcutt introduced the item and highlighted the key points within the budget monitoring report.

The Chairman said he found the executive summary really useful and asked for it to be continued. N Howcutt agreed.

There were no questions.

Outcome:

The report was noted.

OS/008/19 GARAGE PROGRAMME UPDATE

Councillor Tindall referred to paragraph 4 on page 102 and suggested the word 'cosmetic' wasn't a good word to use. He then referred to paragraph 6 regarding the disposal of a further 7 sites and asked where the sites were. N Howcutt said he would circulate that information to members. **Action: N Howcutt**

Councillor Guest asked if it would be made clear in the market strategy that you do not need to be a DBC tenant to rent a garage. N Howcutt confirmed it would be made clear.

Councillor Tindall felt that we needed to stress that garages were not for commercial use. N Howcutt said he would feed that comment back.

Councillor Tindall asked for reassurance that all garages that are offered to tenants as alternatives would be fit for purpose. N Howcutt said the process had changed

significantly in recent months; the specification and pictures of the garage would be provided in advance and also a one month rent free would be given.

Councillor Barrett asked if the 7 sites being disposed of were generally marketed or if discussions had taken place with one purchaser. N Howcutt advised they were being sold to one single Housing Association and the value they're paying was in excess of the evaluation. They will also be providing affordable housing to the Borough.

Councillor Douris said he knew DBC had designated commercial garages and asked if the marketing material represented all garages or just the domestic garages. N Howcutt confirmed it referred to domestic garages only.

Outcome:

The report was noted.

OS/009/19 WORK PROGRAMME

There were no changes to the current work programme.

A report on allotments to be added to the work programme in the summer.

OS/010/19 PERFORMANCE OF THE LEISURE CONTRACT

Full details can be found in the Part 2 Minutes.

The meeting ended at 9.28 pm.