

## MINUTES

### FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

9 JUNE 2020

**Present:**

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

**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
L Roberts	Assistant Director – Performance, People and Innovation
N Howcutt	Assistant Director – Finance and Resources
B Hosier	Group Manager – Procurement and Contracted Services
B Trueman	Group Manager – Technology and Digital Transformation
F Hussain	Group Manager – Legal and Corporate Services
T Angel	Corporate and Democratic Support Officer (Minutes)

The meeting started at 6.32 pm.

The Chairman advised that there had been a few requests for items on the agenda that were too late to be included. One of the items was the climate emergency. He said there was an interesting debate on the topic at the last Housing and Community Overview and Scrutiny Committee for those that were interested, but a report covering the financial aspect would come to this committee in due course. Another request was to cover the financial support scheme and this has been scheduled for July. Lastly, there was a request for a report on the financial implications of Covid-19. He advised there was a Cabinet report on that subject this month and that report would also come to the next meeting of this committee. The financial implications of Covid-19 will form part of the quarter one performance report for this committee in September.

**OS/001/20 MINUTES**

The minutes of the meeting held on 4 February 2020 were agreed by the members present and will be signed by the Chairman at the next available opportunity.

**OS/002/20 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**OS/003/20 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**OS/004/20 PUBLIC PARTICIPATION**

None.

**OS/005/20 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO A CALL-IN**

None.

**OS/006/20 PROVISIONAL FINANCIAL OUTTURN 2019/20**

N Howcutt introduced the item and apologised that this report was coming after the Cabinet report. He summarised the key areas of the report; the General Fund position at year end was showing a balanced position as a provision outturn. The HRA was showing a significant surplus in year of £884k – a large amount of that was because of year end calculations to do with bad debt provision. That surplus goes back into the HRA to fund future capital works. The overall capital position as of year-end had £0.4m of re-phasing which was a very small percentage of our overall capital programme which will take place in 20/21, and an end of year £2.4m overspend which was primarily across the three largest capital projects in the year; Tring swimming pool, the multi-storey car park in Berkhamsted and Bunkers Cemetery. Those three projects are either completed or near completion so there will be no additional spend past April/May. He welcomed questions from the committee.

Councillor Tindall referred to paragraph 4.2 relating to additional insurance costs for premises. He sought clarification if that was various small claims or a few bigger claims and if they were likely to be recurring. N Howcutt advised that it was a collection of small claims and he would provide Councillor Tindall with additional details.

**Action: N Howcutt**

Councillor Tindall said he was concerned that we didn't recruit for Apprentices until November and queried why. He also asked what was happening to our Apprentices during the pandemic. N Howcutt said he had an Apprentice in the finance department and they were working as normal and from home like everyone else. He felt that giving them additional support from home was slightly more difficult but we were working with them as much as possible to support them via virtual channels.

L Roberts advised that the recruitment for Apprentices was due to start mid-year and that was down to getting the scheme set up and identifying what services were required. She confirmed that no Apprentices had been furloughed and they were working from home like many other individuals.

Councillor Symington referred to page 13 relating to £55k for repairs to sports centres. She asked for clarification on what it was for and how that fits in with the arrangements with Everyone Active. N Howcutt advised that the costs were paid out at the beginning of the financial year and related to the parts of plant and equipment that are a DBC responsibility.

Councillor Cloughton referred to paragraph 7.2 and the HRA surplus of £884k. He asked if there was an option for councillors to decide where that money goes. N Howcutt advised that the bottom line surplus is transferred to the capital funding

reserve. He said no decision would be made at this point on how those funds are spent, but as part of the budget setting process the capital programme and funding is approved.

Councillor Guest asked if we had any figures on the impact of Covid-19 for car parking charges. N Howcutt advised that car parking income was the only visible impact of Covid-19 for 19/20 as there was a significant reduction of £25-30k in the last ten days of March. He said they're unable to breakdown how much of that reduction was enforcement and how much was lack of use of the car parks. He added that the figures for 20/21 would be significantly lower and would be detailed in the Cabinet report once finalised later this month.

Councillor Barrett drew attention to the £130k for the ageing fleet in waste services. He noted there was another £190k relating to maintenance of ageing fleet. He asked if those two figures should be combined or if they related to different areas. N Howcutt advised it was two different elements as they had to hire more vehicles because there were ageing vehicles not being used, and secondly the maintenance of the existing ageing vehicles. He said although additional costs had occurred this year, we're in a transition period whilst new fleet were coming on board. He added that due to Covid-19 and the capacity issue of workers in each vehicle, we need more fleet at the moment so we will see some pressures in 20/21 which were unexpected.

Councillor Barrett referred to the additional £200k for commercial waste and asked what percentage that was of our overall commercial waste income. He then asked what the service improvements were that were suggested in the report. N Howcutt explained we had made improvements through the year and now have a better understanding of our trade waste. He suggested it wasn't good news for 20/21 as far less clients were working in the retail and food industry due to Covid-19. He said he would need to come back to him on the exact percentage. **Action: N Howcutt**

Councillor Chapman sought clarification on paragraph 7.3 relating to recovering £160k of Housing Benefit. N Howcutt explained that this is where we have more Housing benefit subsidy tenants in supported housing than we had budgeted to get so we receive more income.

Councillor Taylor referred to page 21, lines 2.16 and 2.17 regarding the over spend at Swing Gate Lane. He asked if the contamination and archaeology were known about when the agreement was signed with the developers. N Howcutt said he would need to investigate with the project lead and come back to him.

**Action: N Howcutt**

Councillor Tindall referred back to the discussion about the waste services fleet. He said he couldn't understand why we had a gap between our vehicles ageing and our new vehicles being ready for use. N Howcutt said it was a very difficult procurement that extended the delivery timeframe.

B Hosier advised that we went out to tender on two occasions – on the first occasion we didn't obtain what we needed to so we had re-do the specification to go back to the market. He said that was the better option rather than to award a contract that wouldn't have suited the council in the longer term.

Councillor Claughton drew attention to the large increased costs for Berkhamsted multi-storey car park detailed on page 20. He queried the total cost for the project including management fees of the temporary car park. He also asked how long it

would take to pay for itself and what the projected life of the structure was. B Hosier said he didn't have the figures to hand but knew exactly what the figures were so he would share those figures with members as soon as possible. **Action: B Hosier**

Councillor Claughton noted there were issues with the speed of processing complaints within the Property and Place service. He felt it would be useful to know what the issues were. The Chairman suggested Councillor Claughton could read the minutes from the last Housing and Community Overview and Scrutiny Committee as the issue was discussed during that meeting. He then asked the officers to note Councillor Claughton's comment and provide further information to him if they had it.

Councillor Barrett asked what the tender price was for the multi-storey car park. B Hosier advised it was £4,370,599. Councillor Barrett referred to page 25 and said he understood it to be £1.162m. He asked for clarification on the original budgeted figures in the finance report. N Howcutt advised that figure would have been the planning of the car park prior to the procurement of the project and the revised budget was set post the procurement of a provider. Councillor Barrett asked if we entered into a fixed price contract. B Hosier explained that we did and a huge amount of the pricing was fixed but Brexit did have an effect and there were certain aspects that we couldn't get fixed prices on.

Councillor Guest asked if the issues had been resolved for the Rossgate shops structural works and improvements. N Howcutt said the works would take place in 20/21 and there were two stages; works at the front of the properties and works at the rear.

The Chairman asked if we had allowed some contingency in this financial year to take in to account Covid-19 implications, the impact of social distancing and the increases in project costs. N Howcutt explained they were reviewing all revenue expenditure, income streams and all capital projects and looking at remodelling and re-profiling where they can. He said the Covid-19 report that was going to Cabinet this month will outline the initial forecasts on revenue and capital, and outline the initial reactions to funding and reserves.

The Chairman sought clarification on what transfer payments were and why they varied so much. N Howcutt advised that transfer payments were generally payments made on behalf of other bodies such as the government. Benefits are a good example as we receive the funds and pay out to those eligible.

The Chairman queried why third party payments went up by 250%. N Howcutt explained it was where we had paid someone to do something we would usually do ourselves and it was normal to see fluctuations. He said the percentages can be misleading and procuring services from a third party was often a more cost effective and efficient way of delivering a service. The example used is where DBC previously delivered the building control service and now we procure from Herts Building Control.

Outcome:

The report was noted.

**OS/007/20 QUARTER 4 PERFORMANCE REPORT – CORPORATE AND CONTRACTED SERVICES**

M Brookes introduced the item and highlighted the successful court activities. He drew attention to the reports of project work and also the Berkhamsted multi-storey

car park moving to completion in the next couple of months. He welcomed questions from the committee.

Councillor Tindall referred to page 37. He sought clarification on card payments and the suspension of three months. B Hosier said the office was closed so we were unable to take card payments. He advised that we had put the instalment payments on hold and there were no additional costs being incurred by the customer.

Councillor Tindall referred to page 42 on FOI requests. He felt it wasn't satisfactory to just say they were 'missed' and asked for more detail. M Brookes advised that his service managed the process and distributed to the relevant departments for them to respond. He said the 'missed' comment was just to identify which department was responsible for not responding. Councillor Tindall asked for more detail in future and M Brookes noted his request.

Councillor Barrett queried if we would have lost the £400k in legal costs if we hadn't have won the case against Tesco. M Brookes advised that we seek advice on the strength of a case before proceeding so if there was a risk of not being successful they wouldn't have gone ahead with it.

Councillor Symington sought clarification on the consultation for TRO's (Traffic Regulation Orders) on Berkhamsted High Street adjacent to Manor Road. B Hosier explained that there was a TRO outside a chemist on the High Street and they're consulting to move a parking bay in line with the other parking bays. He said they needed to hold a consultation on any changes to TRO's.

Councillor Symington referred to the parking restrictions on Water Lane and queried if the time limit was reverting back from 2 hours to 4 hours and if they needed to consult on that. B Hosier said he would need to investigate the matter and come back to her.

**Action: B Hosier**

The Chairman asked why there had been delays in responding to stage 1 complaints. M Brookes advised that there had been slippage which was partly due to Covid-19 but he was also reviewing options for complaints and looking at ways to streamline and improve the process. He said it was a tricky area and complaints can often be complicated but they were looking at ways to increase performance. L Roberts added that there had been issues with the complaints relating to Property and Place but a new Group Manager, Jason Grace, was now in post and he had a lot of experience which she believed would help improve the performance of the service.

Outcome:

The report was noted.

**OS/008/20 QUARTER 4 PERFORMANCE REPORT – PERFORMANCE, PEOPLE AND INNOVATION**

L Roberts introduced the report and advised that they did start to see the impact of Covid-19 towards the end of March. She said they continued to monitor and address issues around sickness through the scrutiny panel. She advised that a Health and Wellbeing Questionnaire was circulated to all staff to understand how they're feeling and the responses were due to be analysed. The response rate was 47%.

With regards to ICT and digital services, she said we were very dependent on them at the moment and the use of Microsoft Teams had been very successful. She

advised that our website user statistics were similar to the previous quarter but they expected that to increase with the offices being closed.

The Chairman asked if we had confirmed Covid-19 cases in DBC. L Roberts replied she couldn't be sure but if we did have confirmed cases it would have only been a couple.

Councillor Tindall said he understood we had recruited a Climate Emergency Officer and asked for more details. M Brookes advised an offer of appointment had been made to an internal individual that had a lot of experience but he couldn't give any more information at this stage.

Councillor Taylor referred to page 47 regarding robotic process automation and asked for more information. L Roberts explained they had run some pilot projects but these had been delayed due to having to pause for 8 weeks because of Covid-19. She said as of this week they were restarting and one of the projects had successfully posted 25,000 historical records on to the housing system which had proved extremely valuable. She advised that two of the other projects were in finance; one was how to code utility bills and the other related to invoice numbering. The final project was the most complex and related to case work on a multitude of systems. She said this would save a lot of officer time, particularly those in the Environmental Health team.

Councillor Taylor asked how co-operative departments were of automating their services. L Roberts advised there was a slight hesitation at first but actually the response had been fantastic and because of the success of remote working during the pandemic, she felt that departments weren't as scared of the changes anymore.

The Chairman asked if there was a plan for staff to start returning to work. L Roberts explained that they were still encouraging staff to work from home as much as possible, particularly those without childcare provision due to school closures. She advised that B Hosier had been preparing the building for reopening in July to ensure we comply with social distancing measures. M Brookes added that they will be limiting the amount of people in the building at one time and producing rotas for each service. A full list of measures can be found in the forthcoming Cabinet report.

Councillor Tindall queried if it was cost effective to open The Forum if we don't have to. M Brookes advised that we were trying to comply with Government guidance in terms of giving staff the ability and option to work where they want to. He said they hadn't looked at it as a cost benefit exercise. He added that any costs incurred were good health and safety investments for the future.

L Roberts said there had been discussions with Group Managers about learning from lockdown so we can provide flexibility for our staff moving forward.

Outcome:

The report was noted.

**OS/009/20 QUARTER 4 PERFORMANCE REPORT – FINANCE AND RESOURCES**

N Howcutt summarised that 13 out of 16 KPI's were green and the remaining 3 were amber which were mainly due to timing issues. He said there were no significant areas of concern in terms of performance. He highlighted that the

operational risk report was prior to Covid-19 so the next report will reflect higher scores and risks.

Councillor Tindall referred to page 13 on Council Tax and Business Rate collections. He wondered whether the risk score should be higher. N Howcutt advised they were reviewing the 20/21 operational risk register. He said they do expect businesses to find it harder to pay their rates in 20/21, but equally half of our business rates have been paid by the Government so the risk may be lower than perceived.

Outcome:

The report was noted.

**OS/010/20 WORK PROGRAMME**

The following changes were made to the work programme:

July

Add Garages update – L Roberts

Add Covid-19 update – N Howcutt

September

Add New Normal – L Roberts

N Howcutt said he was building a timetable for MTFS (Medium Term Financial Strategy) and would come back with a date as soon as possible.

The Chairman asked members to let him know if there was anything they would like to see on the work programme so it can be discussed with the appropriate officers.

The meeting ended at 8.28 pm.