

Finance and Resources Overview Scrutiny Committee Review 2019-2020.

The first round of 2019/20 Finance and Resources Overview and Scrutiny Committee (F&R OSC) meetings started during **June 2019** with the quarter 4 provisional financial outturn and quarterly performance reports for the previous financial year.

Eleven Committee Members were present at this first committee meeting of 2019/20 season. The portfolio holder introduced the provisional financial outturn report and announced a balanced outturn position for the general fund and with an HRA underspend.

For the general fund capital budget slippages against the Housing Grant Payments to housing associations, Berkhamsted MSCP and Tring swimming pool were reported. For the HRA the slight delay on Stationers Place was cited, and the close to £0.5M gain-share payment from Osbornes was reported. It was also reported that the External Audit had raised no issues.

The OSC members scrutinised matters relating to the garage stock survey, recycling, reduction in commercial waste income, variances, staff vacancies, third party related transactions, and slippage on the HRA new build.

Nest on the agenda were the 'Performance Reports' which make the Committee agenda on a quarterly cycle.

The Quarter 4 Finance & Resource Performance was reported as being robust. Committee scrutiny enquired about the Universal Credit roll out preparedness, council tax collection returns, and risks covered by technical accounting adjustments.

The Q4 Corporate and Contracted Services Performance Report's scrutiny covered community use of the Tring swimming pool, Berkhamsted MSCP budget and progress, health and safety breaches, and CCTV coverage.

The Q4 Performance, People & Innovation Performance Report brought up discussion on rise in musculoskeletal injuries, staff well-being, and staff management training.

The Performance of the Leisure Contract in Part 2 concluded the proceedings of the evening, with a request made that where possible such reports should be included in Part 1.

Eight committee members attended the **July 2019** meeting where the 'Medium Term Financial Strategy' (MTFS) was on the Agenda. The committee scrutinised the assumptions made for this 4-year forward looking road-map document and provided feedback on the recommendations. The MTFS is a key financial planning document for the General Fund run services, provides a reference point for corporate decision making in the Council, and assists with the annual budget setting process.

The council tax setting process and the government rules for councils with or without social care responsibility and related council tax increase was discussed and clarified. The savings-led approach was queried, especially its impact on services going forward. The Corporate Director explained that savings help the Council guard against possible uncertainties, and help to prepare for the worst, whilst giving sufficient flexibility on Council finances management. The impact of this approach on the Revenue Support Grant was questioned and the Director responded by saying that there was an expectation that the legacy revenue support grant and business rates baseline funding are most likely to be streamlined as part of the fair funding review.

The role of business rates in future self-financing was queried by the Committee and clarified by Officers. The mitigation measures were queried, for example, if the business rates target of £60M could not be achieved. The Director for Finance whilst accepting the challenges being currently faced by retail businesses locally, felt that initiatives like the Council's Business Improvement Centre and the investment in our town centre of the last couple of years are measures which have helped.

The current status of the Dacorum Asset Register was queried. The Officers explained that the Asset Management Strategy is scheduled to be updated during this financial year with a view to maximising the revenue returns from the Council's commercial assets whilst at the same time promoting greater local community use of the community assets. The Committee were reassured that this will be achieved by the commercial assets team who monitor the situation on monthly and annual basis and are on the look-out for potential opportunities to maximise return.

Further queries and explanation of Dacorum Development Reserve for capital investment, saving targets business case, and the joint budget scrutiny meetings meant that Members were always involved in the process. Also, the reserves structuring, and profiling was questioned, and it was explained that the reserves were constantly under review for future spending needs and are also reviewed during the annual budget setting process.

Following the summer recess, the **September 2019** F&R OSC meeting scrutinised the Quarter 1 Budget Monitoring Report which came with the normal the mix of pressures, surpluses, and slippages.

The impact of charitable status of the Leisure Management Contractor and associated business rates reductions was queried. It was clarified by the Officers that this was beneficial for the Council as the 100% reduction in charity business rates meant that their management fee to the council was reduced, or increased payment to the council was resulting. Either way the arrangement was beneficial for the Council.

The use of Clean, Safe and Green personnel to undertake garden clearance had generated income and the Committee was re-assured that this was not impacting on other normal services that the department undertook, and efficient utilisation of resources was generating this income.

The sourcing of commercial waste vehicles coming from Europe over a period of two to three years and monetary pressure on commercial waste were discussed and clarified to the Committee.

Any additional cost of using Agency Staff were debated. The Committee were reassured that concerted efforts are being made through detailed analysis of roles data, benchmarking, pay, and specialist skill needs and recruitment methods were all things being reviewed, and this process will be helped by the HR system due for implementation at the start of 2020.

The quarter 1 Performance reports were reviewed at this meeting. On Finance and Resources Performance the Committee were keen to hear about Universal Credit processing, CIL, timely payment of invoices and risks clarifications in KPI reporting.

The quarter 1 Corporate and Contracted Services Performance discussions centred on customer satisfaction KPIs, garages survey and sales, Member training and success of the legal department on recent cases.

On the quarter 1 Performance, People and Innovation Report had a futuristic feel to the discussions as the Committee queried the officers on robotics adoption, use of Apps to improve the recruitment

process, harnessing artificial intelligence to improve performance, IT security and current staff sickness figures.

The September meeting was also given an update on the Parking Enforcement Contract, where terms and duration of the contract and break clauses, parking in Water Gardens car park, contractors performance and KPIs, financial management of the contract and electric vehicle charging points were discussed.

The **October 2019** meeting had two agenda items that were discussed in depth and at length.

The first report was an update on Commissioning and Performance Strategy and Standing Orders (the rules and regulations). An important policy that covers public money spend with third parties, ensures robustness of financial process, whilst at the same time outlining the future direction to satisfy the criteria set and agreed in the Medium-Term Financial Strategy. The various themes of this important strategy were covered in the agenda papers.

The role of the Local Government Association and its National Procurement Strategy and how effectively Dacorum were in implementing it was queried, with further questions on level of maturity in each of the areas, officer input time on low value contracts, threshold levels update, categorisation of contracts, evaluating and scoring of DBC performance targets, number of tenders, use of local SMEs, commercial prudence, and inclusion of climate emergency provisions within procurement of council services.

The October meeting was also presented with an update on Financial Regulations. The committee queries revolved around delegated authority for the S151 Officer, ongoing reconciliation of forecast and updated budget figures, transparency of decision making, and the reason for reviewing the regulations annually. This presentation paved the way for a detailed discussion on the commissioning and procurement strategy.

The Budget Monitoring report was first on the agenda at the **November 2019** meeting, and the format of the report was queried with a request to include an executive summary at the start of the report to differentiate from previous quarterly reports. The issues pertaining to core funding, Brexit, lorry fleet fuel costs, agency staff use, and costs and insurance income were all scrutinised and explanations sought. The discussions continued with garages - voids, rent and suitability for use. Vacancies generating underspend in housing finances, tenant charges and buying back of property previously sold Right to Buy were also discussed.

The second quarter Performance Reports provided the quarterly update and addressed items relating to Freedom of Information Requests, temporary agency staff, grievances of local taxi drivers, CCTV, sickness data and ICT matters.

A review of the parking tariffs and charges also took place at this November meeting. The use of annual RPI increases for parking versus the review over a longer period was discussed. The variation of parking charges to suit demand was queried as a possible option, as opposed to using same charges across the Borough. The strategy document was drilled further with a request for further breakdown of charges, option of 1-hour free parking, Parking Forum presentation, commuter use of DBC parking, season tickets issuance, local business beneficial use and discounts, parking charges for electric cars, and climate emergency concerns were asked to be addressed. There was a comment that the charges seemed excessive in some car parks and needed reviewing.

The **December 2019** Joint OSCs meeting covered presentations on Corporate Plan and Budget. This followed by the Committee Meeting to review F&ROSC specific items, or any items not addressed

during the joint presentation. These items covered a wide spectrum of issues, including Universal Credit (again), financial aspects of the caravan storage parking facility and possible future sites, various matters relating to The Old Town Hall, Water Garden electric vehicle charging points, elections costs, and complaints about Netcall telephone contact system.

The first meeting of **January 2020** was cancelled as only one Part 2 agenda item on offer with a view to including it with the February meeting.

The joint OSC Budget presentation of **February 2020** was followed by the Committee meeting covering items specific F&R OSC matters.

The report to the Committee from the Portfolio Holder for the F&R OSC Committee was very upbeat with The Revenue and Benefits service achieving the target rates for council tax and business rates, The Commercial Assets team posting high property rental utilisation, and The Finance Support Team was enabling the fiscal management process to perform efficiently. The Division was well prepared for the ensuing year 2020/21. Little did anyone know of what was waiting around the corner!

The February scrutiny looked at services charges, contribution of pensions, car parking charges and commuter parking occupancy durations. The negative impact of savings was queried, and reassurances sought that forthcoming savings had come from rationalisation of service without any negative impact on service. Other items scrutinised included rental income, investments and increase in temporary accommodations costs.

In the forward programme a request was made to look the Allotments policy at future meeting. This is reminder for Members that where they feel an aspect of the Finance & Resources policy or service should be reviewed by the Committee, then this the request should be made.

The February meeting also looked at the performance of the Leisure Contract in Part II of the meeting. The governance, performance, non-achievement of BAME user targets, satisfaction levels and investment and contingencies were discussed.

The **March 2020** F&R OSC meeting fell victim to Covid-19 and did not take place. This concluded the meeting scrutiny cycle for the year 2019/20.

The aim of the Scrutiny Committee is to “promote service improvement, influence policy development and hold the executive to account for the benefit of the Community of Dacorum”. Members are encouraged to call-up any Finance and Resources policy or service update for scrutiny.

The willingness and contribution of Members from both sides of the Chamber, Portfolio Holders and Officers to engage in open and effective scrutiny, helps improve the Finance and Resource service for the benefit of the residents of Dacorum and the Council. This fact is put on record in this annual report. Special thanks go to the Committees Support Officer Trudi Angel, who supported the Committee over the past year by not only facilitating the meetings, but also with her meticulous meeting minute taking. Thank you.

Effective and wide-angled scrutiny results when all Committee Members are present. Please add next year’s committee dates to your diaries to avoid clash with holidays!

F&R OSC is looking forward to 2020/21 season with the help of digital communication tools. and with an eye for climate emergency impact assessment having been considered in the reports coming to the Committee – the new normal.

Councillor Suqlain Mahmood,

Chairman, Finance and Resources Overview and Scrutiny Committee