

MINUTES
FINANCE & RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE

9 MARCH 2021

Present:

Cllr Adeleke	Cllr Sinha
Cllr Barrett	Cllr Stevens
Cllr Cloughton	Cllr Symington
Cllr Chapman	Cllr Tindall
Cllr Suqlain Mahmood (Chairman)	

Officers:

N Howcutt	Assistant Director – Finance and Resources
M Brookes	Assistant Director – Corporate and Contracted Services
L Roberts	Assistant Director – Performance, People and Innovation
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)

Also Present:

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

Lynda Evans – Chair of the Independent Remuneration Panel

The meeting began at 6.30 pm.

FR/009/21 MINUTES

The minutes of the meeting held on 2 February 2021 were agreed by the members present and will be signed by the Chairman at the next available opportunity.

FR/010/21 APOLOGIES FOR ABSENCE

There were no apologies for absence.

FR/011/21 DECLARATIONS OF INTEREST

There were no declarations of interest.

FR/012/21 PUBLIC PARTICIPATION

There was no public participation.

FR/013/21 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO A CALL-IN

None.

FR/014/21 ACTIONS FROM THE PREVIOUS MEETING

The Chairman advised there was one action from the previous meeting that had been completed by N Howcutt so that was now closed.

Councillor Symington asked if there had been any progress with timescales for the decision making process in relation to Berkhamsted Leisure Centre.

M Brookes advised there was a report going to Cabinet in April on the proposed next steps and that would detail the timescales.

Councillor Symington asked if there were timescales or plans for individuals returning to work at The Forum when everyone is vaccinated.

L Roberts advised we were working according to the governments timelines and at the moment it is 21 June that all the legislation ceases to have an impact. Between now and then we're liaising with managers and staff to understand how we want to use The Forum going forward. She explained that some departments will return sooner than others but we're not expecting a large mainstream return before June.

FR/015/21 BUDGET MONITORING REPORT

N Howcutt introduced the item and gave a high level summary of the quarter 3 budget monitoring report. The report shows a general fund pressure of £3.2m of which £2.9m relates to Covid in terms of implications to services. The housing revenue account (HRA) is a different story, we're projecting a surplus by year end of £2.5m, a significant increase on the end of quarter 2; this is primarily due to the reduction in repairs and maintenance because of not being able to access people's homes throughout the year due to lockdowns and restrictions. In terms of the capital side, the general fund is relatively on line in terms of budget; there's a 7-8% slippage and underspend which is not significant. There's around 5% of slippage and underspend in the HRA so not vastly outside the realms of what we would be looking to see in a normal year.

He explained the big stories from the report was from the general fund prospective and was mainly around reduced income from a lot of our income streams which has really hit our bottom line and that's been the real pressure on the general fund. In terms of the HRA, a circa of £4m underspend of repairs and maintenance, netted off by an increase in bad debt provision of just over £1m which gives you that bottom line surplus. Members of the Housing and Community OSC that were at last week's meeting would have seen the revised 30 year Housing Business Plan that incorporates significant additional spend over the next three years to make up for the work that couldn't be done this year. From that perspective the work will be done but will have to be rescheduled for the next few years.

Councillor Tindall drew attention to the £85k pressure in neighbourhood delivery due to interim resource to support the delivery of new initiatives within the service. He queried if this was for new ideas that had been recently developed.

N Howcutt explained that there were a couple of schemes that he knew about in detail, such as the rollout of recycling to flats that happened earlier in the financial year that needed additional resource to deliver, and there are some additional resources that have been brought in for initiatives around Covid as well as some

additional advertising around what to recycle now more people are at home and disposing of more waste.

Councillor Tindall said he could understand the pressures around Covid but questioned why we were getting pressure on the waste from flats as that should have been in the programme over the last couple of years.

N Howcutt advised it was partly because more work fell into 2021 than was expected for 19/20 as there was slippage in the programme, and partly because the nature of what that involved and because of Covid we couldn't do mass participation events so it was more one-to-one provision and actually cost more to do than planned.

Councillor Tindall referred to the £140k pressure in insurance costs. He said he wasn't questioning the costs but was wondering if we were talking to our insurers as to what we can do to protect ourselves against future weather events which are likely to happen on a more regular basis due to climate change.

N Howcutt responded that we work very closely with our insurance partners and this year we aim to roll out several schemes; one of which related to vehicle insurance at Cupid Green by sending our drivers on additional and advanced training courses to reduce insurance premiums. We had some freak weather events last year the insurance team had been extremely busy. He advised they were looking at the provision of insurance because the present contract runs out next year and they're working with different insurance partners to see what they can do to prevent some of these events and what we can invest to be more preventative than reactive.

Councillor Tindall requested a report on Everyone Active at the next meeting so that members could have an up to date picture in view of the current situation.

Action: M Brookes confirmed that was possible.

Councillor Cloughton queried why all underspend didn't count as slippage.

N Howcutt advised that slippage was when works still need to be done and still need to be funded so we provide those funds in the next financial year and underspend is when the project is finished and costed less than we expected it to so effectively that can go back into a capital cycle.

Councillor Cloughton referred to the works at Canal Fields in Berkhamsted. He noted the report said there were delays because of capacity issues and asked if the officers could expand on that.

B Hosier advised that Herts County Council were doing some work to a bridge in the Canal Fields area and they were utilising part of the Canal Fields car park to act as their base, the car park will not be resurfaced until HCC have used that space to carry out their works. The alternative was for them to use the grassland as their base but B Hosier explained that it was felt it would cause damage to the grassland so it was just easier to delay the resurfacing of the car park.

Councillor Cloughton advised that Berkhamsted Town Council wanted the path that goes through Canal Fields to be resurfaced due to bad condition and said there was a suggestion that the contract for the bridge should be extended to include that. He sought clarification on whether that was the responsibility of DBC or Herts County Council.

B Hosier responded it would be the responsibility of Herts County Council.

Councillor Adeleke referred to the transport costs on page 11 and sought clarification on what the £3k variation was for.

Action: N Howcutt said he would need to come back to him on that variation.

Councillor Adeleke drew attention to the agency costs on page 12. He questioned how far we had got with the recruitment process and what would happen if we didn't succeed in getting the positions filled by professionals.

N Howcutt explained that as of the start of the 21/22 financial year we will have a fully staffed commercial assets team which is where the estates service sits for the first time in approximately 5 years so we won't have that pressure going forward. He said they had found recruiting qualified surveyors has been phenomenally difficult in recent years but that had become slightly easier at the moment, potentially as a result of other economic impacts.

Councillor Symington noted that there was £1m shortfall due to arrears in commercial property. She said Councillor Elliot gave quite an upbeat speech about occupancy rates being around 94% but equally some of those tenants are obviously taking a payment holiday, and then later in the report we've got data for bad debts. She asked for some clarification and detail about how the officers felt all those will play out.

N Howcutt advised we normally have around a 94% occupancy rate in our commercial assets division and at present that hasn't changed. Part of that is because there is a government moratorium in terms of evicting people so that percentage won't change. In terms of the £1m that relates to approximately 20% of the overall income from commercial assets; he explained the pressure is a combination of people who we think aren't going to be able to pay and may go bust at some point in the future or have debt at the moment at levels that worry us. He advised there was a Covid related report going to Cabinet this month that shows year on year we're down 10% on collection at this moment in time. He explained that we're expecting the final quarter of the financial year to be the worst as business grants have run out, businesses have used all their reserves and cash flow and the trading environment is far harsher than what we were projecting earlier in the year. He added we have some very secure tenants on our database which we RAG (red/amber/green) rate and we think we are very comfortable with around 50% of it and the other 50% falls into the amber or red due to the lack of communication and lack of understanding of how the economy will grow.

Councillor Symington said she had seen on the news recently that councils have been using incinerators to get rid of some of their recycling waste. She queried whether Dacorum had been involved in doing this.

Action: N Howcutt advised we have our recycling waste picked up and taken to a site to be sorted and then recycled. As far as he was aware this process had continued. He said he would investigate and let the committee know so they could be sure.

The Chairman asked if there was a significant difference in costs for agency staff compared to permanent staff as agency staff may not receive the same benefits as permanent staff, such as sick pay or holiday entitlement.

N Howcutt advised there wasn't a huge difference between agency and permanent staff costs, partly due to the reasons that the Chairman highlighted.

The Chairman referred to the works at the Forum to ensure the building was Covid compliant. He said he couldn't see anything in the budget that allows for reversing those works when we go back to some normality.

N Howcutt suggested there wouldn't be a huge amount of cost to remove some of the elements that we have put in. Some elements, such as the electric doors, will probably stay in place. He advised that there wasn't a full Covid recovery plan at the moment but in terms of what may or may not be done as part of that, we will allocate budget for it if required.

B Hosier advised that due to the ongoing work and discussions around what the Forum will be used for going forward, we would not know at this stage what would need to be removed or how the Forum would need to look.

Outcome:

The report was noted.

FR/016/21 QUARTER 3 PERFORMANCE REPORT – FINANCE AND RESOURCES

N Howcutt introduced the report and explained the quarterly performance falls into two sections; the performance report and the operational risk register. He advised we have 6 red rated KPI's that were shown at paragraph 6 of the report and highlighted in the attached appendix. Quarter on quarter that is an increase of 1 red KPI which is linked to the performance of Council tax and customer contact response within 14 days. He said this had always been a stretched target but we choose to set it despite other authorities choosing not to because we try to achieve a really high standard. Also the amount of additional work the revenues and benefits team has had this past year has been phenomenal. He explained that the other red areas were linked to commercial property rent and the general fund position, which had been discussed under the budget monitoring item.

In terms of the operational risk register, he explained we had seen a reasonable amount of change in the first two quarters but no change in quarter 3. He felt this was because they knew what the risks were and what we're mitigating for.

The Chairman referred to page 27 and asked for an explanation on the investment income streams.

N Howcutt explained that investment income is where we invest the cash that we hold on a daily or annual basis. He said interest rates on almost everything at the moment is zero, so we're getting very little returns on our investments; last year we were averaging 0.8% and this year we have 0.2%. Equally, in terms of how much cash we had to invest earlier in the year, we weren't receiving as much council tax or business rates as we normally would and so our cash balances (the amount we had to invest) were lower. He finalised by saying that those two direct impacts of Covid meant that the return on our investment income got hit significantly and it hits the general fund and the housing revenue account.

Councillor Tindall noted the wording *market leading level* on page 28 and asked if that was a positive or negative thing.

N Howcutt advised it was positive because it means our debt and vacancies were so low.

Councillor Adeleke referred to the performance for council tax queries. He asked if the queries were increasing in number or nature, and if it was a temporary Covid related issue or if they were considering changing working practices moving forward to cope with the increase.

N Howcutt advised that in terms of the council tax team this was both an increase in the volume and complexity of the queries they're receiving. He said there was more residents earning less money and asking more questions around council tax support and the ability to claim for those. There was also residents asking to delay their council tax payments, so instead of paying for the first ten months of the year they pay the last ten months. On top of that there has been a large number of homelessness and people in temporary accommodation which means the nature of their vulnerability and their needs is complex and therefore harder for the team to deal with. He added that the team require certain documents to validate claims and due to Covid and the building being closed it is more difficult to get that information but they had managed to find ways to improve the process so there are some positives.

Councillor Adeleke asked how the staff were coping during these difficult times and if they had increased staff numbers to manage the workload.

N Howcutt suggested there was a multitude of answers to that question. He felt as a council we had reacted very well from a workforce perspective, in terms of our flexible nature with staff being able to work hours around other commitments. We've done well with ICT and making things accessible to staff. He advised he hadn't seen a huge amount of sickness in his area or people leaving which would be a key indicator that staff were feeling pressurised or stressed. He explained there were far more team meetings, communications and informal conversations which supports evidence that the staff are happy. He finalised that staff had achieved everything we had asked them to achieve and despite the pressures the feedback was positive.

Outcome:

The report was noted.

FR/017/21 QUARTER 3 PERFORMANCE REPORT – CORPORATE AND CONTRACTED SERVICES

M Brookes introduced the performance report and drew attention to a couple of court cases we had been successful in; one environmental health prosecution and one taxi licensing prosecution. He advised that we had just finished the annual canvass which was particularly tricky this year due to the lockdown and all the PPE required. Despite the difficulties we had managed a really successful canvas with over 95% success rate which was actually the highest ever for the council. He gave credit to the team for that success.

Councillor Tindall referred to the legal cases in relation to Stone and Sherman. He said there was no indication of whether we were granted costs or not.

F Hussain advised that the Stone case was a closure and the defendant was possibly on benefits so sometimes it was not actually worth seeking costs that we're not going to recover. The Sherman case was struck out in the early stages so we wouldn't have applied for those costs.

Councillor Tindall referred to the developing Climate Change Strategy and Action Plan on page 54. He queried if there was a timeline on when that was going to be discussed.

Action: B Hosier said he would investigate and come back to members with a response.

Councillor Symington asked what consultation had been done with residents regarding the Berkhamsted Leisure Centre. She said she hadn't been made aware of any consultation with residents about what they might want, especially in view of the fact that we have a number of rival projects going on that have come through the Local Plan or have had planning permission granted. She sought clarification on how we're going to pull all this together.

M Brookes explained that the stage they just completed was the feasibility stage where they looked to see what was possible on the site in terms of a facility mix and options for reconfiguring the site. The consultation on that was more focused on user groups; so lots of sports clubs and also national and regional groups and bodies. He advised that the public focus hasn't happened yet because they wanted to focus on the art of the possible at this stage before we started the detailed design planning, and that would be carried out at the next stage which was stage two. The report going to Cabinet in April was to seek authority to award the consultants that develop that side of the project and that was where the public consultation would come in.

Councillor Symington asked for a timeline on how long it would be until it came back to the public domain.

M Brookes advised that after Cabinet in April they hope to award the contract and then begin the next stage which will be developing the plan, the design, the business plan and the revenue cost plan. It will be at that stage they would look to go out and do some public consultation. He suggested we would be looking at the summer time before we do that consultation.

Councillor Symington asked if there was an update on the ongoing discussions between DBC, HCC and Berkhamsted Town Council in relation to a potential TTRO (Temporary Traffic Regulation Order) on Berkhamsted High Street.

B Hosier advised that there had been correspondence sent through from HCC at the end of last week to the Leader of the Council with some final proposals. The Leader has been looking at it over the weekend and is due to go back to HCC at some point this week, either to clarify some further parts or to make a decision.

Councillor Symington sought clarification on the process of that decision.

Action: B Hosier replied he believed it was just an operational decision that would be made by the Portfolio Holder but he would need to speak to the Portfolio Holder responsible for parking for clarification.

Councillor Chapman asked what delays we were anticipating with legal cases now that the courts were open again.

M Brookes advised that prosecutions had been going ahead so we had been able to conduct those cases. It was only possession cases that had been delayed.

F Hussain said there was a significant backlog and some areas had been trialling weekend court as an attempt to clear the backlog. She added that when lockdown restrictions are eased we expect there will be a lot more activity in the courts, however that will put a strain on the legal team.

The Chairman referred to the Leadership Development Programme on page 47. He said he couldn't understand why we were procuring that and asked if we often go out to a lot of training organisations.

L Roberts explained that the Leadership Development Programme was a transformation programme that they were looking at across the council, and in terms of procurement, this particular party have worked in detail with the new Chief Executive and they thought it was more appropriate to work with a trusted partner rather than go out to a full tender because it would be very difficult to get the kind of response that we require for this type of personal work. The work will happen over the next few months and was quite important because to start with it is supporting the leaders who have been through Covid with coaching. They felt it was important to process what has happened and what it has meant to them, their teams and their leaderships styles before moving on to other areas.

The Chairman asked if they procured an agency to deliver temporary staff.

B Hosier advised they had a corporate contract that was used across the organisation for temporary agency staff to cover particular posts that were more generic. He said it was a framework agreement that they had that different services within the council can dip in and out of.

Outcome:

The report was noted.

FR/018/21 QUARTER 3 PERFORMANCE REPORT – PERFORMANCE, PEOPLE AND INNOVATION

L Roberts introduced the report and advised it covered Human Resources and ICT and Digital Services. She was pleased to report that sickness levels had been good although at this time of year we would expect an increase due to colds and flu. Overall sickness rates were lower this year than this time last year which was good considering the pandemic. Long term sickness was still being monitored closely to make sure we're taking all the right steps.

She wanted to update members on what they were doing for the health and wellbeing of all staff during this challenging period. She said they had developed an action plan to support staff and this included running webinars, expert advice on home schooling, time to talk to make sure people are communicating, specialist financial and loneliness workshops, exercise classes three times per week, bulletins to advertise where people can get help and the introduction of protect your lunch break to ensure staff get a break away from their screen. A monthly group has been set up to evolve that programme of work and to suggest what other things

could be done to support staff.

In relation to ICT and digital services, Microsoft Teams has been an essential part of how we all work now as well as the reliance on our systems to enable people to work from home. This does cause the ICT department a degree of complications as it's often not the kit that is the problem but the individuals connectivity to the internet which is harder for them to diagnose. Overall the KPI's show that we are performing well in those areas and staff have been very grateful for the support of the ICT team over the past few months. Finally, we have had an increase again on the number of website users and we're finding that more and more people are choosing to use it.

Councillor Adeleke commended the various activities and measures put in place for the welfare of staff. He said he had seen a video that had been sent by the Chief Executive to update staff which he felt was excellent. He asked if this would be something she intended to repeat given the current situation.

L Roberts said she would pass that question on to C Hamilton but believed it was something she would continue to do. She advised that on a regular basis the Chief Executive sent out messages to all staff to talk about things that are happening or coming up.

Councillor Adeleke felt staff would appreciate video messages more as they are more personal.

Councillor Symington firstly commended all the measures in place to support the staff. She also praised the ICT team and said they had been incredibly helpful during her recent contact with them about Internet Explorer issues. She then queried what the overall risk to the organisation was of using legacy platforms.

B Trueman advised that Internet Explorer was a supported product and wasn't a legacy product in the sense that it wasn't supported. There are security patches still being provided by Microsoft. He said we do intend to move away from it in the Autumn but we're just going through all of the line of business applications that we have to make sure they work with Edge which is Microsoft's replacement product.

Councillor Tindall questioned the timeline on when the Senior Leadership Team (SLT) would start to discuss how we resume operations and what options will be available to staff when the Forum opens again.

L Roberts explained SLT were actively discussing it now to try and understand what the staff want and what the managers and services needs are so we can plan the return to the Forum. She felt it would be unlikely that we would all return to how we worked before and that more workplaces would adopt a hybrid way of working. She said it would be a challenge and we needed to make sure our infrastructure was set up in the right way to support that way of working full time. She commended B Trueman and his ICT team for all the work they had done so far.

Councillor Tindall shared his concerns for the health and wellbeing of the staff and said he wouldn't want them to be forced into options that would be damaging. He queried the route of the decision and asked if this committee could have an input into future decisions.

M Brookes advised that within the Covid update report they included some operational matters in which they would bring to scrutiny for an overview. He

suggested they might be able to include a section to cover those concerns once the plan was developed more.

Councillor Tindall felt that instead of it going straight from the SLT to Cabinet it would be useful to have at least one member of each party should be able to have an input into it so they can share their views and review ongoing process.

M Brookes said they had noted the importance of member involvement in the review of working practices and gave assurance that they would ensure they receive input from members.

The Chairman asked if staff were involved in that process as well.

L Roberts replied that they were and said there would be a series of consultations and workshops for staff. She explained she had carried out a series of interviews with Group Managers after the first lockdown about what they had learnt from it, what worked well and what didn't, so they were building on that.

The Chairman queried if we had trained mental health advisors within the Council.

L Roberts advised we did have mental health first aiders but if individuals didn't feel comfortable talking to somebody within the work place for whatever reason there are other places that we're pointing them to as well for additional support.

Outcome:

The report was noted.

FR/019/21 REPORT BY THE INDEPENDENT REMUNERATION PANEL 2021 - MEMBERS' ALLOWANCES FOR DACORUM BOROUGH COUNCIL

The Chairman highlighted that a revised report for this item was circulated this morning.

F Hussain introduced the report and explained that there was an error in the base figure on the initial report because the number of Cabinet members had changed since the last review. She advised that the Council was required to put in place a policy for member's allowances and the current policy expires at the end of this financial year. The Council is required to take into account the views of an independent panel; the panel was made up of three members who either live or work in the borough. The panel met on three separate occasions and considered a number of documents including the results of a member's questionnaire, a timetable of committee meetings from the previous year and members allowances schemes from other Hertfordshire authorities. In summary, the panel recommended an increase of 0.5% to the basic and special responsibility allowances and this is in line with the consumer price index figure for September 2020 and the increase also reflects the schemes in neighbouring local authorities.

Councillor Symington referred to the office furniture and equipment allowance. She asked how that was communicated and paid to members as it wasn't something she was aware of. She advised that a number of members had applied for supplementary computer equipment and their requests had been rejected.

F Hussain said she understood that any requests for IT equipment should be passed on through to the IT department.

B Trueman agreed that requests should come to the IT service desk. He said there was a core set of equipment that is provided and then there were additional pieces of equipment that would be outside of their budget so in that instance they would ask democratic services for a cost code.

Councillor Symington advised that requests had gone through democratic services and suggested that some of the things that had been said and done possibly wouldn't have happened if there had been more awareness of this allowance. She asked that going forward, could members be made aware of and be given access to this sort of useful information.

Action: M Brookes suggested he could put together some guidance as to what that money was for and to ensure it was fairly claimed. This will be publicised through member's news.

The Chairman said he had thought about the report and the calculations and he wondered if it was worth the hassle. He queried why the panel had decided on a 0.5% increase against no increase.

Lynda Evans advised that if the panel didn't decide on an increase, even if it was a small amount over a number of years, then it would fall behind. She said the last time they did this report the members hadn't received a pay rise for a couple of years so they had to increase the allowances by the recommended amount which is the consumer price index in the September before. They also felt that member's should be given some recognition for the work they do. She added that it was now up to the Cabinet to decide whether they accept the increase or not.

Councillor Tindall felt it was dangerous to go outside of the present system. He said he liked the fact that the Leader and himself (as Leader of the Opposition) could meet with the panel and have their views heard. He felt that the best thing to do was to accept what the independent panel say.

Councillor Adeleke asked if the panel members changed every year.

F Hussain advised that they advertise for panel members so it depends who applies.

Lynda Evans said she had been on the panel five times and each time she had worked with different people.

The Chairman thanked Lynda Evans and her colleagues for their work as members of the Independent Remuneration Panel, and wanted to put on record the Committee's thanks and appreciation.

Outcome:

The committee considered the report and agreed with the recommendations made by the Independent Remuneration Panel.

FR/020/21 WORK PROGRAMME 2021/22

The following changes were made to the work programme:

June

- Add Garages report – J Deane
- Update on the leisure centres – M Brookes

To be scheduled

- Commercial Properties & Future Plans – requested by Councillor Symington

The meeting ended at 8.18 pm.