

MINUTES
FINANCE & RESOURCES
OVERVIEW AND SCRUTINY COMMITTEE

7 NOVEMBER 2023

Present:

Councillor Freedman (Chair)	Councillor A Williams
Councillor Capozzi	Councillor Hannell
Councillor Gale	Councillor Pound
Councillor Reynolds	Councillor Elliot (Vice-Chair)
Councillor Santamaria	Councillor Guest
Councillor S Hobson	Councillor Stewart

Officers:

Catherine Silva Donayre (Strategic Director, Corporate and Commercial)
Aidan Wilkie (Strategic Director, People and Transformation)
Nigel Howcutt (Chief Finance Officer)
Ben Hosier (Head of Commercial Development)
Mark Brookes (Assistant Director, Legal and Democratic Services)
Shaj Choudhury (Head of Transformation)
Trudi Angel (Democratic Support Officer)

Also in attendance:

Councillor Ron Tindall (Leader of the Council and Portfolio Holder for Corporate and Commercial)

The meeting started at 7.30 pm.

1. MINUTES

The minutes of the previous meeting were approved as an accurate record and signed by the Chair.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Adeleke, and Councillor Cox who later joined online.

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. PUBLIC PARTICIPATION

There was no public participation.

5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN

None.

6. ACTION POINTS FROM THE PREVIOUS MEETING

There were no outstanding actions from the previous meeting.

7. QUARTER 2 PERFORMANCE REPORT – PEOPLE AND TRANSFORMATION

A Wilkie took the report as read, highlighting steady and gradual improvement around sickness figures which was expected to continue, ongoing work on the people strategy with some products due to start coming through the committee in the coming months, and successful recruitment campaigns for Senior Leadership Team (SLT) and at the Corporate Leadership Team (CLT) level. Digital and ICT were confirmed to have high availability, with only one incident of note in the past three months that was relatively quickly resolved, and a vacancy in the team was stated to be in the process of being filled. Communication was noted to have had a busy quarter, covering a lot of events over the summer, with internal communication and staff engagement of particular focus, and steadily growing social media and digital channels comparing favourably with other local authorities. The volume of digital traffic was identified as being significant, with the channel representing an opportunity to provide good service to residents.

S Choudhury explained that a number of projects were starting to deliver on the customer strategy across the organisation, ramping up over the next few months, including a review of the PMO function to improve the delivery and appropriate oversight of all projects, and work on improving the way performance is managed. It was noted that annual leave had an impact over the summer, with average wait times confirmed to still be higher than target but improving; a trend expected to continue into next month. Splitting job roles between individuals was highlighted as one strategy to better manage the peaks and troughs of demand, as was offering call-back opportunities at times of high demand. A dedicated training officer role was confirmed as having been implemented to bring new customer service agents up to speed faster in a wider range of areas, and improved coordination across the rest of the organisation to try and avoid surges in call numbers. The new KPI (key performance indicator) measuring performance against complaints was identified as being below target, with S Choudhury explaining that the current focus was on a high quality of response, although it was acknowledged that there had been a bit of a trade-off whilst bedding the new processes in, and it was hoped timescales would now start to shorten.

Cllr Hannell referred to paragraph 3.1 and the average call wait time target of five minutes, with the actual average time of 6 minutes and 11 seconds. He wondered at what point waiting callers were asked whether they wanted a call-back. S Choudhury explained that it used to be after a few minutes, but should now be sooner, with the message kicking in once the system recognises the average call wait time for the subject area has reached a certain length, adding that offering call-backs up to 3:00pm was also being tested for effectiveness. It was clarified that the figures were slightly skewed, as the system was recording people waiting for a call-back in a virtual queue that was contributing to the average call times. S Choudhury also stated that the system was being tweaked and monitored to try and find the optimal balance for resources. Cllr Hannell suggested the next report should include the fact that not everyone 'waiting' were physically waiting for that length of time.

Cllr Hannell asked for clarification on what a 'stage one' complaint was, and how it became a 'stage two' complaint. S Choudhury explained that 'stage one' was the first stage where someone would make a complaint that would be investigated and responded to, and if the response was felt to be incorrect, unfair, or incomplete, the complainant could submit a request to escalate it to a 'stage two' complaint, which would then be investigated by someone at a higher level.

Cllr Guest referred to sickness absence on page 12, paragraphs 2.3 and 2.4, and wondered at what point the regular contact by managers for staff off sick would kick in. A Wilkie explained that the expectation was for it to be immediate, with a new system in place to support it, so if he was off sick, his duty would be to make his manager aware, starting an ongoing conversation about his return to work, at which time there would be a return to work interview, with everything logged and monitored through the iTrent system. Training to enforce the importance of the procedure was confirmed for all managers, with ongoing communication and assessment through staff surveys. The expectation was confirmed to be for a daily conversation, or at the conclusion of a sick-note, although it was acknowledged that there was a degree of flexibility based on the circumstances, including how contact took place. Cllr Guest further wondered how the system would help those off sick return to work. It was noted that there appeared to be positive evidence across industry, and it was a good way of supporting staff, and it was clarified that the average days of absence lost due to sickness for September 2023 was for the quarter to September 2023.

Cllr Elliot questioned whether the effectiveness of using LinkedIn to advertise for staff was being monitored. A Wilkie confirmed it was, and may have played a part in a larger number of applicants than expected, although it was still early to draw any direct correlation, but that it was felt to be something worth doing.

Cllr Elliot asked what the staff turnover in the CSU (Customer Service Unit) was and how it compared to other departments. S Choudhury admitted that he didn't know off the top of his head, but could send it through, explaining that it was usually higher than

other departments as it was typically the entry point and a lower paid role in the council, providing subject matter expertise for individuals to move into roles in other departments.

Cllr Elliot wondered if complaints were broken down by type. S Choudhury confirmed that each department would deal with its own 'stage one' complaints, providing a breakdown at team level, and that at operational level it would be managed at department level, with the figure provided that of the overall corporate level. Cllr Elliot further wondered if that meant the SLT team would get a report identifying spikes in, for example, housing. S Choudhury agreed that it did.

Cllr Capozzi referred to paragraph 3.5 and wondered why complaints in the last quarter had increased significantly. S Choudhury explained that the new policy had been in place since December 2022, and it hadn't been possible to identify any particular reason, although he suggested that it was often due to repairs not being undertaken on time etc. adding that further levels of detail were planned in the future. It was also noted that it wasn't possible to compare to the previous year's data, and that complaints often had a degree of lag which might not correlate with when they were made.

The Chair noted that there were some new staff policies, and wondered if the employment policies were visible publicly. A Wilkie said he didn't know off the top of his head, and would need to check, but that it was his ambition that they should as part of the offer to incoming staff, and they were mentioned and reflected in the blurb around job adverts. The Chair also asked whether there was an electric vehicle leasing policy for staff, or any intention to make one if not. S Choudhury explained that there was a salary sacrifice car lease scheme which had an option of electric, and with better tax benefits for the electric. It was confirmed to have existed for a while and been renewed earlier this year.

The report was noted.

Action: S Choudhury to confirm CSU staff turnover figure with Cllr Elliot.

Action: A Wilkie to check whether employment policies are publicly visible.

8. QUARTER 2 PERFORMANCE REPORT – CORPORATE & COMMERCIAL

The report was taken as read, with B Hosier highlighting commercial development KPIs (key performance indicators) of the income targets for garages and parking, which were almost on track for Q2. For procurement, as required from an audit perspective, he identified four contracts awarded during quarter two, each justified without going out to tender as being for the provision or continued provision of agency staff. It was noted that there had been a separate Part Two report presented to Cabinet in October on some housing-related non-compliant spend, but there had been no other non-compliant spend

during Q2. From a commercial strategy programme prospective, B Hosier identified a brief update on progress of FBCs moving forward.

M Brookes explained that there were various reviews going on, highlighting a KPI relating to freedom of information (FOI) requests, where there had been a significant improvement in performance over the last quarter following some procedural reviews.

N Howcutt stated that there were two red KPI's, (1) time taken for debtors to pay, with the KPIs and targets being reassessed to improve the information presented to committee going forward by removing aged debt on payment plan, and (2) variance in terms of performance around capital, with a projected £70,000 overspend on a £10m budget that was relatively minor. He confirmed that he had no major concern in terms of overspend with a significant impact on the organisation.

In terms of the operational risk register for finance and resources, N Howcutt noted the collection rates were ongoing as an amber indicator, and that the average budgeted collection rate across Hertfordshire was 98.6, with Dacorum targeting 99.4 and 0.8% behind, which was only 0.02% off the Hertfordshire average, so performance could be considered strong despite not achieving expectations. It was acknowledged that there were delays to the capital programme, but these were having a beneficial impact due to treasury returns, particularly when the projects delayed were not expected to bring in large amounts of income.

The Chair asked for clarification regarding which debtors were being referred to by the KPI measuring time taken for debtors to pay. N Howcutt explained that there were three sections for debt, council tax and business rates, and HRA which was residents, all of which were reported separately due to different legislation and policies, confirming that the KPI in question was mainly businesses in terms of commercial income and income from other business areas or parking, etc.

Cllr Hannell referred to the fact that the non-procurement compliance process hadn't been needed due to the continued provision of agency staff. B Hosier explained that there was a framework agreement open to all staff or agency staff, however the four contracts in question had been in place before that framework agreement was set up, so the circumstances had justified an extension of the existing agreement. The Chair suggested that it was right to still report the matter in the same way.

Cllr Hannell suggested that with the capital projects, there was a danger of delays leading to inflation causing the building costs to be greater than originally budgeted for, even with any income from interest on the funds. N Howcutt assured the committee that there were no projects in Dacorum that had been delayed in order to make money on cash investments for that exact reason, and delays were not related to cash flow. He added that the debt level was at about 5% of the net cost of services, and probably in

the top 10 authorities in the country, with £67 million of HRA new build and capital programme work this year.

Cllr Guest referred to the commercial strategy and programme, paragraph 2.4 on page 24, specifically the planning service, and asked for an update on discussions with neighbouring authorities regarding potential future shared services. B Hosier stated that discussions were ongoing, and he was hopeful that there would be further updates by Q3, but that he wasn't currently involved. Cllr Guest asked if he could confirm the services being considered for sharing from a planning point of view. He admitted that he could not, as he was still waiting for an update from the lead officer. Cllr Tindall explained that the five leaders of the Southwest Herts Authorities and the Chief Executives had met a month ago to discuss how shared services might go forward, with agreement to continue exploring the idea, but currently no detail. Cllr Guest wondered whether decision-making would still be independent within authorities for shared services. Cllr Tindall noted that planning decisions were governed by legislation, and his focus was on services direct to residents, but that the council would be kept up to date. Cllr Guest questioned whether it would be looking at generating savings or efficiencies. Cllr Tindall stated that the focus was on providing services for the benefit of residents, particularly considering the challenges of recruitment.

Cllr Williams asked if a list of portfolios' responsibilities, and what services rested with what portfolio holder could be provided, highlighting page 42 of the risk register said council tax and business rates as a housing and property service. N Howcutt stated that this was a report error, as all the risks should be finance and resources.

Cllr Williams wondered if there was a timeline for the outcome of the informal consultation on car parking that had closed recently. B Hosier explained that there had been an initial review, and he understood that the findings would be coming back to the committee in December.

Cllr Elliot wondered what the process was for businesses while they were appealing new rates. N Howcutt stated that the business rates had been revalued for financial year 2023-2024, with a significant uplift of 20% on average in Dacorum, and that businesses would have to pay the new rate, but could appeal through a check and challenge process, although they would have to pay the uplifted amount during the appeal period. He explained that an appeals provision was set aside on an annual basis each time there was a revaluation. Cllr Gale wondered if there was a way of insuring against such appeals. N Howcutt confirmed that there currently wasn't, and that Dacorum had a very large business rates base without any particular single large payers, reducing the risk, along with the significant appeals provision.

Cllr Stewart referred to the investment income, and wondered what was done with that money. N Howcutt explained that it was helping to balance the bottom line, with treasury

supporting some significant financial pressures, particularly around staffing, and that there was a budget to make money on cash balances.

The report was noted.

9. QUARTER 2 FINANCIAL PERFORMANCE REPORT

N Howcutt took the report as read, highlighting his hope from a financial perspective that there would be very little significant change before the year end, barring policy change or significant environmental or economic impacts on the authority. The general fund was noted to be projecting a surplus of £0.5 million, with some pressures around staffing at Cupid Green, and some of the work on optimisation and place-shaping, including temporary staff. Increased treasury returns and a bumper windfall from green waste income were noted as offsetting factors. HRA (Housing Revenue Account) was identified as the headline of the report, with a pressure of £0.4 million but a huge amount of work done in the first six months of the year. Pressures started to be coming from the supervision and management of the service through the transformation programme, general service delivery and improvements, and around £5 million from repairs and maintenance due to post-Covid catch-ups and increasing costs, which N Howcutt identified would be examined in great detail at the next month's scrutiny as part of the HRA business plan. It was confirmed that the contribution to capital had been removed, so future capital programmes would rely more on borrowing than reserve contributions, and emphasised that the current treasury windfall of £1.8 million was only short-term, with cash balances for the HRA expected to reach a point next year where they were borrowing. Income increases were identified as a result of faster property turnaround times, leading to more rental income and leaseholder charges.

Cllr Capozzi referred to section 7, asking where the relief was coming from for the pressures in point 4. N Howcutt suggested looking at Appendix B, and a table of all subsets without narratives. The Chair asked for a summation of the categories in the table in 7.4. N Howcutt explained that, (1) compliance planned maintenance was around gas, electric safety, fire safety, legionella, and asbestos, that (2) the responsive repairs was for repairs that needed to be responded to within a day or two days and was predominantly delivered through Osborne, that (3) empty homes had an average cost of £8,000 in repairs with around 330 re-lets per month, that (4) main contact overheads were those involved in the management of all other work.

Cllr Williams questioned the number of re-lets, and N Howcutt agreed to check and clarify with all committee members.

Cllr Guest referred to paragraph 1.1 in the executive summary, wondering how the figure of £0.5 million had been reached. N Howcutt stated that it was based on the final offer put forward of £1,925 per employee for the year, except those above spinal point

45, which was at 3.88% and came out a little under £500,000 that was now planned to be paid through the December payroll following confirmation.

Cllr Pound referred to capital programme at Appendix C, item 83, Rossgate Shops structural works, £315,000 and asked when work was scheduled to start, as recently some concrete had fallen onto workers heads. N Howcutt expressed his belief that he had circulated a timeline update, and that he would recirculate it, but that he thought it was about due to start. Cllr Hannell confirmed that there had been some slippage at Bennetts Gate and Rossgate, but that residents didn't know when the work was due to start, as they had been informed it would be in October. Cllr Pound further wondered what area of the shops it was. N Howcutt admitted that he didn't know, but would confirm as part of the update.

Cllr Capozzi referred to paragraph 2.1, asking for clarification on how to read the columns in Appendix C. N Howcutt briefly ran through the column headings and calculation of figures, agreeing to take the discussion into more detail offline.

The report was noted.

Action: N Howcutt to check and clarify the number of re-lets per month to committee members.

Action: N Howcutt to liaise with the project lead for Rossgate regarding a timeline update and confirmation of the area affected.

10. WORK PROGRAMME

There were no changes or additions to the work programme.

The meeting ended at 8.44 pm.