

Minutes



To: All Members of the Resources and Performance Cabinet Panel, Chief Executive, Chief Officers, All officers named for 'actions'

From: Legal, Democratic & Statutory Services
Ask for: Stephanie Tarrant
Ext: 25481

RESOURCES AND PERFORMANCE CABINET PANEL 6 JUNE 2018

ATTENDANCE

MEMBERS OF THE PANEL

E H Buckmaster, F Button, H K Crofton, R C Deering (Vice-Chairman), T R Hutchings, S K Jarvis (*substituted for T J Williams*), A J S Mitchell (*substituted for M D M Muir*), R Sangster (Chairman), R H Smith, S J Taylor, A S B Walkington, P M Zukowskyj

Upon consideration of the agenda for the Resources and Performance Cabinet Panel meeting 6 June 2018 as circulated, copy annexed, conclusions were reached and are recorded below.

Note: No declarations of interest were made at this meeting.

PART I ('OPEN') BUSINESS

	ACTION
1. MEMBERSHIP AND REMIT OF THE PANEL	
1.1 The Resources and Performance Cabinet Panel noted the Membership and Remit of the Panel.	
2. MINUTES	
2.1 The minutes (Part I and Part II) of the former Resources, Property and the Economy Cabinet Panel held on 18 April 2018 were noted.	
3. PUBLIC PETITION	
3.1 There were no public petitions.	

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**4. RESOURCES AND PERFORMANCE CABINET PANEL
RESOURCES MONITOR – QUARTER 4 (JANUARY – MARCH 2018)**
[Officer Contact: Alex James, Head of Corporate Policy, Tel: 01992 588259 / Stuart Reynolds, Business Manager – Resources, Tel: 01992 588630]

- 4.1 Members received an overview of the performance of the Resources service over the period January - March 2018, which included details of key performance within Human Resources (HR), Finance, Assurance, Property, Improvement & Technology, Legal, Democratic and Statutory Services, Hertfordshire Business Service (HBS), Community Engagement Service-wide Resources indicators. The summary of performance could be viewed on page 3 of the report [Q4 Resources Monitor](#)¹.
- 4.2 Members discussed the fraud indicator at 3.1.4 of the report and noted that the indicator did not provide visibility of the possible future fraud value. It was noted that this indicator would be reviewed, along with all reported indicators to improve the feedback provided across all areas.
- 4.3 Apprenticeships were discussed, with it being noted that 86 members of staff were currently undertaking an apprenticeship with 35 of these being new recruits and the remaining being existing employees. Members noted that there were plans to recruit more external apprentices in the future with major campaigns to attract social care apprentices.
- 4.4 In response to a Member question around how the apprenticeship levy was working for the County Council, it was noted that there had been some challenges and delay around accredited schemes being available within Social Care. Members noted that a future agenda item providing more detail on the County Council's approach to apprenticeships would be useful.
- 4.5 Members discussed the social media indicators and noted the decrease in user engagement. It was suggested that a separate report/presentation was to be provided to Members to explain the context and its impact.
- 4.6 Agency spend as detailed at 9.1.3 of the report was discussed and it was noted that there was a seasonal increase in spend in Hertfordshire Business Services (HBS), however the overall trend for the County Council was a reduction in agency spend. In addition, it was noted that HBS were looking at alleviating the

Owen Mapley,
Director of
Resources /
Sally Hopper,
AD - Human
Resources

Taryn
Pearson-Rose,
AD Customer
Engagement
Libraries /
Andrew
Hadfield

¹

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seasonal pressures by having employees on term-time or annualised contracts to meet the seasonal needs of the business.

Conclusion

4.7 The Resources and Performance Cabinet Panel:

- Commented on the performance, projects, and audit matters outlined within the report, as detailed above; and
- Suggested further actions to address any performance concerns raised in this report or covered in the detailed electronic monitor, as detailed above.

5. HERTFORDSHIRE COUNTY COUNCIL PERFORMANCE MONITOR – QUARTER 4 (Q4), 2017-18

[Officer Contact: Alex James, Head of Corporate Policy, Tel: 01992 588259 / Martin Aust, Head of Intelligence, Improvement and Technology, Resources, Tel: 01992 555793]

5.1 The Cabinet Panel considered the County Council's performance report for quarter 4 of the financial year 2017-18. The full report and presentation shown to the Panel can be viewed here: [Q4 HCC Performance Monitor & Presentation²](#). It was noted that the reporting was under the old Executive portfolios and that Q1 2018/19 would reflect the new portfolios.

5.2 In response to a Member question on the red risk highlighted on page 10 in relation to care provider failings, Members heard that the County Council routinely monitored performance across the care market and advised that a directly provided service was now available to take over as a contingency plan if required and considered appropriate.

5.3 Discussing injuries due to falls detailed at 3.1.5 of the report, Members acknowledged that the Home Improvement Agency was not mentioned and noted that this service should be promoted.

5.4 Members discussed the discrepancy around targets and questioned whether some targets were sufficiently stretching to drive performance. It was noted that targets were generally set and reviewed annually by each service area. It was noted that internal challenge on performance was provided at the Strategic Management Board and Panel would also play a role in challenging the targets. Contractual targets would not generally be possible to change until contract renewal; however internal targets

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could be reviewed.

- 5.5 Members commented on Highways targets detailed at section 6 of the report and noted that street lighting defects were recorded at being 100% rectified within the prescribed response time but it was noted that this did not include lights that were out due to outstanding contractor work. It was also noted that the response times to Category 1 defects was recorded at 99% yet some Members noted individual examples of residents that had told them of defects that had not been repaired. Members noted that these issues should be addressed with the Executive Member for Highways.

Conclusions

- 5.6 The Resources and Performance Cabinet Panel:
- a) commented on the recommendations on any performance, project, contract and risk or audit matter outlined in the report, as detailed above.
 - b) identified further actions to address performance concerns raised in the performance monitor, as detailed above.

6. HERTFORDSHIRE COUNTY COUNCIL FINANCE REPORT – OUTTURN MONITOR, 2017/18

[Officer contact: Steven Pilsworth, Assistant Director - Finance
Tel: 01992 555737]

- 6.1 The Panel considered the outturn monitor report, which summarised the 2017/18 outturn position against revenue and capital budgets, and performance against key indicators for treasury and debt management. A summary is set out below; the full report can be viewed here: [Outturn Report](#)³.
- 6.2 Members noted that as of 31st March 2018 there was an underspend of (£5,582k), equivalent to 0.8% of the overall annual budget. Members noted the proposals detailed within the report for budget lines to be carried forward.
- 6.3 It was noted that there had been less spend on property with energy costs reduced and rental income increased. This had helped mitigate some overspend in Children's Services.

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<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/947/Committee/138/SelectedTab/Documents/Default.aspx>

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- 6.4 Areas that had seen improvements were being reviewed to see if any continued savings could be made to help with the Integrated Plan in the future.
- 6.5 Members suggested the County Council considered the use of capital financing to help provide accommodation for those families with no recourse to public funds or those intentionally homeless, rather than providing funding for hotel accommodation.

Conclusions

- 6.6 The Resources and Performance Cabinet Panel recommended to Cabinet that it approves:
- a) That £11.031m of Carry Forwards outlined in Appendix A, be transferred to specific reserves as carry forward of 2017/18 revenue underspends to 2018/19;
 - b) That **£5.425m** grants relating to 2018/19 which were received in 2017/18 be carried forward to 2018/19;
 - c) That new reserves be created from carry forwards of underspends as **outlined in appendix A**, of **£0.290m** for a Property Revenue Reserve, to fund revenue costs of preparing sites for disposal and of **£1.103m** to be transferred to a new Business Rates equalisation reserve to smooth variation in business rates income in future years;
 - d) That £3.000m of the revenue underspend be transferred to the Transition Reserve to support the management of the identified savings gap between 2019/20 and 2021/22, recognising the risk to the Council of the implementation of a new local government financing model;
 - e) That the remaining £2.582m of revenue underspend be transferred to the Bad Debt Reserve, recognising that current provision is at the lower end of expectation and that enhanced provision would be prudent; and
 - f) That **£36.676m** capital budget set out in appendix B is reprogrammed from 2017/18 to future years.

7. IMPLICATIONS OF THE UNITED KINGDOM'S WITHDRAWAL FROM THE EUROPEAN UNION – AN UPDATE

[Officer contact: Alison Brown, Senior Policy Officer, Corporate Policy Team, Tel: 01992 555642]

- 7.1 Members reviewed a report which detailed the possible implications of the United Kingdom's (UK's) withdrawal from the European Union (EU), for Hertfordshire and Hertfordshire County

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Council. The report was an update to the previous report shared 18 months ago; however it was noted that there was still much uncertainty surrounding Brexit.

- 7.2 Some Members indicated they were disappointed that there had been little change since the last update 18 months ago and highlighted that they felt that the County Council should make clear to Government that clarity over the future of Brexit was required.
- 7.3 The Panel heard that there was a provisional agreement whereby EU nationals would be able to apply to stay in the UK subject to an overall deal; however it was noted that Members understood that recruitment for certain professions, such as care workers and nurses were already under strain with many EU nationals choosing to leave the UK and work elsewhere.
- 7.4 Members noted that the report did not cover the implications of Brexit on the pharmaceutical industry in the county and potential loss of European Space Agency funding. The report was to be updated to include these aspects.
- 7.5 The Panel acknowledged the complexity of the ongoing negotiations and noted that it was sensible to be pre-warned about where issues may arise going forward and the actions being taken to mitigate the risks.
- 7.6 Members agreed that a copy of the updated report should be forwarded to Hertfordshire MPs and Cllr Chris White, who sits on the Local Government Association's Post-Brexit commission to share the County Council's concerns.

Alison Brown,
Senior Policy
Officer / Alex
James, Head
of Corporate
Policy

Conclusions

- 7.7 The Panel commented on the contents of the report and noted the actions being taken by the County Council to mitigate the key risks identified.

8. DEVELOPER CONTRIBUTIONS TO NEW SCHOOLS

[Officer contact: Kate Leahy, Senior School Planning Officer, Tel: 01992 555864 / Trevor Mose, Head of Building Management, Tel: 01992 556658]

- 8.1 The Panel received a report which detailed the proposed change in approach to seeking developers' financial contributions to school buildings. It was noted that the report had also been presented to the Education, Libraries and Localism Cabinet Panel on 5 June 2018.
- 8.2 Members noted that the report highlighted the financial constraints faced when seeking developer contributions to build or expand a

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school to the current level required by the County Council. It was noted that other Local Authorities and other areas, along with the Education & Skills Funding Agency set their requirements at the lower end of the range set out in the applicable standards and therefore it was harder for the County Council to request contributions towards the top of the range.

- 8.3 Members expressed concerns noting that the starting point for negotiation should not be at the bottom of the scale as there would be no room for movement. However, it was noted that having a starting position that was no longer credible was not appropriate as developers were able to cite precedents from other public bodies.
- 8.4 It was advised the changes were to enable more realistic negotiations with developers to seek a sustainable position. It was noted that the change would bring the County Council in line with other Local Authorities and still achieve an appropriate standard of school building.
- 8.5 Members noted that the County Council's policy was within the government's set parameters and that developers should be willing to negotiate at the current contribution level. Members were advised that the County Council would continue to seek the necessary contributions for education infrastructure. It was also noted that schools were competing against a number of other areas for s.106 funding and therefore requesting more for a school could be at the detriment of other areas.

Conclusions

- 8.6 Panel recommended to Cabinet that Cabinet agrees a change in approach to developer sought contributions to the cost of school buildings as set out in paragraph 5.1 of the report.
- 8.7 It was noted that the Liberal Democrat Group voted against the recommendation.

9. BIDS TO INVEST TO TRANSFORM (ITT) FUND

[Officer contact: Steven Pilsworth, Assistant Director – Finance, Tel: 01992 555737]

- 9.1 Members reviewed a report which set out the current position regarding the ITT fund and provided context in which new bids were to be considered. Members noted that new bids were to be considered at Items 10 and 11.
- 9.2 The Panel heard that whilst the two bids being sought at Items 10 and 11 totalled £5 million, there would still be £11.9 million in the Invest to Transform Fund.

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- 9.3 In response to a Member question, it was noted that the remit of Herts FullStop would be provided at Item 10.
- 9.4 Members noted that the Invest to Transform Fund had been invaluable to the County Council and were in support of projects being put forward.
- 9.5 In response to a Member question on savings being returned to the fund to replenish it, it was advised that primarily savings were being used to close the financial gaps in the medium term financial plan, but the level of ITT was kept under close review and funds had been transferred into it as part of the integrated Planning work involved in setting the budget in February 2018..
- 9.6 Members noted that there would still be £11.9 million in the Fund with only two future schemes highlighted in the report and it was suggested that some of this funding could be used to help other services. It was noted that the amount in the ITT Fund was debated as part of the yearly Integrated Plan and additional transformation activity would be required to address the savings gaps that remained in the medium term plan.

Conclusion

- 9.7 The Resources and Performance Cabinet Panel noted the current position on bids to the ITT fund and also the financial context in which any proposals for further commitment against the ITT fund will be made.
- 9.8 It was noted that the Labour Member abstained from voting on the recommendation.

THE REMAINING AGENDA ITEMS WERE CHAIRED BY THE VICE-CHAIRMAN

- 10. PREVENTION INVEST TO TRANSFORM: CHILDREN'S SERVICES SPECIAL EDUCATIONAL NEEDS/DISABILITIES TRANSFORMATION**
 [Officer contact: Sally Orr Head of Family Services Commissioning, Tel: 01992 555680 / Karen Noble Performance Improvement Manager, Tel: 01992 588394]
- 10.1 The Panel reviewed a report which detailed a business case (included as appendix 1) for Prevention Invest to Transform funding to support children and young people with Special Educational Needs/Disabilities (SEND).
- 10.2 Members noted the service's desire to transform its approach to SEND service and noted the three priority areas for transformation as detailed at 2.4 of the report. It was noted that unless the service

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was transformed the financial and operational pressures set out in the report would continue to grow.

10.3 Members welcomed the report and noted the clear benefits and the stakeholder engagement throughout the process.

10.4 In response to a Member question on cost avoidance, as detailed on page 11 of the appendix, it was noted that in relation to the use of Dedicated School Grant (DSG), the service were confident that the proposals being made met the criteria for High Needs Block of the DSG.

Conclusion

10.5 Panel considered and commented on the report, as detailed above, and recommended to Cabinet that it approves the proposed approach of Children's Services to transforming the system, services and approach to support children and young people with SEND, and their families.

11. HERTS FULLSTOP – INVEST TO TRANSFORM BID
[Officer Contact: Glenn Facey, Head of Hertfordshire Business Services, Tel: 01707 292364]

11.1 The Panel received a report which sought approval of an invest to transform bid for Herts FullStop (HFS), in support of its newly developed business plan.

11.2 Members were advised that Herts FullStop was a less well known entity of the County Council. Officers explained that Herts FullStop supplies a wide range of commodities, equipment and consumables, mainly to schools in Hertfordshire. Herts FullStop had done very well and provided a v surplus to the County Council. Members noted that all Herts FullStop savings and profits were provided back to the County Council and therefore had no surplus to maintain reserves or fund ongoing investment in core infrastructure. The County Council was therefore being asked to approve an invest to transform bid to reinvest in modernising its core systems.

11.3 The Panel heard that the staff at Herts FullStop had undertaken all available improvements and been driving up sales and return but without additional IT investment were unlikely to maintain current sales levels. There were also opportunities to improve the online experience for customers and other efficiencies were also achievable with investment.

PART II ('CLOSED') AGENDA EXCLUSION OF PRESS AND PUBLIC

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- 11.4 The Panel agreed to move into Part II ('closed' session').
- 11.5 That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 11.6 Following discussion on the Part II Report and recommendation, the Panel moved back into Part I (open session) and agreed the recommendations.

Conclusion

- 11.7 The Resources and Performance Cabinet Panel recommended to Cabinet that it;
- 1) approves an Invest to Transform Allocation to enable investment of £1.967m in the infrastructure of Herts FullStop (HFS);
 - 2) delegates to the Director of Resources authority to determine and carry out the required procurement processes in relation to any contract for services, goods or works required in accordance with the agreed HFS infrastructure investment, referred to in 1;
 - 3) delegates to the Director of Resources authority to award any contract for services, goods or works required in accordance with the agreed HFS infrastructure investment, referred to in 1; and
 - 4) notes the continued use of Surecare Supplies Limited as the trading vehicle for HFS.
- 11.8 Panel noted that the report was not seeking the approval of Cabinet in respect of the business plan.

12. OTHER URGENT PART I BUSINESS

- 12.1 There was no other urgent Part I Business.

PART II ('CLOSED') AGENDA

1. HERTS FULLSTOP – INVEST TO TRANSFORM BID

Conclusion

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1.1 The recommendations on this item of business are recorded at 11.7 above.

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**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

CHAIRMAN _____

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