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GOVERNANCE AND RESOURCES COMMITTEE

Minutes of a meeting of the Governance and Resources Committee held at 6.00 pm on Thursday, 14 January 2021.

Under Regulations made under the Coronavirus Act 2020, the meeting was held virtually. Members of the public were able to view the virtual meeting via the District Council's website at www.derbyshiredales.gov.uk or via our YouTube channel.

PRESENT

Councillor Sue Bull - In the Chair

Councillors Jacqueline Allison, Robert Archer Neil Buttle, David Chapman, Paul Cruise, Tom Donnelly, Alyson Hill, Susan Hobson, David Hughes, Michele Morley, Garry Purdy, Mike Ratcliffe, Peter Slack and Alasdair Sutton.

Paul Wilson (Chief Executive), James McLaughlin (Director of Corporate & Customer Services and Monitoring Officer), Tim Braund (Director of Regulatory Services), Karen Henriksen (Director of Resources), Glenn Burton (Digital Transformation Project Manager) Jim Fearn (Communications and Marketing Manager), Angela Gratton, Democratic Services Officer.

Gavin Barker (Mazars), John Pressley (Mazars)

APOLOGIES

Apologies for absence were received from Councillor Steve Flitter (Councillor David Hughes attended as substitute).

211/20 – MINUTES

It was moved by Councillor Garry Purdy, Seconded by Councillor Mike Ratcliffe and

RESOLVED

(Unanimously)

That the minutes of the meetings of the Governance and Resources Committee held on 19 November and 17 December (Special) 2020 be approved as a correct record.

Amendment to running order

Councillor Sue Bull (Chair) moved that Item 11 be moved to the end of the agenda as the Appendix was Exempt from publication under the Local Government Act 1972 Schedule 12A Section 1, 2 and 3

212/20 – EXTERNAL AUDITOR’S ANNUAL AUDIT LETTER FOR 2019/20 AND REQUEST FOR APPROVAL OF FEE INCREASE

The Committee considered a report on the External Auditor’s Annual Audit Letter summarising the audit work completed in relation to the 2019/20 audit year and seeking approval for an increase in the fees. The Annual Audit Letter for 2019/20 was consistent with the Audit Completion Report presented to Council on 19 November 2020.

The Director of Resources gave a brief introduction and clarification of the fee setting and variation process under the terms of the contract and recommended approval of the letter and increased fees with an amendment to Recommendation 2 as follows:

‘That delegated authority be given to the Director of Resources to agree the audit fee for the 2019/20 accounts with the PSAA and that the additional fees for 2019/20 be incorporated into the revised revenue estimates for 2020/21 and the recurring element of £5,910 p.a. be built into the draft revenue budget for 2021/22, to be considered by Council on 4 March 2021.’

The Director of Resources introduced Gavin Barker of Mazars LLP who presented the key issues in the letter and answered questions:

- **Audit Opinion** - unqualified opinion issued on the Authority's financial statements;
- **Value For Money (VFM) conclusion** – the auditor was satisfied that the Council had put in place proper arrangements to secure economy, efficiency and effectiveness in the use of resources for the year ended 31 March 2020;
- **Statutory reporting** – The external auditor had not issued a report in the public interest or made written recommendations to the Council;
- **Significant risks relating to valuations** – the auditor had identified the valuation of property, plant and equipment (PPE) and the valuation of the pension liability as areas of significant risk (As set out in paragraphs 1.3 and 1.4 of the letter);
- **Internal Control Recommendations** – The external auditor made three recommendations relating to internal controls, one of which had occurred in previous years. These were shown in Section 2 of the Annual Audit Letter (Appendix 1), and had been accepted by management (As set out in paragraph 1.5 of the letter);
- **Significant VFM Risk** – The achievement of savings and income generation targets had been identified as a significant risk in Section 3 of the annual audit letter. The external auditor had concluded that “We obtained sufficient assurance to conclude that the Council continues to have appropriate arrangements in place”;
- **Audit Fees** – In section 5 of the Annual Audit Letter the auditor presented details of a proposed fee increase of £10,102 for 2019/20 and a recurring

increase of £5,910 for 2021/22 onwards As set out paragraphs 1.6 and 1.7 of the letter);

- **Forward Look** - in section 6 of the Annual Audit Letter the external auditor highlights the uncertainty and pressures (including the impact of the Covid-19 pandemic and the EU exit) that the Council will face in its medium term financial planning. This section also highlights changes to the Code of Audit Practice and the Redmond Review. More information is given in paragraph 1.8.

Councillor Hughes moved an amendment proposing that the following a note be added to the end of Recommendation 2:

‘Noting that all organisations, public and commercial have been affected by the pandemic and losses arising should be shared fairly between them’.

The Committee asked that their gratitude to Director of Resources on her exemplary management of the finances of the Council be recorded. Councillor Purdy thanked John Pressley and Gavin Barker of Mazars for attending the meeting.

It was moved by Councillor Michele Morley, seconded by Councillor Purdy and

RESOLVED
(Unanimously)

1. That the External Auditor’s “Annual Audit Letter for 2019/20 is received.
2. That delegated authority be given to the Director of Resources to agree the audit fee for the 2019/20 accounts with the PSAA and that the additional fees for 2019/20 be incorporated into the revised revenue estimates for 2020/21 and the recurring element of £5,910 p.a. be built into the draft revenue budget for 2021/22, to be considered by Council on 4 March 2021.

Noting that all organisations, public and commercial have been affected by the pandemic and losses arising should be shared fairly between them.

The Chairman declared the motion CARRIED.

213/20 – FEES AND CHARGES FOR 2021/22

The Committee considered a report setting out recommendations in respect of an annual review of fees and charges in relation to services provided by Community and Environmental Services, Corporate and Customer Services and Regulatory Services.

The Director of Resources provided a brief introduction and clarified the content of the report.

It was proposed that the majority of fees and charges be increased with effect from 1st April 2021 by approximately 2%, with VAT applied, (current rate 20%) and rounded up or down as appropriate. Any proposals to freeze fees for 2021/22, or to increase them by significantly more than 2%, were explained in the report or the relevant appendix.

It was moved by Councillor Michelle Morley, seconded by Councillor Susan Hobson and

RESOLVED That the fees and charges recommended in Appendices 1 – 13 of
(unanimously) the report are approved and implemented with effect from 1 April 2021.

The Chairman declared the motion CARRIED.

214/20 – MICROSOFT 365

The Committee considered a report seeking approval for the additional annual revenue expenditure needed from 2021/22 onwards to cover the cost of Microsoft 365 licenses and the Cloud security software required to maintain access to a supported version of Microsoft Office. The Committee were also asked to approve the additional one-off revenue expenditure in 2021/22 needed to setup the Microsoft 365 environment.

The Director of Resources gave a brief introduction and clarification of the report.

It was noted that Microsoft Office provided the Council with email, calendar and document editing software including Outlook, Excel, Word and PowerPoint. The current version used by the Council would no longer be supported by Microsoft after April 2023. This support was deemed essential to ensure that security updates were available to mitigate the risks of malicious viruses, malware and spam. Additionally, future upgrades of some of the major business applications used by the Council would no longer support the current version. As well as security best practice, maintaining supported versions of key business solutions was mandatory for our Public Service Network compliance

It was confirmed that to upgrade the Microsoft Office licenses, the Council would need to procure cloud based Microsoft 365 licenses. These licenses would be perpetual, subscription based licenses which would require additional annual revenue expenditure. Along with the traditional Office products (Outlook, Word, Excel, and PowerPoint) Microsoft 365 licenses would provide additional security and offer additional functionality for the Council, however the implementation and rollout of the new software would also require additional resource and cloud based security products.

The rollout will be undertaken using a phased approach with North East Derbyshire District Council and Bolsover Council being migrated first.

It was moved by Councillor Garry Purdy, seconded by Councillor Neil Buttle and

RESOLVED
(unanimously)

1. The additional annual revenue expenditure of £48,000 for 2021/22 onwards for Microsoft 365 licenses and Cloud security software to maintain supported versions of Microsoft Office software be approved and included in the revenue spending proposals for 2021/22, to be considered by Council in March 2021.
2. The additional revenue expenditure £5,000 required in 2021/22 to setup the Microsoft 365 environment be approved and included in the revenue spending proposals for 2021/22, to be considered by Council in March 2021.
3. The Committee acknowledges that future additional resource requirements may be required to facilitate the implementation and rollout of Microsoft 365 alongside current and future technical projects.

The Chairman declared the motion CARRIED.

Councillor Cruise left the meeting following consideration of this item.

215/20 – DIGITAL TRANSFORMATION PROJECT UPDATE AND CRM FUNDING REQUEST.

The committee received a report providing an update on the Council's Digital Transformation project, the impact of the COVID-19 crisis on the project and the rationale for requesting additional funds to support the COVID-19 response

The Digital Transformation Project Manager provided a summary of the benefits and simplified processes:

The CRM system had been launched on 1 April 2020 with 49 forms; replacing all existing District Council web forms and introduced a number of new, automated and customer trackable services. The CRM roll out also included the launch of the MyAccount functionality which allowed users to track the progress of Clean and Green service requests and provided a customised dashboard with data on their waste collections and Councillors.

In addition to the CRM launching on 1 April, the Digital Transformation Project launched three new fully CRM integrated payment systems; SCP for self-service card and PayPal payments, Paye.net Portal for payments made via the phone or in person at reception and Paye.net which replaced the District Council's old Cash receipting system.

During July and August the CRM system was utilised to provide a fully digital end to end solution for businesses to apply for the COVID-19 Discretionary Grant Fund. The CRM system processed over 340 applications and the payments of approved grants. The CRM system also facilitated the requirements for reporting back to Central Government the progress and impact of these grants.

July also saw the launch of the COVID-19 business intentions registration form launched within the CRM. This form was designed to support the District Council to track and support business to re-open following the lockdown.

In September the new Garden Waste Subscription Service was launched within the CRM. This solution allowed customers to apply for the new subscription service and fully automatically processed all successful subscriptions in to the new Whitespace system. At the time of writing this report there have been over 10,000 subscriptions taken out via the CRM system. Together with its integration payment systems the solution has collected over £354,000 of subscription fees.

Further COVID-19 related business grant schemes were launched in November to support business initially in the first tiered systems, and then the second national lockdown. Again the CRM was utilised to provide a fully automated and end to end solution to handle, process and pay the grants whilst allowing customers to track their progress.

Two further business grants were launched in via the CRM system in December 2020; Additional Restrictions Grants and the Wet-led pub Christmas Support Payments. At the time of writing over 220 applications have been submitted across these two schemes with the first payments having been made to successful applicants on 5 January 2021

The CRM had been instrumental in supporting the residents and business of the District during 2020 and allowed the District Council to continue to maintain its services throughout the COVID-19 crisis. The CRM's integrated, automated and efficient technology and process design allowed for a range of services to continue throughout the period and allowed the District Council to continue to deliver services with reduced functional staffing levels during the initial lockdown and beyond. As a result since the 1 April 2020 to 31 December 2020, the CRM has increased the number of services available online from 49 at launch to over 80. It has processed over 46,000 enquiries with 91% submitted directly by the customer via Self Service and has 3,599 registered MyAccount users at the time of writing.

The scale of the technical support required to implement and automate payment of the latest round of COVID-19 business support grants; coupled with the increasing number and complexity of schemes; the extreme deadlines and additional priority activities for the Digital Transformation team has required and will continue to require us to procure additional technical consultancy services from the CRM providers (Meritec).

Meritec offer customers the ability to purchase consultancy days in packages of 10 days at the rate of £650 (+VAT) per day. To date the authority has utilised approximately nine days of consultancy work from Meritec to support the District Councils objectives. Additionally, officers have identified a number of additional technical requirements we will need of them to support the existing COVID-19 grant schemes. As a result of the work already undertaken by Meritec and in anticipation of the additional services required to support the District Councils COVID-19 response it is recommended that the Council procures two 10 day consultancy packages at a reduced rate of £600 (+VAT) per day; totalling £12,000 (+VAT).

The Council's decision to invest in a CRM system has been proven to have paid off significantly in the face of the challenges presented in responding to the Covid-19 pandemic. The self-service functionality it provides, as well as easy to use pathways through the Council's website to apply for Covid grant funding has meant that the Council has been better able to serve its customers and do so more efficiently. Further work would be required in respect of Phase 2 of the CRM implementation which would deliver further efficiencies and improvements, however the timing of this work is likely to be impacted by the demands of responding to Covid-19, which had delayed various aspects of the digital transformation to date. Members would continue to receive update reports in respect of the progress made

in implementing the CRM and demonstrating where improvements have been made and efficiencies realised.

It was moved by Councillor David Chapman, seconded by Councillor Tom Donnelly and

Resolved

(Unanimously)

1. That the report be noted.
2. That approval be given to a supplementary revenue estimate for 2020/21 in the sum of £12,000, to be financed from the Additional Burdens Grant awarded to the Council from central Government to continue to enable the Council to provide an effective COVID-19 response and to support the District's businesses

The Chairman declared the motion CARRIED.

216/20 – TREASURY MANAGEMENT OUTTURN 2019/20 & MID-YEAR REPORT FOR 2020/21

The Committee considered a report seeking approval for the Treasury Management Outturn report for 2019/20 & Mid-Year report for 2020/21.

The Director of Resources gave a brief introduction and clarification on the content of the report.

The Council was required to receive and approve, as a minimum, three main reports each year, which incorporated a variety of policies, estimates and actuals.

The Treasury Strategy – The first, and most important, report covers:

- The treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators); and
- A treasury management investment strategy (the parameters on how investments are to be managed).

A mid-year treasury management report – This updated members with the progress of the capital position, amending prudential indicators as necessary, and whether any policies requiring revision.

An annual treasury report – This provided details of actual treasury operations compared to the estimates within the strategy

The report highlighted there was one breach where a significant amount of Covid-19 grant funding had been received from the government on 1st April 2020 that had not been foreseen when the Treasury Management Strategy was approved by Council on 5 March 2020. This meant that the limits on deposits with counterparties set out in the Treasury Management Strategy had been breached by up to £8m for a period of 34 days. The excess funds were diversified over a range of money market funds and had a credit rating of AA-, therefore the financial risk was low. This breach was reported to the Council's Monitoring Officer and was rectified on the 5th May 2020. The Grant money was disbursed by the end of September.

It was moved by Councillor Garry Purdy, seconded by Councillor Tom Donnelly and

RESOLVED That the Treasury Management Out turn for 2019/20 and Mid-Year
(unanimously) Report for 2020/21 be approved.

The Chairman declared the motion CARRIED.

217/20 – PROPOSED AGILE WORKING POLICY

The Joint Consultative Group on 17 December had recommended that Governance and Resources Committee adopt the proposed Agile Working Policy as a new employment policy replacing the existing Home Working Policy. It was noted that the Council's approach to Agile Working would be reviewed periodically, learning from the implementation of the policy and changes in service need and enabling technology.

It was moved by Councillor Susan Hobson, seconded by Councillor Tom Donnelly and

RESOLVED That the Agile Working Policy be adopted.
(unanimously)

The Chairman declared the motion CARRIED.

218/20 – JOINT CONSULTATIVE GROUP: MINUTES

Minutes of the Joint Consultative Group meetings held on:

- 23 September 2020 and 17 December 2020

It was moved by Councillor Tom Donnelly, seconded by Councillor Peter Slack and

RESOLVED
(unanimously)

The Chairman declared the motion CARRIED.

219/20 – EXCLUSION OF THE PUBLIC AND PRESS

It was moved by Councillor Susan Bull, seconded by Councillor Garry Purdy and

RESOLVED That in accordance with Section 100(a) of the Local Government Act
(Unanimously) 1972 the public and press be excluded because it is likely that the nature of the business to be transacted would result in exempt information being disclosed.

At this point the Committee excluded the public and press because in considering write offs, Members would need to consider personal information relating to the write off.

220/20 – WRITE OFFS RELATING TO BACKDATING OF COUNCIL TAX BILLS FOR PROPERTIES IDENTIFIED IN DATA MATCHING EXERCISE – Appendices Exempt

The Committee considered a report seeking approval for the write off of individual debts arising from council tax backdating cases where the amount requested for write off in each case exceeds £10,000, in accordance with the Council's Financial Regulations.

The Director of Resources presented the cases as detailed in the Appendix:

Case 1

The Director of Resources stated the occupier had disabilities, no longer owned this property and was living in a nursing home, might have been entitled to Council Tax Support or reliefs for part of the time she occupied the property and had no means of paying the outstanding amount.

Committee Members were satisfied this was a genuine case.

It was moved by Councillor Garry Purdy, seconded by Councillor Jaqueline Allison and

RESOLVED To award exemptions where evidence supports it, then write off the
(unanimously) balance relating to 01/01/1993 to 01/01/2019

The Chairman declared the motion CARRIED.

Case 2

The Director of Resources stated that the occupant had agreed to pay the backdated charges from 1st April 2014 and the Committee was asked to consider write off of arrears before that date.

Members were satisfied this was a genuine case.

It was moved by Councillor Sue Bull, seconded by Councillor Susan Hobson and

Councillor Chapman abstain from voting as he knew the property.

RESOLVED To allow the customer to enter into a payment plan with up to 5 years
(unanimously) to pay the arrears for the period from 1st April 2014.

To write off the amount of £25,561.27 to cover the charge from 1 January 1997 to 31 March 2014, after applicable discounts.

The Chairman declared the motion CARRIED.

Case 3

The Director of Resources stated that although the property had been completed on 18.03.2013, and the occupier's solicitor had sent letters on completion and thereafter, these had been sent to building control and not forwarded to Council Tax. The occupier's solicitor

has indicated that the occupier was willing to pay council tax for 2019/20 onwards; a payment arrangement would be offered allowing up to 5 years to pay.

The Director of Resources advised the Committee that arrangements for information from the Planning and Building Control services had since been reviewed and strengthened and monthly reports were now received

Members were satisfied this was a genuine case.

It was moved by Councillor Susan Hobson, seconded by Councillor Peter Slack and

RESOLVED To allow the customer to enter into a payment plan with up to 5
(unanimously) years to pay the arrears for the period from 1st April 2019.

To write off the amount of £11,945.29 to cover the charge from for the period 18/02/2013 to 31 March 2019

The Chairman declared the motion CARRIED.

Case 4

The Director of Resources stated that the potential write off amount for this case was now under the £10,000 threshold as the property Banding has been reduced to Band A and the amount reduced to £7253.60.

The Director of Resources reported that the occupants had informed the Council that they thought that their property was covered under the Council Tax of the main house as the property was originally built as a granny annex, and therefore covered under an exemption while it was occupied by the previous occupier who was a relative. It was the opinion of the Director of Resources that there had been a genuine misunderstanding in this case.

It was confirmed that the occupants had started paying council tax as soon as they became aware that it was due and had entered into a payment arrangement to cover the arrears from 1st April 2014.

Members were satisfied this was a genuine misunderstanding.

It was moved by Councillor David Chapman, seconded by Councillor Tom Donnelly and

RESOLVED Award exemptions where evidence supports it, then write off the
(unanimously) balance relating to 01/01/1993 to 31/03/2014.

The Chairman declared the motion CARRIED.

MEETING CLOSED – 8.35PM

CHAIRMAN