



**FINANCE & RESOURCES OVERVIEW AND SCRUTINY
COMMITTEE AGENDA**

TUESDAY 20 MARCH 2012 AT 7.30 PM

**BULBOURNE ROOM, CIVIC CENTRE, HEMEL
HEMPSTEAD**

**COUNCILLORS ARE REQUESTED TO MEET
IN RECEPTION AT 7.10PM FOR A TOUR OF THE
CUSTOMER SERVICE UNIT**

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Adshead	Marshall
H Chapman (Chairman)	Organ
Clark	Taylor
Collins	Townsend (Vice-Chairman)
Doole	White
Douris	W Wyatt-Lowe

(Substitute Members: Councillors Anderson, Elliot, Flint, Harris and McKay)

For further information, please contact Lucy Stone on Tel: 01442 228224, Fax: 01442 228264, e-mail: lucy.stone@dacorum.gov.uk . Information about the Council is also to be found on our web-site: www.dacorum.gov.uk

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1. MINUTES

To confirm the minutes of the meeting held on 31 January and 2 February 2012.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence

3. DECLARATIONS OF INTEREST

To receive any declarations of interest

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

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

AGENDA ITEM: 6

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	20 March 2012
PART:	1

Title of report:	The Role and Performance of the Customer Service Unit
Contact:	Councillor Brian Ayling Portfolio Holder for Service and Performance Improvement Author/Responsible Officer – David Gill, Group Manager Partnerships, Policy and Communications
Purpose of report:	The report presents an overview of the work and performance of Dacorum Borough Council's Customer Service Unit.
Recommendations	That the committee: a) note the report, b) consider the information presented c) make comment on the service and performance.
Corporate objectives:	Dacorum Delivers – The work of the Customer Service Unit (CSU) is important to the reputation of the Council. The CSU is at the heart of customer interaction for the Council and is well placed to drive improvement in customer processes across the Council

Implications: 'Value For Money Implications'	<p><u>Financial</u> There are no specific financial implications contained in this report. The Customer Service Unit budget for 2011/12 is £1,236,370.</p> <p><u>Value for Money</u> The CSU undertakes customer service functions across a range of services. It is able therefore, to reduce the overall cost of customer interaction by staff being multi-skilled and able to deal with many service areas.</p>
Risk Implications	There are no specific risk implications contained in this report. A prioritised risk assessment was undertaken for the service in 2011 and this is updated whenever there are service changes.
Equalities Implications	An Equality Impact Assessment has been completed for the service. The service is due to be re-assessed during 2012.
Health And Safety Implications	There are no specific Health and Safety issues relating to this report. There are well established health and safety procedures in place to deal with issues arising from the CSU operation.
Consultees:	None
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	<p>CSU – Customer Service Unit – This includes the Contact Centre for e mail and telephone calls as well as Customer Service Centres at Berkhamsted, Tring and Hemel Hempstead</p> <p>CSC – Customer Service Centre – This refers to the Hemel Hempstead, Berkhamsted and Tring face to face centres</p> <p>CSR – Customer Service Representatives</p> <p>Socitm - Society of Information Technology Management</p>

Background

1. The Customer Service Unit (CSU) delivers the first point of contact for Council customers. This includes service requests, transactions, enquiries and complaints taken over the phone and through face to face drop-ins. The CSU team manages the majority of the customer contact for the Council. The services provided by the CSU include a Contact Centre, a face to face Customer Service Centre and front of house reception.
2. The CSU manages customer contact for the following Council services: Planning; Housing (inc Repairs, Management, Homelessness and Housing Advice); Environmental Services (inc Waste services and Landscape & Recreation); Benefits; Council Tax; Regulatory Services, Environmental Health (inc Pest Control and Pollution Control), Payments, Recruitment, Dacorum Card,

Complaints. Customers contacting the Council by phone are able to do so by dialling one single number and are greeted by an automated telephony system which dealt with more than 600,000 calls in its first year of operation. Around 298,000 of these went to the Contact Centre with another 300,000 going to direct dial numbers.

3. The CSU is staffed and available to customers at the times set out in the table below:

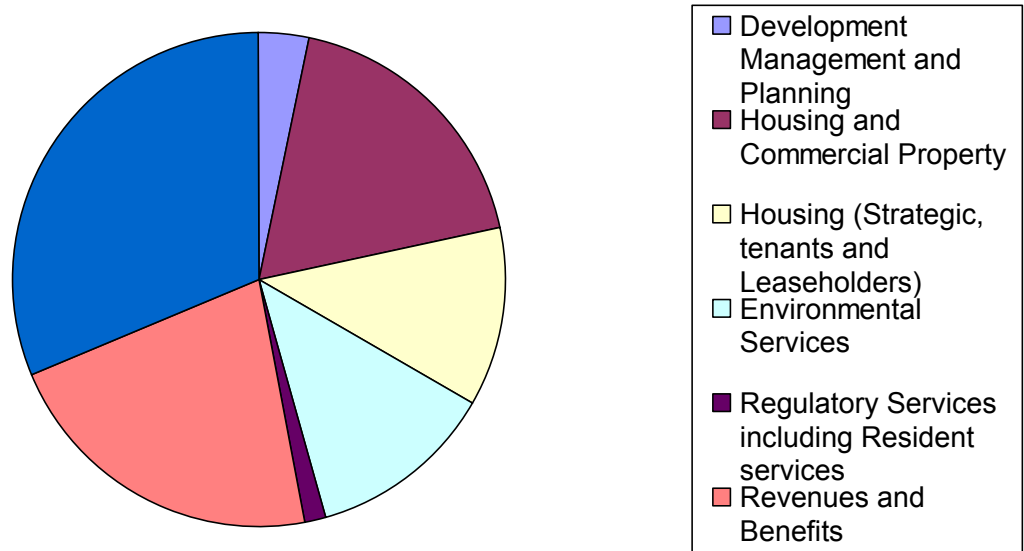
Contact Centre	Calls are taken from 8:00am to 6:30pm Monday to Friday
Customer Service Centres	<p>Hemel Hempstead 8:45am to 5:15pm Monday to Thursday 8:45am to 4:45pm Friday</p> <p>Berkhamsted 9:00am to 12:30pm & 1:30pm to 5:00pm Monday 9:30am to 2:00pm Tuesday, Thursday and Friday</p> <p>Tring 9:00am to 12:30pm & 1:30pm to 5:00pm Monday 9:30am to 2:00pm Wednesday and Friday.</p>

4. **Service Statistics:**

4.1 **Telephony**

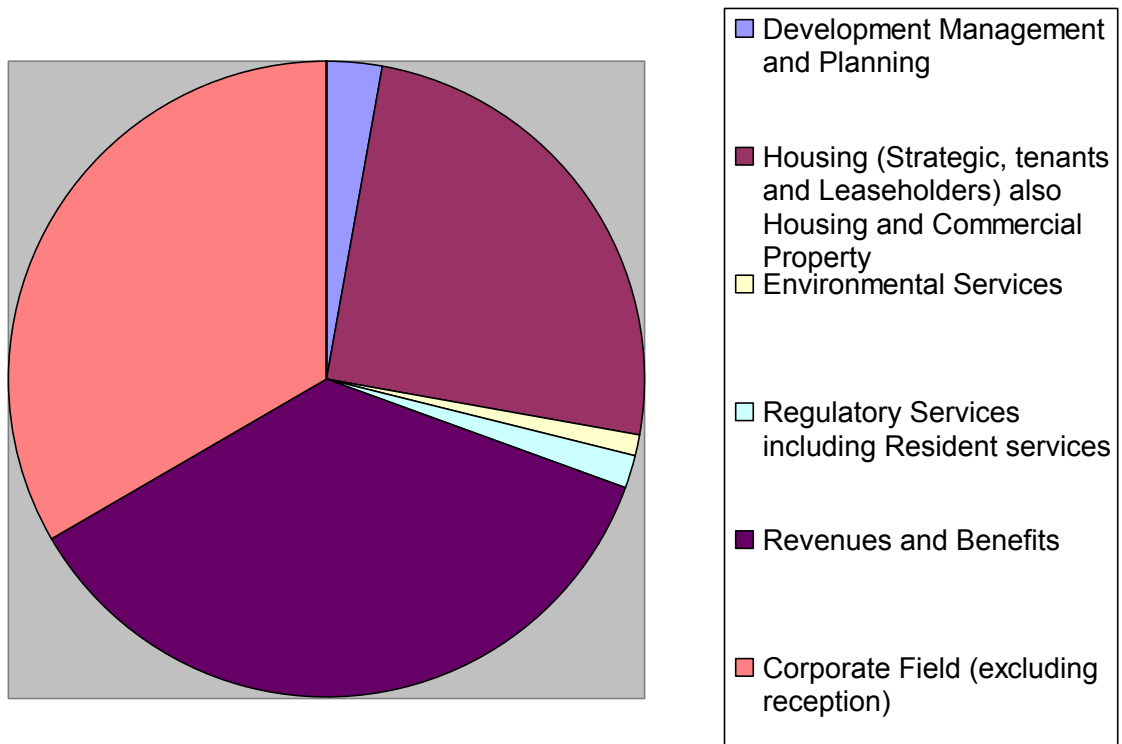
The current in bound call and face to face volumes over the previous calendar year broken down by service are as follows:

a) Calls (number of calls by service in 2011)



Service	Number of Calls in 2011
Development Management and Planning	10,220
Housing and Commercial Property	54,510
Housing (Strategic, Tenants and Leaseholders)	34,672
Environmental Services	36,656
Regulatory Services including Resident Services	4,036
Revenues and Benefits	64,202
Corporate Field	93,807
Total Number of calls	298,103

4.2 Face to Face Contact



Service	Number of Face to Face in 2011
Development Management and Planning	1,993
Housing (Strategic, Tenants and Leaseholders) also Housing and Commercial Property	17,289
Environmental Services	713
Regulatory Services including Resident Services	1,247
Revenues and Benefits	25,151
Corporate Field (excluding reception)	23,061
Total Number of interactions	69,454

Further service statistics are presented at Appendix A. The statistics are presented in order that Members can get a fuller picture of the activity that is being undertaken in the CSU.

4.3 Performance Information

Performance of the Customer Service Unit is reported to this committee quarterly. The table below contains the performance for 2011 against each element.

Ref	Description	Performance over 12 months	Target
CSU01	Percentage of customers in the customer Service Centre seen within 5 minutes	67.56	70.00
CSU02	Percentage of enquiries that are resolved at first point of contact in the Customer Service Centre	97.77	90.00
CSU04	Percentage of calls answered in the Contact Centre within 20 seconds	45.61	70.00
CSU05	Percentage of enquiries that are resolved at first point of contact in the Contact Centre	98.97	90.00

4.4 Customer Satisfaction

Customer satisfaction for the CSU is measured using Govmetrics. At the end of every call customers are given the option to complete the survey, for the face to face measurement a stand-alone automated device situated in the CSC is used as customers exit. Survey take up by customers is generally low and we are incentivising staff to encourage customers to respond. Despite the low take up the Govmetric service is valuable and responses are generally very positive. A summary of comments received in January 2012 are included at Appendix C. The measurements for 2011 are:



Contact Centre

Good	Average	Poor	Total
2,956	255	47	3,258
90.7%	7.8%	1.5%	

Customer Service Centre (Hemel Hempstead CSC)

Good	Average	Poor	Total
4,445	811	889	6,145
72.3%	13.2%	14.5%	

4.5 Number of Staff

Staff in the CSU cover Face to Face contact, Contact Centre and the Civic Centre reception. The staff make up is:

- 2 x Senior Managers
- 4 x Team Managers
- 49 CSR positions (37.75 FTE)

Berkhamsted and Tring have 5 part time staff (included in the above figure, 3 at each Berkhamsted and 2 at Tring)

Reception has 2 part time staff

4.6 Service Functions

When the CSU was first set up Councillors took the decision to transfer as much customer contact as possible from the back office service to the CSU. This allows the back office service to deliver the function for which it is designed without having to keep resources free for customer contact. The CSU aims to resolve a minimum of 80% of all transactions at the first point of contact without needing to refer to back office services. Traditionally resolution rates are very high with only a small number of transactions requiring back office assistance. This method of dealing with customer contact is very cost effective for the Council as it allows Customer Service Representatives (CSRs) to deal with customers on a range of different services at any one time as well as levelling out the demand variances across services.

The services that use the CSU as its first point of Contact are:

Service	Description of service
Development Management & Planning	Take initial contact on planning enquires, applications and some searches. Payments are also taken for applications and copies of planning and building control documents.
Housing Property	Service requests for repairs to housing properties. Also to pass on information on standard up grades.
Housing (Strategic)	For housing applications documentation is received at the CSU. Advice is also given on any issues customers may have while filling out applications. Homelessness bookings with officers and general advice on homelessness is also given.
Housing (Tenants and Leaseholders)	Rent enquires and payments are taken by the CSU. Insurance payments for contents coverage for tenants. Lease holder charges maintenance of communal areas and repairs, for both tenants and lease holders.
Environmental Services (including Waste services and Landscape & Recreation)	Service requests and payments for bulky collections. The reporting of untaxed vehicles. The reporting of missed bins. Missing equipment for missing bins and recycle bins. Request for the removal of dead animals on public land. Reporting and service requests of graffiti. Reporting and service requests of hedge and grass cutting. Reporting of dangerous trees and other tree request such as overhanging branches, exposed roots etc. Clean up of public parks and children play areas

	of glass and litter. Removal and emptying of waste bins and dog waste bins.
Regulatory Services and Environmental Health	Log service requests and send out initial documentation on pollution requests including noise, waste (fly tipping) and light intrusion for all residential and business as well as public land. Reporting and service requests for rat removal in residential areas. This includes taking and logging requests about Pest Control and Pollution Control
Resident Services	General advice on anti social behaviour complaints.
Revenues and Benefits (Including Council Tax)	First point of contact on all Council Tax enquiries and any documentation. Taking of payments for Council Tax. First point of contact for benefit enquiries and to take in documentation for benefit claims.
Commercial Assets	Rent enquiries, repair works and payments for garages. Log service requests for Allotments and Pitches. First point of contact for hiring of council halls.
Corporate contact	Take and redirect calls from automated switchboard. Advise of other service delivery organisations outside of the Council (e.g. Hertfordshire County Council; age concern etc). First point of contact on all complaints against the Council including logging and chasing of complaints. Registering and sending out applications for vacant posts advertised. Take payments for a majority of Council services and accounts. Issue Dacorum cards. Meet and greet officer for all customers visiting the CSU. Reception point as first point of contact to help visitors to the civic centre.

4.7 Staff Recruitment, Retention and Training

The design of the service function outlined in paragraph 4.6 requires highly skilled and well trained staff to cover the range of services provided. Each Customer Service Representative (CSR) will undertake several months of training before they are competent to cover all the services undertaken in the CSU. This means that the CSU is vulnerable to poor performance when it is not fully staffed.

During the past two years the internal procedures at the Council has meant that there have been recruitment delays and when posts have been filled the CSR training needs take another few months to complete. This means that when a fully trained CSR leaves the CSU performance may suffer for more than a year before a fully trained replacement is available.

CSR jobs are often considered to be 'entry level' jobs. Whilst the council is fortunate to have many staff in the CSU that have been with us for many years there is always a turnover as trained staff seek opportunities in other parts of the Council. Unusually amongst Customer Service Units, the Council's CSU does not have particularly high turnover rates but the impact of any staff leaving is felt very acutely and performance suffers immediately.

5. Channel Shift and Avoidable Contact

Two areas of concern for the Council are 'channel shift', (where customers are encouraged to use more cost effective means of contacting the Council,) and 'avoidable contact' (where the contact from the customer could have been avoided

through better or clearer services). Both channel shift and avoidable contact are of considerable concern to the CSU.

In order to serve the customer most effectively it is important that we develop more self service opportunities for those who wish to use them and encourage e-service wherever it is possible. This will have the advantages of allowing customers to self serve at the time they wish to do so and it will free up CSRs to concentrate on those who need a more personal service. The Council's strategy is outlined in the 'Web and Customer Access Strategy' which was approved by Cabinet in 2011. The CSU service is directly linked to improvements in the Council's web capability because it will allow the CSU to continue to develop and ensure that the Council is truly customer focussed.

Avoidable Contact is important to the CSU because every contact that adds to call/customer numbers costs the Council time and money. Getting processes right first time; writing clear and understandable letters; getting reliable voicemail messages; contacting the customer when we say we are going to; doing what we say we will. All of these things will resolve the customer's issue at first point of contact and reduce the number of contacts with the Council. Industry estimates are that around 15% of all Councils customer contact is avoidable. If that is the case in Dacorum that would result in a reduction of 90,000 calls annually across the council, around 45,000 of them to the Contact Centre. Socitm estimate that each call to a Council incurs a cost of around £2.90 so a considerable business case can be made for reducing avoidable contact.

6. Improvement Activities

A rapid improvement process commenced with CSU staff in 2011. The aim was to use those with best knowledge of the system to identify where improvements could be made. This has resulted in a large number of changes designed to make the service more customer focussed and CSU processes simpler and more effective. This process will be a continuous one and a small staff panel has been set up to continue sampling staff concerns.

7. Benchmarking

A benchmarking exercise across Hertfordshire was undertaken during 2010/11. It revealed that authorities across the County have markedly different approaches to dealing with customers. Several Hertfordshire districts still route calls through a switchboard then transferring to a back office for the transaction to be completed. Some have CSUs with limited numbers of services undertaken within them and some share facilities with other organisations (eg NHS).

This generally makes 'like for like' comparison very difficult however it is possible to get an indication of the Council's performance by looking at the ratio of call volumes and face to face visitors per resident. Dacorum is performing around the middle of all Hertfordshire districts for contact per resident. Considering that Dacorum has high levels of Council housing and retains many of its services in house this is a good result. Our aim is to continue to improve this figure by reducing avoidable contact and improve web and self service access to customers.

The ratio figures are attached at Appendix B

8. General Comment

The CSU design and performance are important factors for the Council to consider. The service customers receive whilst in contact with the CSU will, to a large extent, determine how local people view the Council. The Council's reputation is therefore closely linked to the CSU and the performance of the CSU is closely linked to the performance of back office services. Members are asked to comment on the service provided in the CSU and to consider their aspirations for the future of the service.

Appendix A

Figures presented below relate to the 2011/12 third qtr performance. Table 1 and 2 indicate performance in the Customer Service Centre Table 3 indicates performance in the Contact Centre.

Service Summary

Version: 3.0
 Created by: Linda Smith
 Created at: 08/03/2012 15:32

Service	Customers				Waiting Times				Serving Times						
	Arrived	Called	Served	No Shows	Average	Max	Total	Target	Average	Max	Total	Target			
Benefits	4561	4562	4353	192	4%	0:08:05	1:18:22	232:48:28	2212	48%	0:12:33	1:33:14	315:19:10	2895	67%
Benefits and Council	435	435	435	0	0%	0:00:12	0:23:06	1:30:44	428	98%	0:13:18	1:14:30	79:28:36	281	65%
Bus Passes	69	69	66	3	4%	0:04:18	0:33:16	4:55:24	51	74%	0:02:48	0:11:32	2:55:42	66	100%
Council Tax	990	990	934	49	5%	0:08:36	0:48:46	107:39:38	473	48%	0:09:57	1:22:30	100:25:24	716	77%
Dacorum Card	427	427	412	15	4%	0:03:10	0:29:48	18:45:16	332	78%	0:05:06	0:52:50	24:16:56	397	96%
Env Health	60	60	55	5	8%	0:10:51	0:40:20	10:29:02	18	30%	0:08:09	0:33:56	7:27:18	46	84%
Environment Services	172	172	160	12	7%	0:07:31	0:50:10	19:15:28	97	56%	0:07:51	0:28:58	18:39:58	139	87%
Environmental Health	205	205	205	0	0%	0:00:06	0:07:50	0:20:46	204	100%	0:09:39	1:08:30	28:47:02	168	82%
General Enquiries	954	954	878	75	8%	0:06:03	0:51:14	78:31:18	582	61%	0:08:37	1:28:14	85:12:32	721	82%
Housing	4154	4156	3993	155	4%	0:07:10	0:52:52	212:31:44	2203	53%	0:10:01	2:11:46	265:52:58	3112	78%
Payment	2253	2253	2212	39	2%	0:02:09	1:10:40	24:09:18	2015	89%	0:04:42	1:21:04	68:44:18	2107	95%
Payments and	1318	1318	1318	0	0%	0:00:15	0:29:00	5:35:10	1293	98%	0:06:37	2:18:46	90:20:52	1177	89%
Planning	397	397	377	20	5%	0:07:11	0:38:28	42:21:08	213	54%	0:08:06	0:46:36	40:34:48	320	85%

Table 2

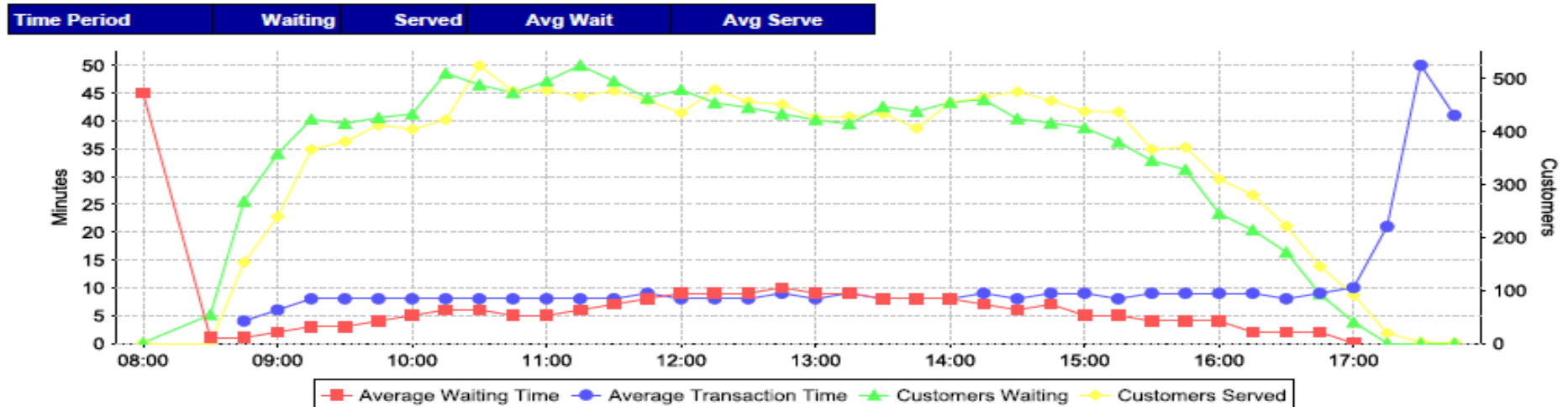


Table 3 – Contact Centre

Inbound Calls Summary Report By Service

Start Date : 01/10/2011

End Date : 31/12/2011

v1.8

SLA level: 20

Service	Call Breakdown					ACD					Call Handling Averages		
	Tot Calls	IVR	Voicemail	Diverted	ACD	Answered	Abandoned	Av Wait	Wt SLA%	Lngst Wait	Talk	Wrap	Handling
ACD Voicemail	7	7	0	0	0	0	0	00:00:00	100	00:00:00	00:00:00	00:00:00	00:00:00
Benefits	6175	252	0	0	5923	5210	713	00:01:29	43	00:14:19	00:05:03	00:00:05	00:05:08
Community Safety	306	13	0	0	293	264	29	00:00:52	52	00:13:35	00:01:15	00:00:04	00:01:19
Community Services	12	4	0	0	8	4	4	00:00:48	62	00:05:00	00:01:16	00:00:09	00:01:25
Complaints	269	60	0	0	209	174	35	00:00:28	56	00:05:56	00:04:50	00:00:05	00:04:55
Council Tax	8522	313	2	0	8207	7434	773	00:01:25	46	00:13:54	00:04:05	00:00:06	00:04:11
Dacorum BC	278	42	0	0	236	179	57	00:01:56	37	00:12:03	00:01:56	00:00:07	00:02:03
Environmental	6215	431	4	420	5360	4655	705	00:01:26	44	00:14:42	00:03:09	00:00:05	00:03:14
General Calls	47	18	0	0	29	14	15	00:00:24	62	00:04:00	00:00:35	00:00:07	00:00:42
Housing	9933	277	1	0	9655	8075	1580	00:01:47	36	00:16:57	00:03:04	00:00:06	00:03:10
Housing Repairs	14449	344	0	1481	12624	11691	933	00:01:11	46	00:16:22	00:03:37	00:00:04	00:03:41
Operator External	14207	731	1	0	13475	10381	3094	00:01:35	38	00:20:15	00:02:04	00:00:06	00:02:11
Operator Internal	2370	298	0	0	2072	1583	489	00:01:31	43	00:27:39	00:01:31	00:00:07	00:01:38
Payments	4432	288	0	0	4144	3744	400	00:01:06	54	00:15:49	00:02:40	00:00:07	00:02:47
Pest Control	424	67	6	0	351	260	91	00:01:20	45	00:08:31	00:02:16	00:00:06	00:02:21
Planning	2385	69	1	0	2315	1813	502	00:02:10	31	00:20:24	00:02:42	00:00:06	00:02:48
Pollution Control	107	29	0	0	78	50	28	00:01:25	38	00:06:49	00:03:54	00:00:04	00:03:58
Recruit ACD mail	4	1	0	0	3	0	3	00:00:00	100	00:00:00	00:00:00	00:00:00	00:00:00
Recruitment	109	7	0	0	102	77	25	00:02:00	26	00:10:41	00:01:59	00:00:05	00:02:03
Staff	112	4	1	0	107	79	28	00:00:26	57	00:03:23	00:01:09	00:00:07	00:01:16

Appendix B

District Councils in Hertfordshire. Comparative 'call', 'web' and 'face to face' ratios per resident. (Undertaken 2010/11)

(Ranking '1' being the lowest number of contacts per resident with '10' being the highest)

	Broxbourne	East Herts	Dacorum	Hertsmere	North Herts	Stevenage	St Albans	Three Rivers	Watford	Welwyn Hatfield
Population (2010 estimates)	90,600	138,500	142,900 (Highest population)	99,900	125,800	81,800	138,800	88,900	86,000	114,400
Face to Face (Visits per resident)	1.10	0.49	0.48 (ranking 5 th)	0.44	0.21	0.61	0.38	0.58	0.52	0.24
Calls (Calls per resident)	2.6	2.21	1.83 (ranking 6 th)	0.81	1.01	2.75	0.45	2.05	1.72	0.89
Web (hits per resident)	n/a	3.13	4.43 (ranking 5 th)	3.53	4.34	4.56	5.11	2.7	5.96	4.73

Appendix C

- DAWN B HAS BEEN VERY HELPFUL EACH TIME I COME
- USELESS.
- I FIND HAVING EVERYTHING UNDER THE SAME ROOF VERY BENEFICIAL AND EASY
- The lady I got through to was exceptionally good and it's a very simple reason she was patient and listened to me and then when I was finished she made comments, suggestions whatever and then I spoke and then she spoke and I have already been in contact with your Dacorum telephonists this morning who have the desire to talk over you. This particular lady and this particular department is brilliant 10 out of 10 big pats on the back and the lady has put me at my ease. Being disabled and not being able to do much for one's self this is the sort of attitude that helps me carry on with the rest of my day. Your other people who tend to talk over and shout you down make me very angry, very stressed and I have a heck of a day after that to come to terms with the way that I have been spoken to. Thank you very much for putting me through to that department as that department was brilliant. It was Housing Repairs by the way. Thank you very much.
- WAITIN TIME APPAULING 20 MINUITES CHECKED IN 1.10PM SEEN AT 1.30PM. YOU ARE BREAKING THE STANDARD SET BY THE COUNCIL PLEASEW GET SORTED ITS A DISGRACE. STANDARD STATES 5 MINUTE WAITING TIME. NO MORE EXCUSES BECAUSE ITS LUNCH TIME THIS IS A PERSISTANT PROBLEM WHICH YOU HAVE NOT SORTED
- THANK YOU .TO.THE.LADY.AT.POSITION.9.
- MISTAKE MADE BY COMPUTER LEADING TO INCORRECT ASSUMPTIONS AND EMBARRASSEMENT.
- HASAN WAS EXTREMELY FRIENDLY AND HELPFUL
- YOUR SERVICE STINKED
- ASAM WAS V GOOD
- I was served in Housing Benefits by a gentleman called Julian and I would just like to comment that he was very, very, very helpful dealt with my query extremely efficiently so thank you very much for that.
- Seen today by Anthea who gave me excellent service.
- Julian and desk clerk were very helpful, very courteous and very patient, thank you very much
- The lady that dealt with me had to talk me through the transfer application on the laptop computer and she didn't rush me or want to hurry me up she just talked me through it and was very patient and helpful and I succeeded in looking at what I wanted to on my computer due to her help so thank you.
- VERY WELL INFORMED STAFF AND VERY PLEASANT.
- Fantastic service thank you.
- HELPFUL EFFICIENT APPROACHABLE
- I WALKED IN AND WASABLE TO SEE AN ADVISOR STRAIGHT AWAY. ALSO I LIKE THE WAY YOU PROVIDE A RECEIPT FOR THE DOCUMENTS I SUPPLIED
- A POLITE AND EFFICIENT MEMBER OF STAFF
- SARAH WAS VERY HELPFUL.
- VERY GOOD PERSONABLE SERVICE AS WELL EXTREMELY HELPFUL
- ASAM WAS HELPFUL AND ACTUALLY KNEW WHAT HE WAS ON ABOUT COMPARED TO THE MAJORITY OF STAFF HERE WELL DONE ASAM THANKS

- A bit of a long wait but when I got through the lady I spoke to was very, very good and very helpful so it was worth the wait. Thank you very much.
- I received good and helpful service today thank you very much.

- I deal with the council on behalf of a deaf person and it would be helpful to advise your workman that they shouldn't just knock on the door but they should use the doorbell as this has a flashing system for the deaf person to see. If you are deaf you may not hear the knocking at the door but you would see the flashing for the doorbell. Please advise your workman. Thank you.
- The lady I spoke to was very helpful and helped me in more ways than I asked for so it was great thank you very much.
- I am very pleased with the quick response thank you very much.
- I have just spoken to Jackie in Housing Benefit front-line and she was very helpful. I am very satisfied with the service there. The only problem before that was the queuing but it was not as bad as it has been so you are improving in that way thank you very much.
- The adviser I have just spoken with was cheerful and bright and helpful, listened to me fully and answered all of the questions I had calmly and in an order that made sense, yes she was helpful in every way thank you.

AGENDA ITEM: 7

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	20 March 2012
PART:	1
If Part II, reason:	

Title of report:	Equalities Update
Contact:	Cllr Brian Ayling, Portfolio Holder for Service and Performance Improvement Author/Responsible Officers: Elissa Rospigliosi – Corporate Graduate David Gill – Group Manager (Partnerships, Policy and Communications)
Purpose of report:	This report updates Members on recent work that has been carried out related to equalities. It gives background on recent equalities legislation, summarises the results of recent consultation, and proposes a number of immediate objectives for Members to scrutinise.
Recommendations	(1) That Members consider and make comment on the proposed objectives noted in the report and due for publication in April. (2) That Members agree to include the revised equalities strategy in the Overview and Scrutiny Committee work programme for later in 2012.
Corporate objectives:	Building Community Capacity: The subject matter of the report deals with ways in which we can improve outcomes for Dacorum’s communities and build community cohesion. Dacorum Delivers: The recommendations aim to improve service delivery by helping the Council target its services more efficiently and effectively diagnose community needs.
Implications:	<u>Financial</u> The Council needs to ensure that it is meeting all its legislative requirements relating to equalities to avoid the risk of claims of unlawful discrimination. Claims would give rise to cost implications, e.g. legal fees, and, if successful, would result in compensation awards, in respect of which there are no statutory limits. The Council must show that it has mechanisms in place to ensure that unlawful discrimination does not happen anywhere across the organisation.
Value For Money Implications	<u>Value for Money</u> The objectives aim to maximise the use of resources by helping the Council target its services more efficiently.

Risk Implications	There is a risk implication as the Council will be open to challenge if it does not fulfil its legislative requirements.
Equalities Implications	The report itself details the equalities implications.
Health And Safety Implications	None.
Consultees:	Assistant Directors Public consultation Local community organisations
Background papers:	Single Equality Scheme (linked) Service and employment data snapshot (linked)

1. Background

Dacorum's draft Single Equality Scheme was approved by Cabinet in September 2010. The decision to combine three existing strategies on race, gender and disability into a single scheme reflected the new legislative context of the Equality Act 2010.

The Equality Act passed into law in October 1 2010, extending protection under the law to eight 'protected characteristics': age, disability, gender reassignment, pregnancy/maternity, race/ethnicity, religion/belief, sex, and sexual orientation.

The Department for Communities and Local Government published its new cohesion strategy, *Creating the conditions for integration*, on 21st February 2012. The strategy focuses on localism, integration, and on mainstreaming equalities into the business of the community.

The Equality Act places a general duty on all public bodies. This came into force on 5 April 2011. Public bodies are to have due regard across all their functions to eliminating discrimination, advancing equality of opportunity, and fostering good relations between the different groups defined under the protected characteristics.

The Act also places two specific duties on public bodies. These came into force on 10 September 2011. These require public bodies to 'publish relevant, proportionate information demonstrating their compliance with the Equality Duty; and to set themselves specific, measurable equality objectives' (Home Office, 2011). The deadline for publication was 31 January 2012 and the objectives are to be set and published by 6th April 2012.

The new legislation has emphasised the importance of building an evidence base of equality-related information that can guide and inform Council decision-making. The "Spotlight on Dacorum" project had already developed a Dacorum community profile. The recent work on equalities has therefore focused on building a more detailed picture of the people who are using Council services and of any specific needs they might have which could impact, or be impacted upon by, Council services.

Following the Cabinet approval in September 2010, we have consulted with the public and with local specialist organisations on the draft Single Equality Scheme. This consultation was also an opportunity to gather information about our service users' experiences.

In order to fulfil the first Specific Public Sector Equality Duty, we took a snapshot of the data we currently hold on our service users. The resulting report was published on the Council's website on January 31st.

2. Consultation methodology

This report draws together relevant material from:

- consultations carried out at DBC
- consultation work which was carried out locally by other statutory bodies and which included Dacorum residents. (This included work carried out by the Dacorum Partnership, the Volunteer Centre and Hertfordshire County Council agencies.)

The Council undertook specific consultation on equalities between August and December 2011. This email and paper-based survey was undertaken with specialist organisations. The survey was made up of open ended questions about equality issues. The Council also consulted with the general public via a survey which was available in paper-based form, by email and as an online survey.

This consultation was followed by a short multi-choice online survey which was distributed by email to specialist groups in Dacorum. The survey focused specifically on possible issues of access to Council services. In each case, the electronic versions were checked for accessibility for people with disabilities.

In each case the response rates were too low for a full statistical analysis, but some useful themes emerged.

3. Themes from the consultation

3.1 Access to existing services

There was a perceived need for increased staff awareness around the issues faced by people with different protected characteristics. Consultees made specific mention of the needs of Deaf people, trans people and lesbian, gay and bisexual people.

Access issues included the absence of visible inclusion (such as Lesbian, Gay, Bisexual and Transgender (LGBT) friendly signs and spaces in Hemel Hempstead), the availability of interpreters, and different ways of contacting the Council for Deaf people. In some communities there is a tendency not to report abuse they experience and thus not to access the Anti-Social Behaviour service.

3.2 Providing new services/initiatives

There was strong support for a facility such as a dedicated community centre to support ethnic and faith groups and facilitate interaction and understanding.

Other consultees highlighted the need for additional support in some cases, such as community development work for ethnic and faith groups; a specific email group for Deaf people advertising opportunities for inclusion; for people with disabilities, additional support in getting jobs or in volunteering opportunities.

3.3 Involving residents and service users

People with disabilities were seen as a particular priority for involvement in service design. Better opportunities to act as community representatives were prioritised for Deaf people.

Other consultees suggested ways in which the Council might change its involvement and consultation opportunities. These focused in particular on making more use of existing channels of communication to make it easier for people to find out about, and remain involved through, such opportunities. Others focused on making more use of the knowledge held by existing specialist organisations and on more face to face consultation, rather than surveys.

3.4 Developing better information

Feedback was given that the Council would benefit from developing a more sophisticated evidence base for equalities policies. One response suggested the Council look more closely, in particular, at domestic violence incidents which are not reported to police.

4. Proposed objectives

It is proposed that we revise and renew our equalities strategy following the development of the current evidence base. This is timetabled to take place between April and August 2012, and will involve the development of objectives to improve equality in Dacorum. However, the Equality Act 2010 requires the Council to set and publish at least one objective in April and the following are being proposed for Members to consider now.

4.1 Develop a more robust, sophisticated and usable set of equalities data on our service users.

The service data snapshot exercise demonstrated that the Council does not hold consistent equalities data across its services. In some cases, the Council holds data for most users: for example, data is held on the ages of 100% of Benefits claimants and all applicants to the Housing register have supplied data on ethnicity, age, gender, and disability where it affects their housing need.

However, in most cases the data we can derive is for less than 55% of our service users and in some cases it is very low indeed (10% or less). Local authorities would expect to hold data on around 85% of their service users.

Consistent data would enable the Council to identify problems affecting particular groups, diagnose any issues with access, and track the impact of changes made to services to ensure that no group is disadvantaged. The Council would also gain additional opportunities for joint working to address individuals' multiple needs.

This objective would also offer the opportunity to improve and more effectively target Council services. Consultation with specialist organisations highlighted improved data as a key priority.

4.2 Improve inclusion, access to services and opportunities for involvement for all people in Dacorum. To develop a pilot project to address the needs of Deaf residents.

In the absence of comparative data, the Council has the opportunity to use community knowledge to start identifying access barriers for services. This will allow us to follow the

direction given to us through the consultation to make better use of the knowledge held by specialist organisations.

It is proposed that we set up a pilot project involving Deaf people in Dacorum. Deaf people in the UK experience significant deprivation: Deaf people suffer higher unemployment than the rest of the population, and higher rates of long term illness. Targeted work at improving outcomes for Deaf people is likely to be an effective way of directing services towards some of those in greatest need.

A former Deaf services development officer has offered to work with us to improve access to services for Deaf people in Dacorum. This project will be used as a pilot to explore the ways in which we could work to improve access for other groups.

4.3 Increase the proportion of incidents reported to the Council which are recorded as hate crime or hate related incidents.

Improving the recording of hate crime is a key priority in the Department for Communities and Local Government's new cohesion strategy.

Current reporting rates for hate related incidents are relatively low for some demographic groups. Some groups in Dacorum informally report high levels of hate related incidents but do not make use of the services we offer for dealing with these.

The Council's Anti-Social Behaviour Team has piloted work with Dacorum Mencap's service users to build better understanding of reporting, and the processes for dealing with, hate related incidents. This has been positively received and has highlighted a need to improve wider understanding of the importance of reporting and addressing hate crime.

Increasing the proportion of hate related incidents which are reported to and recorded by the Council would enable us to work to reduce the overall incidence of hate crime and build community cohesion.

4.4 Develop our consultation base so that it becomes more representative of the community.

The Department for Communities and Local Government's new cohesion strategy identifies participation as a key factor in integration. However, the take up rate for formal consultation is often low. In addition, because Black and Minority Ethnic (BME) groups form a low percentage of the population of Dacorum, in practice this can mean that we hear from very few people from certain ethnic minority groups.

Some consultations are not currently monitored at all and the Council thus has no way of knowing how representative they are.

In addition, feedback has suggested that we should be making better use of groups representing different communities and that face to face consultation can be more effective than other methods.

This suggests that the Council could improve the ways in which it consults to gather information more effectively and representatively. Members' knowledge of the issues faced by their communities would offer valuable additional information.

5. Conclusions

The Council needs to conform to certain requirements placed on it by new legislation or face the possibility of legal challenge.

While detailed strategic work will take place later in 2012, the objectives detailed in this report have been developed in response to needs highlighted both by the data held by the Council and by evidence from consultation.

The work to fulfil the legislative requirements has therefore created a number of opportunities for service improvement; these opportunities will also contribute towards corporate priorities.

AGENDA ITEM: 8

SUMMARY

Report for:	Finance & Resources Overview & Scrutiny Committee
Date of meeting:	20 March 2012
PART:	1
If Part II, reason:	

Title of report:	Quarter 3 Monitoring Report
Contact:	Cllr Nick Tiley, Portfolio Holder for Finance and Resources Author/Responsible Officer: Shane Flynn, Assistant Director (Finance and Resources)
Purpose of report:	To inform the committees of the expected outturn position as at the end of the third quarter of 2011/12 as part of the development of the budget report for 2012/13
Recommendations	That the committees note the report and the projected year-end variances identified
Corporate objectives:	Accurate financial monitoring and sound financial management supports all five of the Corporate Objectives, with specific reference to <i>Dacorum Delivers</i>
Implications:	<u>Financial</u> The financial implications are identified in the report
'Value For Money Implications'	<u>Value for Money</u> The impact of budget variances will be taken into account in budgeting for 2012/13 and in service planning.
Risk Implications	The risks of incurring material variances are taken into account in risk assessment as part of service planning
Equalities Implications	There are no direct equalities implications
Health And Safety Implications	There are no direct health and safety implications
Consultees:	All Group Managers, as primary budget holders, are consulted on progress against agreed budgets on a monthly basis and during the compilation of the quarterly reports.
Background papers:	Budget report 2011/12 and quarterly monitoring reports

Dacorum Borough Council
Budget Performance Monitoring 2011/12
(By Overview and Scrutiny Committee)

Budget Performance Monitoring: As at 31st December (Quarter 3)

Report To: Overview and Scrutiny Committee
From: Sally Marshall Corporate Director (Finance & Governance)
Date: 2 February 2012
Subject: Budget Monitoring 2011/12 (31December 2011 Quarter 3)

1. Introduction

1.1 This report outlines the forecast year-end position of the Council, based on data available as at 31st December 2011. It covers the following areas:

- General Fund Revenue Account
- Housing Revenue Account (HRA)
- Capital programme.

1.2 The forecast outturn position is the result of a month-end consultation process between Budget Holders and their Directorate Accountants.

1.4 All variance analysis is based on the original budget agreed by Full Council on 23 February 2011, updated to reflect any approved virements (movements within budget) since that date.

2. Forecast Working Balance – General Fund

2.1 The projected general fund service expenditure for the year is £20.482m compared to budgeted spending of £22.42m, an underspend of £1.938m. The effect of the forecast underspend is that the year-end movement on the working balances changes from a budgeted drawdown of £210k to a contribution to working balances of £1.799m.

2.2 The table on the following page illustrates the high-level position of each Committee within the overall context of the 2011/12 balanced budget.

Dacorum Borough Council General Fund Budget Performance 2011/12
(By Overview and Scrutiny Committee)

	Adjusted Budget Full Year £'000	Profiled Adj. Budget To Month 9 £'000	Actual To Month 9 £'000	Projected Out-Turn At Month 9 £'000	Projected Variance Year-End £'000
Statement as at 31 December 2011					
Environment	9,235	6,908	4,049	9,270	+35
Resources	9,192	6,824	14,721	7,682	(1,510)
Social	3,993	2,975	329	3,530	(463)
General Fund Service Expenditure	22,420	16,707	19,099	20,482	(1,938)
Reversal of Capital Charges	(3,987)			(3,987)	+0
Other Government Grants	(571)			(571)	+0
Interest Receipts	(434)			(528)	(94)
Revenue Contributions to Capital	1,596			1,596	+0
Contributions to / from Reserves	(2,206)			(2,183)	+23
Contributions to / from Working Balance	(210)			1,799	+2,009
	16,608			16,608	+0
Met From:					
Revenue Support Grant	(1,576)			(1,576)	+0
Redistributed Non-Domestic Rates	(5,098)			(5,098)	+0
Council Tax Surplus	42			42	+0
Requirement from Council Tax	(9,976)			(9,976)	+0
	(16,608)			(16,608)	+0

2.3 Commentary on material variances by Scrutiny Committee

2.4 At a Corporate level, the underspend of £1.938m on the general fund is the combined effect of several items, of which the following are material:

- increased income of £400k (predominantly from recycling and commercial rents)
- savings in supplies and services of just over £300k
- timing differences relating to the Benefit Subsidy Grant (£300k)
- salary savings in the region of £500k. A breakdown of *net* salary savings (after redundancy and agency costs have been taken into account) by Committee is shown below:

Committee	Projected Net Salary Savings £'000
Environment	79
Resources	(543)
Social	(12)
Total	(476)

2.5 The budget position as at the end of Quarter 3 can be analyzed further by Scrutiny Committee as follows:

Environment

2.6 The projected outturn is £9.27m, £35k higher than budgeted. Redundancy costs of £227k were incurred in Building Control but these costs have been offset primarily by increased recycling income – an overachievement of approximately £260k is anticipated.

Resources

2.7 The projected outturn is £7.682m, £1.51m lower than budgeted. Significant contributors to the under spend include:

- Salary savings in excess of £540k predominantly related to savings generated from Phase 2 restructuring
- Increases in commercial rents of £180k
- Savings on HR and training related costs of £73k
- Communications savings £34k

2.8 In addition to the items outlined there is a saving of £196k arising from the refinement of budget provision for Insurance.

2.9 Another factor explaining the underspend for the Resources Committee relates to the Benefits Subsidy Grant – namely an ‘apparent’ excess in subsidy received (£300k). This arises however, from timing differences between financial and admin systems which do ultimately converge. Work is currently under way to investigate / remedy this.

Social

2.10 The projected outturn is £3.53m, £463k lower than budgeted. Significant contributors to the under spend include:

- CCTV incomes not budgeted £380k
- Environmental health surplus revenues across various areas totaling £124k

3. Key Income Streams

3.1 Investment Income

3.2 The year-end outturn position is forecast to exceed the original budget by over £120k. The expected over achievement on interest is in line with higher than budgeted balances available for investment.

	2011/12 Original Budget £'000	2011/12 Projected Interest £'000	2011/12 Projected under/(over) recovery £'000
General Fund	(434)	(528)	(94)
HRA	(140)	(170)	(30)
Total	(574)	(698)	(124)

3.2 Other Key Income Streams

3.3 Other key income streams are summarised in the table below, complete with explanations for material forecast outturn variances.

	2011/12 Full Year Original Budget £'000	2011/12 Projected Income £'000	2011/12 Projected under/(over) Recovery £'000
Building Control Development	(492)	(364)	128
Control	(548)	(513)	35
Car Parking	(1,892)	(1,749)	143
Land Charges	(85)	(250)	(165)
Recycling Income	(907)	(1062)	(155)
	(3,924)	(3,938)	(14)

- **Building Control £128k under-recovery** – Building control income has been relatively weak during the year. No direct reasons for this are apparent. A full review of the service is currently underway and this will culminate in a new fee schedule being implemented early in the new financial year which should result in increased charges for services based on a full re-costing of the service. Furthermore, costs have been trimmed substantially following the Phase 2 restructuring, thus mitigating some of the revenue shortfall.
- **Development Control £35k under recovery** – Although development revenues to the end of December were lower than budgeted there has been a slight improvement in January 2012. An improvement in quarter 4, and thus the year end position relative to budget is therefore a possibility. The overall value of revenues

achieved can be distorted throughout the year by the inclusion or absence of major applications.

- **Car Parking £143k under recovery** – Income from Car Parking is expected to be behind budget at the year end. This is in line with trends being reported by other Local Authorities and is linked to a reduction in usage.
- **Land Charges £165k over-recovery** – Land charges revenues were very conservatively budgeted for 2011/12 related to the issue of not charging for environmental type information. Although we are no longer charging for this information revenues are significantly higher than budgeted and are likely to remain so until a full re-costing of the service has been completed. Work is under way to re-evaluate all costing areas of the land charges service (planned to happen by the end of March) to determine if our current charges are compliant with the latest CIPFA guidance and CLG guidance.
- **Recycling Income £155k over-recovery** – Recycling income is on target for this point in the year. An over-recovery is expected to be achieved by year end due, mainly to favourable material prices.

4. Housing Revenue Account

- 4.1** The position on the Housing Revenue Account is presented on the table below. The closing balance predicted for the year end is £3.198m and so remains in line with the budget of £3.186m. As implied from the overall improvement in closing balances of £11k, there are no variations against key budget headings which are material in value.

<u>Housing Revenue Account 2011/12</u>	Original Budget 2011_12	Forecast Outturn 2011_12	% Variance
<u>INCOME</u>			
Dwelling Rents Net of Voids	(45,925,570)	(46,003,080)	0.2%
Non Dwelling Rents	(210,000)	(209,475)	-0.2%
Leaseholder Charges (ground rents and insurance)	(162,230)	(166,778)	2.8%
Sale of houses - Mortgage interest	(15,750)	1,060	-106.7%
Other items of income (Commission on Water charges)	(264,150)	(276,116)	4.5%
Housing Subsidy - Major Repairs Allowance	(8,285,250)	(8,285,250)	0.0%
	(54,862,950)	(54,939,640)	0.1%
<u>EXPENDITURE</u>			
Responsive Repairs	1,775,000	1,775,000	0.0%
Void Repairs	1,000,000	1,000,000	0.0%
Planned Maintenance	3,641,000	3,637,963	-0.1%
Other Repairs / Income	1,932,360	2,148,667	11.2%
Housing Repairs (includes recovery of leaseholders repairs)	8,348,360	8,561,630	2.6%
Revenue Contribution to Capital	1,100,000	1,100,000	0.0%
Supervision & Management			
General Expenses	5,528,820	5,311,392	-3.9%
Special Expenses	3,074,860	2,976,901	-3.2%
Housing Futures - HRA	720	0	-100.0%
Supporting People - Transition	115,000	115,000	0.0%
Rent, Rates, Taxes and other charges	23,520	26,414	12.3%
Provision for Bad Debts	200,000	200,000	0.0%
Housing Revenue Account Subsidy:			
Subsidy to Major Repairs Reserve - Gross of transition	8,285,250	8,285,250	0.0%
Negative Subsidy - Payments to Secretary of State	20,115,850	19,940,850	-0.9%
Interest Payable on Self Financing Debt	0	300,000	-
Resource Accounting:			
Depreciation	10,036,340	10,036,340	0.0%
Total Revenue Expenditure	56,828,720	56,853,776	0.0%
Net Cost of HRA Services as included in the whole authority Income & Expenditure Account:	1,965,770	1,914,136	-2.6%
HRA services share of corporate and democratic core	251,020	251,020	0.0%
Net Cost of HRA Services	2,216,790	2,165,156	-2.3%
Appropriations:			
Interest & Investment Income	(140,000)	(100,000)	-28.6%
Resource Accounting:			
Further Depreciation on Dwellings from MRR	(1,736,070)	(1,736,070)	0.0%
Depreciation on Other Assets	(15,020)	(15,020)	0.0%
Housing Revenue Account - Deficit	325,700	314,066	-3.6%
<u>Housing Revenue Account Balance</u>			
Opening Balance at 1 April	3,511,725	3,511,725	
Deficit for the year	(325,700)	(314,066)	
Closing Balance at 31 March	3,186,025	3,197,659	

5. Capital Programme

- 5.1 Projected spend against the capital programme for projects sponsored by each Directorate is set out in the table below. The projected variance of 52% represents anticipated slippage on the programme at this stage. A revised Capital Strategy has been put into place which is designed to address slippage on the programme. The effects of this will not be realized until 2012/13, however.

	Budget	Projected Outturn 31 March 2012	Spend-v- Budget (Variance)	Variance (%)
	(£000)	(£000)	(£000)	(£000)
Performance , Improvement and Transformation	5,240	1,895	3,345	64%
Housing and Regeneration	8,691	1,335	7,356	85%
Finance and Governance	5,377	1,279	4,098	76%
Total General Fund	19,308	4,509	14,799	77%
Total Housing Revenue Account	9,731	9,428	303	3%
Total (General Fund and HRA)	29,039	13,937	15,102	52%

- 5.3 The table above compares the original budget, plus any amendments agreed at Cabinet, with the predicted spend at the year end. The budgets identified to be re phased are still included in the original budget figures as the revised programme has not yet received approval. For a brief indication of the likely outturn figure, the revised budget for general fund projects is £5,656 against a projected spend of £4,423 giving a variance of 22%.

5.4 Major items contributing to variance (items exceeding £100k)

General Fund :

Performance, Improvement and Transformation

Environmental Data Collection System (EDCS) - Waste Services	132,100	The supplier has now been identified. The budget will not be spent this year and has been re phased into 2012/13 in the revised capital programme.
Purchase of Fleet Vehicles	1,818,714	Additional spend of £60k has been identified for 2011/12. Significant savings are expected at the end of the year with part of the budget expected to slip into 2012/13 (awaiting details of amount of slippage)
Play Area Refurbishment Programme	310,000	This is part of the IDP programme. Scrutiny and Cabinet approval is required before the procurement process can commence. Consequently the budget has been re phased into 2012/13 in the revised capital programme.

Verge Hardening programme	300,000	The initial study and consultation are pending. The works are expected to commence in summer 2012 and therefore budget has been re phased into 2012/13.
Refurbishment of Youth Centres	150,000	This budget has been removed from the programme as the project has slipped for more than 2 years. A proposal has been resubmitted for inclusion in the revised programme. It has been included in years 2012/13 & 13/14

Housing and Regeneration

Renewable Energy, Maylands	280,000	A report was approved at Nov 11 Cabinet to utilise £130k for the installation of PV (Photo Voltaic) panels at Maylands Business Centre. £20k will be spent this year with balance re phased into 12-13.
Neighbourhood Centre Improvements (GAF)	127,550	A further £20k will be spent this year for works at Grovehill, the balance has been confirmed as slippage.
Heart of Maylands Facilitation	1,000,000	The budget has now been re phased into 12-13.
Two Waters Phase II (previously Environmental Education Centre)	200,000	The works are currently out to tender and will not commence this year. The budget has now been re phased into 12-13 in the revised capital programme.
Hemel Station Gateway	300,000	The budget has now been re phased into 12-13.
Town Centre regeneration (GAF)	280,600	This budget has been committed towards Marlowes Shopping Zone Improvement Strategy, Spend of £59k is anticipated for the current year and the remaining budget will be rephased into 2012/13
Old Town Environmental improvements	498,346	Design is being agreed with HCC. It has been confirmed that the one-way work in the Old Town will not commence this year and therefore the budget has been re phased into 2012-13. The initial design fee has been paid.
Affordable Housing Development Fund	1,600,000	This budget, with the item below, has been provisionally allocated to 3 schemes; The Beehive Pub (14 units), Manor Farm, Markyate (14 units) and Park Lane, HH (80 units). It is not known when these schemes will progress further.
Funds for bringing forward Affordable Housing - Town Centre	1,000,000	This budget, with the item above, has been provisionally allocated to 3 schemes; The Beehive Pub (14 units), Manor Farm, Markyate (14 units) and Park Lane, HH (80 units). It is not known when these schemes will progress further.

Funds for facilitation of Affordable Housing - within garage sites	1,900,000	£600k of this budget has been transferred to Axis Point. The remaining budget has been allocated to build up to 45 new affordable homes, the necessary land is currently being identified.
CSU Development	130,579	This budget has been removed from the revised programme as the project has slipped for more than 2 years. No new bid has been submitted.

Finance and Governance

Disabled Access - Phase 4	143,272	This budget was approved for disabled works at Charter Court, Kings Langley. The project is on hold until a decision has been made on the future of the building. If the works do not go ahead, the minor spend incurred in previous years will need to be charged to revenue.
Public Conveniences refurbishment	406,047	The specifications are complete and works will be tendered shortly. The project has been re phased into 12/13 and savings of £200k have been incorporated into the revised capital programme.
High Street Green Pavilion	250,000	Works are likely to slip into 12/13
Old Town Hall	250,000	The works will not commence in 2012/13 and therefore the budget has been re phased into 12/13 with additional budget being made available.
Acquisition of an Investment Property	1,000,000	Reactive acquisition fund
Car Park Refurbishment Programme	132,610	Resurfacing work at Frogmore Street Car Park, Tring - due to start in Feb 2012.
Hemel Sports Centre - Gym Improvement works	810,500	The works will not commence until 2012/13
Decent Homes in the Private Sector	352,896	The project is currently on hold whilst alternative ways of utilising the funding are investigated.

Note: The schemes that are identified as “re phased” will be re profiled to 2012/13 in the revised capital programme (to Cabinet on 8 February 2012)

5.5 Savings

5.6 The following schemes have now been identified as ‘works not required’. These codes will be closed and the budgets removed from the revised capital programme and released back into the capital pool for reallocation.

Schemes

Bennettsgate Shopping Centre (BB041)
The Denes-Structural works (BB063)
48, High Street (BB066)
19 Hillfield Road (BB067)
The Heights Shopping Centre (BB032)

Budget

£ 58,983
£ 10,000
£ 10,000
£ 30,000
£ 28,995

5.7 The following schemes have now been completed. These codes can be closed and any savings released back into the capital/S106 pool for reallocation.

<u>Schemes</u>	<u>Saving</u>
Relocation of parking shop, Civic Centre (BB056)	£ 5,537
Memorial Gardens, Tring (BE028)	£ 1,329
Randalls Park, HH (BE024) – S106	£ 3,599
Margaret Lloyd Park (BE005)	£ 1,855
Laptops for Councillors (BX002)	£ 4,946
Old House planning requirement (BH300) – S106	£45,277 *

** Legal have confirmed that additional costs incurred in carrying out these works, such as officer time in managing the project, could be funded from the remaining S106 money subject to agreement from Sutton Affinity. Housing are to contact Sutton Affinity to obtain their agreement, the remaining monies are to be refunded back to them.*

5.8 Overspends

5.9 No major over-spends have been identified.

5.10 Housing revenue Account (HRA):

The HRA programme will be underspent overall by £302k which will need to be slipped in 2012/13. There are various over- and underspends which are largely an accumulation of the net impact of various works. The significant aggregate variances are:

- Aids & Adaptations	£73,937
- Roofing – Chimneys	£131,084
- Replace fascias & Soffits	- £40,000 (overspend)
- Lifts	£93,284
- External Doors upgrade	- £45,000 (overspend)

AGENDA ITEM: 9

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny
Date of meeting:	20th March 2012
PART:	1
If Part II, reason:	

Title of report:	Revenues & Benefits Service Update
Contact:	Councillor Nicholas Tiley, Portfolio Holder for Finance and Resources Author/Responsible Officer: Nicola Ellis Group Manager (Revenues, Benefits and Fraud)
Purpose of report:	1. To provide an update on performance of the Revenues & Benefit Service 2. To outline performance targets for 2012/13
Recommendations	1. To note actions taken to improve performance in the Revenues and Benefits Service 2. To note performance targets for 2012/13
Corporate objectives:	Dacorum Delivers – improvements in the service will continue to support the ‘Dacorum Delivers’ corporate objective by improving the level of service to customers and delivering better value for money for all residents. Affordable Housing – prompt payment of benefits will also help to prevent homelessness and lead to an increased availability of affordable housing. Building Community Capacity – ensuring our customers are receiving the correct benefit in a timely fashion will increase the household income of some of our most deprived residents. Regeneration – ensuring that local residents are supported and receiving their benefit entitlement supports the local economy. Ensuring timely and accurate billing and collection of National Non Domestic Rates supports local businesses.
Implications:	<u>Financial</u> The Service improvements outlined will, in the main, be sourced from existing budgets and staffing resources. However, there may be occasions where further representations need to be made to members to maximise the benefits of actions within the Service Improvement Plan.

	<p><u>Value for Money</u></p> <p>Correctly paid benefit is refunded at the rate of 100% by the Department of Work and Pensions therefore there should not be a direct impact. The report highlights actions to be taken to maximise collection and to identify efficiencies all of which contribute to improved value for money.</p>
Risk Implications	Risk Assessment reviewed and risk associated are addressed by actions planned for the future or highlighted in this report.
Equalities Implications	Equality Impact Assessment reviewed. Action taken to improve performance and resilience will minimise the impact on most vulnerable residents in terms of processing delays.
Health And Safety Implications	There are no health and safety implications arising from this report
Consultees:	None
Background papers:	None

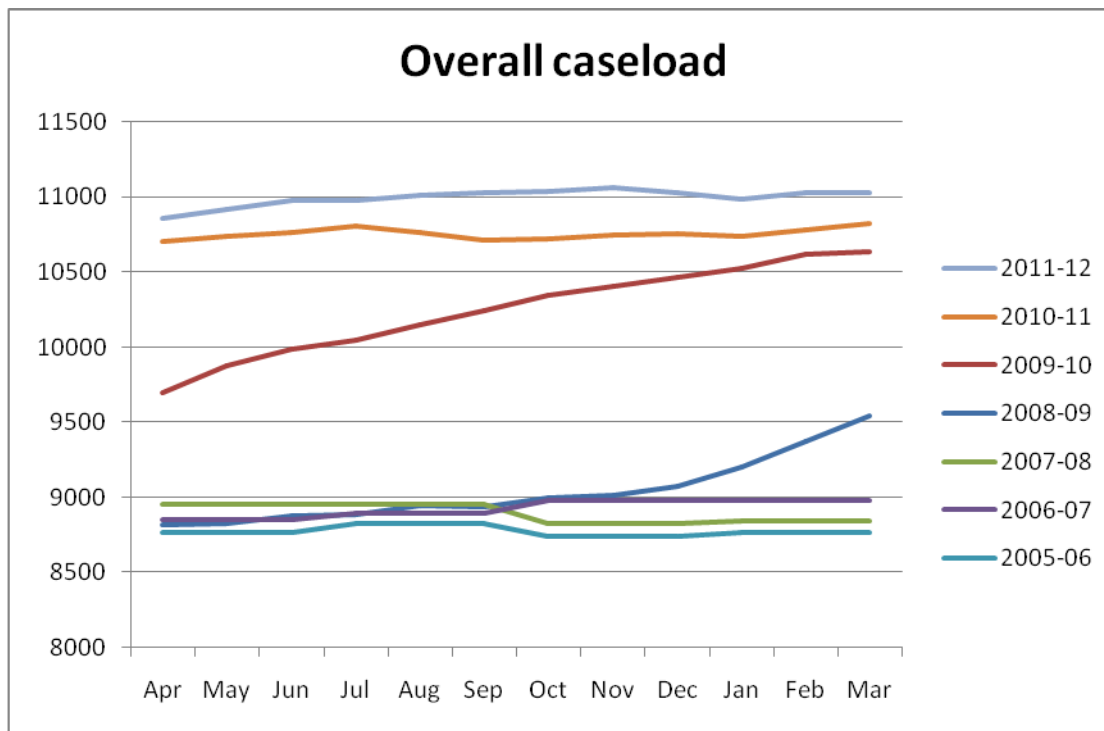
Introduction

1. The purpose of this report is to report on performance of the Revenues, Benefits and Fraud Service and to highlight some of the initiatives the Service has taken to improve performance during 2011/12. The report also details our proposed targets for 2012/13 and the projects and improvement initiatives that we will be pursuing during that year.

Benefits Performance

2. Over 2011/12 the Service has continued to experience an increase in caseload. At the end of February 2012 the number of households receiving Housing and/or Council Tax Benefit within the borough stands at 11031. This represents an increase of 2.5% over the past 12 months and is the highest level of cases that the Council has had to deal with. The rise in caseload since 2005/06 is shown in Figure 1.

Figure 1 – Benefits caseload 2005/06 to 2011/12



3. During this financial year, the Service has worked hard to maintain improvements in performance. However, increased workloads, resourcing issues over the summer holiday period 2011, and a short period without a Group Manager in place led to a backlog of correspondence. This had a detrimental effect on the key performance indicators relating to the speed of processing new claims and changes. At 29 February 2012 our year-to-date performance stood at 25.1 days for new claims and 15.9 days for changes against targets of 23.5 days and 13.5 days respectively. Table 1 shows the monthly performance trend.

Table 1: Benefits processing performance by month 2011/12

	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
New Claims (Target 23.5)	22.7	23.1	24.9	23.6	25.1	27.1	23.9	26.2	26.8	29.4	23.7
Changes (Target 13.5)	12.9	13.6	14.1	10.8	11.9	16.4	17.3	19.8	22.3	17.6	17.1 (14.4 excluding ring fenced backlog)

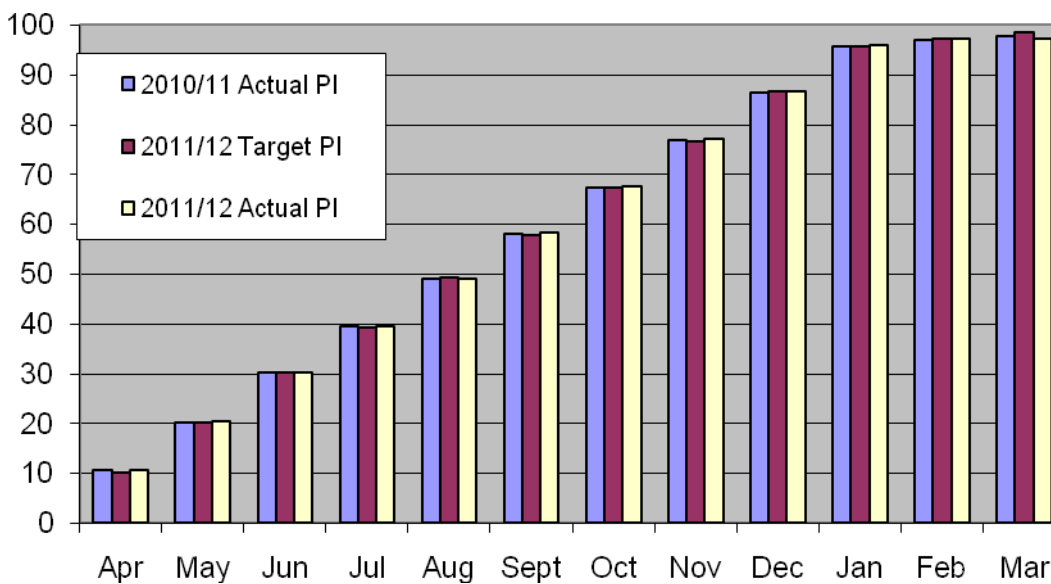
4. At the end of October 2011, the backlog of outstanding correspondence stood at 3266 items with the oldest item dating back to August. At that point the first phase of a backlog clearance plan was implemented. The Service currently employs additional processing capacity from the established resilience contract with Serco RB Solutions. Two FTEs are used from this contract. This was increased by two further FTEs for a period of three months from November 2011 to January 2012. This began to make significant inroads into the clearing the backlog, but over the month of December the Service resource pressures continued, and there were significant IT issues.
5. During the first week of January 2012 it became apparent that our original clearance plan would not allow us to clear the backlog before annual billing and we therefore introduced further changes. Since that time staff have been working additional hours and overtime and we made a decision to ringfence the backlog of claims from 1st February 2012 and to outsource the work to an offsite processing resource provided by Northgate. The backlog was cleared on 1st March 2012.
6. Clearance of the backlog has had and will continue to have a detrimental effect on the performance indicators relating to the speed of processing new claims and changes. Whilst we are clearing older work these claims and changes have taken longer than the target of 23.5 days and 13.5 days. However, we have managed to continue to fulfil our 48 hour pledge for complete new claims and so anticipate that once the backlog has cleared we can stabilise performance and are aiming at completing new claims in an average of 23 days and changes in an average of 13 days in 2012/2013.
7. Once the backlog had been outsourced we focused on managing our incoming workload in a different way. Using resource planning tools we now aim to deal with all work received in a week, by the end of the following week. We are now closely monitoring our resources to match outstanding workload. In addition, we have commissioned Liberata to undertake an analysis of processing activities. This will identify areas of potential efficiencies and improvements in processes.
8. At the beginning of February, the Department for Work and Pensions (DWP) commenced phase 2 of the ATLAS project. This involves the automatic transfer of information from HM Revenues & Customs (HMRC) and DWP relating to changes in other benefits, such as tax credits. We implemented phase 1 in July this year and this increased our workload significantly at that time, contributing to our backlog build up. This time we have identified the impact at an early stage and have deployed additional resources with the intention of preventing a further build-up of work.

Revenues Performance

Council Tax

9. Throughout 2011/12 Council Tax collection has shown a slight improvement on last year. At the end of February 2012 the collection rate stands at 97.3% which is 0.2% ahead of last year. However there is still a big gap between the current collection rate and the target of 98.5% and we envisage that this could be difficult to achieve over the remainder of the financial year. For the remainder of 2011/12 we are carrying out proactive recovery action in order to try and bridge this gap. We will also be reviewing the profiling of future targets.

Figure 2 – Council Tax collection rate 2011/12

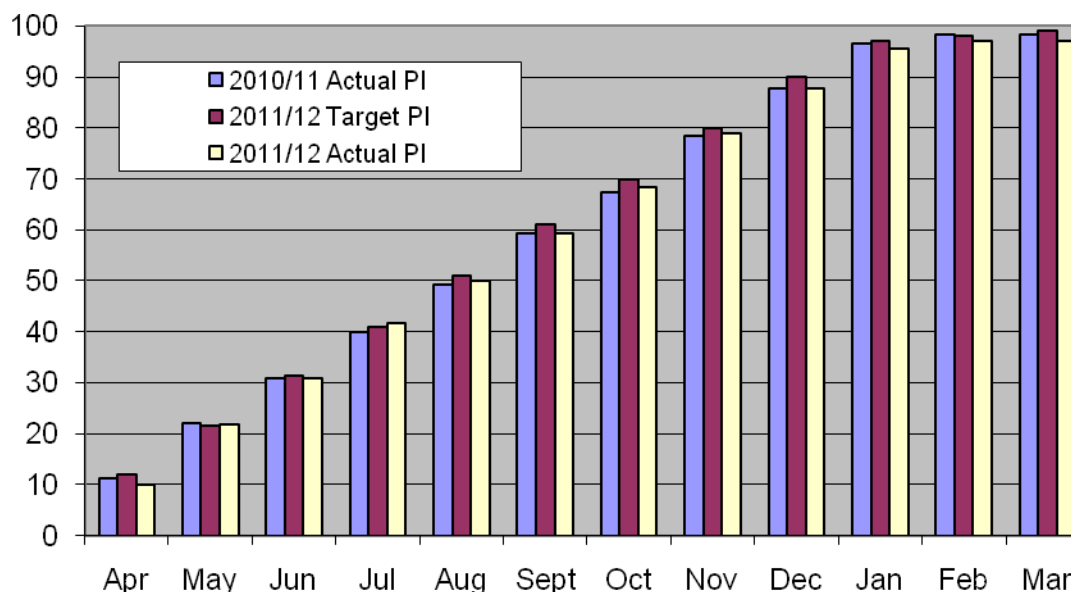


10. We regularly benchmark our performance against other Herts authorities and as at the end of January 2012, our collection rate was the third best reported, at 95.9% and we were only 0.2% behind the best authority who had a collection rate of 96.1%.
11. During the year there has also been a focus on reducing arrears from previous years. At the beginning of 2012/13 arrears stood at £6.1 million (£1.9 million relating to 2010/11). As at the end of February arrears for previous years stand at £4.3 million (£373k relating to 2010/11). This represents a 42% reduction in arrears during the year.

Business Rates

12. During 2011/12 we succeeded in achieving our monthly target for business rates in two individual months. In the period from June until November we matched or slightly exceeded the equivalent monthly performance for 2010/11. However, in December 2012, we experienced a drop in collection and this has continued since that time. Feedback from Herts Revenues Group indicates that this trend has been reflected across Hertfordshire and is thought to be due to the current economic climate.

Figure 3 – Business rates collection rate 2011/12



13. Benchmarking against other Herts authorities has shown that as at the end of January our collection rate was the third best reported at 95.6%. The best authority had a collection rate of 97.3%.
14. Throughout the year there has also been a focus on reducing previous year's arrears. At the beginning of 2012/13 arrears stood at £2.6 million (£1.01 million relating to 2010/11). At the end of February arrears for previous years stands at £692K (£328k relating to 2010/11). This represents a 73% reduction in arrears.
15. In light of performance to date and the current economic climate the service intends to keep performance targets at the 2011/12 level for collection of both Council Tax and Business Rates. Reaching those targets is challenging in the current climate but we will be carrying out improvement work with the aim being to improve collection and recovery.

Corporate Anti-Fraud Team (CAFT) Performance

16. CAFT have been working towards a target of achieving 50% positive outcomes from investigations. As at the end of February 2012 the team has exceeded this target and has concluded 61.3% of investigations with a positive outcome in the year to date. Performance for 2010/2011 was 45%. Performance for the month of February stood at 72.7%.
17. We continue to raise awareness of fraud across the Council and have completed 13 Fraud Awareness Training sessions for staff. This is an increase on the 5 courses that were delivered throughout the whole of 2011/12. We have also commissioned our Internal Auditors Deloitte to undertake a range of counter fraud assessments in collaboration with the CAFT. This has included a staff fraud-awareness survey, the results of which were reported to the Audit

Committee in September 2011. The survey highlighted that staff in Dacorum have a high awareness of fraud issues and a strong understanding of actions that they can take to address those issues. Further work will include a data matching exercise and a fraud risk review.

18. We have completed 8 successful prosecutions, 4 administration penalties have been accepted and 14 cautions have been issued.
19. A number of proactive joint enforcement operations have been completed, including a successful and well-publicised Blue Badge investigation and further operations are planned.

Performance Improvement Work

20. Throughout the past year we have implemented various initiatives to improve performance and to increase our capacity to cope with the incoming work.
21. As noted above, we are currently commencing a programme of work with Liberata. This work will identify whether there is potential to improve capacity through using their work planning and performance management model. The project is currently in the investigative stages and Liberata hope to have a completed business case identifying potential benefits in early 2012/13.
22. We have recently recruited a Training Officer as part of our training partnership with Chiltern District Council. The aim is to build on previous collaborations between the two Councils by using a jointly funded post to meet the training needs of both Chiltern and Dacorum and also to extend training to other organisations. Over time the post will generate sufficient income to offset the costs of the post and ultimately to generate a profit. The person will be in post from 2nd April and their initial tasks will include developing our joint training plan and developing a marketing strategy.
23. In January we implemented automated direct debits (Auddis) this enables us to transfer direct debit instructions and amendments through an automated process thus reducing a reliance on paperwork. The second phase of this project will be to implement paperless direct debit instructions so that customers are able to set up instructions over the phone. We also introduced variable direct debit dates in 2011/12 to enable customers more flexibility if they choose to pay by direct debit.
24. At the beginning of the year we reviewed recovery processes and this resulted in changes such as issuing reminders earlier in the process. We will be carrying out a further review of our recovery strategy this year in order to make sure we are maximising all opportunities to collect and recover outstanding Council Tax and Business Rates.
25. During 2012/13 we will also be going live with software that will enable us to match benefit notification letters to council tax bills so that these can be issued together. This will obviously be more efficient and will also simplify things for our customers.
26. In order to improve the Service's contribution to wider corporate objectives we have explored opportunities where we can work jointly with other departments. In Business Rates we have been working with the Dacorum Business Partnership to identify how we can help offer advice to local businesses. We are commencing a monthly surgery at Maylands Business Centre from April where we can offer advice on issues relating to Business Rates. We are also developing a contribution to the business directory to raise awareness of Small Business Rate Relief. We intend to have regular liaison meetings with the project coordinator so that we are able to keep each other up to date with pertinent issues. Throughout the year we have worked to support small businesses by being flexible in the arrangements that we have made to collect Business Rates. This includes collecting over 12 months rather than the statutory 10 months.

27. To contribute to the Council's priority to improve the provision of affordable housing to residents. We have been in contact with officers responsible for empty homes initiatives and are exploring how we can contribute to getting empty homes back into use. We are currently in discussion with Housing on exploring options for tackling tenancy fraud and have worked on a joint data matching project to identify potential fraud.
28. We continue to improve the joint working between Revenues and Benefits and have developed generic working between the teams and within Revenues billing and recovery. We have implemented a programme of joint meetings and recently held a half day service planning meeting where the whole team were involved in developing next year's service plan. The meeting was extremely productive and a number of initiatives for improvement were identified to be explored in the future.

Targets for 2012/13

29. New Targets for the 2012/13 financial year have been set to challenge the service to improve further during the current year. The targets are:-
- New claims processed in an average of 23 days
 - Change of Circumstances processed in an average of 13 days
 - Business Rates current year collection rate of 99.0%
 - Council Tax current year collection rate of 98.5%
 - Percentage of positive outcomes resulting from fraud investigations 55%
30. We are also looking at introducing two new targets. These are:
- Accuracy (defined as percentage error rates in terms of number of errors) at or above agreed target levels – target to be set.
 - Efficiency (defined by value of local authority errors) at or above agreed targets – target to be set
31. The Service Improvement Plan will support these ongoing improvements. This will be reviewed regularly by management and reviewed with all staff at least quarterly.

Future Changes

32. The Revenues, Benefits and Fraud Service face a year of significant change. We are planning for the changes in Welfare Reform and Local Government Finance such as the introduction of Universal Credit, localised Council Tax Support and local retention of Business Rates. We are working very closely with other Herts Authorities to manage the changes and to share ideas and best practice.

AGENDA ITEM: 10

SUMMARY

Report for:	Finance & Resources Overview & Scrutiny
Date of meeting:	20 March 2012
PART:	1
If Part II, reason:	

Title of report:	Asset Management
Contact:	<p>Councillor Nick Tiley, Portfolio Holder for Finance and Resources</p> <p>Author/Responsible Officers: Shane Flynn, Assistant Director (Finance and Resources) Mike Evans, Group Manager (Commercial Assets and Property Development)</p>
Purpose of report:	To seek approval for revisions to existing asset management plans and to approve a new strategy for driving value from the Council's assets.
Recommendations	That the Committee notes the proposed Strategic Asset Management Plan and provides comments for inclusion or amendment prior to presentation to Cabinet for approval.
Corporate objectives:	Management of the Council's assets supports the achievement of the Council's vision and all five of its priorities. In particular the proposals and programmes set out in the Strategic Asset Management Plan support the Regeneration Priority under the heading 'Drive Value from Council-owned Assets'.
Implications:	<p><u>Financial</u></p> <p>The Council currently spends approximately £3.0m p.a. on premises. The Council also derives a substantial income from commercial lettings.</p> <p>'Value For Money Implications'</p> <p>Capital resources set aside within the capital programme for property acquisitions include £1.110m in 2011/12 and £700k in 2012/13. Anticipated capital receipts from sales of properties (including Housing under the Right to Buy scheme) amount to a budgeted £1.5m p.a.</p> <p>Decisions regarding the acquisition, development and disposal of assets can therefore have a significant impact on capital and revenue budgets.</p>

	<p><u>Value for Money</u></p> <p>Maintaining assets to support the delivery of council services is essential, as is acquiring new ones to support changes and disposing of existing ones that are no longer fit for purpose. The consideration of 'fit for purpose' incorporates a decision over value for money and each decision regarding the utilisation of assets needs to take value for money into account.</p>
Risk Implications	Individual Risk Assessments are completed for each development, acquisition or disposal decision in relation to Council assets. Risk Registers supporting Directorate Service Plans incorporate risks governing the use of property and Health and Safety risks which form part of the preparation of the Strategic Asset Management Plan
Equalities Implications	Equality Impact Assessments are completed at the decision stage for each development, acquisition or disposal of an asset.
Health And Safety Implications	Health and Safety implications form an important part of asset management and maintenance programmes. Consequently such implications are taken into account as decision are made regarding the maintenance, development, acquisition and disposal of assets.
Consultees:	Corporate Management team
Background papers:	Asset Management Plan 2010-12
Glossary of acronyms and any other abbreviations used in this report:	<p>Capital Strategy Steering Group (CSSG)</p> <p>Disability Discrimination Act (DDA)</p> <p>Environmental Management System (EMS)</p> <p>Geographical Information System (GIS)</p> <p>Housing Revenue Account (HRA)</p> <p>Improving Dacorum Programme (IDP)</p> <p>International Financial Reporting Standards (IFRS)</p> <p>Internal rate of return (IRR)</p> <p>Medium Term Financial Strategy (MTFS)</p>

BACKGROUND

1. The Council is the owner of a large number of land and property assets which are held for operational and financial reasons to support the delivery and commissioning of services to local residents and businesses. In order to ensure that land and property is used in the most effective way, it is important that the Council adopts and then, subsequently, reviews its asset management arrangements to ensure that they are 'fit for purpose'. This concept is defined and developed in the Strategic Asset Management Plan.
2. The Council's current Asset Management Plan covers the period 2010-12 and there has been considerable change within the Council since it was approved by Council. A revision is therefore required. The opportunity has been taken to develop the revised plan as a Strategic Asset Management Plan to bring it in line with the Capital Asset Strategy, the Medium Term Financial Strategy and the Council's Strategic Development Plans.
3. The Strategic Asset Management Plan 2012-14 is attached. The Committee is requested to review this and provide comments prior to presentation to Cabinet and Council for approval and adoption.

PURPOSE OF THE STRATEGIC ASSET MANAGEMENT PLAN

4. The Strategic Asset Management Plan exists in the context of the following:
 - The Council's Vision and priorities, as defined in October 2010
 - Adopted policies and strategies
 - The Medium Term Financial Strategy
 - The Capital Strategy
 - The Procurement & Commissioning Strategy
 - Governance arrangements set out in the Constitution.
5. The Plan has been updated from the 2010-12 plan to take into account changes in the above related policies and strategies and also to take into account changes in the structure of the organisation, including the introduction of Corporate Director, Assistant Director and Group Manager roles, and the revised set of corporate priorities.
6. In addition, Key Assets Strategies have been drawn out of existing approaches to provide a strategic context for future operational decision-making. This is intended to provide assurance to the Council that operational decisions are made within the boundaries of agreed approaches and to empower operational managers to make decisions by reference to the Strategy. The Key Asset Strategies are summarised in the box below.

Key Asset Strategy 1

To undertake periodic scrutiny of all property assets to assess fitness for purpose.

Key Asset Strategy 2

To ensure that all commercial properties are let on a commercial basis that generates a rental value in line with market rents and is consistent with the value of the property.

Key Asset Strategy 3

To support Localism by ensuring that all properties let or transferred for purposes of community support continue to be used by organisations whose objectives are compatible with the Council's own objectives and are best placed to provide the defined community services.

Key Asset Strategy 4

To determine the nature and purpose of undeveloped land assets held by the Council and to establish a programme of development or disposal for each.

Key Asset Strategy 5

To ensure that all 'stand alone' assets owned by the Council are identified and that responsibility is assigned for their maintenance.

Key Asset Strategy 6

To seek to acquire assets that support the Council's operational, financial and community objectives within the Council's governance arrangements and the capital funds assigned for the purpose.

Key Asset Strategy 7

To require that asset acquisitions and disposals are only undertaken following an option appraisal approved by the Section 151 Officer.

REVIEW AND NEXT STEPS

7. In order to present the totality of the Council's Assets and the Asset Management function in a manageable way, the 2010-12 document was split into two parts:
 - the Asset Management Plan
 - an Information Booklet that provides a range of background information.
8. This reduces the size of the strategic element of the document, but retains the detail for those that require it. The detailed Information Booklet is subject to continuous review but a substantial revision is now required, which has yet to be undertaken for two reasons:

- a new asset management system was procured in 2010. During 2010/11 data was migrated to this new system and as part of this process, and the introduction of International Financial Reporting Standards (IFRS), a significant amount of reclassification and redefinition took place.
 - a stock condition survey (excluding housing) has been commissioned and will be undertaken during the summer of 2012. This will provide a set of data which will enable the development of an investment strategy for the Council's non-housing assets.
 - the Council has made a commitment to develop proposals for alternative accommodation as part of its regeneration plans for Hemel Hempstead Town Centre. The outcome of this exercise will have a major bearing on the type and value of the Council's property assets.
 - the Localism Act has introduced a general power of competence which potentially provides the Council with wider choices about the development, acquisition and disposal of assets but also places the Council under various duties to consider the transfer of assets to community-based partners and constraints over its use of existing assets.
9. Following the completion of the stock condition survey and confirmation of proposals for the Civic Centre, the Information Booklet will be revised and used to define future work plans for the building service team and or any required consultancy support.
 10. The outcomes of this exercise will be reported to the Finance and Resources Overview & Scrutiny Committee, and the development of the work programmes will be the subject of consultation both with the Overview and Scrutiny committee and with other partners and stakeholders. A revised Information Booklet and proposed investment programmes will be reported to Cabinet in Spring 2013 for recommendation to Council for approval.
 11. The Corporate Assets Group was formed in September 2008 and meets monthly under the chairmanship of the Portfolio Holder for Finance & Resources. This enables property related business to be conducted in an effective and corporate manner, taking into account all relevant service matters.
 12. In January 2012, the Corporate Assets Group was reconstituted as a sub-group of the Corporate Regeneration Working Group to provide coherent strategic approaches between asset management and the Council's regeneration objectives. This Group will be responsible for the operational development of future workplans prior to scrutiny and consultation exercises as outlined above.

1. SECTION ONE – INTRODUCTION

Introduction

- 1.1. Strategic Asset Management is the process which ensures that land, property and non-property assets:
 - enable the Council to fulfil its vision, meet its priorities and deliver its plans
 - support the drive for efficiency and value for money
 - achieve the sustainable use of local, national and global resources.
- 1.2. To deliver or commission services for its residents and businesses the Council needs to ensure that its land and property assets are ‘fit for purpose’. This means that it needs to:
 - ensure that all existing assets meet the three criteria shown above
 - acquire new assets to develop its priorities and plans
 - dispose of assets that no longer meet the Council’s needs
 - transfer assets to, or share assets with, its partners.
- 1.3. Government guidance and best practice from the Royal Institute of Chartered Surveyors and Audit Commission indicates that the preparation, adoption and review of an Asset Management Plan are essential to the practice of asset management.
- 1.4. This document sets out the Council’s approach to the management of its property assets and the methods whereby such activity will be monitored and maintained. An accompanying Information Booklet provides further extensive details about the Council’s existing assets and work programmes designed to maintain and develop them.
- 1.5. The management of moveable assets, such as plant and equipment, are not considered as part of this plan. Under Financial Regulations, responsibility for managing these rests with the relevant Corporate Director.

Governance

- 1.6. In conjunction with relevant legislation and the Council’s Constitution, particularly the Financial Regulations and Procurement Standing Orders, the Strategic Asset Management Plan is designed to guide Members and officers of the Council in decision-making with regard to property use. It will be used during Options Appraisals or Value for Money reviews when considering how a service should be provided and also as and when services, supplies and works are procured at other times.
- 1.7. It is important that strategic asset planning mirrors the results of the Council’s longer term strategic view. This is especially so given the fact that property assets are not readily realisable and the long delivery timescales for property procurement.

Review

- 1.8. The asset management activity of the Council will be reviewed on a regular basis by the Corporate Assets Group as a sub-group of the Corporate Regeneration Group. Furthermore, periodic reports are considered by Cabinet and the Resources Overview & Scrutiny Committee as required. This enables the Strategic Asset Management Plan to keep pace with changes in legislation, guidance and economic factors, as well as developing areas such as sustainability and best practice in general.

The Construction of the Plan.

- 1.9. This Plan has been divided into a number of sections. These cover:

- Section 1 – Introduction
- Section 2 – Fit for purpose
- Section 3 – Acquisition and disposal
- Section 4 – Responsibilities for assets
- Section 5 – Asset performance.

2. SECTION 2 – FIT FOR PURPOSE

Assets that are fit for purpose

2.1. As defined in the Introduction, assets are 'fit for purpose' if they:

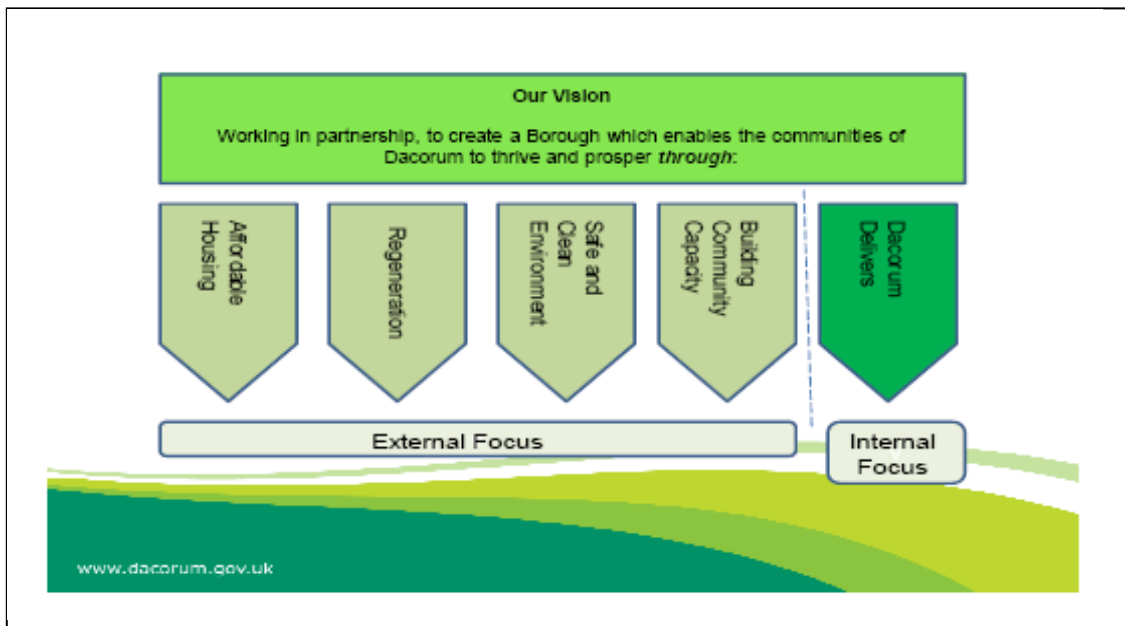
- enable the Council to fulfil its vision, meet its priorities and deliver its plans
- support the drive for efficiency and value for money
- achieve the sustainable use of local, national and global resources.

2.2. In September 2009 the Council published its revised Corporate Plan 2009-14. The Plan set out improvement proposals under six headings:

- Our community
- Resources and Value for Money
- Our environment
- Economic development and regeneration
- Affordable housing
- Our profile and reputation.

2.3. In October 2010 these headings were subsumed within a new vision and priorities, as shown in figure 1:

Figure 1: Corporate vision and priorities October 2010



- 2.4. The five priorities are supported by key service objectives as shown in Figure 2 overleaf. The Council's priorities and objectives have an external and an internal focus and are designed to drive improvement plans and enable the Council, with its partners, to deliver the ambitions of the Community Strategy. The supporting objectives help the Council to work towards achieving sustainable development and cohesive communities to enhance the quality of life for our citizens and customers.
- 2.5. As well as the key ambitions, the Council has a range of service priorities, cascaded from the Corporate Plan into service planning. The Council's corporate aims and priorities are supported by a wide range of strategies and plans that, in turn, need to be supported by a coherent and dynamic Strategic Asset Management Plan.

Figure 2: Key objectives supporting the Council's vision and priorities 2010-14



Existing assets

2.6. The Council has a wide-ranging asset portfolio. The portfolio (excluding housing stock) comprises over 550 assets of various sizes and types ranging from individual dwellings, shops, offices and industrial units to cemeteries, playing fields, adventure playgrounds, sports and youth buildings, public conveniences, depots and community halls. It has a total capital value for accounting purposes in excess of £85 million (excluding Housing stock). Full details are set out in Section Four of the Information Booklet.

2.7. How far these existing assets are ‘fit for purpose’ can be measured by five standards, as shown in Table 1:

Table 1: Asset management standards

Assets must...	Measurable standards
have a strategic impact	<p>This means...</p> <p>ensuring that asset management contributes to our corporate vision and corporate goals and that our property decisions are linked to decisions on other Council resources (staff, IT, finance)</p>
meet the needs of those that use them	<p>This means</p> <p>ensuring that staff, elected Members, visitors, customers and the general public, people with disabilities or special needs and other minority and specialist groups can access and use assets as intended</p> <p>creating a comfortable and accessible environment that makes a positive contribution to the use to which the asset is put</p> <p>asking people what they think about our property assets and taking their needs into account.</p>
be affordable	<p>This means...</p> <p>keeping running costs down, prioritising capital spending, undertaking proper options appraisals that incorporate “whole life” costing and assessing opportunity costs.</p> <p>making sure that capital works are completed on time, to budget and in line with the capital programme and that any borrowing for capital works is affordable</p>
be safe and comply with the law	<p>This means...</p> <p>ensuring that regular surveys and inspection for asbestos, legionella, fire, health & safety purposes, as well as physical condition surveys and Disability Discrimination Act (DDA) audits are undertaken.</p>
be sustainable	<p>This means...</p> <p>monitoring and reducing energy consumption and CO₂ emissions and ensuring that asset decisions take into account both the local and global environment and make a positive contribution to a sustainable community.</p>

2.8. In order to meet the above standards, the Council needs to ensure that all existing assets have a defined role to play in supporting its objectives and that

they are managed according to agreed purposes. The categories of existing assets are given below along with the key strategic approaches governing their management.

The property portfolio

2.9. Property assets are held by the Council for four reasons:

- to meet *service objectives* in support of the Council's vision
- to strengthen and maintain the Council's *financial* standing
- to build *community* capacity
- to help maintain the *infrastructure* of the community of Dacorum.

Operational buildings – service objectives

2.10. The Council operates a number of operational buildings in order to deliver services to its customers. The types of building involved range from civic offices, depots and stores to cemeteries and community centres.

2.11. The scale of operational buildings is dependent upon the level of service provided and whether there are better ways of facilitating service delivery. To that end, it is often the case that operational buildings are subject to options appraisals or value for money reviews. To support this a regular cycle of asset assessment is required.

Key Asset Strategy 1

To undertake periodic scrutiny of all property assets to assess fitness for purpose.

Commercial estate – financial objectives

2.12. The Council holds a number of commercial property interests that generate a rental income. These include:

- neighbourhood shopping centres
- shops
- industrial units
- storage units

2.13. These assets have been acquired over time and for a variety of reasons. The assessment of 'fitness for purpose' therefore depends to some extent on the reasons why the asset was required as its function or tenants may have changed over time. For assets to fall into this category, however, they must continue to have a commercial purpose and assessment of this is consequently needed from time to time.

Key Asset Strategy 2

To ensure that all commercial properties are let on a commercial basis that generates a rental value in line with market rents and is consistent with the value of the property.

Non-operational buildings – community objectives

2.14. The Council owns a number of buildings that are let to neighbourhood and charitable organisations so that they can deliver services to the community. There are a variety of leases involved in this category of assets: some of these operate on a low rent or peppercorn rent or have “internal repairs” only provisions where the Council has consciously chosen to act in an enabling capacity. In some cases the decisions made relating to the transfer, letting or management arrangements of the property are historical – i.e. were appropriate at the time, but may no longer be so. It is important therefore to keep these assets under review. Properties in this category include:

- community centres
- youth clubs
- charity offices / centres; eg. Citizens Advice Bureau, Volunteer Centre
- not for profit / social enterprises.

2.15. In November 2008, the Council approved a Community Assets Transfer Policy and a copy of the Policy is set out in Section Three of the Information Booklet. The Policy covers the considerations that need to be taken into account when reviewing proposals including the community benefits and financial sustainability, with a financial and risk analysis to ensure that the proposal serves the public interest in the best way.

2.16. The concept of community asset transfer is one that Dacorum has embraced for a considerable period of time through its provision of property to the voluntary sector for the delivery of services. Further consideration is required in the light of the Localism Act, passed in November 2011. Opportunities for asset transfer will be considered in accordance with the proposals set out within the Localism Act action plan separate to this strategic Asset Management Plan. Section Three of the Information Booklet will be revised in the light of the Localism Act and associated action plan.

Key Asset Strategy 3

To support Localism by ensuring that all properties let or transferred for purposes of community support continue to be used by organisations whose objectives are compatible with the Council’s own objectives and are best placed to provide the defined community benefit.

Stand alone assets – infrastructure objectives

2.17. Assets in this category are of two types:

- land assets

- physical 'stand alone' assets (such as retaining walls, war memorials art structures)

Land assets

- 2.18. In addition to its property assets and the land on which they are based (where the Council owns that land) the Council owns a number of sites that have been set aside for leisure and recreation or have not been developed. These assets are subject to the standards set out in Table 1, although the purposes for which they are held varies according to historical, geographical and demographic factors that in some cases are outside of the Council's control. A review process is therefore required to determine the extent to which these assets are fit for purpose.
- 2.19. Data relating to land assets is stored on the Council's Geographical Information System. However data management is limited because of the form in which information is held on the system. Improvements are needed to the system in order to categorise and maximise the use of these undeveloped land assets. Work has begun on this process and will continue during the development of this strategy.

Key Asset Strategy 4

To determine the nature and purpose of undeveloped land assets held by the Council and to establish a programme of development or disposal for each.

- 2.20. There are a number of assets around the communities of Dacorum that need maintenance, checking and repair from time to time. In some cases ownership and responsibility clearly belongs to the Council. In other cases ownership is less clear and work has been in train for some time to gain clarity over ownership (see paragraph 5.11). In respect of those that are owned by the council there is a need to ensure that all of these are identified and that responsibility for maintenance and repair is established.

Key Asset Strategy 5

To ensure that all 'stand alone' assets owned by the Council are identified and that responsibility is assigned for their maintenance.

Existing asset management

- 2.21. Work programmes for the maintenance and development of existing assets form part of the business planning process for Building Services and Estates teams and the capital programme. Some of these were included in the 2010-12 Asset Management Plan. Further details are included in the Information Booklet.
- 2.22. Management of existing assets is supported by the details held on the Council's asset Management System. A new system was procured and introduced in 2011. However, data on the system was migrated from earlier records and it is evident that a substantial amount of data relating to the condition of assets is out of date.

- 2.23. A stock condition survey has been commissioned. This will provide sufficient information to support a revised action plan and investment strategy relating to existing assets. This will be developed as part of the revision of the detailed Information Booklet and subject to the consultation and approval processes set out in Section 1.

3. SECTION THREE – ACQUISITION AND DISPOSAL

- 3.1. To continue to implement its vision, priorities and plans the Council needs to maintain existing assets to ensure that they remain fit for purpose. The Council also needs to acquire new assets from time to time for three main purposes:
- to ensure that existing priorities can continue to be delivered as these change and/or existing assets become unsuitable over time
 - to support new initiatives and new requirements
 - to take advantage of opportunities to support the Council's operational, commercial and community objectives as and when these arise (for example the purchase of strategic assets).
- 3.2. Where existing assets are no longer fit for purpose they should be considered for renovation or disposal to ensure that the Council is not diverting resources to sustaining assets that are not contributing effectively to desired outcomes.

Acquisitions

- 3.3. The Council will assess the need for land for strategic or operational purposes and identify opportunities which either represent an appropriately high level of value or which, due to the location or type of property concerned, are worth purchasing to assist with the Council's objectives, whether for operational, financial or community purposes.
- 3.4. Within this overall framework, the benefits and implications, financial and otherwise, of undertaking acquisitions should be considered on a case by case basis and fully documented for consideration when decisions are made. Capital resources will be made available within future capital programmes for the strategic acquisition of assets so that the Council can take advantage of opportunities presented at short notice. All such acquisitions shall be undertaken in line with the requirements of the Constitution and Financial Regulations.
- 3.5. The Council will only consider the use of compulsory purchase powers to assist with land assembly where such acquisitions can be justified in terms of the Council's duty to taxpayers, where there is a practical end use and they result in a clear community benefit. Where these powers are utilised, consideration will be given to whether consultation should take place and, in every case, an appraisal will be undertaken to establish fully the basis upon which a decision may be taken. This will incorporate a financial appraisal approved by the Section 151 Officer in accordance with Financial Regulations.
- 3.6. The Council will only acquire land through the town and country planning process e.g. pursuant to Development Briefs and/or Section 106 Agreements and where this will result in a clear community benefit. The Council will not accept land under any such agreement without a sufficient commuted sum with which to maintain such land unless there is an overriding reason to do so.
- 3.7. Where it has the opportunity to accept or refuse, the Council will not accept any land or buildings as a trustee unless there is a clear community benefit and sufficient endowment or other sums with which to maintain such land or buildings. Where land is accepted on this basis, the Council will seek to

ensure that the Trust has as broad a management discretion as possible within the constraints of charity law and/or the intended purpose.

Key Asset Strategy 6

To seek to acquire assets that support the Council's operational, financial and community objectives within the Council's governance arrangements and the capital funds assigned for the purpose.

Disposals

3.8. The Council will seek to minimise vacant and non-productive property within its portfolio. However, disposals should not outstrip acquisitions to the extent that they adversely affect the Council's flexibility of operations and its ability to shape and carry out its strategic aims. Therefore disposal of property should not be considered if:

- it is required for operational purposes
- it provides significant net rental income; or
- it provides significant community benefits

3.9. Under Financial Regulations, Corporate Directors are responsible for assessing the operational value of an asset but the disposal of all land assets and of property assets above the value specified in the Schedule of Authorisations Item 11 (currently £10,000) must be approved by Cabinet on the advice of the Section 151 Officer. The Council will, once a property has been declared surplus to requirements, dispose of it at the earliest opportunity in accordance with the Constitution and Financial Regulations and with a view to maximising the return on the property (best consideration) subject to any lawfully overriding policy considerations.

Key Asset Strategy 7

To require that asset acquisitions and disposals are only undertaken following an option appraisal approved by the Section 151 Officer.

Option appraisal

3.10. Where acquisitions, disposals or developments (not including refurbishment) are considered that have a capital value exceeding £10,000, then an options appraisal should take place.

3.11. However, where schemes have a lower value or the value is not easily ascertainable, options appraisals should take place in the following circumstances:

- change of use

- projects with a high level of risk
- strategic business / service delivery change
- requirement for capital receipts.

3.12. The operational value of an asset will be assessed by reference to three criteria:

- financial returns
- value for money
- service effectiveness (fit for purpose).

Financial return performance criteria will require that:

- the internal rate of return (IRR) falls within an acceptable percentage range of the portfolio's target rate; and
- the IRR falls within an acceptable percentage range of the prevailing public sector borrowing rate.

Note: If valuation systems are not in place to calculate the IRR, the following two performance indicators provide alternative performance measures:

- the annual net investment yield anticipated is comparable with other similar property investments
- the level of risk/yield attached to the property is comparable with alternative low risk investments (such as long term government gilts).

Value for money performance criteria will require that:

- there is justifiable need for the asset in the context of the Council's policy framework including the needs of the community and sustainability issues
- annual management costs are equal to or less than the target rate for the portfolio
- property condition complies with statutory and lease requirements
- backlog maintenance value is equal to or less than the target rate for the portfolio
- property service performance is effective, efficient and economic.

Service effectiveness criteria will require that the asset:

- supports efforts to promote economic prosperity
- supports efforts to achieve and maintain sustainable development
- contributes to quality of life

- supports efforts to increase social inclusion.
- 3.13. Depending upon the scale of the project, it might be appropriate to utilise the approaches set out in HM Treasury's *Green Book – Appraisal and Evaluation in Central Government*. However, the degree to which it is used is dependent on the size and complexity of each project as, in general, the *Green Book* is designed for major undertakings.

Wider considerations

- 3.14. In undertaking the option appraisal and in pursuing best consideration, the Council will need to consider a wider range of principles. These are set out in the remainder of this section, and cover:
- the prevailing economic climate
 - whole life costing
 - energy management and sustainability
 - financial planning
 - prioritising capital proposals
 - revenue planning
 - procurement
 - project management (Including the Improving Dacorum Programme)
 - business Continuity

The prevailing economic climate

- 3.15. The economic position over the period 2008-2012 has seen extensive turbulence in many financial, property and commercial markets followed by economic downturn and recession. This has had a significant impact upon land and rental values and property prices. These circumstances need to be taken into account when:
- identifying any potential acquisitions of land, where current market value may vary widely from historic values
 - safeguarding the value of assets available for disposal,
 - minimising the cost of empty property and
 - maximising the rental returns on the commercial estate.
- 3.16. In the light of the prevailing economic conditions, disposals have, as a general principle, been put on hold until there is any compelling reason for the Council to reconsider this position, such as improvement in property prices. In the event that any attractive disposal opportunities arise, then they will be considered on a case by case basis.

Whole Life Costing

- 3.17. Whole Life Costing is “a technique which enables comparative cost assessments to be made over a specific period of time taking into account all relevant economic factors both in terms of initial capital costs and future operational costs” (Definition from the International Standard 15686 on service life planning).

- 3.18. Specific condition surveys carried out as part of the service property reviews include whole life costing. The general condition survey to be undertaken during 2012 will also incorporate whole life costing. This should ensure that any decisions regarding the development and disposal of assets following that survey are based on current best practice in property valuation and assessment.

Natural resource management and sustainability

- 3.19. The Council reviewed and re-adopted its Corporate Environmental Policy in 2011 and is committed to continually improve its environmental performance through a programme of responsible natural resource management. It practices resource efficiency across all of its assets to reduce consumption where practicable. Matters relating to improving the Council's environmental position in the context of its property are considered on a regular basis by the Corporate Assets Group.
- 3.20. In accordance with the Council's objectives, Building Services include environmental improvements within construction projects: such as rain water harvesting and photovoltaics.
- 3.21. A number of workstreams have taken place in order directly to challenge and reduce the Council's consumption of natural resources. These have been set out in Section Twelve of the Information Booklet.
- 3.22. Further progress on developing understanding of the impact of the Council's assets on the environment is required. In November 2010, an IDP project was initiated to develop a Corporate Environmental Management System (EMS) following a gap analysis against ISO 14001, an international accreditation scheme for EMSs. Cupid Green Waste Depot has had an EMS accredited to ISO14001 since 2004 and it is the intention to use parts of the system as a foundation for a wider EMS.
- 3.23. In developing the EMS, the Council has identified the significant environmental aspects and impacts that relate to its operational activities and assets; it has identified the applicable environmental legislation. The Council is now developing suitable operational controls and monitoring to ensure that it manages these impacts and where practicable, works to reduce them. Environmental objectives and targets have been set for 2012/13 aimed at improving our environmental performance in the areas where we have most significant impact. These include, but are not limited to, reducing electricity, gas and fuel consumption from our operations.
- 3.24. Programmes are being developed to deliver these objectives and progress towards them will be monitored through the Council's performance management system.

Financial planning

3.25. The key components that formulate the Medium Term Financial Strategy (MTFS) and its impact upon the Council are:

- Budget strategy, balances, provisions and reserves
- Housing Revenue Account (HRA)
- Capital Strategy
- Treasury Management Strategy
- Asset Management Plan
- Fees and Charges Policy
- Risk Management arrangements
- Capital planning.

3.26. The Council's Capital Strategy and Programme are considered on a regular basis as part of reviewing the MTFS and, in particular, the Improving Dacorum Programme. The development, acquisition and disposal of assets has a bearing on the Council's medium term financial standing and its capacity to meet its financial objectives. Decisions on these matters therefore must consider the implications for the MTFS.

Prioritising capital proposals

3.27. In order for a proposal for capital funding to be formulated and included within the Council's Capital Programme, it must satisfy the criteria set out in the Capital Strategy (adopted June 2011).

3.28. All proposed schemes are prepared by service departments and are presented to the Capital Strategy Steering Group (CSSG) for review and, if selected, inclusion in the programme. This Group is chaired by the Assistant Director (Finance & Resources) and supported by the Portfolio Holder for Finance & Resources. It considers proposals in detail in order to prioritise them so that a balanced capital programme can be prepared.

3.29. The Capital Programme is approved by full Council on a periodic basis and the Cabinet authorise schemes within the Programme. In the event that proposals are included within the authorised Capital Programme, this will reserve funds for them. If, however, there is insufficient funding available, schemes that have not been approved may be kept on hold and approved if circumstances change.

Revenue Planning

3.30. The running costs of operating property assets constitute a significant proportion of the Council's overall revenue budget. Accordingly, it is necessary for such costs to be managed and minimised. Moreover, it is essential that future costs are taken into account when preparing budgets in order to prepare robust estimates and consider capital investment.

- 3.31. In 2010/11 Financial Services were restructured so that Group Accountants are aligned to each of the Council's three directorates. This approach ensures that a key finance contact exists for each department. All budgetary decisions are supported by the appropriate contact and this should ensure that running costs are appropriately planned and considered as party of budget setting, monitoring and control.

Procurement

- 3.32. In 2009, the Council reviewed its corporate Procurement and Commissioning Strategy and the Procurement Standing Orders to embrace sustainability, commissioning and collaboration. The procurement governance arrangements cover purchasing relating to property interests.
- 3.33. The Commercial Assets and Property Development division undertakes a significant amount of procurement. Examples are shown in Table 2 to demonstrate the range of procurement activity. Options appraisal for development, acquisition and disposal of assets need to take into account existing contract arrangements and previous procurement decisions.

Table 2: Procurement activity relating to asset management

Property refurbishments / constructions
<ul style="list-style-type: none">• Public conveniences investment programme• Cupid Green refurbishment• Lift replacements
Ad hoc repairs
<ul style="list-style-type: none">• General estate repairs• Plumbing and electrical repairs
Service and maintenance contracts
<ul style="list-style-type: none">• Electrical, gas and appliance testing• Fire alarms, burglar alarms• Legionella / air conditioning
Valuation and surveying
<ul style="list-style-type: none">• Valuations• Condition surveys• Topological and contamination surveys• Options appraisal / investment analysis reports
Rating surveying
<ul style="list-style-type: none">• A five year contract to act as the Council's agent with regard to rateable value reductions• Fees only arise when savings have materialised

Project management (including the Improving Dacorum Programme)

- 3.35. The Improving Dacorum Programme (IDP) operates to govern a suite of projects that endeavour to help in the delivery of the Council's priorities. The IDP Board has agreed a set of objectives to reflect the council's current priorities. The Improving Dacorum Programme has a project management methodology and process to control changes to projects and a dedicated team works to operate it. In addition, a post-implementation review process serves to promote continuous improvement.
- 3.36. Developments, acquisitions and disposals should be subject to the IDP project management methodology and asset management decisions should take into account the objectives of exist projects where relevant. Details of IDP projects in which the Commercial Assets and Property Development division is already engaged are set out in the Information Booklet. New projects will be added as these develop to ensure that there is coherence between the two sets of work programmes

Business Continuity

- 3.37. The Council has a Business Continuity Plan that sets out a framework in which the Council can respond in the event of a serious emergency. It provides for a flexible set of circumstances to facilitate the continued provision of services following major disruption and aid recovery, including the allocation of alternative accommodation, should this be needed.
- 3.38. Changes in the Council's asset portfolio may have an impact on the operation of the business Continuity Plan. These potential impacts need to be considered in making asset development, acquisition and disposal decisions.

4. SECTION FOUR – RESPONSIBILITIES FOR ASSETS

4.1. Financial regulations governing the holding and use of assets state that Corporate Directors have responsibility for ensuring that all assets used by their service departments are fit for purpose. However there are two corporate requirements:

- a responsibility or dealing with assets that are of shared use (such as the Civic Centre) or are not providing benefit to any specific services (such as open spaces)
- suitable governance arrangements are needed to ensure that decisions over the use, development, acquisition or disposal of assets:
 - support the Council's objectives
 - comply with corporate requirements
 - have a strategic impact (as defined in Table 1 above)
 - take account of related corporate strategies

4.2. Many aspects of how the Council operates involve property and, because a significant proportion of the budget and balance sheet value is committed in this way, a regulatory framework exists to ensure that appropriate, auditable, procedures are followed. The Council's governance arrangements that apply to asset management activities are:

- committee and working group arrangements
- the Constitution (including the Scheme of Delegation to Members and Officers, and the Codes of Conduct for Members and Employees)
- Financial Regulations
- Procurement Standing Orders
- legal provisions and government guidance
- duty to Taxpayers
- duty under Section 17 of the Crime and Disorder Act 1998 to exercise its various functions with due regard to the likely effect of the exercise of its functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area.
- duty to achieve best consideration – Local Government Act 1972
- duties under the Disability Discrimination Act
- Statement of Recommended Practice – CIPFA financial accounting provisions
- International Financial Reporting Standards

- Department of Communities and Local Government guidance

Governance

4.3. Whilst the Council must always operate within the rules, there are opportunities for innovation within legislation and the approach to asset management needs to be flexible enough to bring about good solutions for the local area.

4.4. Best practice indicates that councils should demonstrate political leadership of asset management and, moreover, that its strategic importance should be recognised within a Portfolio. To that end, the Council lead Member with regard to property is the Portfolio Holder for Finance & Resources and, together with the Cabinet where necessary, that Member has responsibility for:

- Recommending to full Council the adoption of the Asset Management Plan and ensuring that it aligns with the Council's priorities
- Chairing the Corporate Assets Group
- Overseeing arrangements for asset management to ensure they are operating effectively
- Asking challenging questions about value for money and options appraisals in relation to property use
- Ensuring equality and sustainability are factored in to the Asset Management Plan and considered when appropriate
- Making key decisions in the asset management process for major projects (which could include agreeing outline business cases as well as awarding contracts)
- Monitoring the performance of partnerships
- Requiring options appraisals of high value/high risk projects

4.5 The Corporate Assets Group, chaired by the Portfolio Holder for Finance & Resources, comprises a wide range of Officers that represent service departments. It forms a sub-group of the Corporate Regeneration Group and meets on a monthly basis to review current and planned property activities. The overriding aim of the Group is to ensure that property-related activities reflect the Policy and Governance

frameworks and accordingly take into account all relevant strategic priorities and legislative requirements and factors relating to applicable legal, financial and best practice issues. The terms of reference for the Corporate Assets Group are set out in Section One of the Information Booklet.

- 4.6 The Finance and Resources Overview and Scrutiny Committee also has specific roles to play in
- reviewing the Asset Management Plan
 - reviewing property performance indicators
 - conducting enquiries into the current use of property
 - challenging the progress of major projects.
- 4.7 The Council's Constitution and Financial Regulations set out the circumstances in which powers are delegated to Members and Officers. It is essential that Officers with delegated authorities are fully conversant with the governance documents that are referred to at the start of this Section and the obligations and responsibilities that flow from them

Management arrangements

- 4.8 The Council's lead responsibility at officer level for strategic recommendations on asset management planning rests with the Assistant Director (Finance & Resources) who reports to the Corporate Director (Finance & Governance).
- 4.9 the Group Manager (Commercial Assets and Property Development) has operational responsibility for managing the Council's asset portfolio and manages five teams covering
- Valuation & Estates
 - Building Services
 - Facilities Management
 - Cemeteries
 - Car parking
- 4.10 The staffing arrangements are detailed in Section Two of the Information Booklet.
- 4.11 The Commercial Assets and Property Development division is responsible for:

- developing, reviewing and reporting on the Council's Asset Management Plan,
- developing good practice and procedures that identify options and seek to deliver value for money
- providing professional advice and support to service departments with regard to their property requirements
- carrying out valuations
- being responsible for Corporate Contracts which are used commonly across the Council: these include: building, construction, facilities management and associated supplies, services and works contracts
- acting as the Council's "Gateway" for obtaining specialist services and work, including construction, building services, facilities management and leasing of property.
- organising lettings/bookings/maintenance/safety checks/cleaning
- carrying out Options Appraisals in partnership with Financial Services.

4.12 In addition, the Legal Services and Financial Services divisions provide specialist advice and support to ensure that asset management is carried out in an effective and compliant manner.

4.13 Where specific and/or high value property-related activities are embarked upon, it is likely that working groups will be set up to ensure that all legal, financial, procurement, commercial and service matters are considered. Examples of this include the Mayland Business Park Management Board which comprises officers from Planning & Regeneration and Commercial Assets and Property Development.

5 SECTION FIVE – PERFORMANCE

5.5 To assist in the fulfilment of this Plan, proper performance management is essential for purposes of:

- achieving Council aims and objectives through effective asset management
- securing cost effective service improvements
- prioritising what is important so it is progressed
- motivating and managing staff and working effectively with partner organisations
- measuring and communicating success
- improving perception of service provision.

5.6 In order to be effective, performance management should not be isolated to property performance alone, but it should link and overlap with the Council-wide corporate strategy and contribute to service aims and objectives. To ensure that this happens, elected Members and Chief Officers need to be provided with information on property performance so that they can act upon that information and, in particular, address issues associated with poor performance.

5.7 Moreover, if asset management is to be fully effective, it needs to be:

- understood throughout the organisation by property staff, non-property staff, managers and elected Members
- an integral part of service and business planning, and not an ‘add-on’ that is seen as ‘yet another plan’, and
- reflective of the very latest best practice guidance, approaches and methods (internal and external).

5.8 In order to ensure that the Council’s corporate property arrangements achieve a corporate focus, the following arrangements are in place:

- the Corporate Assets Group comprises property, legal and financial staff and other service representatives and is chaired by the Portfolio Holder for Finance & Resources. This Group is essential for gauging the priority of projects and how they dovetail with other parts of the organisation
- Financial control – the budgetary impact is considered prior to the commencement of activity
- Capital control – the Group Manager (Commercial Assets & Property Development) is a member of the Capital Strategy Steering Group

- Procurement and Commissioning Strategy – The Assistant Director (Finance & Resources) acts as a link to the procurement activities of the Council through Assistant Director’s Group and the Corporate Organisational Transformation Group.

Performance Management

- 5.9 The Commercial Assets and Property Development division utilises performance measures and CIPFA benchmarking to determine how assets contribute towards the Council’s key aims and objectives as well as how assets contribute to the effectiveness of other services.
- 5.10 A review of performance management is to be instigated with regard to the nonoperational property to ensure key issues have been fully considered. These include social reasons for holding non-operational property, financial return, future development potential, revenue income and capital growth.
- 5.11 In general, performance is measured in four ways:
- delivery of service plan objectives
 - property performance indicators
 - option appraisals
 - staff and user surveys
- 5.12 The details of the performance of corporate property are set out in the Information Booklet.

Service Development Objectives

- 5.13 The Corporate Property Team’s primary objective is to deliver the work programmes that exist and will be developed pursuant to the Strategic Asset Management Plan. In the event that there are any other objectives, then they will be contained in the Finance and Resources Service Plan.

Data Management

- 5.14 The Council’s data management arrangements are set out in Section Nine of the Information Booklet and cover:
- Asset management systems
 - Geographical information
 - Document management
 - Registered Land
- 5.15 A Land Registration project has been a major undertaking for the Legal and Property Teams and involved the first registration of all Council owned unregistered land and property assets with HM Land Registry. All such land has

been registered and a “due diligence” exercise is now in progress to check the details recorded at HM Land Registry and arrange for any error by the Land Registry to be rectified.

- 5.16 The Council’s Geographical Information System (GIS) contains data regarding land assets. The data held on the system is partial and reporting routines are in need of development. A process of internal agreement on future GIS needs has been initiated and discussions have taken place with Herts County Council to look at strategic county-wide options. These initiatives will be taken forward by the Corporate Asset Group.

11. EXCLUSION OF PUBLIC

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the item in Part II of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that if members of the public were present during this item there would be disclosure to them of exempt information relating to: Sensitive information regarding Watford Borough Council & Three Rivers District Council.

APPENDIX A

FINANCE AND RESOURCES: Overview & Scrutiny Committees: Work Programmes 2012/13

Date:	Report Deadline	Items:	Type:	Contact details:	Background information
12 June 2012	29 May 2012	Quarter 4 Performance Reports	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director Strategy & Transformation, Community & Organisation. S Flynn, Assistant Director, Finance & Resources	
		Risk Management Update	PM	L Dargue, Insurance and Risk Manager	
		Complaints Report	Sc	J Doyle, Group Manager, Democratic Services	
		Member Development Strategy	PD	M Anderson, Corporate Support Team Leader (Democracy)	
3 July 2012	21 June 2012	Options for Future Operation of Hemel Hempstead Town Street Market	Sc	Mike Evans, Group Manager, Commercial Assets & Property Development	
4 September 2012	22 August 2012	Quarter 1 Performance Reports	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director Strategy & Transformation, Community & Organisation. S Flynn, Assistant Director, Finance & Resources	
2 October 2012	20 September 2012				

30 October 2012	18 October 2012	Quarter 2 Performance Reports	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director Strategy & Transformation, Community & Organisation. S Flynn, Assistant Director, Finance & Resources	
		Risk Management Updates	PM	L Dargue, Insurance and Risk Manager	
13 December 2012 Joint OSC meeting	3 December 2012	Budget 2013-2014 <i>Ideally no further items to be added</i>	Sc	S Marshall, Corporate Director Finance & Governance	
30 January 2013	18 January 2013	Quarter 3 Performance Report	PM	S Baker, Assistant Director – Legal, Democratic & Regulatory Services J Milsom, Assistant Director Strategy & Transformation, Community & Organisation. S Flynn, Assistant Director, Finance & Resources	
5 February 2013 Joint OSC meeting	24 January 2013	Budget 2013-2014 Quarter 3 Financial Performance Data <i>Ideally no further items to be added</i>	Sc	S Marshall, Corporate Director Finance & Governance S Flynn, Assistant Director, Finance and Resources J Deane, Group Manager, Financial Services	
5 March 2013	21 February 2013				

PM- Performance management

PD- Policy Development

Sc- Scrutiny

