FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE AGENDA

Scrutiny making a positive difference: Member led and independent, Overview & Scrutiny Committees promote service improvements, influence policy development & hold Executive to account for the benefit of the Community of Dacorum.

WEDNESDAY 05 NOVEMBER 2014 AT 7.30 PM

BULBOURNE ROOM, CIVIC CENTRE, HEMEL HEMPSTEAD

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.

Adeleke	N Hollinghurst
Ayling	Marshall
Clark	Organ
B Chapman (Chairman)	Taylor
Collins	Townsend (Vice-Chairman)
Doole	W Wyatt-Lowe

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

For further information, please contact Jim Doyle on Tel: 01442 228224, e-mail: Jim.Doyle@dacorum.gov.uk Information about the Council is also to be found on our website: www.dacorum.gov.uk.

PART I

1.   **MINUTES**

The minutes from the meeting on Tuesday 7 October 2014 are not available to be signed at this meeting.

2.   **APOLOGIES FOR ABSENCE**

To receive any apologies for absence

3.   **DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter, who attends a meeting of the authority at which the matter is considered:

(i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
(ii) may not participate in any discussion or vote on the matter and must withdraw to the public seating area.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests or the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interest are defined in Part 2 of the Members' Code of Conduct.

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**

None

ITEM 6 - ACTION POINT FEEDBACK

Date of Meeting	Action Point	Responsible officer	Completed	Date Chased	Deadline	Update on Action point
05/11/2014	S Baker to advise on reporting method for actioned calls	S Baker	Outstanding	28/10/2014	**05/11/2014**	
05/11/2014	M Rawdon to update the committee on the customer focus project.	M Rawdon	Complete		**05/11/2014**	M Rawdon to update Members at Meeting - See attached Stress Survey Report (Annex A)

Stress Survey Report   Annex A

The specific areas below are being focussed on due to the results of a national stress survey hosted by the Health & Safety Executive (HSE) and expressions of particular concern from elected Members upon site of the results.

Bullying

Although indications relating to bullying have been expressed within the staff stress survey, there are no tangible examples of where this is occurring. The survey did not provide an option for comments and was completed anonymously which does not provide any specific examples and presents difficulties in directly challenging specific cases.

Also to contextualise the Council's position relating to bullying, it is important to note that nationally DBC's results were close to the 80th percentile, which the HSE classifies as 'good' within their criteria.

A small number of staff have mentioned their view on bullying within the Mental Health First Aider (MHFA) community and have generally discussed their concerns. It has to be recognised that these discussions are fully confidential and therefore MHFA 'listening ear' staff advise on what options are available for advice if required.

Nevertheless, there are still generic actions we can take in attempt to stop bullying at the Council so that staff are treated respectfully and feel comfortable in the workplace creating a place where people want to work.

We will follow a three step process to support our approach:

STEP 1 – **INDENTIFICATION**

- **Staff stress survey** – we are already in possession of statistics that show there is concern from some staff that bullying does exist

- **Sickness Absence** – Human Resources (HR) to monitor patterns of sickness and 'return to work interviews' data.

- **Grievances** – HR can closely observe these complaints as they come in and identify problematic areas (i.e. where a similar issue is raised regularly)

- **Mental Health First Aiders** – Feedback from this community to Management/HR. However, this would be on the provision that the staff member is happy with this approach as the scheme confidentiality is essential to uphold.

- **Exit Information –** HR to report to Department Management Team (DMT) meetings reasons for staff leaving and highlight any concerns from departing staff.

STEP 2 – **ASSESSING THE RISK**

- Upon receiving the specifics of a case, the Council will determine, in consultation with those affected, the specific behaviours and circumstances that have resulted in the workplace that may result in incidents of bullying and assess the likelihood of these behaviours affecting the health, safety and welfare of staff.
- Examples are: contact criticism, jokes, threats of punishment for no justifiable reason, humiliating a person through criticism, sarcasm and/or insults, especially in front of other staff.
- HR/Management will thoroughly investigate such complaints as per the Grievance Procedure.

STEP 3 – **CONTROLLING THE RISK**

- To have a robust **bullying and harassment policy**. HR will commit to review this in line with good practice
- Ensure that adequate **training** is in place – The training department will develop an e-learning anti bullying course for managers. The training team leader will then seek authorisation corporately to roll this out to all managers.
- Provide staff with **avenues** to raise their concerns – MHFA community promotion, HR, Trade Unions
- To provide a clear **zero tolerance** stance on bullying in the workplace – Commitment to highlight to the workforce that bullying is not accepted and the re-iterate policy and support available.
- **Appropriate Support –** MHFA Community to continue to support staff and regular reminders of the Council's employee assistance programme – Workplace Options.
- **Staff Awareness -** We are planning to run an awareness campaign linked to Anti Bullying Week (17 November 2014), which will provide a broad spectrum of information to support and advise across many sectors and areas.

Staff Understanding 'How to get the job done', Unachievable Deadlines & Unrealistic Time Pressure

We are currently reminding all managers that staff appraisal mid-year reviews are due throughout October/November.

- ❑ We are supporting this activity by having copies of all completed mid-year Appraisal documents sent to the training department to ensure full compliance.

- ❑ One fundamental and key element of the appraisal system is for all members of staff to have clear 'SMART' objectives identified with agreed Measures and Targets. All Appraisal Forms are available to all Managers and Staff via the intranet

❑ All managers are required to carry out effective appraisal training (mandatory). The training team will commit to review the training course (ensure SMART objectives are covered) and review who has not attended the training.

❑ Staff are encouraged to discuss objectives/workload with their Manager as appropriate at any time during the year, (not just at appraisal discussions).

❑ Managers are expected to carry out regular 'one to one' meetings with their staff, so objectives can be monitored throughout the year and timescales adjusted accordingly.

We will be re-running the stress survey (HSE) again in approximately 12 months to see whether these actions have improved some areas of concern. We should also focus on the positives from the survey results which showed five of the seven topic areas as 'good' (in the 80th percentile), these were:

- Control
- Managers' Support
- Peer Support
- Relationships
- Change

Responsible Officers – Matt Rawdon (Group Manager – People) and Bill Haylock (Training/OD Team Leader)

AGENDA ITEM: 7

SUMMARY

Report for:	**Resources Overview & Scrutiny Committee**
Date of meeting:	**5 November 2014**
PART:	**1**
If Part II, reason:	

Title of report:	**Risk Management Report Quarter 2 2014/15**
Contact:	Councillor Nick Tiley, Portfolio Holder for Finance Resources James Deane , Assistant Director (Finance & Resources) Linda Dargue, Insurance & Risk Manager
Purpose of report:	1. To provide the Quarter 2 update on the Strategic Risk Register 2. To provide the Quarter2 update on the Operational Risk Registers
Recommendations	1. That the content of this report is noted and recommended to Cabinet for approval together with any associated comments.
Corporate objectives:	Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives
Implications: 'Value For Money Implications'	<u>Financial</u> None identified. <u>Value for Money</u> Risk management is closely linked to the Council's commitment to ensure that all resources are used efficiently and forms part of effective financial planning. The Council also needs to ensure that adequate provisions are in place to

	address anticipated risks but that these are no greater than necessary so that maximum resources are applied to services as required. To this end the Council sets minimum target working balances for both the general fund and HRA and at the date of this report this minimum balances are secured. Budget exercises for 2012/13 have ensured that the minimum balance requirements will also be met for the next financial year.
Risk Implications	Effective risk management is an important factor in all policymaking, planning and decision making. Failure to manage risk effectively could have serious consequences for the Council leading to increased costs, wasted resources, prosecution and criticism under external assessments
Equalities Implications	Equality Impact Assessment reviewed/carried out* Not applicable
Health And Safety Implications	Not applicable
Consultees:	CMT
Background papers:	Risk Management working paper files Report to CMT – circulated electronically 21 October
Historical background *(please give a brief background to this report to enable it to be considered in the right context).*	Not applicable
Glossary of acronyms and any other abbreviations used in this report:	

BACKGROUND

1. The revised Strategic Risk register showing the position at the end of Q2 2014/15 is attached at Appendix A for ease of reference. The table below provides a comparison of the risk scores from the previous quarter.

Risk	Q1 14/15	Q2 14/15
F1 –Resource base affected by slow recovery from recession resulting in lack of funds to deliver in commitments and policies	4	4
F2 – Lack of effective procurement and contract management	6	6
F3 – Failure to achieve identified savings to ensure that the budget remains balanced	4	4
	Q1 14/15	**Q2 14/15**
F5 – Risk of extensive damage to property arising from adverse weather conditions and /or unstable ground within the Dacorum area	9	9
I2 - Failure to effectively manage health and safety	4	4
M1 - Failure to deliver required regeneration and economic growth	9	9

M2 - Failure to shape services based on robust understanding of customer's needs	4	4
R1 - Failure to align political aspirations for service delivery with budget pressures	3	3
R3 - Disclosure of personal data in breach of the Data Protection Act	8	8

2. The following table shows those operational risk s where there has been a change in the risk score since quarter1.

	Q1 14/15	Q2 14/15
FR_F02 – Delays to Capital Programme	8	4

3. At Audit Committee on 30 September members expressed the view that it was not always clear exactly how the controls listed in the 'Current Controls' section reduced the Inherent Risk Score; this has the effect of making the registers lack credibility in some cases. For the future Members requested that Assistant Directors explain the reason for the reduced score more explicitly.

4. A report on updates to the Strategic Risk & Opportunity Register was   presented to Cabinet on 21 October 2014. This report recommends changes to governance arrangements for risk for 15/16 together with amendments to the Strategic Risk & Opportunity Register for the remainder of 14/15.

STRATEGIC RISK REGISTER

September 2014

F1 - Resource base affected by slow recovery from recession resulting in lack of funds to deliver on commitments & policies

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Financial	Dacorum Delivers		James Deane	Cllr Nick Tiley	Tolerating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4	4	16	2	2	4
Very Likely	Severe	Red	Unlikely	Medium	Green

Consequences	Current Controls	Assurance
- Dissatisfaction - Political fallout - Reputation damage	- Corporate plan kept under review - MTFS kept under review - Fees & Charges strategy kept under review - Capital Strategy kept under review - Aspirations managed via communication e.g. articles in Dacorum Digest, press releases	Medium Term Financial Strategy uploaded into Corvu Capital Strategy uploaded into Corvu

Sign Off and Comments

Sign Off Complete

The MTFS approved by Cabinet in September 2014 identifies the financial pressures over the medium-term that need to be addressed in order for the Council to deliver its priorities. The savings target over the period has not increased beyond what was anticipated in previous versions, and consequently the risk score for this quarter remains the same as the previous month.

F2 - Lack of effective procurement and contract management

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Financial	Dacorum Delivers		James Deane	Cllr Neil Harden	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4	4	16	2	3	6
Very Likely	Severe	Red	Unlikely	High	Amber

See the remainder of the document via the following:

Link

AGENDA ITEM: 8

SUMMARY

Report for:	**Finance & Resources Overview & Scrutiny**
Date of meeting:	**5 November 2014**
PART:	**1**
If Part II, reason:	

Title of report:	**Finance & Resources Performance and Risk report Quarter 2, 2014/15**
Contact:	Cllr Nicholas Tiley, Portfolio Holder for Finance & Resources James Deane, Assistant Director (Finance & Resources)
Purpose of report:	To provide Committee with analysis of quarterly performance and risk management within Finance & Resources for the quarter to 30 September 2014
Recommendations	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 2, 2014/15.
Corporate objectives:	The provision of effective financial services and the allocation of resources such as building assets and facilities management support all five of the Council's corporate objectives, with particular reference to the *Dacorum Delivers (internal operations)* and, through the Revenues, Benefits and Fraud division, *Building Community Capacity*.
Implications:	<u>Financial</u> Contained within the body of the report.
'Value For Money Implications'	<u>Value for Money</u>

	Contained within the body of the report.
Risk Implications	Contained within the body of the report.
Equalities Implications	None
Health And Safety Implications	There are no health and safety implications
Consultees:	Group Manager (Commercial Assets & Property Development) Group Manager (Financial Services) Group Manager (Revenues, Benefits & Fraud)
Background papers:	None

1. Introduction

1.1 The attached appendices provide comprehensive risk and performance information for Finance & Resources for Quarter 2 of 2014/15 (July - September).

Appendix A   Performance Report

Appendix B   Risk Report

1.2 Members' attention is drawn to the following risk, within Appendix B, which has had a change in rating since the Quarter 1 report in 2013/14 (an explanation is provided within the appendix itself):

FR_F02   Delays to the Capital Programme

Appendix A

F&R OSC QUARTERLY PERFORMANCE REPORT

Finance and Resources

September 2014

Measure	Owner & Updater	Sep 2013 Result	Trend	Jun 2014 Result	Trend	Sep 2014 Result	Sign Off	Comments	Flag
CP01 - Percentage of commercial property occupation	Mike Evans Adriana Livingstone	98.66% (589/597) Target: 95.00	↗	98.67% (594/602) Target: 95.00	→	98.67% (594/602) Target: 95.00	✓	**Updater** With hard work from the Estates team the voids are consistently low.	
CP02 - Percentage arrears on commercial property rents	Mike Evans Adriana Livingstone	No Data No Target		8.6% (342690/400026 4) Target: 9.5	↗	8.5% (339451/40002 64) Target: 9.5	✓	**Updater** The Estates and Sundry debtor teams are working together to keep current rents as up todate as possible and as resources allow we are slowly resolving older debts from the portfolio	
FIN01 - Percentage of creditor trade invoices paid within 30 days	Richard Baker Catherine Hamilton	96.8% (6066/6267) Target: 95.0	↘	97.2% (6009/6182) Target: 95.0	↘	96.4% (5679/5894) Target: 95.0	✓	**Updater** A great achievement for Quarter two of 2014/15.	
FIN02a - Time taken to pay debtors	Richard Baker Clare Dempsey	37.1 Days Target: 45.0	↘	43.2 Days Target: 45.0	↗	38.1 Days Target: 45.0	✓	**Owner** A good result for Q2	
FIN03 - General Fund expenditure – outturn forecast against budget	Richard Baker Marie Stokes	£15470000 Target: 16372000	↘	£20038000 Target: 20679000	↘	£19261000 Target: 19285000	✓	**Owner** General Fund broadly on target. Detailed variances within the fund are reported within seperate CMT, OSC and Cabinet reports	
FIN04 - HRA expenditure – outturn forecast against budget	Richard Baker Marie Stokes	£54736000 Target: 52973000	↗	£59833000 Target: 60083000	↗	£59759000 Target: 60083000	✓	**Owner** HRA broadly on target. Detailed variances within the fund are reported within seperate CMT, OSC and Cabinet reports	

🚩 Monitoring 🚩 Information

See the remainder of the document via the following:

Link

Appendix B

OPERATIONAL RISK REGISTER

September 2014

Finance & Resources - James Deane

FR_F02 Delays to Capital programme

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Financial	Dacorum Delivers		James Deane	Cllr Nick Tiley	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3	2	6	2	2	4
Likely	Medium	Amber	Unlikely	Medium	Green

Consequences	Current Controls	Assurance
Many of the major projects within the Capital Programme are fundamental to delivery of the Council's corporate objectives. Therefore significant delays can impact on the achievement of the corporate plan. Financial decision-making is negatively affected if the timing of projects in the Capital Programme is wrong. This can result in lost investment income or increased interest costs as the Council moves closer to the point where it will need to borrow. The estimated delivery date is considered as part of the decision to allocate capital funds to one project over another. If estimated timings are not accurate, there is a risk that the allocation of funds is not being decided on appropriately. If inaccurate project management is tolerated, there is a risk that the culture of financial management across the	The controls that have been implemented to mitigate this risk target the robustness of capital bids both at the time they are submitted and throughout the delivery phase of the projects. In particular, scrutiny is focussed on those elements of the capital bid that experience indicates are the primary cause of delays to capital projects. These include • How robust are the assumptions on the estimated duration of the procurement exercise? • How realistic is the estimated time taken for contractors to deliver the works? • How realistic are the assumptions on officer availability to manage the project on time? The rationale behind this approach is that an increased culture of challenge will lead to more realistic	The 2013/14 Final Outturn showed that the slippage of capital projects was around 30% against the Original Budget approved by Members in February 2013. This is an improvement on previous years where slippage against Original Budget has been around 60%. As at the end of Quarter 2 2014/15 (the mid-point of the year), the capital forecast on the General Fund is broadly on budget, with no material slippage reported at this stage. Slippage on the HRA capital programme is forecast to be well below 5%.

24/10/2014 01:55PM

See the remainder of the document via the following:

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AGENDA ITEM: 9

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	5th November 2014
PART:	1
If Part II, reason:	

Title of report:	Quarter 2 Performance Report – Legal Governance, Democratic Services and People
Contact:	Cllr Neil Harden, Portfolio Holder for Residents and Regulatory Services (in respect of Legal Governance and People) Cllr Andrew Williams, Leader of the Council (in respect of Democratic Services) Author/Responsible Officers: Steven Baker, Assistant Director (Chief Executive's Unit) Mark Brookes, Group Manager (Legal Governance) Jim Doyle, Group Manager (Democratic Services) Matt Rawdon, Group Manager (People)
Purpose of report:	To provide Members with the performance report for quarter 2 in relation to Legal Governance, Democratic Services and People.
Recommendations	That Members note the report.
Corporate objectives:	Resources and Value For Money; Optimise Resources and Implement Best Practice.

Implications: 'Value For Money Implications'	Financial None. Value for Money Monitoring Performance supports the Council in achieving Value for Money for its citizens.
Risk Implications	Risk Assessment completed for each service area as part of service planning and reviewed quarterly.
Equalities Implications	Equality Impact Assessment completed for each service area as part of service planning and reviewed quarterly.
Health And Safety Implications	None
Consultees:	Cllr Neil Harden, Portfolio Holder for Residents and Regulatory Services
Background papers:	Annex 1 : Quarter 2 Performance Report Annex 2: Operational Risk Register

1. Members will find attached to this report the Corvu performance data for Legal Governance, Democratic Services and People, together with the Operational Risk Register, in relation to quarter 2 of 2014/15. The performance data does not reveal any major areas of concern which need to be particularly drawn to Members' attention. Set out below is some supplementary information about performance and activities of the services during quarter 2 which may be of interest to the Members of the Committee.

PEOPLE GROUP – Q2

2. This report includes the performance information relating to those services which make up the People Group i.e. Human Resources, Organisation Development & Training, Communications & Consultation and Community Partnerships.

HUMAN RESOURCES (HR)

Corporate projects & HR transactional work

3. HR continues to be heavily involved in many of the Council's critical projects, in particular, the Office Consolidation Project and the Electronic Document Management System (EDRMS). The team has supported 17 formal employee relation cases, processed 25 new starters and 22 leavers.

Mental Health First Aid Programme

4.   The Council now has a trained community of 30 mental health first aiders. Training has commenced for the leadership team. All managers will be trained throughout the 2015 calendar year and the community of designated mental health first aiders will continue to support staff.

Employment Information System (EIS)

5.   The team are in the process of gathering indicative costs and assessing future options to support a capital bid for a replacement system. The new system will fully support the IT infrastructure (unlike EIS), produce better management information and allow more self service for managers.

COMMUNICATIONS & CONSULTATION

Corporate projects – Communications Support

6.   The Communications Team is supporting the 'Hemel Evolution, Dacorum - Look No Further' project, office consolidation and the new 'Recycle for Dacorum' waste collection service.

Branding

7.   Joint branding guidance for DBC logo and 'Dacorum, Look no further' logo developed and to be implemented shortly.

The Openness of Local Government Bodies Regulations 2014

8.   A protocol is being drafted on Reporting and Recording of Council meetings in light of the introduction of the regulations. The aim of the protocol is to set out Council rules so that individuals are fully aware of what is expected of them. This will be published to all staff and Members in due course once approved.

COMMUNITY PARTNERSHIPS

Get Set, Go Dacorum

9.   The project was launched on 20 September 2014 in Randells Park, Highfield. Over 250 people attended throughout the day enjoying the free activities to encourage people to get active, get involved and get healthy.

10.   Over the first year of the project there are 19 sports sessions and three will be launched in October, these being: Back to Netball, Much stronger together football and Circuit Style Family Fun in Woodhall Farm.

New Community Impact Assessment Form – (replacing equality impact assessment form)

11.   A new form has been developed for managers to use when they are making a change to their service/policy, which encourages staff to consider how the change will impact people within the equality strands, such as disability, gender, race etc. What makes this form different from the old form is that it now also poses questions on the environmental impact. Training will be provided to staff over the next couple of months.

ORGANISATIONAL DEVELOPMENT AND TRAINING

Workforce data (succession planning)

12.   Group Managers have been asked to complete a form about their teams which will provide the Council with data on staff profile and any possible skills gaps. This data is being compiled/analysed and will form part of the Human Resources Strategy.

Investors in People (IIP)

13.   Further to our re-accreditation, the Council has been working closely with IIP on how we can improve further. One of the key changes will see a corporate brief developed from the corporate management team (CMT) meetings which managers can cascade to their teams, as well as allowing staff access to CMT minutes.

LEGAL GOVERNANCE

14.   Legal Governance continues to be heavily involved in many of the Council's critical projects. In particular, significant legal support is being provided in relation to the Gade Zone regeneration project. Following the selection of the preferred development partner the team are leading on negotiations to settle the terms of the development agreement. The team are also supporting the Council House New Build project by acquiring sites and dealing with associated planning agreements.

15.   In September the team successfully negotiated and completed the agreement for lease for the Ice Rink at Jarmans Park. The agreement will secure a refurbished and upgraded facility and upon completion of the works the Council will take a ten year lease of the property with a back to back underlease to the ice rink operator Planet Ice (Hemel Hempstead) Limited.

16.   The team completed 27 Right to Buy sales (12 houses and 15 flats) in the second quarter.

17.   The team frequently represent the Council in the courts and tribunals, leading on injunctions, prosecutions and defending employment tribunal cases. The following cases may be of particular interest to Members:

•   Two successful prosecutions, one was a planning enforcement matter and the second related to a noise nuisance and anti-social behaviour case.
•   The team have managed to successfully defend two applications to register land as a Town and Village Green.   The first related to land at Egerton Rothesay School in

Berkhamsted and the second related to land at Coppins Close in Berkhamsted. The Egerton Rothesay site is allocated in the Core Strategy for housing and therefore this decision was particularly important for the Council.

18.   Legal Governance also provides legal advice and assistance to all of the main Council committees which took place during the second quarter, including: Development Control Committee, Licensing and Health & Safety Enforcement Committee, Housing Appeals, Cabinet and Council meetings.

19.   The team have consolidated working arrangements and all team members now operate a flexible 'hot desking' arrangement from the main legal office (Room 221). The flexible working arrangements will also involve greater working from home for most team members.

GIS and Freedom of Information

20.   The contract has now been signed with the new GIS supplier (CadCorp) and the technical installation began in September. The project team are currently working on a formal roll-out plan with a target 'go-live' date of January 2015.

21.   Freedom of Information ('FOI') and Data Protection ('DPA') requests remain steady. In the second quarter the Council managed to complete 94.74% (162/171) of FOI requests within the target time and 100% of DPA requests.

Licensing

22.   In the last quarter, Licensing have:

- Relocated to a new office in the first stage of the office space reorganisation to enable the clearance of Unit B, with minimal disruption to service users;
- Incorporated legislative changes around temporary event notices, and mandatory licence conditions for alcohol sales;
- Consulted on the modernisation of conditions pertaining to pet shop, dog breeding and cat boarding licences (a decision on whether to proceed will be made by the Licensing Committee shortly);
- Facilitated one Licensing, Health & Safety and Enforcement Sub-Committee meeting and two Licensing of Alcohol and Gambling Sub-Committee meetings (one of which was negated following successful mediation between the parties).

23.   Prosecutions are currently pending in respect of several taxi offences, and are likely to be heard in Q3.

24.   The last quarter witnessed the FIFA World Cup, which was expected to provide a boost to the alcohol-licensed trade, and an increase in the number of applications for temporary event notices given to the Council to extend trading hours at licensed premises (albeit a number of premises have existing provisions built into their licences for such tournaments, and the government passed a national exemption order permitting extensions in certain prescribed circumstances shortly before the tournament). However, the poor performance and early elimination of the England team meant that interest in the later rounds declined, and few premises utilised TEN's for the knockout stage matches.

Discussions with police indicate that there was no discernible increase in crime or disorder attributed to the tournament.

DEMOCRATIC SERVICES

Member Support Services

25. During Quarter 2, Member Support managed and organised the following:

- Published 17 Agendas
- Completed 17 Sets of minutes
- Spent 30 hours and 4 minutes at evening meetings
- Processed 34 public speakers
- Processed 7 PH decisions.

Member Development

26. We have held 4 training sessions in Quarter 2 :
9th July – New Build Site visits with 8 attendees
9th July – Individual Electoral Registration Update with 21 attendees
23rd July – Public Speaking with 9 attendees
24th July – Recycle for Dacorum with 27 attendees plus 3 Town Councillors

27. We also held 2 smaller individual training sessions in Quarter 2 :
July – Development Control 1 : 1 had 3 attendees
Sept – I.T Training had 3 attendees

28. The target set of 3 training sessions for Members is on track :
13% of Members having reached or exceeded target
29.4% of Members have completed 2 training sessions
29.4% of Members have completed 1 training sessions
27.45% have completed 0 training sessions

29. There are 5 further training sessions planned for Quarter 3

30. Member Induction Plans are under way for post- election 2015 with the option of a 2nd Induction Day being held on a Saturday rather than an evening to assist Members who may work full-time

Parish & Community Associations Liaison

31. Over the summer we have supported 3 Community Associations Meetings; been represented at 5 Community Association AGMs; and attended one Voluntary Sector AGM.

32. In line with the aim of increased working with the voluntary sector a series of visits and tours have been arranged for senior officers to meet partners: The first two of these have already taken place and involved the Volunteer Centre and Druglink.

33. Arrangements have been made for the Town & Parish Council Conference on 28 November. The agenda has been agreed with those participating and includes:
- Financial update – DBC/Towns & Parishes

- Emergency Planning
- Strategic Planning Update
- Market Place – an opportunity to ask questions to DBC Staff and Partners
- Dacortium / Voluntary Sector
- Health & Wellbeing – HCC presentation

Operational Risk Register

34. There are no other changes to the operational risk register to bring to Members' attention.

F&R OSC QUARTERLY PERFORMANCE REPORT

Chief Executive's Unit

September 2014

Measure	Owner & Updater	Sep 2013 Result	Trend	Jun 2014 Result	Trend	Sep 2014 Result	Sign Off	Comments	Flag
CSU01 - Percentage of customers in the Customer Service Centre seen within 5 minutes	Mark Housden Tracy Lancashire	64.43% (11027/17115) Target: 70.00	↗	66.59% (12664/19019) Target: 70.00	↗	72.56% (12598/17362) Target: 70.00	✓	**Owner** Performance continues to improve	
CSU02 - Percentage of enquiries that are resolved at first point of contact within the Customer Service Centre	Mark Housden Tracy Lancashire	98.56% (16869/17115) Target: 90.00	↗	99.33% (18892/19019) Target: 90.00	↘	99.20% (17223/17362) Target: 90.00	✓	**Owner**	
CSU03 - Percentage of customers satisfied with service received from the Customer Service Centre	Mark Housden Tracy Lancashire	90.22% (1246/1381) Target: 80.00	↘	80.42% (916/1139) Target: 80.00	↘	79.22% (408/515) Target: 80.00	✓	**Owner** Too small a sample to be meaningful	
CSU04 - Percentage of calls answered in the Contact Centre within 20 seconds	Mark Housden Tracy Lancashire	71.07% (75872/106763) Target: 70.00	↗	79.64% (178767/224462) Target: 70.00	↗	88.36% (166420/18834 3) Target: 70.00	✓	**Owner** Performance Continues to improve	
CSU05 - Percentage of enquiries that are resolved at first point of contact within the Contact Centre	Mark Housden Tracy Lancashire	91.41% (58515/64015) Target: 90.00	↗	91.24% (204796/224462) Target: 90.00	↗	96.33% (181440/18834 3) Target: 90.00	✓	**Owner** Performance continues to improve	
CSU06 - Percentage of customers satisfied with service received from the Contact Centre	Mark Housden Tracy Lancashire	99.76% (413/414) Target: 80.00	↘	66.67% (10/15) Target: 80.00	↗	71.43% (5/7) Target: 80.00	✓	**Owner** Too small a sample to be meaningful	
CSU07 - Abandoned call rate in the Contact Centre	Mark Housden Tracy Lancashire	No Data No Target		6.19% (13896/224462) Target: 5.00	↗	1.46% (2750/188343) Target: 5.00	✓	**Owner** Performance continues to improve	

🚩 Monitoring 🚩 Information

Measure	Owner & Updater	Sep 2013 Result	Trend	Jun 2014 Result	Trend	Sep 2014 Result	Sign Off	Comments	Flag
CSU08 - Percentage of customers seen in less than 30 minutes in the Customer Service Centre	Mark Housden Tracy Lancashire	No Data No Target		98.40% (19097/19407) Target: 95.00	↗	99.88% (17342/17362) Target: 95.00	✓	**Owner**	
CSU09 - Head of Service Satisfaction Survey Score	Mark Housden Tracy Lancashire	No Data Target: 0		No Data Target: 45		83 Target: 45	✓	**Owner** The survey showed an 83% satisfaction rate	
DPA01 - Percentage of DPA requests met in 40 days	Mark Brookes John Worts	100.00% (5/5) Target: 95.00	↘	100.00% (10/10) Target: 100.00	→	100.00% (10/10) Target: 100.00	✓	**Updater**	
FOI01 - Percentage FOI requests satisfied in 20 days	Mark Brookes John Worts	97.28% (143/147) Target: 95.00	↘	96.93% (158/163) Target: 100.00	↘	94.74% (162/171) Target: 100.00	✓	**Owner** Actions has been discussed with the departments who have failed to provide responses within the appropriate time period. The lower performance is mainly due to the holiday period when staff have been on leave.	
HR01 - Total number of staff in post	Matt Rawdon Anne Stunell	754 Staff Info Only	↘	729 Staff Info Only	↘	724 Staff Info Only	✓	**Updater** 724 + 24 starters - 22 leavers = 726 (Report shows 18 leavers, therefore 724 + 24 starters - 18 leavers = 730)	
HR02 - Total number of leavers	Matt Rawdon Anne Stunell	70 Leavers Info Only	↘	27 Leavers Info Only	↘	18 Leavers Info Only	✓	**Owner** 14 voluntary resignation, 3 end of contract, 2 resigned and move to another authority, 1 undisclosed, retired at 65, 1 dismissed. 22 in total	
HR03 - Total days lost through sickness absence	Matt Rawdon Anne Stunell	1748.92 Days Info Only	↘	1393.80 Days Info Only	↗	1592.07 Days Info Only	✓	**Updater** Higher than last quarter, but lower than last year	
HR04a - Total days lost through SHORT TERM sickness absence	Matt Rawdon Anne Stunell	519.69 Days Info Only	↘	443.89 Days Info Only	↗	518.26 Days Info Only	✓	**Updater** Higher than last quarter, and the same as last year	

⚑ Monitoring ⚑ Information

Measure	Owner & Updater	Sep 2013 Result	Trend	Jun 2014 Result	Trend	Sep 2014 Result	Sign Off	Comments	Flag
HR04b - Total days lost through LONG TERM sickness absence	Matt Rawdon Anne Stunell	1229.23 Days Info Only	↘	949.91 Days Info Only	↗	1073.81 Days Info Only	✓	**Updater** Higher than last quarter, but lower than last year **Owner** HR/Management appear to be supporting long term staff back to work quicker than last year.	
HR05 - Average days lost due to sickness absence per FTE	Matt Rawdon Anne Stunell	2.67 Days (1749/656) Target: 2.00	↗	2.02 Days (1394/691) Target: 2.00	↘	2.31 Days (1592/690) Target: 2.00	✓	**Owner** Higher than last quarter, but lower than last year. slightly over target	
HR06 - Average number of days lost due to sickness absence per FTE (end of year profile)	Matt Rawdon Anne Stunell	8.76 Days Target: 8.00	↘	8.00 Days Target: 8.00	↘	8.90 Days Target: 8.00	✓	**Updater** Higher than last quarter and last year. Over target **Owner** HR will continue to review cases with management and work closely to ensure policies are being followed to support staff back to work. The flu jab is being arranged for staff over the next month and HR is evaluating the merits in a nurse led sickness model which is resulting is some good results for other organisations.	
HR10 - Percentage of employees who have been absent on more than 2 occasions in the quarter	Matt Rawdon Anne Stunell	5.07% (36/710) Target: 7.90	↘	6.21% (44/709) Target: 8.00	↗	5.25% (37/705) Target: 8.00	✓	**Updater** Lower than last quarter and last year. Under target **Owner** This highlights the issues the Council is having managing long term sick cases.	
LG01 - Percentage of draft new commercial leases sent to the prospective tenants/their Solicitors within 10 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	83.33% (5/6) Target: 95.00	↗	100.00% (1/1) Target: 100.00	→	100.00% (5/5) Target: 100.00	✓	**Updater**	

⚑ Monitoring   ⚑ Information

Measure	Owner & Updater	Sep 2013 Result	Trend	Jun 2014 Result	Trend	Sep 2014 Result	Sign Off	Comments	Flag
LG02 - Percentage of draft commercial lease renewals sent to tenants/their Solicitors within 15 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100.00% (5/5) Target: 95.00	↘	100.00% (1/1) Target: 100.00	→	100.00% (3/3) Target: 100.00	✓	**Updater**	
LG03 - Percentage of Right to Buy documents sent to tenants/their Solicitors within 15 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100.00% (4/4) Target: 95.00	↘	100.00% (30/30) Target: 100.00	→	100.00% (29/29) Target: 100.00	✓	**Owner** 100% is pleasing to note as volumes remain high.	
LG04 - Percentage of homelessness appeal decision letters sent to appellants/their Solicitors within 14 working days of the date of the appeal hearing	Mark Brookes Barbara Lisgarten	100.00% (6/6) Target: 100.00	→	100.00% (6/6) Target: 100.00	→	100.00% (3/3) Target: 100.00	✓	**Updater**	
LG05 - Percentage of Section 106 Planning Obligations drafted and sent to the client officer within 10 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	No Data No Target		100.00% (1/1) Target: 100.00	→	100.00% (1/1) Target: 100.00	✓	**Updater**	
LG06 - Percentage of housing possession proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	No Incidents (0/0) Target: 95.00		100.00% (2/2) Target: 100.00		No Incidents (0/0) Target: 100.00	✓	**Updater**	
LG07 - Percentage of Licensing Act 2003 decision letters sent to applicants/licensees within 5 working days of the date of the Sub Committee hearing	Mark Brookes Barbara Lisgarten	100.00% (4/4) Target: 95.00	↘	100.00% (2/2) Target: 100.00	→	100.00% (2/2) Target: 100.00	✓	**Updater**	
LG08 - Percentage of decision letters produced by Legal Services which are sent to hackney carriage/private hire drivers within 14 working days of the sub-committee hearing date	Mark Brookes Barbara Lisgarten	100.00% (2/2) Target: 95.00		No Incidents (0/0) Target: 100.00		No Incidents (0/0) Target: 100.00	✓	**Updater**	

⚑ Monitoring ⚑ Information

Measure	Owner & Updater	Sep 2013 Result	Trend	Jun 2014 Result	Trend	Sep 2014 Result	Sign Off	Comments	Flag
LG09 - Percentage of prosecution proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	No Incidents (0/0) Target: 95.00		100.00% (2/2) Target: 100.00	→	100.00% (1/1) Target: 100.00	✓	**Updater**	
MS01 - Average number of training opportunities taken up per Member	Jim Doyle Catriona Lawson	0.7 Opportunities (36/51) Target: 1.0		0.0 Opportunities (1/51) Target: 1.0		No Data Target: 0.5	✓	**Updater** **Owner** Over the last quarter councillors took up 67 opportunities for training.	

🚩 Monitoring 🚩 Information

OPERATIONAL RISK REGISTER

September 2014

Chief Executive's Unit - Steve Baker

CE_F01 Lack of resources to be able to spend the appropriate time analysing the Councils 3rd party expenditure

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Financial	Dacorum Delivers		Steve Baker	Cllr Neil Harden	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	1 Very Unlikely	4 Severe	4 Green

Consequences	Current Controls	Assurance
Continued delivery of a reactive service. Potential breach of the Public Contract Regs via non-aggregation. Off-contract spend. Reduced savings.	- Spikes Cavell spend analysis undertaken - Realignment of the Service will increase resource capacity -Stradia procurement consultants have been appointed to provide additional support for the procurement of the Total Asset Mangement Contract, the afordable housing new build and the PSQ thereby releasing capacity within the in house procurement team to analyse 3rd party expenditure. - The Council have commissioned V4 Services to provide category management support which will increase capacity whilst delivering savings.	

Sign Off and Comments
Sign Off Complete

OPERATIONAL RISK REGISTER

September 2014

CE_F02 Lack of resources to be able to design and implement a Category Management approach to the Councils 3rd party expenditure

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Financial	Dacorum Delivers		Steve Baker	Cllr Neil Harden	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	3 High	12 Red	1 Very Unlikely	3 High	3 Green

Consequences	Current Controls	Assurance
Lack of strategic direction. Reduced savings. Procurement silos. Increased workload.	- Realignment of Service will increase the resource capacity. - The appointment of Stradia procurement consultatnts to provide additional support for the major procurement contracts has increased the capacity of the in house team to deliver category management. - The Council have commissioned V4 Services to provide category management support which will increase capacity whilst delivering savings.	

Sign Off and Comments
Sign Off Complete

CE_M02 Failure of Council staff and Members to understand and embrace localism

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Marketplace	Building Community Capacity		Steve Baker	Cllr Neil Harden	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score

3 Likely	3 High	9 Amber	1 Very Unlikely	3 High	3 Green
Consequences		Current Controls		Assurance	
Poor service to communities, intervention from Government, Poor reputation.		- Officer training Localism policy and strategy being developed.			
Sign Off and Comments					
Sign Off Complete					

CE_M03 Failure to prepare policy and strategy around Localism

Category: Marketplace	Corporate Priority: Building Community Capacity		Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	3 High	9 Amber	1 Very Unlikely	4 Severe	4 Green
Consequences		Current Controls		Assurance	
Poor service to communities, intervention from Government, Poor reputation.		- Officer/member training events. Localism policy and strategy being developed. Localism Working Group set up. Guidance and processes being produced			
Sign Off and Comments					
Sign Off Complete					

OPERATIONAL RISK REGISTER

September 2014

CE_R01 Failure to deliver successful elections

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Reputational	Dacorum Delivers		Steve Baker	Cllr Neil Harden	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	4 Severe	16 Red	1 Very Unlikely	4 Severe	4 Green

Consequences	Current Controls	Assurance
Legal sanction and re-run of election at DBC expense. Loss of faith in elections process. Intense scrutiny on future referenda Potential 'Failed service' designation from Electoral Commission. Personal Financial liability for Returning Officer. Invalid or unsubstantiated election Results. Dissatisfaction of key stakeholders with the borough council elections and the process for future referenda.	- Election Preparation Plan and Risk Assessment - Establish Election Team, allocate resources, audit and prepare equipment - Oversee actual Election - Check Results - Conclude election paperwork - Clear and Store election equipment - Prepare Election Accounts - Consult Key stakeholders - Produce 'Mop-up' report for Autumn Overview & Scrutiny - Implement recommendations from Overview & Scrutiny in preparation for future elections	

Sign Off and Comments
Sign Off Complete

OPERATIONAL RISK REGISTER

September 2014

CE_R03 Failure to maintain Lexcel accreditation

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Reputational	Dacorum Delivers		Steve Baker	Cllr Neil Harden	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	3 High	12 Red	1 Very Unlikely	3 High	3 Green

Consequences	Current Controls	Assurance
Loss of confidence in the service, adverse effect on staff morale, processes not improved, waste of officer time and waste of consultant's costs and assessment fee.	- IDP framework - Engaged specialist consultant - Support from Policy and Improvement Officer - Support and active participation of Legal Team members	

Sign Off and Comments
Sign Off Complete

CE_R05 Failure to adopt a service specific best practice approach to managing Health and Safety

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Reputational	Dacorum Delivers		Steve Baker	Cllr Neil Harden	Treating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	1 Very Unlikely	4 Severe	4 Green

Consequences	Current Controls	Assurance
Death or injury to staff; residents or contractors' staff;	- Service specific health and safety policies in respect of	

OPERATIONAL RISK REGISTER

September 2014

reputation; litigation and charges of corporate manslaughter	Council buildings and commercial properties. - Ongoing training for staff in key areas.	
Sign Off and Comments		
Sign Off Complete		

CE_R08 The CSGC contractor focuses attention on meeting speed of response targets and not quality of service

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Reputational	Dacorum Delivers		Steve Baker	Cllr Neil Harden	Treating
Inherent Probability	**Inherent Impact**	**Inherent Risk Score**	**Residual Probability**	**Residual Impact**	**Residual Risk Score**
2	3	6	3	3	9
Unlikely	High	Amber	Likely	High	Amber
Consequences	**Current Controls**			**Assurance**	
Calls are not resolved at first point of contact. Insufficient time is dedicated to callers to ensure that call has been fully resolved in a satisfactory manner. Reputational damage to the Council.	- Govmetric surveys each month assess quality - Six monthly customer satisfaction survey - Quarterly quality assessment by Group Managers - Monthly meetings with back officers to assess service delivery and monthly operational Board meetings to escalate issues.			- Monthly performance reports - Minutes of Operational Board meetings	
Sign Off and Comments					
Sign Off Complete					

CE_R09 During the transformation of the CSCG there is a high level of requirement for DBC staff resource

Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:

OPERATIONAL RISK REGISTER

September 2014

Financial	Dacorum Delivers			Steve Baker	Cllr Neil Harden	Treating
Inherent Probability	**Inherent Impact**	**Inherent Risk Score**	**Residual Probability**	**Residual Impact**	**Residual Risk Score**	
4 Very Likely	3 High	12 Red	3 Likely	3 High	9 Amber	

Consequences	Current Controls	Assurance
The Customer Relationship Management and Channel Shift projects cannot be implemented in the timescales resulting in reduced value from the contract or increased resource impact on DBC to maintain the pace.	- Service Improvement Plan includes key milestones for engagement - SIP reviewed to identify resource implications for DBC - Joint Customer Insight and channel Shift working group established	- Terms of Reference of Channel Shift and Citizen Insight operational Board. - Project plans for CRM and channel shift implementation. - September 2011 Cabinet report: Web and Customer Access Strategy (currently being revised)

Sign Off and Comments
Sign Off Complete

CE_R10 The introduction of inform 360 and automated self-service options via telephone reduces access and/or satisfaction with contact

Category: Reputational	Corporate Priority: Dacorum Delivers		Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating
Inherent Probability	**Inherent Impact**	**Inherent Risk Score**	**Residual Probability**	**Residual Impact**	**Residual Risk Score**
3 Likely	4 Severe	12 Red	3 Likely	3 High	9 Amber

Consequences	Current Controls	Assurance
Increase in customer dissatisfaction with the Council. Potential reduction in contact with customers and missed opportunities for citizen insight	- Service Improvement Plan includes key milestones for engagement and tasks to be completed, including communications	- Minutes of Operational and Partnerhsip Board meetings

	- Customer Insight and Channel Shift working group established to review progress - Monthly meetings and quarterly audits with GMs to assess quality of customer contacts			

Sign Off and Comments
Sign Off Complete

CE_R11 Integration of CRM systems cannot be accomplished due to technical difficulties or high cost

Category: Infrastructure	Corporate Priority: Dacorum Delivers		Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating
Inherent Probability	**Inherent Impact**	**Inherent Risk Score**	**Residual Probability**	**Residual Impact**	**Residual Risk Score**
3 Likely	4 Severe	12 Red	3 Likely	3 High	9 Amber

Consequences	Current Controls	Assurance
The CRM project cannot be completed resulting in failure of the CSOG project and reduced impact of Citizen Insight and Evidence Based Decision Making initiatives. Resource intensive manual operations introduced as work around solutions	- Integration requirements included in Service Improvement Plan - Alternative options clause included in contract in the event that integration is untenable - Customer Insight and Channel Shift working group set up to manage progress	

Sign Off and Comments
Sign Off Complete

OPERATIONAL RISK REGISTER

September 2014

CE_R12 Redundancy costs of transferred staff borne by DBC in first year of contract

Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Financial	Dacorum Delivers		Steve Baker	Cllr Neil Harden	Terminating

Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	2 Medium	8 Amber	4 Very Likely	1 Low	4 Green

Consequences	Current Controls	Assurance
Unrecognised costs have an impact on Council reserves and reduce the value of the contract	- Earmarked Redundancy Reserve available to meet impact - Potential redundancy costs factored in to Value for Money assessment at tender stage	

Sign Off and Comments
Sign Off Complete

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	5 November 2014
PART:	1
If Part II, reason:	

Title of report:	Performance and Risk report Quarter 2 2014/15 – Performance and Projects
Contact:	Neil Harden, Portfolio Holder for Residents and Regulatory Services Author/Responsible Officer: Robert Smyth, Assistant Director (Performance and Projects)
Purpose of report:	To provide the Committee with analysis of performance of services and functions provided by the Performance and Projects division of the Chief Executive's Department to 30 September
Recommendations	That the Committee notes the contents of the report and the performance of the division for Quarter 2, 2014/15.
Corporate objectives:	Effective performance and project managements is central to delivery of all the Council's objectives.
Implications: ' Value For Money Implications'	<u>Financial</u> Poor performance could lead to increases in costs as well as reducing the value of our service offer. <u>Value for Money</u> Effective performance and project management supports the achievement of value for money in the pursuit of the Council's objectives .

Risk Implications	
	Risk Assessment reviewed Oct 2014
Equalities Implications	There are no direct equalities implications arising from this report.
Health And Safety Implications	There are no direct health and safety implications arising from this report
Consultees:	None
Background papers:	Attached: 1. Quarter 2 Operational Risk and Performance reports
Historical background *(please give a brief background to this report to enable it to be considered in the right context).*	This is a regular report to the committee detailing the performance of the division over the last quarter as well as outlining actions and plans for the forthcoming period. This review also considers operational, risks and highlights any additional controls and assurances needed to address the issues raised. The new Assistant Director is now in place and as part of his role consideration is being given to the future direction and approach for the performance and project function. In particular the focus will be on developing and embedding our models for project and programme management, performance improvement and digital service delivery.
Glossary of acronyms and any other abbreviations used in this report:	EDRMS: Electronic Document and Records Management System

Introduction

1.1 Performance reports are produced quarterly with information collated in the Council's performance management system, CorVu.

1.2 The performance report for the division is attached and it examines progress in relation to a number of themes:

1.2.1 IT systems and process performance
1.2.2 Complaints handling
1.2.3 Staff productivity (based on aggregated performance of core indicators)
1.2.4 Desk utilisation
1.2.5 Website availability

1.3 Targets are only included in a limited number of areas (i.e. complaints) and no external benchmarking data is used.

1.4 Detailed reviews of the risk registers relating to the service area were undertaken and commentary on changes to risk is provided.

Monitoring Performance

Summary

2.1 Overall performance has improved across the core indicators including productivity, IT and web performance.

2.2 The indicator for stage three complaints cases has seen a slight worsening but this was due to one complex case and is not a cause for concern.

Detailed Analysis

IT Systems and Process Performance

2.3 Service resolution rates are vital to the wider performance of the organisation as well as to the perception of the IT team and we have focused significant attention on this issue.

2.4 By streamlining processes and prioritising difficult incidents the IT team have been able to increase resolution to 93.81% (target 80%). However we recognise the need to continue to improve and we are currently considering whether to raise the target to drive further increases.

2.5 Despite a few difficult incidents we have maintained systems availability at 99.83%. This reflects work to improve the resilience and effectiveness of the network.

2.6 We are also testing the disaster recover capabilities of the organisation and implementing VMWare Clustering and High Availability and Distributed Resource Scheduler which will enable automatic failover and reduce the probability of outages.

2.7 New starter requests have dipped slightly as a result of other technical priorities but these have now been addressed and we expect performance in this area to improve.

Key Future Performance Actions

- Agree a new IT Service Plan setting out the future vision along with detailed work activities and stretching targets (Early Nov 2014 in draft form)
- Implement a detailed programme of disaster recovery testing and improvement including desktop tests (Nov 2014), core infrastructure (Dec 2014 & Jan 2015) and critical servers (June 2015)
- Implementing VMWare Clustering and High Availability and Distributed Resource (End of Nov 2014)
- Office consolidation work including wi-fi deployment (Nov to Dec 2014)

Complaints Handling

3 While there has been a slight increase in the total number of complaints this is not a cause for concern. In particular performance statistics in this area remain broadly positive.

3.1 However as part of a wider review the Performance Team will be considering how to improve the levels of analysis and insight from complaints including the use of trend data.

3.2 This is especially important because low volumes can make it difficult to draw firm conclusions from quantitative indicators.

Key Future Performance Actions

- Develop a process review template and pilot with complaints (Dec 2014)
- Develop proposals to improve complaints reporting including the use of trend analysis (Dec 2014)

Productivity Analysis

4 Productivity analysis within this report is assessed by the percentage of KPI's (which are considered to demonstrate productivity) that have improved or maintained existing performance.

4.1 The current benchmark is 55% and in the last quarter 63 out of 98 indicators recorded a score that was the same or better than the previous quarter.

4.2 This indicates improving performance across the majority of areas which is welcome. It also helps identify those services and activities in which more work is needed.

4.3 However it is important to note that the scores do not take into account the budget or cost associated with this improvement. Also the numbers are not weighted so an improvement across each indicator is considered comparable, even if we would consider some to be more important.

4.4 That is why are currently putting together proposals and ideas to further develop our approach to performance management.

Key Future Performance Actions

- Improve performance reporting including requiring more action orientated narrative and use of graphs (End of Nov 2014)
- Undertake detailed analysis on key issues and produce trend reports to help identify systemic issues (Dec 2014)
- Produce tools and activities to support improved performance including 'reflective learning workshops', activity based analysis and performance mentoring (End of Nov 2014)
- Review productivity analysis and consider ways to make it more sophisticated (Dec 2014)

Desk Utilisation

5   Desk utilisation is a new measure which was designed to provide some indication of the success of Dacorum Anywhere.

5.1 However given the scale and importance of the programme we have committed to producing a more detailed analysis and evaluation as well as re-visiting the original assumptions and making some further predictions about future benefits.

5.2 The aim will be to have a draft ready by the end of November with further work to be undertaken and a final analysis available in December.

5.3 As part of this process we will examine whether a different measure of future impact could be used.

Key Future Performance Actions

• Produce a detailed evaluation report into the impact of Dacorum Anywhere (End of Nov 2014)

Website Availability

6   Website availability continues to be high and technical improvements made by the Web Team have had an encouraging impact on its performance.

6.1 However we recognise that in order to effectively capture the success of our digital approach, we need to be considering broader channel shift measures.

6.2 This includes increased web traffic, reduced usage of non-digital contact (i.e. phones and letters) as well as satisfaction with the website itself.

6.3 That is why, in conjunction with the Customer Focus Group, we are going to be proposing new indicators to measure the progress of our digital journey.

Key Future Performance Actions

• Identify new measures to chart the development of our digital business model and channel shift of residents – Nov 2014
• Develop a new approach and implementation plan for digital services – Nov to Dec 2014

Risk Management

Summary

6.4 A number of new controls have been put in place to improve the management of risk and further plans are being developed.

6.5 In particular we are actively looking to develop our approach to project and programme management, innovation and digital services.

6.6 We are also continuing to improve the management of change activities and work streams including Dacorum Anywhere.

PP_R01 Lack of capacity to bring together all of the strands of the information required (No Change)

6.7 No new controls have been identified.

Future Actions

6.8 We are proposing a new approach to evidence based decision making which should strengthen and improve the effectiveness of this control.

6.9 This new approach will focus on developing more practical tools that help structure decision making and promote intelligent use of data and insight.

PP_R02 Failure to develop a range of initiatives to contribute to the Council's improvement and efficiencies agenda (No Change)

PP_R03 Services do not understand or support the need to innovate and improve (No Change)

PP_R05 Lack of 'buy-in' from services in terms of the culture changes needed to deliver innovative ways of working (No Change)

6.10 No new controls have been identified.

Future Actions

6.11 We are developing a number of new ideas and initiatives to improve our approach to project and programme management including improved reporting, new training and more specialist support.

6.12 These changes will be introduced over the next few months and they will significantly strengthen our control of these risks.

6.13 We are also considering ways to promote innovation and good practice and will shortly set out proposals including an ideas lab and reflective learning classes.

PP_R04 Lack of capacity and financial resources to transform services through ICT (No Change)

PP_R07 Other projects need heavy ICT resource (No Change)

6.14   No new controls have been identified.

Future Actions

6.15   We are currently in the process of developing the detailed approach and plan for the next phase of our digital journey.

6.16   The new round of service planning will also ensure that we have the right structures and resources in place within the IT team.

PP_R06 Lack of Resources (No Change)

PP_R08 Lack of Capital or Revenue funding (No Change)

6.17   No new controls have been identified.

Future Actions

6.18   The new round of service planning and budgeting will ensure that we have the right structures and resources in place within the Performance Team.

PP_R09 Suitable electronic systems for incoming and outgoing post are not established in time for decant (No Change)

6.19   No new controls have been identified.

6.20   Implementation of the electronic systems has made good progress but we need to increase the pace of implementation of EDRMS within departments.

Future Actions

6.21   We are refreshing the delivery of this model and introducing tailored project plans for each service to help improve monitoring, support roll-out and increase the pace of change.

AGENDA ITEM: 11

SUMMARY

Report for:	**Finance and Resources Overview and Scrutiny Committee**
Date of meeting:	**5 November 2014**
PART:	**1**
If Part II, reason:	

Title of report:	**Budget Monitoring Quarter 2 2014/15**
Contact:	Cllr Nicholas Tiley, Portfolio Holder for Finance and Resources James Deane, Assistant Director (Finance & Resources) Richard Baker, Group Manager (Financial Services)
Purpose of report:	To provide details of the projected outturn for 2014/15 as at Quarter 2 for the: • General Fund • Housing Revenue Account • Capital Programme
Recommendations	That Committee note the forecast outturn position.
Corporate objectives:	Dacorum Delivers
Implications:	Financial and Value for Money implications are included within the body of the report.
Risk Implications	Risk implications are included within the body of the report.
Equalities Implications	There are no equality implications.
Health And Safety Implications	There are no health and safety implications.

Consultees:	Budget Managers.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

1. Introduction

1.1 The purpose of this report is to outline the Council's forecast outturn for 2014/15 as at 30 September 2014. The report covers the following budgets:

- General Fund
- Housing Revenue Account (HRA)
- Capital Programme

2. General Fund Revenue Account

2.1 The General Fund revenue account records the income and expenditure associated with all Council functions except management of the Council's own housing stock, which is accounted for within the Housing Revenue Account (HRA) (see Section 6).

2.2 Appendix A separates expenditure into controllable and non-controllable categories in order to focus scrutiny on those controllable areas that officers are able to influence.

2.3 The majority of non-controllable costs result from year-end accounting adjustments, e.g. depreciation charges. These are required to show the true value of resources used to provide the Council's services, but do not result in a cash charge to taxpayers. As costs will not be known until year-end, the forecast outturn for all areas is shown as on budget.

2.4 The adjusted budget is the original budget approved by Cabinet in February 2014 plus the following approved amendments:

Amendments	£000	Approved
2014/15 Original budget	**19,416**	
Community Sport Activation Fund	22	Council November 2013
Replacement Street Name Plates	40	Council February 2014
Graduate Development Programme	36	Cabinet April 2014
Apprentices	68	Audit Committee June 2014
EDRMS	90	Audit Committee June 2014
Dacorum Sports Trust	100	Council July 2014
Category Management	75	Council July 2014
Garage Strategy	100	Council September 2014
Grant Funded Agency Costs	120	Council September 2014
Pensions Backfunding	(1,019)	Council September 2014
Reserve Funded Staff Costs	(15)	Council September 2014
Redunancy Costs	32	Council September 2014
Waste Services Implementation	219	Council September 2014
2014/15 Current Budget	**19,284**	

2.5 The table below provides an overview by Scrutiny area of the current forecast outturn for controllable budgets within the General Fund.

	Adjusted Budget £000	Projected Outturn £000	Variance £000	%
Finance & Resources	11,570	11,828	**258**	2.2%
Strategic Planning & Environment	6,159	5,684	**(475)**	-7.7%
Housing & Communities	1,555	1,732	**177**	2.9%
Total	**19,284**	**19,244**	**(40)**	**-0.2%**

2.6 The following sections provide an analysis of the projected outturn and major budget variances shown by Scrutiny area.

3. Finance and Resources

Finance & Resources	Controllable Budget £000	Projected Outturn £000	Variance	
			£000	%
Employees	10,164	10,239	**75**	0.7%
Premises	1,542	1,563	**21**	1.4%
Transport	36	36	**0**	0.0%
Supplies & Services	4,683	4,778	**95**	2.0%
Third-Parties	1,798	1,799	**1**	0.1%
Income	(6,653)	(6,587)	**66**	-1.0%
	11,570	**11,828**	**258**	**2.2%**

3.1 Employees - £75k over budget (0.7%)

Pressure of £75k - A pressure across services is projected linked to the vacancy provision. This target is set at 5% of direct salary costs for 2014/15. This position will continue to be monitored.

3.2 Supplies and Services - £95k over budget (2.0%)

Underspend £25k - The ICT budget within Revenues Benefits and Fraud Management included a planned implementation of electronic housing benefit claim forms. Corporate focus on e-solutions to meet customer needs has evolved to subsume this development and the budget is no longer required.

Underspend £20k - A provision raised in a previous year for a potential liability for legal costs within Revenues is no longer required, so will be released this financial year resulting in a credit to the service.

Pressure £50k - The budget for the core funding grant to Sports Space was based on a proposal to amend the funding agreement. This amendment to the funding agreement was not made causing a £50k pressure.

Pressure £85k – The Council has appointed V4 consultancy to undertake a review of the Council's contracts in order to identify potential savings. A savings target of £200k per annum has been incorporated into the Medium Term Financial Strategy to reflect the expected outcome of this work.

3.3 Income £66k under budget (1.0%)

Pressure £70k - This relates primarily to an over budgeting of summons costs recoverable within Revenue and Benefits. This underachievement is a continuing trend from prior years and will be reviewed as part of the budget setting process.

4. Strategic Planning and Environment

Strategic Planning and Environment	Controllable Budget £000	Projected Outturn £000	Forecast Variance	
			£000	%
Employees	8,326	8,247	(78)	-0.9%
Premises	1,085	1,104	19	1.7%
Transport	1,426	1,442	16	1.1%
Supplies & Services	4,656	4,505	(151)	-3.2%
Third-Parties	153	153	0	0.0%
Income	(9,487)	(9,767)	(281)	-3.0%
	6,159	5,684	(475)	-7.7%

4.1 **Employees - £78k under budget (1%)**

Pressure £92k - A pressure across services is projected linked to the vacancy provision. This target is set at 5% of direct salary costs for 2014/15. This position will continue to be monitored.

Underspend £108k - This pressure is offset by the net projected savings of the reconfiguration of Waste Services. The reduction in staffing requirements should generate savings for forward budgets, but also in year savings through the holding of vacant posts in preparation for the reconfigured service. Detailed staffing requirements are being worked on for the budget setting process.

4.2 **Supplies and Services – £151k under budget (3.1%)**

Underspend £50k - The cost per tonne for disposal of commercial waste is lower than forecast at the time of setting the budget. The cost per tonne is determined by Hertfordshire County Council.

Underspend £48k - The new Housing Repairs contractor is not using Cupid Depot for the disposal of waste. This is projected to reduce skip/disposal costs by £48k.

Underspend £42k - The costs of marketing and compostable liners for the introduction of the new waste service have been lower than anticipated.

4.4 **Income - £281k over budget (0.5%)**

Surplus £55k - The legal challenge to the adoption of the Local Development Framework Core Strategy has been defeated. This will result in the unbudgeted recovery of legal expenses.

Surplus £120k - Car parking income is expected to be above budget, comprising of two main elements. On-street penalty charge notices are expected to be over budget by £50k at the end of the year based on the trend to date. Off-street car parking is forecast to achieve an additional £65k based on trend to date and historical data.

Surplus £120k - Development control income is projected to achieve a surplus due to some large one off applications, along with a general increase in applications.

5   Housing and Community

Housing & Community	Controllable Budget £000	Projected Outturn £000	Forecast Variance £000	%
Employees	3,193	3,243	**50**	1.6%
Premises	402	383	**(20)**	-4.8%
Transport	43	39	**(4)**	-9.3%
Supplies & Services	1,985	2,050	**64**	3.2%
Third Parties	25	25	**0**	0.0%
Income	(4,094)	(4,007)	**87**	-2.1%
	1,555	**1,732**	**177**	**11.4%**

5.1 Employees - £50k over budget (1.6%)

Pressure £50k - A pressure of £30k across services is projected linked to the vacancy provision. This target is set at 5% of direct salary costs for 2014/15. This position will continue to be monitored. In addition, a redundancy payment of £20k has been made.

5.2 Supplies & Services - £64k over budget (3.2%)

Pressure £102k - There is a projected overspend on garages. Of this, £46k relates to contractual spend on planned repairs, entered into during 2013/14 but not completed within the financial year. A further £56k relates to spend on the options appraisal of garage sites.

Underspend £20k - The cessation of the clinical commercial waste service has generated savings partly offsetting the loss in income.

5.3 Income - £87k under budget (1.1%)

Pressure £44k - Clinical commercial waste collections have ceased during the first quarter of this year, resulting in a loss of income. This was part of a wider initiative to focus operations on higher revenue generating streams over the longer term within Environmental Health – namely Pest Control which has implemented a charging policy. Growth in this service is expected to yield significantly increased income over the coming years.

Pressure £50k - A grant budgeted within the homelessness service now forms parts of the local government settlement and is rolled into the Revenue Support Grant, so will cause a variance within service income.

6.   Housing Revenue Account (HRA)

6.1 The HRA is a ring-fenced account relating to the Council's Landlord functions. A guiding principle of the HRA is that revenue raised from rents and service charges must be sufficient to fund expenditure incurred. The forecast outturn position for the HRA is shown at Appendix B.

6.2 The projected HRA balance at the end of 2014/15 is £3.72m. The forecast operating surplus is £994k – an increase of £755k compared to the surplus of £239k originally budgeted. Significant variances are as follows:

6.3 **Dwelling Rents - £249K surplus (0.5%)**

Surplus income has been generated due to a number of tenants moving to target rent when a new tenancy has started. In addition, the average rent loss for right to buy sales is lower than forecast when setting the budget.

6.4 **Interest and Investment Income - £34K surplus (34%)**

Higher capital balances due to lower capital expenditure are forecast to generate additional investment income.

6.5 **Contribution towards expenditure - £154K surplus (33.5%)**

Repairs carried out at leasehold properties (such as lifts and communal entry systems) are recharged to leaseholders on an arrears basis based on the actual amount spent. The surplus has arisen as the amount of income anticipated was under-budgeted.

6.6 **Repairs and Maintenance – £180K over budget (1.4%)**

There is a projected pressure on the drainage budget of £180K. This continuing trend from previous years suggests that this pressure reflects an underestimation of budget requirement rather than an increase in drainage works.

6.7 **Supervision and Management – £504k under budget (3.2%)**

The expected underspend relates to:

- Underspend £210k – A one off pension back-funding payment was made in 2013/14 as part of the triennial review. This had originally been budgeted for payment in 2014/15.

- Underspend £100k - Generated from the implementation of energy efficiency projects such as the installation of solar panels at flats and LED lighting in communal areas.

- Underspend £80k - The number of voluntary moves due to the impact of the benefit welfare reforms have been lower than anticipated on the under occupation incentive scheme.

- Underspend £189k - Salaries are forecast to be underspent, £67k of which is due to vacancies within the service and £122k relates to the TUPE of staff to Osborne.

- Pressure £74k - Uninsured losses relating to insurance claims from tenants for damages to buildings, storm damage and water leaks. Based on historical data and the trend of overspends against this budget, it may need to be revised upwards for 2015/16.

- Pressure £30k - Some software maintenance costs were excluded from the budget on the assumption that there would be a reduction in the internal software requirements under the new Total Asset Management contract.

7. Capital Programme

7.1 Appendix C shows the projected capital outturn in detail by scheme.

The table below summarises the overall capital outturn position by Scrutiny area.

The 'Rephasing' column refers to those projects where expenditure is still expected to be incurred, but it will now be in 2015/16 rather than 2014/15, or conversely, where expenditure planned initially for 2015/16 will now be in 2014/15.

The 'Variance' column refers to those projects which are now complete, but have come in under or over budget and those projects which are no longer required.

	Adjusted Budget £000	Projected Outturn £000	Rephasing £000	Variance £000	%
Finance & Resources	2,641	2,664	5	18	0.7%
Strategic Planning & Environment	8,865	8,540	118	(443)	-5.0%
Housing & Community	5,331	6,042	355	356	6.7%
G F Total	**16,837**	**17,246**	**478**	**(69)**	**-0.4%**
HRA Total	**35,050**	**31,113**	**(2,776)**	**(1,161)**	**-3.3%**
Grand Total	**51,887**	**48,359**	**(2,298)**	**(1,230)**	**-2.4%**

7.2 **General Fund Major Variances**

As at Quarter 2 there is an overall projected pressure of £409k on the General Fund capital programme. This is a combination of underspending of £69k, and re-phasing of budgets from future year allocations into 2014/15 of £478k.

The projected net underspend of £69k is comprised of:

- Pressure £350k (line 102) - Additional areas for filling have been identified on the Highbarns Land Stabilisation project, and it is anticipated that after these works a certificate for completion can be provided to the Council. A report was taken to Cabinet on 21 October 2014 to recommend a Supplementary Estimate be approved by Council.

- Underspend £80k (line 119) – Budget on the Hemel Hempstead Gym Refurbishment was incorrectly slipped forward from 2013/14 after project completion.

- Pressure £110k (line 130) - Old Town Hall refurbishment costs are higher than budgeted due to tendered prices, reflecting an upturn in the construction market since the budget was set. The works were also more complex than planned (the tunnelling for example cost £30k more than budgeted).

- Underspend £176k (line 147) - This relates to two schemes in the Car Park Refurbishment Programme which could not be completed this year due to staff capacity. The schemes will still be undertaken but can be accommodated within the future budget allocations so the budget will not be slipped.

- Underspend £139k (line 156) – Spend is lower on Waste and Recycling Service Improvements as wheeled bins were procured more cheaply than expected.

- Underspend £112k (line 166) - The Neighbourhood Centre improvements are not being undertaken due to a change in Corporate Priorities since the project was approved into the Capital Programme.

The projected re-phasing of £478k from future years includes:

- £100k slippage (line 69) on Planning software replacement. The project has changed to an incremental programme of upgrades rather than a one off large scale change to the existing system to prevent material impact on current service delivery. As a consequence the time period over which the monies are spend has been extended.

- Pressure £55k (line 131) – The works undertaken on the Verge hardening project are moving at a faster rate than forecast in the Capital Programme, and budget will need to be brought forward from 2015/16.

- £100k slippage (line 132) on youth centre provision. Options for this project are still being considered, so work will not be undertaken during 2014/15.

- £75k slippage (line 156) on Waste services improvements. Works to the Depot will be carried out next year following assessment of the impact of the reconfigured service.

- £450k slippage (line 164) on Maylands phase 1 improvements. There has been uncertainty over the project management arrangements. With many projects taking place at one time it was considered that these could be rolled up with one procurement across a wider range of projects including those for the Town Centre. As this did not happen it delayed establishing these arrangements. There has also been capacity issues preventing these processes being undertaken.

- £80k slippage (line 167) on the Urban Park. The team has not had the capacity to undertake this project as priority has been given to other projects, in particular the Water Gardens.

These are off-set by pressures requiring funding to be brought forward from the future budget allocations approved for these projects:

- Pressure £125k (line 79) – A change in licensing arrangements has generated a pressure on Enterprise Licence Agreements which will be funded from future year allocations.

- Pressure £431k (line 138) – The tender price for the Elms Hostel development at Redbourn Road was higher than budgeted (£300k). In addition the refinement of fixtures and fittings specifications has generated an in year pressure.

- Pressure £68k (line 148) – The planning and design costs for the multi-story car park at Berkhamsted are higher than budgeted. The scheme continues to evolve but at this stage completion is expected to be within the overall budget allocation.

- Pressure £300k (line 158) – This pressure relates to unbudgeted fleet purchases – the key requirement being five new caged tippers for the Clean Safe and Green service (£158k).   The long term programme has been reviewed and will be incorporated into the Capital Programme.

- Pressure £355k (line 168) -. The timing of cash-flows for the regeneration of Hemel Hempstead Town Centre have been refined since the approval of the capital programme. A reduction to the 2015/16 budget will be made to offset the in year pressure.

7.3 **Housing Revenue Account Major Variances**

There is a projected underspend on the HRA capital program of £1.161m. This includes:

- Underspend £830k (lines 196-199) - The strategic acquisitions allocation for the transfer of the Point between the General Fund and HRA is no longer required as provision for this transaction will be made as an accounting adjustment through financing section of the capital programme.

- Underspend £331k (line 191) – The tender price for new build at Farm Place Berkhamsted was lower than budgeted.

Projected re-phasing of £2.776m to future years includes:

- £2.776m slippage due to delays on the New Build scheme at London Road. Construction works have been delayed due to difficulties relocating the substation during the initial phase of the scheme. Works are due to commence in October.

AGENDA ITEM: 12

SUMMARY

Report for:	Finance & Resources Overview & Scrutiny Committee
Date of meeting:	5 November 2014
PART:	1
If Part II, reason:	

Title of report:	Shared and Outsourced Services Update – Customer Service Centre and Gateway Contract (CSCG)
Contact:	Cllr Neil Harden, Portfolio Holder for Residents & Regulatory Services Cllr Brian Ayling, Cabinet Support Member Responsible Officers: Steve Baker – Assistant Director Ben Hosier – Group Manager (Procurement) Matt Rawdon – Group manager (People) Mark Housden - Commercial Contracts Lead Officer
Purpose of report:	To update Members on progress with the Customer Service Centre and Gateway project.
Recommendations	That Members note progress and comment on the Customer Service Centre and Gateway project.
Corporate objectives:	Supporting the 'Dacorum Delivers' strategic change programme

Implications: 'Value For Money Implications'	Financial: Efficiency savings have been identified as part of the overall project and will be monitored through the Performance Management Frameworks, which form part of the contract documentation. Value for Money: Current central government legislation has identified that local authorities should seek to provide value for money for citizens by exploring partnership arrangements to deliver services. The Northgate proposal was tested against a public sector comparator to demonstrate that the contract will provide value for money.
Risk Implications	A risk assessment of the CSCG project has been undertaken and reported to the Overview and Scrutiny Committee. An ongoing risk log was developed to cover all aspects of the transfer. Post contract completion a new project plan has been introduced and a revised risk register, focused on delivery, has been developed.
Equalities Implications	Equality Impact Assessment carried out. This was included in the report to Cabinet on 26th March 2013. Further impact assessments will be required to assess the impact of the Customer Relationship Management and Channel Shift projects.
Health And Safety Implications	There are no immediate health and safety issues. During the period March to July 2013 additional security arrangements were in place in the reception area to help manage the transition to Council Tax Support. The transition is now complete and therefore the additional security has been withdrawn. Normal security levels for staff are now in place.
Consultees:	A corporate multi-disciplinary project team has been developing the CSCG project. In addition Customer Services staff have been engaged through regular staff meetings and the Staff Reference Group. Unison has also been consulted regularly. Approval for contract signature and transfer of service was delegated by Cabinet to the Portfolio Holder for Residents and Regulatory Services and the Corporate Director (Finance and Governance).
Background papers:	• Cabinet report, 26 March 2013 – Customer Service Centre and Gateway Tender Exercise (Part 2) • Cabinet report, 25 June 2013 – Customer Service Centre and Gateway Contract (Part 2)

	• Cabinet report, 23 July 2013 – Customer Service Unit Drawdown from Reserves
Historical background *(please give a brief background to this report to enable it to be considered in the right context).*	In May 2011 Cabinet approved a Shared and Outsourced Services project. The project's objective was to explore shared service options for a number of Council services, including a 'strategic partnering' approach for Customer Services. The approved procurement process resulted in the Customer Service Centre and Gateway Invitation to Tender (ITT) being released to the market on 30th October 2012. On 26 March 2013 Cabinet approved the award of a four year contract to Northgate Information Solutions Ltd. On 25 June 2013, Cabinet delegated authority to the Portfolio Holder for Residents and Regulatory Services on the advice of the Corporate Director (Finance & Governance) to bring forward the forward the contract signature date (the Effective Date) and Operational Service Commencement Date, subject to completion of agreed tasks. The Finance & Resources Overview & Scrutiny Committee has continued to receive updates on progress on the contract since September 2012.
Glossary of acronyms and any other abbreviations used in this report:	CSCG - Customer Service Centre and Gateway CSU - Customer Service Unit ITT - Invitation to Tender CRM - Customer Relationship Management System OLA - Operating Level Agreements PMF - Performance Management Framework Braxtel – Telephone call queuing system(old) Netcall - Telephone call queuing system(new) Q-Matic – Customer queue ticket system Inform360 – Automated telephone information giving system CSSG – Capital Strategy Steering Group

1. **Background**

   1.1. The contract for the delivery of the Customer Service Centre and Gateway (CSCG) to Northgate Information Solutions UK Ltd (Northgate) was signed on 12 July and the service was transferred to Northgate on 5 August 2013.

   1.2. This report provides an update on the performance of the contract.

2. **Financial monitoring**

   2.1. Not included in this report.

3. **Performance monitoring**

   3.1. The Commercial Contracts Lead Officer manages the contract on a day to day operational basis with a focus on client side monitoring, assessment and management of the contract.
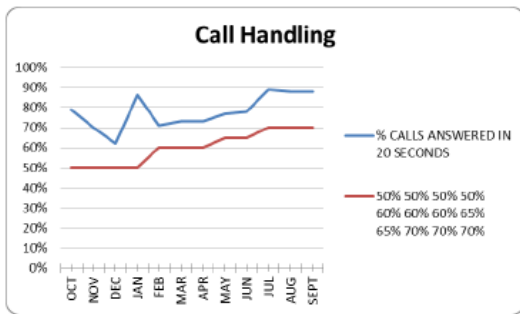
   3.2. Performance of the contract is managed in partnership with Northgate through an Operations Board which meets monthly to consider:

   - Achievement against Key Performance Indicators (KPIs) for the preceding month and any service credits due

   - Management issues

   - Progress against the two core projects in the transformation programme: Customer Relationship Management (CRM) and channel shift

   - Risk associated with the contract and delivery of the transformation programme.

   3.3. In addition a quarterly Customer Service Unit (CSU) Strategic Board is held to oversee progress and support the Operations Board.

   3.4. The KPI results for the contract are shown in the tables below.

CALL HANDLING	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
% CALLS ABANDONED	3%	4%	6%	3%	12%	7%	10%	5%	4%	1%	2%	1%
TARGET	13%	13%	13%	13%	10%	10%	10%	7.5%	7.5%	5.0%	5%	5%
% CALLS ANSWERED IN 20 SECONDS	79%	70%	62%	86%	71%	73%	73%	77%	78%	89%	88%	88%
TARGET	50%	50%	50%	50%	60%	60%	60%	65%	65%	70%	70%	70%
OPENING HOURS ACTUAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
OPENING HOURS TARGET	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
FACE TO FACE	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
% CUSTOMERS SERVED IN 5 MINS	77%	75%	71%	66%	67%	66%	56%	70%	73%	75%	70%	71%
TARGET	63%	63%	63%	63%	65%	65%	65%	70%	70%	70%	70%	70%
LESS THAN 30 MINS WAIT FOR 95% CUSTOMERS	100%	99%	100%	100%	99%	95%	97%	100%	100%	100%	100%	100%
TARGET	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
OPENING HOURS ACTUAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
OPENING HOURS TARGET	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Call Handling

% CALLS ANSWERED IN 20 SECONDS

50% 50% 50% 50% 60% 60% 60% 65% 65% 70% 70% 70%

Face to Face

% CUSTOMERS SERVED IN 5 MINS

TARGET

Call Handling

% CALLS ABANDONED

TARGET

Face to Face

LESS THAN 30 MINS WAIT FOR 95% CUSTOMERS
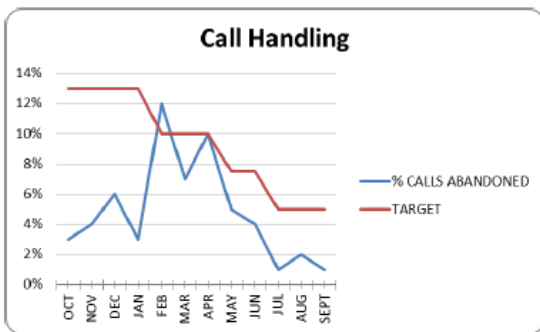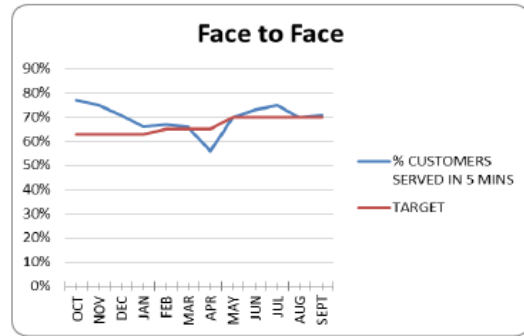
TARGET

3.5. One of the KPIs within the contract is face to face waiting times. There are two indicators:

- Average wait time: The current target was increased from 65% in February 2014 and to 70% in May. Northgate have reported that this target is difficult to achieve pulling resources from the team answering telephone calls. However the target continues to be met.

- Longest wait time: the current target is that no more than 5% of customers have to wait longer than 30 minutes to be seen. This indicator exists to ensure that where increased volumes of customers come into the Council, the contractor commits additional resources to reduce the impact on waiting times. The indicator remains at 95% throughout the transition period and beyond.

3.6. The KPIs within the contract for telephony has increased over the last year and now stands at 70% answered within 20 seconds, and calls abandoned reduced to 5%. These were both met during September.

3.7. The contract allows for the Council to alter targets to drive improved performance over time. Discussions regarding the altering the KPIs are ongoing with a view to introduce more relevant measures of performance.

3.8. Other performance monitoring information is available under the terms of the contract but it is for monitoring purposes only. Data for September 2014 is shown in the table below

Non-KPI Data, September 2014

Average wait time	2 minute 33 seconds
Longest wait time	26 minutes 24 seconds
Average call length	3 minutes, 05 seconds
Enquiries resolved at first point of contact	97%
Staff utilisation	73%

4. Factors affecting performance

4.1. The actions taken following the extraordinary meeting of the CSU Strategic Board held on the 15th May 2014 have brought stability to the service and the number of complaints have reduced significantly. The actions taken included taking on additional staff and reviewing the existing Inform360 scripts.

4.2. Implementation of CRM system has been on hold awaiting PSN accreditation. This was achieved during June. The system is now being used by CSU staff and connectivity between Revs and Bens systems is being configured.

4.3. The replacement of Braxtel took place in early June and this is now providing real-time management information to support day to day decisions on resource flexing between face to face and telephony. It is also now providing information to support reviews of calls being handled to identify problems.

4.4. Telephony issues in September impacted on service delivery. The calls were not getting through to the Contact Centre due to problems with the Mitel switch. Dacorum ICT resolved the situation within one day of the problems being reported but this caused an increase in calls when the problem was rectified and impacted on the statistics.

5. The key service developments during September were as follows:

- Customer insight activity to review /position channel access strategies continues and a new customer insight officer has been appointed by Northgate
- CRM is now in use in CSU
- Active engagement with the Customer Focus group has helped identify a number of causes of avoidable contact and areas where Inform360 scripts and Website enhancements can be made.
- Proposals have been submitted to CSSG to improve the layout of the reception area and Face to Face Layout to improve the customer experience including flow, layout, payment and self-service zones and express service along with improved signage.
- Proposals to install and pilot the use of a self-service machine to take payments and give information have also been submitted to CSSG. This will take advantage of the weekend opening to provide this service to customers.

6. Service Improvement Plan

The SIP is a key document that forms part of Northgate's contractual obligations. It sets out a timetable for implementing key stages of the service development, including two specific projects relating to the transformation:

- The introduction of a Customer Relationship Management (CRM) system, including Citizen Insight.

- Channel shift from face-to-face and call contact to web-based interaction where this improves access to services and promotes efficiency.

CRM

6.1. The Customer Relationship Management System is now implemented and in use in CSU. Work continues to ensure the flow of data is operating correctly and the interfaces are set up correctly.

6.2. The CRM system operates by drawing information from back office systems into one system to provide a 'single view of the customer'. This means that when customers contact the council all their details and transactions can be accessed quickly and easily by CSU staff. The CRM system will bring benefits over time in terms of:

- improving the quality of interactions with customers

- reducing training for new staff who will only have to view one system which brings in data from back office systems.

6.3. However, the introduction of CRM is a key item within the agreed Service Improvement Plan and we will continue to monitor progress to ensure that the Council realises the full benefits of the contract as the system develops.

Channel shift

6.4. This has been a significant area of activity for some time and has led to a number of outputs to date that are designed to increase the extent that services are shaped around customers' needs and to increase access to services through increased use of the Council's website and other media:

- Web and Customer Access Strategy, updated edition agreed May 2014
- Re-launch of the website in April 2013
- The Customer Promise published in June 2013 and reproduced at: http://www.dacorum.gov.uk/home/customer-promise
- The inclusion in the CSCG contract with Northgate of Customer Relationship Management and Citizen Insight projects
- The development of a database of indicators of wellbeing and the Evidence Based Decision Making project
- The Digital Inclusion project
- Two-day leadership team development programme with customer focus as the central theme
- The development of a Customer Focus Group to review activities within Dacorum to ensure changes are implemented to support channel shift

6.5. Each component of this shift to digital access has to date been managed separately. The inclusion of related projects within the Northgate contract was designed to move things forward through a partnership approach. However, the

contract has limited objectives which relate to the impact of CRM and Channel Shift on the function of the Customer Services Centre rather than on the Council as a whole

6.6. A wider need has been recognised to engage all services and functions in the pursuit of increased customer focus. Therefore it is necessary to bring all of these strands together in a co-ordinated way and to establish the Customer Focus theme as central to departmental strategies and operational plans.

6.7. A cross organisation Customer Focus project has been established to gain customer perspectives on service delivery and to deliver internal changes in support of channel shift and to reduce failure demand.

7. Customer Focus Project – Highlights

In June 2014, a project team was assembled to look at what issues customers face when they deal with us, and how our services can make our customers' experience even better. The project team consisted of service experts, communications, IT and business improvement.

The project team (headed up by Matt Rawdon Group Manager – People) put themselves in the shoes of our customers and explored ways that services can work to make a difference to our customers' experience. This was achieved by:

- Spending time in the customer service unit - seeing our customers' enquiries first hand and listening to valuable feedback from our customer service representatives (CSRs)
- Listening to customers who use a range of our services about their experiences (over 1000 people emailed),
- Working with some of the key services for our customers (waste, revenues and Benefits, housing and planning) to look at ways we can improve back office processes for the benefit of our customers,
- Making mystery calls to staff, CSU and payment lines,
- Reviewing complaints,
- Exploring forms of good practice.

After much dedicated time reviewing the above, the team created a recommendations report that was endorsed by Group Managers and the project board. Since this approval we have been busy trying to implement these improvements across the Council. Below is a summary of the key findings:

7.1. **Creation of a knowledge hub for Customer Service Unit (CSU) staff**: The service manuals that CSRs use are now electronic not paper based. All the service manuals were updated as these were out of date, so the revised copies are now stored on SharePoint. The CSRs will be using these manuals when advising customers so we can be sure that the information is relevant and current. Now, these manuals, used every day to advise customers, are electronic. This means that they are more regularly updated and quicker for CSU staff to access. This new

way of working also improves version control, as the documents cannot be amended without authorisation from specific personnel.

7.2. **Updated 'out of date' data on website:** There are currently thousands of pages on our website so due to the length of the project it meant that it was out of scope for the project team to refresh everything, but the new 'service information coordinator group' will be looking at these types of issues in the future. Nevertheless, high impact pages were refreshed to ensure the information was current. For example out of date legislation, inaccurate processes etc.

7.3. **Phone Scripts**: These were reviewed and amended to cut down the length and plain English was applied throughout. There is now a new process where the communications team will review any further changes to the phone scripts to ensure consistent terminology and structure.n

7.4. **Service Information Coordinators**: This is essentially the implementation of a continuous improvement group to meet monthly to update automated phone scripts, service manuals, web content (using web stats) and structure. This will be led by the web communications officer. The first one is scheduled for 30 October 2014. Many of the project team have agreed to take on this additional responsibility.

7.5. **Voicemail campaign:** This is to promote good practice and programme of regular audits. There was been user guides sent out, Chief Executive's voicemail message to all staff regarding usage and set up, CMT steer to all managers. We are in the process of reviewing full mail boxes and implementing a PC pop up voicemail reminder.

7.6. **Out of hours contact**: A section has been created on website home page so that customers know who to contact outside the Council's opening hours. http://www.dacorum.gov.uk/home/do-it-online/contact-us#outofhours

7.7. **Phone directory**: The starter process now includes setting temporary agency workers on the Netcall (dial 10).

7.8. **Automated email response**: The creation of a corporate automated email response for incoming emails from the website, which will give timescales and alternative methods of assisting customers with their query. Only 15% of email accounts on the website had an automated email response. This will undoubtedly reduce the amount of calls enquiring about their email query.

7.9. **Additional payment phone lines**: Extra payment lines have been added as customers were often hearing an engaged tone due to the limited amount of payment phone lines installed. The project team discovered that only four payment lines were available for customers to use, so if these were all being used at the same time customer number 5 would hear an engaged sign and the call would end.

7.10.   **Corporate payments project:** This project will be looking at implementing online direct debits and Payment Kiosks in the reception area, which will link into

the Council's channel shift strategy. Richard Baker (Group Manager – Financial Services) is the project lead.

7.11.   **On line forms:** The project team Identified the need for more critical on line forms. Two high priority on line forms have been developed – Garage applications form and Address Management form. Others to be implemented soon are: Large bin request application form, assisted bin collection application form and Tree preservation form. All current on line forms are being adapted to ensure they are mobile phone responsive. The website team are planning to re-visit all group managers to ensure priority on line forms are on their work plan.

7.12.   **Bin Collection days:** A facility is about to be launched that enables customers to search for their bin collection days by entering their postcode.

7.13.   **System Access:** The project team identified a process issue between CSU and Environmental services and by opening up the Bartec system (back office system) to the CSU it would save over 100 calls to back offices per week and subsequently allowing the customer to have the query answered quicker. This in turn would allow CSRs to spend more time with customers with more complex needs.

The results over the last six months have seen a great reduction in complaints; only two formal complaints were received during September regarding the telephony system and CSU. These have been investigated and action taken where necessary to improve the customer experience. This figure compares favourably with the nearly 100 formal complaints and 100's more adverse comments received earlier in the year. The improvements in the scripts and the changes made have also seen a decrease in average waiting times to be answered.

However, it is important to stress that there is lots of other good work that has contributed to these improvements around the Council and we still have a long way to go to improve the customer experience. A key focus for the Council over the next 12 months is to improve the website so that it is easy to navigate, has increased on line functionality and can be fully accessible via smart phones.

8. Risk management

8.1. Risk registers relating to the delivery aspect of the CSCG project are reviewed monthly by the Operational Board. An ongoing log of issues is also being maintained with action points to be agreed at the Board meetings. The following issues were logged at the July Operational Board meeting.

CSCG issues and actions as at September 2014

Issue	Action taken
IT support and SLA	Agreed in principle
CRM is live but interactions for staff will be longer until full integration is completed	CRM Project Manager working on the next system to be integrated as well as reviewing current integration plan for Phase 2

Avoidable contact presenting challenges in service delivery as customers are chasing progress or requesting clarity	Discussions at OLA meetings with Group Managers and with Customer Focus Group
Enhancements to Inform 360	SMS options available, need to ensure the Website is up to date with e-forms. Action with Customer Insight Officer

9. Conclusion

9.1. This report reflects a period of continued calm and where the service delivery has been maintained at improved levels.

9.2. The Customer Focus Group has made a number of recommendations that will improve customer experience.

SUMMARY

Report for:	**Finance and Resources Overview & Scrutiny**
Date of meeting:	**05 November 2014**
PART:	**1**
If Part II, reason:	

Title of report:	**Governance Arrangements for the Community Infrastructure Levy (CIL)**
Contact:	Cllr Andrew Williams, Leader of the Council and Portfolio Holder for Planning and Regeneration Heather Overhead – Assistant Team Leader, Strategic Planning and Regeneration Officer (ext 2083) James Doe – Assistant Director, Planning, Development and Regeneration (ext 2583)
Purpose of report:	To provide Members with an update on progress towards CIL Governance and arrangements for S106 following implementation of CIL.
Recommendations	That the Committee notes and comments on the principles and proposals for CIL Governance as set out in the report for feedback to Cabinet.
Corporate objectives:	Preparation and implementation of a CIL contributes to all of the corporate objectives. Affordable Housing Affordable housing will be exempt from paying CIL and the CIL revenues cannot currently be used for provision of Affordable Housing. We will continue to secure Affordable Housing

	through the completion of planning obligations under S106 of the Town and Country Planning Act 1990 (as amended). Officers from the Strategic Housing service are involved in developing the CIL charging schedule, for which affordable housing requirements will be a key consideration. If CIL is set too high then developers may not be able to meet the affordable housing policy requirements identified in the Core strategy. A number of CIL Charging Schedules have been either amended or rejected for not adequately considering the implications of the Charging Schedule on delivery of Affordable Homes.
	Safe and Clean Environment
	Open space and green infrastructure improvements have been identified as possible recipients of CIL funding within the Councils Draft Regulation 123 List Such works would contribute to a safe and clean environment.
	Building Community Capacity
	CIL revenues may be used to social enterprise and local community infrastructure which supports those in the most deprived areas Local communities should feel empowered to carry out improvements within their neighbourhood by the delegated of a proportion of CIL funding to them under Regulation 59 of the CIL Regulations
	Regeneration
	CIL will be used in combination with S106 to support the delivery of the key regeneration priorities for the Council.
	Dacorum Delivers
	Developing the CIL represents Value for Money as it will become cost-neutral once it is up and running as explained below. It will lead to the delivery of infrastructure required to support new development so will improve the reputation of the Council.
Implications:	Financial
	The cost of developing and implementing the Council's CIL Policies and Procedures is being borne by the Local Development Framework (LDF) budget, and may be repaid from future CIL receipts. Once implemented, up to 5% of CIL receipts may be used for its ongoing administration. The Council will not be able to charge for the monitoring of S.106 agreements with an associated loss in income. The project is

'Value For Money Implications'	expected to be cost-neutral in the long term. Once CIL is in place the Council will be responsible for collecting and allocating significant sums of money to the delivery of infrastructure. <u>Value for money</u> Where possible, technical work that supports the CIL has been jointly commissioned with adjoining authorities to ensure value for money. The Council will be responsible for allocating CIL money for spend, and thus will have a responsibility to ensure efficient use of funds.
Risk Implications	The Project Initiation Document (PID) was updated in February 2013 and sets out full details of the risks associated with the introduction of a CIL. They include insufficient buy-in from infrastructure providers and key stakeholders, changes in Government policy and team capacity.
Equalities Implications	An Equality Impact Assessment has been carried out for CIL in support of the PID. No significant issues have arisen, largely as any expenditure from CIL monies will need to be reflective of the need to develop infrastructure in the Borough, as set out in the Borough's Infrastructure Delivery Plan.
Health And Safety Implications	None
Consultees:	The CIL Task and Finish Group have discussed the programme for the introduction of CIL and draft versions of the Regulation 123 List. They also discussed the CIL Governance proposals in July 2013. CIL Governance proposals have been developed by members of the CIL Working Group in liaison with officers at Hetfordshire County Council. The draft Memorandum of Understanding, CIL Governance Structure Diagram and Infrastructure Advisory Group Terms of Reference have been circulated to HCC for comment. Feedback from HCC is still awaited. Officers discussed the management and use of CIL funds with the Town and Parish Clerks at their meeting of the 26th February 2014. Initial views have been incorporated within the report.

Background papers:	• Inspector's Report on CIL – October 2014 • Cabinet Report – 25th March 2014 • Cabinet Report – 26th November 2013 • CIL Guidance Notes June 2014 (Department for Communities and Local Government) • CIL Regulations 2010 (amended 2011, 2012 and 2013, 2014) • Full Council – 15th January 2014 • Core Strategy 2006-2031 • Dacorum Infrastructure Delivery Plan (June 2012) • Dacorum Infrastructure Delivery Plan Update (January 2014) • Infrastructure Funding Gap Assessment (December 2012) • Infrastructure Funding Gap Assessment Update (January 2014) • Draft Charging Schedule (May 2014) • Project Initiation Document Key documents can be located on the Council's CIL web pages.
Glossary of acronyms and any other abbreviations used in this report:	BCIS – Building Cost Information Service CIL – Community Infrastructure Levy CSSG – Capital Strategy Steering Group DCLG – Department for Communities and Local Government DCS – Draft Charging Schedule HCC – Hertfordshire County Council IAG – Infrastructure Advisory Group IBP – Infrastructure Business Plan IFGA – Infrastructure Funding Gap Assessment InDP – Infrastructure Delivery Plan LEP – Local Enterprise Partnership NPPF – National Planning Policy Framework PDCS – Preliminary Draft Charging Schedule

BACKGROUND

1.0 Introduction:

1.1   The Community Infrastructure Levy (CIL) is a new way of collecting financial contributions from new developments to help fund the provision of infrastructure required to support growth in the Borough. It is a tariff style system applied to the area of the development as a cost per square metre and may vary by both use and location.

1.2   The Borough Council is the Charging Authority for CIL. It is responsible for setting the proposed CIL rate, collecting the charges and spending the CIL income. The level of charge must be informed by evidence of infrastructure need and scheme viability, and once set will be mandatory for developers to pay.

1.3   The Draft Charging Schedule (DCS) was submitted to the Planning Inspectorate in July 2014 and underwent an independent examination on 26 September 2014. On 21 October 2014 the Council received the Inspector's Report on the Council's Draft CIL Charging Schedule, which recommended its approval. The DCS and associated documents will be presented for adoption to the Cabinet and then Full Council either in December/January or Februrary 2015, depending on the Cabinet work programme. Under the current timetable it is intended to start charging CIL from the 1st April 2015.

1.4   The Council has set out broad initial proposals for the spending of CIL through the publication of a draft Regulation 123 list and must set out this spending plan on its website prior to implementing the charge.

1.5   CIL will not be sufficient to bridge the majority of the identified infrastructure funding gap within the Borough and as such difficult decisions will need to be made in order to maximise the benefits of CIL towards the provision of key items of infrastructure. The proposed decision making process and importance of relevant documents to this process are set out below.

1.6   At its meeting on 25 March 2014 Cabinet agreed the broad principles and proposals for the governance of CIL as reflected in this report.

2.0   The Role of the Regulation 123 List

2.1   The Council is required under Regulation 123 of the CIL Regulations to publish a list of infrastructure types or specific infrastructure schemes that will be wholly or partially funded by CIL (the Regulation 123 List). As CIL is expected to become the primary source of infrastructure funding payable by developers, the CIL Regulations prohibit the use of CIL and S.106 monies to fund the same piece of infrastructure and seeks to limit the application of S.106 by introducing pooling restrictions upon its use.

2.2 The Regulation 123 list has become an important area of engagement and deliberation for external bodies and infrastructure providers alike as it establishes the agenda for the delivery of new infrastructure. The Council is expected to spend CIL on items included on its Regulation 123 list. The list is based on the Council's infrastructure evidence and there are clear links between the items on the Regulation 123 list and those identified in both the Infrastructure Delivery Plan (InDP) and Infrastructure Funding Gap Assessment (IFGA). It is expected that most CIL funding will be spent on projects that fall under the types of infrastructure specified on the Regulation 123 list.

2.3 The draft Regulation 123 list is set out at Appendix 1 to this report.

3.0   Allocation of CIL Funds

3.1 The introduction of CIL necessitates the development of new governance arrangements for the allocation and spending of monies collected. Under CIL, Dacorum Borough Council will act as the designated 'Charging Authority' which confers new responsibilities on the Council as set out in the CIL Regulations and associated CIL Guidance. A close working relationship with partners will be required, but the Council is responsible for spending CIL monies on infrastructure and for deciding what infrastructure is needed (i.e. the priorities for CIL funding). The majority of such infrastructure works have historically been undertaken by Hertfordshire County Council.

3.2 The proposed Governance structure for CIL is attached at Appendix 2 to this report. The Governance proposals have been developed in consultation with the CIL Working Group, CIL Task and Finish Group and the Corporate Management Team.

3.3 The Governance diagram explains that funds will need to be allocated to three main purposes, administration (5%), local projects (15%) and Core funding (80%) and establishes that to make decisions on the use of CIL an advisory body (Infrastructure Advisory Group) and a decision making body (Council) are both required.

3.4 It is proposed that an Infrastructure Business Plan (IBP) will make the broad allocation of funds clear, and would be approved annually by Council and included in the Council's Capital Programme. This arrangement will mean that items of CIL expenditure do not need to be referred to the Corporate Strategy Steering Group (CSSG) as they will already have been through an extensive review process before being approved by Council.

CIL Administration

3.5 The introduction of CIL and the day-to-day discharge of the Councils duties as 'Charging Authority' is expected to be fairly resource intensive, particularly in the initial stages, and therefore in line with the CIL Regulations, it is advised that the Council authorises the use of the full 5% of the total CIL receipts for each year to finance expenses incurred during the administration of CIL. Such costs will include an on-going subscription to the BCIS All-In Tender Price Index which is necessary to

calculate the CIL charges. The percentage of CIL funding released for administrative purposes and the costs of administering the CIL charge should be kept under review.

Localised CIL

3.6   The Government expects CIL to incentivise communities to accept and encourage growth in their areas. The CIL Regulations thus place a duty upon the Council to pass 15% of the CIL receipts to Town and Parish Councils from developments that take place within their areas up to a cap of £100 per dwelling per year. Where there is a Neighbourhood Plan in place 25% of CIL receipts will passed to the town or parish council, and this will not be subject to an upper cap. Members will note that there are no adopted Neighbourhood Plans in Dacorum although one is in preparation for Grovehill, Hemel Hempstead.

3.7   In non parished areas, such as Hemel Hempstead, the Council are bound to use the equivalent proportion of CIL receipts (i.e. 15% where there is no neighbourhood plan in place) to support the development of the relevant area. In March 2014 Cabinet agreed that authority should be delegated to ward councillors to determine the use of the local proportion of CIL receipts in consultation with local residents.   The relationship between CIL receipts and neighbourhood plans is explained further in the table below.

Relationship between the levy and neighbourhood plans:

Parish Council ✓ Neighbourhood Plan ✓ = 25% uncapped, paid to Parish	Parish Council ✓ Neighbourhood Plan × = 15% capped at £100/dwelling, paid to Parish
Parish Council × Neighbourhood Plan ✓ = 25% uncapped, local authority consults with community	Parish Council × Neighbourhood Plan × = 15% capped at £100/dwelling, local authority consults with community

3.8   The local proportion of CIL may be spent on:

a) the provision, improvement, replacement, operation or maintenance of infrastructure, or

b) anything else that is concerned with addressing the demands that development places on an area.

3.9   Officers have drafted guidance notes for town and parish councils and ward councillors on the use and administration of CIL. Advice is included on the appropriateness of CIL spending and on maximising the benefits derived from CIL. These draft guidance notes are attached at Appendix 3, and are subject to approval by Cabinet at their meeting on 25 November. Aside from the provision of these guidance notes and the provision of further informal advice it is considered appropriate that the Borough Council should have minimal involvement in the determination of local CIL priorities. The guidance notes will be kept under review and may be updated as necessary once CIL is in place.

Allocation of Core Funds

3.10   The remaining, or Core, CIL funds should be allocated by the Council towards the infrastructure requirements arising from the growth planned in the Council's Core Strategy. At a strategic level, these needs are identified in the Infrastructure Delivery Plan (InDP) which sets out the plans and funding arrangements of infrastructure providers and is updated annually.

3.11   The draft CIL governance structure diagram (Appendix 2) proposes that a new group called the Infrastructure Advisory Group (IAG) (see section 4) will be set up to make recommendations to Council on how CIL money is allocated. The recommendations will be made via a document called the Infrastructure Business Plan (IBP) which will set out the Council's priorities for allocating CIL money on a short, medium and long term basis. This document will focus on the delivery of infrastructure and making the best use of CIL funds.

3.12   As the demands on CIL monies will exceed the total income, it will be the responsibility of the infrastructure providers to inform the Council of their own priorities for use of CIL funds. This will be done a via process of providers submitting 'CIL project submissions' for the use of CIL funds which will initially be assessed by an officer in the Strategic Planning and Regeneration team. The submissions which meet the required criteria will be referred to the IAG for consideration, who will make recommendations to Council via the IBP about which infrastructure projects to support with CIL funds. The IBP will be published and considered by Cabinet and then Full Council annually.

3.13   The criteria that submissions must meet to be considered by the IAG are under development. It is likely that they will require that the proposed use of funds must:

- Meet the requirements of the CIL regulations;
- Meet the conditions of the Council's Regulation 123 list;
- Reflect a need identified through the InDP, or meets a need identified by a provider required to meet the needs of new development;
- Be deliverable within a reasonable timescale.

Please note that the above criteria are under development, and are subject to change.

3.14   It is envisaged that CIL monies will be allocated to funding pots to be administered by DBC (through the IAG), HCC and other infrastructure providers (in the event of CIL being allocated to a third party) in accordance with the IBP. Discussions are underway with senior officers about the best way of transferring CIL monies to providers, including the need for a legal agreement, the timing of transfer and a contingency position for a change in the proposed project. The outcomes of these discussions will be reported to members at a later date once the governance proposals have been firmed up.

3.15   In order to optimise the use of CIL funds, it is suggested that the Council and infrastructure providers should make use of opportunities for 'match funding'. The detailed governance procedures should explore possibilities and examine the potential to 'dovetail' the prioritisation and spend of CIL with other funding sources such as New Homes Bonus and those brought forward by the Local Enterprise Partnership (LEP).

3.16   To ensure that the levy is open and transparent, the Council must prepare a short annual report on the levy for the previous financial year which must explain how much CIL funding has been collected by the authority and how it has been spent. It is envisaged that such reports will be prepared alongside the Council's Annual Monitoring Report.

4.0   The Infrastructure Advisory Group (IAG)

4.1   It is envisaged that an IAG should be established in order to consider the application of CIL funds over the course of a financial year.

4.2   The membership of the IAG should comprise both officers and members of Dacorum Borough Council and Hertfordshire County Council and should reflect the services that are most closely involved in the provision of infrastructure on which developments in Dacorum will most heavily depend. The precise membership of the group is yet to be finalised, but it is anticipated that it will comprise the following:

- DBC Portfolio Holder for Planning and Regeneration
- DBC Assistant Director, Planning, Development and Regeneration
- DBC Assistant Director for Chief Executive Unit
- DBC Assistant Director for Finance and Resources
- DBC Assistant Director for Neighbourhood Delivery
- DBC Strategic Planning and Regeneration Officer (Infrastructure Planning)
- HCC Executive Member for Resource, Performance and Transformation
- HCC Principal Infrastructure Officer
- Representative of other external infrastructure providers on an ad hoc basis
- Representative of the Herts LEP

4.3   The IAG would have the ability to invite representatives of other infrastructure providers to its meetings if it is considered that the attendance of a particular organisation or group would be beneficial to their discussions and the decision making process. The Town and Parish Councils have indicated that they would wish

to be represented on this group, however, officers consider it would be more beneficial to invite a representative from a particular town or parish council where there are pertinent local issues to discuss.

4.4   The IAG would be tasked with assessing submissions received for CIL funding from providers, seeking additional information on the submissions and prioritising the infrastructure projects that need to be delivered during the coming financial year and over the medium (3 yr) and longer terms (5+ yr). It will make recommendations to Cabinet and Full Council via the IBP, which will be approved by Council as part of the budget setting process. It will then be the responsibility of the infrastructure provider (HCC, DBC or Others) to use the funds that have been delegated to them to deliver the IBP or seek additional approvals from the Council. In order to carry out the work required, the IAG will be expected to meet at least quarterly to discuss the application of CIL.

4.5   It is expected that appropriate officer sub-groups should prepare submissions on behalf of services provided by DBC and determine service priorities for consideration by the IAG.

4.6   A detailed report will be brought to Cabinet and then Council outlining the process and presenting the rolling programme of infrastructure works to which funds should be allocated. Cabinet and then Council will be asked to:

- Agree the content of the IBP,

- Agree the release of funding identified for the projects specified in year one of the programme within the IBP,

- Authorise consultation on any amendments to the Regulation 123 list that the IAG consider necessary to enable the allocation of CIL funding to worthy infrastructure projects.

4.7   Council may wish to pass instructions over the use of CIL funding to infrastructure providers through its approval of the IBP.

5.0   Partnership Working

5.1   Improved partnership working with infrastructure providers is imperative to achieving greater transparency and the expedient delivery of infrastructure in the Borough. The Council has therefore tried to establish more formal and better working arrangements with infrastructure providers, particularly Hertfordshire County Council, throughout the adoption of CIL. Officers from the Council have met officers at Hertfordshire County Council and a Memorandum of Understanding has been drawn up outlining processes for working together through the IAG to ensure best use of CIL funds. The memorandum has been circulated to HCC for comments and feedback on this document is still awaited. A similar agreement may be entered into with Town and

Parish Councils setting out the relevant statutory planning, accounting, auditing and other legal requirements of CIL.

5.2 It is likely that a legal agreement will be need to be entered into with infrastructure providers when a CIL transfer is made, which will commit them to spending and reporting on CIL in accordance with the IBP and other parameters[1].

6.0 Monitoring

6.1 The Borough Council should publish its Annual Monitoring Report during December and it is intended that this report should incorporate information on the total CIL receipts for the reporting year, the total CIL expenditure (items of infrastructure, amount of CIL expenditure, amount spent on administration) and the total amount of CIL receipts retained at the end of the reporting year. The Council is required to report on such matters in accordance with the CIL Regulations and it is logical to synchronise the publication of these reports where possible.

6.2 Town and Parish Councils must also publish each year their total CIL receipts; total expenditure; a summary of what CIL was spent on; and the total amount of receipts retained at the 31st December of the following financial year. These reports should be published on either the Town/Parish website or that of the Council and a hard copy of this information should also be forwarded to the Council.

7.0 Recommendations

7.1 At this stage the committee are asked to note the work to date on CIL Governance arrangements in order that the detailed matters can be progressed further with the CIL Task and Finish group, and external organisations such as the County Council. Officers would welcome feedback from the Committee on the proposals for CIL governance contained within this report, which can be verbally reported to Cabinet on 25 November.

7.2 Critical to the progression of CIL Governance discussions is the approval of an IAG, the process of formulating an IBP and the idea that Council will approve such documents and allocate funding on this basis as part of the overall budget setting process.

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[1] These parameters will reflect obligations under the CIL Regulations and discussions between the Council and the individual infrastructure providers (including Town and Parish Councils)

APPENDIX 1: DRAFT REGULATION 123 LIST

Under Regulation 123 of the Community Infrastructure Regulations 2010 (as amended) the Council is expected to publish a list of infrastructure projects that may benefit from CIL funding.

The purpose of the list is to differentiate between those types of infrastructure that the authority intends to fund through CIL and those areas where a planning obligation under S.106 of the Town and Country Planning Act 1990 (as amended) or another source of funding may be pursued to deliver the relevant infrastructure item.

The list below sets out those projects or types of infrastructure that Dacorum Borough Council intend will be, or may be, wholly or partially funded by CIL. In accordance with Regulation 123, developer contributions to the projects listed will not be sought through planning obligations under S.106 of the Town and Country Planning Act 1990 (as amended)

Infrastructure Project or Type (to be secured through CIL)	Exclusions (to be secured through S.106 or alternative measures)
Early Years Education and Childcare facilities	Except where Early Years Education and Childcare Facilities are provided alongside new schools secured under S.106
Primary Education Facilities	Primary Education facilities associated with the development of land at West Hemel Hempstead (LA3) and Spencers Park The provision of a school to serve Hemel Hempstead town centre within the Hospital Zone . Any new primary education facilities arising from developments of 500 new homes or more.
Secondary Education Facilities	
Further Education	

Health Facilities including, - the provision of replacement hospital facilities on the hospital zone site - new GP facilities - mental healthcare	GP facilities associated with the development of land at West Hemel Hempstead (LA3) and Spencers Park
Other Social and Community Facilities including, - community halls, - youth facilities - libraries, - Indoor Sports and Leisure Facilities	Except the provision of community space and facilities directly associated with the development of Strategic and Local Allocations. (Reference is made in the CS to contributions towards community facilities)
Strategic and Local Transport Proposals	Any works necessary to directly access any site identified in the Site Allocations Development Plan Document (these may be secured through S.278 agreements, S.106 agreements or planning conditions) Transport proposals directly resulting from any site requiring a Transport Assessment[1]. The provision of junction improvements relating to the junctions of Kings Road/Shootersway/Kingshill Way, Berkhamsted and Durrants Lane/High Street, Berkhamsted (SS1 and LA4) The provision of Sustainable Transport measures associated with the development of land at West Hemel Hempstead (LA3) and Spencers Park
Green Infrastructure and Open Space - Including outdoor sports pitches	The provision and maintenance of public open space, Local Area of Play (LAP), Local Equipped Areas of Play (LEAP) and Neighbourhood Equipped Areas of Play(NEAP) on Strategic and Local Allocations

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[1] As set out within the County Council publication 'Roads in Hertfordshire'

	The extension of Shrubhill Common Nature Reserve (LA3) The provision of allotments at LA4 (Hanbury's)
Burial Space	
Waste Services	Sustainability Off-setting Measures (CS30)
Public Realm Improvements	Public Realm improvements within the East Hemel Area Action Plan and Maylands Masterplan area.

The inclusion of a project or type of infrastructure in the list does not signify a commitment from the Council to fund (either in whole or part) the listed project or type of infrastructure through CIL. Nor does the order of the table imply any order of preference for CIL funding. The Council may seek to secure contributions towards other projects not recorded in the list of exclusions where it is satisfied that the need is appropriate and not subject to CIL.

The Council will review the list to ensure that it accurately reflects the need for infrastructure as part of its annual review of CIL and will make any necessary alterations to the Regulation 123 list.

The Council considers that in most cases the preferred route for securing infrastructure improvements associated with large sites, particularly the development of Strategic and Local Allocations, will be through the use of S.106 agreements. Where such S.106 agreements would exceed the CIL Liability of the site it may be possible to gain relief from CIL through use of the Exceptional Circumstances Relief policy.

APPENDIX 2: CIL GOVERNANCE STRUCTURE DIAGRAM

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APPENDIX 3A: Community Infrastructure Levy (CIL) – DRAFT Guidance Note for Town and Parish Councils

The following guidance note has been prepared to assist Town and Parish Councils with the use and administration of CIL.

What is CIL?

CIL is a new way of collecting contributions from developments towards the provision of infrastructure required to support growth within the Borough. It is a tariff that will be applied per square metre of new development and varies by scale, use and geography. Different CIL charges for settlements and zones within the Borough have been established on the basis of scheme viability.

Roles and Responsibilities

The Borough Council is the Charging Authority for CIL and is responsible for setting CIL rates, collecting the charge and allocating expenditure for CIL. The Town and Parish Councils, subject to this advice note, are recipients of CIL funds under the CIL Regulations and are responsible for spending and reporting on CIL.

The CIL Regulations (Regulation 59) require the Charging Authority (Dacorum Borough Council) to pass on a meaningful proportion of CIL to Town and Parish Councils in which the development takes place. According to the CIL Regulations (as amended), for areas where there is no neighbourhood plan in place this sum will equate to some 15% of CIL receipts form development within their administrative area up to a maximum of £100 per Council tax dwelling per annum. Caps for 2014/15 are set out in Annex A. This rises to 25% where a neighbourhood plan is in place.

Borough Council

Financial – The Borough Council will make two payments to the Town or Parish Council covering the following payments periods for CIL:

1) For payments made between the 1st April and 30th September, monies will be transferred on or before the 28th October
2) For payments made between the 1st October and 31st March, monies will be transferred on or before the 28th April.

In view of the auditing and reporting requirements for CIL it is recommended that Town and Parish Councils set up a separate bank account for the receipt of these funds.

It should be noted that the payment of larger CIL sums may be subject to Instalments which in turn will delay payment to the Town or Parish Council.

Sharing Information – The Borough Council must report on the amount of CIL received and spent within their area for any financial year by the 31st December. Such information should be published on the Council's website.

The Borough Council is also committed to advising the Town and Parish Councils of the CIL sums secured within a financial year at appropriate times to enable them to prepare bids for the use of core CIL funding. These bids will be prepared and considered in accordance with the Council's governance arrangements.

<u>Town and Parish Councils</u>

Financial - Town and Parish Councils must make proper arrangements for the proper administration of their financial affairs as set out in Section 151 of the Local Government Act 1972. They must have systems in place to ensure effective financial control in accordance with the Accounts and Audit (England) Regulations 2011. These requirements also apply when dealing with the neighbourhood funding payments under the CIL.

The Town or Parish Council are responsible for spending CIL funds within 5 years of their receipt or run the risk of the Borough Council recovering the charge. In the event of a Town or Parish Council wishing to hold CIL funds for longer than 5 years the Borough Council should be notified as soon as possible and agreement will be sought from Cabinet.

If a Town or Parish Council does not wish to receive some or all of its CIL funding it must write to the Borough Council informing them of their position. At any time a Town or Parish Council can resume their right to receive funding by writing again to the Borough Council.

Information – Town and Parish Councils are required under Regulation 62A of the CIL Regulations to publish via their website or that of the Charging Authority the amount of CIL received and spent within their area, a summary of the projects on which CIL was spent, details of any CIL returned to the Borough Council and any balances brought forward from previous years. This should occur no later than the 31st December following the reporting year (1st April to 31st March)

A copy of this report should be sent to the Borough Council. It would be good practice to also publish a copy of the report in any Town/ Parish newsletter or on local noticeboards.

There is no prescribed format for reporting on CIL. The income received from the CIL should also be included in the overall published accounts but is not required to be identified separately therein.

Should the Town or Parish Council wish to report on its CIL spending via the Charging Authorities website, it should provide a full copy of the relevant paperwork no later than the 1st December each year.

Spending CIL Receipts

The CIL Regulations state that a local council must use CIL receipts passed to it in accordance with Regulation 59A or 59B to support the development of the local council's area, or any part of that area, by funding

    (a) the provision, improvement, replacement, operation or maintenance of infrastructure; or

    (b) anything else that is concerned with addressing the demands that development places on an area.

This gives Parish and Town Councils considerable freedom to spend their proportion of CIL on the things that address the impacts of development on their area. Notwithstanding this freedom there are a number of factors that should be considered when developing a CIL spending plan.

- *What are the Infrastructure Needs?*

  Town or Parish Councils should carefully consider whether the expenditure addresses the extra demand on infrastructure and services that are caused by development within their area and be clear on the links between infrastructure and growth. CIL cannot be used as a replacement for everyday Town or Parish Council expenditure and misspent CIL can be claimed back by the Charging Authority.

  The production of a Town or Parish Infrastructure Delivery Plan can be a useful starting point for the prioritisation of infrastructure projects and input into the Council's wider Infrastructure Delivery Plan is welcomed. A local IDP will assist in understanding how the needs of the town fit with the wider programme for infrastructure works.

- *What are our responsibilities?*

  Does the Town or Parish Council understand the wider 'strategic' infrastructure requirements of the borough, and how this impacts on the potential scope for 'local' infrastructure? Neighbourhood expenditure should be agreed in the full knowledge of both the needs of a local area and, in so far as it is possible, an understanding of where other strategic investment will be made in the area by the Council and its partners. Town and Parish Councils should be clear that there may be on going operational and maintenance costs associated with the provision of new infrastructure and will need to be clear how such costs will be met for the life of the infrastructure.

- *How can we engage with the local community to determine their infrastructure needs?*

  Town and Parish Councils will need to consider the capacity of existing groups and local residents to engage in the CIL process and to ensure that such processes are inclusive, that all members of the community contribute to determining how local CIL may be spent, including those who are least vocal and most vulnerable.

- *How can CIL funds be maximised?*

There is a temptation to spend CIL receipts quickly on short term/quick win infrastructure projects, however Town and Parish Councils should consider the long term housing growth and resulting infrastructure needs when developing plans for the spending of CIL. It may take some time for sufficient funds to accumulate for more strategic infrastructure or there may be other funding opportunities which will allow the delivery of more significant infrastructure projects which would benefit the local community.

While Town and Parish Councils are not required to spend their neighbourhood funds in accordance with the charging authorities priorities there are likely to be common infrastructure projects. It would be good practice to discuss the expenditure of CIL funds with the Borough Council as early discussions will ensure that projects are in line with the Regulations and will also allow other funding sources to be explored and whether any CIL funding managed by the Borough Council can go towards the project.

Neighbourhood Plans and CIL

CIL is not only designed to pay for infrastructure needed to support growth, it is also designed to incentivise communities to welcome and promote development within their areas. Where development is in an area covered by a Neighbourhood Plan the proportion of CIL receipts received by the Town, Parish or Neighbourhood will increase to some 25%. Town and Parish Councils should carefully consider whether the benefits of introducing a Neighbourhood Plans (noting that such plans should comply with national and local planning policies) outweigh the costs for its introduction, examination and any referendum.

APPENDIX 3B: Community Infrastructure Levy (CIL) – DRAFT Guidance Note for Ward Councillors

The following guidance note has been prepared to assist ward councillors for Hemel Hempstead over the use and administration of CIL. A separate note is available for Town and Parish Councils.

What is CIL?

CIL is a new way of collecting contributions from developments towards the provision of infrastructure required to support growth within the Borough. It is a tariff that will be applied per square metre of new development and varies by scale, use and geography. Different CIL charges for settlements and zones within the Borough have been established on the basis of scheme viability.

The Borough Council is the Charging Authority for CIL and has set the following charges in Hemel Hempstead[1]

Residential - £100 per square metre

Large Supermarkets, Superstores and Retail Warehousing - £150 per square metre

Affordable housing, self-build housing, residential annexes and residential extensions are exempt from payment of CIL, but may need to claim an exemption.

The CIL Regulations (Regulation 59) require the Charging Authority (Dacorum Borough Council) to pass on a meaningful proportion (15%[2]) of CIL to town, parish and neighbourhood areas. The Borough Council is required to retain levy receipts and engage with communities over the use of the meaningful proportion where no Parish, Town or Community Council is in place. The Borough Council has concluded that local ward councillors should, in these situations, engage with local communities directly and agree how best to spend the neighbourhood funds.

CIL Collection

The Borough Council will undertake the collection of CIL and a meaningful proportion of each CIL receipt will be set aside within individual Town, Parish and Neighbourhood (Ward) accounts in accordance with the CIL Regulations (as amended). It should be noted that the payment of CIL receipts may be subject to Instalments. Officers will advise ward councillors of the funds available under the "meaningful proportion" on an annual basis.

Spending CIL Receipts

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[1] Excludes land at West Hemel Hempstead and Spencer's Park which are zero rated.
[2] This fund may rises to 25% where a Neighbourhood Plan is adopted.

The neighbourhood proportion of the CIL can be spent on a wide range of items required to support the development of an area. This gives ward councillor's considerable freedom to spend their allocated proportion of CIL on the items which address the impacts of development upon their constituents. Notwithstanding this freedom the use of neighbourhood funds must match the priorities expressed by local communities. There are a number of factors that should be considered when developing a CIL spending plan.

- *What are the Infrastructure Needs?*

   Ward Councillors should carefully consider whether the expenditure addresses the demand on infrastructure and services that are caused by development within their area and be clear on the links between infrastructure and growth.

   Active community groups, including Neighbourhood Action Groups, should consider producing a statement identifying community infrastructure projects to act as a useful starting point for the distribution of neighbourhood funds by their ward councillor. Individual ward councillors would be encouraged to lead the production of such plans.

- *What are our responsibilities?*

   Neighbourhood expenditure should be agreed in the full knowledge of both the needs of a local area and, in so far as it is possible, an understanding of where other strategic investment will be made in the area by the Council and its partners. Ward councillors should be clear that there may be on going operational and maintenance costs associated with the provision of new infrastructure and will need to be clear how any costs will be met for the life of the infrastructure. Maintenance costs are unlikely to be borne by the Borough Council, although they are a legitimate use of CIL funding.

- *How can we engage with the local community to determine their infrastructure needs?*

   The Council is expected to allocate neighbourhood funding to infrastructure projects in consultation with the local community.

   Ward Councillors will need to consider the capacity of existing groups and local residents to engage in the CIL process and to ensure that such processes are inclusive and that all members of the community contribute to determining how local CIL may be spent, including those who are least vocal and most vulnerable. Ward Councillors should build on relationships and networks with existing community groups and would be encouraged to utilise Neighbourhood Action Groups as a forum for discussing the use of the "meaningful proportion" of CIL funds. This process will be supported by the Borough Councils Neighbourhood Action team who may also help to identify infrastructure projects based upon their experiences and interactions with the local community. There may be clear links between CIL projects and those requirements identified in Neighbourhood Plans.

Any public consultation on the use of CIL funds should be proportionate to the scale of funds identified to be spent, such consultation could range from discussions with neighbouring parties to a particular application site through to a formal vote for a preferred project within a local community building or at a public meeting. Ward councillors may be aware of projects which may benefit from funding through the daily interaction with members of the community and would be encouraged to assist in the delivery of these projects where appropriate. Ward Councillors should clearly identify the extent of consultation and mechanisms employed for consulting with the local community and document this process when requesting the releasing of CIL funds. Such applications should be made on the appended form.

- *How can CIL funds be maximised?*

Although ward councillors will not be required to spend their neighbourhood funds in accordance with the Charging Authorities priorities, it would be good practice for ward councillors to work closely with the CIL Officer to agree priorities for spending the neighbourhood funding element as these may be common to both parties. This will also allow other funding sources to be explored which could contribute to the delivery of the infrastructure project or be used as an alternative to CIL.

The Borough Council is committed to advising ward councillors of the CIL sums secured within a financial year at regular intervals and would encourage them to prepare or match CIL bids for core CIL funding where appropriate large scale infrastructure projects are identified within their wards. These bids will be prepared and considered in accordance with the Council's governance arrangements and should be received by the CIL Officer by 1st May each year.

Reporting CIL Expenditure

The Borough Council are required to report on all CIL expenditure by them, including the neighbourhood funding held and spent by them on behalf of the local community. As such there will be an obligation on ward councillors to assist the Councils finance section record claims for their meaningful proportion of CIL and properly account for expenditure. Such matters will be reported annually on the Council website before the 31st December following the reporting year (1st April to 31st March) CIL funds should be recorded on the CIL Fund release form in Appendix A and copies should be sent to both the CIL/Infrastructure Officer and the Finance sections of the Council.

Appendix A - CIL Fund Release Form

Project Type/Details	Details of Funding Request	Cost Code/Receipt(s)	Record of Public Consultation

14.   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 items 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 these items there would be disclosure to them of exempt information relating to:

Finance and Resources Overview and Scrutiny Committee Work Programme 2014/15

Date:	Report Deadline	Items:	Type:	Contact details:	Background information	Outcome of Discussion
10th Dec 2014 (Joint OSC)	**28th November 2014**	Budget 2015-16 *Ideally no further items to be added*		M Hone, Corporate Director Finance & Operation		
		Action Points from previous meetings	SC	All Members to discuss		
6th Jan 2015	**11th Dec 2014**	Action Points from previous meetings	SC	All Members to discuss		
		Shared and Outsourced Update Report – Customer Service Centre and Gateway	SC	S Flynn, Assistant Director – Project Governance (Residents & Regulatory Services – PH – N Harden)		
4th Feb 2015 (Joint OSC)	**22nd Jan 2015**	Budget 2015 -16 *Ideally no further items to be added*	SC	M Hone, Corporate Director Finance & Operation		
		Action Points from previous meetings	SC	All Members to discuss		

3rd March 2015	12th Feb 2015	Action Points from previous meetings	SC	All Members to discuss		
		Q3 Performance & Operational Risk Register Reports	PM	S Baker, Assistant Director – Chief Executive's Unit (MO) S Flynn, Assistant Director – Project Governance – Residents & Regulatory Services – PH – N Harden) J Deane, Assistant Director, Finance & Resources – PH – N Tiley		
		Q3 Risk Management Report 2014/2015	PM	L Dargue, Insurance & Risk Manager		
		Q3 Forecast Financial Outturn Report 2014/15	PM	R Baker, Group Manager, Financial Services		
		Shared and Outsourced Update Report – Customer Service Centre and Gateway	SC	S Flynn, Assistant Director – Project Governance (Residents & Regulatory Services – PH – N Harden)		