# 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.*

## TUESDAY 3 MARCH 2015 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 |
| B Chapman (Chairman) | Organ |
| Clark | Taylor |
| Collins | Townsend (Vice-Chairman) |
| Doole | W Wyatt-Lowe |

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

For further information, please contact Louise Collins on Tel: 01442 228226, e-mail: Louise.Collins@dacorum.gov.uk. Information about the Council is also to be found on our web-site: www.dacorum.gov.uk.

## PART I

1.    **MINUTES**

To confirm the minutes of the meeting held on 04 February 2014 as previously distributed; see link below:

http://www.dacorum.gov.uk/docs/default-source/council-democracy/resources---04-02-15---minutes2eab034551156b7f9bc7ff00000246a4.pdf?sfvrsn=0

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**

**AGENDA ITEM 6 – ACTION POINT FEEDBACK FROM PREVIOUS MEETING**

| Date of Meeting | Action Point | Responsible Officer | Completed? | Date Chased | Deadline | Update on Action Point |
|---|---|---|---|---|---|---|
| 05/11/2014 | Supply figures for the CSU, how many calls are not answered within 20 seconds/rings. | M Housden | No | 10/02/2015 | 06/01/2015 | Email sent 9th Feb 2015 to chase. |
| 05/11/2014 | Report on Charging for Credit Card transactions | R Baker | Yes | 10/02/2015 | 06/01/2015 | This is ongoing. A report is being sent to CMT in the next few weeks before a recommendation is made to Cabinet 10/2/15 |
| 05/11/2014 | Staff Survey to include a question specifically referring to e-mails | M Rawdon | yes | 10/02/2015 | 06/01/2015 | Communications to include a question on email management in the next staff survey |
| 05/11/2014 | Circulate details of the HCC mental Health First Aiders courses. | S Baker | yes | 10/02/2015 | 06/01/2015 | Public Health at Herts County Council funded the Royal Society for Public Health Understanding Health Improvement Level 2 Award course for DBC staff, Members and external partner organisations. The one day course was run three times in June, September and December last year. There were about 20 attendees on each course. Part of the |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | | | | | course covered mental health. |
| 05/11/2014 | Schedule of regular updates on Get set, Go Dacorum. | M Rawdon | yes | 10/02/2015 | 06/01/2015 | To be included in the 'quarterly People Group update' – Next one March 2015. |
| 05/11/2014 | Provide analysis of data , CSU06 - customers satisfied with service received from CSU | M Housden | Yes | 10/02/2015 | 06/01/2015 | Customer satisfaction survey undertaken during July – September 2014 - E mail sent to Councillors. |
| 05/11/2014 | Status report on items for delivery during Nov/Dec 2014. | R Smyth | Yes | 10/02/2015 | 06/01/2015 | All incorporated into the report for meeting being held on March 3rd. |

## AGENDA ITEM: 7

### SUMMARY

| If Part II, reason: | |
|---|---|

| Report for: | **Resources Overview & Scrutiny Committee** |
|---|---|
| **Date of meeting:** | **3 March 2015** |
| **PART:** | **1** |
| If Part II, reason: | |

| Title of report: | **Risk Management Report Quarter 3 2014/15** |
|---|---|
| Contact: | Councillor Nick Tiley, Portfolio Holder for Finance Resources<br><br>James Deane , Corporate Director  ( Finance & Operations)<br><br>Linda Dargue, Lead Officer, Insurance & Risk |
| Purpose of report: | 1.To provide the Quarter 3 update on the Strategic Risk Register<br><br>2. To provide the Quarter 3 update on the Operational Risk Registers |
| Recommendations | 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: | <u>Financial</u><br><br>None identified. |

| | |
|---|---|
| 'Value For Money Implications' | <u>Value for Money</u><br><br>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.<br><br>Failure to manage risk effectively could have serious consequences for the Council leading to increased costs,<br><br>wasted resources, prosecution and criticism under external assessments |
| Equalities Implications | Equality Impact Assessment reviewed/carried out*<br><br>Not applicable |
| Health And Safety Implications | Not applicable |
| Consultees: | |
| Background papers: | Risk Management working paper files |
| 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 Q3 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.

2.

| Risk | Q2 14/15 | Q3 14/15 |
|---|---|---|
|  |  |  |
| **C1 – Opportunity to exceed current plans for creation of new homes over the next five years – new opportunity** | - | To be confirmed |
|  |  |  |
| **C2 – Opportunity to use the Council's commitment to invest £30m into regeneration as a catalyst for inward investment across the Borough - new opportunity** | - | To be confirmed |
|  |  |  |
|  | **Q2 14/15** | **Q3 14/15** |
| F1 –Resource base not sufficient to deliver Corporate Plan (absorbing former risk F3: Failure to achieve identified savings to ensure that the budget remains balanced). | 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 | Absorbed into F1 |
| 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 | Deleted |
| | | |
| R3 - Disclosure of personal data in breach of the Data Protection Act | 8 | 8 |
| | | |
| **R4 – Failure to respond effectively to a business continuity or disaster recovery event – new risk** | - | **To be confirmed** |
| | | |

A number of new risks, shown in bold, have been added, as agreed by Cabinet on 21 October 2014.   In addition risks F1 and F3 have been amalgamated and R1 has been deleted.

3.   The following table shows the operational risk s where there has been a change in the risk score since quarter 2 or where new risks have been added.

| | Q2 14/15 | Q3 14/15 |
|---|---|---|
| **PP R011 -  Failure to deliver Digital Dacorum leads to poor customer experiences and increased costs from calls and face to face visits** | - | **6** |
| | | |
| **PP R012 Failure to deliver an effective corporate wide approach which ensures that** | - | **6** |

| | | |
|---|---|---|
| **projects are delivered on time and on budget** | | |
| | | |
| **PP R013 Failure to deliver an effective corporate wide approach to performance monitoring and management** | | **6** |

4. Members' comments will be included within the Cabinet report of 24 March.

**Appendix A – Strategic Risk Register**

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**AGENDA ITEM: 8a**

**SUMMARY**

| | |
|---|---|
| **Report for:** | **Finance & Resources Overview & Scrutiny Committee** |
| **Date of meeting:** | **3 March 2015** |
| **PART:** | **1** |
| If Part II, reason: | |

| | |
|---|---|
| **Title of report:** | **Quarter 3 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)<br><br>Cllr Andrew Williams, Leader of the Council (in respect of Democratic Services)<br><br><br>Author/Responsible Officers:<br><br><br>Steven Baker, Assistant Director (Chief Executive's Unit)<br><br><br>Mark Brookes, Group Manager (Legal Governance)<br><br>Jim Doyle, Group Manager (Democratic Services)<br><br>Matt Rawdon, Group Manager (People) |
| Purpose of report: | To provide Members with the performance report for quarter 3 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: | Financial None. |
| 'Value For Money Implications' | 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 3 Performance Report<br>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 3 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 3 which may be of interest to the Members of the Committee.

**PEOPLE GROUP**

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)**

**Mental Health First Aid Programme**

3.  The Council has now 30 staff trained as mental health first aiders and all of the leadership team have received the half day 'lite' version of the course.  The rest of the managers will be trained throughout 2015.

**Sickness Absence – Firstcare System**

4.  The Chief Officer Group (COG) has agreed to implement a new system for managing sickness absence to help reduce the Council's sickness absence.  Firstcare adopts an absence reporting approach which will require staff to record their sickness with a qualified nurse.  The new system will also provide improved management information and a more effective 'email chaser' facility to ensure managers are applying the policies consistently.

**COMMUNICATIONS & CONSULTATION**

**Corporate projects – Communications Support**

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

**Statutory Notices Pilot**

6.  The Department for Communities and Local Government have invited councils to bid to be part of a pilot to try out innovative ways of publicising statutory notices (for example planning applications and parking restrictions) as an alternative to simply relying on a notice published in a local newspaper.  We have submitted a bid focussed on the following areas:

- Increasing the use of social media and partnering with existing location based 'apps' to deliver statutory information to people.
- Ensuring the wording is easily understood by working with the RNIB and Plain English campaign.
- Adding Quick Response codes

**COMMUNITY PARTNERSHIPS**

**Voluntary Sector Community Fair**

7.  The Community Fair was recently held for the voluntary sector to hear about the great work the Dacorum Strategic Network had carried out and it provided them with

the opportunity to suggest areas of concerns that the group could look at in the future.  The fair also provided an excellent networking opportunity and the feedback indicated it was an overwhelming success, so we will look to run it again next year.

**Get, Set Go Dacorum**

8.   Since the launch of Get, Set Go Dacorum in September 2014, nine projects have commenced.  Please see below the attendance rates as requested by Members -:

September 2014 start dates -

Rush Judo – 100% of annual target of 10

October 2014 start dates –

Back 2 Netball – 60% of annual target of 25
Grovehill Family Fun sessions – 85% of annual target of 40
Much Stronger Together Football – 45% of annual target of 60

November 2014 start dates –

The Puffins – 100% of annual target of 10 (doubled target within three months)
Stay with it Programme – 26% of annual target of 70
Go for Fit women and girls – 43% of annual target of 30

January 2015 start dates –

Culturally Aware Fitness – so far 45% of annual target of 40
Sports Match "Buddy" scheme – so far 26% of annual target of 30

February 2015 - May 2015 start dates –

ENJOY Family – so far 10% of annual target of 50
A Taste of Fitness – so far 10% of annual target of 30
Youth Boxing
Adventure in the Playgrounds – multi-sport sessions
Expansion of Stay With It Programme (Adeyfield & Cavendish School)
Skates Galore / Xtreme – utilising Gadebridge Skate Park
Cycle your Family to Fitness – linking with Dacorum Cycle Hub
Mosque engagement activities – likely to be badminton and possibly volleyball
DENS project – linking with The Elms offering service users sporting opportunities

The key performance indicator designed by Sport England focusses on the number of participants over 14 years old only.

**ORGANISATIONAL DEVELOPMENT AND TRAINING**

**Appraisals – on line**

9.   The corporate training team will be implementing a new system so that appraisals can be carried out online, which will support Dacorum Anywhere and provide 'live'

data for managers to ensure all staff have an appraisal. We are currently on track for this to go live on 1 April 2015 in line with the new appraisal year.

**LEGAL GOVERNANCE**

10. 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.  On the 23rd January 2015 the Development Agreement with Gade Zone Developments Limited and RG Carter Construction Limited (Guarantor) was completed.  The Development Agreement documents and regulates the commercial terms for the Gade Zone development which will bring forward the development of the new Council offices "the Forum" (including library and ancillary uses), residential development, development of 39/41 the Marlowes and the Market Square.

11. The team also completed a contract (subject to the grant of planning permission) for the purchase of Martindale School, Boxted Road, Hemel Hempstead for £4,090,000.  The site is being purchased for the Council House New Build project.

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

- Following a long running land dispute and court case the team have secured a legally binding undertaking to prevent a landowner from obstructing or disturbing a public footpath in Wilstone, Nr Tring.  The team also secured a court declaration regarding the width of the footpath which has been disputed by the landowner for over 20 years.

- On 9th January the team successfully prosecuted Royal Mail Group Ltd after the company failed to comply with health and safety law and regulations in relation to its employees at its Royal Mail Home Counties North Mail Centre, Hemel Hempstead.   The company pleaded guilty to two offences and was fined £40,000 (£20,000 for each offence, the maximum under law), and ordered to pay the Council's costs.

**GIS**

13. The new system has been installed and the phase 1 roll-out plan has commenced with the property and estates team. Further work to integrate the planning system and environmental health system with the new GIS will commence in February and March.

**Licensing**

14. The third quarter is the busiest period for the team because of the number of licence renewals and applications and therefore this has been given priority.

**DEMOCRATIC SERVICES**

**Member Support Services**

15. During Quarter 3, Member Support managed and organised the following:

- Published 38 Agendas
- Completed 37 Sets of minutes
- Spent 52 hours at evening meetings
- Processed 32 public speaker requests
- Processed 6 Portfolio Holder decisions.

**Member Development**

16. We have held 6 training sessions in Quarter 3 :

23rd October – Solving the Local Government Finance Jigsaw – 12 attendees
4th November – Understanding Local Government Finances – 10 attendees
19th November – Emergency Planning Awareness - 7 attendees
27th November – Learn More About Your Ward - 5 attendees
4th December – Training for Members of the Standards Committee – 7 attendees
17th December – Audit Training – 5 attendees

17. The reduced target of 3 training sessions per year for each Member is not being achieved. The current figures include the Christmas holiday period which is always quiet and may also reflect the competing priorities for members in the lead up to the election period.

The current breakdown of Member attendance is:

7% of Members having reached or exceeded target
11.8% of Members have completed 2 training sessions
23.5% of Members have completed 1 training sessions
56.9% have completed 0 training sessions

18. There are 4 further training sessions planned for Quarter 4

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

**Operational Risk Register**

20. The updated Operational Risk Register is annexed to the report.

**Appendix A - Q3 Performance Report**

**Appendix A - Q3 Performance Report**

**Appendix A - Q3 Performance Report**

**Appendix A - Q3 Performance Report**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

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**SUMMARY**

| Report for: | **Finance & Resources Overview & Scrutiny Committee** |
|---|---|
| **Date of meeting:** | **3 March 2015** |
| **PART:** | **1** |
| If Part II, reason: | |

| **Title of report:** | **Quarter 3 Performance & Operational Risk Register – Performance & Projects** |
|---|---|
| Contact: | Neil Harden, Portfolio Holder for Residents and Regulatory Services<br><br><br>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 December |
| Recommendations | That the Committee notes the contents of the report and the performance of the division for Quarter 3, 2014/15. |
| Corporate objectives: | Effective performance and project managements are central to delivery of all the Council's objectives. |
| Implications: | <u>Financial</u><br><br><br>Poor performance could lead to increases in costs as well as reducing the value of our service offer. |

| | |
|---|---|
| 'Value For Money Implications' | Value for Money<br><br>Effective performance and project management supports the achievement of value for money in the pursuit of the Council's objectives<br><br>. |
| Risk Implications | Risk Assessment reviewed Jan 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:<br>1. Quarter 3 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.<br><br>This review also considers operational, risks and highlights any additional controls and assurances needed to address the issues raised.<br><br>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.<br><br>In particular the focus will be on developing and embedding our models for project and programme management, performance improvement and digital service delivery. |

**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   Complaints handling
1.2.2   IT systems and process performance
1.2.3   Website availability
1.2.4   Desk utilisation

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.

1.5    The report also provides an update on key Departmental actions

**Monitoring Performance**

<u>Summary</u>

2.1 Overall performance across the different areas continues to be good. Of the eight targetable indicators; six (75%) were green and one (12.5%) was amber.

2.2 The only red indicator related to Stage 3 complaints and this was caused by a single complex case that required formal legal advice.

<u>Detailed Analysis</u>

*IT Systems and Process Performance*

2.3 Service resolution rates are vital to supporting the wider organisation and in the last three months the team have continued to achieve high performance levels at 92.46%.

2.4 This is well above target and it also comes at a time when the service desk has been supporting a number of additional projects including the Office Decant. The new IT service plan (2015/16) also proposed a more stretching target to help drive further improvements.

2.5 The availability of primary systems is also at 100% reflecting work to improve the resilience and effectiveness of the network. This includes testing the disaster recover capabilities of the organisation and implementing VMWare Clustering and High Availability and Distributed Resource Scheduler.

*Complaints Handling*

3    Due to the introduction of a number of new services (e.g. bins) there has inevitably been a slight increase in the total number of complaints. However this is not a cause of concern and performance statistics in this area remain positive.

3.1 The percentage of stage one and two complaints resolved in 20 days was 92.61% (target 80%) and 91.67% (target 80%). The percentage of complaints assigned to a named person in one day has also increased to 89.70%.

3.2 The only red indicator related to Stage 3 complaints. Two stage 3 complaints were received in the last quarter but one of these was not processed in time. This is due to the complexity of the case and the requirement for formal legal and financial advice.

3.3 However following a desktop review of complaints we have now introduced a formal project to review all 5 aspects of the complaints process including the system, policies, the culture and links with the Ombudsman.

*Desk Utilisation*

4    Desk utilisation is a measure which was designed to provide an indication of the success of Dacorum Anywhere.

4.1 Over the last quarter the number of desks has reduced (from 400 to 342) and desk utilisation levels have reduced from 88% to 76%.

4.2 This is a welcome direction of travel as the move to the Forum (PSQ) will require much lower levels of utilisation.

4.3 As part of the analysis we have also been working to produce a detailed analysis of the impact of the programme. A first draft evaluation report was produced for consultation in December and a final draft will be ready by the end of January.

*Website Availability*

5    Website availability (99.95%) continues to be high and further technical improvements continue to have a positive impact on services.

5.1 However we recognise that we need to develop a new approach to digital and we have developed a digital strategy (Digital Dacorum) which sets out our long term vision.

*Productivity Analysis*

6    Following a review of the productivity indicator we have taken the decision to remove the existing indicator and work on the creation of a new and more useful indicator.

6.1 This work will ensure that we address a number of problems including not differentiating between high and low priority indicators and a lack of information about the cost of providing the service.

6.2 The Dacorum Anywhere evaluation report will also provide more analysis on overall productivity.

**Risk Management**

Summary

6.3 A number of changes have been made to the operational risks. This reflects the changing focus of the Department and ensures that we taking steps to mitigate the right issues.

6.4 In particular we have sought to emphasise project and performance management as well as innovation and digital services.

Reworded Risks

**PP_R01 the organisation does not have the necessary systems, resources or capacity to support evidence based decision making**

6.5 The risk has been reworded to reflect the importance of systems and resources in supporting the evidence based decision making process.

6.6 Crucially it emphasises the need to deliver the evidence based agenda and as such it moves the focus to both the outcome as well as the process.

6.7 A number of new controls have been identified including launch of the new evidence based tool kit and the introduction of MOSAIC and Herts LIN.

**PP_R03 Services are not supported to deliver continuous improvement and innovation**

6.8 The new wording focuses on the need to actively deliver innovation and improvement.

6.9 It also reflects the increasing 'critical friend' role of the Performance Team is taking.

6.10 A number of new controls have been identified including the introduction of the development of a research and innovation strategy.

**PP_R04 The organisations approach to ICT does not enable us to provide a high quality and cost effective service**

6.11 The broader wording of this risk ensures that we consider strategic and operational decisions alongside pressures from the budget.

6.12 The digital transformation element is also picked up in risk related to the failure of Digital Dacorum.

6.13 One new control has been identified to reflect the introduction of Wi-Fi and work on SharePoint.

**PP_R06 Lack of resources or capacity to deliver the work of corporate support or performance and projects**

6.14 This risk has been reworded to consider the specific areas of corporate support and performance and projects.

6.15    This has enabled more targeted controls than was previously the case with a more general consideration about resources.

6.16    A number of new controls have been put in place including monthly meetings with Finance and the introduction of service plans for both teams.

**PP_R09 Failure to deliver a 'paperless' approach to work including reducing outgoing and incoming post levels**

6.17    This risk has been reworded to broaden the focus from EDRM to our general approach to paperless working.

6.18    This ensures that we consider digitising internal processes as well as plans to reduce the use of incoming and outgoing post.

6.19    Several new controls have been put in place including the development of a paperless project as part of the Digital Dacorum programme.

Deleted Risks

**PP_R02 Failure to develop a range of initiatives to contribute to the Council's improvement and efficiencies agenda**

6.20    This risk has been deleted because it directly mirrors the risk on not supporting improvement and innovation.

6.21    The risks related to project and performance management also pick up on the themes of improvement and efficiency.

**PP_R05 Lack of 'buy-in' from services in terms of the culture changes needed to deliver innovative ways of working**

6.22    This risk has been deleted because the issues it raised are addressed in the on not supporting improvement and innovation.

**PP_R07 Other projects need heavy ICT resource**

6.23    Following improvements in IT governance it is no longer considered necessary to manage this as an individual risk.

6.24    However issues around IT capacity and resources can be addressed in the risk related to the organisations approach to ICT.

**PP_R08 Lack of Capital or Revenue funding**

6.25    The robust planning and budgeting process ensures that issues around capital or revenue are addressed.

6.26    The risks related to finance for corporate support, performance and ICT can also be considered in their specific risk.

**PP_R011 Failure to deliver Digital Dacorum leads to poor customer experiences and increased costs from calls and face to face visits**

6.27    This risk has been added to reflect the increasing importance of digital services and the consequence of not getting the online experience as it should be.

6.28    This risk brings together a number of elements including the web platform, channel shift and the migration of services online.

6.29    A number of controls have been added including the development of the Digital Dacorum strategy.

**PP_R012 Failure to deliver an effective corporate wide approach which ensures that projects are delivered on time and on budget**

6.30    This risk has been added to ensure that major projects are effectively managed.

6.31    In particular it will focus on the approach to project management as well as improving the broad management of key schemes.

6.32    A number of controls have been added including the use of project guidance and employment of specialist project managers.

**PP_R013 Failure to deliver an effective corporate wide approach to performance monitoring and management**

6.33    This risk has been added to ensure that impact of inadequate performance management is addressed.

6.34    This will consider the organisations approach to monitoring and reporting as well as the performance management culture within services.

6.35    A number of controls have been added including the development of Corvu and the introduction of performance clinics.

**Review of Key Departmental Actions (Oct – Dec)**

| Action | Progress |
|---|---|
| • Agree a new IT Service Plan setting out the future vision along with detailed work activities and stretching targets<br><br>(Dec 2014) | Completed<br><br>The new IT Service Plan has been agreed and a new SLA is also in place. |
| • Implement a detailed programme of disaster recovery testing:<br>   o desktop tests (Nov 2014),<br>   o core infrastructure (Dec 2014 & Jan 2015)<br>   o critical servers (June 2015) | Disaster Recovery – Completed<br>Core Infrastructure Testing – Completed<br><br>The core infrastructure testing has identified some further improvements to switches which have now been planned in for March. |
| • Implementing VMWare Clustering and High Availability and Distributed Resource<br><br>(Nov 2014) | Completed<br><br>Extra memory has been added and the VMware and High availability work has been finished.<br><br>Infrastructure staff have also attended a training course to bring back additional good practice suggestions. |
| • Office consolidation work including Wi-Fi deployment<br><br>(Dec 2014) | Main Decant Support – Completed<br>Wi-Fi – Completed (End of Jan) |
| • Develop a process review template and pilot with complaints<br><br>• Develop proposals to improve complaints reporting including the use of trend analysis<br><br>(Dec 2014) | Completed<br><br>Complaints review terms of reference and approach has been approved by CMT.<br><br>The review will begin in February with the creation of a Project Board. |
| • Identify new measures to chart the development of our digital business model and channel shift of residents<br><br>• Develop a new approach and implementation plan for digital services<br><br>(Nov to Dec 2014) | Completed<br><br>A Digital Dacorum Strategy and Detailed Implementation Plan have been created including proposed measures of success.<br><br>The Strategy is being presented to the Customer Focus Project Group for approval on the 27th January. |

| | |
|---|---|
| • Produce a detailed evaluation report into the impact of Dacorum Anywhere<br><br>(End of Nov 2014) | First draft produced in December for consultation.<br><br>A final draft is now being produced with the aim of finishing this at the end of Jan. |
| • Improve performance reporting including requiring more action orientated narrative and use of graphs<br><br>(End of Dec 2014) | Completed<br><br>New report formats have been created for performance and project management.<br><br>The Performance Team have also introduced 'critical friend' reviews to support staff to improve the quality of their update. |
| • Undertake detailed analysis on key issues and produce trend reports to help identify systemic issues<br><br>(Dec 2014) | Work is ongoing to improve the levels of analysis from key systems.<br><br>Consideration is also being given to the business intelligence capabilities of Corvu. |
| • Produce tools and activities to support improved performance including 'reflective learning workshops', activity based analysis and performance mentoring<br><br>(End of Nov 2014) | Completed<br><br>A number of new tools and activities have been introduced including performance clinics and services reviews of performance.<br><br>A new style report has also been created to focus on high priority indicators and work is ongoing to refine this. |
| • Review productivity analysis and consider ways to make it more sophisticated<br><br>(Dec 2014) | Following a review of this existing indicator we are working on a new proposal.<br><br>It is expected that this will be ready for the next quarterly report. |

**Q3 Quarterly Performance Report Page (2-3)**

**Q3 Operational Risk Register Page (1-12)**

**Q3 Operational Risk Register Page (2-12)**

**Q3 Operational Risk Register Page (3-12)**

**Q3 Operational Risk Register Page (4-12)**

**Q3 Operational Risk Register Page (5-12)**

**Q3 Operational Risk Register Page (6-12)**

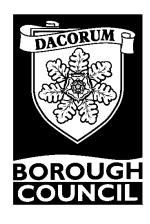**Q3 Operational Risk Register Page (7-12)**

**Q3 Operational Risk Register Page (8-12)**

**Q3 Operational Risk Register Page (9-12)**

**Q3 Operational Risk Register Page (10-12)**

**Q3 Operational Risk Register Page (11-12)**

**Q3 Operational Risk Register Page (12-12)**

# AGENDA ITEM:  8c

## SUMMARY

| Report for: | Finance & Resources Overview & Scrutiny Committee |
|---|---|
| Date of meeting: | 3 March 2015 |
| PART: | 1 |
| If Part II, reason: | |

| Title of report: | Quarter 3 Performance & Operational Risk Register – Finance & Resources |
|---|---|
| Contact: | Cllr Nicholas Tiley, Portfolio Holder for Finance & Resources<br><br>James Deane, Corporate Director (Finance & Operations) |
| Purpose of report: | To provide Committee with analysis of quarterly performance and risk management within Finance & Resources for the quarter to 31 December 2014 |
| Recommendations | That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 3, 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><br><br>Contained within the body of the report. |

| | |
|---|---|
| 'Value For Money Implications' | <u>Value for Money</u><br><br>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)<br>Group Manager (Financial Services)<br>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 3 of 2014/15 (October - December).

Appendix A        Performance Report
Appendix B        Risk Report

1.2 Members' attention is drawn to the following risk, within Appendix B, for which the risk rating has changed since the Quarter 2 report to Committee in November 2014 (an explanation is provided within the appendix itself):

FR_R02        Delays and errors in the processing of Benefits claims

**Appendix A – Q3 Performance Report**

**Appendix A – Q3 Performance Report**

**Appendix A – Q3 Performance Report**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

**Appendix B – Operational Risk Register**

# AGENDA ITEM: 9

## SUMMARY

| Report for: | Finance & Resources Overview & Scrutiny Committee |
|---|---|
| Date of meeting: | 3 March 2015 |
| PART: | 1 |
| If Part II, reason: | |

| Title of report: | Budget Monitoring Quarter 3 2014/15 |
|---|---|
| Contact: | Cllr Nicholas Tiley, Portfolio Holder for Finance and Resources <br><br> James Deane, Assistant Director (Finance & Resources) <br><br> Richard Baker, Group Manager (Financial Services) |
| Purpose of report: | To provide details of the projected outturn for 2014/15 as at Quarter 3 for the: <br><br> • General Fund <br> • Housing Revenue Account <br> • Capital Programme |
| Recommendations | That Committee note the forecast outturn position. |
| Corporate | |

| | |
|---|---|
| objectives: | Dacorum Delivers |
| Implications:<br><br><br><br><br><br><br><br>'Value For Money 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. |
| Glossary of acronyms and any other abbreviations used in this report: | GF – General Fund<br><br>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 31 December 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. Support Service and Management recharges have been reviewed and amended where necessary to reflect key changes in costs.

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** | **19,411** | |
| Customer Services | 95 | Council September 2013 |
| 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 | (1,018) | Council September 2014 |
| Reserve Funded Staff Costs | (15) | Council September 2014 |
| Redundancy Costs | 32 | Council September 2014 |
| Waste Services Implementation | 219 | Council September 2014 |
| Transformation Programme Management | 85 | Council January 2015 |
| **2014/15 Current Budget** | **19,460** | |

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 | 11,746 | 11,772 | **26** | 0.2% |
| Strategic Planning & Environment | 6,159 | 5,688 | **(471)** | -7.6% |
| Housing & Community | 1,555 | 1,568 | **13** | 0.2% |
| **Total** | **19,460** | **19,028** | **(432)** | **-2.2%** |

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 | 10,159 | 10,207 | 47 | 0.5% |
| Premises | 1,554 | 1,587 | 33 | 2.1% |
| Transport | 36 | 43 | 7 | 19.4% |
| Supplies & Services | 4,824 | 4,903 | 79 | 1.6% |
| Third-Parties | 1,893 | 1,799 | (94) | -5.0% |
| Income | (6,721) | (6,767) | (46) | 0.7% |
| | 11,746 | 11,772 | 26 | 0.2% |

3.1 **Employees - £47k over budget (0.5%)**

Pressure of £47k - 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 - £79k over budget (1.6%)**

Underspend of £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 initiative and the budget is no longer required.

Underspend of £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 of £45k – The council has commissioned Liberata to carry out a review of empty properties with a view to bringing these back into use, which will attract New Homes Bonus. The review identified over 200 properties which were no longer empty and have been brought back into use.

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

Pressure of £30k – There is a pressure on the ICT budget for the Customer Services Unit due to additional software requirements following service being outsourced to Northgate.

3.3 **Third Parties £94k under budget (5.0%)**

Underspend of £50k - This relates to savings on Internal Audit provision which were not factored in to the 2014/15.

Underspend of £44k - This relates to a refund on the Facilities Management contract from 2012/13 and 2013/14. Reactive works were not as high as anticipated in the original contract leading to a refund.

### 3.4 Income £46k under budget (1.0%)

Pressure of £70k - This relates to over budgeting of summons costs recoverable within Revenue and Benefits. This underachievement is a continuing trend from prior years and has been amended for the draft 2015/16 budget.

### 4. Strategic Planning and Environment

| Strategic Planning and Environment | Controllable Budget £000 | Projected Outturn £000 | Forecast Variance | |
|---|---|---|---|---|
| | | | £000 | % |
| Employees | 8,326 | 8,268 | (58) | -0.7% |
| Premises | 1,182 | 1,214 | 32 | 2.7% |
| Transport | 1,426 | 1,349 | (77) | -5.4% |
| Supplies & Services | 4,656 | 4,639 | (17) | -0.4% |
| Third-Parties | 153 | 153 | 0 | 0.0% |
| Income | (9,583) | (9,934) | (351) | -3.7% |
| | 6,159 | 5,688 | (471) | -7.6% |

### 4.1 Employees - £58k under budget (0.7%)

Pressure of £52k - 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 of £110k – The above pressure is offset by the projected savings in employee costs from reconfiguration of Waste Services. Following the introduction of the new co-mingled recycling service on 24th November 2014, these are the projected savings provided the anticipated productivity is achieved. This part-year saving is expected to result in a reduction in the base budget going forward, and is one of the key savings in the draft budget for 2015/16.

### 4.2 Premises - £32k over budget (2.7%)

Pressure of £30k – There is a pressure on the budget for maintenance of Cupid Green Depot following works to ensure Health and Safety standards are met.

4.3     **Transport - £77k under budget (5.4%)**

Underspend of £30k – Savings are anticipated in the budget for vehicle maintenance following the investment in a new fleet of Waste vehicles for the co-mingled Waste service.

Underspend of £40k – Savings are expected in the budgets for fuel due to efficiencies from the new waste service and a reduction in the price of fuel.

4.4     **Income - £351k over budget (3.7%)**

Surplus £200k - Car parking income is expected to be above budget, comprised of two main elements. Off-street car parking is forecast to achieve an additional £100k based on trend to date and historical data. On-street penalty charge notices are expected to be over budget by £75k at the end of the year based on the trend to date.

Surplus £170k - Development control income is projected to achieve a surplus due to some large one off applications, along with a general increase in applications.

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 £50k – There is unbudgeted income from Section 106 administration fees. This reflects an increase in developments in Dacorum as mentioned above.

Deficit of £120k – Recycling income is expected to be under budget following the introduction of the new co-mingled service. This is offset by savings identified above in Employee costs and Transport.

**4   Housing and Community**

| Housing & Community | Controllable Budget £000 | Projected Outturn £000 | Forecast Variance | |
|---|---|---|---|---|
| | | | £000 | % |
| Employees | 3,213 | 3,265 | **52** | 1.6% |
| Premises | 402 | 329 | **(74)** | -18.3% |
| Transport | 43 | 39 | **(4)** | -9.3% |
| Supplies & Services | 1,965 | 1,932 | **(34)** | -1.7% |
| Third Parties | 25 | 25 | **0** | 0.0% |
| Income | (4,094) | (4,022) | **72** | -1.7% |
| | **1,555** | **1,568** | **13** | **0.8%** |

5.1 **Employees - £52k over budget (1.6%)**

Pressure of £52k - 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 in the CCTV service. Cabinet is asked to recommend to Council that this be funded from the Management of Change Reserve.

5.2 **Premises - £74k under budget (18.3%)**

Underspend of £60k – There is a saving of £60k in the Homelessness Service from utilising a number of council owned properties as temporary accommodation, rather than having to pay external rents.

5.3 **Supplies & Services - £34k under budget (1.7%)**

Pressure of £56k - There is a projected overspend on garages relating to spend on the options appraisal of garage sites.

Underspend of £60k – The above pressure is offset by a saving from a reduction in planned maintenance on garages.

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

5.4 **Income - £72k under budget (1.7%)**

Pressure of £30k – Garage rents have been lower than anticipated following a reorganisation of teams which was carried out earlier in the financial year.

Pressure of £35k - 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, in particular Pest Control where a charging policy has been implemented. Growth in this service is expected to yield significantly increased income over the coming years.

Surplus of £35k - The above pressure in Clinical waste is offset by an increase in income across Regulatory Services, most notably in Environmental Protection & Housing and Primary Authority work.

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 £2.9m. The forecast operating surplus is £123k – a decrease of £115k compared to the surplus of £239k originally budgeted. Significant variances are as follows:

6.3 **Dwelling Rents - £204k surplus (0.4%)**

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 - £45k surplus (45%)**

An increase in right to buy sales for the year means capital balances are higher than anticipated. These additional balances 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 **Supervision and Management – £91k under budget (0.9%)**

This is comprised of the following items:

• 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 £80k - Generated from the implementation of energy efficiency projects such as the installation of solar panels at flats and LED lighting in communal areas.

• Underspend £40k - 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 £300k - Salaries are forecast to be underspent, £178k of which is due to vacancies within the service and £122k relates to the TUPE of staff to Osborne.

- Pressure £400k - Uninsured losses relating to insurance claims from tenants for damages to buildings, storm damage and water leaks. Historical data and the trend of overspends against this budget in previous years, suggest this is an underestimation of budget. This has been corrected for the draft 2015/16 budget.

- Pressure £90k – Support service recharges have been re-worked leading to an increase in the amount recharged for ICT support.

## 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 | 2,656 | 2,253 | (401) | (2) | -0.1% |
| Strategic Planning & Environment | 8,882 | 8,206 | (231) | (445) | -5.0% |
| Housing & Community | 5,681 | 5,952 | 159 | 112 | 2.0% |
| **G F Total** | **17,219** | **16,411** | **(473)** | **(335)** | **-1.9%** |
| **HRA Total** | **35,050** | **24,721** | **(9,028)** | **(1,301)** | **-3.7%** |
| **Grand Total** | **52,269** | **41,132** | **(9,501)** | **(1,636)** | **-3.1%** |

## 7.2 General Fund Major Variances

As at Quarter 3 there is an overall projected underspend of £808k on the General Fund. This is a combination of forecast underspending of £335k and re-phasing into 2015/16 of £473k.

The projected net underspend of £335k is comprised of:

- Underspend £80k (line 118) – Budget on the Hemel Hempstead Gym Refurbishment was incorrectly slipped forward from 2013/14 after project completion.

- Underspend of £130k (line 123) – Spend is lower than forecast on Home Improvement Loans scheme due to take up being less than expected. The annual budgets for future years have been reduced from £250k to £150k to reflect a lower than anticipated demand going forward.

- Pressure £40k (line 129) – Budget allocation for the Verge Hardening Programme should have been slipped forward from 2013/14 to meet programmed works.

- 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).

- Pressure of £181k (line 136) - The costs of the Elms Hostel development at Redbourne Road are higher than budgeted due to the tendered prices, reflecting an upturn in the construction market since the budget was set. Section 106 funding has been earmarked to offset this pressure.

- Underspend £176k (line 145) - 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 £142k (line 154) – Spend is lower on Waste and Recycling Service Improvements as wheeled bins were procured more cheaply than expected.

- Underspend £112k (line 163) - The Neighbourhood Centre improvements are not being undertaken due to a change in Corporate Priorities since the project was approved into the Capital Programme. It will be requested that these GAF funds will be redirected to the Bus Interchange project.


The projected rephasing to 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 spent have been extended.

- £300k slippage (line 73) on the Public Service Quarter budget. It is expected that the development agreement will be signed imminently and that £1.2m of the £1.5m allocated budget will be spent this financial year.

- £48k slippage (line 92) on Incoming Mailroom scheme. There has been some re-scoping of the project to ensure that corporate objectives will be met following a change in personnel.

- £50k slippage (line 107) on new infrastructure at Kingshill Cemetery due to other projects taking priority. The budget will now be utilised in 2016/17 to fund improvement works to Heath Lane Cemetery walls.

- £100k slippage (line 130) on youth centre provision. Options for this project are still being considered, so work will not be undertaken during 2014/15.

- £32k slippage (line 146) on the multi-story car park at Berkhamsted. Options for the planning and design of the car park have been closely reviewed and the fees will now be incurred in 2015/16. The scheme continues to evolve but at this stage completion is expected to be within the overall budget allocation.

- £75k slippage (line 154) on Waste services improvements. Works to the Depot will be carried out next year following assessment of the impact of the reconfigured service.

- £280k slippage (line 161) on Maylands phase 1 improvements. There had been uncertainty over the project management arrangements, and 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.

- £130k slippage (line 164) on Urban Park. Priority has been given to other projects and in particular the Water Gardens project, therefore this project has not been pushed forward in line with original timeframes.

These are off-set by pressures requiring funding to be drawn from the 2015/16 budget allocation:

- £100k pressure (line 79) on Enterprise Licence Agreements due to a change in licensing arrangements.

- £250k pressure (line 136) on the Elms Hostel due to the tender price being higher than budgeted.

- £296k pressure (line 156) relating to unbudgeted fleet purchases – the key requirement being five new caged tippers for the Clean Safe and Green service (£158k). The long term fleet requirements have been reviewed and have been incorporated into the draft Capital Programme.

7.3 **Housing Revenue Account Major Variances**

There is a projected underspend on the HRA capital programme of £1.3m.

- £331k underspend (line 188) on the New Build at Farm Place Berkhamsted where the tender price has been lower than budgeted.

- £970k underspend (line 193) relating to Strategic Acquisitions. The 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 the financing section of the capital programme.

There is projected slippage of £9.03m into 2015/16 from the following:

- £2.4m of slippage (line 184) in Planned Fixed Expenditure. Work which was planned for this financial year at Longlands and on the Walkway/Balcony improvements project will now take place in 2015/16. These delays are due to the

tender process for both projects being more complex than anticipated, involving a number of clarification issues. There have also been delays as a result of the contractor requesting a 3 month mobilisation period before the works can actually commence.

- £2.69m of slippage (line 190) 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 have now commenced and the contractor is on site.

- £3.94m of slippage (line 192) on the purchase of land for a new build site. A deposit of 5% has been paid in this financial year to secure the purchase, but the balance is now expected to be paid in 2015/16 further to completion of an archaeological survey and the granting of planning permission.

**Financial Outturn Report – Appendix A**

**Financial Outturn Report – Appendix b**

**Financial Outturn Report  – Appendix c**

## 10.  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:

Work Programme 2015/16

Work Programme 2015/16

Work Programme 2015/16

Work Programme 2015/16

Work Programme 2015/16