



# Public Document Pack

## FINANCE AND RESOURCES OVERVIEW AND SCRUTINY 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 5 SEPTEMBER 2023 AT 7.30 PM**

**COUNCIL CHAMBER, THE FORUM**

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.

#### Membership

Councillor Freedman (Chair)  
Councillor Capozzi  
Councillor Gale  
Councillor Reynolds  
Councillor Santamaria  
Councillor Stewart  
Councillor Adeleke

Councillor Elliot (Vice-Chair)  
Councillor Guest  
Councillor Pound  
Councillor Hannell  
Councillor S Hobson  
Councillor A Williams  
Councillor Cox

For further information, please contact Corporate and Democratic Support on 01442 228209 or email [member.support@dacorum.gov.uk](mailto:member.support@dacorum.gov.uk)

## AGENDA

- 7. QUARTER 1 PERFORMANCE REPORT - CORPORATE AND COMMERCIAL**  
(Pages 2 - 29)



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## Finance and Resources Overview and Scrutiny Committee

<b>Report for:</b>	Finance and Resources Overview and Scrutiny Committee
<b>Title of report:</b>	Quarter 1 Performance Report – Corporate and Commercial Services
<b>Date:</b>	5 <sup>th</sup> September 2023
<b>Report on behalf of:</b>	Councillor Sally Symington, Portfolio Holder for Commercial Strategy and Delivery
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A – Key Performance Indicator report Appendix B – Financial Services Operational Risk report
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	TRO – Traffic Regulation Orders

### Report Authors/ Responsible Officers

Catherine Silva Donayre – Strategic Director, Corporate & Commercial  
Ben Hosier – Head of Commercial Development  
Nigel Howcutt – Chief Finance Officer  
Mark Brookes – Assistant Director of Legal & Democratic Services



[Catherine.SilvaDonayre@dacorum.gov.uk](mailto:Catherine.SilvaDonayre@dacorum.gov.uk) / 01442 228332 (ext.2332)  
[Ben.hosier@dacorum.gov.uk](mailto:Ben.hosier@dacorum.gov.uk) / 01442 228215 (ext. 2215)  
[Nigel.howcutt@dacorum.gov.uk](mailto:Nigel.howcutt@dacorum.gov.uk) / 01442 228662 (ext. 2662)  
[Mark.brookes@dacorum.gov.uk](mailto:Mark.brookes@dacorum.gov.uk) / 01442 228236 (ext. 2236)

<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	To provide Members with the performance

	report for Quarter one 2023-24 in relation to the Corporate and Commercial directorate.
<b>Recommendation (s) to the decision maker (s):</b>	That Members note the performance of the service as set out in the report.
<b>Period for post policy/project review:</b>	Quarterly

## 1 Introduction

This paper will provide an update on service performance over Q1 2023/2024 for the Corporate & Commercial Directorate, including Commercial Development, Finance & Resources and Legal & Democratic Services. It will also highlight key service achievements over this same period.

## 2 Commercial Development

This section of the report provides an update on the performance during Q1 2023-24 of Commercial Development Services.

### 2.1 Key Performance Indicators

The key performance indicators for Commercial Development can be found at Appendix A.

### 2.2 Procurement Activity

The Procurement team are currently supporting the delivery of a number of commissioning and tendering activities in compliance with the Council's Commissioning & Procurement Standing Orders.

## 2.3 Procurement Compliance

Following a Procurement Assurance internal audit report, the recommendation was to update the Finance & Resources Overview & Scrutiny Committee with any non-compliance procurement activities.

Table 1 - Number of times the Procurement Standing Orders have been set aside during Q1

Contract	Justification	Responsible Officer
Head of Strategy Quality & Assurance Maternity Cover Arrangements	Given the tight timescales the service is working to, the level of delivery needed within the role, the fact that a suitable and available candidate has been sourced through a supplier the Council has an existing relationship with, a decision was made to set aside the procurement standing orders to directly award a contract. Not awarding the contract to Green Acre Limited and using the Crown Commercial Services framework agreement will result in the post not being covered for a period of time.	David Barrett

Table 2 - Non-Compliant procurement expenditure during Q1

Contract	Annual Value	Reason	Responsible Officer	Mitigation
Supply of Sacks for Environmental Services	£40,000	Contract expired	Robert Williams	Report on contract award being presented to Commercial Board in July. If awarded expenditure will become compliant
Supply of Bins & Caddies	£40,000	No contract in place	Robert Williams	Report on contract award being presented to Commercial Board in July. If awarded expenditure will become compliant
Haulage of Waste from Cupid Green	£45,000	No contract in place	Robert Williams	Contract award report being presented to Commercial Board in Sep. If awarded then future expenditure will become compliant
Supply & Fitting of Tyres to Commercial Fleet	£75,000	No contract in place	Robert Williams	Contract award report being presented to Commercial Board in Sep. If awarded then future expenditure will become compliant
Supply of Grounds Maintenance Equipment	£110,000	No contract in place	Robert Williams	Contract award report being presented to Commercial Board in Sep. If awarded then future expenditure will become compliant

## 2.4 Commercial Strategy & Programme

With support from consultants and working across the Council's Corporate Leadership Team, an initial Commercial Programme was formed in 2022, with 12 Initial Business Case (IBCs) opportunities identified for further development to Full Business Case (FBCs). The 12 IBCs were reduced to 9, with the other 3 incorporated into ongoing transformation projects taking place within Housing and Waste Services.

- Fees & Charges – Agreed as part of the budget approval process by Finance & Resources OSC in Dec 2022
- Light Industrial Units – Agreed by Finance & Resources OSC IN Feb 2023
- Legal Services – Discussions ongoing
- Planning Service – Discussions ongoing
- Environmental Services – Discussions ongoing
- Developer Account Manager – Paused for 12 months to enable catch up caused by planning moratorium
- Parking Services – presented to Finance & Resources OSC in July and again in Sept
- CCTV – Paused for 12 months to enable service improvements to be implemented
- Insurance – Work ongoing

Work progressed over 2022-23, with the outcome of the review of Fees & Charges being presented to this Committee in December 2022 as part of the budget approval process, and plans for development of Light Industrial Units on garage sites presented to the Committee in February and Cabinet in March 2023.

3 Shared Service opportunities (Legal Services, Planning Service and Environmental Services) are progressing discussions with neighbouring authorities, with the outcome of these discussions due to be presented to Scrutiny and Cabinet in due course.

The Parking FBC was presented to this Committee in July and following feedback and further modelling is due to be presented to this Committee on 5 September.

### 3 Legal and Democratic Services Q4 Performance Report

#### 3.1 The Legal Team

The Legal team frequently represent the Council in the courts and tribunals, leading on injunctions, prosecutions and defending employment tribunal cases and judicial review proceedings. In the last quarter the Legal team presented the following case in court:-

Matter	Client/type	Case Detail
Flytipping prosecution	DBC -V- Meredith	Fine £1,230 Legal costs of £500

The Monitoring Officer also progressed changes to the Council's Constitution and procedural rules during the Last quarter. Firstly to approve changes to minute taking which will mean that Council, Cabinet and Committee meetings will be recorded and the recording will be retained and displayed on the Council's web-site and stand as the record of debate rather than having long written minutes, and Secondly to note that going forward meeting Portfolio Holder updates will be provided in writing and published with the agenda in advance of the meeting rather than being read out at Council.

#### 3.2 Corporate and Democratic Support

##### Democratic Services

During Quarter 1, Democratic Support carried out the following activities:-

- Delivered 1 Full Council meeting, live streamed via YouTube
- Delivered Annual Council & Mayor Making Ceremony, live streamed via YouTube
- Supported 16 committees (including agendas & minutes)
- Processed and administered 10 new Portfolio Holder Decisions, published 5 completed decisions
- Processed 8 Officer Decisions

The team undertook the delivery of the Postal Vote receipt and opening for the Local Elections May 2023;

- Recruited 16 Temporary Election Assistants (external) and 26 Postal Vote Opening Staff (internal DBC staff)
- Delivered 26 Postal Vote Opening sessions
- Processed 11,896 Postal Votes

The team launched the New Member Induction and Development Programme for 2023/24;

- Design and production of New Member Handbook 2023
- Updated website pages and created profiles for all 51 newly elected Councillors
- Delivered 2 successful Member Induction Days (including coach tour of the Borough)
- Delivered the following training sessions;
  - ICT troubleshooting & introduction to meetings
  - Statutory committee training – Licensing
  - Statutory committee training – Development Management
  - Statutory committee training – Appeals
  - Chair & Vice Chair training
  - Code of Conduct training (mandatory)

The team supported the delivery of the verification & count of the Local Elections on 4<sup>th</sup> May 2023, and alongside our colleagues in the Electoral Services Team, were invited to the Annual Staff Recognition evening where we were awarded the Chief Executive's Commendation Award for our work in connection with the Local Elections 2023.

#### **Digital Print & Post Room:**

In addition to the day to day workload and ad hoc requests for support and reprographics, during Quarter 1 the team;

- Processed and franked a total of 56,574 outgoing mail items, at a total cost of £33,184.72 (includes HVCCG & CAB which is recharged)
- Processed and banked 478 cheques with a total income of £153,024.52
- Received and banked 11 emergency cash transactions with a total value of £5,488.96

- Supported the Electoral Registration Team with various print requests during Local Election
- Supported the wider organisation with ad hoc reprographics requests
- Supported the Legal team with printing/scanning various court bundles
- Our Courier service continues to deliver personnel urgent letters, delivery of stationery items to staff, including collections of confidential waste

The team was also invited to an annual staff recognition evening as a shortlisted finalist for 'team of the year' award.

### **3.3 Electoral Services**

#### **Electoral Register**

During Quarter 1, the following changes were made to the Electoral Register:-

Additions 1636

Deletions 1369

Changes 193

Movers 449

#### **Staff Training**

Throughout Q1, the team attended:

- AEA Eastern branch meeting
- AEA Post Polls report launch



## Local Elections 2023

The local elections were successfully completed on the 4<sup>th</sup> of May 2023. The verification and counts were then completed on the 4<sup>th</sup> and 5<sup>th</sup> of May.

### Election statistics

- Pre-election day:  
396 staff employed across all roles (postal votes, station, count staff).
- Postal Votes:  
Postal votes received and processed 11,731 (70% return)
- 4<sup>th</sup>/5<sup>th</sup> May:  
37,594 Borough ballot papers counted  
7,528 Parish ballot papers counted  
29% turnout
- Time to process (approx):  
3 ½ hrs to verify 45,122 ballot papers  
7hrs to count and declare 25 Borough ward ballot paper  
3 hrs to count and declare 8 Parish area ballot papers

The Elections team were awarded the Chief Executive Commendation award at the Staff awards ceremony. This was very much appreciated by the team, which recognised all of the hard work and dedication that went in to the successful deliver of the recent local elections.

## **Voter ID**

The local awareness campaign worked extremely well and Election Day did not present any issues around voter ID.

- 170 voters refused a vote because of no ID or ID was wrong or not an acceptable form
- 126 returned with appropriate ID.
- 44 didn't return.

210 Voter Authority Certificates issued prior to the election – 97 were used on Election Day.

## **Election evaluation**

Following the election, the team sought feedback from anyone involved in the process, for example, polling station staff, station inspectors, core team, and agents. This was considered by the Returning Officer and the core election team. A plan has been produced to action the points or suggestions raised. In addition the proposed action plan has been discussed with the Returning Officer, SLT and election agents.

## **Upcoming compulsory projects**

There are a number of compulsory reviews and new legislation due to take place or be implemented over the next 18 months – 2 years. A timeline has been produced to illustrate when each will be carried out and team discussions to set actions.

This includes:

- Parliamentary Boundary Review
- Electoral Review
- Polling District & Polling Place Review
- Elections Act – implementing final aspects of the act (e.g. postal vote handling, overseas electors)
- Parliamentary election – date to be confirmed

In addition to business as usual:

- Annual Canvass
- Av Refresh
- Preparing for PCC election 2024

### **3.4 Licensing**

- The team have been very busy during the first quarter and have issued 25 Licensing premises applications, 6 animal activity licences, and 14 taxi driver renewals. The team have also been busy investigating complaints against a variety of licensing matters but none have resulted in formal action being taken during Q1.

## **4 Finance & Resources Q4 Performance & Operational Risk Report**

### **4.1 Introduction:**

Operational Risk and Performance reports are presented to Overview and Scrutiny Committees on a quarterly basis. They provide Members with an opportunity to scrutinise performance against a range of key indicators.

### **4.2 Quarter 4 Finance and Resources performance report:**

- A. This report outlines the 2022/23 Quarter 4 (January – March) performance of the Finance and Revenues and Benefits services, the details of the quarterly KPI's are included in the enclosed the Appendix A Corporate and Commercial Performance report.

The Performance appendix detail the current performance against a range of agreed Key Performance Indicators. These report detail that there is only 1 red KPI where performance requires improvement;

**FIN02a Time taken for debtors to pay –**

This has been adversely impacted in the last 2 years by several government Covid policies around debt collection and in particular around enforcement of the collection of commercial rent, these policies have either limited or prevented the standard debt collection processes.

This has resulted in the Council holding more historic commercial property debt resulting from the pandemic, where either businesses have chosen to repay debt through payment plans which take longer to pay back and delay payment, or have not been paying their debt as previously expected.

The “normal” debt recovery processes only returned in November 2022 and improvement has been made since these changes came about but the service will take time to return to pre covid levels. During 2022/23 this KPI peaked at over 60 days and is now around the 50 – 52 days so improvement has been made to date. The commercial property and finance team are working in combination with commercial property tenants to improve this performance.

The council has a bad debt provision that could fund unpayable debts and the impact on the council’s cashflow of this reduced performance is minimal. Although the financial impact at present is negligible the service is driven to improve this level of performance, to pre covid levels in 2023/24.

#### **4.3 Finance and Resources Quarter 4 Operational Risk Report**

The Qtr 4 Finance & Resources operational risk register is attached in Appendix C. There are no changes to the scoring at quarter 4 from quarter 3. At present there is one red rated operational risk in relation to the council tax and business rates collection. The collection rates finished slightly behind the targeted levels in 22/23 but both rates are an improvement on year on year, but not yet achieving pre covid performance levels.

Although the in-year collection rate has underperformed from a budget/cash perspective the in year collection of previous year’s arrears has exceeded expectations and hence there is no reported budget pressure in 22/23. The poorer collection performance in quarter 3 and 4 combined with the current economic outlook, would suggest the collection rate performance in 23/24 will be very challenging and hence will be under close scrutiny.

**5 Financial and value for money implications:**

Poor performance or increased risk would indicate areas of concern and potential lack of best value, and these services and processes are reviewed as part of the ongoing corporate financial monitoring framework and reflected in the budget monitoring reports presented to Scrutiny and Cabinet.

**6 Legal Implications**

N/A

**7 Risk implications:**

The process of reviewing and reporting performance and operational risks is part of the wider risk management processes undertaken by the council, to ensure risk management and mitigation is undertaken where required and follows the strategic risk strategy outlined by the council.

**8 Equalities, Community Impact and Human Rights:**

No Community or equalities assessment has been undertaken specifically as part of this report. The services and the service delivery processes are assessed periodically to ensure these services reflect the Council's policies on service delivery.

**9 Sustainability implications (including climate change, health and wellbeing, community safety)**

N/A

**10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)**

N/A

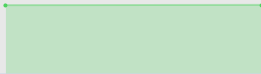
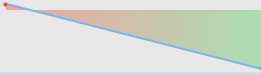


**11 Conclusions:** Performance and risk are outlined in the appendices and summarised in the report, and the Committee are asked to note the report.



## Commercial Development - Performance Scorecard

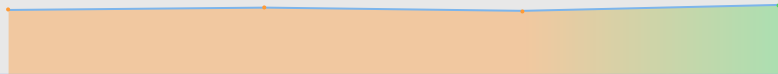
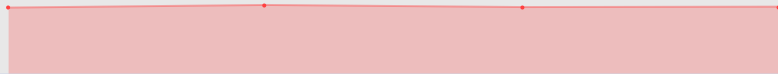
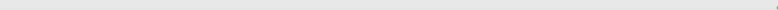
Measure Code ↑	Measure	Date	Actual	Target	DoT	Performance Trend
CD02	Percentage of Commercial income achieved against forecast	Jun 2023				.
FIN12a (Q)	Percentage of Garages income received against forecast (Q)	Jun 2023	106%	100%	?	.
Income from Garages is slightly ahead of the budget for Q1. This is due to the increase in new commencement in June 2023						
FIN13a (Q)	Percentage of parking income received against forecast (Q)	Jun 2023	101%	100%	?	.
The income from Parking is on budget after Q1 The Service will keep reviewing this figure for the remainder of the year.						

## Financial Services - Performance Scorecard

Measure Code ↑	Measure	Date	Actual	Target	DoT	Performance Trend
FIN01 (Q)	Percentage of creditor trade invoices paid within 30 days (Q)	Jun 2023	99.30%	96.00%	✓	
FIN03 (Q)	General Fund Budget Variance against forecast (Q)	Jun 2023	-766,000.00	0.00	✓	
Projected outturn at month 3 (June 2023) was £766,000 surplus for general fund, largely due to increased investment income related to high interest rates.						
FIN04 (Q)	Housing Revenue Account Budget Variance against forecast (Q)	Jun 2023	390,000.00	0.00	✗	
HRA is reporting a pressure of £390k at month 3 (June 2023). This relates to staffing and repairs and maintenance forecast costs, partly offset by increased investment income arising from high interest rates.						
FIN06 (Q)	Capital variance against forecast (Q)	Jun 2023	70,000.00	0.00	✗	
Forecast variance to the approved capital programme is a pressure of £70k as at end of period 3 (June 2023), arising from expenditure on wheeled bins.						




## Legal & Democratic Services - Performance Scorecard

Measure Code ↑	Measure	Date	Actual	Target	DoT	Performance Trend
DPA01	Percentage of Data Protection Act requests met in 31 days	Jun 2023	100.00%	100.00%	✓	
FOI01	Percentage of FOI requests satisfied in 20 days	Jun 2023	83.10%	90.00%	✓	
<p>Departments that missed targets were*;            Financial Services 7            People 5            Procurement &amp; Compliance 3            Property &amp; Place 3            Strategic Housing 2            Development Mgnt &amp; Planning 1            Electoral Registration 1            Legal Governance 1            Technology &amp; Digital Transformation 1</p> <p>To improve response times, Mark Brookes has commissioned an FOI Trend Report to be taken to SLT on 6th September by John Worts to ensure that SLT are appraised. The report will also be presented to CLT and a monthly report of missed FOI deadlines will be given to CLT.</p>						
LG03	Percentage of audit recommendations completed within agreed timescales	Jun 2023	0.00	0.00	?	
There are no audit recommendations outstanding during this quarter.						

## Revenues and Benefits - Performance Scorecard

Measure Code	Measure	Date	Actual	Target	DoT	Performance Trend ↓
RBF06 (Q)	Average days taken to respond to a council tax related contact from a resident (Q)	Jun 2023	17.55		✖	


Our response times in this area continue to be less good than we aim for. This is partly due to the increased complexity of interactions as more of the residents we talk to have arrears of council tax to discuss. We are working with colleagues as part of the transformation programme, to implement improved web interactions which will speed up many of the more basic transactions the team have to carry out. This in turn will free up capacity to concentrate more on the more complex conversations. At present, we expect this project to be finished around the end of the calendar year.

RBF01 (Q)	Average days taken to respond to a benefit-related contact from a resident. (Q)	Jun 2023	10.51		✔	
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Performance in this area is beginning to improve, although there remain some difficulties with long-term sickness absence within the team. We are making use of support from our resilience contract to ensure that the service level is maintained.

Measure Code	Measure	Date	Actual	Target	Last Year's Actual	Performance Trend ↓
RBF05 (Q)	Council Tax collection rate (Q)	Jun 2023	28.70	29.00	30.00	

The collection level at present is roughly in line with the last two years, although still lower than we would have expected pre-COVID.

RBF04 (Q)	NNDR (Business Rates) in-year collection rate (Q)	Jun 2023	27.00	26.70	26.70	
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Measure Code	Measure	Date	Actual	Target	Last Year's Actual	Performance Trend ↓
This shows a small improvement from the same period last year, although it is still below the collection level that we would have expected pre-COVID.						

# Risk Register Summary Table

Risk Name	Risk Owner	30 Jun 2023			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Council Tax & Business Rates collections rates drop below budget	Nigel Howcutt	3	4	12.00	The collection of Business Rates is broadly in line with expectations at Quarter 1, although the 2023/24 business rates revaluation and the projected increase in challenges to these rates brings additional uncertainty to the service. The Council Tax collection rate is behind the 23/24 target, but in line with recent financial years, as outlined in the quarterly performance report. A review of Council Tax collection rates is currently underway given the performance being lower than expected during 2020-2023, albeit impacted by the pandemic. Although in year collection rates are 0.3% behind target, the service is achieving greater collection rates on previous years arrears to aim to achieve actual cash collection levels projected. This performance will be closely monitored and reported.
Delays and errors in the processing of Benefits claims	Nigel Howcutt	2	3	6.00	The time taken for the benefits team to respond to queries is now significantly improved on the average of 14 days in quarter 4 22/23, to less than 10 days by quarter end. The sector average is believed to be around 14 days, but few authorities report on this KPI. The service have implemented some process changes throughout the last quarter and performance has improved by over 10% through the quarter.
Delays to Capital programme	Nigel Howcutt	2	3	6.00	The capital programme has suffered significant delays in recent years due to a combination of the impact of the pandemic, planning moratorium, supply chain delivery and recently cost pressures. As a result the current capital programme is the largest the council has had for many years, which increases the likelihood of delays occurring on one of a large number of projects. In addition there are several legacy projects that the new administration need to be briefed on and take a view on, this may result in a slower than planned delivery programme.
Failure to optimise income generated by commercial assets	Nigel Howcutt	2	2	4.00	The first quarter financial performance of the commercial property portfolio, garages and parking is on or ahead of budget as reported in the first quarter financial report. These assets make up the majority of the councils commercial asset that we hold.
Variances in General Fund revenue budget	Nigel Howcutt	2	2	4.00	The first quarter financial performance report, presented at Scrutiny, details the outturn projection. The General Fund is expected to deliver an underspend in 2023/24, predominantly due to strong performance of the treasury management service, due to both higher cash balances and interest rates than previously projected in 2022.



Risk Register Details Table

Risk Name	Detail	30 Jun 2023
		Status
Council Tax & Business Rates collections rates drop below budget	Risk Owner	Nigel Howcutt
	Portfolio	Housing and Property Services
	Risk Description	Council Tax & Business Rates collections rates drop below budget.
	Reference to Strategic Objectives / Priorities	Finance & Resources Operational Risk Register
	Inherent Score	9 ▲
	Mitigated Score	12.00 ▲
	Risk Appetite	6.00
	Comments	<p>The collection of Business Rates is broadly in line with expectations at Quarter 1, although the 2023/24 business rates revaluation and the projected increase in challenges to these rates brings additional uncertainty to the service.</p> <p>The Council Tax collection rate is behind the 23/24 target, but in line with recent financial years, as outlined in the quarterly performance report. A review of Council Tax collection rates is currently underway given the performance being lower than expected during 2020-2023, albeit impacted by the pandemic.</p> <p>Although in year collection rates are 0.3% behind target, the service is achieving greater collection rates on previous years arrears to aim to achieve actual cash collection levels projected. This performance will be closely monitored and reported.</p>
	Controls & Assurances	<p>The following controls aim to identify as quickly as possible if the Council is falling behind on its collection rates target for the year. If a problem is identified, the Council is then able to invoke a range of options to minimise the ongoing negative impact on collection.</p> <p>Profiled monthly collection rates are monitored monthly - see KPIs RBF04 and RBF05. Reasons for variances are then investigated in order to address problems quickly as possible.</p> <p>Direct debit payment is recommended for all customers – a pre-filled instruction is sent to all non-DD payers with their annual bill or a first bill for a new taxpayer. The direct debit method reduces the risk of under-collection because it eliminates the risk of a payer forgetting to make a monthly payment.</p> <p>The service always promotes the payment of council tax by direct debit and this supports the consistency and reliability with which residents pay their council tax.</p> <p>Following the cessation of the government's Covid protection policies the council has reinstated an active programme for taking formal recovery action against non payers and this is monitored monthly and overseen through quarterly performance reporting.</p>

	Detail	30 Jun 2023
		Status
	Evidence Risk is being managed	<p>The processes for collection of council tax and business rates have been consistent over time and the budgeted collection rate levels have been achieved over the medium term.</p> <p>The collection rates achieved are above national averages and specifically business rates collection was in the upper quartile of national performances. The average national council tax collection in 2022/23 was 98% with Dacorum targetting 99.4% collection rate.</p> <p>The service has been able to increase the volume of CT payers that are received through Direct Debits and has also developed 10 and 12 monthly payment processes in the last few years.</p>
	Consequences / Impacts	<p>Distribution of collection fund to other preceptors is based on the budgeted collection level, if collection falls short this could lead to a cashflow issue within the Council's finances. The fund distribution is balanced after the end of the financial year.</p> <p>Reputational risk if collection rate falls significantly – this could also impact on future years' council tax base leading to increased budget pressures.</p> <p>Financial risk in relation to business rate retention scheme if rates collection falls below government set baseline.</p>
Delays and errors in the processing of Benefits claims  Page 23	Risk Owner	Nigel Howcutt
	Portfolio	Housing and Property Services
	Risk Description	Delays and errors in the processing of Benefits claims
	Reference to Strategic Objectives / Priorities	Finance & Resources Operational Risk Register
	Inherent Score	12 ▲
	Mitigated Score	6.00 ●
	Risk Appetite	6.00
	Comments	The time taken for the benefits team to respond to queries is now significantly improved on the average of 14 days in quarter 4 22/23, to less than 10 days by quarter end. The sector average is believed to be around 14 days, but few authorities report on this KPI. The service have implemented some process changes throughout the last quarter and performance has improved by over 10% through the quarter.

	Detail	30 Jun 2023
		Status
	Controls & Assurances	<p>The controls in place aim to mitigate this risk by closely monitoring performance to assist with effective decision-making around resource allocation. This is a heavily process driven service area and close monitoring also helps to identify bottle necks in the process which need to be improved to optimise performance. By subjecting the process to this regular in-depth scrutiny the Service is able to reduce the probability of the risk crystallising, hence the reduction between the Inherent Risk score (4) and the Residual Risk score (2) after the controls have been taken into account.</p> <p>Quality checking and individual performance management is in place. These mean that each officer has targets for their personal productivity and accuracy, and information from quality checks is fed back in order to sustain improvement.</p> <p>Average time taken for processing new claims and changes in circumstances forms part of monthly monitoring which is deemed good practice.</p> <p>Processes are in place to expedite cases where the customer is vulnerable or facing eviction. These processes start when a case is identified within benefits, or by customer services, homelessness, housing etc. The service work in partnership with other council services and external bodies to achieve good outcomes for the residents.</p> <p>Monthly meetings are held between senior officers within Finance &amp; Resources to monitor detailed performance levels at each stage of the claims process, and quarterly performance meetings with the S151 are undertaken.</p> <p>This enables intermediary targets to be set for discrete elements of the process, which in turn enables the more effective monitoring which has resulted in significantly improved performance over the last 6 months.</p> <p>The service is experiencing more requests for benefits and more complex queries from residents, likely linked to the current cost of living pressures being experienced, and additional energy reliefs being processed by Dacorum. The performance has stabilised to around 14 days which is very much in line with sector averages.</p>
	Evidence Risk is being managed	<p>Prior to pandemic the KPI's for the housing benefit service in 2019/20 were all achieved with new performance records set along the way.</p> <p>The 20/21 and 21/22 financial years saw a surge in new cases and changes to existing claimants. The service have had to introduce new ways of working to deal with the new cases pre and post covid. The performance on changes to existing housing benefit cases has remained strong with performance in the second half of 22/23 being the strongest achieved in the last 2 years.</p> <p>The annual housing benefits audit and audit returns have all being approved by auditors and the processes have received substantial assurance.</p>
	Consequences / Impacts	<p>This risk links to the corporate objective of delivering modern and efficient council services.</p> <p>Customers could suffer personal hardship resulting from delays or errors in the processing of claims.</p> <p>Significant reputational risk associated with high-profile errors.</p> <p>Staff time spent on addressing unnecessary errors leads to duplication of effort and is an inefficient use of resources.</p> <p>Government subsidy for housing benefit expenditure is based on external audit certification of the claim made. There is financial risk if errors on cases are identified during their testing.</p> <p>Communications with claimants needs to be well written and jargon-free in order to reduce the risk of repeat queries which puts pressure on limited staff resources.</p>



Risk Name	Detail	30 Jun 2023
		Status
Delays to Capital programme	Risk Owner	Nigel Howcutt
	Portfolio	Housing and Property Services
	Risk Description	Delays to Capital programme
	Reference to Strategic Objectives / Priorities	Finance & Resources Operational Risk Register
	Inherent Score	8 ▲
	Mitigated Score	6.00 ●
	Risk Appetite	6.00
	Comments	<p>The capital programme has suffered significant delays in recent years due to a combination of the impact of the pandemic, planning moratorium, supply chain delivery and recently cost pressures.</p> <p>As a result the current capital programme is the largest the council has had for many years, which increases the likelihood of delays occurring one one of a large number of projects.</p> <p>In addition there are several legacy projects that the new administration need to be briefed on and take a view on, this may result in a slower than planned delivery programme.</p>

	Detail	30 Jun 2023
		Status
	Controls & Assurances	<p>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.</p> <p>In particular, scrutiny is focused on those elements of the capital bid that experience indicates are the primary cause of delays to capital projects. These include</p> <ul style="list-style-type: none"> <li>• How robust are the assumptions on the estimated duration of the procurement exercise?</li> <li>• How realistic is the estimated time taken for contractors to deliver the works?</li> <li>• How realistic are the assumptions on officer availability to manage the project on time?</li> </ul> <p>The rationale behind this approach is that an increased culture of challenge will lead to more realistic programming of future capital projects, and therefore a reduced likelihood of slippage.</p> <p>The following controls are in place with a view to developing a culture of scrutiny and challenge for officers to improve the accuracy of future bids:</p> <ul style="list-style-type: none"> <li>• Monthly meetings take place between accountants and budget holders to monitor progress against original timeframes and costs;</li> <li>• Strategic Leadership Team (SLT) receive a quarterly report on the progress of capital projects against anticipated timeframes;</li> <li>• Performance Group comprising Chief Officers and cabinet Members receive a monthly report on the progress of current projects;</li> <li>• Reports go to Cabinet and all Overview and Scrutiny Committees (OSC) every quarter. These reports have been redesigned to focus on the more immediate risk of in-year delivery, highlighting higher risk areas to invite closer scrutiny from Members.</li> </ul> <p>The quarter 3 financial report in February outlined additional slippage on the capital programme for 22/23, With slippage of £2m on the general fund and £10.6m on the HRA for 22/23. The main reasons for this slippage is a combination of the planning moratorium preventing new planning approvals and supply chain of providers in delivering materials and goods such as the fleet replacement programme. It is likely that further slippage will happen in the 4th quarter, due to the ongoing impact of the moratorium and also because of one supplier failure in quarter 4, but these reports are still being finalised at present</p> <p>The overall risk score reduced in quarter 3 but has remained static in quarter 4. The likelihood of delayed spending has increased whilst the impact of delays reduced as finance have taken mitigating actions to reduce the impact of this delay.</p>
	Evidence Risk is being managed	<p>The General Fund and New House Building capital programmes have been maintained throughout the pandemic and covid recovery period. The timeframes have extended as a result of covid, and the capital programme has been adjusted accordingly. There has been no significant financial pressures realised to date as a result of the capital programme being delayed.</p> <p>The recent increase in capital project costs has been maintained within existing contingency budgets, it is expected that future procurement of construction partners will exceed historic cost expectations.</p>

	Detail	30 Jun 2023
		Status
	Consequences / Impacts	<p>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.</p> <p>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.</p> <p>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.</p> <p>If inaccurate project management is tolerated, there is a risk that the culture of financial management across the Council will be negatively affected which will have consequences for wider financial decision-making.</p> <p>Not delivering major projects within the timeframe to which it has committed itself exposes the Council to reputational risk.</p>
Failure to optimise income generated by commercial assets  Page 27	Risk Owner	Nigel Howcutt
	Portfolio	Housing and Property Services
	Risk Description	Failure to optimise income generated by commercial assets
	Reference to Strategic Objectives / Priorities	Finance & Resources Operational Risk Register
	Inherent Score	12 ▲
	Mitigated Score	4.00 ★
	Risk Appetite	6.00
	Comments	The first quarter financial performance of the commercial property portfolio, garages and parking is on or ahead of budget as reported in the first quarter financial report. These assets make up the majority of the councils commercial asset that we hold.

	Detail	30 Jun 2023
		Status
	Controls & Assurances	<p>The following controls aim to mitigate the risk of under-performance of the Council's commercial assets by maintaining good communication links between relevant Council services, and by regularly monitoring performance against targets (see KPIs CP01 and CP02) to ensure that underperformance is identified and addressed as quickly as possible. The existence of these controls has led to the 'Inherent Probability' of this risk occurring reducing.</p> <p>Estates officers responsible for negotiating rent reviews hold monthly meetings with the Debtors team to track current bad debtors. This increases their understanding of the economic pressures businesses are facing, and how it can impact on council income.</p> <p>There are currently InPhase performance targets to maintain the number of voids (empty properties) below 5%, and to keep the rent arrears below 10%. Failure to meet either of these targets would prompt further investigation.</p> <p>The post covid period has resulted in larger levels of debt from the period of the pandemic and as such increased levels of payment plans that result in slower payment of rental.</p> <p>The financial performance is reviewed monthly and reported as part of the corporate financial performance framework, resulting in quarterly reports to scrutiny and cabinet.</p>
	Evidence Risk is being managed	<p>In 2019/20 the commercial property service achieved occupancy of 96.2% with rent arrears of only 7%. This performance is above the targeted KPI levels and well ahead of commercial expectations.</p> <p>In 20/21 when Covid impacted the occupancy level remained strong at 95% with arrears increasing to 15% in 20/21, and up to 20% in 21/22 in reaction to the pandemic and in particular government covid restriction policies in relation to rent arrears and evictions. Arrears in 2022/23 have been on average about circa 20% which is ahead of the market average for the retail sector of circa 60%, but behind pre covid levels.</p> <p>The service have increased the number of payment plans and alternative methods for debt collection in this period and this has meant debt levels are higher than previous levels but have remained below sector averages. In a post covid scenario and with the release of government covid policies the commercial property team and debt collection service are working proactively to assess and collect outstanding debt.</p>
	Consequences / Impacts	<p>The council has a significant portfolio of commercially let properties, which provides one of the council's largest sources of income.</p> <p>Council officers must attempt to maximize income from these assets whilst avoiding the risk of vacant properties and increasing bad debts, which could arise if rents are set too high, and would jeopardise the council's achievement of its corporate objectives of Regeneration and Economic Development.</p> <p>The continuing decline in the economic environment and the difficulties it brings for local businesses increases the likelihood of this risk crystallising.</p>
Variances in General Fund revenue budget	Risk Owner	Nigel Howcutt
	Portfolio	Housing and Property Services
	Risk Description	Variances in General Fund revenue budget
	Reference to Strategic Objectives / Priorities	Finance & Resources Operational Risk Register

	Detail	30 Jun 2023
		Status
	Inherent Score	12 ▲
	Mitigated Score	4.00 ★
	Risk Appetite	6.00
	Comments	The first quarter financial performance report, presented at Scrutiny, details the outturn projection. The General Fund is expected to deliver an underspend in 2023/24, predominantly due to strong performance of the treasury management service, due to both higher cash balances and interest rates than previously projected in 2022.
	Controls & Assurances	<p>The following controls aim to reduce the probability of there being a variance in the General Fund Revenue Budget by ensuring that there is strong challenge put to Budget Holders on the robustness of their assumptions, from a range of audiences.</p> <p>It is intended that these controls will increase the opportunity for flawed assumptions to be exposed as soon as possible, as well as incorporating a stronger culture of financial management across the Council leading to continuous improvement in the setting of accurate budgets.</p> <p>The annual budget-setting process consists of an ongoing scrutiny process in which senior officers from across the Council, together with the Financial Services team, challenge the following year's budget bids from Group Managers.</p> <p>This scrutiny process is augmented by the Budget Review Group (BRG), consisting of officers and the Portfolio Holder and Leader, provides early Member-level challenge.</p> <p>There are two opportunities for OSCs to scrutinise the budget proposals and directly question the relevant officers before the budget report is finalised and considered by Cabinet and Council.</p> <p>Once approved, in-year budget performance is managed through monthly reporting to the SLT which underpin quarterly reports to Cabinet and OSCs.</p> <p>The Council's Financial Regulations provide a guide to all budget-holders and are subject to annual review.</p>
	Evidence Risk is being managed	<p>The Financial Performance for 2022/23 was in line with budgeted expectations, and the reserves support provided from the economic recovery reserve was in line with budgeted expectations.</p> <p>The budget required additional in year draw downs from reserves to support the inflationary pressures leading to an increased pay award and increased cost in utilities as well as to support new one off corporate initiatives.</p>
	Consequences / Impacts	<p>Accurate, well-controlled budgeting relates directly to the corporate Objective creating a modern and efficient council. Indirectly, through the financial decision-making process, this links to the achievement of all of the Council's corporate objectives.</p> <p>Inaccurate budgeting negatively affects the Council's ability to make evidence-based decisions. A significant underspend at year-end could indicate that funds have been needlessly diverted from a competing priority. A significant overspend at year-end could result in reserves being used to support lower priority objectives. Both of these could result in reputational damage for the Council.</p> <p>Failure to address the causes of inaccurate budgeting could negatively impact the Council's culture of financial management, which in turn increases the risk of poor financial decision-making.</p>