



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 4 JULY 2017 AT 7.30 PM

CONFERENCE ROOM 2 - 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 Howard	Councillor Silwal
Councillor Herbert Chapman (Chair)	Councillor Taylor
Councillor Douris (Vice-Chairman)	Councillor Tindall
Councillor Clark	Councillor Gbola Adeleke
Councillor E Collins	Councillor Armytage
Councillor Fethney	Councillor McLean

Substitute Members:

Councillors Anderson, Brown, Guest, Link, Matthews, Ransley, W Wyatt-Lowe and England

For further information, please contact

AGENDA

1. MINUTES

There are no minutes to sign.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence

3. DECLARATIONS OF INTEREST

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal 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, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

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

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

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

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

6. BUDGET MONITORING REPORT (Pages 3 - 20)

7. FINANCE AND RESOURCES Q4 PERFORMANCE REPORT (Pages 21 - 46)

8. LEGAL GOVERNANCE AND DEMOCRATIC SERVICES Q4 PERFORMANCE REPORT (Pages 47 - 55)

9. PERFORMANCE, PEOPLE AND INNOVATION Q4 PERFORMANCE REPORT (Pages 56 - 77)

10. ACTION POINTS FROM THE PREVIOUS MEETING

11. WORK PROGRAMME

Dacorum Borough Council

APPENDIX A

General Fund Revenue Budget - Provisional Outturn 2016/17 (by Overview and Scrutiny Committee)

	Month			Year-to-Date			Full Year		
	Adjusted Budget £000	Actuals £000	Variance £000	Adjusted Budget £000	Actuals £000	Variance £000	Adjusted Budget £000	Provisional Outturn £000	Variance £000
Controllable									
Finance and Resources	232	1,221	989	7,245	7,024	(221)	7,245	6,820	(425)
Strategic Planning and Environment	(872)	(715)	157	7,107	6,865	(242)	7,107	6,933	(174)
Housing and Community	3	(51)	(54)	1,821	1,451	(370)	1,821	1,618	(203)
Controllable	(637)	455	1,092	16,173	15,340	(833)	16,173	15,371	(802)
Non-Controllable									
Finance and Resources			0			0	(4,086)	(4,239)	(153)
Strategic Planning and Environment			0			0	3,927	3,927	0
Housing and Community			0			0	1,652	1,652	0
Non-Controllable			0			0	1,493	1,340	(153)
General Fund Service Expenditure	(637)	455	1,092	16,173	15,340	(833)	17,666	16,711	(955)
Reversal of Capital Charges							(4,125)	(4,125)	0
Minimum Revenue Provision							378	378	0
Interest Payable							587	581	(6)
Interest Receipts							(242)	(262)	(20)
Revenue Contributions to Capital							5,796	6,132	336
Contributions to / (from) Reserves							(6,260)	(6,563)	(303)
Contributions to / (from) Working Balance							0	1,158	1,158
Budget Requirement:							13,800	14,010	210
Met From:									
Revenue Support Grant							(971)	(971)	0
Non-Domestic Rates							1,053	1,053	0
New Homes Bonus							(3,491)	(3,497)	(6)
Other General Government Grants							(125)	(329)	(204)
Council Tax Surplus							(49)	(49)	0
Requirement from Council Tax							(10,217)	(10,217)	0
Total Funding:							(13,800)	(14,010)	(210)

Interpreting this report

General Fund Service Expenditure

This subtotal includes those costs which are directly attributable to specific Council services.

Budget Requirement

This subtotal shows the total cash requirement to operate the Council for one year. It includes the General Fund Service Expenditure plus corporate costs and income.

Total Funding

This subtotal shows how the Council receives sufficient funding from different sources to meet the Budget Requirement. In order to 'balance the budget', Total Funding must equal the Budget Requirement.



**AGENDA ITEM:
SUMMARY**

Report for:	Finance & Resources Overview and Scrutiny Committee
Date of meeting:	4th July 2017
PART:	1
If Part II, reason:	

Title of report:	Provisional Outturn 2016/17
Contact:	<p>Cllr Graeme Elliot, Portfolio Holder for Finance and Resources</p> <p>Authors: David Skinner, Assistant Director (Finance & Resources) Richard Baker, Group Manager (Financial Services)</p> <p>Contact: James Deane, Corporate Director (Finance & Operations)</p>
Purpose of report:	<p>To provide details of the provisional outturn position for the:</p> <ul style="list-style-type: none"> · General Fund · Housing Revenue Account · Capital Programme <p>To provide details of the proposed transfers to and from earmarked reserves.</p>
Recommendations	That Committee note the provisional outturn position.
Corporate objectives:	Delivering an efficient and modern council.
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 HRA – Housing Revenue Account MTFS – Medium Term Financial Strategy

1. Executive Summary

1.1 The contribution to the earmarked reserves, as shown in paragraph 3.5, is £1.158m. This budget surplus has been analysed as part of the normal year end process, to ensure that ongoing savings have been identified and captured in the base budget going forward and one off items have been challenged.

1.2 Items of a one-off nature that are imprudent have not been built into the base budget based on a risk assessment of the likely recurrence, and these include:

- Housing benefit subsidy £110k surplus, (0.2% of budget)
- Parking income surplus £100k as this income is weather dependant
- Waste Services income from the Alternative Financial Model due to the current model being under review

1.3 Items captured in the base budget going forward include:

- Garages income additional £400k from 2017/18
- Investment Property inflationary increases £90k
- Ongoing savings in employees budgets such as the savings in the leadership team (£75k) following the restructuring.

1.4 The HRA has had increased pressure in quarter 4 from additional voids (£100k) and the repairs following from storm Doris late in the year (£110k). These additional pressures coupled with the income pressures forecast through the year mean a reduction in the contribution to reserves of £351k.

1.5 General Fund Capital spending is broadly on track with rephasing limited to 7.5% of the budget and consistent with forecasts made at Quarter 3. An additional underspend has been generated in Quarter 4 as the sum offered for the Health Centre includes the cost of demolition. This generates an additional saving of £290k.

1.6 The HRA Capital programme is consistent with previous reports with the main item being the underspend on the Osborne contract (£2.2m) to reflect the balancing of revenue and capital repairs over the year.

1.7 In line with the policy of maintaining the General Fund working balance at £2.5m the surplus has been moved to earmarked reserves as per the recommendation to Cabinet 23rd May as shown in paragraph 10.4 and is broken down as follows:

- Contribution to Management of Change reserve £450k
- Contribution to Capital Development Reserve £500k
- Contribution to Parking Reserve £208k

2. Introduction

1.1 The purpose of this report is to outline the Provisional Outturn for 2016/17, prior to the closure of the accounts. Outturn is reported for the following:

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

1.2 The Accounts and Audit Regulations 2015 require local authorities to have prepared their annual Statement of Accounts, complete with certification from the Section 151 Officer, by 30 June. The Statement of Accounts must be published by 30 September, following an audit to be undertaken by Grant Thornton.

2.3 The Council's outturn position is a primary source of information for the production of the Statement of Accounts. The provisional outturn position detailed in this report is consistent with the final outturn position reported to Audit Committee at its meeting of 28 June 2017.

3. General Fund Revenue Account

3.1 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 8).

3.2 The current budget is the original budget approved by Cabinet in February 2016, plus the following approved amendments:

Amendments	£000	Approved
2016/17 Original budget	16,946	
Corporate Graduates	18	Council July 2016
Reserve Funded Staff Costs	(46)	Council September 2016
Digitalisation of Planning Microfiche data	100	Council September 2016
Sports Review	40	Council January 2017
Arts Funding	15	Council January 2017
Pensions	(900)	Council April 2017
2016/17 Current Budget	16,173	

3.3 Appendix A provides an overview of the General Fund provisional outturn position, separating expenditure into controllable and non-controllable categories

in order to focus scrutiny on those areas that officers are able to influence, i.e. the controllable.

3.4 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. The provisional adjustments that have been completed to date are explained in section 7 of this report.

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

	Current Budget £000	Provisional Outturn £000	Variance	
			£000	%
Finance & Resources	7,245	6,820	(425)	-5.9%
Strategic Planning & Environment	7,107	6,933	(174)	-2.4%
Housing & Community	1,821	1,618	(203)	-11.1%
Total	16,173	15,371	(802)	-5.0%
Non-controllable budgets	(9,913)	(9,966)	(53)	0.5%
Earmarked Reserve movements	(6,260)	(6,563)	(303)	4.8%
Contribution (to)/from General Fund Working Balance	0	(1,158)	(1,158)	

3.6 Key changes between periods

The forecast position at quarter 3 was a contribution to working balances of £262k. A summary of the changes between periods, which make up the increase to working balances of £1,158k are as follows:

Budget Monitoring Quarter 3 - variance against GRF working balances	(262)
Planning Income exceeded projection	(190)
General Fund properties used for Temporary Accommodation	(129)
Investment Property income - service charges and turnover based rent	(110)
Waste Services income	(130)
Reduction in overspend forecast against vacancy provision	(110)
Additional government grants notified in Quarter 4	(76)
Benefits Subsidy	(110)
Increase in recharge to the HRA	(43)
Other minor items	2
Budget Monitoring Quarter 4 - variance against GRF working balances	(1,158)

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

4. Finance and Resources

Finance & Resources	Current Budget	Provisional Outturn	Variance	
	£000	£000	£000	%
Employees	10,105	9,976	(129)	-1.3%
Premises	2,004	2,079	75	3.7%
Transport	32	41	9	28.1%
Supplies & Services	4,170	4,439	269	6.5%
Third-Parties	336	454	118	35.1%
Income	(9,402)	(10,169)	(767)	8.2%
	7,245	6,820	(425)	-5.9%

3.8 Employees - £129k under budget (1.3%)

Saving of £75k – Following the restructure of the Council’s leadership team in May 2016, a saving of £75k has arisen in the management team salaries budgets.

The remaining £54k is due to vacancies spread across the services. This is 0.5% of the employee budget.

3.9 Supplies and Services - £269k over budget (5.9%)

Pressure of £100k – This pressure relates to budgeted savings in the Parking service which have not been achieved in 2016/17 due to negotiations with our contractual partners taking longer than anticipated. These have now been concluded and the savings have been scheduled for 2017/18. Additional costs of upgrading Pay and Display machines (£15k) prior to the introduction of new £1 coin in March 2017 have also contributed to the overspend..

Pressure of £70k – This pressure has arisen from a review of the Estates service (£25k), which has assisted in identifying future efficiencies in the service of £50k, and from one off professional property fees incurred in order to generate capital receipt and to maintain existing revenue income streams such as the Aerial sites.

Pressure of £55k – A pressure has arisen in the Revenues and Benefits service from bank charges incurred. The new system of credit card surcharging has been successfully implemented with all fees fully recovered through the charging. Fee income is reported within the income budget which has over achieved its target in year. However changes made to the charging mechanism for debit cards have resulted in the pressure as the provider now charges on a percentage basis not

as a flat fee. This was implemented part year and was therefore not factored into the budget.

Pressure of £40k – A pressure of £40k has arisen in the Cemeteries service, in relation to new monitoring equipment including Hand Arm Vibration monitoring to satisfy health and safety requirements and to ensure there is consistency across council departments.

3.10 **Third Parties - £118k over budget (35.1%)**

Pressure of £120k – a pressure has arisen in the Facilities Management service due to one-off costs relating to the move the Council's new offices The Forum. These costs have been passed back to the Council's partners through service charges recharges (see paragraph 4.4 below) and results in no actual cost to the Council.

3.11 **Income £767k over-achievement of income (8.2%)**

The income on Investment Properties has exceeded budget by £210k. An additional £110k of income has been generated as a result of successful rent reviews secured this financial year that exceed the inflation factor put into the budget. Additional income of £70k is related to turnover based rents on specific sites. In addition, service charges have generated an additional £30k of income due to efficiencies identified by the finance and estates teams working together to improve the methodology for billing tenants that have been implemented in the year. This will be scrutinised to see if the over achievement of rental income can be built into the 2018/19 budget.

Over-achievement of £210k – An additional £210k of income has been generated from properties being used as Temporary Accommodation by the Housing Service. A higher than expected number of properties is being used as Temporary Accommodation as there is an increase in demand. Council owned properties managed by commercial assets are being used to maximise occupancy and to minimise expensive bed and breakfast provision for Housing. This will be additional income that can be factored into 2018/19 budget assumptions.

Over-achievement of income £135k – This additional income relates to Premises and Third Party costs of The Forum, and is being charged back under lease agreement to the Council's partners through service charge recharges (see paragraph 4.3 above).

Over-achievement of £100k – Car parking income has achieved a surplus of £100k this financial year, due to an increased volume of customers using the Council owned car parks and the mild and dry year.

Over-achievement of £50k – An over-achievement of income of £50k has been realised in the Revenues, Benefits and Fraud service. £26k relates to the Benefits Administration Subsidy grant from central government, which was higher than previously expected. £16k relates to various items of grant funding, which have been received by the service for specific requirements of central government. £7k has been generated from the sale of Fraud expertise to a neighbouring local authority.

Over-achievement of £33k – An insurance rebate of £33k has been received. Under the Council's policies, rebates are receivable if the claims experience is particularly good in the prior year where the council had claimed less than previously.

5. Strategic Planning and Environment

Strategic Planning and Environment	Current Budget £000	Provisional Outturn £000	Variance	
			£000	%
Employees	9,362	9,359	(3)	0.0%
Premises	859	842	(17)	-2.0%
Transport	1,479	1,421	(58)	-3.9%
Supplies & Services	3,784	3,909	125	3.3%
Third-Parties	88	89	1	1.1%
Income	(8,465)	(8,687)	(222)	-2.6%
	7,107	6,933	(174)	-2.4%

4.1 Supplies and Services - £125k over budget (3.3%)

Overspend of £125k – An overspend of £125k has arisen due to insurance provisions in Environmental Services budgets. These relate to public liability claims not covered by insurance, particularly two large subsidence claims for domestic properties from tree roots that have been settled.

4.2 Income - £222k over-achievement of budget (2.6%)

Over-achievement of income of £240k – In Waste Services an additional £180k of income has been generated as a result of an incentive payment from Hertfordshire County Council (HCC). This payment rewards Dacorum for improvements in the rate of recycling as a result of the co-mingled waste service. A surplus of £60k has also been realised in recycling credits, following improved co-mingled and green waste tonnages.

6. Housing and Community

Housing & Community	Current Budget	Provisional Outturn	Variance	
	£000	£000	£000	%
Employees	2,549	2,672	123	4.8%
Premises	805	761	(44)	-5.5%
Transport	16	13	(3)	-18.8%
Supplies & Services	2,134	2,111	(23)	-1.1%
Third Parties	758	743	(15)	-2.0%
Income	(4,441)	(4,682)	(241)	5.4%
	1,821	1,618	(203)	-11.1%

4.3 Employees - £123k over budget (4.8%)

Pressure of £123k – In certain services such as the Adventure Playgrounds where adult to child ratios need to be maintained the vacancy provision is not applied and the overspend here is a result of staffing levels needing to be achieved during periods of sickness. Staffing costs (£56k) that are being recovered for staff seconded to partners with no net cost to the Council are included within this section with the income over-achievement set out in paragraph 6.2.

4.4 Income - £241k over-achievement (5.4%)

Over-achievement of income £210k – The income from the rental of Garages has exceeded budget by £210k. This is due to the improvements and active management implemented within Housing during 2016/17 to minimise void levels. An increase in garage income (£400k) has been factored into the 2017/18 base budget. Income associated with the recovery of staff costs (£56k) seconded to partners as per paragraph 6.1 is also included within this heading.

7. Non-Controllable Expenditure and Corporate Items

3.12 Appendix A includes the provisional outturn for non-controllable expenditure and corporate items. These are largely year-end accounting adjustments. The major variances arising are detailed below:

Surplus of £110k – There is a surplus of £110k in Housing Benefits and Subsidy. This is a variance of 0.2% on the total budget, which amounts to £48.2m.

Surplus of £43k – There is a surplus of £43k on the recharge to the HRA. The year end review of recharges has been carried out, and based on updated time allocations, an increased recharge to the HRA of £43k is required.

Surplus of £26k – There is a surplus of £26k on Interest Receipts. Slippage and underspends on the General Fund capital programme of £2.4m, has meant the Council has held higher cash balances during the year. These higher balances

have been invested in line with the Council's treasury management strategy and have generated an additional £26k of interest receipts.

Surplus of £210k - Additional new burdens grants totalling £204k, along with an adjustment of £6k to prior year New Homes Bonus grants, provide an additional £210k of unallocated grants. Included in these grants is £73k towards the cost of meeting welfare reforms and benefit cap changes. The work involved with these reforms has been absorbed within the Revenues and Benefits service, with no additional budget having been required. Section 31 grants are retained corporately unless there is evidence of a significant New Burden.

Increase in Revenue Contribution to Capital £336k – this increase is in line with 2016/17 reserves movements approved by Council in February 2017 as part of the 2017/18 budget setting process.

- 3.13 Further accounting adjustments have been processed since the production of the Provisional Outturn, however no major variances have arisen through this process, and the position detailed in this report is consistent with the outturn position reported to Audit Committee at its meeting of 28 June 2017.

8. Housing Revenue Account (HRA)

- 3.14 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.

3.15 Key changes between periods

The forecast position at Quarter 3 was a reduced contribution to balances of £345k. The position at Quarter 4 is a reduced contribution to balances of £351k. Although this is a small movement overall, there are a number of items which make up this movement, which are as follows:

Budget Monitoring Quarter 3 - HRA variance against contribution to balances	345
Properties owned by the General Fund £210k, £65k higher than expected level of Right To Buy sales	275
Leaseholder Service Charges - higher than anticipated recovery	(170)
Increase in responsive repairs	204
Premises expenditure in Supported Housing (building R&M and utilities)	(130)
Increased income from minor capital receipts	(60)
Increased underspend from vacancies in services	(50)
Other minor changes	(63)
Budget Monitoring Quarter 4 - HRA variance against contribution to balances	351

- 3.16 The following sections provide an analysis of the projected provisional outturn and major budget variances shown by HRA grouping as set out in Appendix B.

4.5 Dwelling Rents - £693k under-achievement of income (1.2%)

£415k of the pressure on this budget line is due to General Fund properties being used by the HRA to house Council tenants. A budget of £160k was incorrectly allowed for this in the Supervision and Management line as a recharge from the General Fund. The combination of the budgeting error (£160k) plus the additional use of the General Fund properties (£210k) results in a £370k under achievement of income.

£120k of the pressure is due to a budgeting error in Supported Housing (0.2%), and an additional £115k is due to higher than expected Right to Buy sales.

4.6 Non-Dwelling Rents - £42k over-achievement of income (52.2%)

This income stream relates to rental income on telecommunications aerials around the borough. New leases have been negotiated which has generated an additional £42k of income.

4.7 Contribution towards Expenditure - £90k over-achievement of income (13.7%)

A deficit of £135k had been anticipated in leaseholder charges for repairs work, however the final figure for the year is a surplus of £22k. The service have worked closely with Osborne during the year on the level of works chargeable to leaseholders, and a more accurate estimate has therefore been produced for this financial year end.

There is a surplus on the budget for minor capital receipts of £133k for work carried out by the Estates and Legal teams, such as deed of variation and lifting of restrictive covenants. This is partially offset by a deficit of £80k in income generated from recharges to tenants and leaseholders, as the income generated to date has been modest.

4.8 Repairs and Maintenance - £477k over budget (4.5%)

The pressure in repairs reported at period 9 was £273k. Since period 9 contractual discussions over charging rates have caused some delays in the programme for planned work, and it was anticipated that overall the Repairs and Maintenance budgets would finish the year broadly in line with budget. During the last quarter and in particular the last month of the year however, there was a marked increase in responsive work volumes, which is attributed in the main to repairs required after storm 'Doris' (approximately £110k). There was also an increase in void works with a rise in the quarterly number of properties from a year average of 176 to 212. In addition Osborne under-estimated the amount of works in progress for year end when reported at period 11. A decision was taken earlier in the year to mitigate the position on revenue by withholding some elements of non-essential capital improvements works (see paragraph 9.5). This has been kept under review over the course of the year to ensure that the overall repairs and maintenance budget has been balanced across revenue and capital.

4.9 Supervision & Management - £689k under budget (5.9%)

The projected underspend has arisen in the following areas:

£160k underspend from the budget for General Fund properties being used by the HRA being set in Supervision and Management. The actual charge has been posted against Dwelling Rents.

£130k underspend on premises expenditure in Supported Housing. There is an underspend in building repairs and maintenance, and savings in utilities in Elderly Peoples' Dwellings.

£100k underspend in the Tenants and Leaseholders section from vacancies in the Supporting People service. This will be examined as part of the 2018/19 budget setting process to identify if the savings can be delivered on an ongoing basis.

£100k underspend in the Housing Cleaning service from vacancies in the service and a reorganisation of the management team. This will be examined as part of the 2018/19 budget setting process to identify if additional savings can be delivered on an ongoing basis as well as the supervisory post that has already been removed as part of 2017/18 savings.

£70k underspend in the Under Occupation Incentive Scheme due to lower volume of moves in the scheme this financial year.

4.10 **Transfer to Housing Reserves - £351k under budget (2.6%)**

The overall variance on the HRA is currently forecast to reduce balances by £351k. It is proposed that this be funded from an underspend in the capital budgets.

9. Capital Programme

9.1 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 2017/18 rather than 2016/17, or conversely, where expenditure planned initially for 2017/18 will now be in 2016/17.

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.

The current budget is the original budget approved by Cabinet in February 2016, plus approved amendments, including re-phasing of the slippage identified at Quarter 1 into 2017/18.

	Current Budget £000	Provisional Outturn £000	Rephasing £000	Variance	
				£000	%
Finance & Resources	13,385	12,207	(851)	(327)	-2.4%
Strategic Planning & Environment	6,765	5,618	(779)	(368)	-5.4%
Housing & Community	1,742	1,707	(26)	(9)	-0.5%
G F Total	21,892	19,532	(1,656)	(704)	-3.2%
HRA Total	27,390	19,236	(7,813)	(341)	-1.2%
Grand Total	49,282	38,768	(9,469)	(1,045)	-2.1%

Key changes between periods – General Fund

3.17 A summary of the changes between periods is as follows:

	Rephasing £'000	Variance £'000
Budget Monitoring Quarter 3 - GRF Capital variance against budget	(1,278)	406
Demolition of Health Centre - Demolition price included within offer price therefore demolition budget no longer required.	0	(335)
Forum - additional budget for HCC fit out	(279)	(235)
Gade Zone	(87)	
Hemel Sports Centre heat and power - Specialised custom unit has 2 month build time	(175)	0
Play Area refurbishment	(71)	0
Maylands Urban Realm - savings from project re-engineering and securing additional funding from HCC	0	(356)
Water Gardens - increased level of spend in later months	576	(235)
Hemel Street Furniture	(111)	
Other changes	(231)	51
Budget Monitoring Provisional Outturn - GRF Capital variance against budget	(1,656)	(704)

3.18 General Fund Major Variances

There is an overall underspend of £2.36m on the General Fund. This is a combination of forecast underspend of £704k, and slippage of £1.656m (7%) into 2017/18.

The projected net underspend of £704k includes:

- Line 44: underspend of £290k on Demolition of the Health Centre. The demolition is no longer required, because an acceptable offer for the purchase of the land has been received, and the developer intends to demolish the building themselves.

- Line 168: underspend of £341k on the budget for Maylands Urban Realm. The project was value-engineered to ensure that costs were kept as low as possible. Work was undertaken in conjunction with Herts County Council, and significant parts of the project were paid for by HCC as part of their Highway programme. In addition, external funding of £68k was secured to replace DBC own funding.
- Line 170: overspend of £207k on Regeneration of the Town Centre. An overspend of £93k was reported last financial year on the project, which added to the £207k in 2016/17, brings the total overspend on the project to £300k, approximately 6% of the overall budget. Unbudgeted grant and Section 106 funding has been received to the value of £105k, which offsets some of the overspend, reducing the total position to 4% of the budget.
- Line 173: underspend of £222k on Bus Interchange project. £300k was carried forward from 2015/16 as slippage, in anticipation of the final costs on this project. Given the complexities of previous projects such as the Town Centre Regeneration, where a number of unforeseen expenses were incurred, a prudent estimate of the final costs was made, however this estimate has subsequently proved to be too high.

The rephasing to future years of £1.656m includes:

- Line 45: slippage of £75k on Old Town Hall café roof and stonework renewal. Works will now take place in August 2017, with the delay being as a result of ensuring the works could be procured and delivered during acceptable weather conditions and at a time that would cause the least disruption to the service.
- Line 58: slippage of £149k on Kingshill Cemetery - Welfare Provision. A longer than expected project design stage, planning and other consultations have now pushed this project into 2017/18.
- Line 88: slippage of £168k on The Forum. Minor works are still expected to take place to resolve snagging issues.
- Line 89: slippage of £87k on Gade Zone. This budget for professional fees regarding the Gade Zone development will now mostly be required in 2017/18.
- Line 96: slippage of £82k on Future Vision of CRM. Progress with the deployment of CRM has been delayed significantly due to changes in the provider Northgate's strategic approach to the product. Northgate advised the council in June 2016 that a new version of the product is being developed and advised against substantial development on the current platform. CRM development is therefore being pushed back to 2017/18.
- Line 102: slippage of £70k on EIS replacement. Consideration was given to the possibility of joining the Herts Framework to undertake transactional HR work via Serco, who are contracted to run the Council's Payroll service.

Unfortunately, this option was not viable. Other HR systems that would fulfil the business needs are currently being reviewed.

- Line 144: slippage of £100k on Hemel Sport Centre renew heat and power system. The particular unit required is specialised and has a build time of over 2 months. The cost will now be incurred in 2017/18.
- Line 171: slippage of £377k on Maylands Business Centre. There was a delay in granting planning permission on the site until October. When works commenced on site, an unforeseen issue with one of the main drainage pipes was discovered, which has led to a delay in the scheme.
- Line 176: slippage of £81k on Hemel Street Furniture. Resources have been concentrated on the Water Gardens project, which has led to some delays in the street furniture project.

3.19 Key changes between periods – HRA

	Rephasing £'000	Variance £'000
Budget Monitoring Quarter 3 - HRA Capital variance against budget	(5,668)	(501)
Planned Fixed Expenditure - underspends in Osborne capital budgets to offset overspend in revenue budgets	(2,246)	184
Wood House - no spend had been expected this financial year, but the build has now commenced	552	0
Stationers Place - additional budget to be slipped	(145)	0
Able House - additional budget to be slipped	(329)	
Other changes	23	(23)
Budget Monitoring Provisional Outturn - HRA Capital variance against budget	(7,813)	(340)

3.20 There is an underspend on the HRA capital programme of £8.153m.

- Lines 181-185: slippage of £2.2m on the Property and Place budgets for planned capital works. Work streams managed by Osborne have been delayed due to contractual negotiations over charging rates. In addition, the revenue budgets managed by Osborne were forecast to exceed budget, and a decision was taken to slow down on non-essential capital work to balance this.
- Line 181-185: underspend of £351k on the budgets for planned capital works. This underspend has arisen from the gain share realised on Osborne capital works during the year. The underspend has been deliberately set aside and can be utilised to fund the overspend in revenue repairs in the HRA which is leading to the overall HRA revenue budget being in deficit of £351k.

- Line 189 and 190: underspend of £150k and £140k respectively on Farm Place and St Peter's Court. Although these schemes are complete, budget was slipped forward from 2015/16, which will be reallocated to Stationers Place.
- Line 191: underspend of £791k on Aspen Court, London Road Apsley. At the time of setting the budgets, an additional allocation of £600k was allowed for to cover previously unforeseen costs. This was incorrectly allocated to the Aspen Court, London Road budget, however it should have been allocated to Stationers Place. The underspend on this line will therefore be transferred to Stationers Place via a reallocation of the slippage. This has been taken into account in the budget setting process for 2017/18.
- Line 193 slippage of £2m on Wood House. The anticipated commencement of the build slipped from September to January 2017, due to the procurement process taking longer than expected. There were clarification questions from bidders and additional time was requested.
- Line 194: slippage of £1.4m on Stationers Place. The project has slipped due to delays in the procurement process and the clarification process needed additional time.
- Line 199: slippage of £822k on Able House. The project started on site 2 months later than expected, and is therefore expected to finish in 2017/18 rather than the end of 2016/17.
- Line 198: slippage of £1.3m on Swing Gate Lane. The project has been moved back 3 months.

10. Balances and Reserves

- 10.1 The Reserves Summary at Appendix D reflects the movements approved by Council in February 2017 and updated for the reserve movements as set out below.
- 10.2 In cases where reserves were to be drawn down in 2016/17 to fund budgeted expenditure which was not spent in full, only the amount required to fund actual expenditure was drawn down.
- 10.3 Variances over £30k on recommended reserve movements compared to the original budget and additional movements approved in year are as follows:
 - Management of Change Reserve - £37k increased drawdown. A drawdown of £40k for 2 years (2015/16 and 2016/17) was budgeted towards the management of a community centre at Woodhall Farm. A timing difference in the payments to the community centre led to a reduced drawdown of £3k in 2015/16, and an increased drawdown of £77k for 2016/17. Overall the agreed amount of £80k will be funded over the 2 year period.
 - Management of Change Reserve – £84k reduced drawdown. A drawdown of £100k was budgeted to be drawn down to fund the costs of digitisation of data in the Planning Service. Stage payments are being made to the contractor

after completion of each stage of work. A drawdown of £16k will be required to fund expenditure in 2016/17, with the balance being required in 2017/18.

- Local Development Framework reserve - £66k reduced drawdown. A drawdown of £332k was budgeted to fund planned expenditure in 2016/17, however only £266k is required, with the balance being required in 2017/18.
- Planning & Regeneration Project Reserve - £38k reduced drawdown. A drawdown of £40k was budgeted to be drawn down towards revenue costs of the Water Gardens project. Due to delays in the scheme, £2k is required in 2016/17 with the balance of £38k being required in 2017/18.
- Planning Enforcement and Appeals Reserve - £50k drawdown. Legal costs of £50k have been incurred in upholding decisions made by the Development Control Committee. These costs can be met from the Planning Enforcement and Appeals Reserve, in accordance with its terms of use. This assists in stabilising the financing of fluctuating annual costs of planning appeals.
- Litigation Reserve - £66k drawdown. Legal costs of £66k have been incurred in Regulatory Services relating to complex legal cases that the council is currently involved in. These costs can be met from the Litigation Reserve, in accordance with its terms of use.
- Maylands Plus Reserve - £77k additional contribution to the reserve. Surpluses generated at Maylands Business Centre are contributed to the Maylands Plus reserve towards future works at the premises or other economic development schemes. In 2016/17 the centre generated a surplus of £77k, before recharge of support costs, through increased income and reduced running costs.

10.4 Appendix A shows that after the above reserve movements are made there will be an increase to the General Fund Working Balance of £1.158m. In February 2017, Cabinet approved the strategy of maintaining the General Fund Working Balance at £2.5m. It is therefore recommended that the surplus of £1.158m is transferred to earmarked reserves as follows:

- Management of Change Reserve – increase the reserve by £450k. The Council's MTFS demonstrates that the Council still faces significant savings targets in the medium term. Achieving these targets whilst maintaining front-line services will require the Council to continue investing in new, more efficient ways of working that generate ongoing revenue savings. The Management of Change reserve supports the Council to meet the costs associated with these initiatives.
- Capital Development Reserve – increase the reserve by £500k. In pursuit of the revenue savings identified within the MTFS, the Council continues to explore initiatives capable of generating revenue savings/income whilst simultaneously enhancing the borough for its residents. Examples of such initiatives are the creation of a Development Company to increase the supply of good quality housing across the borough; reviewing options for further development of leisure assets; the delivery of a multi-storey car park; and the delivery of further temporary accommodation premises to relieve housing pressures.

These are major capital projects which attract significant feasibility and design costs upfront, before giving a return on investment. It is recommended that a Capital Development reserve is created to contribute towards the financing of these costs.

- On Street Car Parking Reserve – increase by £208k. This reserve is used to fund the costs associated with parking initiatives put in place by the council to relieve pressure on parking across the borough. Based on average levels of expenditure over the last 5 years, an annual amount of £40k is required.



Agenda item:

Summary

Report for:	Finance & Resources Overview and Scrutiny Committee
Date of meeting:	4 July 2017
Part:	1
If Part II, reason:	

Title of report:	Finance & Resources Performance and Risk Report Quarter 4 2016/17
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources Cllr Neil Harden, Portfolio Holder for Residents and Corporate Services David Skinner, Assistant Director (Finance & Resources)
Purpose of report:	To provide Committee with analysis of quarterly performance and risk management within Finance & Resources for the quarter to March 2017
Recommendations	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 4 2016/17.
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 <i>Delivering an efficient and modern council</i> and, through Revenues, Benefits and Fraud division, <i>Building strong and vibrant communities</i> .
Implications:	<u>Financial</u> Contained within the body of the report.
'Value for money' implications	<u>Value for money</u> Contained within the body of the report.
Risk implications	Contained within the body of the report
Equalities implications	None
Health and safety Implications	There are no health and safety implications.
Consultees:	Group Manager (Commercial Assets & Property Development) Group Manager (Financial Services) Group Manager (Revenues, Benefits and Fraud) Group Manager (Procurement, Commissioning & Compliance)

Background papers:	7/3/17 F&R OSC Performance & Risk Report Quarter 3 2016/17
Glossary of acronyms and any other abbreviations used in this report:	F&R OSC – Finance and Resources Overview and Scrutiny Committee

1. 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, and to review how the key risks facing the Services are being managed.
2. The attached appendices provide comprehensive risk and performance information for Finance & Resources for Quarter 4 of 2016/17 (January - March).

Appendix A - Performance Report

Appendix B - Risk Report

3. All scores as set out in the operational risk register at Appendix B have been reviewed during Quarter 4. There have been no changes to report.

OPERATIONAL RISK REGISTER

March 2017



Finance & Resources - David Skinner

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

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: David Skinner	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	1 Very Unlikely	4 Severe	4 Green
Consequences		Current Controls		Assurance	
<ul style="list-style-type: none"> • Calls are not resolved at first point of contact. • Insufficient time is dedicated to callers to ensure that call has been fully resolved in a satisfactory manner. • Reputational damage to the Council. 		<ul style="list-style-type: none"> • New KPI's have been set to provide greater clarity on the quality of the performance • Regular customer & stakeholder surveys • Quarterly quality assessments with GM's • Monthly meetings with back office to assess service delivery and monthly operational Board meetings to escalate issues. • Monitoring of complaints and performance 		<ul style="list-style-type: none"> • Monthly performance reports • Minutes of Operational Board meetings • Quarterly Partnership Board meetings • All performance indicators are on track. • The above provide assurances that the CSGC contractor maintains focus on achieving the response targets and quality of service. 	

Sign Off and Comments

Sign Off Complete

Performance has been maintained from quarter 3 with the exception of the Abandoned Call Rate increasing marginally above target and the Face to Face waiting time more than 20 minutes. These issues were as a result of the move to The Forum, staff having to manually issue tickets and escort visitors and some issues with the telephony. The CSU also experienced a 15% increase in visitor numbers compared with the same period last year as more visitors came to The Forum. A right to remedy has been issued for both performance indicators. Customer satisfaction scores have improved from quarter 3.

FR_CPC01 Failure to comply with procurement legislation and internal controls

Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:
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OPERATIONAL RISK REGISTER

March 2017



Reputational	Dacorum Delivers		David Skinner	Graeme Elliot	Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	1 Very Unlikely	4 Severe	4 Green
Consequences		Current Controls		Assurance	
<ul style="list-style-type: none"> The Council would face an increased risk of legal challenge from unsuccessful bidders Contracts could be set aside by the courts The Council could face financial penalties under the Remedies Directive The delivery of contracts could be delayed Lack of a robust and transparent procurement process Unable to demonstrate value for money All of the above would result in damaging the Council's reputation 		<ul style="list-style-type: none"> The Commissioning & Procurement Standing Orders (CPSO's) have been re-written to complement the Public Contract Regulations 2015. The CPSO's have been written to simplify the processes for officers to follow. All OJEU tenders must be supported by an officer of the Commissioning & Procurement team. All procurement officers that manage the OJEU tenders are professionally qualified. 		<ul style="list-style-type: none"> The CPSO's are regularly updated following any policy notes or guidance as issued by Crown Commercial Services Awareness training on the CPSO's is offered to all GM's and their teams. Procurement officers keep abreast of changes in legislation and best practice within the industry. Internal audit have completed a draft report on Contract management that is still in discussions between officers and the internal auditors. The internal audit report has been finalised and provided a full and substantial level of assurance on contract management. 	
Sign Off and Comments					
<p>Sign Off Complete</p> <p>The work of the team in scrutinising contracts and ensuring compliance with legislation is reflected in positive assurance from Internal audit as previously reported to the audit committee.</p>					

FR_CPC02 Continued Non-Authorised procurement expenditure

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: David Skinner	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score

OPERATIONAL RISK REGISTER

March 2017



4 Very Likely	2 Medium	8 Amber	1 Very Unlikely	3 High	3 Green
Consequences		Current Controls		Assurance	
<ul style="list-style-type: none"> This expenditure may result in the Council being in breach of procurement legislation This increases the risk of legal challenge and the Council could face penalties under the Remedies Directive Lack of a robust procurement process may increase the risk of fraudulent activity Potential for non-compliance with relevant legislation such as H&S Poor financial management All of the above would result in damaging the Council's reputation 		<ul style="list-style-type: none"> The CPSO's have been re-written to complement the Council's Financial Regulations with regards to officer authorisation levels. The CPSO's clearly define the processes that must be followed by officers when procuring goods, services and works. Contracts have been set up for corporate requirements. 		<ul style="list-style-type: none"> Working with colleagues in finance to implement a 'No PO No Pay' policy. Working with colleagues in finance to roll out the 'Electronic Purchasing Card'. Awareness training on the CPSO's is offered to all GM's and their teams. 	
Sign Off and Comments					
<p>Sign Off Complete</p> <p>The continued success of "No PO No Pay" is continuing with improved compliance levels. The percentage of trade creditor invoices being paid within 30 days has stabilised at 97.6% against a target of 95% and compares favourably with the same point last year of 96.1%.</p>					

FR_F02 Delays to Capital programme

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: David Skinner	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	2 Medium	6 Amber	4 Very Likely	2 Medium	8 Amber
Consequences		Current Controls		Assurance	

OPERATIONAL RISK REGISTER

March 2017



<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>	<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 focussed 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"> • How robust are the assumptions on the estimated duration of the procurement exercise? • How realistic is the estimated time taken for contractors to deliver the works? • How realistic are the assumptions on officer availability to manage the project on time? <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"> • Capital Strategy Steering Group (CSSG) comprising senior officers from across the Council required to challenge new bids for robustness ahead of recommendation to Members; • Monthly meetings take place between accountants and budget holders to monitor progress against original 	<p>The 2013/14 Final Outturn showed that the slippage of capital projects was around 30% against the Original Budget approved by Members in February 2013. This is an improvement on previous years where slippage against Original Budget has been around 60%.</p> <p>As at the end of Quarter 2 2014/15 (the mid-point of the year), the capital forecast on the General Fund is broadly on budget, with no material slippage reported at this stage. Slippage on the HRA capital programme is forecast to be well below 5%.</p> <p>The budget position as at Quarter 3 was reported to Cabinet in February 2015. The report showed that forecast net slippage on the General Fund Capital Programme was low at around 3%. Forecast slippage on the HRA Capital Programme has, however, increased significantly since the Quarter 2 forecast, at around 25%.</p> <p>The Provisional Outturn was reported to Cabinet in May 2015. The report showed that slippage against the full year budget on the General Fund Capital Programme was around 10%. Outturn on the HRA shows slippage of around 24%. These are addressed in more detail in the sign-off notes, below.</p> <p>2014/15 Confirmed slippage into 2015/16 was £10.1m or 10% of the total approved capital programme according to the 2014/15 approved accounts.</p> <p>The Provisional Outturn was reported to Cabinet in May 2016. The report showed that slippage against the full year budget on the General Fund Capital Programme</p>
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OPERATIONAL RISK REGISTER

March 2017



Page 27	<p>timeframes and costs;</p> <ul style="list-style-type: none">• Corporate Management Team (CMT) receive a monthly report on the progress of capital projects against anticipated timeframes;• Performance Group comprising Chief Officers and cabinet Members receive a monthly report on the progress of current projects;• 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.	<p>was around 28%. Outturn on the HRA shows slippage of around 5%.</p> <p>2015/16 Confirmed slippage into 2016/17 was £8.1m or 28% of the total approved capital programme according to the 2015/16 approved accounts.</p> <p>As at the end of Quarter 2 2016/17(the mid-point of the year), the capital forecast on the General Fund is broadly on budget, with no material slippage reported at this stage. Slippage on the HRA capital programme is forecast to be 8% or c£2m.</p> <p>AS at the end of Quarter 3 the HRA capital programme is on track with no material slippage. The forecast for the General Fund is reporting slippage of 5% (£873k).</p> <p>The Provisional Outturn was reported to May Cabinet. It shows the HRA capital programme is forecasting slippage of 29% (£7,881k).</p> <p>The General Fund is on track reporting slippage of 8.6% (£1,844k)</p>
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Sign Off and Comments

Sign Off Complete

The additional work carried out in scrutinising the capital programme is reflected in the revised forecast with slippage on the General Fund within target.

The HRA slippage will be examined for optimism bias and for further opportunities to speed up delivery based on the same approach to that taken on the General Fund for 2016/17. The 3 main schemes that have slipped are Wood House, Stationers Place and Swing Gate Lane. The commencement date for Wood House slipped from September to January. The time taken to go to the market for the work on Stationers Place was longer than anticipated and the commencement of the project at Swing gate Lane has been moved back 3 months.

OPERATIONAL RISK REGISTER

March 2017



FR_F03 Variances in General Fund revenue budget

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: David Skinner	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	2 Medium	6 Amber	2 Unlikely	2 Medium	4 Green
Consequences		Current Controls		Assurance	
<p>Accurate, well-controlled budgeting relates directly to the achievement of the Dacorum Delivers corporate objective, and indirectly, through the financial decision-making process, 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>		<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 inculcating 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 Chief Officer Group and representatives from the Portfolio Holder group,</p>		<p>The Council's budgetary controls are assessed each year by Internal Audit. In January 2013, the Council received a 'Full' level of assurance.</p> <p>A further Internal Audit on the Council's budgeting process, undertaken in September 2014, resulted in a 'Substantial' level of assurance. Despite this being a lower mark than the exceptional one achieved in the previous audit, it should be noted that it remains a good result.</p> <p>The recommendations of the Internal Auditor that led to the reduced marking were not systemic in nature, and they do not pose a material threat to the overall control environment of the budget-setting process. Efforts have, however, been redoubled, and the causes of the recommendations have been addressed.</p> <p>An Internal Audit report on the Council's 'Main Accounting' function was presented to Audit Committee in February 2015, in which a 'Full' level of assurance was awarded. This audit covered a range of areas including</p>	

OPERATIONAL RISK REGISTER

March 2017



<p>Page 29</p>	<p>which 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 meetings between accountants and budget holders, which underpin monthly reports to CMT and 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>	<p>integrity of transactions, manual adjustments, and year-end procedures. All of these areas contribute to the accuracy of the in-year monitoring reports that the Finance team is able to produce. Consequently, Members can draw assurance from this audit opinion that the chances of this risk crystallising are reduced by the robust financial management procedures the Council has in place.</p> <p>Final confirmed outturn for 2014/15 was within £48k of budget (after contributions to and from reserves) as reported to Audit committee and approved as part of the audited accounts and was consistent with the budget monitoring over the preceding year.</p> <p>An Internal Audit report on the Council's 'Budgetary Control' function was presented to Audit Committee in April 2016, in which a 'Full' level of assurance was awarded. This audit covered a range of areas including budget setting; budget upload; budget monitoring and savings realization; budget alterations and virements; and management information. All of these areas contribute to the accuracy of the in-year monitoring reports that the Finance team is able to produce. Consequently, Members can draw assurance from this audit opinion that the chances of this risk crystallising are reduced by the robust financial management procedures the Council has in place.</p> <p>The 2015/16 audit of Core Financial Systems was also reported to have either Full or Substantial levels of assurance.</p> <p>Final confirmed outturn for 2015/16 was within 2% of</p>
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OPERATIONAL RISK REGISTER

March 2017



		<p>budget (after contributions to and from reserves) as reported to Audit committee and approved as part of the audited accounts and was consistent with the budget monitoring over the preceding year.</p> <p>Provisional Outturn reported to Cabinet in May 2016 demonstrated that the Council was on target (after contributions to and from reserves). Additional income was included within the outturn reported to Cabinet and meant that additional contributions could be made to reserves.</p>
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Sign Off and Comments

The surplus was more than previously forecast and was the result of income exceeding forecasts from several areas . The areas in question such as planning and volume related parking increases or profit related rents in Investment property are outside the direct control of staff. These areas have been challenged and scrutinised and the sustainable year on year income growth will be baselined to ensure that it is included in future revenue budgets.

FR_I02 Failure to optimise income generated by commercial assets

Category: Infrastructure	Corporate Priority: Dacorum Delivers	Risk Owner: David Skinner	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	3 High	9 Amber	2 Unlikely	3 High	6 Amber
Consequences		Current Controls		Assurance	
The council has a significant portfolio of commercially let properties, which provides one of the council's largest sources of income. Council officers must attempt to maximise income from these assets whilst avoiding the risk of vacant properties		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		The year-end performance figures for 2013/14 demonstrate that occupation rates are above target (98.8% against a target of 95%), and that the level of arrears is also better than target (at 7.32% against a target of 9.5%).	

OPERATIONAL RISK REGISTER

March 2017



<p>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 Dacorum Delivers.</p> <p>The continuing recession and the difficulties it brings for local businesses increases the likelihood of this risk crystallising.</p> <p>Page 31</p>	<p>addressed as quickly as possible. The existence of these controls has led to the 'Inherent Probability' of this risk occurring reducing from a score of 3, which is shown in the Residual Probability (i.e. after controls implemented) being a 1.</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 Corvu 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 year-end performance figures for 2014/15 demonstrate an occupation rate of 98.3% against a target of 95%. The level of arrears is at 6.5% against a target of 9.5%.</p> <p>Quarter 1 performance for 2015/16 are above target and demonstrate an occupation rate of 98.66 versus a target of 95%. The level of arrears has increased slightly to 7.3% versus a target of 9%.</p> <p>Q2 occupation levels are holding up well at 98.49% and arrears are being held within acceptable levels at 8.1%. Q3 occupation levels are marginally down at 97.99% and arrears have improved significantly by 1.7% to 6.4%.</p> <p>Q4 occupation rates have increased slightly to 98.49% and arrears have reduced from 6.45 down to 5%.</p> <p>Q1 occupation rates have reduced slightly to 97.99% versus a target of 95% and arrears have slightly increased to 7.3% versus a target of 8.8%</p> <p>Q2 occupation rates are 97.32% versus a target of 95% and arrears are at 8.1% versus a target of 8.8%. Investment property income is exceeding target and is £324k ahead of the Q2 result for 2015/16.</p> <p>Q3 occupation rates are 97.16% versus a target of 95% and arrears have reduced to 5.3% against a target of 8.8%. Investment property income is slightly ahead of target by 1% (£42k).</p> <p>2016/17 Q4 occupation rates have stabilized at 97.16%</p>
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OPERATIONAL RISK REGISTER

March 2017



		versus a target of 95% and arrears have increased slightly to 7.3% against a target of 8.8%. Investment property income is exceeding target by £475k.
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Sign Off and Comments

Sign Off Complete

Delivery on both occupation rates and arrears levels continues to be strong, both exceeding the targets. Investment property income is exceeding target as a result of turnover based rents exceeding historic trends and improved methods for the recovery of service charges. Housing are also using the investment properties to avoid expensive Temporary Accommodation costs contributing c£200k of surplus income.

Page 104 Failure to maintain an effective business continuity plan for all relevant service areas

Category: Infrastructure	Corporate Priority: Safe and Clean Environment	Risk Owner: David Skinner	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
Disruption caused by service failure leading to hardship for individuals, potential loss of business and significant reputational damage		These controls are implemented to ensure that the Council is adequately prepared and able to continue providing key services in the event of an emergency situation. Through this control, the probability of the Council being unable to respond to such an emergency is reduced. - Annual review process. - Corporate business continuity process and procedures set out in emergency response toolkit.		A CMT emergency planning exercise was conducted in October which all members of the Finance and Resources DMT attended.	

OPERATIONAL RISK REGISTER

March 2017



Sign Off and Comments

Sign Off Complete

Departmental business continuity plans have been reviewed to reflect the move to the Forum and will be monitored for on-going changes.

FR_R01 Council Tax and Business Rates collections rates drop below budget

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: David Skinner	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	2 Medium	6 Amber	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
<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>		<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 reduce the risk of under-collection because it eliminates the risk of a payer forgetting to make a monthly payment.</p>		<p>The full year Council Tax Collection Rate for 2013/14 (Performance Indicator RBF05) was 97.7% against a budget of 97.5%.</p> <p>The full year Business Rates collection rate in 2014/15(Performance Indicator RBF04) was under budget at 98.1% against a target of 99%.</p> <p>Q1 Council Tax collection rates is 30.2% versus a target of 30.1%</p> <p>Q1 Business Rates collection is 30.2% versus a target of 24.8%</p> <p>Q2 Business rates collection is 52.6% achieved versus a target of 51.5%.</p> <p>Council tax collection is on target at 58%.</p> <p>Q3 Business rates collection is 77.2% and is running at</p>	

OPERATIONAL RISK REGISTER

March 2017



<p>Page 34</p>	<p>There is an active programme for taking formal recovery action against non payers.</p>	<p>0.5% ahead of target. Council tax collection is at 86.2% which is 0.2% off target but is a 0.1% improvement from the same period last year.</p> <p>Internal Audit have performed a routine assessment of the control environment within Council Tax collection and have given an assurance of Full/Substantial . This is a good result and has highlighted a number of minor improvements that can be made to the timeliness of some work. This does however provide assurance to members that the fundamental design and operation of the control processes are robust.</p> <p>Members can gain additional assurance from the routine Internal Audit assessment of Business Rates as being at Full/Substantial levels.</p> <p>Council tax collection for 2015/16 was 98% which is 0.3% improvement on 2014/15. Business rate collection was 98.3% narrowly missing the target of 99% but improving on the 2014/15 performance by 0.2%.</p> <p>Q1 Business Rates collection is 27.7% which is exactly on target and Council tax Collection is 30.4% which is 0.2% up on target.</p> <p>Q2 Business Rates collection is 52.3% which is ahead of target (51.6%)and Council tax Collection is 58.2% which is 0.2% up on target.</p> <p>Q3 Business rates collection is slightly ahead of target(76.2) at 77.5%. Council tax collection is broadly</p>
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OPERATIONAL RISK REGISTER

March 2017



		<p>on target (86%) at 86.2%.</p> <p>Internal audit have presented two reports to audit committee giving 3/4 full levels of assurance to members on Council Tax and NNDR.</p> <p>2016/17 Q4 Business Rates collection is slightly below target (98.4%) at 97.9%.</p> <p>Council tax collection is ahead of target (98.1%) at 98.4%.</p>
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Sign Off and Comments

Sign Off Complete

The team continue to improve year on year collection rates and this approach coupled with the assurance statements from internal audit will allow them to continue to develop the approaches required to deliver the high levels of collection required. The drop in Business Rates collection occurred with the late addition of a significant property to the rating list mid-March 2017 therefore reducing the opportunity to collect the rates dues and a company that frequently pays late but in full. With these additions the collection rate would have been maintained at 98.3%.

FR_R02 Delays and errors in the processing of Benefits claims

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: David Skinner	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	3 High	12 Red	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
This risk links to the corporate objective Dacorum Delivers, focussing on an efficient and effective council. Customers could suffer personal hardship resulting from delays or errors in the processing of claims.		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		The successful and continuously improving management of this risk can be seen in the improved performance of KPI RBF01a - Average Time Taken to Decide a New Benefit Claim.	

OPERATIONAL RISK REGISTER

March 2017



<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>	<p>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.</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.</p> <p>Monthly meetings are held between senior officers within Finance & Resources to monitor detailed performance levels at each stage of the claims process.</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>Performance for the full year 14/15 was 22.9 days, which was within the target of 23 days for the first time.</p> <p>This represents an improvement of 4.5 days over the 27.4 days average in 2014/15, and an improvement of 9.9 days against the 12/13 result of 32.8 days.</p> <p>It should be noted that these improvements have been achieved without additional resource. It has purely been the result of improved process design and increased efficiency.</p> <p>Average time taken to decide a new claim for Housing benefit is 22.7 days versus a target of 23. This is the first quarter since the same period last year where the target has been met.</p> <p>Average time taken to decide a change event in Housing Benefit is at 12.3 days versus a target of 13.0.</p> <p>Q2 performance has been very good in relation to new claims. The team have achieved 19.6 days versus a target of 23 days.</p> <p>Q3 performance has been very good. New claims are now being processed within 17.4 days versus a target of 23 days. This is an improvement of 9.2 days on the same period last year and 2.2 days improvement on the previous quarter.</p> <p>The average time taken to decide on a change event in Housing benefit is 10.8 days versus a target of 13 days. This is an improvement of 5.6 days on the same period last year and an improvement of 1.5 days on the previous quarter in this year.</p>
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OPERATIONAL RISK REGISTER

March 2017



Page 37

Q4 performance has been very good. New claims are now being processed within 18.4 days versus a target of 23 days. This is an improvement of 6.2 days on the same period last year.

The average time taken to decide on a change event in Housing benefit is 4.9 days versus a target of 13 days. This is an improvement of 2.2 days on the same period last year and an improvement of 5.9 days on the previous quarter in this year. This reflects the inclusion of calculations relating to annual benefit uprating and rent changes but is still better than last year when similar changes occurred.

Q1 performance for the average time taken to decide a new claim for Housing Benefit is 20.8 days versus a target of 20 days. This is still 1.9 days better than the same point last year.

The average time taken to decide a change event is 8 days versus a target of 11.5 and is 4.3 days better than the same point last year.

Q2 performance for the average time taken to decide a new claim for Housing Benefit is 17.4 days versus a target of 20 days. This is an improvement of 2.2 days on the same point last year.

The average time taken to decide a change event is 9.9 days versus a target of 11.5 and is 5.4 days better than the same point last year.

Q3 performance for the average time taken to decide a new claim has improved to 15.3 days against a target of 20 days. This is an improvement of 2.1 days on the previous quarter.

OPERATIONAL RISK REGISTER

March 2017



		<p>The average time taken to decide a change event is 9.3 days against a target of 11.5 days. This shows an improvement of 0.6 days on the previous quarter.</p> <p>Q4 performance for the average time taken to decide a new claim increased to 22.6 days against a target of 20 days. This was an increase of 7.3days on the previous quarter and reflects the resourcing shortages experienced during the year.</p> <p>The average time taken to decide a change event is 3.2 days against a target of 11.5 days. This shows an improvement of 1.7 days on the same period last year.</p>
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Sign Off and Comments

Sign Off Complete

The reduction in performance in relation to new claims reflects the on-going resourcing issues that the team has been managing which finally impacted in quarter 4. Staff have now been recruited and performance improved for the final few weeks of the quarter. Therefore there is no need to change the risk score. The average time taken to decide a change events reflects the sustained year on year improvement in team performance.

F&R OSC QUARTERLY PERFORMANCE REPORT

Finance and Resources

March 2017



Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
CP01 - Percentage of commercial property occupation	Nicholas Brown Adriana Livingstone	97.16% (581/598) Target: 95	97.16% (581/598) Target: 95	98.49% (589/598) Target: 95	✓	Updater The level of occupancy is consistently high with continued focus and effort by the team.
CP02 - Percentage arrears on commercial property rents	Nicholas Brown Adriana Livingstone	7.3% (433400/5954789) Target: 8.8	5.3% (316518/6018991) Target: 8.8	5% (279955/5591777) Target: 9	✓	Updater With continued effort from Estates and Sundry debtors the figures remain on target.
CSU02 - Percentage of enquiries that are resolved at first point of contact within the Customer Service Centre	Mark Housden Tracy Lancashire	99.09% (13779/13905) Target: 90	99.01% (12378/12502) Target: 90	99.42% (11946/12016) Target: 90	✓	Owner Performance continues to be maintained. The reduction in the number of face to face customers has now reversed, possibly due to the operation moving to the Forum. The number of visitors has increased by 11% when compared with the previous quarter.
CSU03 - Percentage of customers satisfied with service received from the Customer Service Centre	Mark Housden Tracy Lancashire	100% (1423/1423) Target: 80	99.94% (1635/1636) Target: 80	99.62% (3110/3122) Target: 80	✓	Owner Satisfaction levels continue to be maintained

Page 39

Monitoring Information

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
CSU05 - Percentage of enquiries that are resolved at first point of contact within the Contact Centre	Mark Housden Tracy Lancashire	96.27% (30087/31252) Target: 90	96.43% (27704/28729) Target: 90	96.8% (31290/32326) Target: 90	✓	Owner Performance continues to be maintained
CSU06 - Percentage of customers satisfied with service received from the Contact Centre	Mark Housden Tracy Lancashire	99.26% (1206/1215) Target: 80	99.07% (1278/1290) Target: 80	98.39% (2636/2679) Target: 80	✓	Owner Satisfaction levels continue to be maintained
CSU09 - Head of Service Satisfaction Survey Score	Mark Housden Tracy Lancashire	100% Target: 45	100% Target: 45	100% Target: 45	✓	Owner Group Managers continue to show that they are satisfied with the service the CSU provides
CSU10 - Call Handling: Average wait time	Mark Housden Tracy Lancashire	198 Second(s) Target: 210	167 Second(s) Target: 210	171.67 Second (s) Target: 210	✓	Owner Performance during the last quarter was above target with calls being answered in an average of 3 minutes18 seconds.

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
CSU11 - Call Handling: Abandoned Call Rate	Mark Housden Tracy Lancashire	21.49% (8556/39808) Target: 20	19.81% (7171/36200) Target: 20	18.66% (7417/39743) Target: 20	✓	Owner Service levels slipped to below target this quarter. This target has proven consistently hard to meet and was set as part of the KPI review 18months ago. The January move to the Forum had a big impact on service levels as staff were involved in packing whilst continuing service delivery. Staff had to attend the Forum prior to go live to ensure they were all set up, able to log and familiar with the layout prior to Go live also impacted on cover. During the quarter we also had a number of problems with the telephony systems not being available and this also had a negative impact on performance. There were several periods where calls were dropped from the system . A right to Remedy has been issued.
CSU12 - Face to Face; Average Wait Time	Mark Housden Tracy Lancashire	245.67S Second(s) Target: 450	233S Second (s) Target: 450	377S Second(s) Target: 450	✓	Owner Average time to see customers during the last quarter was 4 minutes 6 seconds which is above target.

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
CSU13 - Face to Face: Waiting time more than 20 minutes	Mark Housden Tracy Lancashire	5.09% (708/13905) Target: 5	4.25% (531/12502) Target: 5	3.15% (379/12016) Target: 5	✓	Owner Service levels dropped below target this quarter. The January move to the Forum had a big impact on service levels as staff were involved in packing whilst continuing service delivery. Staff had to attend the Forum prior to go live to ensure they were all set up, able to log and familiar with the layout prior to the move impacted on cover. During the move systems were not available and staff were manually issuing tickets and escorting visitors and this impacted on service delivery. This was coupled with a 15% increase in visitors coming to the Forum when compared with the same period during 2016. A right to remedy has been issued.
FIN01 - Percentage of creditor trade invoices paid within 30 days	Richard Baker Sally Nunn	97.6% (2961/3035) Target: 96.5	97.7% (3075/3147) Target: 96	96.1% (3718/3868) Target: 96	✓	Owner An excellent result for the quarter.
FIN03 - General Fund expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£16804000 Target: 18566000	£17602000 Target: 18566000	£18894000 Target: 19248000	✓	Owner The key variances are detailed within the supporting financial performance report

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
FIN04 - HRA expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£43901000 Target: 44101000	£44196000 Target: 44101000	£58322000 Target: 57765000	✓	Owner The key variances are detailed within the supporting financial performance report
FIN05 - HRA income – outturn forecast against budget	Richard Baker Caroline Souto	£57102000 Target: 57654000	£57404000 Target: 57654000	£58025000 Target: 57765000	✓	Owner The key variances are detailed within the supporting financial performance report
FIN06 - General Fund Capital Expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£19534827 Target: 21378491	£20505683 Target: 21378491	£19004000 Target: 29218188	✓	Owner The key variances are detailed within the supporting financial performance report
FIN07 - HRA Capital Expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£19508610 Target: 27389688	£23044005 Target: 27389688	£30530000 Target: 32062071	✓	Owner The key variances are detailed within the supporting financial performance report
FIN08 - Investment income – outturn forecast against budget	Richard Baker Tracy Claridge	£471160 Target: 448000	£469910 Target: 448000	£533580 Target: 313000	✓	Owner The interest forecast shows a slight increase compared to Q3. This is mainly due to higher than budgeted balances due to right to buy receipts and the remainder of the PWLB loans that were taken in advance of need.

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
FIN11 - Investment Property Income ytd budget against ytd actual	Nicholas Brown Caroline Souto	£5048850 Target: 4574200	£4325510 Target: 4283703	£4666933 Target: 4218000	✓	Owner Comments There has been an additional £200k of income from General Fund properties being used by the HRA to house tenants. There is also an increase in service charges recovered and income from ground rent on turnover-based sites
FIN13 - Car Parking Income ytd budget against ytd actual	Nicholas Brown Caroline Souto	£2180855 Target: 2085140	£1614033 Target: 1563855	£2096178 Target: 2085000	✓	Owner Income is over target for the quarter.
RBF01 - Average time taken to decide a new claim for Housing Benefit	Chris Baker Matthew Kelly	22.6 Days (11706/518) Target: 20	15.3 Days (8152/533) Target: 20	18.4 Days (10311/559) Target: 23	✓	Updater Resourcing shortages reached a tipping point during the quarter, especially during March. Performance started to recover by the end of the quarter. Owner Overall performance for the quarter has been good, although as noted the resource gap due to vacant posts means it was not as good as the previous quarter. Recruitment is ongoing, and we expect performance to stabilise during the first quarter of next year.
RBF02 - Average time taken to decide a change event for Housing Benefit	Chris Baker Matthew Kelly	3.2 Days (51938/16357) Target: 11.5	9.3 Days (47250/5092) Target: 11.5	4.9 Days (70705/14510) Target: 13	✓	Updater Performance in this area remains consistently good.

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
RBF04 - NNDR (Business Rates) in-year collection rate	Chris Baker Jake Seabourne	97.9% Target: 98.4	77.5% Target: 76.2	98.3% Target: 99	✓	Owner Although we did not reach the target for collection by 31 March, performance has nevertheless been strong in this area. There are two properties which have had a major impact on the in-year collection. The first of these is a large office building - the new owners are making frequent short lets to another company, who are making payments, but not as promptly as the previous occupier used to. The second is a large addition to the Rating List which was only notified to us in mid-March. This means that the ratepayer did not have time to pay the due amount during 2016/17, but we do expect to receive full payment in time. Had both of these accounts been paid, the outturn would have been 98.3%, the same as last year.
RBF05 - Council Tax collection rate	Chris Baker Jake Seabourne	98.4% Target: 98.1	86.2% Target: 86	98% Target: 98	✓	Owner This is a great improvement in performance and is testament to the work done by the team to improve processes and customer service. Correspondence has been reviewed to help ensure that we can talk to people as soon as possible if they are struggling to pay, so we can reach suitable arrangements with them.

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
RBF06 - Council Tax customer contact response (percentage of contacts responded to within 14 days)	Chris Baker Anna Elliott	99% (9152/9276) Target: 98	99% (9744/9884) Target: 98	No Data Target: 90	✓	Owner Excellent performance in this area has been maintained - among other things this means that the information we used to send out the annual council tax bills was as up to date as possible.



AGENDA ITEM:

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	4 July 2017
PART:	1
If Part II, reason:	

Title of report:	Quarter 4 Performance Report – Legal Governance and Democratic Services
Contact:	<p>Cllr Neil Harden, Portfolio Holder for Residents and Corporate Services</p> <p>Author/Responsible Officers:</p> <p>Mark Brookes (Solicitor to the Council)</p> <p>Jim Doyle, Group Manager (Democratic Services)</p>
Purpose of report:	To provide Members with the performance report for quarter four in relation to Legal Governance and Democratic Services.
Recommendations	That Members note the report.
Corporate objectives:	Resources and Value For Money; Optimise Resources and Implement Best Practice.
Implications:	<u>Financial</u> None.
'Value For Money Implications'	<u>Value for Money</u> 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	Equality Impact Assessment completed for each service area

Implications	as part of service planning and reviewed quarterly.
Health And Safety Implications	None
Consultees:	Cllr Neil Harden, Portfolio Holder for Residents and Corporate Services
Background papers:	Annex 1: Quarter 4 Performance Report Annex 2: Quarter 4 Operational Risk Register

1. Members will find attached to this report the Corvu performance data for Legal Governance and Democratic Services, together with the Operational Risk Register, in relation to quarter 4 of 2016/17.
2. Members will also note that the only Operational Risk which falls within this area is CE_R01 Failure to deliver successful elections.

LEGAL GOVERNANCE

The Legal Team

3. 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 :-
 - Successfully defended a Judicial Review claim relating to the proposed Berkhamsted Multi Storey Car Park and obtained all of our legal costs incurred in defending the proceedings.
 - Successfully prosecuted Rainbow Travel, a local taxi company, after a complaint that they had refused a booking from a disabled passenger with a guide dog – an offence under the Equalities Act 2010. Company director Imtiaz Ahmed pleaded guilty to the offence at St Albans Magistrates Court on 26 April 2017, and was sentenced to pay more than £900 in fines, costs and surcharges.
 - Assisted the Planning team in successfully defending a planning appeal for a proposed gypsy site at land in Bovington.
 - Obtained injunctions against persons aggressively begging in the town centre outside WHSmiths and KFC and against a person who has been camping in the water gardens car park.

4. The team have been active completing a number of conveyancing transactions bringing significant income into the Council. The following land transactions were particularly noteworthy in the last quarter:
 - Land sale at Goldcroft, Hemel Hempstead - £849,018.54 received
 - Land sale at Juno Road, Hemel Hempstead - £855,755 received
 - Land sale at West Dene, Gaddesden Row for affordable housing £40,000
 - 15 Right to Buy sales (Total income £2,406,180).
5. The Legal team have recruited their first trainee Barrister who will be commencing work in early July. The team have also recruited a new part-time (20 hours per week) Litigation Solicitor who will also be commencing work in early July.

The Licensing Team

6. As set out in the Legal update above, working with the Legal team, the team successfully prosecuted Rainbow Travel, a local taxi company, after a complaint that they had refused a booking from a disabled passenger with a guide dog – an offence under the Equalities Act 2010. The company's directors have since appeared before the council's Licensing Sub-Committee, who, after hearing about disability awareness training which their staff are now undertaking, have issued a strong warning to the company as to its future conduct.
7. Enforcement operations continue to try and detect taxi drivers licensed in other areas who illegally ply for hire within Dacorum. A prosecution is now being brought against an Uber driver, who lives in Hemel Hempstead but is licensed in London, who illegally picked up test purchasers without a booking during a licensing enforcement operation in Hemel Hempstead. The recent influx of London-licensed Uber drivers is a particular concern for Dacorum's taxi and private drivers, and we are working with the local trade to try and resolve these concerns. However, as the law stands there is nothing preventing private hire companies licensed in other parts of the country from taking bookings for taxi journeys starting and ending in Dacorum without any form of authorisation or vetting by Dacorum Borough Council, and there are a small number of cases where individuals who have been refused licences locally have successfully obtained licences elsewhere which allow them to come back and work lawfully in this area. This would require new national legislation to prevent – current taxi laws are now 170 years old, and are widely considered to be unfit for purpose in this modern day.
8. We were sorry to report that three Dacorum taxi drivers have been the victims of assaults in recent weeks, with two sustaining serious injuries after being attacked with knives during robberies. We have worked closely with police to reassure the taxi trade, and were pleased to learn that an individual has been arrested and charged in connection with the two knife incidents.
9. In a joint operation with Regulatory Services, and following information received from the RSPCA, the Council recently served its first improvement notice on a licensed pet shop under the Animal Welfare Act 2006, over concerns about a marked deterioration in accommodation and cleanliness

standards since the licence was renewed. Officers are now following up on the improvements demanded, with legal action a possibility if the premises does not reach satisfactory welfare standards for the animals in their care.

DEMOCRATIC SERVICES

Elections/Electoral Registration

10. In March, after a rigorous review in conjunction with Hertfordshire County Council a revised Electoral Register was published to support the forthcoming HCC Elections. The team also concluded the annual rolling renewal of postal vote identifiers (PVI's), made up of the signature and D.O.B, for just less than 2000 of those registered to vote by post.

11. Much of Democratic Services efforts throughout the early part of 2017 involved the preparations for the Hertfordshire County Council election to be held in May. To this end the Electoral Registration Section and Member Support Services were engaged in:

- Compiling and producing the electoral register
- Organising Staffing for the Polling Stations
- Booking the Polling Stations
- Production, Issue and opening of almost 19,000 Postal votes.
- Procuring and amassing the necessary equipment and paperwork
- Booking the Count venue and
- Procuring and preparing the Count equipment and materials

12. In March, matters were greatly complicated by the announcement of a snap United Kingdom Parliamentary General Election to be held in June. Due to the close proximity and the overlapping of the two polls, organisation of the second election proved most challenging, and each of the above tasks was increased by a factor of two compressed into a period of seven weeks.

13. At the time of writing it is fair to say that the initiatives piloted in the HCC election; a revised, re-orientated floor plan, creation of allocated count teams; a concentration on 'mini counts', each responsible for its own verification and subsequent count; produced an outcome that was arrived at fairly and smoothly with a result acceptable to those involved.

14. The lessons learned from the above were then incorporated into the UKPGE which produced a smooth Count and a result produced in a timely manner.

Member Support Services

15. During Quarter 4, in addition to the work involved in the two elections, Member Support managed and organised the following:

- Published 30 agendas
- Completed 28 sets of minutes

- Spent 55 hours at evening meetings
- Processed 58 public speakers at Committee
- Published 7 Portfolio Holder Decisions
- Published 5 Officer Decisions

Town & Parish Liaison

16. Throughout the quarter the following visits to Town & Parish Councils (sometimes accompanying the Mayor) were carried out - Wigginton, Tring Rural, Markyate, Flamstead, Aldbury & Chipperfield.
17. In addition 5 Community Association meetings and 2 High Sheriff Tour planning meetings were organised. As a result we set up a Centre Managers meeting and a tour of the new Forum for the Town & Parish clerks and Cllrs and members of the Community Centre Committees

Member Development

18. Four Member Development sessions took place during this quarter, with 39 attendances which equates to 0.8 average per councillor. Sessions included a Homelessness update, Effective Scrutiny, Safe & Confident use of Social Media and Understanding CIL arrangements, all provided as either a result of the member requests following the Personal Development Plans or were deemed appropriate/compulsory by the Member Development Steering Group.

19. During this quarter the following attendances were seen:

- 29 councillors didn't attend any of the courses provided
- 9 councillors attended 1 course
- 9 councillors attended 2 courses
- 4 councillors attended 3 courses
- 0 councillors attended all 4 courses.

Mayoral Support

20. Much of the focus of the early part of the year has been on arrangements for the Mayor's Civic Function. A substantial contribution towards the cost of the event was made as a result of the Mayor's efforts to organise sponsorship and involve local businesses and organisations.
21. The first Mayor to take up office in the new Forum was elected in April.

March 2017

Chief Executive's Unit - Mark Brookes

CE_R01 Failure to deliver successful elections

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Mark Brookes	Portfolio Holder: Neil Harden	Tolerance: Treating
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Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	4 Severe	16 Red	1 Very Unlikely	4 Severe	4 Green

Consequences	Current Controls	Assurance
<p>Legal sanction and re-run of election at DBC expense. Loss of faith in elections process. Intense scrutiny on future referenda Potential 'Failed service' designation from Electoral Commission. Personal Financial liability for Returning Officer. Invalid or unsubstantiated election Results. Dissatisfaction of key stakeholders with the borough council elections and the process for future referenda.</p>	<ul style="list-style-type: none"> - Election Preparation Plan and Risk Assessment - Establish Election Team, allocate resources, audit and prepare equipment - Oversee actual Election - Check Results - Conclude election paperwork - Clear and Store election equipment - Review outcome of election and lessons learnt 	<p>The County Council and Parliamentary elections (May/June 2107) were conducted successfully which demonstrates the effectiveness of a comprehensive action plan which is monitored and updated every two weeks during election preparation by the Chief Executive, as the Returning Officer, the Solicitor to the Council, the Corporate Director (Finance and Operations) and the Group Manager (Democratic Services) as the three Deputy Returning Officers.</p>

Sign Off and Comments

Sign Off Complete

The County Council and Parliamentary elections were both conducted successfully and with improved performance in terms of the timeliness of declarationns, which shows that the existing control measures are working well.



F&R OSC QUARTERLY PERFORMANCE REPORT

Chief Executive's Unit

March 2017



Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
DPA01 - Percentage of DPA requests met in 40 days	Mark Brookes John Worts	100% (27/27) Target: 100	100% (11/11) Target: 100	100% (15/15) Target: 100	✓	Owner 100% is pleasing to note
FOI01 - Percentage FOI requests satisfied in 20 days	Mark Brookes John Worts	98.9% (180/182) Target: 100	94.96% (132/139) Target: 100	98.54% (135/137) Target: 100	✓	Owner The two missed were due to delays from the department responsible for responding to the request but overall this is a good performance.
LG03 - Percentage of Right to Buy documents sent to tenants/their Solicitors within 15 working days of receipt of full instructions	Mark Brookes Christopher Gaunt	100% (8/8) No Target	100% (27/27) Target: 100	100% (32/32) Target: 100	✓	Updater Number of these transactions has slowed despite increase in overall workload so pleasing to see targets still met
LG06 - Percentage of housing possession proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100% (2/2) No Target	100% (2/2) Target: 100	100% (2/2) Target: 100	✓	Updater These numbers have remained steady throughout this quarter period.
LG09 - Percentage of prosecution proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100% (9/9) No Target	100% (1/1) Target: 100	100% (5/5) Target: 100	✓	Owner It is pleasing to note that proceedings have been issued within the target 20 days.

Page 54

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
MS01 - Average number of training opportunities taken up per Member	Jim Doyle Trudi Coston	No Data No Target	No Data Target: 0	0.5 Opportunities (27/51) Target: 0		

Agenda Item 9



AGENDA ITEM:

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	4 th July 2017
PART:	1
If Part II, reason:	

Title of report:	Performance and Risk report Quarter 3 2016/17 – Performance, People & Innovation
Contact:	Neil Harden, Portfolio Holder for Residents and Corporate Services Author/Responsible Officer: Robert Smyth, Assistant Director - Performance, People & Innovation
Purpose of report:	To provide the Committee with analysis of performance and risk management for the services and functions provided by the Performance, People & Innovation Division.
Recommendations	That the Committee notes the contents of the report and the performance of the division for Quarter 4, 2016/17.
Corporate objectives:	The Performance, People & Innovation division supports the delivery of all corporate objectives, although there is a particular focus on 'modern and efficient council'. That is why it is important that it is able to meet its performance objectives and manage risk.
Implications:	<u>Financial</u> Poor performance could lead to increases in costs as well as reducing the value of our service offer.
'Value For Money Implications'	<u>Value for Money</u> The work of the division supports the achievement of value for money in the pursuit of the Council's objectives
Risk Implications	Risk Assessment reviewed May 2017.
Equalities Implications	There are no equalities implications arising from this report.

Health And Safety Implications	There are no health and safety implications arising from this report.
Consultees:	None
Background papers:	Attached: 1. Quarter 4 Operational Risk and Performance reports
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	<p>This is a regular report to the committee detailing the performance of the division over the last quarter.</p> <p>The review also considers operational risks and highlights any additional controls and assurances needed to address the issues raised.</p> <p>The focus of the service has recently expanded and it now includes:</p> <ul style="list-style-type: none"> - Performance, innovation and project management - IT and digital services - Corporate admin and support - HR and organisational development - Communications - Community partnerships
Glossary of acronyms and any other abbreviations used in this report:	<ul style="list-style-type: none"> • IT – Information Technology team • FirstCare – The Council’s sickness management system • KPIs – Key performance indicators

Introduction

- 1.1 Performance reports are produced on a quarterly basis with information collated in the Council’s new performance management system (Rocket).
- 1.2 The performance report for the division is attached and it examines progress in relation to three key themes:
 - 1.2.1 Complaints handling
 - 1.2.2 Human Resources
 - 1.2.3 IT and Digital Services
- 1.3 Targets are included in those areas where it is appropriate and would act as a positive driver for performance behaviour.

Monitoring Performance

Summary

- 2.1 Overall performance across the different areas is positive. Of the nine targetable indicators; seven were green and two were amber.
- 2.2 The amber indicator for complaints was caused by delays in responses from the Housing and Planning teams. In two cases this was due to the complexity of the complaint and as a result of more information being required.
- 2.3 However, the launch of the new complaints system (and process) in April coupled with a programme of training and quality control will help to address this. ICT incident resolution was only just below target, which is a considerable achievement given the impact of the move to the Forum and 97% increase in incidents.

Detailed Analysis

Complaints Handling

- 2.4 The total number of Stage 1 complaints (125) is just below the previous quarter and performance remains within target. All Stage 3 complaints were also resolved in target. Three Stage 2 complaints were unresolved.

HR

- 2.5 The total days lost through sickness absence has reduced by 74 compared to quarter 4 in 2016. The total amount of days lost through short-term sickness absence has also reduced by 29.5% (compared to the previous year).
- 2.6 This reflects the positive work that the Sickness Review Project has put in place including reviewing every sickness case and the support of First Care.
- 2.7 The percentage of employees who have been repeatedly absent has also reduced from 3.57% (in 2015) to 2.48% (in 2016), which shows that the measures in place to support staff back to work are having a positive impact.
- 2.8 The total FTE compliment of staff is comparable to the position in 2016.

IT and Digital Services

- 2.9 The percentage of incidents resolved in less than two days (88.87%) is just below target. However, this represents a good performance given that the team had to deal with a 97% increase in incidents compared to 2016.
- 2.10 The Team are working to understand the cause of the increase in incidents, however it is likely to relate to Forum related actions and an increased visibility.
- 2.11 The number of website users in the quarter is 127,725.

Risk Management

PP_R011 Failure to deliver Digital Dacorum leads to poor customer experiences and increased costs from calls and face to face visits (No Change)

3.1 In the last quarter the focus has been on completing the existing Digital Dacorum programme. However, a new ICT and Digital Strategy has been published.

3.2 We have seen 123,254 unique website visits in the quarter and 79% of all payments are made in a digital or automated way. Printing is also down by 34%.

PP_R012 Failure to deliver an effective approach to the management of performance, projects and complaints (New Risk)

2.12 The majority of projects are being delivered on time and 70% of KPIs are on target.

PP_R014 Failure to achieve the service outcomes outlined in each of the new community contracts (New Risk)

2.13 All contracts have completed the procurement process and have gone live. We have held a number of contract meetings with each of the service providers.

PP_R015 Failure to effectively and proactively manage the media profile of DBC including social media (New Risk)

2.14 In Q4 we posted over 1,382 outbound messages across our 18 social media accounts, received 307 direct messages and had a total twitter reach of 4.18 million viewers.

PP_R016 Failure to effectively and proactively manage all aspects of employee relations (New Risk)

2.15 The HR team provides dedicated support and coaching for all managers engaged in employee relation issues. We also continue to enjoy good relations with our recognised Trade Unions (Unison and Unite).

PP_R017 Failure to support the organisation, and in particular the leadership team, to manage organisational change and staff development including the move to the Forum (New Risk)

2.16 In the last quarter the Improvement and Innovation team have provided 40 days of internal 'change consultancy' to help services.

PP_R018 Failure to understand and respond to the current and future technology needs of the Council (New Risk)

2.17 A review of the Council's application estate has been completed and the lessons learned have been incorporated into the Council's new Technology & Digital Transformation Strategy.

2.18 We are also continuing to implement new technologies including upgrading to Skype for Business and installing Direct Access.

PP_R04 Failures in ICT resilience or security leading to significant system downtime (New Risk)

2.19 In Q4 overall systems availability was 99.99% and web availability was 100%. The Council is currently undergoing a cyber-security audit to reassure Members that we have a robust management process in place.

OPERATIONAL RISK REGISTER

March 2017



Performance and Projects - Robert Smyth

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

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating
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Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber

Consequences	Current Controls	Assurance
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<p>86% of adults use the internet regularly and people expect services that reflect their 24/7 online lives.</p> <p>Digital services also provide an opportunity to use new technology to reduce costs while maintaining or improving service quality.</p> <p>However if we don't deliver our digital vision (Digital Dacorum) this will have major consequences.</p> <p>It will mean that we can't provide services in the most effective way. It will also lead to improvements and savings not being realised. Also systems and processes will fall further behind the expectations of residents.</p> <p>Failure to deliver an effective approach to digital services will also result in reputational damage.</p> <p>The customer experience will also suffer as residents</p>	<p>We have created a detailed Digital Dacorum programme and plan of 10 projects which will transform our digital approach and ensure that we deliver a modern, 24/7 experience.</p> <ul style="list-style-type: none"> - Project 1: website re-design - Project 2: improving website content - Project 3 & 4: Re-designing services to make them digital ready and putting them online - Project 5: E-signatures - Project 6: Developing policy ideas to encourage people to channel shift - Project 7: Reducing digital exclusion - Project 8: Using social and digital media - Project 9: Increasing use of direct debits - Project 10: CRM and developing a citizens portal <p>Each of these projects sets out a series of tasks and the programme runs for 24 months.</p>	<ul style="list-style-type: none"> - Specialist digital staff are in place (web team and channel shift advisor) - Digital Dacorum Strategy and Implementation Plan has been published - New website has gone live - New content management and governance process has been introduced - Schedule for re-design and development has been agreed - New online payment portal has gone live
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OPERATIONAL RISK REGISTER

March 2017



cannot access services at a time and in a way that is best for them.

These actions are managed and supported by the Digital team and governed by a Digital Project Board. They are also monitored at the monthly Performance Board.

Progress so Far

- A Digital Dacorum Strategy and Implementation Plan has been launched
- Our new website has gone live
(Project 1)
- We improved the content on our website and reduced the number of pages
(Project 2)
- An online solution has been introduced for benefits, green waste charging, allotments, reports of homelessness, planning payments, pre planning application advice, taxi complaints and the Dacorum Card.
(Project 3&4)
- An LGA funded research project to develop options for channel shift has been completed (Project 6)
- A detailed action plan has been developed for supporting digital inclusion with pilots completed in the supported housing team (Project 7)
- A new social media strategy has been developed and implemented (project 8)
- Direct debits have been extended and a new payment portal has been introduced (Project 9)
- Proposals are in place for developing a new CRM

Page 62

OPERATIONAL RISK REGISTER

March 2017



solution (Project 10)

Sign Off and Comments

Sign Off Complete

Over this last quarter we have completed the existing Digital Dacorum programme plan. We have also begun the process of mapping out the delivered benefits. From 2014/15 we have improved the quality of web content, reducing pages and improving bounce rate (which is a measure of whether you have the right information). In Q4 we have seen 235,816 sessions from 123,254 unique users. 79% of payments have come from non-automated means and 81% of the total income has come in this way. There were 978 DD signups electronically. Printing is down by over 34% and more processes are undertaken in a digital way. In order to keep up this progress we have begun a strategy to map out the next 3 years to 2020, including a roadmap of digital development and channel shift aspirations.

PP_R012 Failure to deliver an effective approach to the management of performance, projects and complaints

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
The ability to manage performance, projects and complaints is vital if we are going to successfully deliver the Council's objectives and priorities. Effective project and performance management ensures that we can deliver what's expected on time and under budget. It also enables us to maximise value for money. However poor project and performance management leads to cost overruns, delays and a failure to achieve outcomes. It also causes opportunity costs and can leads		We have recently launched Managing Projects Successfully, our new approach to project management. This provides detailed step-by-step guidance on how to develop, define, manage and evaluate a project. We have a well established performance management system (Corvu) underpinned by a detailed performance framework. We have a team of performance and project management specialists and on a monthly basis we		- We monitor performance, projects and complaints on a monthly, quarterly and annual basis - We have a dedicated performance and project management system (Rocket and PMO online) - We have a project management framework (managing projects successfully) - We have a detailed complaints policy, procedure and system	

OPERATIONAL RISK REGISTER

March 2017



to expensive or ineffective remedial work. Failure to manage complaints can lead to poor service, dissatisfaction and an inability to learn from mistakes and issues.	produce programme and performance monitoring reports which are scrutinised at a Member led Performance Board and Group. We have a robust complaints policy and a specialist complaints management system.	
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Sign Off and Comments

Sign Off Complete

We continue to deliver a robust and effective approach to performance, projects and complaints. The majority of projects are being delivered on time and 70% of indicators are in target. The Improvement and Innovation Team have provided over 40 days of internal consultancy helping to support service re-design and innovation. We have rolled-out a new performance reporting system and have made further improvements to project reporting with the aim to allow greater scrutiny. The new complaints policy has also been implemented which will allow a quicker resolution and minimise vexatious complaints.

PP_R014 Failure to achieve the service outcomes outlined in each of the new community contracts

Category: Organisational/Management	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
The community contracts provide vital support services for some of the most vulnerable residents in Dacorum. The contracts are: - Information, Advice and Advocacy		We have introduced a number of controls which manage the risk of not achieving the service outcomes: We have undertaken a comprehensive and robust commissioning process, which ensures that we select providers that can deliver on our objectives.		- Commissioning Tender Returns - Individual Contracts and Agreements - KPI Monitoring Reports	

OPERATIONAL RISK REGISTER

March 2017



<ul style="list-style-type: none"> - Supporting the Voluntary Sector - Reducing Social Isolation - Living Stable Lives - Promoting Healthy Relationships <p>However if we don't achieve the outcomes from each contract, the community will receive inadequate services which can have serious consequence and lead to higher demand for reactive Council services e.g. homelessness, ASB.</p> <p>Failure to deliver would also adversely affect the capacity of the local VCS, with implications for the broader support base.</p> <p>There would also be negative implications for the reputation of the Council and for the services involved.</p>	<p>We will agree KPIs with each contract and these will be reported to the CEO and Portfolio Holder.</p> <p>We will conduct regular contractual performance meetings and we have a well established process for dealing with any issues.</p> <p>All the contracts will be managed by senior officers with oversight from the Group Manager and Assistant Director.</p> <p>We have also commissioned an audit of our process by Mazars.</p>	
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Sign Off and Comments

Sign Off Complete

All contracts have completed the procurement process and are live. We have held a number contract meetings with each of the service providers. These meetings enable us to monitor performance as well as to build relationships. We have held two breakfast networking meeting which aims to enable the providers to work closely together to meet their contract outcomes and provide the best possible holistic service to Dacorum residents. The commissioning process has worked well but we are continuing to review our approach with the aim of learning lessons and improving the way we work with the voluntary and community sector. Whil we haven't yet received a final report, the verbal feedback from our internal audit on the implementation process is positive.

PP_R015 Failure to effectively and proactively manage the media profile of DBC including social media

Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:
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OPERATIONAL RISK REGISTER

March 2017



Service Delivery		Dacorum Delivers		Robert Smyth	Neil Harden	Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score	
2 Unlikely	4 Severe	8 Amber	1 Very Unlikely	4 Severe	4 Green	
Consequences		Current Controls		Assurance		
<p>The media profile of the organisation is a major issue.</p> <p>If our media profile is not professionally managed, it could lead to reputational risk for the council. This includes reputational risk/damage to members and council staff, and questions being asked about service delivery (as a council) and value for money.</p> <p>A positive media profile also offers a real opportunity to attract new investment and resources.</p> <p>The risks from social media occur either because we aren't using the tool to engage residents restricting our contact with key demographics, or because our reputation has been damaged due to inappropriate or negative use or postings.</p>		<p>We have a number of controls in place to mitigate these risks:</p> <p>For press and media coverage we use a press management system called Vuelio. This enables us to plan for both proactive and reactive issues and maintain control of all outbound and inbound media activities.</p> <p>We have developed good working relationships with the local press and media and continue to involve them in our important activities. Similarly the press are in regular contact with the communications team for comments or further information regarding campaigns and activities.</p> <p>For social media we use Crowd Control (CCHQ) which is the UK's leading risk management software for managing all social media accounts across the council. CCHQ is a web-based risk management platform that enables us to efficiently control access to our social pages, keeping them safe and secure.</p> <p>We also require all staff to read, understand and sign a number of policies relating to the use of social media</p>		<ul style="list-style-type: none"> - We have a dedicated and experienced communications team with expertise across all forms of media. - The majority of press coverage has been positive with a large emphasis on the Hemel Evolution programme and the various zones that have been completed. - Due to our relationship with the press, we are regularly contacted for a statement or comment on the article being published. - With social media, the risk management software allows us to setup word libraries that will automatically delete posts (using specific words) from the respective social media channels. - We have a communications strategy and a social media strategy. We also have a detailed service plan for communications. 		

OPERATIONAL RISK REGISTER

March 2017



	and ICT.	
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Sign Off and Comments

Sign Off Complete

We continue to operate a proactive and engaged social media programme. In Q4 we posted over 1,382 outbound messages across our 18 social media accounts, received over 307 direct messages which were responded to in accordance with our social media policy and guidance, and had a total twitter reach of 4.18 million viewers across our social media networks. Some of the campaigns we have run include additional garden waste bins, recycling, elections and The Forum launch campaign. The success of our social media work is reflected in the local government ranking (source: net natives) which regularly places Dacorum Borough Council as one of the highest ranked (of the 10 borough councils in Hertfordshire).

PP067 R016 Failure to effectively and proactively manage all aspects of employee relations

Category: Service Delivery	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
Having highly motivated and productive staff is central to everything we do.		We have a number of controls in place to mitigate these risks:		- No Employment Tribunals over the last two years and very few employment appeals to Members.	
Failure to effectively manage all aspects of employee relations can have a number of implications.		We have robust employment policies that are reviewed regularly to ensure they are in line with good practice and the latest employment legislation.		- Staff turnover is low. Across 2015/16 the Council had a voluntary annual turnover rate of 10.6% (76 staff). This compares positively to the public sector average (18%) and it is below the level within local government (11.9%). It is also lower than average for district councils	
A less motivated and productive workforce will lead to issues of poor service and performance. It can also cause		We have regular employee relation meetings with trade			

OPERATIONAL RISK REGISTER

March 2017



<p>high levels of sickness and dissatisfaction.</p> <p>It could also result in appeals and employment tribunal cases and staff turnover will increase causing additional disruption and cost.</p>	<p>unions and we consult with them on changes to any relevant policies and procedures.</p> <p>We provide training for managers on employment policies and all managers leading employee relation cases are supported by a qualified HR professional.</p> <p>We also undertake staff surveys and have recently set up a project to understand and respond to the findings of the most recent survey.</p>	<p>(11%).</p> <p>- Services are well received from the public. According to the Herts Tracker Survey 72% of our residents are satisfied with our services, which is the second best in Hertfordshire.</p>
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Page 8

Sign Off and Comments

Sign Off Complete

The HR team continues to provide dedicated support and coaching for all managers engaged in employee relation issues. We also enjoy good relations with our recognised Trade Unions (Unison and Unite) and we ensure that our employment policies and procedures are robust and reflect good practice and the latest developments in Employment Law. Staff turnover remains low.

The new People Strategy has been approved and work is underway on a number of critical projects including : approach to corporate training, recruitment & selection and staff recognition.

PP_R017 Failure to support the organisation, and in particular the leadership team, to manage organisational change and staff development including the move to the Forum

Category: Service Delivery	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	

OPERATIONAL RISK REGISTER

March 2017



<p>Managing and adapting to change is key if we are going to deliver the Council's vision.</p>	<p>We have introduced a number of controls which manage the risk:</p>	<p>- 87% of staff are willing to work with change (staff survey)</p>
<p>That's why we need to develop and foster a workforce that is flexible, responsive and able to manage organisation change.</p>	<p>Our Corporate training programme (featuring mandatory training courses) ensures that staff have the right skills.</p>	<p>- Regular staff forum briefings with a bespoke information section on the intranet</p>
<p>The consequences of this risk include dis-engaged staff, service delivery issues and low productivity.</p>	<p>We have created a Forum Cultural Board to ensure we have the right tools and culture to work in a modern and efficient way.</p>	<p>- Good attendance in the managing in Dacorum Programme</p>
<p>We could also experience high levels of turnover and a likelihood that key staff would relocate to other organisations.</p>	<p>The Managing in Dacorum Programme – identifies and develops key management skills in our Leaders.</p>	<p>- Services are well received from the public. According to the Herts Tracker Survey 72% of our residents are satisfied with our services, which is the second best in Hertfordshire.</p>
<p>Staff not understanding the new culture within the forum could also cause productivity issues and relationship problems.</p>	<p>The Organisational transformation group provides strategic advice and support.</p>	
	<p>We are currently developing a people strategy to ensure staff have to skills, values and experience.</p>	
	<p>Our Service Efficiency Programme (overseen by the Chief Operating Group) will also help to develop the change attitude within the organisation.</p>	

Sign Off and Comments

Sign Off Complete

We have carried out a range of projects, activities and programmes to support organisational change to support the move to the forum. The Forum Cultural Board was central to ensuring that staff were able to move over to the new building with minimal disruption and the feedback has been extremely positive. Since then we have created a transformation strategy which will help develop the skills and behaviours required to work within the changing environment. This strategy will exist alongside the ICT digital strategy and the people strategy to ensure we have the right people with the right skills, working in an environment that is efficient and digitally minded.

OPERATIONAL RISK REGISTER

March 2017



PP_R018 Failure to understand and respond to the current and future technology needs of the Council					
Category:	Corporate Priority:	Risk Owner:		Portfolio Holder:	Tolerance:
Technical/Operational	Dacorum Delivers	Robert Smyth		Neil Harden	Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
<p>Page 7/10</p> <p>ICT is central to the performance of departments. This includes both hardware and business applications (i.e. software) as well as the service desk and special projects.</p> <p>Poor ICT makes it difficult for departments to provide their services effectively. Issues with ICT can also have a negative impact on the reputation of DBC.</p> <p>In addition there can be significant knock-on costs as a result problems with IT including delays in processing benefits or responding to service requests.</p> <p>It will also make other agenda's like Digital Dacorum harder to implement.</p>		<p>We have put in place the necessary structure, strategy, plans, budgets and vision to ensure we respond to the current and future needs of the business.</p> <p>The service is based around four core elements:</p> <ul style="list-style-type: none"> - the service desk - infrastructure - special projects - business applications <p>In terms of controls we have a detailed ICT Strategy and Improvement Plan.</p> <p>We also have an established staffing compliment and budget which has been shaped around the ICT needs of DBC.</p> <p>Having a technical project Manager in place has also ensured that further improvements are made.</p>		<ul style="list-style-type: none"> - Regular dialogue between ICT and other services. - Technology is discussed regularly at Leadership Team meetings - ICT Strategy and Service Plan. - TOR for joint Customer Insight working group. - Digital Dacorum Strategy 	

OPERATIONAL RISK REGISTER

March 2017



Page 71	<p>Each service has an in-team specialist business applications resource and there is a central applications lead to coordinate work.</p> <p>All staff are provided with the necessary hardware including the roll out of laptops as part of the Dacorum Anywhere programme.</p> <p>We have regular conversations with other council services and we take a category management approach to procurement.</p>	
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Sign Off and Comments

Sign Off Complete

A comprehensive review of the Council’s application estate has been completed. Lessons learned from this review have been applied in the Council’s new Technology & Digital Transformation Strategy and will inform the development of a systems roadmap, currently in train.

Work continues in the implementation of Skype for Business and Direct Access, a new remote working solution, which will provide videoconferencing functionality from desktops and meeting rooms in 2017. Plans to replace current PCs and to introduce suitable mobile devices for field officers are on track to start rolling out in the Autumn. Plans are also at an early stage to replace infrastructure within the Council’s data centres, ensuring a platform suitable for technology growth and development.

PP_R04 Failures in ICT resilience or security leading to significant system downtime

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score

OPERATIONAL RISK REGISTER

March 2017



3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
<p>ICT is central to the performance of departments.</p> <p>A failure in ICT resilience or security would see loss of access to some or potentially all ICT applications and services.</p> <p>This would have serious consequences for productivity, communication links with the public and would have a major impact on public facing services.</p> <p>It could also lead to reputational damage or concerns about our capacity.</p>		<p>We have introduced a number of controls which manage the risk:</p> <p>Technical Controls -</p> <p>The Council has a secondary data centre in Aylesbury which can be put into action in the event of a serious failure of the primary data centre.</p> <p>Our Wide Area Network design provides resilient connectivity (diverse routing) so that if the direct connection from the Civic Centre to the primary data centre (Amersham) is severed, traffic will be re-routed to run via the secondary data centre (Aylesbury). NB: currently there is a common path to both connections between the Civic Centre and the nearest BT exchange.</p> <p>Servers exist in a virtual environment and are hosted across multiple physical machines, meaning there is less dependence on individual components.</p> <p>Data is replicated across the two data centres and is also backed up so that it can be called back and restored if required.</p> <p>Process controls -</p>		<p>Assurance</p> <ul style="list-style-type: none"> - KPI's - ICT01 - % of incidents resolved in less than 2 days. ICT02 - Availability of primary systems. WEB01 - Website availability - High Level Recovery Plan available on request - Successful tests of DR procedure – assuring that services can be restored within the secondary data centre using replicated data. - PSN Compliance. 	

Page 72

OPERATIONAL RISK REGISTER

March 2017



	<p>Data back-ups are stored off site at Cupid Green.</p> <p>Security -</p> <p>We have a number of security processes in place, all of which is underpinned (and assured) by our PSN compliance.</p> <p>These include corporate firewalls, anti-virus software on end point devices, end point security solutions to block unknown devices, encrypted hard drives, managed permissions and a two factor authentication process (name and crypto card).</p>	
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Page 73

Sign Off and Comments

Sign Off Complete

Our approach to ICT resilience continues to be robust. In Q4 overall systems availability was 99.99% and web availability was 100%. Initial plans to deliver resilient lines to the Council's data centres on the BT network have been disrupted by BT issues outside of the Council's control. Throughout this time, however, we have continued to provide resilient connections by using circuits running via the Civic Centre as a back-up option. We were unaffected by the recent cyber security issues that disrupted other public and private sector organisations and are currently undergoing a cyber security audit to assure that we are meeting the Government's essential criteria. Work has begun in preparation for our PSN submission in October.

F&R OSC QUARTERLY PERFORMANCE REPORT

Performance and Projects

March 2017



Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
CS02a - Percentage stage 1 complaints resolved in 20 days for the Council	Matt Rawdon Cassie ONeil	89.6% (112/125) Target: 80	90.7% (117/129) Target: 80	98.68% (150/152) Target: 80	✓	<p>Updater Quarterly performance exceeding target, no current issues for further attention.</p> <p>New complaint system to go live in April which will provide tighter performance management and analysis</p>

Page 74

CS02b - Percentage stage 2 complaints resolved in 20 days for the Council	Matt Rawdon Cassie O'Neil	78.57% (11/14) Target: 80	85.71% (18/21) Target: 80	86.67% (13/15) Target: 80	 <p>Updater Performance for Stage 2 just below target for Qtr 4 2016/17. This is owing to 3 complaints responded out of target as follows;</p> <p>RJC84J (Housing Landlord) - responded 26 days overdue. This was owing to additional information requested to complete review and time taken for complainant to submit this.</p> <p>AG5FEC (Housing Landlord)- complaint still open and now 25 days overdue. Reason for delay is due to the case still being under review; additional information supplied 01/03/17 to be considered</p> <p>BW6HNB (Planning, Development & Regeneration) - complaint still open and now 26 days overdue. No information relating to reason for delay has been provided on system.</p> <p>New complaints process to launch during April 2017; this will see complaints assigned to independent services to review the way the original investigation was undertaken; this robust & uniform approach should result in shorter response times. Should delayed responses continue to be an issue further options will be considered.</p>
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Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
CS02c - Percentage stage 3 complaints resolved in 20 days for the Council	Matt Rawdon Cassie O'Neil	100% (11/11) Target: 80	71.42% (5/7) Target: 80	100% (5/5) Target: 80	✓ Updater	Exceeding target with 100% performance, no further comments.
HR01 - Total FTE staff employed	Matt Rawdon Anne Stunell	652 Staff Info Only	634 Staff Info Only	650 Staff Info Only	✓ Updater	
HR02 - Total number of leavers	Matt Rawdon Anne Stunell	27 Leavers Info Only	28 Leavers Info Only	21 Leavers Info Only	✓ Updater	Owner No comments, similar to previous quarters.
HR03 - Total days lost through sickness absence	Matt Rawdon Anne Stunell	1605 Days Info Only	1437 Days Info Only	1679 Days Info Only	✓ Updater	
HR04a - Total days lost through SHORT TERM sickness absence	Matt Rawdon Anne Stunell	471.5 Days Info Only	498.5 Days Info Only	668.5 Days Info Only	✓ Updater	
HR04b - Total days lost through LONG TERM sickness absence	Matt Rawdon Anne Stunell	1133.5 Days Info Only	938.5 Days Info Only	1010.5 Days Info Only	✓ Updater	
HR05 - Average days lost due to sickness absence per FTE	Matt Rawdon Anne Stunell	2.46 Days (1605/652) No Target	2.27 Days (1437/634) Target: 2	2.58 Days (1679/650) Target: 2	✓ Updater	
HR10 - Percentage of employees who have been absent on more than 2 occasions in the quarter	Matt Rawdon Anne Stunell	4.2% (30/705) Target: 8	2.48% (18/727) Target: 8	2.89% (21/727) Target: 8	✓	
ICT01 - Percentage of incidents resolved in less than 2 days	Ben Trueman Amanda Jeffries	88.87% (2020/2273) Target: 90	89.64% (1324/1477) Target: 90	88.63% (1021/1152) Target: 90	✓ Owner	Target narrowly missed. A good performance in the context of the Forum move and staff shortage.

Page 76

Measure	Owner & Updater	Mar 2017 Result	Dec 2016 Result	Mar 2016 Result	Sign Off	Comments
ICT02 - Availability of primary systems (office hours)	Ben Trueman Amanda Jeffries	99.99% Target: 99	99.81% Target: 99	99.95% Target: 99	✓	Owner Consistently good availability
ICT03 - Percentage of New Starter Requests processed in 5 working days from notification	Ben Trueman Amanda Jeffries	96.43% (27/28) No Target	100% (28/28) Target: 95	79.17% (19/24) Target: 95	✓	Owner A good performance in the context of the Forum move and staff shortage.
WEB01 - Percentage website availability	Ben Trueman Murtaza Maqbool	100% Target: 99	99.99% Target: 99	99.89% Target: 99	✓	Owner Consistently excellent availability
WEB03 - Number of Website Users	Ben Trueman Murtaza Maqbool	No Data Info Only	112182 Info Only	122865 Info Only	✓	Owner Very slight drop in numbers.