



# 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 6 NOVEMBER 2018 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 Herbert Chapman (Chair)  
Councillor Douris  
Councillor E Collins  
Councillor Fethney  
Councillor Silwal  
Councillor Taylor

Councillor Tindall  
Councillor Adeleke  
Councillor Armytage  
Councillor McLean  
Councillor Banks (Vice-Chairman)  
Councillor Barrett

#### Substitute Members:

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

For further information, please contact Corporate and Democratic Support

### **AGENDA**

**1. MINUTES**

To confirm the minutes from the previous meeting

**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**

None.

#### **6. ACTION POINTS FROM THE PREVIOUS MEETING (Pages 3 - 4)**

#### **7. BUDGET MONITORING Q2 REPORT (Pages 5 - 18)**

#### **8. FINANCE AND RESOURCES Q2 PERFORMANCE REPORT (Pages 19 - 33)**

#### **9. CORPORATE AND CONTRACTED SERVICES Q2 PERFORMANCE REPORT (Pages 34 - 43)**

#### **10. PERFORMANCE, PEOPLE & INNOVATION Q2 PERFORMANCE REPORT**

Report to follow

#### **11. PARKING ENFORCEMENT CONTRACT PERFORMANCE (Pages 44 - 61)**

#### **12. WORK PROGRAMME (Pages 62 - 63)**

<b>Finance and Resources OSC Action Points</b>					
<b>Number</b>	<b>Date of meeting</b>	<b>Action Point</b>	<b>Officer Responsible</b>	<b>Date completed</b>	<b>Update on action point</b>
<b>1</b>	11/09/18	B Hosier will ensure that the proper copy of accidents recorded is placed on the records.	B Hosier	12/09/18	Copy of correct paperwork was sent to Member Support the next day.
<b>2</b>	11/09/18	The Chairman asked for clarification on point 1.5, out of the 29 staff that requested redundancy 27 were accepted, what was the percentage of people that transferred. When we say it's 29 out of how many, just give the final figures. B Hosier will confirm this information.	B Hosier	29/10/18	The number of FTE's that transferred across to Everyone Active was 173.16.
<b>3</b>	11/09/18	Committee agreed that the performance of the leisure contract would be presented six monthly for the first two years.	Corporate & Democratic Support	12/09/18	Added to work programme every 6 months
<b>4</b>	11/09/18	Cllr Douris asked about the comments column which had not been populated. C Baker advised that the performance system had been upgraded and this needs to be looked at but he would ensure they were there for the next meeting. L Roberts agreed to take this action.	L Roberts	29/10/18	Unfortunately the Officer responsible for the update of the performance system is on long term sick and so we have been unable to make this change. However the Comments column should provide the narrative needed to explain the measure.
<b>5</b>	11/09/18	The Chairman asked if this was joint advertising as the amounts are the same. M Brookes advised he would provide the details but he thought the firms were linked.	M Brookes		

6	11/09/18	Cllr Douris asked about the usage of the big screen down in Reception, is it used for promoting events in the Borough. It appears that we don't do it very much and it's a resource that's in the public eye, where we can let people know what's going on in the Borough. L Roberts will ask Kelvin Soley, she is aware that we put things that relates to us but she isn't aware of wider events so will have to ask.	L Roberts	17/09/18	We promote a range of corporate content, appropriate partner content (i.e. library information, Herts CC campaigns, Everyone Active and voluntary sector partners) and topical news such as consultations and events. We promote all our own events such as Armed Forces day, Old Town Halloween etc. Anyone can add an event for free on our events page on the DBC website. We do not sell advertising on the atrium video wall and therefore do not show external events. We monitor the range of content in line with all our other channels and ensure whichever campaigns, news or events we are running are shown on all appropriate channels.
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## AGENDA ITEM: SUMMARY

<b>Report for:</b>	<b>Finance and Resources Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	
<b>PART:</b>	<b>6 November 2018</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Budget Monitoring Quarter 2 2018/19</b>
<b>Contact:</b>	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources Nigel Howcutt, Assistant Director (Finance & Resources) Fiona Jump, Group Manager, Financial Services
<b>Purpose of report:</b>	To provide details of the projected outturn for 2018/19 as at Quarter 2 for the: <ul style="list-style-type: none"> <li>• General Fund</li> <li>• Housing Revenue Account</li> <li>• Capital Programme</li> </ul>
<b>Recommendations</b>	That Committee note the forecast outturn position for 2018/19.
<b>Corporate objectives:</b>	Delivering an efficient and modern council.
<b>Implications:</b>	<u>Financial</u> This reports outlines the financial position for the Council for 2018/19 and so summarises the financial implications for service decisions expected to be made for the financial year.  <u>Value for Money</u>

	Regular budget monitoring and reporting supports the effective use of the financial resources available to the Council.
Risk Implications	This reports outlines the financial position for the Council for 2018/19 and in so doing quantifies the financial risk associated with service decisions expected to be made for the financial year.
Community Impact Assessment	The content of this report does not require a Community Impact Assessment to be undertaken.
Health And Safety Implications	There are no Health and Safety implications arising from this report.
Consultees	The position reported within this report has been reviewed and discussed with relevant Council Officers.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

## 1. Introduction

1.1 The purpose of this report is to present the councils forecast outturn for 2018/19 as at the 30<sup>th</sup> September 2018. The report covers the following budgets with associated appendices:

- General Fund - Appendix A
- Housing Revenue Account (HRA) - Appendix B
- Capital Programme - Appendix C

## 2. General Fund Revenue Account

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

2.2 Appendix A provides an overview of the General Fund forecast outturn position. In summary, there are various areas of both under and overspends which broadly offset each other. The net overall pressure of £249k is a significant improvement on quarter 1 with a reduction in the overall pressure of £470k quarter on quarter. The pressure is largely attributable to the forecast pressure on recycling income, following the impact on global markets of change in Chinese government policy on the amount of recyclables it will allow into the country.

The table below outlines the service areas with a significant financial pressure:

Scrutiny Committee	Key Financial Pressure	Description
Strategic Planning & Environment	£450k	Waste recycling income

Strategic Planning & Environment	£100k	Building Control service
Housing & Community	£160k	Garages

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

	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Finance & Resources	12,968	13,093	125	1.0%
Housing & Community	753	768	15	2.0%
Strategic Planning & Environment	7,717	8,184	467	6.1%
<b>Total</b>	<b>21,438</b>	<b>22,045</b>	<b>607</b>	<b>2.8%</b>
Investment Property	(4,103)	(4,177)	(74)	1.8%
Core Funding	(17,342)	(17,626)	(284)	1.6%
<b>Contribution (to)/from General Fund Working Balance</b>	<b>(7)</b>	<b>242</b>	<b>249</b>	

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

### 3. Finance and Resources

Finance & Resources	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	9,974	10,103	129	1.3%
Premises	1,876	1,854	(22)	(1.2%)
Transport	215	236	21	9.8%
Supplies & Services	3,946	3,945	(1)	(0.0%)
Third-Parties	594	656	62	10.4%
Transfer Payments	47,144	47,144	0	0.0%
Income	(4,676)	(4,649)	27	(0.6%)
Other Income	(47,584)	(47,584)	0	0.0%
Earmarked Reserves	1,479	1,388	(91)	(6.2%)
	<b>12,968</b>	<b>13,093</b>	<b>125</b>	<b>1.0%</b>

#### 3.1 Employees - £129k over budget

Pressure of £49k- This pressure relates to agency and recruitment costs arising from vacancies within the service.

One off Pressure of £80k- This relates to pension strain costs arising from the management team consolidation within the Neighbourhood Delivery service. A request is to meet this pressure via drawdown from reserve funding will be put to Cabinet to be approved.

### 3.2 Third parties - £62k over budget

The main area of cost pressure relating to third parties is the increased facilities management costs for the Forum that are expected to exceed budget by £70k.

## 4. Strategic Planning and Environment

Strategic Planning and Environment	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	9,688	9,796	108	1.1%
Premises	864	888	24	2.8%
Transport	1,201	1,334	133	11.1%
Supplies & Services	1,914	2,364	450	23.5%
Third-Parties	88	72	(16)	(18.2%)
Income	(5,898)	(5,948)	(50)	0.8%
Earmarked Reserves	(140)	(322)	(182)	130.0%
	<b>7,717</b>	<b>8,184</b>	<b>467</b>	<b>6.1%</b>

### 4.1 Employees- £108k over budget

Pressure of £120k- Recruitment challenges within Building Control have led to vacant posts being filled by agency staff, the service are preparing an options paper to outline the options for the future delivery of building control within the approved budgets.

There are several staffing underspend in clean safe and green where posts have been able to be kept vacant in the short term, whilst still allowing the service to meet service delivery plans. This is under constant review.

### 4.2 Transport -£133k over budget

There are overspends as a result of maintaining the ageing fleet in the waste services including additional short term hire costs and repair costs. The procurement of the renewal of the waste fleet is underway and deliver is expected from midway through 2019.

### 4.3 Supplies and Services - £450k over budget

This is the continued pressure relating to the cost of disposal of co-mingled waste due to the recent decline in the global market for recycled material.



#### 4.4 Income - £50k over -achievement of budget

The overachievement of income overall in the Strategic Planning division is due to various under and over achieved income in the Building Control and Development and Waste Services.

The Waste Service overall income is in line with the budgeted levels with the commercial waste service underachieving its income by £150k and the additional £150k of income forecast as a result of incentive payments from Hertfordshire County Council (HCC), to reward Dacorum for improvements in the rate of recycling. This is under the Alternative Financial Model (AFM) methodology. The commercial waste service is under review and independent advice is being provided on how to improve the financial performance of the service.

The Building Control service and Land Charges income is forecasting a shortfall of £100k as a result of decreased customer numbers, and action is being taken to improve the quality of service delivered and the marketing of the building control service. In contrast to this, the Planning service is projecting an overachievement of income of £275k as a result of large one-off fees, with a smaller proportion of the surplus due to a high volume of applications.

There are other minor net pressures against income within Strategic Planning and Environment.

### 5. Housing and Community

Housing & Community	Current Budget	Forecast Outturn	Variance	
	£000	£000	£000	%
Employees	3,696	3,825	129	3.5%
Premises	905	885	(20)	(2.2%)
Transport	17	20	3	17.6%
Supplies & Services	1,706	1,694	(12)	(0.7%)
Third Parties	0	0	0	0.0%
Transfer Payments	55	55	0	0.0%
Income	(5,080)	(5,120)	(40)	(0.8%)
Earmarked Reserves	(546)	(591)	(45)	(8.2%)
	<b>753</b>	<b>768</b>	<b>15</b>	<b>2.0%</b>

#### 5.1 Employees- £129k over budget

Pressure of £80k- This pressure relates to the cost of the restructure of the Adventure Playground service. A request to meet this one off cost pressure via drawn down from the management of change reserve will be put to Cabinet.

Pressure of £49k- This pressure consists of minor overspends against employee budgets within the rest of Housing and Community.

## 5.2 **Income - £40k over-achievement of income**

Pressure of £210k - There is a shortfall against income targets relating to garages rental income of £210k. £90k of this shortfall is a continuation of under-achievement of income in the previous financial year. There is a new web based process for marketing and applying for a garage that has started in October and the benefits of this system are being carefully monitored.

Overachievement of income £190k - The pressure above is offset by net additional income over budget relating to Temporary Accommodation of £190k. The Council's own properties are being used to house tenants on a temporary basis rather than more expensive bed and breakfast accommodation.

## 6. **Corporate items/Core Funding**

6.1 A surplus on Investment Properties of £74k is now forecast due to relatively strong performance in rental income, with a number of successful rent reviews having been carried out.

6.2 There is additional income of £284k against core funding budgets, relating to government funding and investment income. This includes additional funding relating to the Revenues and Benefits service, new burdens funding relating to the Strategic Planning service and enhanced new homes bonus. Interest forecasts from treasury management activities are projected to exceed budget by £100k due to higher than anticipated cash balance and a rise in the Bank of England base rate from 0.5% to 0.75% in August.

## 7. **Housing Revenue Account (HRA)**

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

7.2 The projected HRA balance at the end of 2018/19 is £119k under the budgeted balance of £2.9m.

## 7.3 **Dwelling rents- £240k underachievement of income**

Pressure of £115k- Voids are running at 1% compared to a budgeted level of 0.8%.

Pressure of £125k- There is a pressure against rental income arising from a change in the number of new build properties actually being let compared to the assumptions applied at the time of rent and budget setting.

## 7.4 **Non Dwelling rents- £43k over-achievement of income**

Income from aerial sites is forecast to exceed budget by £43k.

### 7.5 Tenants Charges/Supervision and Management / Revenue Contribution to Capital- £119k net under budget

Over-achievement of income £56k- Grant income for Housing Related support has continued into 18/19 when it was expected to cease, resulting in £56k over budgeted income targets.

Underspend of £63k- There is an underspend against staffing budgets and a forecast underspend against the budget held for the window cleaning contract.

### 7.6 Leaseholder charges - £41k over-achievement of income

Income from charges to leaseholders is expected to be higher than budgeted for.

### 7.7 Other charges - £37k over budget

The cost of council tax relating to void properties is driving a pressure of £37k. The level of void properties is projected to be higher than that assumed at the time of budget setting.

## 8. Capital Programme

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

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

The current budget is the original budget approved by Cabinet in February 2018, plus approved amendments. Slippage identified at Quarter 1 2018/19 has been re-phased to 2019/20.

The 'Slippage' column refers to projects where expenditure is still expected to be incurred, but it will now be in 2019/20 rather than 2018/19, or conversely, where expenditure planned initially for 2019/20 has been incurred in 2018/19.

The 'Variance' column refers to projects which are expected to come in under or over budget and projects which are no longer required.

	Current Budget £000	Slippage £000	Revised Budget £000	Forecast Outturn £000	Variance £000 %	
Finance & Resources	10,729	(2,302)	8,427	8,337	(90)	-0.8%
Strategic Planning & Environment	2,915	(124)	2,791	2,791	0	0.0%
Housing & Community	8,093	(391)	7,702	7,702	0	0.0%
<b>G F Total</b>	<b>21,737</b>	<b>(2,817)</b>	<b>18,920</b>	<b>18,830</b>	<b>(90)</b>	<b>-0.4%</b>
<b>HRA Total</b>	<b>35,213</b>	<b>36</b>	<b>35,249</b>	<b>35,249</b>	<b>0</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>56,950</b>	<b>(2,781)</b>	<b>54,169</b>	<b>54,079</b>	<b>(90)</b>	<b>-0.2%</b>

## 8.2 General Fund Major Variances

There is an overall underspend on the General Fund of £2.9m. This is a combination of underspend of £90k, and slippage of £2.8m into 2019/20.

The slippage to future years is detailed in Appendix C. This includes:

- Line 2: slippage of £480k on the Demolition of the Civic Centre. The first phase of the demolition of the former Civic Centre is now complete. This involved demolition of the majority of the Civic Centre with the exception of the north eastern and south western corners of the building which adjoin Affinity Water and UKPN infrastructure. Work is currently taking place with these utilities companies to progress the next phase which involves diversion and relocation of utilities followed by demolition of the remaining building structure.
- Line 21: slippage of £250k on Car Park Refurbishment scheme. Work at Water Gardens South car park needs to be timed with highway improvement works in the area being carried out under the Town Centre Access Improvements project.
- Line 23: slippage of £1.3m on Berkhamsted Multi-Storey car park. Construction of the new multi-storey car park is planned for January 2019, once utilities companies have completed their diversionary works. The new multi-storey car park is expected to be open by early autumn 2019.
- Line 49 and 50: slippage of £390k on the garage development projects Westerdale and Northend. Contractors are due on site imminently with work to be concluded in 2019/20.

8.3 The projected outturn for the HRA is consistent with the Quarter 1 position.

- Line 77 and 85-91: approval for professional fees on a range of new sites was granted at Cabinet 27 March. Virements to create budgets for the specific projects will be requested in the Cabinet report 13 November 2018.

## 9. Conclusions and recommendations

9.1 As at Quarter 2 2018/19, there is a forecast pressure of £249k against General Fund budgets and a forecast pressure of £119k against Housing Revenue Account budgets.

9.2 As at Quarter 2 2018/19, against General Fund capital there is slippage of £2.817m and a forecast underspend of £90k. Against Housing Revenue Account capital there is slippage of £36k and the forecast outturn is on budget.

9.3 Members are asked to note the forecast outturn position for 2018/19. Further financial monitoring reports will be brought before Committee for consideration during the financial year 2018/19.



## Dacorum Borough Council

### Revenue Budget Monitoring Report for September 2018 (Cost of Services Analysis By Scrutiny Committee)

	Month			Year-to-Date			Full Year		
	Budget £000	Actuals £000	Variance £000	Budget £000	Actuals £000	Variance £000	Budget £000	Forecast Outturn £000	Variance £000
<b>Cost of Services</b>									
Finance and Resources	660	687	27	6,290	6,410	120	12,968	13,093	125
Housing and Community	105	817	712	911	2,062	1,151	753	768	15
Strategic Planning and Environment	352	399	47	4,144	4,469	325	7,717	8,184	467
<b>Net Cost of Services</b>	<b>1,117</b>	<b>1,903</b>	<b>786</b>	<b>11,345</b>	<b>12,941</b>	<b>1,596</b>	<b>21,438</b>	<b>22,045</b>	<b>607</b>
<b>Other Items</b>									
Investment Property	(46)	(47)	(1)	(2,968)	(3,025)	(57)	(4,103)	(4,177)	(74)
Investment Income	(13)	(60)	(47)	(79)	(172)	(93)	(158)	(262)	(104)
Interest Payments and MRP	81	0	(81)	485	0	(485)	970	970	0
Parish Precept Payments	0	0	0	778	778	0	778	778	0
Government Grants	(174)	(110)	64	(1,043)	(2,293)	(1,250)	(2,086)	(2,266)	(180)
Revenue Contribution to Capital	0	0	0	0	0	0	2,111	2,111	0
Taxation (Council Tax and Business Rates)	(1,237)	1,754	2,991	(7,421)	11,398	18,819	(14,843)	(14,843)	0
<b>Surplus / Deficit on Provision of Services</b>	<b>(1,389)</b>	<b>1,537</b>	<b>2,926</b>	<b>(10,248)</b>	<b>6,686</b>	<b>16,934</b>	<b>(17,331)</b>	<b>(17,689)</b>	<b>(358)</b>
<b>Transfers between Reserves / Funds</b>									
Net Recharge to the HRA	(343)	(25)	318	(2,057)	97	2,154	(4,114)	(4,114)	0
<b>Net Movement on General Fund Working Balance</b>	<b>(609)</b>	<b>3,415</b>	<b>4,024</b>	<b>(526)</b>	<b>19,724</b>	<b>20,250</b>	<b>(7)</b>	<b>242</b>	<b>249</b>

#### Interpreting this report

##### **Net Cost of Services**

This subtotal includes those costs which are directly attributable to specific Council services, excluding recharges and capital items.

##### **Other Items**

This subtotal shows corporate costs and income, including grants from central government and taxation.

##### **Net Movement on General Fund Working Balance**

This line shows the increase or decrease to the General Fund working balance



## Housing Revenue Account

### 2018/19 Forecast Outturn Revenue Budget Monitoring Report at P6

	Adjusted Budget £000	Forecast Outturn £000	Forecast Variance £000	%
<b>Income:</b>				
Dwelling Rents	(53,044)	(52,804)	240	-0.5%
Non-Dwelling Rents	(102)	(145)	(43)	42.2%
Tenants Charges	(1,512)	(1,644)	(132)	8.7%
Leaseholder Charges	(487)	(528)	(41)	8.4%
Interest and Investment Income	(390)	(376)	14	-3.6%
Contribution towards Expenditure	(535)	(535)	0	0.0%
<b>Total Income</b>	<b>(56,070)</b>	<b>(56,032)</b>	<b>38</b>	<b>-0.1%</b>
<b>Expenditure:</b>				
Repairs and Maintenance	12,113	12,113	0	0.0%
Supervision & Management	12,043	12,182	139	1.2%
Rent, Rates, Taxes & Other Charges	34	71	37	108.8%
Interest Payable	11,594	11,594	0	0.0%
Provision for Bad Debts	700	700	0	0.0%
Depreciation	12,000	12,000	0	0.0%
HRA Democratic Recharges	301	301	0	0.0%
Revenue Contribution to Capital	7,285	7,190	(95)	-1.3%
<b>Total Expenditure</b>	<b>56,070</b>	<b>56,151</b>	<b>81</b>	<b>0.1%</b>
Transfer to / from Housing Reserves	0	119	119	0.0%
<b>HRA Deficit / (Surplus)</b>	<b>0</b>	<b>119</b>	<b>119</b>	<b>0.0%</b>
<b>Housing Revenue Account Balance:</b>				
Opening Balance at 1 April 2018	(2,892)	(2,892)	0	
Deficit / (Surplus) for year	0	119	119	0.0%
Proposed Contributions to Reserves	0	0	0	
<b>Closing Balance at 31 March 2019</b>	<b>(2,892)</b>	<b>(2,773)</b>	<b>119</b>	

**CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR SEPTEMBER 2018**

**APPENDIX C**

Scheme	Budget Holder	Original Budget	Prior Year Slippage	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)	
<b>General Fund</b>										
<b>Finance and Resources</b>										
<b>Commercial Assets and Property Development</b>										
1	Old Town Hall - Cafe Roof and stonework renewal	Richard Rice	30,000	30,000	0	60,000	(60,000)	0	0	0
2	Demolition of Civic Centre	Richard Rice	0	1,040,712	0	1,040,712	(480,000)	560,712	560,712	0
3	Old Town Public Convenience Refurbishment	Richard Rice	0	12,908	0	12,908	0	12,908	30,263	17,355
4	Bennetts End Community Centre - Replace Roof	Richard Rice	0	35,000	0	35,000	0	35,000	32,000	(3,000)
5	Adeyfield Community Centre - replace roof	Richard Rice	25,000	44,230	0	69,230	0	69,230	99,000	29,770
6	Tring Community Centre - new play area for Children's Nursery	Richard Rice	0	13,110	0	13,110	0	13,110	25,000	11,890
7	Warners End Community Centre heating and doors	Richard Rice	0	0	34,000	34,000	0	34,000	34,000	0
8	Rossgate Shopping Centre - Structural Works	Richard Rice	210,000	90,901	(200,901)	100,000	0	100,000	100,000	0
9	Leys Road - Roof	Richard Rice	0	55,000	0	55,000	0	55,000	29,000	(26,000)
10	The Denes Shopping Centre - Renew Walkway & Canopy Covering	Richard Rice	30,000	50,000	0	80,000	(80,000)	0	0	0
11	Silk Mill - Renew asphalt tanking to stairs	Richard Rice	0	8,200	0	8,200	0	8,200	17,800	9,600
12	58 High St (Old Town), Hemel - Remove and Rebuild Wall	Richard Rice	0	42,000	0	42,000	0	42,000	42,000	0
13	100 High St (Old Town), Hemel - Window Replacement	Richard Rice	0	14,000	0	14,000	0	14,000	14,000	0
14	Half Moon Yard - Replace soffit/facia & external facade	Richard Rice	0	18,000	0	18,000	0	18,000	18,000	0
15	Long Chaulden Roof	Richard Rice	56,000	0	0	56,000	(56,000)	0	0	0
16	Bellgate - Walkway Renovation	Richard Rice	66,000	0	0	66,000	(66,000)	0	0	0
17	Kingshill Cemetery - Toilet Provision	Richard Rice	0	147,124	0	147,124	0	147,124	177,000	29,876
18	Heath Lane Chapel - Replace roof	Richard Rice	0	14,000	0	14,000	0	14,000	0	(14,000)
19	Kingshill Cemetery Infrastructure (New Burial Area)	Richard Rice	0	40,000	0	40,000	0	40,000	40,000	0
20	Bunkers Farm	Richard Rice	660,000	(9,672)	0	650,328	0	650,328	650,328	0
			<b>1,077,000</b>	<b>1,645,513</b>	<b>(166,901)</b>	<b>2,555,612</b>	<b>(742,000)</b>	<b>1,813,612</b>	<b>1,869,103</b>	<b>55,491</b>
<b>Commissioning, Procurement and Compliance</b>										
21	Car Park Refurbishment	Ben Hosier	465,000	233,560	(31,880)	666,680	(252,680)	414,000	414,000	0
22	Water Gardens Car Park - Re-Lining (Asphalt) Top Floor	Ben Hosier	0	0	0	0	0	0	8,911	8,911
23	Multi Storey Car Park Berkhamsted	Ben Hosier	2,637,907	754,724	0	3,392,631	(1,307,631)	2,085,000	2,085,000	0
24	Berkhamsted Sports Centre - Roof Replacement	Richard Rice	250,000	0	0	250,000	0	250,000	200,000	(50,000)
25	Dacorum Athletics Track - Resurface Track	Richard Rice	500,000	50,000	(550,000)	0	0	0	0	0
26	Hemel Sports Centre - renew heat and power system	Richard Rice	80,000	(80,000)	0	0	0	0	0	0
27	Hemel Sports Centre - renew hot water & heating plant	Richard Rice	105,000	(105,000)	0	0	0	0	0	0
28	Hemel Hempstead Sports Centre - Astroturf renewal	Richard Rice	70,000	0	(70,000)	0	0	0	0	0
29	Berkhamsted Sports Centre - Installation of new hot water calorifiers	Richard Rice	50,000	0	0	50,000	0	50,000	50,000	0
30	Berkhamsted Sports Centre - Building Management System	Richard Rice	150,000	0	0	150,000	0	150,000	150,000	0
31	Tring Swimming Pool	Richard Rice	1,380,000	454,725	0	1,834,725	0	1,834,725	1,760,000	(74,725)
			<b>5,687,907</b>	<b>1,308,009</b>	<b>(651,880)</b>	<b>6,344,036</b>	<b>(1,560,311)</b>	<b>4,783,725</b>	<b>4,667,911</b>	<b>(115,814)</b>
<b>Democratic Services</b>										
32	Election Management System Replacement	Jim Doyle	0	30,000	0	30,000	0	30,000	0	(30,000)
			<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>(30,000)</b>
<b>Development Management and Planning</b>										
33	Planning Software Replacement	Sara Whelan	0	86,964	0	86,964	0	86,964	86,964	0
			<b>0</b>	<b>86,964</b>	<b>0</b>	<b>86,964</b>	<b>0</b>	<b>86,964</b>	<b>86,964</b>	<b>0</b>
<b>Housing &amp; Regeneration Management</b>										
34	The Forum (Public Service Quarter)	Mark Gaynor	0	0	0	0	0	0	0	0
35	Gade Zone	Mark Gaynor	0	24,938	0	24,938	0	24,938	24,938	0
			<b>0</b>	<b>24,938</b>	<b>0</b>	<b>24,938</b>	<b>0</b>	<b>24,938</b>	<b>24,938</b>	<b>0</b>

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**CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR SEPTEMBER 2018**

Scheme	Budget Holder	Original Budget	Prior Year Slippage	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)	
<b>Finance and Resources (continued)</b>										
<b>Information, Communication and Technology</b>										
36	Rolling Programme - Hardware	Ben Trueman	425,000	100,000	0	525,000	0	525,000	525,000	0
37	Software Licences - Right of Use	Ben Trueman	50,000	0	0	50,000	0	50,000	50,000	0
38	Website Development	Ben Trueman	0	41,478	0	41,478	0	41,478	41,478	0
39	Future vision of CRM	Ben Trueman	35,000	343,650	(155,000)	223,650	0	223,650	223,650	0
			<b>510,000</b>	<b>485,128</b>	<b>(155,000)</b>	<b>840,128</b>	<b>0</b>	<b>840,128</b>	<b>840,128</b>	<b>0</b>
<b>People</b>										
40	EIS Replacement	Matt Rawdon	0	70,000	0	70,000	0	70,000	70,000	0
			<b>0</b>	<b>70,000</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>70,000</b>	<b>70,000</b>	<b>0</b>
<b>Property and Place</b>										
41	Disabled Facilities Grants	Alan Mortimer	741,000	14,043	0	755,043	0	755,043	755,043	0
			<b>741,000</b>	<b>14,043</b>	<b>0</b>	<b>755,043</b>	<b>0</b>	<b>755,043</b>	<b>755,043</b>	<b>0</b>
<b>Revenues, Benefits and Fraud</b>										
42	Revenues and Benefits new servers	Chris Baker	23,000	0	0	23,000	0	23,000	23,000	0
			<b>23,000</b>	<b>0</b>	<b>0</b>	<b>23,000</b>	<b>0</b>	<b>23,000</b>	<b>23,000</b>	<b>0</b>
<b>Totals: Finance and Resources</b>			<b>8,038,907</b>	<b>3,664,595</b>	<b>(973,781)</b>	<b>10,729,721</b>	<b>(2,302,311)</b>	<b>8,427,410</b>	<b>8,337,087</b>	<b>(90,323)</b>
<b>Housing and Community</b>										
<b>Commissioning, Procurement and Compliance</b>										
43	Rolling Programme - CCTV Cameras	Ben Hosier	25,000	0	0	25,000	0	25,000	25,000	0
44	Alarm Receiving Centre	Ben Hosier	65,000	0	0	65,000	0	65,000	65,000	0
			<b>90,000</b>	<b>0</b>	<b>0</b>	<b>90,000</b>	<b>0</b>	<b>90,000</b>	<b>90,000</b>	<b>0</b>
<b>People</b>										
45	Verge Hardening Programme	Matt Rawdon	350,000	(65,872)	0	284,128	0	284,128	284,128	0
46	Storage Facility at Grovehill Adventure Playground	Matt Rawdon	0	25,000	0	25,000	0	25,000	25,000	0
47	Capital Grants - Community Groups	Matt Rawdon	20,000	0	0	20,000	0	20,000	20,000	0
			<b>370,000</b>	<b>(40,872)</b>	<b>0</b>	<b>329,128</b>	<b>0</b>	<b>329,128</b>	<b>329,128</b>	<b>0</b>
<b>Strategic Housing</b>										
48	Affordable Housing Development Fund	David Barrett	4,870,000	1,125,000	0	5,995,000	0	5,995,000	5,995,000	0
49	Westerdale (Garage Development)	David Barrett	602,000	769,615	(1,342,153)	29,462	354,538	384,000	384,000	0
50	Northend (Garage Development)	David Barrett	128,000	274,615	726,859	1,129,474	(745,474)	384,000	384,000	0
51	Wood House - Office Space Fit Out	David Barrett	250,000	250,000	0	500,000	0	500,000	500,000	0
52	Temporary Accommodation - creation of new units	David Barrett	60,000	0	(40,000)	20,000	0	20,000	20,000	0
			<b>5,910,000</b>	<b>2,419,230</b>	<b>(655,294)</b>	<b>7,673,936</b>	<b>(390,936)</b>	<b>7,283,000</b>	<b>7,283,000</b>	<b>0</b>
<b>Totals: Housing and Community</b>			<b>6,370,000</b>	<b>2,378,358</b>	<b>(655,294)</b>	<b>8,093,064</b>	<b>(390,936)</b>	<b>7,702,128</b>	<b>7,702,128</b>	<b>0</b>

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**CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR SEPTEMBER 2018**

**APPENDIX C**

Scheme	Budget Holder	Original Budget	Prior Year Slippage	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)
<b>Strategic Planning and Environment</b>									
<b>Commercial Assets and Property Development</b>									
53 Demolish Gadebridge Park Green-Keeper's Shed	Richard Rice	0	20,000	0	20,000	(20,000)	0	0	0
		<b>10,229,000</b>	<b>3,429,156</b>	<b>(1,430,294)</b>	<b>12,227,862</b>	<b>(410,936)</b>	<b>11,816,926</b>	<b>11,662,201</b>	<b>(154,725)</b>
<b>Environmental Services</b>									
54 Wheeled Bins & Boxes for New Properties	Craig Thorpe	20,000	0	0	20,000	0	20,000	20,000	0
55 Play Area Refurbishment Programme	Craig Thorpe	0	278,722	0	278,722	0	278,722	278,722	0
56 Waste & Recycling Service Improvements	Craig Thorpe	15,000	75,000	30,000	120,000	0	120,000	120,000	0
57 Commercial Waste Collection System	Craig Thorpe	0	25,000	0	25,000	0	25,000	25,000	0
58 Gadebridge Park - Splash Park	Craig Thorpe	200,000	40,192	0	240,192	0	240,192	240,192	0
59 Gadebridge Park - Infrastructure Improvements	Craig Thorpe	0	121,783	0	121,783	0	121,783	121,783	0
60 Gadebridge Park - Renovation of White Bridge	Craig Thorpe	250,000	0	0	250,000	0	250,000	250,000	0
61 Walled Garden Irrigation System (Gadebridge Park)	Craig Thorpe	0	0	15,000	15,000	0	15,000	15,000	0
62 Fleet Replacement Programme	Craig Thorpe	875,000	1,716,653	(1,090,141)	1,501,512	141	1,501,653	1,471,653	(30,000)
63 Fleet Services Renew Plant & Equipment	Craig Thorpe	155,000	0	0	155,000	0	155,000	185,000	30,000
		<b>1,515,000</b>	<b>2,257,350</b>	<b>(1,045,141)</b>	<b>2,727,209</b>	<b>141</b>	<b>2,727,350</b>	<b>2,727,350</b>	<b>0</b>
<b>Strategic Planning and Regeneration</b>									
64 Maylands Phase 1 Improvements	Chris Taylor	0	0	0	0	0	0	0	0
65 Urban Park/Education Centre (Durrants Lakes)	Chris Taylor	0	54,015	0	54,015	(54,015)	0	0	0
66 Maylands Business Centre	Chris Taylor	0	0	0	0	0	0	0	0
67 Water Gardens	Chris Taylor	0	(531,570)	550,000	18,430	0	18,430	18,430	0
68 Town Centre Access Improvements	Chris Taylor	(50,000)	125,159	0	75,159	(50,000)	25,159	25,159	0
69 Hemel Street Furniture	Chris Taylor	0	20,000	0	20,000	0	20,000	20,000	0
70 The Bury - Conversion into Museum and Gallery	Chris Taylor	(20,000)	75,000	(55,000)	0	0	0	0	0
		<b>(70,000)</b>	<b>(257,396)</b>	<b>495,000</b>	<b>167,604</b>	<b>(104,015)</b>	<b>63,589</b>	<b>63,589</b>	<b>0</b>
<b>17</b>		<b>1,445,000</b>	<b>2,019,954</b>	<b>(550,141)</b>	<b>2,914,813</b>	<b>(123,874)</b>	<b>2,790,939</b>	<b>2,790,939</b>	<b>0</b>
<b>Totals: Strategic Planning and Environment</b>		<b>15,853,907</b>	<b>8,062,907</b>	<b>(2,179,216)</b>	<b>21,737,598</b>	<b>(2,817,121)</b>	<b>18,920,477</b>	<b>18,830,154</b>	<b>(90,323)</b>
<b>Totals - Fund: General Fund</b>		<b>15,853,907</b>	<b>8,062,907</b>	<b>(2,179,216)</b>	<b>21,737,598</b>	<b>(2,817,121)</b>	<b>18,920,477</b>	<b>18,830,154</b>	<b>(90,323)</b>

**CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR SEPTEMBER 2018**

**APPENDIX C**

Scheme	Budget Holder	Original Budget	Prior Year Slippage	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)	
<b>Housing Revenue Account</b>										
<b>Housing and Community</b>										
<b>Property &amp; Place</b>										
71	Planned Fixed Expenditure	Alan Mortimer	17,480,000	0	(6,000,726)	11,479,274	0	11,479,274	11,479,274	0
72	Pain/Gain Share (Planned Fixed Expenditure)	Alan Mortimer	0	0	0	0	0	0	0	0
73	M&E Contracted Works	Alan Mortimer	0	0	600,000	600,000	0	600,000	600,000	0
74	Communal Gas & Heating	Alan Mortimer	0	0	2,975,000	2,975,000	0	2,975,000	2,975,000	0
75	DBC Commissioned Capital Works	Alan Mortimer	(2,645,989)	3,801,757	2,425,726	3,581,494	0	3,581,494	3,581,494	0
76	Special Projects	Alan Mortimer	0	(6,000)	817,000	811,000	0	811,000	811,000	0
			<b>14,834,011</b>	<b>3,795,757</b>	<b>817,000</b>	<b>19,446,768</b>	<b>0</b>	<b>19,446,768</b>	<b>19,446,768</b>	<b>0</b>
<b>Strategic Housing</b>										
77	New Build - General Expenditure	David Barrett	(415,000)	6,329,420	(483,200)	5,431,220	0	5,431,220	5,168,356	(262,864)
78	Martindale	David Barrett	2,705,097	1,341,586	(2,173,214)	1,873,469	(1,786)	1,871,683	1,871,683	0
79	Kylna Court (Previously known as Wood House)	David Barrett	3,860,000	1,111,605	(453,674)	4,517,931	156,874	4,674,805	4,529,805	(145,000)
80	Stationers Place / Apsley Paper Mill	David Barrett	(1,703,331)	4,865,692	(857,026)	2,305,335	37,026	2,342,361	2,342,361	0
81	Able House	David Barrett	(249,523)	268,769	(48,136)	(28,890)	48,136	19,246	(28,890)	(48,136)
82	New Build - Longlands	David Barrett	0	0	0	0	0	0	0	0
83	Swing Gate Lane	David Barrett	(457,173)	1,030,094	320,627	893,548	(320,627)	572,921	907,921	335,000
84	Swing Gate Lane Conversion	David Barrett	912,696	(23,143)	(116,116)	773,437	116,116	889,553	764,553	(125,000)
85	Eastwick Row	David Barrett	0	0	0	0	0	0	64,000	64,000
86	St Margaret's Way	David Barrett	0	0	0	0	0	0	62,000	62,000
87	Bulbourne	David Barrett	0	0	0	0	0	0	40,000	40,000
88	Coniston Road	David Barrett	0	0	0	0	0	0	40,000	40,000
89	3 London Road	David Barrett	0	0	0	0	0	0	10,000	10,000
90	Gaddesden Row	David Barrett	0	0	0	0	0	0	10,000	10,000
90	Paradise Fields	David Barrett	0	0	0	0	0	0	20,000	20,000
			<b>4,652,766</b>	<b>14,924,023</b>	<b>(3,810,739)</b>	<b>15,766,050</b>	<b>35,739</b>	<b>15,801,789</b>	<b>15,801,789</b>	<b>0</b>
<b>Totals: Housing and Community</b>			<b>19,486,777</b>	<b>18,719,780</b>	<b>(2,993,739)</b>	<b>35,212,818</b>	<b>35,739</b>	<b>35,248,557</b>	<b>35,248,557</b>	<b>0</b>
<b>Totals - Fund: Housing Revenue Account</b>			<b>19,486,777</b>	<b>18,719,780</b>	<b>(2,993,739)</b>	<b>35,212,818</b>	<b>35,739</b>	<b>35,248,557</b>	<b>35,248,557</b>	<b>0</b>
<b>Totals</b>			<b>35,340,684</b>	<b>26,782,687</b>	<b>(5,172,955)</b>	<b>56,950,416</b>	<b>(2,781,382)</b>	<b>54,169,034</b>	<b>54,078,711</b>	<b>(90,323)</b>



<b>Report for:</b>	<b>Finance &amp; Resources Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>6<sup>th</sup> November 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Finance &amp; Resources Performance and Operational Risk Report Quarter 2 2018/19</b>
<b>Contacts:</b>	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources  Nigel Howcutt, Assistant Director, Finance and Resources.
<b>Purpose of report:</b>	To provide Committee with analysis of quarterly performance and risk management within Finance & Resources for the 2nd quarter 2018/19, July - September.
<b>Recommendations</b>	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 2 2018/19.
<b>Corporate objectives:</b>	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 <i>Delivering an efficient and modern council</i> and, through Revenues, Benefits and Fraud division, <i>Building Strong and Vibrant Communities</i> .
<b>Implications:</b>	<u>Financial</u> Contained within the body of the report.
<b>'Value for money' implications</b>	<u>Value for money</u> Contained within the body of the report.
<b>Risk implications</b>	Contained within the body of the report
<b>Equalities implications</b>	None
<b>Health and safety Implications</b>	There are no health and safety implications.
<b>Consultees:</b>	Group Manager (Commercial Assets & Property Development) Group Manager (Financial Services) Group Manager (Revenues, Benefits and Fraud)
<b>Background papers:</b>	Previous performance reports to Scrutiny.
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	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 2 of 2018/19 (July - September).

Appendix 1 – Finance & Resources Qtr 2 Operational Risk register.

Appendix 2 – Finance and Resources Qtr 2 Performance Report.

3. All scores as set out in the operational risk register at Appendix 1 have been reviewed during Quarter 2. There have been no changes to the previous quarter scoring.
4. The Performance Report, Appendix 2, highlights that 10 out of 14 KPI's have been reported as green and performance is strong, 4 are amber and are on the margins of achieving service delivery. This is an overall improvement quarter on quarter.
5. In Quarter 1 RBF06 responding to customer council tax queries within 14 days was classified as a red risk and underperforming and during quarter 2 performance has improved to an amber status at 92%. The first quarter of the financial year is the period in which most queries are raised and the period in which the service is under the most pressure. The council tax bills for the financial year ahead are sent out and also the council tax leaflet is published and hence the most questions and queries are raised, the service are hopeful that the improved quarter 2 performance is the start of a longer term improvement in this service area.

# Appendix 1 - Quarter 2 2018/19 Operational Risk Register.

## Finance & Resources - Nigel Howcutt

### FR\_F02 Delays to Capital programme

Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:	
Financial	Dacorum Delivers	Nigel Howcutt	Graeme Elliot	Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	2 Medium	8 Amber	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
<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</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 focused on those elements of the capital bid that experience indicates are the primary cause of delays to capital projects. These include</p> <ul style="list-style-type: none"> <li>• How robust are the assumptions on the estimated duration of the procurement exercise?</li> <li>• How realistic is the estimated time taken for contractors to deliver the works?</li> <li>• How realistic are the assumptions on officer availability to manage the project on time?</li> </ul> <p>The rationale behind this approach is that an increased culture of challenge will lead to more realistic programming of future capital projects, and therefore a reduced likelihood of slippage.</p> <p>The following controls are in place with a view to</p>		<p>At Qtr 4 2017/18 the HRA outturn produced slippage of 28% and the general fund reported slippage of 34% an average slippage of 30%.</p> <p>At Quarter 1 2018/19 the Capital programme is reporting a 11% slippage in the £63m programme of works. This is broken down into a 10% HRA slippage and a general fund slippage of 12%. The vast majority of this slippage is caused by the delay on 5 or 6 key projects, that will be reviewed as part of the Quarter 1 Cabinet Financial report.</p> <p>The quarter 2 finance report highlighted capital projects that have slipped into 2019/20.</p> <p>The revised capital budget for 2018/19 is £57m and at present there is negligible underspend of less than 1%.</p> <p>There is projected slippage of 4.8%(£2.7m) on the general fund and none on the HRA. This slippage is predominantly due to 4 projects these are; Northend / Westerdale garage development, Berkhampsted MSCP, Civic Centre demolition and Water gardens South car park refurbishment.</p>	



Appendix 1 - Quarter 2  
 2018/19 Operational Risk  
 Register.

reputational risk.

developing a culture of scrutiny and challenge for officers to improve the accuracy of future bids:

- Monthly meetings take place between accountants and budget holders to monitor progress against original timeframes and costs;
- 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.

The 2018/19 capital programme profiling will be reviewed as part of the Qtr 1 monitoring period and AD's will be required to approve the profiling of these budgets and take accountability for delivery of these schemes within the projected timescales.

**Sign Off and Comments**

Sign Off Complete

2018/19 Quarter 2 performance updated and overall capital programme slippage in 2018/19 at quarter 2 of 4.8%.

# Appendix 1 - Quarter 2 2018/19 Operational Risk Register.

## FR\_F03 Variances in General Fund revenue budget



<b>Category:</b> Financial	<b>Corporate Priority:</b> Dacorum Delivers	<b>Risk Owner:</b> Nigel Howcutt	<b>Portfolio Holder:</b> Graeme Elliot	<b>Tolerance:</b> 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 incorporating a stronger culture of financial management across the Council leading to continuous improvement in the setting of accurate budgets.</p> <p>The annual budget-setting process consists of an ongoing scrutiny process in which senior officers from across the Council, together with the Financial Services team, challenge the following year's budget bids from Group Managers.</p> <p>This scrutiny process is augmented by the Budget Review Group (BRG), consisting of Chief Officer Group and representatives from the Portfolio Holder group, which provides early Member-level challenge.</p> <p>There are two opportunities for OSCs to scrutinize the budget proposals and directly question the relevant</p>		<p>The internal audit report in relation to budgetary control was undertaken in early 2018 and a full assurance was achieved in May 2018. The 2017/18 outturn reported a variance on the general fund net cost of service of only £89k, a variance of less than 1% of the net operating budget. This outturn suggest an accurate and efficient budget was set for 2017/18.</p> <p>In quarter 1 2018/19 the general fund is reporting a 421k budget pressure and services are working on plans to mitigate this pressure in year. The main financial pressure is the reduction in income on recyclables, linked to the downturn in the global market for recyclable products.</p> <p>At quarter 2 2018/19 the general fund is projected to be overspent by 1.4% (£249k), this is a marked improvement on quarter 1. The main financial pressures remain in relation to the income from recyclables but budget holders have worked very hard in the last quarter to maximize income streams and to provide quality services in the most efficient manner. Additional mitigation and efficiency work is ongoing.</p>	

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Appendix 1 - Quarter 2  
2018/19 Operational Risk  
Register.

officers before the budget report is finalized and considered by Cabinet and Council.

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.

The Council's Financial Regulations provide a guide to all budget-holders and are subject to annual review.

**Sign Off and Comments**

Sign Off Complete

The 2018/19 Quarter 2 budget monitoring will be reported to cabinet in mid November with a projected budget shortfall of 1.4%.



# Appendix 1 - Quarter 2 2018/19 Operational Risk Register.

FR_I02 Failure to optimise income generated by commercial assets					
Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:	
Infrastructure	Dacorum Delivers	Nigel Howcutt	Graeme Elliot	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	
<p>The council has a significant portfolio of commercially let properties, which provides one of the council's largest sources of income.</p> <p>Council officers must attempt to maximize income from these assets whilst avoiding the risk of vacant properties and increasing bad debts, which could arise if rents are set too high, and would jeopardize 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 crystallizing.</p>		<p>The following controls aim to mitigate the risk of under-performance of the Council's commercial assets by maintaining good communication links between relevant Council services, and by regularly monitoring performance against targets (see KPIs CP01 and CP02) to ensure that underperformance is identified and addressed as quickly as possible. The existence of these controls has led to the 'Inherent Probability' of this risk occurring reducing 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>2018/19 Quarter 1 performance shows occupancy is at 96%, 1% above target and an improvement on the 2017/18 outturn position. The percentage of rent arrears is at 7%, 1% below the KPI of 8%. This is also 1% ahead of the year on year position.</p> <p>At quarter 2 the actual occupancy rate for commercial property is 96% against a target of 95%. This is a very high level of occupancy and maintaining this level is very challenging, especially in the current economic circumstances. The percentage arrears on commercial property rents is also performing strongly at only 7%, 1% ahead of KPI and 2% improvement on the same time last year, the management of the commercial portfolio in tough economic times is looking very strong, but can be affected by market fluctuations.</p>	
Sign Off and Comments					
Sign Off Complete					



# Appendix 1 - Quarter 2 2018/19 Operational Risk Register.

The commercial assets service is working hard to ensure that occupancy is maximized where possible, whilst also keeping rent arrears at a minimal level.

# Appendix 1 - Quarter 2 2018/19 Operational Risk Register.

## FR\_I04 Failure to maintain an effective business continuity plan for all relevant service areas



<b>Category:</b> Infrastructure	<b>Corporate Priority:</b> Safe and Clean Environment		<b>Risk Owner:</b> Nigel Howcutt	<b>Portfolio Holder:</b> Graeme Elliot	<b>Tolerance:</b> 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		<p>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.</p> <ul style="list-style-type: none"> <li>- Annual review process.</li> <li>- Corporate business continuity process and procedures set out in emergency response toolkit.</li> </ul>		<p>A CMT emergency planning exercise was conducted in October 2017 which all members of the Finance and Resources DMT attended.</p> <p>An emergency response workshop for the senior leadership team was undertaken in July 2018 and further learning from that session is being applied to a review of resilience arrangements that is presently underway. The corporate emergency plan has been reviewed and a further more in depth review is scheduled for the first quarter in 2019.</p>	
Sign Off and Comments					
Sign Off Complete – Business continuity plans are in place and emergency response and resilience are updated periodically to ensure they remain current.					

# Appendix 1 - Quarter 2 2018/19 Operational Risk Register.

FR_R01 Council Tax and Business Rates collections rates drop below budget					
Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:	
Reputational	Dacorum Delivers	Nigel Howcutt	Graeme Elliot	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 cash flow 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 minimize 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>There is an active programme for taking formal recovery action against non payers.</p>		<p>At quarter 1 2018/19 the business rates collection rate is 28.7% against a target of 29%. There are outstanding business rates queries that are being dealt with that equate to 0.2% of this shortfall, and the year end outturn target of 98.4% is still expected to be achieved.</p> <p>At quarter 2 the council tax collection rate is 57.6% against a target of 58.2% with the annual target of 98.5% still expected to be achieved. An increase in monthly direct debit payments is resulting in a slight change in the profiling of the payments received and this is being monitored closely.</p> <p>At quarter 2 the NNDR in year collection rate is 51.6% in line with the target.</p>	
Sign Off and Comments					
<p><b>Sign Off Complete</b> – The collection rates of these key funding streams are to date in line with expectations but careful monitoring and reporting are required to ensure that they remain on track.</p>					



# Appendix 1 - Quarter 2 2018/19 Operational Risk Register.

FR_R02 Delays and errors in the processing of Benefits claims					
Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:	
Reputational	Dacorum Delivers	Nigel Howcutt	Graeme Elliot	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	
<p>This risk links to the corporate objective Dacorum Delivers, focusing on an efficient and effective council.</p> <p>Customers could suffer personal hardship resulting from delays or errors in the processing of claims.</p> <p>Significant reputational risk associated with high-profile errors.</p> <p>Staff time spent on addressing unnecessary errors leads to duplication of effort and is an inefficient use of resources.</p> <p>Government subsidy for housing benefit expenditure is based on external audit certification of the claim made. There is financial risk if errors on cases are identified during their testing.</p> <p>Communications with claimants needs to be well written and jargon-free in order to reduce the risk of repeat queries which puts pressure on limited staff resources.</p>		<p>The controls in place aim to mitigate this risk by closely monitoring performance to assist with effective decision-making around resource allocation. This is a heavily process driven service area and close monitoring also helps to identify bottle necks in the process which need to be improved to optimize performance. By subjecting the process to this regular in-depth scrutiny the Service is able to reduce the probability of the risk crystallizing, 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>The time taken to decide a housing benefit claim in the 1st quarter 2018/19 was 22 days against a target of 20 days.</p> <p>The time taken to decide a housing benefit change event in Qtr 1 is 7.7 days against a target of 6 days, this first quarter performance does represent an improvement on last year's 1st quarter by 0.1 days, but is still below where the service need to be.</p> <p>The Qtr 2 benefits team performance has seen an improved performance all round.</p> <p>The total time taken to decide a new claim for housing benefits has reduced to 19.6 days achieving the 20 day target set and showing an improvement quarter on quarter of 2.5 days.</p> <p>The Qtr 2 average time taken to decide a change event for housing benefit clients is 9.8 days shorter than the 10 day target.</p>	



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Appendix 1 - Quarter 2  
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Monthly meetings are held between senior officers within Finance & Resources to monitor detailed performance levels at each stage of the claims process.

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.

**Sign Off and Comments**


Sign Off Complete

The targets set for housing benefit claims and housing benefit changes are very stretching targets, and the targets have been increased by 15% and 30% respectively over the last 2 years. Constant process reviews and performance monitoring are undertaken to enhance the service delivered to strive to achieve these targets.

Indicator Name	Results Sep-2018	Last Quarters Results Jun-18	Last Years Results Sep-17	RAG 	Comments	Actions
Dacorum Delivers - Efficiencies						
RBF01 - Average time taken to decide a new claim for Housing Benefit	19.6 Days 11559 / 589 Target: 20	22.1 Days 12733 / 577 Target: 20	24.3 Days 11827 / 487 Target: 20	1   1   2	Updater Comments: Performance has been consistently good over the quarter.	No Info
RBF02 - Average time taken to decide a change event for Housing Benefit	9.8 Days 54348 / 5574 Target: 10	7.8 Days 59544 / 7679 Target: 6	11.5 Days 66888 / 5793 Target: 11.5	0   2   2	Updater Comments: Performance has returned to a good level during the last 2 months of the quarter.	No Info
FIN03 - General Fund expenditure - outturn forecast against budget	£17868000 Target: 17335000	£17026000 Target: 16308000	£17561000 Target: 17631000	0   2   2	Approver Comments: The key variances are detailed in the supporting financial report	No Info
FIN04 - HRA expenditure outturn forecast against budget	£56151000 Target: 56070000	£56191000 Target: 56070000	£56607000 Target: 56607000	0   3   1	Approver Comments: The key variances are detailed in the supporting financial report	No Info
FIN05 - HRA income - outturn forecast against budget	£56032000 Target: 56070000	£56154000 Target: 56070000	£56462000 Target: 56607000	0   1   3	Approver Comments: The key variances are detailed in the supporting financial report	No Info
FIN06 - General Fund Capital Expenditure - outturn forecast against budget	£18870154 Target: 24515814	£21280538 Info Only	£10871941 Info Only	0   0   1	Approver Comments: The key variances are detailed in the supporting financial report	No Info
FIN07 - HRA Capital Expenditure: outturn forecast against budget	£35248557 Target: 39023557	£35212818 Info Only	£33310862 Info Only	0   0   1	Approver Comments: The key variances are detailed in the supporting financial report	No Info
FIN08 - Investment income: outturn forecast against budget	£641350 Target: 442000	£562110 Target: 548000	£313090 Target: 442000	2   0   2	No Comments	No Info

Indicator Name	Results Sep-2018	Last Quarters Results Jun-18	Last Years Results Sep-17	RAG	Comments	Actions
FIN11 - Investment Property Income ytd budget against ytd actual	£3216867 Info Only	£2039671 Info Only	£3209090 Target: 3095582		No Comments	No Info
RBF06 - Council Tax customer contact response (percentage of contacts responded to within 14 days)	92% 8456 / 9143 Target: 98	83% 8419 / 10098 Target: 89	92% 8760 / 9472 Target: 98	1   1   0	<p>Updater Comments: This quarter resources have been under pressure with a high number of officers off due to sickness, or unplanned leave due to family bereavement and it is no surprise we did not achieve the quarter's target.</p> <p>However, because we did monitor our performance so tightly, we still achieved 92% overall.</p> <p>Approver Comments: The team has worked very hard to meet the challenge caused by staff absence, and it is pleasing to see that despite the issues we were still able to respond to the vast majority of customer enquiries within two weeks.</p>	No Info
Dacorum Delivers - Performance excellence						
FIN01 - Percentage of creditor trade invoices paid within 30 days	98.5% 2847 / 2889 Target: 97	97.9% 2638 / 2694 Target: 97	95.5% 3001 / 3142 Target: 97	0   1   3	No Comments	No Info
FIN02a - Time taken for debtors to pay	28.6 Days Target: 40	33.2 Days Target: 40	46.6 Days Target: 40	0   0   4	No Comments	No Info
Dacorum Delivers - Value for money						



Indicator Name	Results Sep-2018	Last Quarters Results Jun-18	Last Years Results Sep-17	RAG 	Comments	Actions
RBF04 - NNDR (Business Rates) in-year collection rate	51.6% Target: 51.6	28.7% Target: 29	51.9% Target: 52.3	0   2   2	Approver Comments: Collection so far is in line with expectations.	No Info
RBF05 - Council Tax collection rate	57.6% Info Only	30% Info Only	58% Target: 58.2		Approver Comments: Collection is slightly behind target, we will monitor this closely in order to try to identify the reasons for this and take appropriate corrective action.	No Info
Regeneration - Drive value from Council owned assets						
CP01 - Percentage of commercial property occupation	95.73% 583 / 609 Target: 95	95.89% 584 / 609 Target: 95	97.49% 583 / 598 Target: 95	0   0   4	No Comments	No Info
CP02 - Percentage arrears on commercial property rents	7% 363803 / 5006201 Target: 8	7% 372595 / 5006201 Target: 8.75	9% 474542 / 5085000 Target: 8.5	0   2   2	No Comments	No Info

# Agenda Item 9



Report for:	<b>Finance and Resources Overview &amp; Scrutiny Committee</b>
Date of meeting:	<b>6<sup>th</sup> November 2018</b>
PART:	<b>1</b>
If Part II, reason:	

Title of report:	<b>Quarter 2 Performance Report – Corporate and Contracted Services</b>
Contact:	Cllr David Collins, Portfolio Holder for Corporate and Contracted Services  Author/Responsible Officers:  Mark Brookes (Assistant Director – Corporate and Contracted Services)  Ben Hosier – Group Manager (Procurement and Contracted Services)
Purpose of report:	To provide Members with the performance report for quarter two in relation to Corporate and Contracted 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 Implications	Equality Impact Assessment completed for each service area as part of service planning and reviewed quarterly.
Health And Safety Implications	None
Consultees:	Cllr David Collins, Portfolio Holder for Corporate and Contracted Services
Background papers:	Annex 1: Quarter 2 Performance Report

1. Members will find attached to this report the Corvu performance data for Corporate and Contracted Services.
2. Members will also note that the only Operational Risk which falls within this area is CE\_R01 Failure to deliver successful elections and there have been no changes to this risk during the second quarter.
3. The services included in this report are those services which fall under the Assistant Director (Corporate and Contracted Services), which are Legal, Licensing, Corporate Support (which includes the now combined teams of Members Support, Electoral Registration and Corporate Support) and Procurement and Contracted Services.

## **LEGAL**

### **The Legal Team**

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

<b>Matter</b>	<b>Client/type</b>	<b>Case Detail</b>
DBC v Ogundipe	ASB	Council property. Ongoing ASB behaviour. Application for closure order heard on 9 July 2018 and 2 months full closure order granted.
DBC v Quinn	Housing	Notice to Quit served but premises not vacated. Possession proceedings commenced, final hearing 17 July 2018. Possession in 14 days. Daily rate of £18.10 from 31 July 2018 onwards. Costs of £335.
DBC v Persons Unknown	ASB	Homeless people camping on land belonging to the Council near Alexandra Road which was causing ASB. Application for closure order on open land heard on 30 August 2018 and full closure order granted for a period of 3 months.
DBC v Ogundipe	ASB	Closure order already in force for this matter but ongoing ASB so application made to extend the closure. Matter heard on 6 September 2018 and closure order extended by further 3 months
Mobaduduro	HR/Housing	Employment matter – Long standing employment matter, case settled to clients satisfaction, avoiding a three day trial/costs to the council.
Mark Martin	Housing Possession and JR claim	Long standing Housing possession claim, matter settled to clients satisfaction.
32 Brickmakers	Housing Disrepair Case	Disrepair settled to clients satisfaction
Peter Keen	ASB team	Serious ASB case going back to 2016. After attending a two day trial, defendant given 5 years Suspended Possession Order with very strict conditions and ordered to pay council's costs – clients satisfied.

5. The team have been active completing a number of planning and conveyancing transactions bringing significant income into the Council. In the last quarter the team completed the following cases which may be of interest to Members:

- Successful defence in High Court of application to set aside costs order in planning appeal
- Completion of 2 Grant Funding agreements to Hightown Housing Association enabling the development of 29 (Wood Lane) and 17 (Viking House) affordable rental dwellings
- Completion of 4 grant agreements totalling £1,068,000 enabling development of a total of 20 new affordable homes: 4 (Micklefield Road), 7 (Leys Road), 5 (Middleknights Hill) and 4 (Great Heart)
- Exchanged contracts on sale of 4 garage sites to a housing association for £1,530,000

### **The Licensing Team**

6. Key updates for the team are as follows:

- Reviewed Gambling Policy is due to return to the Licensing and Health and Safety Enforcement Committee on 13<sup>th</sup> November following the conclusion of the consultation, once the Committee is satisfied with the policy, it will be recommended to Council for adoption.
- New animal activities licensing has come into effect from 1<sup>st</sup> October. This has required significant resources to prepare processes such as application forms, website guidance, and fees. Now that the new legislation is in place we are experiencing an increase in the amount of contact with our existing licensees and with potential applicants as they seek to understand the changes and the impact that these will have on their businesses.
- The owners of the Borough's only sexual entertainment venue, Junction 9, have made the decision to cease operating and have therefore not renewed their licence. There is a current fee of £1648 for this type of licence.
- The team have recruited a new part time Compliance Officer, due to start in November. This post will support the work of the Licensing Enforcement Officer and will lead to an increase in the level of compliance checks that take place with our licensees, including during evenings and weekends, when much of the trade is at its busiest.

### **Corporate and Democratic Support**

7. During Q2, Member Support and Directorate Support were merged into one team: Corporate Support. The team's remit includes: supporting committee and corporate meetings, managing the corporate complaints system, publishing officer and portfolio holder decisions and supporting town and parish councils.

8. During Quarter 2, Corporate Support carried out the following:

- Published 22 agendas
- Completed 22 sets of minutes
- Spent 29 hours and 55 minutes at evening meetings
- Spent 5 hours and 10 minutes at corporate meetings
- Processed 51 public speakers at Committee
- Published 4 Portfolio Holder Decisions
- Published 16 Officer Decisions

9. Corporate and Democratic Liaison Officer (formerly Town & Parish Liaison)

During the quarter the following were supported:

- 4 Community Association meetings
- 10 Community Tours with the Mayor (insert places)
- Organised and chaired 1 Community Centre Managers meeting
- Organised and chaired 1 Town and Parish Clerk meeting
- 3 Queen's Award for Voluntary Service
- Organised an away day for Boxmoor and Warners End Neighbourhood Association

10. Member Development

In Q2, there have been three Member Development sessions:

- Highways Advice to the local planning authority. This session was facilitated by Nick Gough at Herts Highways and Andrew Horner, Group Manager Development Management & Planning. The session had 16 attendees.
- Negotiating & Influencing. This session was facilitated by Keith Crampton, Wiz Training. The session had 6 attendees.
- Standards training. This session was facilitated by Mark Brookes, Assistant Director for Corporate and Contracted Services in place of a scheduled Standards meeting. This session had 7 attendees.
- 29 councillors have not attended any member development sessions in the first two quarters.

11. Mayoral Support

The Mayor was supported in events throughout the Summer whilst planning for significant events in the Autumn and Winter such as the Civic Reception and Remembrance Day.

Mayor Rocks was launched at the end of the Summer Holidays with a search for golden rocks with the winners being invited into the parlour to meet the Mayor and the Mayor opened the refurbished Hemel Hempstead Leisure Centre welcoming Freeman Max Whitlock MBE to the centre.

The Mayors Charity Appeal Bank Account has now been set up.

## 12. Electoral Services

As far as the Register of Electors is concerned Monthly Rolling Registration has been as follows;

### **July** - Total 899

Additions: 386

Amendments:70

Deletions: 443

### **August** - Total 999

Additions:421

Amendments:35

Deletions:543

### **September**- Total 655

Additions:456

Amendments:7

Deletions:192

### **Quarter totals**

Additions: 1263

Amendments: 112

Deletions: 1178

### **Annual Canvass**

The annual canvass began on the 23<sup>rd</sup> of August 2018 where we posted Household Enquiry Forms to over 64,000 properties in the borough. Reminder forms were then sent out on the 20<sup>th</sup> of September to just under 25,000 properties who had not yet responded.

The new software has now been rolled out and is supporting this year's canvass very well. The team have adapted well to this major change and the positive results are already being seen.

The new Assistant Electoral Registration Officer started in September and is fitting in well.

## **PROCUREMENT AND CONTRACTED SERVICES**

13. Procurement – The workload remains at a high level managing tender activities across the Council in the following areas:

- Housing New Build Programme
- Cemetery Development
- Refuse Fleet Upgrade
- Market Operator
- Enforcement Agent Services
- Occupational Health
- Housing Benefits Resilience Service
- CCTV Upgrade & Maintenance
- Civic Zone Regeneration
- Temporary Agency Staff

Parking Services – The parking enforcement contract continues to increase the level of compliant parking through the utilisation of ANPR CCTV technology, this is backed up by an increase in parking income and a reduction in the number of PCN' s being issued out.

CCTV – The Service continues to deliver safeguarding measures to residents and members of the public through the delivery of the CCTV service.

The Service is continuing in its quest to become an accredited Alarm Receiving Centre which will enable the CCTV service to deliver alarm monitoring services across the Council which will be delivered at a lower cost than is currently being delivered by external providers.

Leisure Contract – The redevelopment at Hemel Leisure Centre is on track and an open day took place on Saturday 22<sup>nd</sup> September.

New signage for Hemel Leisure centre has been installed.

Multi-Storey Car Park – The site possession date has been delayed until Jan 2019 to allow the utilities diversion works to be completed.

Huber are progressing with the utility providers, to divert the utilities prior to commencing with the construction. Huber are progressing with the design and working on collating various material samples for submission to planning.

Temporary Car Park – An amended planning application has been submitted and is due to be discussed at DMC on 8<sup>th</sup> November 2018, this application does not remove the trees, which has been a concern for residents.

Works on the temporary car park are due to commence shortly after the DMC meeting so that the car park will be operational from December, to help out with parking in the run up to Xmas.




OSC Report - Finance & Resources Department - Chief Executive's Unit

Sep-2018

Indicator Name	Results Sep-2018	Last Quarters Results Jun-18	Last Years Results Sep-17	RAG	Comments	Actions
Dacorum Delivers - Performance excellence						
LG03 - Percentage of Right to Buy documents sent to tenants/their Solicitors within 15 working days of receipt of full instructions	100% 4 / 4 Info Only	100% 8 / 8 Info Only	100% 15 / 15 Info Only		Updater Comments: Target met	No Info
LG06 - Percentage of housing possession proceedings commenced within 20 working days of receipt of full instructions	100% 1 / 1 Info Only	100% 2 / 2 Info Only	100% 2 / 2 Info Only		No Comments	No Info
LG09 - Percentage of prosecution proceedings commenced within 20 working days of receipt of full instructions	100% 1 / 1 Info Only	100% 3 / 3 Info Only	100% 4 / 4 Info Only		No Comments	No Info
Dacorum Delivers - Reputation and profile delivery						
DPA01 - Percentage of DPA requests met in 40 days	100% 14 / 14 Target: 100	100% 13 / 13 Target: 100		0   0   4	No Comments	No Info

Indicator Name	Results Sep-2018	Last Quarters Results Jun-18	Last Years Results Sep-17	RAG	Comments	Actions
CS02a - Percentage stage 1 complaints resolved in 15 days for the Council	98.08% 51 / 52 Target: 80	96.55% 56 / 58 Target: 80	80.3% 53 / 66 Target: 80	0   0   4	Updater Comments: Performance exceeding targets and at a high level.	No action at this time; performance exceeding target and at a high level and an upward trend.  This is contributed to by the monitoring and reminder system implemented by the former Directorate Support Team, now managed by Corporate & Democratic Support
CS02b - Percentage stage 2 complaints resolved in 15 days for the Council	200% 2 / 1 Target: 80	100% 3 / 3 Target: 80	100% 2 / 2 Target: 80	0   0   3	Updater Comments: Performance at 100% - no further comments	Performance at 100% - no further comments
FOI01 - Percentage FOI requests satisfied in 20 days	95.77% 181 / 189 Target: 100	98.4% 185 / 188 Target: 100		0   2   0	Updater Comments: Targets missed due to either long term sickness absence or extension of time requested.	No Info

Indicator Name	Results Sep-2018	Last Quarters Results Jun-18	Last Years Results Sep-17	RAG	Comments	Actions
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MS01 - Average number of training opportunities taken up per Member	17.2 Opportunities 35 / 204 Info Only				<p>Updater Comments: (data calculated as 4 training sessions with 51 seats at each = 204 opportunities. 35 attendees across the 4 sessions)</p> <p>Homeless Reduction Act – 9 attendees</p> <p>Highways advice – 16 attendees</p> <p>Negotiating &amp; Influencing – 6 attendees</p> <p>Standards – 4 attendees</p>	Currently reviewing Member Development Strategy for 2019-2023 alongside planning for 2019 induction.
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Dacorum Delivers - Efficiencies

FIN13 - Car Parking Income ytd budget against ytd actual	£1162548 Target: 1143555	£583571 Target: 530780	£1137125 Target: 1055070	0   0   4	<p>Updater Comments: Even though the target includes the recent budget adjustment, the income is still above target.</p> <p>Approver Comments: Even though the target includes the recent budget adjustment, the income is still above target.</p>	N/A
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# Agenda Item 11



<b>Report for:</b>	<b>Finance &amp; Resources Overview and Scrutiny Committee</b>
<b>Date of meeting:</b>	<b>6 November 2018</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report:</b>	<b>Parking Enforcement Contract Performance</b>
<b>Contact:</b>	David Collins, Portfolio Holder for Corporate & Contracted Services  Author/Responsible Officer Ben Hosier (Group Manager – Procurement & Contracted Services) Victoria Coady (Commercial Contracts & Supplier Relationship Lead Officer)
<b>Purpose of report:</b>	<ol style="list-style-type: none"> <li>1. To provide Committee with an overview of the implementation and mobilisation of the Parking Enforcement contract.</li> <li>2. To provide Committee with an overview of the governance arrangements that have been set up to monitor, review and report on the performance of the Parking Enforcement contract including the agreed set of contractual Key Performance Indicators.</li> <li>3. To provide a report on the financial performance of the contract over the first 6 months of the year.</li> </ol>
<b>Recommendations</b>	<ol style="list-style-type: none"> <li>1. That Committee acknowledges the work that was undertaken throughout the implementation and mobilisation period by Council officers and Indigo Park Services UK Ltd.</li> <li>2. That Committee supports the governance arrangements that have been set up to monitor the performance of Indigo Park Services UK Ltd, including the KPI's.</li> <li>3. That Committee notes the financial performance of Parking Enforcement contract during the first 6 months of the contract.</li> </ol>
<b>Period for post policy/project review</b>	It is suggested that the performance of the Parking Enforcement contract is presented to this Committee every 6 months over the first 2 years of the contract.

Corporate objectives:	<p><b>Clean Safe &amp; enjoyable Environment</b>  <b>Economic Growth &amp; Prosperity</b>  On-Street and Off-Street parking supports a clean, safe and enjoyable environment and supports economic growth and prosperity which are both priorities of the Council's vision.</p> <p><b>Dacorum Delivers</b>  The Council's car parks provide an income stream. Optimising income assists the General Fund to achieve a balanced budget.</p>
Implications:	<p><u>Financial</u></p> <p>The demand for parking increases year on year. Although the council encourages the use of public transport, cycling and walking it also recognises that car parking provision is necessary for the borough to prosper.</p> <p>The delivery of the Parking Enforcement contract provides an important service for the Council and also generates income to the Council, some of which is ring-fenced to be reinvested back in to on-street parking.</p> <p>Car parking charges have not increased in 2017/18 or 2018/19 and will not increase in 2019/20, so there has been a need to review the Council's approach to parking enforcement to ensure that the contract operates efficiently whilst still being fit for purpose.</p> <p><u>Value for money</u></p> <p>It is important that the performance of this contract and the impact this has on residents and visitors to the borough is monitored, reviewed and continuously improved to ensure that the quality of service remains at an acceptable level.</p> <p>The performance of Indigo Park Services UK Ltd is monitored against the contractual standards and KPI's and failure to deliver the service to the agreed performance levels will impact on the performance related payment mechanism in the contract.</p> <p>The number of 'KPI failure's' that are identified are directly linked to the level of payment that Indigo Park Services UK Ltd receive.</p>
Risk implications	<p>Operational risks are reviewed and discussed at monthly operational meetings and taken to the operational board if deemed necessary.</p> <p>Strategic risks are reviewed and discussed at the quarterly operational board.</p>
Community Impact Assessment	<p>A Community Impact Assessment was carried out in September 2017, the parking enforcement requirements are reflected in the CIA and will be reviewed and monitored on a</p>

	regular basis.
Health and safety Implications	<p>Health &amp; Safety is of paramount importance on this contract, and standards are clearly set out in the service specification and legislation.</p> <p>Health &amp; Safety is reviewed and discussed at the monthly operational meetings and taken to the operational board if deemed necessary.</p>
Consultees:	<p>David Collins – Portfolio Holder for Corporate &amp; Contracted Services</p> <p>Mark Brookes – Assistant Director Corporate and Contracted Services</p> <p>Victoria Coady - Commercial Contracts &amp; Supplier Relationship Lead Officer</p> <p>Steve Barnes – Parking Services Team Leader</p>
Background papers:	N/A
Glossary of acronyms and any other abbreviations used in this report:	<p>ANPR – Automatic Number Plate Recognition</p> <p>CCTV – Closed Circuit TV</p> <p>CEO – Civil Enforcement Officer</p> <p>CPZ – Controlled Parking Zone</p> <p>IPS – International Parking System</p> <p>IVR – Interactive Voice Response</p> <p>KPI's – Key Performance Indicators</p> <p>MTFS – Medium Term Financial Strategy</p> <p>ONS – Office for National Statistics</p> <p>PCN – Penalty Charge Notice</p> <p>TES – Traffic Environment Systems</p> <p>TUPE – Transfer of Undertakings (Protection of Employment) Regulations 2006 (as amended)</p> <p>VRM – Vehicle Registration Mark</p>

## Introduction

During 2017 the Council were presented with an opportunity to review the Parking Enforcement arrangements due to the contract needing to be retendered.

Upon reviewing the service specification, it became clear that it had previously been drafted from a service provision perspective and had very little scope to reduce operational running costs.

Due to the technology that was around when this contract was originally drafted, both operational and financial service improvement have been hampered by the limitations on the equipment, the lack of data for decision making, the reliance on cash and therefore risk of theft, vandalism and costs of cash collection.

The Council undertook a pre-tender market engagement exercise with a number of major IT and Solution providers in the UK to understand the context of the current Parking Enforcement market and any future market developments.

The dialogue identified current business, technological and innovative solutions and market developments, which has led to a good understanding of how an effective and responsive Parking Enforcement Service could be shaped to deliver future ongoing efficiencies.

It also enabled the Council to explore new systems which will ensure that data is reliable, robust and able to inform customers, service priorities and support future planning.

It was clear from the market engagement that technology would allow innovation and growth to deliver efficiency savings and reduce parking contraventions. It was suggested that we should treat Software as a Service and if procured in this way would deliver outcomes. It would also promote continuous improvement of equipment and systems by taking advantage of innovations as they develop in the market.

The following examples have been provided to show potential technological innovations:

- Introduction of vehicles equipped with CCTV ANPR linked to the back office system can be used to identify vehicles parked in contravention allowing CEO's to be targeted at non-compliant vehicles.
- Develop "Heat Maps" showing areas that have the most number of PCNs issued. This then allows for 'Resource Optimisation' based on location/time.
- Utilise systems and websites that promote customer self-service by:
  - providing virtual online tickets and permits;
  - providing a self-serve pre-appeal web site – this reduces the number dealt with by officers considerably;
  - utilising telephony IVR to give information to callers.
- Use in road sensors to detect if a vehicle is in a bay. Currently expensive but could be used to support disabled/electric car users.
- Use fixed CCTV to enforce parking around schools on Zig Zag lines only.

The Committee will recall that Cabinet delegated authority to award a contract for Parking Enforcement in October 2017 and that the contract was subsequently awarded to Indigo Park Services UK Ltd provide a Parking Enforcement contract in

November 2017. The contract included the enforcement of both on-street and off-street parking across the borough and commenced in April 2018.

The contract was split in to two lots which included the following elements:

- Lot 1 - 'Integrated Systems, Software and Associated Hardware'
- Lot 2 - 'Compliance Management and Business Processing Solution'

In line with recent changes to the matters that are presented to scrutiny committees, the purpose of this report is to update Committee on the performance of one of the Council's strategically important contracts.

This report provides the Committee with assurances that the contract is being managed from both a contractual and commercial perspective and will focus on the following areas:

1. Implementation and mobilisation of the Parking Enforcement contract.
2. Governance arrangements that have been set up to monitor, review and report on the performance of the Parking Enforcement contract including the agreed set of contractual Key Performance Indicators.
3. Report on the financial performance of the contract over the first 6 months of the year.

The Committee are actively encouraged to review the governance arrangements with particular emphasis on the KPI's.

This report will provide a robust and transparent conclusion as to the performance of the Parking Enforcement contract and in addition will make appropriate recommendations for performance improvements.



## Key Issues

### 1. Contract Implementation and Mobilisation

- 1.1 Fortunately for the Council, Indigo Park Services UK Ltd were the incumbent service provider, so the implementation of the new contract was not burdened with the complexities of TUPE. There was a clear contract mobilisation plan put in to action for both lots 1 and 2 of the contract and this was overseen by Project Mobilisation Team.

The mobilisation plan included the following elements:

- Operations
- Health & Safety
- Training & Development
- Support Vehicles
- ANPR Vehicle and Technology
- Accommodation
- Office Equipment
- Uniform
- Liaising with the Council's IT Supplier
- Acceptance Testing
- System Live
- Pay & Display Equipment Programme
- Back Office and Training Works

- 1.2 The contract mobilisation commenced in January 2018 with a contract 'go live' date of 8 April 2018. Although the mobilisation period was deemed to be more than sufficient, there were some key elements of the mobilisation that were time critical and it was imperative that customers did not see a dip in the level of service that was being provided, such as;

- IT Solution set-up;
- 
- polygon mapping for the ANPR CCTV vehicle;
- 

- 1.3 the swap over of the pay and park machines in all of the on-street and off-street locations. Although Indigo were the incumbent service provider, the new contract required the CEO's to have some additional skills over and above that of the former contract. The main additional skills were the ability and licences to drive a vehicle/moped scooter and a bicycle. This has proven to be a concern for Indigo who have encountered a number of problems recruiting suitably qualified staff.

- 1.4 Since the contract commencement, Indigo have not always been able to provide a sustainable level of CEO's as indicated in their tender submission, they have frequently managed to fill the vacancies with agency staff, but have not always been able to rely on these agency staff to attend.

- 1.4 Indigo Park Services UK Ltd have indicated that overall they are pleased with how the mobilisation of this contract has gone.

- 1.5 There was a clear communications strategy in place to inform residents of the changes that would take effect with the new parking enforcement contract

however, there have been a number of concerns that have been raised, concerning the changes to the parking enforcement service.

1.6 The main changes to the parking enforcement service that affected both the Council and the residents/visitors to the borough include:

- All parking enforcement will be carried out by using the VRM;
- Introduction of vehicles equipped with CCTV ANPR linked to the back office system allowing Civil Enforcement Officers (CEO's) to be targeted at non-compliant vehicles;
- Data analysis to develop "Heat Maps" showing areas that have the most number of PCNs issued. This then allows for 'Resource Optimisation' based on location/time;
- Introduction of contactless & chip and pin payment methods in car parks;
- Opportunity to benefit from moving towards a cashless parking service;
- Utilisation of systems and websites that promote customer self-service.

1.7 To provide some context around the changes that have been introduced as part of the Parking Enforcement contract, the following factors needed to be taken in to consideration:

- A reduction in the operating budget of £150,000 (22%) over a 3-year period to support the MTF5;
- The introduction of technology to operate at a more efficient and financially sustainable level;
- Following on from the closure of the Parking Shop in 2016, to continue to embrace the Council's customer self-serve remit as part of its 'Digital Dacorum/Transform Dacorum' programme;
- A shift in the market from traditional parking permits to a virtual permit platform;
- To enable the Council to become more effective with the enforcement with the expanding Controlled Parking Zones.

1.8 There have been a number of concerns raised by Councillors and residents with particular emphasis on annual permits and visitor vouchers.

- The Council recently sent correspondence out to approx. 1,600 properties that are located within current CPZ's informing them of the upcoming changes to the parking arrangements.
- The communication explained that all future annual parking permits and visitor vouchers would be virtual, and would need to be applied and paid for online. It also explained that all future visitor vouchers would be activated by logging on to your online account and inputting the VRM of the visitor's vehicle.
- Evidence indicates<sup>1</sup> that the vast majority of residents will apply for the annual parking permit and visitor vouchers utilising the systems and websites provided by the Council.
- This evidence also indicates<sup>2</sup> that the majority of residents will be able to book/use the visitor vouchers as they regularly access the internet 'on the go'.

- Evidence indicates<sup>3</sup> that the number of elderly internet users had increased significantly.

<sup>1</sup> The latest ONS report (3/8/17) on households & individual's internet access indicates that 90% of households in Great Britain have internet access.

<sup>2</sup> The latest ONS report (3/8/17) on households & individual's internet access indicates that 73% of adults accessed the internet "on the go" using a mobile phone or smartphone.

<sup>3</sup> The latest ONS report (19/5/17) on Internet users in the UK: 2017 indicated that internet use in the 65 to 74 age group has increased from 52% in 2011 to 78% in 2017

1.9 It was clear from the relatively small volume of responses that the Council received that a number of residents felt that their individual circumstances have not been taken in to consideration when the new parking enforcement arrangements were designed. Although it is envisaged that this will be a minority of residents, the Council have a duty to ensure that through the services delivered, no individual or group of residents feel discriminated against. The Council has subsequently reviewed the new parking arrangements and have proposed the below new processes for residents living in CPZ's who are unable to access the internet for permits and visitor vouchers.

- Residents that do not have access to the internet but need to apply for a parking permit in a CPZ can write in to Parking Services and apply for a parking permit, the correspondence should clearly state the reasons that the resident is unable to manage the parking permit process online. An application form is then posted out to the resident who must return the completed form with any requested supported documentation. Payment for the permit is either made via a cheque or the resident is contacted and a secure card payment is made over the phone. Once payment is confirmed, Indigo will then process the virtual permit on to the system and informs the resident that they are able to park in the CPZ.
- Residents who do not have access to the internet but need to apply for visitor vouchers in a CPZ can write in to the Parking Services and apply for scratch cards, the correspondence should clearly state the reasons that the resident is unable to manage the visitor voucher process online. An application form is then posted out to the resident who must return the completed form with any requested supported documentation. Payment for the visitor vouchers is either made via a cheque or the resident is contacted and a secure card payment is made over the phone. The scratch cards are then sent out to the resident via recorded delivery.
- The Council anticipate that the visitor voucher scratch cards will only be issued out to a minority of residents as they do not support the enforcement by ANPR and will reduce the effectiveness of the parking enforcement service. The cost of providing scratch cards during 2017/18 was cost neutral (approx. £15k), and although the cost of providing these scratch cards in the future is expected to be much lower, due to the reduced number being issued out, it is not expected to be cost neutral due to the discounts that are currently available for the residents that are expected to apply for the scratch cards (half price for senior citizens and Dacorum Card holders). The financial impact of this policy change will need to be monitored and reviewed.

- It is worth noting that the Council and Indigo are in early discussions with the software provider to look at introducing an IVR telephone system that will enable residents to apply for and pay for parking permits and visitor vouchers. It is envisaged that this will encourage resident self-service in the future and mitigate the need for scratch cards in the future.

## **2 Governance Arrangements**

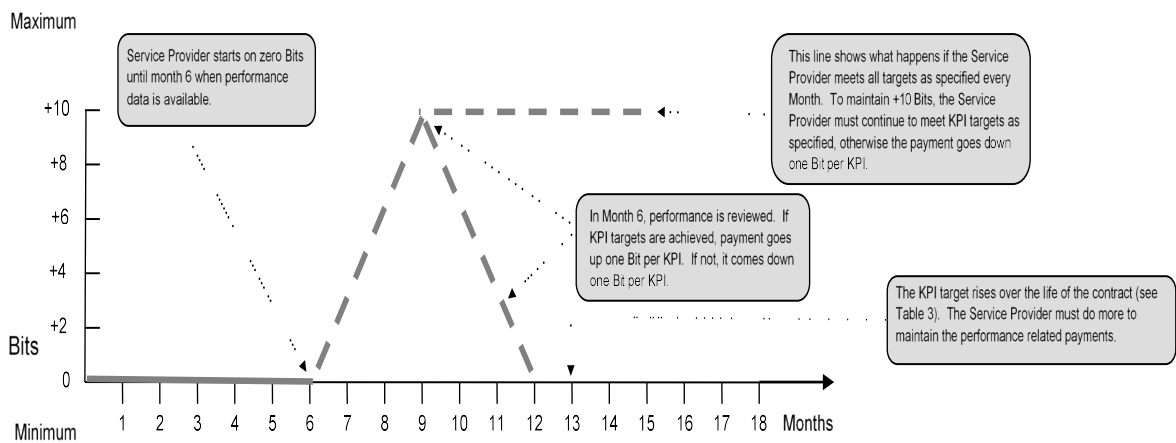
- 2.1 This contract is of significant importance to the Council and requires an appropriate level of governance. It includes the generation of income from Council owned car parks which supports the investment and management in both current and future on-street and off-street parking locations.
- 2.2 The simple fact that this contract has been awarded following a robust procurement process has enabled the relevant service standards and performance indicators to be built in to the service specification and will help the Council to monitor, review and report on the performance of the contract. However, as the KPI's in this contract are new, the performance of the contract during the first year will be used to ensure performance compliance and produce baseline information from which future KPI's will be measured against.
- 2.3 The governance arrangement that have been set up for this contract include an 'operational meeting' that meets on a monthly basis. The 'operational meeting' is chaired by the officer with the day to day contractual and performance responsibility for the contract. In addition to the chair, the other Council attendees to this board include officers with the day to day responsibility for the Parking service, attendees from Indigo include the contract manager. This meeting focusses on any outstanding issues that have arisen during the month and are entered on the issues tracker.
- 2.4 In addition to the 'operational meeting' there is also an 'operational board' which initially met on a monthly basis during the implementation/mobilisation phase, but now meets on a quarterly basis. The 'operational board' is chaired by the officer with the day to day contractual and performance responsibility for the contract. In addition to the chair, the Council attendees to this board include the Group Manager Procurement & Contracted Services and officers with the day to day responsibility for the Parking service, attendees from Indigo include the Regional Commercial Manager and the contract manager. All meetings are recorded and minutes are produced and sent round to all attendees, this board focusses on the following issues:
- Quarterly Performance Report
  - Financial Performance
  - KPI's
  - Contractual Matters
- 2.5 The contract has been specifically written so that Indigo are required to demonstrate their compliance with the Council's 'service objectives' that have been included as part of the service specification on a quarterly basis:
- Improve the quality of service and the environment to residents and visitors to Dacorum
  - Use of resources to ensure effective deployment for compliance management

- Investment in new technology to support the safety of the traffic network
- Comply with current and future Legislative requirements
- Introduce innovative solutions to deliver operational improvements and efficiencies
- Provide a reporting solution to account for and report accurate information
- Increase levels of compliance through efficient and effective operations

2.6 A percentage of the Indigo charges for Lot 2 are subject to the performance related payment mechanism. This equates to £43k per annum being linked to the direct delivery of KPI's. This annual figure is divided 4 quarters and then by the number of KPI's to be delivered in that year (10 in year 1, 15 in year 2 and 18 in year 3 onwards). As a result, each KPI has a quarterly monetary value and where a KPI failure has been identified Indigo will not be paid the quarterly value of the KPI. This is set out in a diagram below:

**Diagram 1**

**Table 2: Operation of the Performance Related Payment Mechanism**



2.7 The contract includes the following quarterly KPI's, which will be monitored from October 2018.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Improve the quality of service and the environment to residents and visitors to Dacorum	Good quality, motivated, and informed CEOs	Initial CEO training and accreditation	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	100% of CEO's will need to have the appropriate accreditation within 6 months of starting work.  100% of all CEO's must complete their induction before commencing work.  100% of CEO's will have the relevant bike or vehicle licences within 1 month of starting work.	The Service Provider will supply copies of all training certificates to the Council.  The Service Provider will provide evidence that induction is completed  The Service Provider will provide copies of licences for viewing.
		Regular assessment and refresher training	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	The Service Provider will ensure that 100% of all CEOs receive regular assessment and on-going refresher training.	The Service Provider will supply copies of employees training plans, including any refresher training that has taken place for viewing
		The level of complaints and complaints handling	2 substantiated complaints per month	Any complaints received by the Service Provider about a CEO or a Notice Processor must be emailed/copied to the Council within 1 working day of being received.  A response to the complaint must be sent to the customer within 5 working days.	The Council will have the final say as to whether a complaint is proven.  If the complaint is in relation to how the PCN was served or the behaviour of the CEO, then this would be defined as a complaint.  If body-worn camera evidence is not available, (as it should be), then this would result in the complaint being upheld
		Level of staff turnover	92%	Personnel turnover shall not exceed 8% of total staff on a monthly basis.	The Service Provider will provide turnover statistics monthly. Staff dismissed or requested to be removed from the contract by the Council, should not form part of this calculation.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Use of resources to ensure effective deployment for compliance management	Effective Parking Enforcement	Deployment of CEO's	95%	<p>The Enforcement Service Provider shall not deploy less than the agreed minimum number of CEO's each day which must include at least 1 car driver and 1 moped rider for all shifts.</p> <p>The Authority will claim quantifiable losses based on the hourly rate of the officer type plus £25.00 per hour based on the likely lost PCN revenue.</p>	<p>The Service Provider will self-monitor and provide the Council with a report to verify details, including no. of deployed hours and the weekly mileage of the enforcement vehicles per shift.</p> <p>Minimum number of CEO's multiplied by daily hours multiplied by no. of days in month</p> <p>The losses will be in addition to failing the KPI</p>
		Suspensions	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	<p>Failure to implement 100% of new suspensions in the required time frame.</p> <p>The required timeframe will be one working week before the suspension date for notification and on day of suspension.</p> <p>Emergency suspensions shall be excluded from this KPI, but still need to be complied with</p>	<p>Performance information will be provided by Service Provider.</p> <p>Failure to collect accurate records/evidence (e.g. photo's) of Suspensions in place as described in the Specification.</p> <p>The suspension process must include timeliness of suspension implementation, accuracy of information on signs describing suspension and advance warning notices.</p>
		Pay and park machine maintenance	100%	Failure to check machines daily and report faults within 1 hour	Performance information will be provided by Service Provider.
			95%	<p>Failure to attend and resolve issues with machines if 1<sup>st</sup> line maintenance within a 1-2-hour timeframe</p> <p>If machine issue is identified as a 2<sup>nd</sup> line maintenance, then report this within a 1-hour timeframe.</p>	<p>Identified faults will be reported within the next working hour via the IPS system.</p> <p>If system is down/unavailable, the CEO's will need to report the fault when they come across them.</p> <p>The Council will also use information provided at the monthly meetings to confirm whether remedial work has taken place against all instances of repair requests and/or identification.</p>
Investment in new technology to support the safety of the traffic network	Technological Improvements	Number of contraventions identified via CCTV ANPR against the number processed.	95%	The Enforcement Service Provider shall ensure that ninety five percent (95%) of parking contraventions captured by the CCTV Fixed and Mobile Enforcement Vehicles are investigated by CEO's and are to be subsequently served a PCN if appropriate within the legislation.	Performance information will be provided by Service Provider per shift.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Comply with current and future Legislative requirements	Issue of Good Quality PCNs*	Number of cancellations due to CEO error	0.5%	<p>The Service Provider should ensure that all necessary information is collected in an error free manner on the handheld devices, or within pocket-books, where appropriate, including clear notes and digital images as set to the standards in the Specification.</p> <p>CEO errors shall not exceed half of one percent (0.5%) of PCN's issued during that calendar month (excluding void PCN's). Should this happen the Authority shall claim quantifiable losses for each PCN cancelled due to CEO error over half of one percent (0.5%) threshold.</p>	<p>The Enforcement Service Provider shall supply the Authorised Officer with daily records of the number of PCN's cancelled as spoil each week for each CEO, these will be compared against the level of cancellations resulting from CEO error against agreed tolerance levels.</p> <p>The losses will be assessed at £25.00 per PCN. This will incorporate the average recovery rate of a PCN issued by a hand held device and the associated administration costs to rectify the error.</p> <p>The losses will be in addition to failing the KPI</p>
		Quality of the PCN's	70%*	<p>The Enforcement Service Provider shall ensure that the quality of PCN's issued is such that initially an average of at least seventy percent (70%) is paid over the course of a rolling twelve (12) month period. Should the average be below this the Enforcement Service Provider shall take immediate remedial action, providing more training and performance management as necessary.</p>	<p>This 70% target will increase over the duration of the contract.</p>

\*This KPI refers to the cancellation of PCNs due to Service Provider error.

The KPI is intended to ensure that PCNs are issued only when a contravention has been identified; according to Council guidelines; that the supporting information collected and recorded by the CEO is adequate to support enforcement of the PCN; and to enable the Council to deal with representations and Adjudication cases.

Whether or not the Council subsequently cancels a PCN for reasons other than those given below, or fails to enforce valid PCNs, will not be taken into account when assessing whether this KPI has been met.

PCNs must be supported with clear digital camera images and the required notes on the Handheld Device. The quality of notes is important, including legibility, contravention details including any interaction with customers.

The level of PCNs cancelled due to an error by the CEO will be taken into consideration. CEO error will be defined to include those cases where the PCN has to be cancelled due to a factual error in the details recorded by the CEO (wrong location, make or number of vehicle for example), or where supporting evidence has not been recorded or lost due to data transfer error. A tolerance factor (as a percentage of all PCNs issued) will be built into this indicator.



Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Introduce innovative solutions to deliver operational improvements and efficiencies	IPS Pay & Park Technology	Percentage of time machines are able to accept payment.	<i>Within operational hours 95% of the machines must be able to accept payment in accordance with the Indigo/IPS SLA</i>	95% of the time during hours of operation. KPI excludes network failure, power failure, acts of god, vandalism, wilful damage, all of which are outside of Indigo's control.	Service provider to provide to a report on machine downtime per month.
		Response time for resolution of 2nd line maintenance requests	95% <i>(response time as per SLA provided)</i>	Within 20 working hours for requests received Monday – Friday 0900 – 1700 (excluding Bank & Public Holidays).	Service provider to provide to a report on resolution of 2nd line maintenance requests per month
	TES CCTV ANPR Technology	Equipment downtime	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	As a minimum at least 1 of the vehicles must be available 100% of the time during the hours of operation. Any vehicle can only be non-deployable for a maximum of 48 hours (excluding weekends).	Service provider to provide to a report on equipment downtime per month.
		Response time for resolution of 2nd line maintenance requests	95% <i>(response time as per SLA provided)</i>	Priority Level One – 2 days Priority Level Two – 7 days Priority Level Three – next release	The measure would depend on the nature of the fault. As per the TES Service Level Agreement
Provide a reporting solution to account for and report accurate information	Statistical Information	Reporting	Within 3 working days of month end	The Enforcement Service Provider shall use resource analytics and optimisation techniques supported by live data from CEO's, CCTV vehicles and other sources.	The Enforcement Service Provider shall develop analysis that includes "Heat Maps" that show, for example, street segmentation, areas that have the most compliance, the number of visits by CEO, the number of PCN's issued and other data that informs the delivery of the service.

Service Objective	Key Outcome	Measurements (KPI's)	Targets	Comments	Information Sources
Increase levels of compliance through efficient and effective operations	Administrative procedures Tolerance Level	Customer and Processing Services	2 failures per month	<p>Within 2 working hours' failure to log, scan, process or correctly allocate items of correspondence (post or email) on the day of receipt (during working hours) – Mon - Fri.</p> <p>Within 2 working hours' failure to take the required action to update the IT system as required, or to record case details correctly, within the appropriate timescales.</p> <p>Within 2 working hours failure to maintain adequate levels of stationery, PCN rolls, consumables, suspension notices or other stock required for public purchase or operational delivery (no tolerance)</p>	The question of whether a Penalty Charge cancellation is due to "Service Provider Error" shall be determined by reference to a list of reason codes for Penalty Charge cancellation corresponding to the reasons set out but not be limited to below, and as may be further determined by the Council from time to time.
		Banking and Financial	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	<p>Failure to account for monies taken on behalf of the Council (e.g. in respect of permits and PCNs).</p> <p>Late/delayed banking of monies unless agreed with the Council.</p> <p>Failure to carry out adequate reconciliation of monies and/or numerous errors in banking and accounting processes, inadequate checks on credit/debit cards.</p>	<p>Performance information will be provided by Service Provider.</p> <p>The Council will also monitor this indicator using the IT system and the Council's internal systems as appropriate.</p> <p>Note – notwithstanding the requirements of this KPI, where any errors in banking have incurred a financial loss to the Council, the amount lost will be deducted from the performance payment (and invoiced separately to Indigo if more than the performance payment).</p>
		Administrative Arrangement	Minimum Requirement <i>(If not met, then the KPI is automatically failed)</i>	The Enforcement Service Provider shall ensure that the their Customer Support Centre office is open between 07.30 hours and 19.00 hours Monday to Saturday (except for Public Holidays)	Must be staffed at all times during those hours by suitably competent staff to receive instructions from the Authorised Officer and for enquiries from the public.

### 3 Financial Performance

The financial performance of the parking enforcement contract has been measured against the same 6-month period last year to see the impact of the new contract.

Performance	2017/18	2018/19	Comments
No. of car parking sessions in the off-street car parks	553,539	530,613	The number of parking sessions has reduced by 22,296 (4%)
Value of income from off-street car parks	£819,361	£894,438	The income has increased by £75,077 (9%)
No. of car parking sessions in on-street locations	112,252	94,388	The number of parking sessions has reduced by 17,864 (16%)
Value of income from on-street locations	£86,742	£90,417	The income has increased by £3,675 (4%)
No. of off-street PCN's issued	2,098	593	The number of PCN's issued has reduced by 1,505 (72%)
Value of revenue from off-street PCN's	£53,119	£12,986	The income has reduced by £40,133 (76%)
No. of on-street PCN's issued	3,306	2,819	The number of PCN's has reduced by 487 (15%)
Value of revenue from on-street PCN's	£116,269	£107,611	The income has reduced by £8,658 (7%)
Value of the revenue generated from CPZ's	£26,764	£24,949	The income has reduced by £1,815 (7%)
No. of Ringo sessions	66,354	85,524	The number of sessions has increased by 19,170 (22%)
Value of Ringo sessions	£111,065	£159,802	The income has increased by £48,737 (44%)
6 Month cost of the enforcement contract	£244,338	£227,714	The cost has reduced by £16,624 (7%)
6 Month nett income position	£857,918*	£902,686*	The income has increased by £44,786 (5%)

\*These figures only reflect the nett income position for the parking enforcement contract and do not include the costs of running the Council's Parking Service.

It was always envisaged that the introduction of the ANPR CCTV vehicle would act as a visible deterrent and as a consequence increase the value of car parking income and reduce the number of PCN's being issued.

Analysis of the above data shows us the following trends:

- The number of off-street parking sessions has slightly decreased, but the income has increased, this must mean that customers are paying for longer sessions.
- The number of on-street parking sessions has decreased, whilst the income has slightly increased, again customers are paying for longer sessions.
- The number of PCN's being issued in off-street locations has reduced by nearly three quarters, and the income has also reduced by over three quarters, this shows that fewer customers are parking in contravention of the rules, this is probably due to the visibility of the ANPR CCTV vehicle.
- The number of PCN's being issued in on-street locations has reduced, the income has also reduced, this shows that fewer customers are parking in contravention of the rules, this is probably due to the visibility of the ANPR CCTV vehicle.
- The value of income from CPZ's has reduced, this could be due to a number of residents not renewing permits/visitor vouchers as the virtual process is deemed confusing by some residents.
- The cost of the Parking Enforcement contract has reduced showing that the introduction of new technology is a cost effective way to enforce parking.
- The half year nett income position shows that although on-street and off-street PCN income has reduced by almost £49k, on-street and off-street parking income has increased by over £78k and shows that the nett income position as nearly £45k.

Under the new contract, the method of payment for parking sessions has included contactless & chip card payments, the change in the take up of the payment methods is shown below:

Performance	2017/18	2018/19	Comments
Value of Ringo Sessions	£111,065	£159,802	The value of Ringo sessions has increased by £48,737 (44%)
As a percentage of P&D income	12%	16%	The Ringo sessions have increased 4% to 16% of P&D income
Value of IPS contactless card payment sessions	n/a	£323,445	The value of IPS sessions were not available in 2017/18 and has therefore increased by £323,445
As a percentage of P&D income	n/a	33%	The IPS sessions have increased to 33% of P&D income
Value of Cash sessions	£795,038	£501,607	The value of Cash sessions has decreased by £293,431 (37%)
As a percentage of P&D income	88%	51%	The Cash sessions have decreased 37% to 51% of P&D income

Analysis of the above data shows us the following trends:

- The value of Ringo sessions has increased as a percentage of P&D income; this shows that customers are embracing cashless payment methods.
- The transactional cost of using Ringo is paid for by the customer (20p transactional fee and 10p for a text confirmation).
- The option to pay via contactless card payments is new for 2018/19 and this payment method has proved to be very popular with customers, the value of IPS sessions accounts for 33% of P&D income.
- The transactional cost of using IPS is paid for by the Council (15p per transactional fee).
- The value of Cash session has decreased as a percentage of P&D income although still remains the most popular payment method.
- The cost of collecting and banking the cash from the machines is approximately £30k and is paid for by the Council as part of the contract service charge.

## **Conclusions:**

Overall the performance of Indigo Park Services UK Ltd demonstrates that they are delivering an acceptable level of service and the introduction of the new technology is beginning to improve the financial performance of the contract.

The governance arrangements that have been established appear to be appropriate for a contract of this size and nature and are set up so that they will be able to identify and address any issues or concerns with the performance of the contract regarding the service outcomes, statutory compliance and the commercial aspects.

The KPI's are fit for purpose and will ensure the performance of Indigo Park Services UK Ltd is measured against set criteria and will also deliver a baseline of performance data that will enable new and/or improved KPI's to be developed in the future to encourage continuous improvement in both performance and service outcomes.

The commercial aspect of the contract demonstrates that Indigo are on track to deliver the contract in line with their tender submission.

Although this is still early days of the contract, Indigo have implemented the new contract well and supports the delivery of the Council objectives.

## **Recommendations**

The recommendations for this Committee in relation to the Parking Enforcement contract KPI's and first 6 months' performance are set out below.

1. That Committee acknowledges the work that was undertaken throughout the implementation and mobilisation period by Council officers and Indigo Park Services UK Ltd.
2. That Committee supports the governance arrangements that have been set up to monitor the performance of Indigo Park Services UK Ltd, including the KPI's.
3. That Committee notes the financial performance of Parking Enforcement contract during the first 6 months of the contract.

# Agenda Item 12

Clerk: tbc – temporary contact Cassy O’Neil (ext. 2313)

## Finance and Resources Overview & Scrutiny Committee: Work Programme 2018/19

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

Meeting Date	Report Deadline	Items	Contact Details	Background information
6 November 2018	20 October 2018	Action Points (from previous meeting)	Chairman	
		<b>Budget Monitoring Report Q2</b>	Assistant Director Finance & Resources <a href="mailto:Nigel.howcutt@dacorum.gvo.uk">Nigel.howcutt@dacorum.gvo.uk</a>	<i>To review and scrutinise quarterly performance</i>
		<b>Finance and Resources Q2 Performance Report</b>	Assistant Director Finance & Resources <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		<b>Corporate &amp; Contracted Services Q2 Performance Report</b>	Assistant Director, Corporate & Contracted Services <a href="mailto:Mark.brookes@dacorum.gov.uk">Mark.brookes@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		<b>Performance, People &amp; Innovation Q2 Performance Report</b>	Assistant Director, Performance, People & Innovation <a href="mailto:linda.roberts@dacorum.gov.uk">linda.roberts@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		<b>Parking Contract Performance</b>	Group Manager Commissioning Procurement and Compliance. <a href="mailto:Ben.Hosier@dacorum.gov.uk">Ben.Hosier@dacorum.gov.uk</a>	
<b>Joint Budget</b>  4 December 2018	<b>22 November 2018</b>	**** <b>Joint Budget</b> **** **** <b>2019-2020</b> ****  *****  <i>Ideally no further items to be added</i>	Corporate Director Finance & Operations & S.151 Officer  <a href="mailto:James.deane@dacorum.gov.uk">James.deane@dacorum.gov.uk</a>	
8 January 2019	22 December 2018	Action Points (from previous meeting)	<b>Chairman</b>	

		<b>New Normal</b>	Linda Roberts Assistant Director (Performance, People & Innovation) <a href="mailto:Linda.Roberts@dacorum.gov.uk">Linda.Roberts@dacorum.gov.uk</a>	
<b>Joint Budget</b>  <b>5 February 2019</b>	<b>22 January 2019</b>	**** <b>Joint Budget</b> **** **** <b>2019-2020</b> ****  ***** <b>Ideally no further items to be added</b>	Corporate Director Finance & Operations <a href="mailto:James.deane@dacorum.gov.uk">James.deane@dacorum.gov.uk</a>	
<b>26 March 2019</b>	<b>9 February 2019</b>	Action Points (from previous meeting)		
		<b>Budget Monitoring Report Q3</b>	Assistant Director Finance & Resources <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		<b>Finance and Resources Q3 Performance Report</b>	Assistant Director Finance & Resources <a href="mailto:Nigel.howcutt@dacorum.gov.uk">Nigel.howcutt@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		<b>Corporate &amp; Contracted Services Q3 Performance Report</b>	Assistant Director, Corporate & Contracted Services <a href="mailto:Mark.brookes@dacorum.gov.uk">Mark.brookes@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		<b>Performance, People &amp; Innovation Q3 Performance Report</b>	Assistant Director, Performance, People & Innovation <a href="mailto:linda.roberts@dacorum.gov.uk">linda.roberts@dacorum.gov.uk</a>	<i>To review and scrutinise quarterly performance</i>
		Performance of the Leisure Contract		<i>To monitor the contact twice a year</i>

*Items to be scheduled:*

performance of the leisure contract needs to be included on the work programme **every six months** for the **first two years**. **March 19, sept 19, March 20, Sept 20.**