



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 26 MARCH 2019 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 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** (Pages 3 - 5)
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

Report to follow

7. Q3 BUDGET MONITORING REPORT (Pages 6 - 25)

8. Q3 FINANCE & RESOURCES PERFORMANCE REPORT (Pages 26 - 41)

9. Q3 CORPORATE & CONTRACTED SERVICES PERFORMANCE REPORT (Pages 42 - 49)

10. Q3 PERFORMANCE, PEOPLE & INNOVATION PERFORMANCE REPORT

Report to follow

11. WORK PROGRAMME (Pages 50 - 53)

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

5 FEBRUARY 2019

Present:

Cllr H Chapman (Chairman)
Cllr Barrett
Cllr Douris
Cllr Taylor
Cllr Tindall

Also Present:

Councillor Elliot – Portfolio Holder for Finance and Resources
Councillor Williams – Leader of the Council

Officers:

C Baker	Group Manager – Revenues, Benefits and Fraud
M Brookes	Assistant Director – Corporate and Contracted Services
B Hosier	Group Manager – Procurement and Contracted Services
N Howcutt	Assistant Director – Finance and Resources
S Marshall	Chief Executive
B Trueman	Group Manager – Information, Communication and Technology
S Turner	PA to the Corporate Directors
T Angel	Corporate and Democratic Support Officer (minutes)

Following a Joint meeting of the OSC's where a budget presentation was given, the Finance & Resources OSC meeting began at 8.00 pm.

OS/001/19 MINUTES

The minutes of the meeting held on 4 December 2018 were agreed and then signed by the Chairman.

OS/002/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Adeleke, Banks and McLean.

OS/003/19 DECLARATIONS OF INTEREST

None.

OS/004/19 PUBLIC PARTICIPATION

None.

OS/005/19 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO A CALL-IN

None.

OS/006/19 BUDGET PREPERATION 2019/20

N Howcutt introduced the report and highlighted a couple of minor changes within the budget since the last meeting of this committee. He welcomed any questions on the report.

Councillor Tindall referred to appendix c1 on page 22 relating to supplies and services. He said the original was up £200k, there was a reduction in the next year but there was still a variance between this last years and this year's estimates. He queried what the third parties variance was. N Howcutt drew attention to appendix b1. He said this was discussed at the previous meeting - it related to the increase in the service management costs at the forum year on year which was £75k.

Councillor Tindall referred to page 54 relating to grants and contributions and queried the variance of 1474%. N Howcutt said he would have to come back to him. N Howcutt returned to Cllr Tindall and informed him that this was the change in the income expected from the new leisure contract.

Councillor Tindall referred to appendix c2 on page 54 and queried the property management and office accommodation variance of 51% in third party expenditure. N Howcutt advised it was the growth in the Forum budget.

Councillor Barrett referred to page 10 on the increased waste collection service and queried if we would benefit from extra income on that. N Howcutt explained they had increased the amount of waste going to recycling rather than going in to general waste which we pay significantly more for at landfill. We also gain benefit from improving our recycling rates which drives certain income from the Hertfordshire Alternative Funding model. Most importantly it also allows residents to do increased recycling.

Councillor Barrett referred to the additional CIL income and queried how much we collected altogether. N Howcutt advised it varied drastically year on year in terms of the actual CIL received but we are entitled to retain 5% of the total CIL fee collected to cover the administrative costs of setting these arrangements up and collecting the funds. The remainder goes on to future developments.

Councillor Douris congratulated the officers on a well presented budget with a great level of care and attention. This was echoed by the other members of the committee.

Outcome:

That the Finance and Resources Overview and Scrutiny Committee reviewed and agreed the draft budget proposals.

OS/007/19 ACTION POINTS FROM THE PREVIOUS MEETING

There were no outstanding action points.

Councillor Douris highlighted the importance of continuing with action points as it worked so well and said he wouldn't want to see it lost going forward.

OS/008/19 WORK PROGRAMME

B Hosier made the following changes to the work programme:

- Performance of the Leisure Contract - June 2019, January 2020 and June 2020.
- Performance of the Parking Enforcement Contract - September 2019, March 2020 and September 2020.

The Meeting ended at 8:20 pm.



AGENDA ITEM: SUMMARY

Report for:	Finance and Resources Overview and Scrutiny Committee
Date of meeting:	26 March 2019
PART:	1
If Part II, reason:	

Title of report:	Budget Monitoring Quarter 3 2018/19
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources Nigel Howcutt, Assistant Director (Finance & Resources) Fiona Jump, Group Manager, Financial Services
Purpose of report:	To provide details of the projected outturn for 2018/19 as at Quarter 3 for the: <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendations	That Committee note the forecast outturn position for 2018/19.
Corporate objectives:	Delivering an efficient and modern council.
Implications:	<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 Council's forecast outturn for 2018/19 as at the 31st December 2018. The report covers the following budgets with associated appendices:

- General Fund - Appendix A
- Housing Revenue Account (HRA) - Appendix B
- Capital Programme - Appendix C
- Flexible Use of Capital Receipts Strategy - Appendix D

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 overspend which broadly offset each other. The net overall pressure of £113k, less than 1% of the net cost of services budget, is an improvement on the quarter 2 position of £249k with a reduction of £136k in the overall pressure. The most significant pressure is attributable to 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	13,376	13,467	91	0.7%
Housing & Community	345	293	(52)	-15.1%
Strategic Planning & Environment	7,717	8,168	451	5.8%
Total	21,438	21,928	490	2.3%
Investment Property	(4,103)	(4,155)	(52)	1.3%
Core Funding	(17,342)	(17,667)	(325)	1.9%
Contribution (to)/from General Fund Working Balance	(7)	106	113	

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	10,054	10,094	40	0.4%
Premises	1,912	1,928	16	0.8%
Transport	215	229	14	6.5%
Supplies & Services	4,333	4,269	(64)	(1.5%)
Third-Parties	594	722	128	21.5%
Transfer Payments	47,144	47,144	0	0.0%
Income	(4,691)	(4,723)	(32)	0.7%
Other Income	(47,584)	(47,584)	0	0.0%
Earmarked Reserves	1,399	1,388	(11)	(0.8%)
	13,376	13,467	91	0.7%

3.1 Third parties - £128k over budget

Pressure of £140k – The costs of facilities management for The Forum are expected to exceed budget by £140k, due to unforeseen works to the building and changes in facilities management requirements following the first full year of occupancy. £40k of this pressure relates to a one-off additional pension liability for staff that transferred to the new provider. This will be offset by a drawdown of £40k from the Management of Change reserve.

As part of the Forum development costs to facilitate the new CCG tenant there is requirement for an additional £20k to support improvement works to The Forum. These costs are considered one off costs and any longer term impact will be assessed as part of the wider tenancy. These funds cover the cost of software licensing of the new meeting room system (£10k) and additional security costs to oversee the construction works (£10k). It is proposed that this be funded from the Invest to Save reserve.

3.2 Investment Property - £52k over achievement of budget.

Occupancy levels are greater than expected and with a number of successful rent reviews, having been carried out the commercial income is exceeding expectations.

3.3 Core Funding - £325k additional funding received.

The actual income received from government grants and treasury investments compared to core funding budgets is projected to be exceeded by £325k. This is related to;

- Increased new burdens funding of £180k, including £72k relating to the Revenues and Benefits service, and £64k relating to the Strategic Planning service. New Homes Bonus is also £24k over the budgeted amount due to a higher volume of properties completed in 2017/18 than projected by MHCLG.
- Investment income from treasury management activities is over performing by £139k, due to higher than anticipated cash balances and a rise in the Bank of England base rate.
- A minor increase in the forecast recharge to the HRA of £6k.

4. Strategic Planning and Environment

Strategic Planning and Environment	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	9,778	9,976	198	2.0%
Premises	884	965	81	9.2%
Transport	1,201	1,361	160	13.3%
Supplies & Services	1,914	2,387	473	24.7%
Third-Parties	88	72	(16)	(18.2%)
Income	(5,918)	(6,191)	(273)	4.6%
Earmarked Reserves	(230)	(402)	(172)	74.8%
	7,717	8,168	451	5.8%

4.1 Employees - £198k over budget

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

There is a forecast overspend of £80k on the employees budget for the Local Development Framework budget, due to fixed term staff being employed to support the delivery of the local plan. This will be funded from the Local Development Framework reserve if the pressure cannot be met from within the Local Development Framework revenue budgets as part of the year-end process.

4.2 Premises - £81k over budget

There is a one off pressure of £25k from geographical survey work required to maintain public health and safety. This is forecast to be offset by a drawdown of £25k from the Dacorum Development reserve.

There are other minor pressures against the Premises category in this area.

4.3 Transport - £160k 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 delivery is expected from midway through 2019.

4.4 Supplies and Services - £473k over budget

There is a continued pressure of £450k relating to the cost of disposal of co-mingled waste due to the recent decline in the global market for recycled material. This is an ongoing pressure and a budget realignment is proposed as part of the 2019/20 budget proposals.

A one-off pressure of £30k has been incurred in the Waste Service department from independent consultancy support to deliver service improvements going forward. This is forecast to be funded from a drawdown from the Invest to Save reserve.

A further one-off pressure of £25k has been incurred in the Strategic Planning budget for feasibility work regarding The Bury project. This is forecast to be funded from the Planning and Regeneration Project Reserve.

4.5 Income - £273k 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 Planning and Waste Services.

The Waste Service overall income is in line with the budgeted levels of income, with the commercial waste service underachieving its income by £150k, but £150k of additional 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 has been sought on how to improve the financial performance of the service.

Across Building Control and Land Charges a shortfall of £100k is forecast, as a result of reduced customer numbers, in the first two quarters of 2018/19. 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 £375k 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	3,776	3,858	82	2.2%
Premises	869	697	(172)	(19.8%)
Transport	17	20	3	17.6%
Supplies & Services	1,318	1,280	(38)	(2.9%)
Third Parties	0	0	0	0.0%
Transfer Payments	55	55	0	0.0%
Income	(5,064)	(4,951)	113	2.2%
Earmarked Reserves	(626)	(666)	(40)	(6.4%)
	345	293	(52)	(15.1%)

5.1 Employees - £82k over budget

Pressure of £16k - This pressure relates to the one-off pension strain costs arising from the restructure of the Adventure Playground service. This pressure is forecast to be offset by a drawdown of £16k from the Management of Change reserve.

Pressure of £66k - This pressure consists of minor overspends against the remaining £3m plus employee budgets within the rest of Housing and Community division.

5.2 Premises - £172k under budget

An underspend of £200k on garage premises expenditure is offsetting a pressure of £350k in income forecasts. A review of the business model for garages is currently underway.

A pressure of £75k relates to one-off health and safety work required to homeless hostels. This includes fire risk assessment work and installation of CCTV at key

sites. This is forecast to be offset by a drawdown from the Dacorum Development Reserve.

5.3 Income - £113k shortfall

Pressure of £350k - There is a shortfall against income targets relating to garages rental income of £350k. The level of garage voids has been higher than was expected and budgeted growth in this area has not been achieved.

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.

Income of £30k is forecast from Private Sector Housing licensing of HMOs. This increased income follows a change in legislation around the licensing of HMOs and is calculated on a cost recovery basis. Additional income has been factored into the draft budget for 2019/20.

6. Housing Revenue Account (HRA)

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

6.2 The projected HRA balance at the end of 2018/19 is £115k over the budgeted balance of £2.9m.

6.3 Dwelling rents - £146k underachievement of income

Pressure of c. £60k – The void rate was running at approx. 1% in the first 6 months of the year, but has improved to be in line with the budgeted expectation of 0.8%.

The rental income has also been impacted by a reduction in the volume of new build properties coming on line with the delay to Kylna court and Swing gate lane, with a small offsetting reduction in the volume of right to buy sales than expected at budget setting time.

6.4 Non Dwelling rents - £46k over-achievement of income

The HRA have undertaken rent reviews on the aerial sites and this work has produced an increased income of £46k.

6.5 Tenants Charges / Supervision and Management / Revenue Contribution to Capital - £217k net under budget

Over-achievement of income £140k - Grant income for Housing Related support has continued into 2018/19 when it was expected to cease, resulting in £56k over budgeted income targets. In addition utilities recovery has been higher than anticipated.

Underspend of £77k - There is an underspend against staffing budgets from vacancies within services, and an underspend against the budget for equipment. This is due to a combination of the inability to recruit to some posts and also the time taken to recruit to other posts.

7. Flexible Use of Capital Receipts

7.1 A Flexible Use of Capital Receipts Strategy is attached at Appendix D for review and agreement.

7.2 The key principle underpinning the strategy is stated in Government Guidance on the application of flexible receipts, i.e. that local authorities have the power to use capital receipts to fund:

'expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/ or transform service delivery to reduce costs and/ or transform service delivery in a way that reduces costs or demands for services in future years for any of the public sector delivery partners'.

7.3 In accordance with this principle, and with the approval of Council within the February 2018 Budget Report, it is proposed that the Council uses capital receipts to fund the set up and implementation costs of associated with the Council's new leisure management contract.

7.4 These set-up costs include:

- £450k for the purchase of a range of sports and other office and plant equipment, and commercial membership information from Sportspace, the previous leisure provider. The purchase of these assets enabled a smooth transition and minimized disruption for customers.
- £150k payment to Everyone Active, the new leisure provider, to meet the shortfall between the assumed membership levels for all bidders at the time the tender was released, and actual membership levels at the time of contract commencement. All bidders (including Sportspace) were required to use assumed membership levels within their bids because Sportspace did not share details of actual membership numbers.

7.5 The Council also incurred termination costs, which under the scope of the original Management Agreement, entitled Sportspace to claim certain costs incurred as a direct result of the termination of the contract. These costs were subject to a confidentiality agreement, and consequently are detailed in Appendix E 'Confidential Termination Costs', in Part 2 of this report.

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 2 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	8,707	(763)	7,944	7,816	(128)	-1.5%
Strategic Planning & Environment	2,791	(1,014)	1,777	1,750	(27)	-1.0%
Housing & Community	7,702	(312)	7,390	7,440	50	0.6%
G F Total	19,200	(2,089)	17,111	17,006	(105)	-0.5%
HRA Total	36,029	(9,742)	26,287	26,287	0	0.0%
Grand Total	55,229	(11,831)	43,398	43,293	(105)	-0.2%

8.2 General Fund Major Variances

There is an overall variance on the General Fund of £2.2m. This is a combination of underspend of £105k, and slippage of £2.1m into 2019/20.

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

- Line 8: slippage of £100k on Rossgate Shopping Centre. This project is for the renewal of windows at the front and back of the residential units, which is scheduled to be delivered in 2 phases. Phase 1 is to renew the windows at the back of the shops overlooking Fennycroft Road, which is scheduled to commence in April 2019 and to be completed by June 2019. Phase 2 will renew the windows at the front of the shops overlooking Galley Hill, to be started July 2019 and completed by October 2019.
- Line 20: slippage of £575k on Bunkers Farm. This project is for the creation of a new cemetery at Bunkers Farm. Planning permission has been obtained, and tender submissions are being reviewed, for the contract to be awarded by March 2019. Construction is expected to commence March 2019, with estimated completion in August 2019.
- Line 39: slippage of £90k on Future Vision of CRM scheme. Following an initial delay in the delivery of this project, due to difficulties in recruitment, the necessary temporary resource has now been secured and planned development is underway. A thorough review of the project has resulted in re-phasing of the budget into 2019/20 and 2020/21 to reflect the more likely pattern of work.
- Line 50 and 51: slippage of £352k on the garage development projects Westerdale and Northend. The work has been reprogrammed until the new calendar year, however completion is still expected by November 2019.

- Line 61: slippage of £200k on Gadebridge Park renovation of white bridge. The contract for this work is expected to be tendered in quarter 4 of 2018/19 with the expenditure now falling into 2019/20.
- Line 63: slippage of £779k on Fleet Replacement Programme. There have been delays in the procurement of new vehicles and equipment for the Vehicle Repair Shop. Tenders for vehicles are being closely examined to ensure that the correct vehicles are purchased. Further layout proposals and quotations have been requested on the workshop equipment, which will push installation into the new financial year.

8.3 General Fund additional capital budget requirements

Capital budget of £15k is required to fund essential works to Tring Community Centre to improve the door entry facility. The previous doors were at end of their life and visitors to the centre such as wheelchair users, the elderly and people with pushchairs were struggling to open the doors. These improvement works will make the centre more accessible for all member of the community. A supplementary capital budget of £15k is therefore requested to fund this expenditure.

There is an additional capital requirement of £195k to continue the improvement works to the Forum including:

- Improved disabled access to the building on all floors (£23k)
- Improved heating and ventilation to the ground floor of The Forum (£58k)
- Car park improvements and introduction of self- service permit process (£22k)
- Improved office workflow arrangements (£23k)
- Improved IT connectivity and meeting room system (£30k)
- Project support costs (£10k)

8.4 There is an overall underspend of £9.7m on the HRA capital programme.

- Line 76: slippage of £2.5m on DBC Commissioned Capital Works. There has been an element of slippage in Property and Place capital works, awaiting the outcome of the Grenfell enquiry. Legislative changes are yet to be confirmed which has resulted in works being deferred until a definitive solution has been found. In addition the capital programme includes a proportion of projects with leaseholder impact and subsequent service charge recovery. This work will now take place in 2019/20 once the necessary leaseholder consultation has been carried out.
- Line 77: slippage of £761k on HRA special projects. This budget is for improvement works at Supported Housing schemes. Procurement of the contractor to extend and upgrade the schemes has been concluded, however the due diligence checks have taken longer than anticipated, which has resulted in the commencement date being slipped to the next financial year.
- Line 78: slippage of £5.5m on New Build General expenditure. This budget is earmarked for the purchase of land, which is now expected to take place in 2019/20.

- Line 80: underspend of £520k on Kylna Court. The scheme will be completed in 2018/19 and the full budget has not been required.
- Line 81: slippage of £873k on Stationers Place. There has been a delay in mobilising due to enabling works around utilities. These have now been concluded and a start on site is expected in the final quarter of 2018/19.

The nature of large capital build projects is that there is often some slippage on projects due to the volume of differing variables involved. The finance team have worked closely with project leads to re profile the 2019-23 capital programme with the expectation that capital spend will be aligned with budget expectations.

9. Conclusions and recommendations

- 9.1 As at Quarter 3 2018/19, there is a forecast pressure of £113k against General Fund budgets and a forecast surplus of £115k against Housing Revenue Account budgets.
- 9.2 As at Quarter 3 2018/19, against General Fund capital there is slippage of £2.1m and a forecast underspend of £105k. Against Housing Revenue Account capital there is slippage of £9.7m and the forecast outturn is on budget.
- 9.3 Members are asked to note the forecast outturn position for 2018/19. The next financial monitoring report to be brought before Committee for consideration will be the outturn for 2018/19.



Dacorum Borough Council
Revenue Budget Monitoring Report for December 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
Cost of Services									
Finance and Resources	703	1,632	929	8,753	11,951	3,198	13,376	13,467	91
Housing and Community	262	115	(147)	1,063	749	(314)	345	293	(52)
Strategic Planning and Environment	623	470	(153)	6,325	6,601	276	7,717	8,168	451
Net Cost of Services	1,588	2,217	629	16,141	19,301	3,160	21,438	21,928	490
Other Items									
Investment Property	(158)	(100)	58	(4,045)	(4,042)	3	(4,103)	(4,155)	(52)
Investment Income	(13)	(49)	(36)	(119)	(315)	(196)	(158)	(297)	(139)
Interest Payments and MRP	81	0	(81)	727	287	(440)	970	970	0
Parish Precept Payments	0	0	0	778	778	0	778	778	0
Government Grants	(174)	(110)	64	(1,564)	(3,150)	(1,586)	(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	(11,132)	16,659	27,791	(14,843)	(14,843)	0
Surplus / Deficit on Provision of Services	(1,501)	1,495	2,996	(15,355)	10,217	25,572	(17,331)	(17,702)	(371)
Transfers between Reserves / Funds									
Net Recharge to the HRA	(343)	(25)	318	(3,086)	(775)	2,311	(4,114)	(4,120)	(6)
Net Movement on General Fund Working Balance	(242)	3,687	3,929	(1,915)	28,743	30,658	(7)	106	113

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 P9

	Adjusted Budget £000	Forecast Outturn £000	Forecast Variance £000	%
Income:				
Dwelling Rents	(53,044)	(52,898)	146	-0.3%
Non-Dwelling Rents	(102)	(148)	(46)	45.1%
Tenants Charges	(1,512)	(1,652)	(140)	9.3%
Leaseholder Charges	(487)	(528)	(41)	8.4%
Interest and Investment Income	(390)	(409)	(19)	4.9%
Contribution towards Expenditure	(535)	(540)	(5)	0.9%
Total Income	(56,070)	(56,175)	(105)	0.2%
Expenditure:				
Repairs & Maintenance	12,113	12,115	2	0.0%
Supervision & Management	12,043	12,061	18	0.1%
Rent, Rates, Taxes & Other Charges	34	63	29	85.3%
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%
Total Expenditure	56,070	56,024	(46)	-0.1%
Transfer to / from Housing Reserves	0	(151)	(151)	0.0%
HRA Deficit / (Surplus)	0	(151)	(151)	0.0%
Housing Revenue Account Balance:				
Opening Balance at 1 April 2018	(2,892)	(2,892)	0	0.0%
Deficit / (Surplus) for year	0	(151)	(151)	0.0%
Proposed Contributions to Reserves	0	0	0	
Closing Balance at 31 March 2019	(2,892)	(3,043)	(151)	

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2018

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments Slippage identified at Q1 and Q2	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)
General Fund											
Finance and Resources											
Commercial Assets and Property Development											
1	Richard Rice	30,000	30,000	0	(60,000)	(60,000)	0	0	0	0	0
2	Richard Rice	0	1,040,712	0	(480,000)	(480,000)	560,712	85,000	645,712	645,712	0
3	Richard Rice	0	12,908	0	0	0	12,908	0	12,908	30,263	17,355
4	Richard Rice	0	35,000	0	0	0	35,000	0	35,000	30,187	(4,813)
5	Richard Rice	25,000	44,230	0	0	0	69,230	0	69,230	94,192	24,962
6	Richard Rice	0	13,110	0	0	0	13,110	(11,000)	2,110	1,966	(144)
7	Richard Rice	0	0	34,000	0	34,000	34,000	0	34,000	35,031	1,031
8	Richard Rice	210,000	90,901	0	(200,901)	(200,901)	100,000	(100,000)	0	0	0
9	Richard Rice	0	55,000	0	0	0	55,000	0	55,000	34,240	(20,760)
10	Richard Rice	30,000	50,000	0	(80,000)	(80,000)	0	80,000	80,000	80,000	0
11	Richard Rice	0	8,200	0	0	0	8,200	0	8,200	17,800	9,600
12	Richard Rice	0	42,000	0	0	0	42,000	0	42,000	42,000	0
13	Richard Rice	0	14,000	0	0	0	14,000	(14,000)	0	0	0
14	Richard Rice	0	18,000	0	0	0	18,000	0	18,000	18,000	0
15	Richard Rice	56,000	0	0	(56,000)	(56,000)	0	0	0	0	0
16	Richard Rice	66,000	0	0	(66,000)	(66,000)	0	0	0	0	0
17	Richard Rice	0	147,124	0	0	0	147,124	0	147,124	160,641	13,517
18	Richard Rice	0	14,000	0	0	0	14,000	0	14,000	0	(14,000)
19	Richard Rice	0	40,000	0	0	0	40,000	0	40,000	40,000	0
20	Richard Rice	660,000	(9,672)	0	0	0	650,328	(575,149)	75,179	75,179	0
		1,077,000	1,645,513	34,000	(942,901)	(908,901)	1,813,612	(535,149)	1,278,463	1,305,211	26,748
Procurement and Contracted Services											
21	Ben Hosier	465,000	233,560	0	(284,560)	(284,560)	414,000	(63,000)	351,000	351,000	0
22	Ben Hosier	0	0	0	0	0	0	0	0	0	0
23	Ben Hosier	2,637,907	754,724	0	(1,307,631)	(1,307,631)	2,085,000	0	2,085,000	2,085,000	0
24	Ben Hosier	250,000	0	0	0	0	250,000	0	250,000	200,000	(50,000)
25	Ben Hosier	500,000	50,000	0	(550,000)	(550,000)	0	0	0	0	0
26	Ben Hosier	80,000	(80,000)	0	0	0	0	0	0	0	0
27	Ben Hosier	105,000	(105,000)	0	0	0	0	0	0	0	0
28	Ben Hosier	70,000	0	0	(70,000)	(70,000)	0	0	0	0	0
29	Ben Hosier	50,000	0	0	0	0	50,000	0	50,000	50,000	0
30	Ben Hosier	150,000	0	0	0	0	150,000	0	150,000	150,000	0
31	Ben Hosier	1,380,000	454,725	0	0	0	1,834,725	0	1,834,725	1,760,000	(74,725)
		5,687,907	1,308,009	0	(2,212,191)	(2,212,191)	4,783,725	(63,000)	4,720,725	4,596,000	(124,725)
Legal and Corporate Services											
32	Mark Brookes	0	30,000	0	0	0	30,000	0	30,000	0	(30,000)
		0	30,000	0	0	0	30,000	0	30,000	0	(30,000)
Development Management and Planning											
33	Sara Whelan	0	86,964	0	0	0	86,964	(50,000)	36,964	36,964	0
		0	86,964	0	0	0	86,964	(50,000)	36,964	36,964	0
Housing & Regeneration Management											
34	Mark Gaynor	0	0	0	0	0	0	0	0	0	0
35	Mark Gaynor	0	24,938	0	0	0	24,938	0	24,938	24,938	0
		0	24,938	0	0	0	24,938	0	24,938	24,938	0

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2018

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments Slippage identified at Q1 and Q2	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)
Finance and Resources (continued)											
Information, Communication and Technology											
36	Ben Trueman	425,000	100,000	0	0	0	525,000	0	525,000	525,000	0
37	Ben Trueman	50,000	0	0	0	0	50,000	0	50,000	50,000	0
38	Ben Trueman	0	41,478	0	0	0	41,478	(25,000)	16,478	16,478	0
39	Ben Trueman	35,000	343,650	0	(155,000)	(155,000)	223,650	(90,000)	133,650	133,650	0
40	Ben Trueman	0	0	280,000	0	280,000	280,000	0	280,000	280,000	0
		510,000	485,128	280,000	(155,000)	125,000	1,120,128	(115,000)	1,005,128	1,005,128	0
People											
41	Matt Rawdon	0	70,000	0	0	0	70,000	0	70,000	70,000	0
		0	70,000	0	0	0	70,000	0	70,000	70,000	0
Property and Place											
42	Alan Mortimer	741,000	14,043	0	0	0	755,043	0	755,043	755,043	0
		741,000	14,043	0	0	0	755,043	0	755,043	755,043	0
Revenues, Benefits and Fraud											
43	Chris Baker	23,000	0	0	0	0	23,000	0	23,000	23,000	0
		23,000	0	0	0	0	23,000	0	23,000	23,000	0
	Totals: Finance and Resources	8,038,907	3,664,595	314,000	(3,310,092)	(2,996,092)	8,707,410	(763,149)	7,944,261	7,816,284	(127,978)
Housing and Community											
Procurement and Contracted Services											
44	Ben Hosier	25,000	0	0	0	0	25,000	0	25,000	25,000	0
45	Ben Hosier	65,000	0	0	0	0	65,000	0	65,000	65,000	0
		90,000	0	0	0	0	90,000	0	90,000	90,000	0
People											
46	Matt Rawdon	350,000	(65,872)	0	0	0	284,128	0	284,128	284,128	0
47	Matt Rawdon	0	25,000	0	0	0	25,000	0	25,000	25,000	0
48	Matt Rawdon	20,000	0	0	0	0	20,000	0	20,000	20,000	0
		370,000	(40,872)	0	0	0	329,128	0	329,128	329,128	0
Strategic Housing											
49	David Barrett	4,870,000	1,125,000	0	0	0	5,995,000	0	5,995,000	5,995,000	0
50	David Barrett	602,000	769,615	0	(987,615)	(987,615)	384,000	(176,157)	207,843	207,843	0
51	David Barrett	128,000	274,615	0	(18,615)	(18,615)	384,000	(176,157)	207,843	207,843	0
52	David Barrett	250,000	250,000	0	0	0	500,000	0	500,000	550,000	50,000
53	David Barrett	60,000	0	0	(40,000)	(40,000)	20,000	40,000	60,000	60,000	0
		5,910,000	2,419,230	0	(1,046,230)	(1,046,230)	7,283,000	(312,314)	6,970,686	7,020,686	50,000
	Totals: Housing and Community	6,370,000	2,378,358	0	(1,046,230)	(1,046,230)	7,702,128	(312,314)	7,389,814	7,439,814	50,000

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2018

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments Slippage identified at Q1 and Q2	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)
Strategic Planning and Environment											
Commercial Assets and Property Development											
54 Demolish Gadebridge Park Green-Keeper's Shed	Richard Rice	0	20,000	0	(20,000)	(20,000)	0	0	0	0	0
		0	20,000	0	(20,000)	(20,000)	0	0	0	0	0
Environmental Services											
55 Wheeled Bins & Boxes for New Properties	Craig Thorpe	20,000	0	0	0	0	20,000	0	20,000	10,000	(10,000)
56 Play Area Refurbishment Programme	Craig Thorpe	0	278,722	0	0	0	278,722	0	278,722	278,722	0
57 Waste & Recycling Service Improvements	Craig Thorpe	15,000	75,000	30,000	0	30,000	120,000	(30,000)	90,000	90,000	0
58 Commercial Waste Collection System	Craig Thorpe	0	25,000	0	0	0	25,000	0	25,000	23,000	(2,000)
59 Gadebridge Park - Splash Park	Craig Thorpe	200,000	40,192	0	0	0	240,192	0	240,192	201,724	(38,468)
60 Gadebridge Park - Infrastructure Improvements	Craig Thorpe	0	121,783	0	0	0	121,783	0	121,783	137,139	15,356
61 Gadebridge Park - Renovation of White Bridge	Craig Thorpe	250,000	0	0	0	0	250,000	(200,000)	50,000	50,000	0
62 Walled Garden Irrigation System (Gadebridge Park)	Craig Thorpe	0	0	15,000	0	15,000	15,000	0	15,000	15,350	350
63 Fleet Replacement Programme	Craig Thorpe	875,000	1,716,653	(30,000)	(1,060,000)	(1,090,000)	1,501,653	(623,820)	877,833	877,833	0
64 Fleet Services Renew Plant & Equipment	Craig Thorpe	155,000	0	0	0	0	155,000	(155,000)	0	0	0
		1,515,000	2,257,350	15,000	(1,060,000)	(1,045,000)	2,727,350	(1,008,820)	1,718,530	1,683,768	(34,762)
Strategic Planning and Regeneration											
65 Maylands Phase 1 Improvements	Chris Taylor	0	0	0	0	0	0	0	0	0	0
66 Urban Park/Education Centre (Durrants Lakes)	Chris Taylor	0	54,015	0	(54,015)	(54,015)	0	0	0	0	0
67 Maylands Business Centre	Chris Taylor	0	0	0	0	0	0	0	0	0	0
68 Water Gardens	Chris Taylor	0	(531,570)	550,000	0	550,000	18,430	0	18,430	26,000	7,570
69 Town Centre Access Improvements	Chris Taylor	(50,000)	125,159	0	(50,000)	(50,000)	25,159	(5,159)	20,000	20,000	0
70 Canal Street Furniture	Chris Taylor	0	20,000	0	0	0	20,000	0	20,000	20,000	0
71 The Bury - Conversion into Museum and Gallery	Chris Taylor	(20,000)	75,000	0	(55,000)	(55,000)	0	0	0	0	0
		(70,000)	(257,396)	550,000	(159,015)	390,985	63,589	(5,159)	58,430	66,000	7,570
Totals: Strategic Planning and Environment		9,089,000	5,079,385	845,000	(2,440,245)	(1,595,245)	2,790,939	(1,013,979)	1,776,960	1,749,768	(27,192)
Totals - Fund: General Fund		15,853,907	8,062,907	879,000	(5,595,337)	(4,716,337)	19,200,477	(2,089,442)	17,111,035	17,005,866	(105,170)

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2018

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments Slippage identified at Q1 and Q2	In-Year Adjustments	Current Budget	Forecast Slippage	Revised Budget	Projected Outturn	Projected Over / (Under)	
Housing Revenue Account												
Housing and Community												
Property & Place												
72	Planned Fixed Expenditure	Alan Mortimer	17,480,000	0	(6,000,726)	0	(6,000,726)	11,479,274	0	11,479,274	11,479,274	0
73	Pain/Gain Share (Planned Fixed Expenditure)	Alan Mortimer	0	0	0	0	0	0	0	0	0	0
74	M&E Contracted Works	Alan Mortimer	0	0	600,000	0	600,000	600,000	0	600,000	600,000	0
75	Communal Gas & Heating	Alan Mortimer	0	0	2,975,000	0	2,975,000	2,975,000	0	2,975,000	2,975,000	0
76	DBC Commissioned Capital Works	Alan Mortimer	(2,645,989)	3,801,757	2,425,726	0	2,425,726	3,581,494	(2,485,494)	1,096,000	1,096,000	0
77	Special Projects	Alan Mortimer	0	(6,000)	817,000	0	817,000	811,000	(761,000)	50,000	50,000	0
			14,834,011	3,795,757	817,000	0	817,000	19,446,768	(3,246,494)	16,200,274	16,200,274	0
Strategic Housing												
78	New Build - General Expenditure	David Barrett	(415,000)	6,329,420	(729,200)	0	(729,200)	5,185,220	(5,522,173)	(336,953)	0	336,953
79	Martindale	David Barrett	2,705,097	1,341,586	0	(2,175,000)	(2,175,000)	1,871,683	(85,919)	1,785,764	1,785,764	0
80	Kylina Court (Previously known as Wood House)	David Barrett	3,860,000	1,111,605	483,200	0	483,200	5,454,805	0	5,454,805	4,934,805	(520,000)
81	Stationers Place / Apsley Paper Mill	David Barrett	(1,703,331)	4,865,692	0	(820,000)	(820,000)	2,342,361	(873,234)	1,469,127	1,469,127	0
82	Able House	David Barrett	(249,523)	268,769	0	0	0	19,246	0	19,246	0	(19,246)
83	Swing Gate Lane	David Barrett	(457,173)	1,030,094	0	0	0	572,921	0	572,921	912,308	339,387
84	Swing Gate Lane Conversion	David Barrett	912,696	(23,143)	0	0	0	889,553	0	889,553	762,459	(127,094)
85	Bulbourne	David Barrett	0	0	40,000	0	40,000	40,000	(30,500)	9,500	9,500	0
86	Whiston Road	David Barrett	0	0	40,000	0	40,000	40,000	(21,200)	18,800	18,800	0
87	Castwick Row	David Barrett	0	0	64,000	0	64,000	64,000	0	64,000	64,000	0
88	Margaret's Way	David Barrett	0	0	62,000	0	62,000	62,000	38,000	100,000	100,000	0
89	Paradise Fields	David Barrett	0	0	20,000	0	20,000	20,000	0	20,000	20,000	0
90	London Road	David Barrett	0	0	10,000	0	10,000	10,000	0	10,000	0	(10,000)
91	Baddesden Row	David Barrett	0	0	10,000	0	10,000	10,000	0	10,000	10,000	0
			4,652,766	14,924,023	0	(2,995,000)	(2,995,000)	16,581,789	(6,495,026)	10,086,763	10,086,763	0
Totals: Housing and Community			19,486,777	18,719,780	817,000	(2,995,000)	(2,178,000)	36,028,557	(9,741,520)	26,287,037	26,287,037	0
Totals - Fund: Housing Revenue Account			19,486,777	18,719,780	817,000	(2,995,000)	(2,178,000)	36,028,557	(9,741,520)	26,287,037	26,287,037	0
Totals			35,340,684	26,782,687	1,696,000	(8,590,337)	(6,894,337)	55,229,034	(11,830,962)	43,398,072	43,292,903	(105,170)

Flexible Use of Capital Receipt Strategy

1. Background

- 1.1. Guidance issued by the Secretary of State under Section 15(1) of the Local Government Act 2003 states that local authorities may finance costs associated with service reform from capital receipts. The ability to apply capital receipts in the way is referred to as the 'flexible use of capital receipts'.
- 1.2. This flexibility is currently offered to local authorities for expenditure incurred in the financial years up to and included 2020/21. This was confirmed in the Final Local Government Settlement for 2018/19. Local authorities can only use capital receipts from the disposal of property, plant and equipment assets received in the years the flexibility is offered. Local authorities may not use their existing stock of capital receipts to finance the revenue costs of reform, nor may they borrow to finance the revenue costs of service reform.
- 1.3. The guidance states that qualifying expenditure for the flexible use of capital receipts is 'expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/ or transform service delivery to reduce costs and/ or transform service delivery in a way that reduces costs or demands for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility'.
- 1.4. Local authorities are required to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy. This Strategy should list each project which plans to make use of capital receipts flexibility, together with the expected savings that the project will realise.

2. Strategy

- 2.1 The Council intends to use capital receipts to fund costs associated with the set up and implementation of the Council's leisure management contract in 2018/19.
- 2.2 The Council re-tendered for the provision of its leisure management services during 2017/18. The new leisure management contract arrangements went live in 2018/19. The contract is expected to deliver savings compared to the cost of the previous contract from 2019/20.
- 2.3 The Council does not currently intend to use capital receipts to support any other service reform over the duration of its current Medium Term Financial Strategy. Should this change, this strategy will be updated and presented before Members for approval.

3. The Prudential Code and impact on Prudential Indicators

- 3.1 The Prudential Code of Capital Finance in Local Authorities ('the Code') is the code of practice used by local authorities to support decisions taken on capital investments. The Code places a requirement on local authorities to set prudential indicators. The Council is required to consider the impact on its prudential Indicators of the proposals contained within its Flexible Use of Capital Receipts Strategy. The impact of the proposals within this strategy on the Council's prudential indicators are:

- Estimated and actual capital expenditure will increase in 2018/19 by the value of the leisure implementation cost.
- The levels of core funds available for the Council to invest will decrease by the value of the leisure implementation costs.
- The ratio of financing costs to net revenue stream in 2018/19 will increase as a result of the reduction in interest generated by the investment of the Council's core funds.

4. Monitoring the Strategy

4.1. The strategy will be monitored via the Council's financial performance monitoring framework and leisure contract management arrangement.

By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

Agenda Item 8



Agenda item:

Summary

Report for:	Finance & Resources Overview and Scrutiny Committee
Date of meeting:	26 th March 2019
Part:	1
If Part II, reason:	

Title of report:	Finance & Resources Performance and Operational Risk Report Quarter 3 2018/19
Contacts:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources Nigel Howcutt, Assistant Director, Finance and Resources.
Purpose of report:	To provide Committee with analysis of quarterly performance and risk management within Finance & Resources for the 3rd quarter 2018/19, October – December.
Recommendations	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 3 2018/19.
Corporate objectives:	The provision of effective financial services and the allocation of resources such as building assets and facilities management support all five of the Council's corporate objectives, with particular reference to <i>Delivering an efficient and modern council</i> and, through Revenues, Benefits and Fraud division, <i>Building Strong and Vibrant Communities</i> .
Implications:	<u>Financial</u> Contained within the body of the report.
'Value for money' implications	<u>Value for money</u> Contained within the body of the report.
Risk implications	Contained within the body of the report
Equalities implications	None
Health and safety Implications	There are no health and safety implications.
Consultees:	Group Manager (Commercial Assets & Property Development) Group Manager (Financial Services) Group Manager (Revenues, Benefits and Fraud)
Background papers:	Previous performance reports to Scrutiny.
Glossary of acronyms and any other abbreviations used in this report:	F&R OSC- Finance and Resources Overview and Scrutiny Committee.

1. Risk and Performance reports are presented to Overview and Scrutiny Committees on a quarterly basis. They provide Members with an opportunity to scrutinise performance against a range of key indicators, and to review how the key risks facing the Services are being managed.
2. The attached appendices provide comprehensive risk and performance information for Finance & Resources for Quarter 3 of 2018/19 (October - December).

Appendix 1 – Finance & Resources Qtr 3 Operational Risk register.

Appendix 2 – Finance and Resources Qtr 3 Performance Report.

3. All scores as set out in the operational risk register at Appendix 1 have been reviewed during Quarter 3. There have been no changes to the previous quarter scoring.
4. The Performance Report, Appendix 2, highlights that 11 out of 14 KPI's have been reported as green and performance is strong, 3 are amber and are on the margins of achieving service delivery. This is an overall improvement quarter on quarter with one more green rated KPI than in quarter 2, this is the HRA expenditure and overall financial performance which as at quarter 3 is in line with the approved budget, as outlined in the quarter 3 financial report.

OPERATIONAL RISK REGISTER

December 2018



Finance & Resources - Nigel Howcutt

FR_F02 Delays to Capital programme

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Nigel Howcutt	Portfolio Holder: Graeme Elliot	Tolerance: 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</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"> • How robust are the assumptions on the estimated duration of the procurement exercise? • How realistic is the estimated time taken for contractors to deliver the works? • How realistic are the assumptions on officer availability to manage the project on time? <p>The rationale behind this approach is that an increased culture of challenge will lead to more realistic programming of future capital projects, and therefore a reduced likelihood of slippage.</p>		<p>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 an 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, which 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. 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, Berkhamsted MSCP, Civic Centre demolition and Water gardens South car park refurbishment.</p>	

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Page 29	<p>which it has committed itself exposes the Council to reputational risk.</p>	<p>The following controls are in place with a view to developing a culture of scrutiny and challenge for officers to improve the accuracy of future bids:</p> <ul style="list-style-type: none">• 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. <p>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.</p>	<p>At quarter 3 the capital programme had further slippage of £2.1m in the general fund capital programme. This majority of this slippage relates to delays to the Westerdale garage development, the bunkers park cemetery provision and the fleet replacement programme. The Garage development is now proceeding to completion, the bunkers park cemetery construction tender is due to be awarded in March and the fleet programme tender is being awarded this week.</p>
	Sign Off and Comments		
<p>Quarter 3 comments approved, no change in the risk rating quarter on quarter. See assurance comments for details on quarterly performance.</p>			

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FR_F03 Variances in General Fund revenue budget					
Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Nigel Howcutt	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	2 Medium	6 Amber	2 Unlikely	2 Medium	4 Green
Consequences		Current Controls		Assurance	
<p>Accurate, well-controlled budgeting relates directly to the achievement of the Dacorum Delivers corporate objective, and indirectly, through the financial decision-making process, to the achievement of all of the Council's corporate objectives.</p> <p>Inaccurate budgeting negatively affects the Council's ability to make evidence-based decisions. A significant underspend at year-end could indicate that funds have been needlessly diverted from a competing priority. A significant overspend at year-end could result in reserves being used to support lower priority objectives. Both of these could result in reputational damage for the Council.</p> <p>Failure to address the causes of inaccurate budgeting could negatively impact the Council's culture of financial management, which in turn increases the risk of poor financial decision-making.</p>		<p>The following controls aim to reduce the probability of there being a variance in the General Fund Revenue Budget by ensuring that there is strong challenge put to Budget Holders on the robustness of their assumptions, from a range of audiences.</p> <p>It is intended that these controls will increase the opportunity for flawed assumptions to be exposed as soon as possible, as well as 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>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 4% 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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	<p>There are two opportunities for OSCs to scrutinize the budget proposals and directly question the relevant officers before the budget report is finalized and considered by Cabinet and Council.</p> <p>Once approved, in-year budget performance is managed through monthly meetings between accountants and budget holders, which underpin monthly reports to CMT and quarterly reports to Cabinet and OSCs.</p> <p>The Council's Financial Regulations provide a guide to all budget-holders and are subject to annual review.</p>	<p>At quarter 3 the general fund is projected to overspend by £113k, which is less than 1% of the net cost of services. This is an improvement on quarter 2 of £136k. Additional efficiency work is underway prior to year-end.</p>
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Sign Off and Comments

Quarter 3 comments approved, no change in the risk rating quarter on quarter. See assurance comments for details on quarterly performance.

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FR_I02 Failure to optimise income generated by commercial assets

Category: Infrastructure	Corporate Priority: Dacorum Delivers	Risk Owner: Nigel Howcutt	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	3 High	9 Amber	2 Unlikely	3 High	6 Amber
Consequences		Current Controls		Assurance	
<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 maximise income from these assets whilst avoiding the risk of vacant properties and increasing bad debts, which could arise if rents are set too high, and would jeopardise the council's achievement of its corporate objectives of Regeneration and 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> <p>At quarter 3 the commercial assets occupancy level was 96% and arrears were down to 6%. A good quality marketing of vacant properties means that almost a third of the vacant units are under offer at present. The estates team are working very proactively with tenants to reduce arrears whilst also ensuring we maximize</p>	

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		income and hence at present there is a growing number of tenants on repayment plans.
Sign Off and Comments		
Quarter 3 comments approved, no change in the risk rating quarter on quarter. See assurance comments for details on quarterly performance.		

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FR_I04 Failure to maintain an effective business continuity plan for all relevant service areas					
Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:	
Infrastructure	Safe and Clean Environment	Nigel Howcutt	Graeme Elliot	Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
Disruption caused by service failure leading to hardship for individuals, potential loss of business and significant reputational damage		These controls are implemented to ensure that the Council is adequately prepared and able to continue providing key services in the event of an emergency situation. Through this control, the probability of the Council being unable to respond to such an emergency is reduced. - Annual review process. - Corporate business continuity process and procedures set out in emergency response toolkit.		A CMT emergency planning exercise was conducted in October which all members of the Finance and Resources DMT attended.	
Sign Off and Comments					
Quarter 3 comments approved, no change in the risk rating quarter on quarter. See assurance comments for details on quarterly performance.					

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FR_R01 Council Tax and Business Rates collections rates drop below budget					
Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Nigel Howcutt	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	2 Medium	6 Amber	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
<p>Distribution of collection fund to other preceptors is based on the budgeted collection level, if collection falls short this could lead to a 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 minimise the ongoing negative impact on collection.</p> <p>Profiled monthly collection rates are monitored monthly - see KPIs RBF04 and RBF05. Reasons for variances are then investigated in order to address problems quickly as possible.</p> <p>Direct debit payment is recommended for all customers – a pre-filled instruction is sent to all non-DD payers with their annual bill or a first bill for a new taxpayer. The direct debit method reduce the risk of under-collection because it eliminates the risk of a payer forgetting to make a monthly payment.</p> <p>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>The council tax collection rate is 30% against a target of 30.2% the annual target of 98.5% 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> <p>At quarter 3 the NNDR collection rate is in line with expected levels. At present the retail economy is under a certain amount of pressure and so is being closely monitored to ensure we foresee any potential impacts</p>	

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		<p>on the business rates collection.</p> <p>The council tax collection rates are very close to expectations and the enhanced take up of DD payments means the final quarter will deliver greater council tax income than historically.</p>
Sign Off and Comments		
<p>Quarter 3 comments approved, no change in the risk rating quarter on quarter. See assurance comments for details on quarterly performance.</p>		

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FR_R02 Delays and errors in the processing of Benefits claims					
Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Nigel Howcutt	Portfolio Holder: Graeme Elliot	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	3 High	12 Red	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
<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 optimise performance. By subjecting the process to this regular in-depth scrutiny the Service is able to reduce the probability of the risk crystallising, hence the reduction between the Inherent Risk score (4) and the Residual Risk score (2) after the controls have been taken into account.</p> <p>Quality checking and individual performance management is in place. These mean that each officer has targets for their personal productivity and accuracy, and information from quality checks is fed back in order to sustain improvement.</p> <p>Average time taken for processing new claims and changes in circumstances forms part of monthly monitoring.</p> <p>Processes are in place to expedite cases where the customer is vulnerable or facing eviction. These</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 is 7.7 days against a target of 6 days, this 1st 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> <p>At quarter 3 the housing benefit service has improved its timely response time to queries and achieved the best response times ever for the service. Also during</p>	

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	<p>processes start when a case is identified within benefits, or by customer services, homelessness, housing etc.</p> <p>Monthly meetings are held between senior officers within Finance & Resources to monitor detailed performance levels at each stage of the claims process.</p> <p>This enables intermediary targets to be set for discrete elements of the process, which in turn enables the more effective monitoring which has resulted in significantly improved performance over the last 6 months.</p>	<p>quarter 3 the service has received a full assurance from internal audit and a final sign off, of the housing benefit external audit for 2017/18.</p>
<p style="text-align: center;">Sign Off and Comments</p>		
<p>Quarter 3 comments approved, no change in the risk rating quarter on quarter. See assurance comments for details on quarterly performance.</p>		

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Indicator Name	Results Dec-2018	Last Quarters Results Sep-18	Last Years Results Dec-17	RAG	Comments	Actions
Dacorum Delivers - Efficiencies						
RBF01 - Average time taken to decide a new claim for Housing Benefit	16.8 Days 8303 / 495 Target: 20	19.6 Days 11559 / 589 Target: 20	23.4 Days 13297 / 569 Target: 20	0 1 3	Updater Comments: Performance has remained in an excellent position over the quarter.	No Info
RBF02 - Average time taken to decide a change event for Housing Benefit	7.8 Days 38322 / 4932 Target: 6	9.8 Days 54348 / 5574 Target: 10	13.5 Days 65246 / 4849 Target: 11.5	0 2 2	Updater Comments: This has been an excellent quarter.	No Info
FIN03 - General Fund expenditure - outturn forecast against budget	£17773000 Target: 17335000	£17868000 Target: 17335000	£17572000 Target: 17745000	0 3 1	Approver Comments: The key variances are detailed in the supporting financial report.	No Info
FIN04 - HRA expenditure outturn forecast against budget	£56024000 Target: 56070000	£56151000 Target: 56070000	£56665000 Target: 56607000	0 2 2	Approver Comments: The key variances are detailed in the supporting financial report.	No Info
FIN05 - HRA income - outturn forecast against budget	£56175000 Target: 56070000	£56032000 Target: 56070000	£56843000 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	£17005866 Target: 19200477	£18870154 Target: 24515814	£8741863 Info Only	0 0 2	Approver Comments: The key variances are detailed in the supporting financial report.	No Info
FIN07 - HRA Capital Expenditure: outturn forecast against budget	£26287037 Target: 36028557	£35248557 Target: 39023557	£26313948 Info Only	0 0 2	Approver Comments: The key variances are detailed in the supporting financial report.	No Info
FIN08 - Investment income: outturn forecast against budget	£706620 Target: 548000	£641350 Target: 442000	£370390 Target: 442000	1 0 3	Updater Comments: Estimated interest receipts based on the 2018/19 cashflow. Target is £548,000 per annum.	No Info

Indicator Name	Results Dec-2018	Last Quarters Results Sep-18	Last Years Results Dec-17	RAG	Comments	Actions
FIN11 - Investment Property Income ytd budget against ytd actual	£4632716 Info Only	£3216867 Info Only	£4368305 Info Only		No Comments	No Info
RBF06 - Council Tax customer contact response (percentage of contacts responded to within 14 days)	96% 9177 / 9565 Target: 98	92% 8456 / 9143 Target: 98	94% 9021 / 9559 Info Only	1 2 0	Updater Comments: During this quarter resources have again been under pressure with a number of officers off due to sickness, or unplanned leave. But despite this and with even closer monitoring of our resources and juggling work streams etc. we still achieved a fantastic result for our customers as nearly 96% of our customer contacts were replied to within 14 days	No Info
Dacorum Delivers - Performance excellence						
FIN01 - Percentage of creditor trade invoices paid within 30 days	98.5% 2797 / 2841 Target: 97	98.5% 2847 / 2889 Target: 97	97.8% 2613 / 2671 Target: 97	0 1 3	No Comments	No Info
FIN02a - Time taken for debtors to pay	30 Days Target: 40	22.5 Days Target: 40	35.9 Days Target: 40	0 0 4	No Comments	No Info
Dacorum Delivers - Value for money						
RBF04 - NNDR (Business Rates) in-year collection rate	76.6% Target: 76.5	51.6% Target: 51.6	76.7% Target: 75.3	0 2 2	Approver Comments: Collection so far this year remains broadly in line with the expected profile, which is good to see. However, press reports about difficult trading conditions for retailers are a cause for concern.	No Info

Indicator Name	Results Dec-2018	Last Quarters Results Sep-18	Last Years Results Dec-17	RAG	Comments	Actions
RBF05 - Council Tax collection rate	85.4% Info Only	57.6% Info Only	85.9% Info Only		<p>Updater Comments: Whilst we continue at end of quarter three to be 0.2% down on the expected target, we will keep monitoring collection over the next few months and at this stage believe there is still time to recover to achieve our out turn target.</p> <p>Approver Comments: Analysis of the movement of taxpayers to 12 rather than 10 instalments suggests that we will collect a higher proportion of the total charge during February and March.</p>	No Info
Regeneration - Drive value from Council owned assets						
CP01 - Percentage of commercial property occupation	96.06% 585 / 609 Target: 95	95.73% 583 / 609 Target: 95	96.72% 589 / 609 Target: 95	0 0 4	<p>Updater Comments: Whilst the figures are consistent and we are letting properties, it should be noted that we also have a number of new voids. As per last month the level of voids reflects our proactive debt recovery action. A number of properties (38%) are under offer to be re-let and are in legal hands. 50% of the voids needs refurbishment before they can be marketed.</p>	No Info
CP02 - Percentage arrears on commercial property rents	6% 284313 / 5006201 Target: 8	7% 363803 / 5006201 Target: 8.75	8% 406633 / 5085000 Target: 7.5	0 1 3	<p>Updater Comments: We continue to progress legal action against certain debtors through the Court system which is having a positive impact on figures. Through liaison with customer accounts we continue to chase any overdue sums. A large number of the tenants are on payment plans.</p>	No Info

Agenda Item 9



Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	26th March 2019
PART:	1
If Part II, reason:	

Title of report:	Quarter 3 Performance Report – Corporate and Contracted Services
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 three 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 3 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 third quarter, although officers continue to monitor developments with Brexit and the potential for further elections or referenda.
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:-

Matter	Client/type	Case Detail
DBC v Ellis	Anti-social behaviour (ASB)	Ongoing anti-social behaviour. Full closure order granted for period of 3 months
DBC v Clegg	Licensing	Prosecution for licensing offences – Operating without a driver's license - £120 fine, 8 points, £450 costs
DBC v Foenand	ASB	Ongoing anti-social behaviour against DBC Staff. Injunction granted preventing defendant from entering Forum unless by appointment.

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 defended two planning High Court challenges (Symbio House, and 449 London Road)
 - Completed the sale of 4 garage sites to a housing association for circa £1.5m

The Licensing Team

6. Key updates for the team are as follows:
 - Prosecution of husband and wife for running an unlicensed private hire operator business, carrying out private hire without the required licences as a driver and for the vehicle that was used (DBC V Clegg noted above).
 - New design for taxi vehicle plates to assist with compliance and enforcement checks is about to go live. Inclusion of licence expiry dates, means that vehicles with expired licences can now easily be identified by council officers, police, and members of the public.
 - Joint work between HR and Licensing to establish an electronic application process for DBS criminal record checks for employees and taxi drivers. The system will save time and prevent errors on the forms, leading to quicker processing of criminal record checks. For Licensing, this will reduce waiting time for taxi applicants.
 - All existing animal activities licence holders have been reviewed in light of new legislation. The new laws have encouraged new applicants to apply and have led to one of the existing kennels renewals to be refused due to poor standards. A new policy is now being drafted to assist applicants to understand how these are licensed.
 - New fees and charges agreed by Licensing Committee for 2019/20 in line with various legislative requirements
 - The recruitment of a Compliance Officer (filling an existing vacant post), has allowed us to start to step up our proactive work. A key part of the Compliance Officer's role is to investigate unlicensed activities and to ensure they either cease to operate, or obtain the required licence. This leads to increased compliance across the Borough and increased income from licensing fees.

Corporate and Democratic Support

7. During Quarter 3, Corporate and Democratic Support carried out the following:

Committee meetings

- Published 23 agendas
- Completed 23 sets of minutes
- Processed 36 public speakers at Committee
- Published 5 Portfolio Holder Decisions
- Published 10 Officer Decisions

Member Development

8. In Q3, there have been six Member Development sessions:
 - **CIL/S106 briefing.** This session was facilitated by Gilian Macinnes from Gilian Macinnes Associates. The session had 11 attendees.
 - **Planning Code of Conduct and Officer/Member Relations.** This session was facilitated by Mark Brookes, Assistant Director (Corporate & Contracted Services) and Chris Gaunt, Legal Governance Team Leader. The session had 15 attendees.
 - **Effective Ward Leadership and Advocacy Skills.** This session was facilitated by David McGrath, Link Support Services. This session had 10 attendees.
 - **Universal Credit.** This session was facilitated by Layna Warden (Group Manager – Tenants and Leaseholders) and Chris Baker (Group Manager – Revenues, Benefits & Fraud). This session had 10 attendees.
 - **Responsibility as a DBC nominated trustee on outside bodies.** This session was facilitated by Councillor Roger Taylor. This session had four attendees.
 - **Budget Process.** This session was facilitated by Nigel Howcutt, Assistant Director (Finance & Resources). This session had 11 attendees.
 - 23 councillors have not attended any member development sessions in the first three quarters.

Mayoral Support

9. In addition to managing the day to day engagements of the Mayor, the Mayoral Team delivered a successful Remembrance Day event as well as a special Beacon Lighting Ceremony as part of the WW1 Centenary events.
10. A Design a Christmas card competition was run for local primary schools and a generous sponsor was found who donated the printing of 1000 copies of each of the 2 winning designs. These cards were sold to raise funds for the Mayor's Charity, Centre in the Park. Presentations were made to the winners and the Mayor hosted parties for the class of each winner.

Electoral Services

11. For Q3 the Electoral Services team were running the annual canvass, therefore there were no monthly alterations made to the register.

However on the 1st of December the Electoral Register for 2018/19 was successfully published, having processed the following amendments:

Household Enquiry Forms sent out: 64,204
Household Enquiry Forms returned 57,492
Response rate: 90%

Electors responded as follows:

Internet: 19,777
Phone: 8,442
Text: 4,408
Post: 24,865 of which 15,056 were no changes and 9,809 had changes

The team worked incredibly hard over this period to ensure that all responses were processed and that all amendments were made by the 1st of December deadline. The new software, Express, was a great asset to this success and has supported this canvass very well.

During December we also sent out over 64,000 Household Notification Letters (HNL's), this was to summarise the outcome of the annual canvass and to show electors who was now registered. The Electoral Commission recommend making this contact with electors after a canvass or in the lead up to an election. We felt December/January was a good time as this will allow time in Jan/Feb to process any amendments ahead of the Notice of Election in March.

PROCUREMENT AND CONTRACTED SERVICES

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
- CCTV Upgrade & Maintenance
- Civic Zone Regeneration

Parking Services

- Saba, previously Indigo, continues to provide Dacorum's parking enforcement service.
- Officers are working closely with Saba to improve monthly reporting to support the key performance indicators.
- Overall Saba are performing well with officers meeting contract managers on a monthly basis to ensure that the first year of the contract continues to run smoothly.

CCTV

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

Leisure Contract

- The leisure contract continues to perform well with relationships strengthening during the third quarter.
- The outreach plan has begun to take shape, targeting those residents who do not have ready access to Dacorum's leisure facilities.
- Everyone Active are continuing to provide a high level of leisure service.

Multi-Storey Car Park

- Regular meetings are taking place between DBC (client), WYG (consultant) and Huber (contractor)
- The respective legal teams have finalised the contract documentation.

- The site possession was carried out in Jan 2019, and there have to date been a number of letter drops to both residents and commercial businesses in the area updating them on progress to date.
- The following utility providers have been on site to conclude the diversion works, UK Power Networks (Elec) and BT Openreach (Telephone), Cadent Gas are due to conclude their work by the end of March as will the drainage diversion works.
- The 32-week construction programme will commence in early April with the piling and groundworks.

Temporary Car Park

- Works on the temporary car park were undertaken and the car park became operational in December 2018.
- Although the car park was temporarily closed due to poor weather, additional matting has been installed enabling the car park to re-open.

Tring Sports Centre

- Works for the refurbishment of the sports centre are reaching the final stages with handover from Keir scheduled for 1st April.
- Tring School are in the process of obtaining their approval to take over the running of the facility, in the interim Everyone Active will be running the centre. In the early stages the facility will be open for dry side bookings and swimming for community and club use with swimming lessons following once the programme has been developed.

Indicator Name	Results Dec-2018	Last Quarters Results Sep-18	Last Years Results Dec-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% 14 / 14 Info Only	100% 4 / 4 Info Only	100% 8 / 8 Info Only		Updater Comments: Target met despite high workloads	No Info
LG06 - Percentage of housing possession proceedings commenced within 20 working days of receipt of full instructions	100% 1 / 1 Info Only	100% 1 / 1 Info Only	100% 0 / 0 Info Only		No Comments	No Info
LG09 - Percentage of prosecution proceedings commenced within 20 working days of receipt of full instructions	100% 5 / 5 Info Only	100% 1 / 1 Info Only	100% 0 / 0 Info Only		No Comments	No Info
Dacorum Delivers - Reputation and profile delivery						
DPA01 - Percentage of DPA requests met in 40 days	100% 22 / 22 Target: 100	100% 14 / 14 Target: 100	100% 16 / 16 Target: 100	0 0 4	No Comments	No Info
CS02a - Percentage stage 1 complaints resolved in 15 days for the Council	89.09% 49 / 55 Target: 80	98.08% 51 / 52 Target: 80	91.36% 74 / 81 Target: 80	0 0 4	Updater Comments: Performance exceeding target for the Qtr, no cause for concern. No further comments.	No action required at this time.

Indicator Name	Results Dec-2018	Last Quarters Results Sep-18	Last Years Results Dec-17	RAG	Comments	Actions
CS02b - Percentage stage 2 complaints resolved in 15 days for the Council	No Data 0 / 0 Target: 80	200% 2 / 1 Target: 80	100% 1 / 1 Target: 80	0 0 2	Updater Comments: No comment (no complaints registered for response at Stage 2 during this qtr)	No action required at this time.
FOI01 - Percentage FOI requests satisfied in 20 days	98.24% 167 / 170 Target: 100	95.77% 181 / 189 Target: 100	98.05% 151 / 154 Info Only	0 3 0	Updater Comments: Missed Requests; Finance Environmental Services Commercial Assets	No Info
MS01 - Average number of training opportunities taken up per Member	0.4 Opportunities 1.2 / 306 Info Only	0.3 Opportunities 0.7 / 204 Info Only	100 Opportunities 0 / 0 Info Only		Updater Comments: (data calculated as 6 training sessions with 51 seats at each = 306 opportunities. There were a total 61 attendees across the 6 sessions.	Currently reviewing Member Development Strategy for 2019-2023 alongside planning for 2019 induction.
Dacorum Delivers - Efficiencies						
FIN13 - Car Parking Income ytd budget against ytd actual	£1724990 Target: 1716090	£1162548 Target: 1143555	£1739433 Target: 1582605	0 0 4	Updater Comments: The income is above target. Approver Comments: The income is above target.	N/A

Agenda Item 11

Clerk: Trudi Angel (ext. 2224)

Finance and Resources Overview & Scrutiny Committee: Work Programme 2019/20

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
11 June 2019		Action Points (from previous meeting)		
		Budget Monitoring Report Q4	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gov.uk	To review and scrutinise quarterly performance
		Finance and Resources Q4 Performance Report	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gov.uk	To review and scrutinise quarterly performance
		Corporate & Contracted Services Q4 Performance Report	Assistant Director, Corporate & Contracted Services Mark.brookes@dacorum.gov.uk	To review and scrutinise quarterly performance
		Performance, People & Innovation Q4 Performance Report	Assistant Director, Performance, People & Innovation linda.roberts@dacorum.gov.uk	To review and scrutinise quarterly performance
		Performance of the Leisure Contract	Group Manager, Commissioning, Procurement and Compliance Ben.Hosier@dacorum.gov.uk	To monitor the contract
09 July 2019		Action Points (from previous meeting)		
11 Sept 2019		Action Points (from previous meeting)		
		Budget Monitoring Report Q1	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gvo.uk	To review and scrutinise quarterly performance
		Finance and Resources Q1 Performance Report	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gov.uk	To review and scrutinise

				<i>quarterly performance</i>
		Corporate & Contracted Services Q1 Performance Report	Assistant Director, Corporate & Contracted Services Mark.brookes@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Performance, People & Innovation Q1 Performance Report	Assistant Director, Performance, People & Innovation linda.roberts@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Parking Enforcement Contract	Group Manager, Commissioning, Procurement and Compliance Ben.Hosier@dacorum.gov.uk	<i>To monitor the contract</i>
22 Oct 2019		Action Points (from previous meeting)		
13 Nov 2019		Action Points (from previous meeting)		
		Budget Monitoring Report Q2	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gvo.uk	<i>To review and scrutinise quarterly performance</i>
		Finance and Resources Q2 Performance Report	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Corporate & Contracted Services Q2 Performance Report	Assistant Director, Corporate & Contracted Services Mark.brookes@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Performance, People & Innovation Q2 Performance Report	Assistant Director, Performance, People & Innovation linda.roberts@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
Joint Budget		**** Joint Budget**** ****2019-2020**** *****	Corporate Director Finance & Operations James.deane@dacorum.gov.uk	
3 Dec 2019				

		<i>Ideally no further items to be added</i>		
15 Jan 2020		Action Points (from previous meeting)		
		Performance of the Leisure Contract	Group Manager, Commissioning, Procurement and Compliance Ben.Hosier@dacorum.gov.uk	<i>To monitor the contract</i>
Joint Budget 4 February 2020		<p>**** Joint Budget**** ****2020-2021****</p> <p>*****</p> <p><i>Ideally no further items to be added</i></p>	Corporate Director Finance & Operations James.deane@dacorum.gov.uk	
24 March 2020		Action Points (from previous meeting)		
		Budget Monitoring Report Q3	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gvo.uk	<i>To review and scrutinise quarterly performance</i>
		Finance and Resources Q3 Performance Report	Assistant Director Finance & Resources Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Corporate & Contracted Services Q3 Performance Report	Assistant Director, Corporate & Contracted Services Mark.brookes@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Performance, People & Innovation Q3 Performance Report	Assistant Director, Performance, People & Innovation linda.roberts@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Parking Enforcement Contract	Group Manager, Commissioning, Procurement and Compliance Ben.Hosier@dacorum.gov.uk	<i>To monitor the contract</i>

Clerk: Trudi Angel (ext. 2224)