



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 16 JUNE 2015 AT 7.30 PM

DBC BULBOURNE ROOM - CIVIC CENTRE

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 Herbert Chapman (Chair)	Councillor Clark
Councillor Douris (Vice-Chairman)	Councillor Collins
Councillor Taylor	Councillor Imarni
Councillor Ashbourn	Councillor Mills
Councillor Barnes	Councillor Silwal
Councillor Birnie	

Substitute Members:

Councillors Brown, Guest, Matthews, Wyatt-Lowe and Anderson

For further information, please contact Louise Collins

AGENDA

- 1. MINUTES** (Pages 1 - 6)
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

6. ACTION POINTS FROM PREVIOUS MEETING

7. QUARTER 4 RISK MANAGEMENT REPORT 2014/15 (Pages 7 - 22)

8. QUARTER 4 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORT - LEGAL GOVERNANCE, DEMOCRATIC SERVICES AND PEOPLE (Pages 23 - 42)

9. QUARTER 4 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORTS - PERFORMANCE & PROJECTS (Pages 43 - 68)

10. QUARTER 4 PERFORMANCE AND OPERATIONAL RISK REGISTER - FINANCE & RESOURCES (Pages 69 - 88)

11. PROVISIONAL OUTTURN REPORT 2014/15 (Pages 89 - 112)

12. ANNUAL REVIEW OF FINANCIAL REGULATIONS (Pages 113 - 114)

MINUTES

FINANCE & RESOURCES JOINT OVERVIEW AND SCRUTINY COMMITTEE

03 MARCH 2015

Present:

Cllr Adeleke
Cllr B Chapman (Chairman)
Cllr Doole

Cllr Marshall
Cllr Townsend
Cllr W Wyatt - Lowe

Officers:

J Deane	Director (Finance & Operations)
R Smyth	Assistant Director (Performance & Projects)
B Hosier	Group Manager – Procurement
M Brookes	
M Rawdon	Group Manager - People
J Doyle	Group Manager – Democratic Services
L Collins	Member Support Officer (Minutes)

OS/049/15 MINUTES

The minutes of the Finance & Resources OSC meeting held on 10 December 2014 were confirmed by the Members present and signed by the Chairman.

OS/050/15 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor Clark, Collins, N Hollinghurst and N Tiley. Councillor's Ayling, Organ and Taylor were absent.

OS/051/15 DECLARATIONS OF INTEREST

None.

OS/052/15 PUBLIC PARTICIPATION

None.

OS/053/15 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO A CALL – IN

None.

The chair announced at the meeting that the order of the Agenda would be amended at the request of the Director of Finance and Operations. Item 9, Quarter 2 Financial Outturn Report 2014/15 would be moved to item 7.

OS/054/15 ACTION POINTS FROM PREVIOUS MEETING

The Chairman of the committee went through the action points from the previous meeting and the responses to those points.

- Report on Charging for Credit Card transactions - This is ongoing. A report is being sent to CMT in the next few weeks before a recommendation is made to Cabinet 10/2/15.
- Staff Survey to include a question specifically referring to e-mails- Communications to include a question on email management in the next staff survey.
- Circulate details of the HCC mental Health First Aiders courses - Public Health at Herts County Council funded the Royal Society for Public Health Understanding Health Improvement Level 2 Award course for DBC staff, Members and external partner organisations. The one day course was run three times in June, September and December last year. There were about 20 attendees on each course. Part of the course covered mental health.
- Breakdown of Prosecutions into seriousness, severity and frequency - Email circulated to Members on 18/11/2014.
- Schedule of regular updates on Get set, Go Dacorum - To be included in the 'quarterly People Group update' – Next one March 2015.
- Provide analysis of data, CSU06 - customers satisfied with service received from CSU - Customer satisfaction survey undertaken during July – September 2014 - E mail sent to Councillors.
- Clarify FO101 - FOI responses - Email circulated to Members on 18/11/2014.
- Status report on items for delivery during Nov/Dec 2014 - Incorporated into report for 3rd March.

Councillor Doole made reference to the 1st action point regarding the no of calls not answered in the CSU. He asked why this was still outstanding as this appears to be an ongoing problem with the CSU.

B Hosier informed Members that a meeting would be held this Thursday 5th March 2015 with the Portfolio Holder N Harden to discuss this issue. All Members will be notified of the outcome.

Action

B Hosier informed Members that a meeting would be held this Thursday with the Portfolio Holder N Harden to discuss this issue. All Members will be notified of the outcome.

Councillor N Harden arrived at 7.35pm

OS/055/15 QUARTER 3 FINANCIAL OUTTURN REPORT 2014/15

James Deane, The Director of Finance and Operations, introduced this item on behalf of Richard Baker and highlighted the importance of the figures in the report on pages 92 and 93 and invited Members to ask questions.

Councillor Townsend asked what the difference was between adjusted budget and forecast outturn.

The Director of Finance and Operations replied that the adjusted budget is the amount that has been approved by Members for expenditure, whereas the forecast outturn is the amount that the Council expects to have spent by the end of the year.

Councillor Adeleke referred to page 83 and the funding grant for Sportspace. He asked what the amendment was for and when it would be completed.

J Deane confirmed that in 2014 there was a planned reduction of £50k in the grant paid to SportsSpace. However, following Members' decision to award an additional one-off £100k payment to SportsSpace in 2015/16, it was decided not to implement the planned £50k reduction in grant this year.

Councillor Adeleke asked a question about the software requirements for Northgate. He asked if they could reassure Members that this would all be under control.

J Deane said that this was all being closely managed and all payments to Northgate were being monitored.

Councillor Doole made reference to the extra costs within the CSU and asked if the Council was monitoring or managing this.

J Deane confirmed that the costs would be both managed and monitored.

Councillor W Wyatt – Lowe asked if there was anything the Council could do proactively to identify homes brought back into use?

J Deane said that he would provide Members with a detailed answer at a later date.

Councillor Townsend asked a question regarding the Pensions Backfunding. Referring to the adjustment in the budget for 2015/16 he asked why the amount had been reduced.

J Deane explained to Members that this was an amount payable to contribute to the pension scheme deficit that had arisen from the triennial review of the pension scheme in late 2013. Originally it was anticipated that the payment would be made in 2014/15, and so it was budgeted for that year. However, HCC subsequently requested payment in late 2013/14 which meant that the budget was not then required in 2014/15, hence the adjustment. The payment was still made – the adjustment was down to a timing issue.

Outcome:

Members noted the progress of the report and commented on the Customer Service Centre and Gateway project.

OS/056/15 QUARTER 3 RISK MANAGEMENT REPORT 2014/15

James Deane the Corporate Director of Finance and Operations introduced the Quarter 3 Risk Management Report on behalf of Linda Dargue. He highlighted the changes in the risks C1, C2 and R4 as they had come onto the register too late. He added that all of these risks will be incorporated into the next report.

Councillor Doole highlighted the need to identify opportunities as well as risks in the reports and said that most registers avoid these. He also pointed out that the performance reports should be linked to the risk registers and identified the Finance & Resources report as an example of how this could work well. He asked if the other registers would be presented in this way.

J Deane agreed with Councillor Doole's comment that opportunities should be reflected in risk registers, and observed that often they were captured, but as the avoidance of a negative, rather than expressed as a positive.

Councillor Townsend commented on the Risk Registers content. He asked if it was necessary to have all of this information in the risk registers as it appeared too full and said it would be helpful to have a simplified register to read.

J Deane explained to Members that a change in the Registers content would take place after the elections in May.

Councillor Harden asked if there would be an opportunity for backbenchers to have a say in the review of the Risk Registers.

J Deane added that this would be possible and would welcome their ideas on how to take the Registers forward. He committed to incorporating this into the process for repopulating the risk registers once the new administration was in place.

The Chair added that it would be helpful to Members to have a Register that was more clear and concise. He suggested bullet pointing the risks as opposed to a table format to highlight the key areas within the Risk Register.

Outcome:

The report was noted.

OS/057/15 QUARTER 3 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORTS – LEGAL GOVERNANCE, DEMOCRATIC SERVICES AND PEOPLE

M Brookes introduced the Quarter 3 Performance and Operational Risk Register for Legal Governance, Democratic Services and People on behalf of S Baker.

He invited Members to ask questions.

The Chairman made reference to page 22, Item 6 – The Statutory Notice Pilot. He asked the officer if there was a date in mind that this could be looked at.

R Smyth explained that they were in discussion with the CLG since 25th February 2015. An update will be given to Members after the 9th March when the next meeting takes place.

Councillor Adeleke made reference to page 22 The Mental Health Programme asked the officer to confirm what level of training is given to mental health staff.

M Rawdon, Manager of People, confirmed that there were two levels of training provided for staff. The two day sessions include a range of training for Mental Health issues and a 7 day course covers all of the areas within Mental Health. It focuses on signs to look for as a Manager.

Councillor Adeleke asked if there was a reduction in the Sickness absence figures reported.

M Rawdon said that currently there is a 2 year programme running. All staff are fully trained. It would be easier to assess the figures once the end of year has elapsed to get a more accurate figure to report on.

Councillor Doole highlighted risk CEM03 on page 33 and asked if this was correct as the impact had gone from a 3 to a 4.

M Brookes said that this appeared to be an error and will come back to Members regarding this risk.

Councillor Marshall referred to page 33 and the last control regarding the quarterly meetings of the Dacortium Sub-group (AD level). She asked what level this related to.

M Brookes confirmed that this related to the Assistant Director level.

\the Chairman referred to page 27 HR03 and asked the office what was considered a long term sickness.

M Rawdon confirmed that after 7 days sickness a doctors certificate would be required.

Action:

- M Rawdon to report to Members on the review of the sickness figures for the next meeting.
- Page 33, Risk CEM03 – M Brookes to get back to Members regarding this.

Outcome:

The report was noted.

OS/058/15 QUARTER 3 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORTS – PERFORMANCE AND PROJECTS

R Smyth, Assistant Director – Performance and Projects outlined the key elements of the Quarter 3 Performance and Operational Risk Register.

Councillor W Wyatt-Lowe referred to page 41 and the complaints handling process.

R Smyth explained that all complaints are assigned to a complaints handler to be dealt with.

Outcome:

The content of the report is noted.

OS/059/15 QUARTER 3 PERFORMANCE AND OPERATIONAL RISK REGISTER REPORTS – FINANCE AND RESOURCES

J Deane, Corporate Director of Finance and Operations outlined the Quarter 3 Performance and Operational Risk report and invited Members for questions.

He highlighted Members attention to risk FR02 on page 75. He mentioned that performance on the processing of benefits had declined for two consecutive quarters and therefore he had increased the associated risk rating. This would ensure that there would be increased focus on this risk until performance was once again within acceptable standards.

There were no questions for the Corporate Director.

Outcome:

The report was noted

OS/060/15 WORK PROGRAMME

Councillor Marshall referred to the Work Programme for Finance and Resources 2015/16 and asked why the Procurement Review had been taken off. She asked for the reasoning behind this and wondered whether this could be put back on the Work Programme.

Action:

Member Support Officer, L Collins to get clarification regarding this item and inform Members via e mail.

The meeting ended at 8.20pm



AGENDA ITEM: 7

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	16 June 2015
PART:	1
If Part II, reason:	

Title of report:	Quarter 4 Risk Management Report 2014/15
Contact:	Councillor Graeme Elliot , Portfolio Holder Finance & Resources James Deane , Corporate Director (Finance & Operations) Linda Dargue, Lead Officer, Insurance & Risk
Purpose of report:	1. To provide the Quarter 4 update on the Strategic Risk Register 2. To provide the Quarter 4 update on the Operational Risk Registers
Recommendations	1. That the content of this report is noted and recommended to Cabinet for approval together with any associated comments.
Corporate objectives:	Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives
Implications:	<u>Financial</u> None identified.
'Value For Money Implications'	<u>Value for Money</u> Risk management is closely linked to the Council's commitment to ensure that all resources are used efficiently and forms part of effective financial planning. The Council also needs to ensure that adequate provisions are in place to address anticipated risks but that these are no greater than necessary so that maximum resources are applied to services as required. To this end the Council sets minimum target working balances for both the general fund and HRA and at the date of this report this minimum balances are secured. Budget

	exercises for 2014/15 have ensured that the minimum balance requirements will also be met for the next financial year.
Risk Implications	Effective risk management is an important factor in all policymaking, planning and decision making. Failure to manage risk effectively could have serious consequences for the Council leading to increased costs, wasted resources, prosecution and criticism under external assessments
Equalities Implications	Equality Impact Assessment reviewed/carried out* Not applicable
Health And Safety Implications	Not applicable
Consultees:	
Background papers:	Risk Management working paper files CMT
Historical background (<i>please give a brief background to this report to enable it to be considered in the right context</i>).	Not applicable
Glossary of acronyms and any other abbreviations used in this report:	SRR – Strategic Risk Register

BACKGROUND

1. The revised Strategic Risk register showing the position at the end of Q4 2014/15 is attached at Appendix A for ease of reference. The table below provides a comparison of the risk scores from the previous quarter.

Risk	Q3 14/15	Q4 14/15
C3 – Failure to use the Council’s commitment to invest £30mas a catalyst to investment across the Borough	-	9
C4 – Failure to exceed current plans for the creation of new homes over the next 5 years	-	9
F1 –Resource base not sufficient to deliver	4	4

Corporate Plan (absorbing former risk F3: Failure to achieve identified savings to ensure that the budget remains balanced).		
F2 – Lack of effective procurement and contract management	6	6
F5 – Risk of extensive damage to property arising from adverse weather conditions and /or unstable ground within the Dacorum area	9	9
I2 - Failure to effectively manage health and safety	4	4
M1 - Failure to deliver required regeneration and economic growth	9	9
M3 – Key commercial partnership fails or failure of services provided via a partner/contractor	4	4
R3 - Disclosure of personal data in breach of the Data Protection Act	8	8

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

	Q3 14/15	Q4 14/15
CE_M03 Failure to prepare policy and strategy around Localism	4	3
FR_FR03 – Variances in General Fund Budget	6	4

3. This is the last risk report to be made to Finance & Resources Overview Scrutiny Committee forming the final report for 14/15. Moving forward in 2015/16 scrutiny of the Strategic Risk Register will be undertaken by Audit Committee, as a standing item on the committee agenda. This was agreed at the Cabinet meeting of 21 October 2014.

4. At that meeting the following amendments to risk reporting were agreed:

- An annual review of the SRR with the focus on risk identification for the future, to involve Cabinet, Leader of the Opposition and the Chief Officer Group;
- Scrutiny of the SRR to be undertaken by the Audit Committee, as a standing item on the committee agenda
- Each Overview and Scrutiny Committee will receive a quarterly update on the SRR, covering those risks specifically related to that committee.

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STRATEGIC RISK REGISTER

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C3 - Failure to use the Council's commitment to invest £30M as a catalyst to investment across the Borough					
Category:	Corporate Priority:		Risk Owner:	Portfolio Holder:	Tolerance:
Corporate			Mark Gaynor		Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	4 Severe	16 Red	3 Likely	3 High	9 Amber
Consequences		Current Controls		Assurance	
Political fallout		Hemel Evolution Programme		MTFS	
Reputational damage		Gade Zone Regeneration		Capital Strategy	
Limited growth or reduction in NNDR base and growth		West Herts College new campus		Effective Project Management	
Reduction in quality of life and opportunities within the Borough		Corporate Regeneration Group		Local Plan and associated planning documents	
		Heart of Maylands programme		Appropriately resourced team	
		Open for Business approach			
		Development of Town Centre Partnership			
		Dacorum Look No Further			
		Use of Statutory Powers and own property assets			
		Liaison with major land owners, institutional investors, land agents and employers			

STRATEGIC RISK REGISTER

March 2015



	Berkhamsted Multi Storey Car Park	
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Sign Off and Comments

Sign Off Complete

This is a new risk. The Council cannot control the overall economic conditions which provide the context for new investment across the borough (particularly over retail which is being transformed by on-line shopping). The Council is acting to make Hemel Hempstead Town Centre, Maylands and the other key sites as attractive as possible to stimulate development, deliverability or facilitate investment. We are also being proactive in the attraction of new investment by anticipating and/or meeting its requirements.

Failure to exceed current plans for creation of new homes over the next five years

Category: Corporate	Corporate Priority:	Risk Owner: Mark Gaynor	Portfolio Holder:	Tolerance: Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Risk Score
5	3 High	15 Red	3 Likely	9 Amber
Consequences		Current Controls		Assurance
Continued housing shortage particularly affordable housing		Council house new build programme		
Increased likelihood of increases in house prices (supply not matching demand)		Direct council financial support to housing associations developing over and above s106		
Negative impact on potential business investment		Clear strategy to attract developers with new opportunities and to build a reputation for facilitating housebuilding particularly on previously used sites		
Potential impact on unmet housing need and homelessness		Impact through regeneration schemes		

STRATEGIC RISK REGISTER

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	Positive approach to permitted development conversions	
	Positive use of planning policy	

Sign Off and Comments

Sign Off Complete

This is a new risk. The residential construction sector is beyond the direct control of the council and is subject to national and supra-national financial conditions. It is notoriously variable and subject to volatile swings. The Council can however act on those areas that are under greatest control or capable of direct influence. This is most directly evidenced in the HRA new build and regeneration. It could in future be enhanced by a General Fund wholly owned but arms length development company which it is proposed be investigated as a priority.

F1 - Resource base not sufficient to deliver Corporate Plan

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	4 Severe	16 Red	2 Unlikely	2 Medium	4 Green
Consequences		Current Controls		Assurance	
<ul style="list-style-type: none"> - Dissatisfaction - Political fallout - Reputation damage 		<ul style="list-style-type: none"> - Corporate plan kept under review - MTFS kept under review - Fees & Charges strategy kept under review - Capital Strategy kept under review - Aspirations managed via communication e.g. articles in Dacorum Digest, press releases 		<ul style="list-style-type: none"> Medium Term Financial Strategy uploaded into Corvu Capital Strategy uploaded into Corvu 	

Sign Off and Comments

STRATEGIC RISK REGISTER

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Sign Off Complete

Following approval of the budget by Council in February 2015, work will begin on the revision of the Medium Term Financial Strategy. The new version will benefit from the Council having met the savings target for 2015/16, but will need to be updated for pressures anticipated in 2019/20.

Based on recent Government announcements and work undertaken by the Local Government Association, it is anticipated that government funding over the next parliament will reduce by the same proportion as it has since 2010. If this materialises for Dacorum it will mean funding reductions of a further 40%.

F2 - Lack of effective procurement and contract management

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	4 Severe	16 Red	2 Unlikely	3 High	6 Amber
Consequences		Current Controls		Assurance	
<ul style="list-style-type: none"> - Increased budgets - Reduced service quality - Contractual disputes - Impact on reputation - Decision makers not fully briefed 		<ul style="list-style-type: none"> - Financial Regulations - Corporate Financial System - Agresso - Corporate Procurement Strategy - Procurement Standing Orders - continuously reviewed - Use of Herts Marketplace - Joint Procurement activity - Asset Management Group - Training programme 		<p>The existing controls ensure that the procurement process is kept under close scrutiny. Contract management has also improved and is more effective in relation to the high profile and/or high value contracts. There is still a risk of ineffective contract management in relation to the lower value contracts where there is less likely to be a designated contract manager.</p>	
Sign Off and Comments					

Sign Off Complete

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F5 - Risk of extensive damage to property arising from adverse weather conditions and/or unstable ground within the Dacorum area

Category: Financial	Corporate Priority: Safe and Clean Environment	Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	Tolerance: Tolerating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	3 Likely	3 High	9 Amber
Consequences		Current Controls		Assurance	
<p>That external funding is not made available for treatment and this gives rise to an expectation that the Council will provide funding for treatment works.</p> <p>That extensive response measures with partner agencies are required, with impact on the Council's capacity to respond, its resources and reputation if these are not well planned and well executed.</p>		<p>Responsibilities exists under the Civil Contingencies Act which are restricted to assessing the danger to the public and taking action to mitigate immediate danger. These responsibilities are shared with other public agencies.</p> <p>The council has received Counsel opinion that its duties are limited to taking reasonable steps to prevent risk to health and safety and do not extend to funding treatment costs.</p> <p>Emergency Plan.</p>			
Sign Off and Comments					
Sign Off Complete					

STRATEGIC RISK REGISTER

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I2 - Failure to effectively manage health and safety

Category: Infrastructure	Corporate Priority: Dacorum Delivers	Risk Owner: Sally Marshall	Portfolio Holder: Cllr Andrew Williams	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	1 Very Unlikely	4 Severe	4 Green
Consequences		Current Controls		Assurance	
<p>Fatality or serious injury to employee/s or member/s of public</p> <p>Damage to DBC assets including property or property of others</p> <p>Criminal court cases with unlimited fines and/or imprisonment of Chief Executive, Directors or Responsible Managers/Officers</p> <p>Civic court case resulting in damages being paid by DBC</p> <p>Enforcement Notices from the HSE which could prohibit without appeal activities of the Council</p>		<p>H& S Policy Statement</p> <p>H&S Committee with Union representation, HR & Occ Health sub group, Service Providers sub-group</p> <p>Risk Assessment Training</p> <p>Other in House H&S training</p> <p>H&S Action Plan – including review of risk assessments</p> <p>Health Surveillance for HAV</p>		<p>Audit Committee report 25/4/12</p> <p>Corporate Health & Safety Strategy</p> <p>Health & Safety Coordinator Role</p>	
Sign Off and Comments					
Sign Off Complete					

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M1 - Failure to deliver required regeneration and economic growth

Category: Marketplace	Corporate Priority: Regeneration	Risk Owner: Mark Gaynor	Portfolio Holder: Cllr Andrew Williams	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	3 Likely	3 High	9 Amber
Consequences		Current Controls		Assurance	
<ul style="list-style-type: none"> - Unforeseen changes in levels of demand for services - Political fallout - Failure by Council to meet citizen's needs - Unplanned for financial implications - Regeneration of key areas e.g. Town Centre - does not happen 		<ul style="list-style-type: none"> Hemel Evolution Programme Gade Zone Regeneration West Herts College new campus Corporate Regeneration Group Heart of Maylands programme Open for Business approach Development of Town Centre Partnership Dacorum Look No Further Use of Statutory Powers and own property assets Liaison with major land owners, institutional investors, land agents and employers 		<ul style="list-style-type: none"> Sustainable Community Strategy uploaded into Corvu MTFS Capital Strategy Effective Project Management Local Plan and associated planning documents Appropriately resourced team 	

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	Berkhamsted Multi Storey Car Park	
Sign Off and Comments		
Sign Off Complete		

M3 - Key commercial partnership fails or failure of services provided via a partner/contractor

Category: Marketplace	Corporate Priority:		Risk Owner: Steve Baker	Portfolio Holder:	Tolerance: Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
18 2 Unlikely	4 Severe	8 Amber	1 Very Unlikely	4 Severe	4 Green
Consequences		Current Controls		Assurance	
<p>In the case of high value and/or high profile service contracts the consequence to the Council could be-</p> <ul style="list-style-type: none"> -damage to reputation -severe inconvenience to the public -failure to provide an essential service -punitive cost of securing an alternative provider at short notice -severe disruption to service 		<p>There are a number of controls built into the procurement process which mitigates against the risk of failure of a commercial partner, for example -</p> <ul style="list-style-type: none"> -eligibility criteria will include financial standing, capacity to provide the service in terms of requisite resources - the evaluation criteria will require the partner to demonstrate that they will be able to deliver the service in accordance with the specification <p>Once the contract has been let there will be regular meetings to monitor performance.</p> <p>The contract will contain an exit strategy which will deal with management of a failure on the part of the partner. The Council can safeguard its position by, for example, retaining ownership of plant and equipment (eg,</p>		<p>The existing controls will reduce the risk of a failure in a commercial partner as far as possible. The controls will ensure that the commercial partner has sufficient financial standing and operational capacity to undertake the contract.</p> <p>However, it is not possible to legislate completely against a commercial partner finding itself unable to perform the contract for a variety of reasons. That is always the inherent risk associated with outsourcing.</p>	

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vehicles, premises) to enable services to continue until a new provider can be found. The provider's staff will transfer back to the Council under TUPE. The contract will provide 'step in rights' in case of partial failure or early termination in the case of a total failure.	
Sign Off and Comments	
Sign Off Complete	

Disc 1001 - Disclosure of personal data in breach of the Data Protection Act					
Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	4 Severe	16 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
Complaint to the ICO and a fine of up to £500,000 in serious cases. Reputational damage (which could be national as well as local).		The appointment of an Information Security Team Leader with the role of ensuring that the Council complies with the requirements of the Data Protection Act. Existence of a Records Management Policy and other associated policies and procedures including a Retention Schedule Policy which deals with the secure storage and destruction of personal data.		Having a dedicated visible presence and point of contact to provide advice, guidance and support to staff on information security and data protection related matters will help raise the awareness of the importance of handling personal data in accordance with the Council's policies and procedures. The Council's Records Management Policy and other related policies and procedures contain clear guidelines on records scheduling that cover all Council functions	

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The Council have a records disposal policy and documented destruction procedures and a prescribed form to be used by staff when disposing of Council records.

Regular review and updating of the policies and procedures referred to above.

Information audit and physical storage audit has been carried out to establish the type of personal data being stored (either as paper documents or electronically), where and how the data is being stored and who by.

Arrangements are in place for the secure disposal of confidential waste which include the provision of locked bins located around the Civic Centre and special arrangements for the disposal of bulk confidential waste by a specialist contractor.

Frequent mandatory training of staff provided and run by the Information Security Team Leader.

The Council have a formal incident reporting procedure for reporting actual and technical security breaches. The procedure includes escalation to the ICO and CMT.

and enable staff to make a confident decision on records management and disposal.

The information audits are designed to ensure that the management of personal data which is stored in premises away from the Civic Centre is handled in a manner consistent with the Council's policies and procedures. The audit is also designed to ensure that as far as possible personal data is stored centrally in the Civic Centre.

Having a closed loop disposal system reduces the risk of personal data being left in a place to which the public have access.

By having a series of instructor led training on data protection and information security enables the Information Security Team Leader to inform staff of their responsibilities for handling personal data, make them aware of what constitutes a breach and the implications, what constitutes an offence and the implications and how to report such breach or offences by using the Council's incident reporting procedure.

Sign Off and Comments

Sign Off Complete

STRATEGIC RISK REGISTER

March 2015



I am satisfied that there are a wide range of robust controls in place which significantly reduce the risk of a serious breach of data protection and we review these regularly. However there is a need to maintain vigilance and especially in relation to the management of physical files and we will continue to monitor this closely and take any action necessary to ensure we have a robust approach to preventing and dealing with breaches.

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AGENDA ITEM: 8a

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	16 June 2015
PART:	1
If Part II, reason:	

Title of report:	Quarter 4 Performance Report – Legal Governance, Democratic Services and People
Contact:	Cllr Neil Harden, Portfolio Holder for Residents and Regulatory Services (in respect of Legal Governance and People) Cllr Andrew Williams, Leader of the Council (in respect of Democratic Services) Author/Responsible Officers: Steven Baker, Assistant Director (Chief Executive's Unit) Mark Brookes, Group Manager (Legal Governance) Jim Doyle, Group Manager (Democratic Services) Matt Rawdon, Group Manager (People)
Purpose of report:	To provide Members with the performance report for quarter 4 in relation to Legal Governance, Democratic Services and People.
Recommendations	That Members note the report.
Corporate objectives:	Resources and Value For Money; Optimise Resources and Implement Best Practice.
Implications:	<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 Neil Harden, Portfolio Holder for Residents and Regulatory Services
Background papers:	Annex 1 : Quarter 4 Performance Report Annex 2: Operational Risk Register

- Members will find attached to this report the Corvu performance data for Legal Governance, Democratic Services and People, together with the Operational Risk Register, in relation to quarter 4 of 2014/15. Members will note that the only indicators showing red are HR05 (average days lost due to sickness) and HR06 (end of year profile for sickness absences). These are corporate statistics relating to all Council employees – not just those working in the Chief Executive’s Unit. Reference is made below in the Human Resources section to a new initiative which, it is hoped, will help improve the sickness absence statistics in the future. Also set out below is some supplementary information about performance and activities of the services during quarter 4 which may be of particular interest to the Members of the Committee.

PEOPLE GROUP

- This report includes the performance information relating to those services which make up the People Group i.e. Human Resources, Organisation Development & Training, Communications & Consultation and Community Partnerships.

HUMAN RESOURCES (HR)

Sickness Absence – Firstcare System

- Further to Chief Officer Group approval, implementation has commenced for the new sickness management system which is designed to reduce sickness absence. Firstcare adopts an absence reporting approach which will require staff to record their sickness with a qualified nurse. The new system will also provide improved management information and a more effective ‘email chaser’ facility to ensure managers are applying the policies consistently. The launch of the new system is scheduled for August 2015.

COMMUNICATIONS & CONSULTATION

Corporate projects – Communications Support

4. The Communications Team is supporting the 'Hemel Evolution, Dacorum - Look No Further' project, and the Forum.

New Communications & Consultation Team Leader

5. Kelvin Soley has recently started in his new role and his first priorities are to support the Digital Dacorum Programme by improving the website look and content, as well as looking at the best ways to promote the excellent work the Council are undertaking through the media.

COMMUNITY PARTNERSHIPS

Get Set, Go Dacorum

6. Since the launch of Get Set, Go Dacorum in September 2014, 12 projects have commenced. Please see below the attendance rates as requested by Members:

September start dates

- Rush Judo – 100% of annual target of 10

October start dates

- Back 2 Netball – 100% of annual target of 25
- Woodhall Farm & Grovehill Family Fun sessions – 77% of annual target of 40
- Much Stronger Together Football – 45% of annual target of 60

November start dates

- The Puffins – 100% of annual target of 15 (almost doubled target within three months)
- Stay with it Programme – 45% of annual target of 80
- Go for Fit women and girls – 80% of annual target of 30

January start dates

- Culturally Aware Fitness – 75% of annual target of 40
- Sports Match "Buddy" scheme – so far 26% of annual target of 30

February - May start dates

- ENJOY Family – so far 10% of annual target of 50
- A Taste of Fitness – so far 10% of annual target of 30
- Adventure in the Playgrounds – multi-sport sessions, information pending

June/July onwards start dates

- DENS project – linking with the Elms offering sporting opportunities for service users, beginning in June
- Cycle your Family to Fitness – linking with Dacorum Cycle Hub & launching on 5th July
- Mosque engagement activities – likely to be Badminton and possibly Volleyball
- Skates Galore / Xtreme – utilising Gadebridge skate park
- The Mount project – information still to be confirmed

Voluntary Sector Commissioning – Strategic Partner Programme

7. The project plan has been prepared and work is underway to ensure the Council can be in a position to commission services that support our corporate objectives by 1 April 2016. We are currently in the consultation stage, which includes: consulting with the strategic partners on the draft service outcomes, hearing customer's views on the current voluntary services and views from officers and managers at the Council. The project team will be updating Cabinet Members in July on the progress to date and seek views on the proposed service outcomes.

ORGANISATIONAL DEVELOPMENT AND TRAINING

Staff Appraisals – on line

8. The corporate training team has implemented a new system so that appraisals can be carried out online, which will support Dacorum Anywhere and provide 'live' data for managers to ensure all staff have an appraisal.

LEGAL GOVERNANCE

9. Legal Governance continues to be heavily involved in many of the Council's critical projects. In particular, significant legal support is being provided in relation to the Gade Zone regeneration project. On the 7th May 2015 the building contract for the Forum building was signed following significant negotiations between the parties and this allowed works to formally commence in June.
10. The team also completed the purchase of Martindale School, Boxted Road, Hemel Hempstead for £4,090,000. The site has been purchased for the Council House New Build project.
11. The team frequently represent the Council in the courts and tribunals, leading on injunctions, prosecutions and defending employment tribunal cases. The following cases, which took place in the last quarter, may be of particular interest to Members:
 - Conviction of a private hire taxi driver - unlawful plying for hire
 - Conviction for fly tipping – £665 fine, £67 victim surcharge and £723.71 costs (claim in full)
 - Conviction for fly tipping - £665 fine, £67 victim surcharge and £702.26 costs (claim in full)
 - Conviction for a taxi driver under the Equality Act – refusing to take a guide dog in a taxi: £300 fine plus costs in full

The team also obtained three anti-social behaviour orders to prevent anti-social behaviour in the Borough.

Geographic Information System (GIS)

12. The new GIS system has been installed and the Planning system IDOX has been integrated and is now fully operational. The base format for the external web portal has been installed and work continues with the Council's departments to identify content for the web portal before it is formally available for use.

Licensing

13. Work continues on updating the Council's key licensing policies (the Licensing Act, Gambling Act, Consolidated taxi policy), with an aim to adopt the policies by the end of the calendar year.

DEMOCRATIC SERVICES

Elections

14. The main focus for Democratic Services throughout the early part of 2015 was the preparations for the three elections held on 7 May 2015. To this end the Electoral Registration Section and Member Support Services were engaged in:

- Compiling and producing the electoral register
- Organising Staffing for the 98 Polling Stations
- Booking the Polling Stations
- Procuring and amassing the necessary equipment and paperwork
- Booking the Count venue and
- procuring and preparing the Count equipment and materials

15. At the time of writing it is fair to say that the work done during this period contributed to a successful outcome which included:

- Production and issue of over 30,000 postal papers
- Opening and verifying 23,000 returned postal votes
- Processing nearly 300 nominations
- Production of 62 different ballot papers
- Printing and distribution of around 200,000 ballot papers
- The smooth running of the election day itself
- At the Count: verification of three elections in one night
- The Parliamentary Count
- The Borough and Parish counts on the next day

16. The Count itself was a massive team effort and a test of stamina for all involved: counters, officers, candidates and agents; but the result was the election of one MP, fifty-one Borough Councillors and the councillors for ten Parish and Town Councils.

Member Support Services

17. During Quarter 4, Member Support managed and organised the following:

- Published 27 Agendas
- Completed 28 Sets of minutes

- Spent 40 hours 10 minutes at evening meetings
- Processed 38 public speaker requests
- Processed 6 Portfolio Holder decisions.

Member Development

18. Four member training sessions were held in Quarter 4 bringing to an end the training for the outgoing Council. Disappointingly, the reduced target of 3 training sessions per year for each Member was not achieved. This may be due to the competing priorities for members in the lead up to the election period and the fact that there were a large number of members who were not seeking re-election.

19. The current breakdown of Member attendance is :

33.3% of Members having reached or exceeded target
35.2% of Members have completed 2 training sessions
11.7% of Members have completed 1 training session
19.6% have not completed any training sessions

20. Member Induction Plans were developed for the post-election period with two Induction Days organised for new members. A full programme of member development sessions is being produced (in consultation with the Member Development Steering Group) with twelve of the sixteen available sessions already filled.

Operational Risk Register

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

F&R OSC QUARTERLY PERFORMANCE REPORT

Chief Executive's Unit

March 2015



Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
CSU01 - Percentage of customers in the Customer Service Centre seen within 5 minutes	Mark Housden Tracy Lancashire	66.51% (13272/19954) Target: 70.00	↗	67.60% (11770/17410) Target: 70.00	↘	66.70% (11116/16666) Target: 70.00	✓	Owner This proves to be a stretch target for CSU to meet. Resources switched from answering phones to meet this target reduces overall efficiency.	
CSU02 - Percentage of enquiries that are resolved at first point of contact within the Customer Service Centre	Mark Housden Tracy Lancashire	98.81% (18640/18865) Target: 90.00	↗	99.28% (17284/17410) Target: 90.00	↗	99.37% (16561/16666) Target: 90.00	✓	Owner	
CSU03 - Percentage of customers satisfied with service received from the Customer Service Centre	Mark Housden Tracy Lancashire	75.22% (683/908) Target: 80.00	↗	98.88% (354/358) Target: 80.00	↗	99.34% (3295/3317) Target: 80.00	✓	Owner	
CSU04 - Percentage of calls answered in the Contact Centre within 20 seconds	Mark Housden Tracy Lancashire	76.48% (178734/233710) Target: 70.00	↗	85.09% (172914/203204) Target: 70.00	↗	85.91% (170457/198425) Target: 70.00	✓	Owner	
CSU05 - Percentage of enquiries that are resolved at first point of contact within the Contact Centre	Mark Housden Tracy Lancashire	94.15% (169454/179980) Target: 90.00	↗	97.88% (198886/203204) Target: 90.00	↘	97.47% (193401/198425) Target: 90.00	✓	Owner	
CSU06 - Percentage of customers satisfied with service received from the Contact Centre	Mark Housden Tracy Lancashire	96.90% (125/129) Target: 80.00	↗	95.92% (94/98) Target: 80.00	↗	98.42% (1931/1962) Target: 80.00	✓	Owner	

Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
CSU07 - Abandoned call rate in the Contact Centre	Mark Housden Tracy Lancashire	No Data No Target		3.78% (7675/203204) Target: 5.00		5.52% (10962/198425) Target: 5.00		Owner Service levels were not met during January due to high level of staff sickness and compassionate leave experienced. Staffing has been stabilised and additional temp resources recruited for busy period	
CSU08 - Percentage of customers seen in less than 30 minutes in the Customer Service Centre	Mark Housden Louise Baldwin	No Data No Target		98.75% (17193/17410) Target: 95.00		99.58% (16596/16666) Target: 95.00		Owner	
CSU09 - Head of Service Satisfaction Survey Score	Mark Housden Tracy Lancashire	No Data Target: 0		78 Target: 45		No Data Target: 45		Owner	
DPA01 - Percentage of DPA requests met in 40 days	Mark Brookes John Worts	100.00% (6/6) Target: 95.00		100.00% (9/9) Target: 100.00		100.00% (7/7) Target: 100.00		Owner 100% is pleasing to note.	
FOI01 - Percentage FOI requests satisfied in 20 days	Mark Brookes John Worts	94.44% (187/198) Target: 95.00		95.18% (158/166) Target: 100.00		100.00% (144/144) Target: 100.00		Owner This is a great improvement following targeted actions to improve performance.	
HR01 - Total number of staff in post	Matt Rawdon Anne Stunell	740 Staff Info Only		712 Staff Info Only		690 Staff Info Only		Updater Less employees than last quarter and last year	
HR02 - Total number of leavers	Matt Rawdon Anne Stunell	9 Leavers Info Only		32 Leavers Info Only		33 Leavers Info Only		Updater More leavers than last quarter and last year	
HR03 - Total days lost through sickness absence	Matt Rawdon Anne Stunell	1559.93 Days Info Only		1488.23 Days Info Only		1819.43 Days Info Only		Updater Higher than last quarter and last year	
HR04a - Total days lost through SHORT TERM sickness absence	Matt Rawdon Anne Stunell	596.99 Days Info Only		660.70 Days Info Only		670.61 Days Info Only		Updater Slightly higher than last quarter and higher than last year	
HR04b - Total days lost through LONG TERM sickness absence	Matt Rawdon Anne Stunell	962.94 Days Info Only		827.53 Days Info Only		1148.82 Days Info Only		Updater Higher than last quarter and last year	

Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
HR05 - Average days lost due to sickness absence per FTE	Matt Rawdon Anne Stunell	2.31 Days (1560/676) Target: 2.00	↓	2.19 Days (1488/679) Target: 2.00	↓	2.74 Days (1819/663) Target: 2.00	✓	Updater Higher than last quarter and last year, above target Owner A particularly bad quarter, but it is traditionally the worse quarter due to more colds/coughs/ flus etc.	
HR06 - Average number of days lost due to sickness absence per FTE (end of year profile)	Matt Rawdon Anne Stunell	9.63 Days Target: 8.00	↑	9.09 Days Target: 8.00	↓	9.49 Days Target: 8.00	✓	Updater Higher than last quarter and slightly above last year, above target Owner The end of year sickness result was 9.49 days, which was lower than last year (9.88 days). Nonetheless, the Council still needs to focus in reducing sickness rates.	
HR00 - Percentage of employees who have been absent on more than 2 occasions in the quarter	Matt Rawdon Anne Stunell	7.05% (51/723) Target: 7.90	↑	7.66% (54/705) Target: 8.00	↑	6.41% (45/702) Target: 8.00	✓	Updater Lower than last quarter and last year, below target	
LG01 - Percentage of draft new commercial leases sent to the prospective tenants/their Solicitors within 10 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100.00% (2/2) Target: 95.00	↓	100.00% (3/3) Target: 100.00	→	100.00% (3/3) Target: 100.00	✓	Updater	
LG02 - Percentage of draft commercial lease renewals sent to tenants/their Solicitors within 15 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100.00% (1/1) Target: 95.00	↓	100.00% (1/1) Target: 100.00	→	100.00% (1/1) Target: 100.00	✓	Updater	
LG03 - Percentage of Right to Buy documents sent to tenants/their Solicitors within 15 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100.00% (12/12) Target: 95.00	↓	100.00% (20/20) Target: 100.00	→	100.00% (17/17) Target: 100.00	✓	Owner Levels of Right to Buys remain high so 100% is a pleasing performance.	

Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
LG06 - Percentage of housing possession proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	No Incidents (0/0) Target: 95.00		100.00% (5/5) Target: 100.00	→	100.00% (6/6) Target: 100.00	✓	Updater	
LG09 - Percentage of prosecution proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100.00% (3/3) Target: 95.00	↓	100.00% (5/5) Target: 100.00	→	100.00% (4/4) Target: 100.00	✓	Updater	
MS01 - Average number of training opportunities taken up per Member	Jim Doyle Catriona Lawson	0.7 Opportunities (34/51) Target: 1.0	↑	0.8 Opportunities (39/51) Target: 1.0	↑	2.0 Opportunities (104/51) Target: 1.5	✓	Updater While performance in the quarter was 2.04, overall yearly performance was slightly higher at 2.06.	

OPERATIONAL RISK REGISTER

March 2015



Chief Executive's Unit - Steve Baker

CE_F01 Lack of resources to be able to spend the appropriate time analysing the Councils 3rd party expenditure

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	1 Very Unlikely	4 Severe	4 Green
Consequences		Current Controls		Assurance	
Continued delivery of a reactive service. Potential breach of the Public Contract Regs via non-aggregation. Off contract spend. Reduced savings.		- Spikes Cavell spend analysis undertaken - Realignment of the Service will increase resource capacity -Stradia procurement consultants have been appointed to provide additional support for the procurement of the Total Asset Mangement Contract, the afo		The commissioning of Stradia and V4 services has released a DBC officer to analyse third party expenditure. It has also enabled the third party expenditure to be 'pro-classed' in Agresso which will allow the spend to be analysed in real time. This has effectively removed the risk.	
Sign Off and Comments					
Sign Off Complete					

CE_F02 Lack of resources to be able to design and implement a Category Management approach to the Councils 3rd party expenditure

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	3 High	12 Red	1 Very Unlikely	3 High	3 Green

OPERATIONAL RISK REGISTER

March 2015



Consequences	Current Controls	Assurance
Lack of strategic direction. Reduced savings. Procurement silos. Increased workload.	- Realignment of Service will increase the resource capacity. - The appointment of Stradia procurement consultants to provide additional support for the major procurement contracts has increased the capacity of the in house team to deliver category mana	The use of V4 Services has enabled the Council to design and implement a category management approach. Once the toolkit is introduced and used consistently category management will have become embedded within the Council.
Sign Off and Comments		
Sign Off Complete		

Page 4

CEM02 Failure of Council staff and Members to understand and embrace localism					
Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:	
Marketplace	Building Community Capacity	Steve Baker	CLlr Neil Harden	Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	3 High	9 Amber	1 Very Unlikely	3 High	3 Green
Consequences	Current Controls	Assurance			
Poor service to communities, intervention from Government, Poor reputation.	Building Community Capacity is one of the five priorities in the Council's Corporate Plan. Officer/Member training events on localism and the community rights. Setting up of Community and Localism Corporate Working Group. Guidance and processes on the community rights available to the public on the Council's website.	The controls in place ensure that there is a high degree of awareness about community and localism among officers and members.			

OPERATIONAL RISK REGISTER

March 2015



Page 35	<p>Workshops held with Voluntary Service Organisations. Workshop arranged with senior members in June 2015.</p> <p>Twice yearly COG meetings with Dacortium.</p> <p>Quarterly meetings of the Dacortium Sub-group (AD level)</p> <p>The setting up of the internal Health and Wellbeing Group as a sub-group of the Community and Localism Group.</p> <p>Co-operation and liaison between the Partnerships and Neighbourhood Action Teams.</p>	
	Sign Off and Comments	
Sign Off Complete		

CE_M03 Failure to prepare policy and strategy around Localism					
Category:	Corporate Priority:	Risk Owner:	Portfolio Holder:	Tolerance:	
Marketplace	Building Community Capacity	Steve Baker	Cllr Neil Harden	Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	3 High	9 Amber	1 Very Unlikely	3 High	3 Green
Consequences		Current Controls		Assurance	
Poor service to communities, intervention from		Building Community Capacity is one of the five priorities		The existing controls ensure that the Council has in	

OPERATIONAL RISK REGISTER

March 2015



Government, Poor reputation.

in the Council's Corporate Plan.

place policies and strategies for working with the voluntary and community sector, encouraging involvement and self help, safeguarding the interests of vulnerable and deprived groups and communities, and promoting and developing resident led activities.

Officer/Member awareness and training events on localism and the community rights.

Setting up of Community and Localism Corporate Working Group to advise staff and members on policy and strategy.

Workshops held with Voluntary Service Organisations.

Workshop arranged with senior members in June 2015.

Twice yearly COG meetings with Dacortium.

Quarterly meetings of the Dacortium Sub-group (AD level)

The setting up of the internal Health and Wellbeing Group as a sub-group of the Community and Localism Group which advises the Health in Dacorum Committee.

Representation at the Public Health Board (AD Chief Executive's Unit).

Appointment of officer within the Partnerships Team who focuses on health and wellbeing and evidence based decision making.

Co-operation and liaison between the Partnerships and

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OPERATIONAL RISK REGISTER

March 2015



Neighbourhood Action Teams.

Sign Off and Comments

Sign Off Complete
 The residual impact has been reduced from 4 to 3. The inherent impact is correctly assessed at 3 and there is no reason why the residual impact should increase to 4 following the application of the controls.

CE_R01 Failure to deliver successful elections

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

Consequences	Current Controls	Assurance
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Legal sanction and re-run of election at DBC expense. Loss of faith in elections process. Intense scrutiny on future referenda Potential 'Failed service' designation from Electoral Commission. Personal Financial liability for Returning Officer. Invalid or unsubstantiated election Results. Dissatisfaction of key stakeholders with the borough council elections and the process for future referenda.	<ul style="list-style-type: none"> - Election Preparation Plan and Risk Assessment - Establish Election Team, allocate resources, audit and prepare equipment - Oversee actual Election - Check Results - Conclude election paperwork - Clear and Store election equipment - Prepare Ele 	With regards the forthcoming Parliamentary, Borough and Parish/Town Council elections, a comprehensive action plan is in place which is monitored and updated every two weeks by the Chief Executive, as the Returning Officer, and the AD Chief Executive's Unit and the Group Manager (Democratic Services) as the two Deputy Returning Officers.
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Sign Off and Comments

Sign Off Complete

OPERATIONAL RISK REGISTER

March 2015



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

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
2 Unlikely	3 High	6 Amber	3 Likely	3 High	9 Amber
Consequences		Current Controls		Assurance	
<p>Callers are not resolved at first point of contact. Insufficient time is dedicated to callers to ensure that call has been fully resolved in a satisfactory manner. Reputational damage to the Council.</p>		<ul style="list-style-type: none"> - Six monthly customer satisfaction survey - Quarterly quality assessment by Group Managers - Monthly meetings with back officers to assess service delivery and monthly operational Board meetings to escalate issues. - monitoring of complaints and perfo 		<ul style="list-style-type: none"> - Monthly performance reports - Minutes of Operational Board meetings - Quarterly Partnership Board meetings 	
Sign Off and Comments					
Sign Off Complete					

CE_R09 During the transformation of the CSCG there is a high level of requirement for DBC staff resource

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	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	3 High	9 Amber
Consequences		Current Controls		Assurance	

OPERATIONAL RISK REGISTER

March 2015



The Customer Relationship Management and Channel Shift projects cannot be implemented in the timescales resulting in reduced value from the contract or increased resource impact on DBC to maintain the pace.	- Digital Dacorum project set up with involvement from Northgate to support work to implement channel shift and development of customer insight. - CRM project board overseeing delivery of CRM.	- Terms of Reference of Digital Dacorum. - Digital Dacorum project streams include channel shift and web functionality and development, digital inclusion - Project plan for CRM implemented.
Sign Off and Comments		
Sign Off Complete		

CE-R10 The introduction of inform 360 and automated self-service options via telephone reduces access and/or satisfaction with contact					
Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	3 Likely	3 High	9 Amber
Consequences		Current Controls		Assurance	
Increase in customer dissatisfaction with the Council. Potential reduction in contact with customers and missed opportunities for citizen insight		- Monthly meetings and quarterly audits with GMs to assess quality of customer contacts - Monitoring of customer comments and complaints - Review of scripts by Service Information Coordinators		- Minutes of Operational and Partnership Board meetings - Digital Dacorum project streams include channel shift and web functionality and development, digital inclusion	
Sign Off and Comments					
Sign Off Complete					

OPERATIONAL RISK REGISTER

March 2015



CE_R11 Integration of CRM systems cannot be accomplished due to technical difficulties or high cost

Category: Infrastructure	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	3 Likely	3 High	9 Amber
Consequences		Current Controls		Assurance	
The CRM project cannot be completed resulting in failure of the CSCG project and reduced impact of Crozen Insight and Evidence Based Decision Making initiatives. Resource intensive manual operations introduced as work around solutions		- Integration requirements identified in the CRM PID. Integrations assessed and taken forwards on the basis of need, impact and costs CSU Knowledge hub created with up to date online manuals to support development of CRM and training of staff.		CRM Project Initiation Document and project plan. Delivery requirements identified by workshops CRM project board oversight	
Sign Off and Comments					
Sign Off Complete					

CE_R12 Redundancy costs of transferred staff borne by DBC in first year of contract

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Steve Baker	Portfolio Holder: Cllr Neil Harden	Tolerance: Terminating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	2 Medium	8 Amber	4 Very Likely	1 Low	4 Green
Consequences		Current Controls		Assurance	

OPERATIONAL RISK REGISTER

March 2015



Unrecognised costs have an impact on Council reserves and reduce the value of the contract	- Earmarked Redundancy Reserve available to meet impact - Potential redundancy costs factored in to Value for Money assessment at tender stage	Redundancies implemented during Year 1. Completed within budget/closed
Sign Off and Comments		
Sign Off Complete		

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AGENDA ITEM: 8b

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	16 June 2015
PART:	1
If Part II, reason:	

Title of report:	Quarter 4 Performance and Projects Performance and Risk report 2014/15
Contact:	Neil Harden, Portfolio Holder for Residents and Regulatory Services Author/Responsible Officer: Robert Smyth, Assistant Director (Performance and Projects)
Purpose of report:	To provide the Committee with analysis of performance of services and functions provided by the Performance and Projects division of the Chief Executive's Department.
Recommendations	That the Committee notes the contents of the report and the performance of the division for Quarter 4, 2014/15.
Corporate objectives:	Effective performance and project managements are central to delivery of all the Council's objectives.
Implications:	<u>Financial</u> Poor performance could lead to increases in costs as well as reducing the value of our service offer.
'Value For Money Implications'	<u>Value for Money</u> Effective performance and project management supports the achievement of value for money in the pursuit of the Council's objectives
Risk Implications	Risk Assessment reviewed April 2015
Equalities Implications	There are no direct equalities implications arising from this report.
Health And Safety Implications	There are no direct health and safety implications arising from this report

Consultees:	None
Background papers:	Attached: 1. Quarter 4 Operational Risk and Performance Reports
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	<p>This is a regular report to the committee detailing the performance of the division over the last quarter as well as outlining any actions and plans for the forthcoming period.</p> <p>This review also considers operational, risks and highlights any additional controls and assurances needed to address the issues raised.</p> <p>The focus of the service is to develop and embed new models for project and programme management, performance improvement and digital service delivery.</p>

Introduction

- 1.1 Performance reports are produced quarterly with information collated in Corvu, the Council's performance management system.
- 1.2 The performance report for the division is attached and it examines progress in relation to a number of themes:
 - 1.2.1 Complaints handling
 - 1.2.2 IT systems and process performance
 - 1.2.3 Website availability
 - 1.2.4 Desk utilisation
- 1.3 Targets are included in a number of areas (i.e. complaints).
- 1.4 A detailed review of the risk register has also been undertaken and commentary on changes or controls is provided.
- 1.5 The report also provides an update on key Departmental actions for Q1 (15/16).

Monitoring Performance

Summary

2.1 Overall performance across the different areas continues to be positive. Of the seven targetable indicators; six (86%) were green and one (14%) was red.

2.2 The only red indicator related to the percentage of new starter requests processed in 5 days.

Detailed Analysis

IT Systems and Process Performance

2.3 Service resolution is a key measure of success and in the last three months the team have continued to make further progress with 93.76% of incidents resolved in 2 days.

2.4 The availability of primary systems is also above target at 99.62% reflecting work to improve the resilience and effectiveness of the network.

2.5 The only issue was a reduction in the percentage of new starters processed in 5 days. This was caused by a short period of high turnover in the Service Desk, however this has now been addressed and the team is nearly at capacity.

Complaints Handling

3 There has been a slight reduction in the total number of complaints in comparison to both the previous quarter and the year before. Nevertheless overall performance in relation to complaints continues to improve.

3.1 The process is managed by the Corporate Admin Team with technical support from the Web Development Team.

3.2 The percentage of stage one and two complaints resolved in 20 days has increased to 95.12% (target 80%) and 100% (target 80%).

3.3 The percentage of stage 3 complaints resolved has also improved to 83.33% with only one complaint being dealt with outside of the allotted time.

3.4 The complaints review is also underway and we are currently researching best practice in complaints handling as well as suggestions for improvements to our system.

Desk Utilisation

- 4 Accurate desk utilisation numbers have been provided to the Forum project as part of a one-off survey in preparation for the move.
- 4.1 Therefore it is proposed that this indicator is removed and performance is monitored as part of the monthly project monitoring process.

Website Availability

- 5 Website availability (99.99%) continues to be high and further technical improvement work will ensure that performance is maintained.
- 5.1 However we recognise that we need to develop a longer term approach to digital and as a result we have implemented a new digital strategy (Digital Dacorum) which sets out our longer term approach.

Productivity Analysis

- 6 Following a review of the productivity indicator we have taken the decision to remove the existing indicator and work on the creation of a new and more useful analysis.
- 6.1 This work is underway and we expect to have a proposal ready for the next meeting.

Risk Management

Summary

7. Following a major review of risks in the previous quarter, there have been no fundamental changes in Q4.

7.1 However a number of risks have been updated to reflect new actions taken to mitigate or treat the risks.

Updated Risks

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

7.2 EBDM tools have been introduced and we are currently finalising proposals to improve our approach to using data. A draft behavioural insight strategy is also in development.

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

7.3 The new Digital Dacorum strategy and plan has been created and a programme of 11 projects is being launched. This is being monitored by the Performance Board.

7.4 An outline development schedule has been created and we will begin service re-design work in June. In addition we have re-profiled the performance and projects team in a way that enabled us to recruit new digital staff.

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

7.5 A number of changes have been made to project management reports and we have recently recruited a specialist corporate project management team leader.

7.6 The focus of this new role is on improving our project management guidance and ensuring that all staff are trained and supported.

7.7 Work is also underway to review our current project management system and make recommendations for further improvements.

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

7.8 A new corporate performance management – lead officer has been appointed and we are rolling out a number of improvement mechanisms including performance clinics and reflective feedback sessions.

PP_R03 Services are not supported to deliver continuous improvement and innovation

7.9 A new Innovation and Improvement Officer is in post and we will be releasing details of our new approach to research and innovation in June. This includes guidance on behavioural insight and evaluation.

7.10 We are also currently running two funded pilots with the Local Government Association and the Department for Communities and Local Government.

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

7.11 The team continues to deliver effective performance across the service desk, infrastructure and business applications. We are also making improvements and upgrades including SharePoint and a review of Dacorum Anywhere.

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

7.12 Detailed plans are in place and the corporate support team continues to provide an effective service and the team have recently taken on a number of new responsibilities including for stationary purchase.

7.13 Training has also been provided to support the roll out of electronic document and records management.

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

7.14 The new electronic document and records management system (Information@work) has also been implemented. E-post is being rolled out across the organisation.

7.15 As part of the Digital Dacorum programme we have set up a smarter working project which will look at technological ways to promote 'paperless' working.

Key Departmental Actions (Apr - Jun)

- Finalise EBDM tool-kit and roll out to the organisation (May – June)
- Launch a behavioural insight strategy (June)
- Launch Digital Dacorum programme (April)
- Provide specialist project support (April)
- Launch new project management guidance (June)
- Continue to implement new performance management improvement initiatives (April – June)
- Implement new strategy for research and innovation (May – June)
- Deliver pilot initiatives on channel shift (LGA) and statutory notices (DCLG) (May – June)
- Preparation of the PSN Submission (June)
- Completion of project to replace Core Network Switches within the Civic Centre (May – June)
- Roll out e-post as part of EDRMS implementation (May)

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OPERATIONAL RISK REGISTER

March 2015



Performance and Projects - Robert Smyth

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

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating
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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>Services do not have access to information to plan, deliver and monitor services.</p> <p>Members do not have sound information about citizens and the community to base decisions upon.</p> <p>Resources continue to be used in a way that does not maximise impact.</p> <p>We do not develop or promote innovative ways of working.</p>	<p>How the Control Works</p> <p>The controls that have been implemented mitigate risk by introducing new tools and support mechanisms for evidence based decision making.</p> <p>In particular, the controls target interventions around the use of internal and external data, training for staff and guidance to help challenge existing ways of working including using behavioural insight.</p> <p>Further work has identified the need to review our approach to business information.</p> <p>The Controls</p> <ul style="list-style-type: none"> - Customer Insight post established to lead process. - New role of Innovation and Implementation Officer - Key information systems already in place. 	<ul style="list-style-type: none"> - EBDM PID -EBDM Tool Kit - TOR of Customer Insight joint working group - Project documentation and TOR for Customer Focus group

OPERATIONAL RISK REGISTER

March 2015



Page 52	<ul style="list-style-type: none"> - Monthly meetings to monitor achievements and progress. - Evidence Based Decision Making tool kit has been created. - Citizen Insight function incorporated into CSCG contract with Northgate. - Customer Focus project has been completed with a number of actions and recommendations for services. - MOSAIC and Herts LIN have been rolled out to a number of teams in order that they can have access to more external information. - A number of staff have been enrolled onto the Commissioning Academy. - New team is reviewing the KPI list. 	
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Sign Off and Comments

Sign Off Complete

The EBDM tool-kit has been created to support roll-out and a formal launch across the business will be undertaken shortly. In addition we are finalising proposals to enhance our business intelligence systems and reviewing our approach to using outcomes. A draft behavioural insight strategy is also in development. A number of staff have also been enrolled on the commissioning academy.

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

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

OPERATIONAL RISK REGISTER

March 2015



<p>Failure to deliver an effective approach to digital services will lead to reputational damage.</p> <p>The customer experience will also suffer as residents cannot access services at a time and in a way that is best for them.</p> <p>The financial benefits are also not realised.</p>	<p>How the Control Works</p> <p>The controls that have been implemented mitigate the risk by ensuring that we have a forward thinking strategy and a robust and deliverable plan.</p> <p>In particular, the controls address the different concerns of channel shift including the website look, the digital experience, functionality and how you encourage people to use online services.</p> <p>The controls also contain details of resources to ensure that we have the capacity to deal with the risk.</p> <p>The Controls</p> <p>Launch of a Digital Dacorum Strategy and Implementation Plan focused around 11 key projects.</p> <p>Recruitment of specialist digital skills.</p> <p>Creation of group digital plans.</p> <p>Support for digital is included as part of the contract with Northgate.</p> <p>The Org. Transformation Corporate Working Group has responsibility for monitoring digital.</p>	<ul style="list-style-type: none"> - Digital Dacorum Strategy and Plan - Team Structure - OT CWG - TOR - Northgate Contract
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Sign Off and Comments

OPERATIONAL RISK REGISTER

March 2015



Sign Off Complete

The new digital strategy (Digital Dacorum) is in place. A programme plan of 11 projects has been set up and work has begun on each of the projects including developing a specification for the website and discussions with Northgate on CRM.

The individual Group templates have been completed and a development roadmap has been created. Work has also been done to raise our digital profile including two successful applications for pilot funding with the LGA and DCLG.

A new Digital Implementation Officer has been appointed and a Digital Project Manager is in place.

PPR012 Failure to deliver an effective corporate wide approach which ensures that projects are delivered on time and on budget

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	3 High	6 Amber
Consequences		Current Controls		Assurance	
<p>Poor project management leads to cost overruns, delays and poor outcomes.</p> <p>An inconsistent approach to projects also leads to issues of capacity and resources.</p>		<p>How the Controls Work</p> <p>The controls that have been implemented mitigate the risk by ensuring that we have an effective and consistent approach to managing and monitoring projects.</p> <p>In particular, the controls look at the different elements of the project management process. This includes project guidance, project governance and budgeting.</p> <p>A new PM passport is also under development to ensure that any staff managing projects have the required skills.</p>		<ul style="list-style-type: none"> - Project guidance - Corvu Reporting - Monthly PB minutes - Performance and Project Structure 	

OPERATIONAL RISK REGISTER

March 2015



<p>Page 55</p>	<p>The new corporate project management-Team Leader is also going to be providing support for high value projects including the move to the Forum.</p> <p>The Controls</p> <ul style="list-style-type: none">- The monthly Performance Board scrutinises key programme performance.- The Corvu Project Management System enables senior managers to monitor and report on project performance.- Project management guidance is in place including the need to bring project initiation documents to CMT.- Each project has a formal governance process, for example a Project Board.- The organisation has a number of specialist project managers. External expertise has also been procured for major contracts.- The Assistant Director of Performance and Projects is responsible for improving the quality of project management.	
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Sign Off and Comments

OPERATIONAL RISK REGISTER

March 2015



Sign Off Complete

A number of changes have been made to the reporting format to improve the quality of project reporting.

A new corporate project manager has also been recruited and he is currently finalising new project guidance and training.

In addition a new project scrutiny panel will be set up.

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

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	3 High	6 Amber
Consequences		Current Controls		Assurance	
<p>Lack of effective performance management causes issues with delivery and budgeting.</p> <p>An inconsistent approach to performance also causes negative impacts on other areas.</p> <p>Resources can be diverted when they are better spent elsewhere.</p>		<p>How the Controls Work</p> <p>The controls that have been implemented mitigate the risk by ensuring that we have a robust and challenging approach to performance management.</p> <p>In particular, the controls address the different elements of performance management including effective monitoring, challenge for those who aren't performing and the chance to share best practice.</p> <p>The controls also contain details of resources to ensure that we have the capacity to deal with the risk.</p>		<p>- Corvu Reporting</p> <p>- Performance and Project Structure</p>	

OPERATIONAL RISK REGISTER

March 2015



<p>The Controls</p> <p>The Corvu Performance Management System enables senior managers to monitor and report on performance.</p> <p>The Performance Team has introduced a series of measures including performance clinics and coaching.</p> <p>The Assistant Director of Performance and Projects is responsible for improving the quality of performance management.</p>	
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Sign Off and Comments

Sign Off Complete

A number of changes have been made to the reporting format. Performance clinics have also been introduced to tackle poor performance and we have followed a new process to ensure stricter target setting. In addition we have recruited a new performance management specialist to ensure that we have the resources and capacity. Proposals are also being finalised to review our performance system.

PP_R03 Services are not supported to deliver continuous improvement and innovation

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	3 High	6 Amber
Consequences		Current Controls		Assurance	
Services stay the same and do not improve to match increasing customer expectations		How the Controls Work The controls that have been implemented mitigate the		- Performance and Improvement Team service plan 2014/15	

OPERATIONAL RISK REGISTER

March 2015



<p>Opportunity costs from not delivering new innovations</p> <p>Poor reputation</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 58</p>	<p>risk by promoting an environment that encourages innovation.</p> <p>In particular, the controls look at practical ways to stimulate new ways of thinking.</p> <p>It also introduces a research strategy and the development of an innovation led.</p> <p>The dedicated resources also help to create new ideas.</p> <p>The Controls</p> <ul style="list-style-type: none"> - Recruitment of Innovation and Improvement Officer. - Dacorum Anywhere programme highlights need for review of working practices - Making it Real work with T3 designed to highlight areas for improvement - An innovation and research strategy is in development. - The service planning process has enabled the organisation to review how it works and identify opportunities for improvement. - The evidence based decision making toolkit also includes exercises to promote efficiency. 	<ul style="list-style-type: none"> - Northgate contract - T3 work - EBDM tool kit
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OPERATIONAL RISK REGISTER

March 2015



	<ul style="list-style-type: none"> - Proposals are also in place for the Performance and Project team to undertake mini-service reviews. - Insight funding is included as part of the Northgate contract. - Submissions are being made to a number of pilots -Better@Dacorum helps to stimulate new ideas and challenge existing orthodoxies. 	
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Sign Off and Comments

Sign Off Complete

An Innovation and Improvement Officer has been recruited and work is being done to complete our innovation and research strategy. A project is also underway to improve our identification and sharing of innovation. An innovation lab is currently under development as are practical guides on behavioural insight and service evaluation.

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

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Cllr Neil Harden	Tolerance: Treating
Inherent Probability 3 Likely	Inherent Impact 4 Severe	Inherent Risk Score 12 Red	Residual Probability 2 Unlikely	Residual Impact 2 Medium
Consequences		Current Controls		Assurance
Poor ICT supports makes it more difficult for departments to provide their services.		How the Control Works The controls that have been implemented mitigate the		- ICT Strategy - Cabinet 21/01/14. - ICT Service Plan.

OPERATIONAL RISK REGISTER

March 2015



Issues with ICT can also have a negative impact on the reputation of the Council.

There can be significant knock-on costs as a result of problems with IT.

It will also make other agenda's like Digital Dacorum harder to implement.

risk by ensuring that we have the necessary plans, budgets and vision in place to deliver a high quality IT service.

In particular, the controls address the service plan and focus of the team as well as approved SLA's and budgets.

It also covers the longer term direction of travel including new projects like SharePoint.

The Controls

- ICT Strategy and Improvement Plan.
- Fully resourced ICT staffing structure.
- Web Content Editor in place to support Digital Dacorum.
- Long term Digital Dacorum vision and implementation plan.
- Technical project Manager in place.
- A number of IT projects are being delivered including SharePoint.

- ICT staff structure.
- TOR for joint Customer Insight working group.
- Web and customer access strategy 2nd Edition (Cabinet May 2014).

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Sign Off and Comments

Sign Off Complete

Following recruitment the ICT team has continued to achieve its key indicators. Plans and work is also underway to deliver a number of improvements including an upgrade to SharePoint and preparation for the move to the Forum.

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

OPERATIONAL RISK REGISTER

March 2015



Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Cllr Neil Harden	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>The continuous improvement programme will miss timescales and will slip</p>		<p>How the Controls Work</p> <p>The controls that have been implemented mitigate the risk by ensuring that we have an effective approach to planning, budgeting and managing the corporate admin and performance teams.</p> <p>In particular, the controls utilise well established Finance and DBC wide controls (including service planning) as well as relying on day to day management.</p> <p>A number of improvement activities have also taken place including the implementation of EDRMS.</p> <p>The Controls</p> <ul style="list-style-type: none"> - Regular reconciliation of resources required to resources provided in project reports - Project Management methodology and gateway process in place - Regular one to ones are held with GM's and TL's - service plans in place for both teams 		<ul style="list-style-type: none"> - Monthly project reports available on Corvu. - Project Management methodology document - Minutes from review with finance - Service plans 	

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OPERATIONAL RISK REGISTER

March 2015



- Monthly reviews of budgets with Finance

Sign Off and Comments

Sign Off Complete

Service Plans for Corporate Support and Performance and Projects have been implemented. A new performance and projects structure has been introduced and the corporate admin team have taken on a number of new responsibilities.

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

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Cllr Neil Harden	Tolerance: Terminating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	3 High	9 Amber	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
Paper based systems are retained, reducing the capacity for flexible working. Change to new ways of working not achieved. Loss of information due to multiple systems in operation and increased use of mail posting to home addresses		<p>How the Controls Work</p> <p>The controls that have been implemented mitigate the risk by ensuring that we have developed and implemented the technology for a paperless office (EDRMS), as well as addressing the culture and business process side.</p> <p>In particular this dual approach will ensure that DBC can benefit from the opportunities and mitigate any issues that occur with the use of this approach.</p> <p>The Controls</p>		<p>- Report to CMT 1 October 2013.</p> <p>- New EDRMS departmental project plans will be established</p>	

OPERATIONAL RISK REGISTER

March 2015



Page 63	<ul style="list-style-type: none">- EDRMS system established and in place and being rolled out to all departments.-New dept. projects plans are being established to accelerate progress.- Repographics equipment in place- Training programme has been rolled out.- As part of the Digital Dacorum programme we have established a project to focus on paperless offices.- Cultural changes are being supported to benefit the move.- The implementation of Digital Dacorum will also support reduced paper.	
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Sign Off and Comments

Sign Off Complete

EDRMS has been successfully rolled out. Further work is also being undertaken as part of the Forum project to ensure that the culture and business processes are re-designed to support paperless working. Project 11 of Digital Dacorum also focuses on smarter working which will help reduce the use of hard copy communications.

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F&R OSC QUARTERLY PERFORMANCE REPORT

Performance and Projects

March 2015



Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
CS01a - Total stage 1 complaints received for the Council	Robert Smyth Cassie O'Neil	240 Complaints Info Only	↓	176 Complaints Info Only	↓	163 Complaints Info Only	✓	Owner The number of complaints has reduced but its important to ensure we learn lessons.	
CS01b - Total stage 2 complaints received for the Council	Robert Smyth Cassie O'Neil	18 Complaints Info Only	↑	17 Complaints Info Only	↑	20 Complaints Info Only	✓	Owner	
CS01c - Total stage 3 complaints received for the Council	Robert Smyth Cassie O'Neil	8 Complaints Info Only	↓	4 Complaints Info Only	↑	6 Complaints Info Only	✓	Owner	
CS02a - Percentage stage 1 complaints resolved in 20 days for the Council	Robert Smyth Cassie O'Neil	91.76% (156/170) Target: 80.00	↑	92.61% (163/176) Target: 80.00	↑	95.12% (156/164) Target: 80.00	✓	Updater Performance against stage 1 complaint response times is within target and represents an improvement in comparison to both previous quarter previous year Owner It's positive to see the improvement but we need to continue to improve our response to the process.	

Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
CS02b - Percentage stage 2 complaints resolved in 20 days for the Council	Robert Smyth Cassie O'Neil	66.67% (10/15) Target: 80.00	↗	91.67% (11/12) Target: 80.00	↗	100.00% (18/18) Target: 80.00	✓	Updater Performance against stage 2 complaint response times is 100% and represents improved performance levels in comparison to both previous quarter and previous year actuals Owner This is a really positive and we will aim to keep this level over the next quarter.	
CS02c - Percentage stage 3 complaints resolved in 20 days for the Council	Robert Smyth Cassie O'Neil	40.00% (2/5) Target: 80.00	↗	50.00% (1/2) Target: 80.00	↗	83.33% (5/6) Target: 80.00	✓	Updater Performance against stage 3 complaint response times is within target and represents improved performance levels in comparison to both previous quarter and previous year actuals	
ICT01 - Percentage of incidents resolved in less than 2 days	Ben Trueman Amanda Jeffries	No Data No Target		92.46% (699/756) Target: 80.00	↗	93.76% (841/897) Target: 80.00	✓	Owner	
ICT02 - Availability of primary systems (office hours)	Ben Trueman Amanda Jeffries	No Data No Target		100.00% Target: 99.00	↘	99.62% Target: 99.00	✓	Updater	
ICT03 - Percentage of New Starter Requests processed in 5 working days from notification	Ben Trueman Amanda Jeffries	No Data Target: 0		93.00% (93/100) Target: 95.00	↘	84.48% (49/58) Target: 95.00	✓	Owner Performance has reduced due to significant levels of turnover in the team in the last quarter.	
PIT02a - Desk provision - number of desks reduced	Robert Smyth Natasha Chambers	No Data Info Only		342 Desks Info Only		No Data Info Only	✓	Owner No information provided this quarter. However a more accurate survey is being undertaken as part of the Forum project planning process.	

Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
PIT02b - Desk provision – staff/desk ratio	Robert Smyth Natasha Chambers	No Data Info Only		76% (342/451) Info Only		No Data Info Only	✓	Owner No information provided this quarter. However a more accurate survey is being undertaken as part of the Forum project planning process.	
WEB01 - Percentage website availability	Ben Trueman Murtaza Maqbool	No Data No Target		99.95% Target: 99.00	↗	99.99% Target: 99.00	✓	Owner	

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AGENDA ITEM: 8c

SUMMARY

Report for:	Finance & Resources Overview & Scrutiny
Date of meeting:	16 June 2015
PART:	1
If Part II, reason:	

Title of report:	Finance & Resources Performance and Risk report Quarter 4, 2014/15
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources James Deane, Corporate Director (Finance & Operations)
Purpose of report:	To provide Committee with analysis of quarterly performance and risk management within Finance & Resources for the quarter to 31 March 2015.
Recommendations	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 4, 2014/15.
Corporate objectives:	The provision of effective financial services and the allocation of resources such as building assets and facilities management support all five of the Council's corporate objectives, with particular reference to the <i>Dacorum Delivers (internal operations)</i> and, through the Revenues, Benefits and Fraud division, <i>Building Community Capacity</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 & Fraud)
Background papers:	None

Introduction

1. Risk and Performance reports are presented to Overview and Scrutiny Committees on a quarterly basis. They provide Members with an opportunity to scrutinise performance against a range of key indicators, and to review how the key risks facing the Services are being managed.
2. The attached appendices provide comprehensive risk and performance information for Finance & Resources for Quarter 4 of 2014/15 (January - March).

Appendix A Performance Report
Appendix B Risk Report

3. Members' attention is drawn to the following risk, within Appendix B, for which the risk rating has changed since the Quarter 3 report to Committee in March 2015 (an explanation is provided within the appendix itself):

FR_F03 Variances in General Fund Revenue Budget

4. Members are asked to note that the Council's Risk reporting system automatically generates the Q4 risk report based on the existing portfolio holders for that period. The Performance Team has advised that it has not been technically possible to make changes to the system in time for this report. However it will ensure that the register is updated for future meetings.

Additional background information on the Finance & Resources Services

5. For the benefit of new Members, the following paragraphs provide an introduction to the three Services which fall within the Finance & Resources division.

Statutory responsibilities

6. The Finance & Resources division exists to ensure the effective allocation and control of resources required to support the Council's operations and to optimise the Council's revenues.
7. The function incorporates the role of Responsible Financial Officer, required under section 151 of the Local Government Act 1972, who is charged with ensuring lawfulness and financial prudence of decision making and in the administration of financial affairs. The S151 officer role is assigned to the Corporate Director (Finance and Operations) and delegated, when necessary, to the Deputy S151 officer, the Assistant Director (Finance and Resources).

8. Finance & Resources consists of the following teams, (each of which is explained more fully in the following paragraphs):

- Commercial Assets and Property Development
- Financial Services
- Revenues, Benefits and Fraud

Commercial Assets and Property Development

9. The Commercial Assets and Property Development team is responsible for the management of all property assets owned by the Council. This includes civic offices, council-owned buildings that are used by partner organisations such as the Old Town Hall and Sportsspace, and commercial properties such as shops and offices that are let to private tenants. It does not include council-owned housing. The service is also responsible for three specific functions:

- management of car parks
- maintenance of cemeteries
- facilities management

10. The operational remit of the Service is to ensure that all assets are managed and maintained effectively, with due regard to public safety, and that opportunities to generate income to support council services are optimised through commercial lettings.

11. The ownership and maintenance of council assets also provides an opportunity to support community development and neighbourhood regeneration.

Financial Services

12. The Financial Services team is responsible for ensuring that the S151 Officer is able to provide the proper administration of financial affairs. The Service also supports income generation through efficient treasury management and by maximising external funding. The Service also provides financial support and advice to service departments as part of the development of proper financial management across the Council.

Revenues Benefits and Fraud

13. The Revenues, Benefits and Fraud team provides the means by which resources due to the Council from Council Tax, Business rates, and other sources are secured and maximised.

14. The Service also ensures the accurate and timely payment of Housing Benefits and other benefits to people living within the Dacorum area. The Service therefore provides a means by which the Council can secure and improve economic well-being for local people and, through these means, support local community development.

15. The Corporate Anti-Fraud service forms part of the Revenues and Benefits team as its work is closely allied to securing the Council's revenues and reducing the risk of mis-payment due to fraudulent application.

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F&R OSC QUARTERLY PERFORMANCE REPORT

Finance and Resources

March 2015



Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
CP01 - Percentage of commercial property occupation	Nicholas Brown Adriana Livingstone	98.84% (595/602) Target: 95.00	↓	98.67% (594/602) Target: 95.00	↓	98.34% (592/602) Target: 95.00	✓	Updater With continued hard work by the Estates team we are keeping the void levels low. Owner Occupancy is effectively full	
CP02 - Percentage arrears on commercial property rents	Nicholas Brown Adriana Livingstone	No Data No Target		7.5% (344836/461732 6) Target: 9.5	↑	6.5% (309781/47626 81) Target: 9.5	✓	Updater Estates and Sundry debtors continue to put a lot of effort into active debt recovery and have achieved some very strong results which are reflected in the year end figures.	
FIN01 - Percentage of creditor trade invoices paid within 30 days	Richard Baker Catherine Hamilton	96.1% (6006/6251) Target: 95.0	↑	96.3% (3964/4117) Target: 95.0	↑	96.4% (3783/3926) Target: 95.0	✓	Updater A great result for the last quarter and a slight improvement on last years score for the same time period.	
FIN02a - Time taken for debtors to pay	Richard Baker Clare Dempsey	38.4 Days Target: 45.0	↓	46.5 Days Target: 45.0	↑	40.9 Days Target: 45.0	✓	Owner A fantastic result. The team have continued to show their dedication and experience in collection.	
FIN03 - General Fund expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£18041000 Target: 17800000	↑	£19028000 Target: 19375000	↑	£18935000 Target: 19470000	✓	Owner The provisional outturn gives an underspend on service expenditure of £535k. The detailed variances are set out in the supporting Financial Report.	

Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
FIN04 - HRA expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£60356000 Target: 59121000	↗	£59879000 Target: 60083000	↗	£56738000 Target: 60083000	✓	Owner The provisional outturn gives an underspend on service expenditure of £3.345m. The detailed variances are set out in the supporting Financial Report.	
FIN05 - HRA income – outturn forecast against budget	Richard Baker Caroline Souto	£53846000 Target: 54106000	↗	£56556000 Target: 56131000	↗	£56649000 Target: 56131000	✓	Owner The provisional outturn gives an overachievement on income of £518k. The detailed variances are set out in the supporting Financial Report.	
FIN06 - General Fund Capital Expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£12935279 Target: 13940788	↗	£16411000 Target: 17220000	↗	£16350000 Target: 18087000	✓	Owner The provisional outturn gives an underspend on General Fund capital expenditure of £1.737m. The detailed variances are set out in the supporting Financial Report.	
FIN07 - HRA Capital Expenditure – outturn forecast against budget	Richard Baker Caroline Souto	£26782394 Target: 29038374	↗	£24720800 Target: 35050000	↘	£25971000 Target: 35050000	✓	Owner The provisional outturn gives an underspend on Housing Revenue Account capital expenditure of £9.079m. The detailed variances are set out in the supporting Financial Report.	
FIN08 - Investment income – outturn forecast against budget	Richard Baker Tracy Claridge	£542990 Target: 514000	↗	£434650 Target: 287000	↗	£449650 Target: 287000	✓	Owner The higher interest received is mainly due to higher than budgeted balances. The key reason for increased balances is an increase in Right to Buy receipts; £4.75m was budgeted for 2014/15, against actual receipts of £11.85m.	
FIN11 - Investment Property Income ytd budget against ytd actual	Nicholas Brown Caroline Souto	£3815530 Target: 3693177	↘	£3773000 Target: 3818000	↗	£4057861 Target: 3935000	✓	Owner Above target	

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Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
FIN13 - Car Parking Income ytd budget against ytd actual	Nicholas Brown Caroline Souto	£2062362 Target: 1946910	↗	£1653350 Target: 1458800	↘	£2171141 Target: 1945000	✓	Owner Currently above target	
RBF01 - Average time taken to decide a new claim for Housing Benefit	Chris Baker Stuart Potton	20.2 Days (16214/803) Target: 23.0	↘	26.6 Days (16339/615) Target: 23.0	↗	24.6 Days (15323/622) Target: 23.0	✓	Updater Each month within the quarter has been slightly over target. In March we suffered a database issue with the software used to assess new claims, no new claims could be assessed for two and a half days. This increased the time taken to assess claims in March and also meant we fell behind with the new claims received during this downtime. Owner Despite these issues, we have improved performance from last quarter, although the rate of improvement is less than we had planned and hoped for. Discussions about the cause of the system loss have taken place with IT and our database support provider. It does not appear that it could have been prevented, nor that it is particularly likely to reoccur, but steps have been taken so that any reoccurrence should be identified more quickly, and also that recovery will take less time.	

Measure	Owner & Updater	Mar 2014 Result	Trend	Dec 2014 Result	Trend	Mar 2015 Result	Sign Off	Comments	Flag
RBF02 - Average time taken to decide a change event for Housing Benefit	Chris Baker Stuart Potton	6.4 Days (78311/12164) Target: 13.0	↓	16.4 Days (89262/5429) Target: 13.0	↑	7.1 Days (90155/12633) Target: 13.0	✓	<p>Updater The final quarter of the year contains extra change events due to the end of the financial year and the number of changes in people's financial circumstances. A majority of this work can be done automatically which is why this quarter shows such a great improvement from Q3.</p> <p>Owner The service is still working through to recover from the work that built up over the summer period. The underlying direction is of improvement during the quarter, as the recovery process continues.</p>	
RBF04 - NNDR (Business Rates) in-year collection rate	Chris Baker Jake Seabourne	98.1% Target: 99.0	→	79.1% Target: 74.3	↓	98.1% Target: 99.0	✓	<p>Owner The level of collection is consistent with last year, which is pleasing, taking into account the long-term sickness absence of a key member of a small team over the last few months of the year.</p>	
RBF05 - Council Tax collection rate	Chris Baker Jake Seabourne	97.7% Target: 97.5	→	86.1% Target: 85.9	↓	97.7% Target: 97.5	✓	<p>Owner It is pleasing that the annual target has been slightly exceeded, and collection is consistent with last year.</p>	

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OPERATIONAL RISK REGISTER

March 2015



Finance & Resources - James Deane

FR_F02 Delays to Capital programme

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	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>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</p>		<p>The controls that have been implemented to mitigate this risk target the robustness of capital bids both at the time they are submitted and throughout the delivery phase of the projects.</p> <p>In particular, scrutiny is focussed on those elements of the capital bid that experience indicates are the primary cause of delays to capital projects. These include</p> <ul style="list-style-type: none"> • How robust are the assumptions on the estimated duration of the procurement exercise? • How realistic is the estimated time taken for contractors to deliver the works? • How realistic are the assumptions on officer availability to manage the project on time? <p>The rationale behind this approach is that an increased</p>		<p>The 2013/14 Final Outturn showed that the slippage of capital projects was around 30% against the Original Budget approved by Members in February 2013. This is an improvement on previous years where slippage against Original Budget has been around 60%.</p> <p>As at the end of Quarter 2 2014/15 (the mid-point of the year), the capital forecast on the General Fund is broadly on budget, with no material slippage reported at this stage. Slippage on the HRA capital programme is forecast to be well below 5%.</p> <p>The budget position as at Quarter 3 was reported to Cabinet in February 2015. The report showed that forecast net slippage on the General Fund Capital Programme was low at around 3%. Forecast slippage on the HRA Capital Programme has, however, increased significantly since the Quarter 2 forecast, at around 25%.</p>	

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March 2015



Council will be negatively affected which will have consequences for wider financial decision-making.

Not delivering major projects within the timeframe to which it has committed itself exposes the Council to reputational risk.

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culture of challenge will lead to more realistic programming of future capital projects, and therefore a reduced likelihood of slippage.

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:

• Capital Strategy Steering Group (CSSG) comprising senior officers from across the Council required to challenge new bids for robustness ahead of recommendation to Members;

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

• Corporate Management Team (CMT) receive a monthly report on the progress of capital projects against anticipated timeframes;

• Performance Group comprising Chief Officers and cabinet Members receive a monthly report on the progress of current projects;

• Reports go to Cabinet and all Overview and Scrutiny Committees (OSC) every quarter. These reports have been redesigned to focus on the more immediate risk of in-year delivery, highlighting higher risk areas to invite closer scrutiny from Members.

The Provisional Outturn was reported to Cabinet in May 2015. The report showed that slippage against the full year budget on the General Fund Capital Programme was around 10%. Outturn on the HRA shows slippage of around 24%. These are addressed in more detail in the sign-off notes, below.

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Sign Off and Comments

Sign Off Complete

The Provisional Outturn report submitted to Cabinet in May 2015 details the net slippage position for both the General Fund and the HRA. A link to this report is as follows:

[http://www.dacorum.gov.uk/docs/default-source/council-democracy/cabinet-26-05-2015-2014-15-provisional-outturn-\(pdf-cabinet-may-15-final.pdf?sfvrsn=0](http://www.dacorum.gov.uk/docs/default-source/council-democracy/cabinet-26-05-2015-2014-15-provisional-outturn-(pdf-cabinet-may-15-final.pdf?sfvrsn=0)

The General Fund net position for 2014/15 is around 10% slippage, which represents a significant improvement on the 30% achieved in 2013/14. In the context of this risk, i.e. 'delays to the capital programme', the annually reducing slippage indicates that the Council is becoming more proficient in terms of the planning and delivery of its capital projects.

The 25% forecast slippage within the HRA capital programme, identified in the same Cabinet report, equates to a slippage value of around £8.25m. Whilst this is high, it should be noted that around £7m is due to two new build projects, including a significant land purchase. Both of these projects were well underway at year-end, and the land purchase is now complete, the slippage arose through minor timing differences rather than major delays. On this basis, there is no reason to believe that there is a generally increased risk of delays within the HRA capital programme.

On the basis of this analysis I believe that the chance of this risk crystallising is not substantially different to the last quarter, and therefore I have retained the same Residual Risk Score.

FR_F03 Variances in General Fund revenue budget

Category: Financial	Corporate Priority: Dacorum Delivers	Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	Tolerance: Treating
Inherent Probability 3 Likely	Inherent Impact 2 Medium	Inherent Risk Score 6 Amber	Residual Probability 2 Unlikely	Residual Impact 2 Medium
Consequences		Current Controls	Assurance	
Accurate, well-controlled budgeting relates directly to the achievement of the Dacorum Delivers corporate		The following controls aim to reduce the probability of there being a variance in the General Fund Revenue	The Council's budgetary controls are assessed each year by Internal Audit. In January 2013, the Council received	

OPERATIONAL RISK REGISTER

March 2015



objective, and indirectly, through the financial decision-making process, to the achievement of all of the Council's corporate objectives.

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.

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.

Budget by ensuring that there is strong challenge put to Budget Holders on the robustness of their assumptions, from a range of audiences.

It is intended that these controls will increase the opportunity for flawed assumptions to be exposed as soon as possible, as well as inculcating a stronger culture of financial management across the Council leading to continuous improvement in the setting of accurate budgets.

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.

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.

There are two opportunities for OSCs to scrutinise the budget proposals and directly question the relevant officers before the budget report is finalised and considered by Cabinet and Council.

Once approved, in-year budget performance is managed through monthly meetings between accountants and budget holders, which underpin monthly reports to CMT

a 'Full' level of assurance.

A further Internal Audit on the Council's budgeting process, undertaken in September 2014, resulted in a 'Substantial' level of assurance. Despite this being a lower mark than the exceptional one achieved in the previous audit, it should be noted that it remains a good result.

The recommendations of the Internal Auditor that led to the reduced marking were not systemic in nature, and they do not pose a material threat to the overall control environment of the budget-setting process. Efforts have, however, been redoubled, and the causes of the recommendations have been addressed.

An Internal Audit report on the Council's 'Main Accounting' function was presented to Audit Committee in February 2015, in which a 'Full' level of assurance was awarded. This audit covered a range of areas including integrity of transactions, manual adjustments, and year-end procedures. All of these areas contribute to the accuracy of the in-year monitoring reports that the Finance team is able to produce. Consequently, Members can draw assurance from this audit opinion that the chances of this risk crystallising are reduced by the robust financial management procedures the Council has in place.

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and quarterly reports to Cabinet and OSCs.

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

Sign Off and Comments

Sign Off Complete

The Provisional Outturn position reported to Cabinet in May 2015, showed that the controllable elements of the General Fund revenue budget were underspent by £450k, which equates to 2%. A link to the report is below:

[http://www.dacorum.gov.uk/docs/default-source/council-democracy/cabinet-26-05-2015-2014-15-provisional-outturn-\(pdf-cabinet-may-15-final.pdf?sfvrsn=0](http://www.dacorum.gov.uk/docs/default-source/council-democracy/cabinet-26-05-2015-2014-15-provisional-outturn-(pdf-cabinet-may-15-final.pdf?sfvrsn=0)

There are a range of smaller variances that contribute to this high level net variance. The report on the link above outlines these for Members in more detail.

In terms of this risk, an overall variance of 2% represents an improvement on previous years, which indicates that the Council's budget-setting process is continuing to improve. We have sought to strengthen this process further by ensuring that the Services which contributed to the underspend in 2014/15 have been more closely monitored during the budget setting for 2015/16, and, where appropriate, have had their budgets adjusted to reflect the 14/15 position.

On the basis of the low variance for 2014/15, and the additional information it has provided to help reduce the variance further in 2015/16, I have reduced the probability of this risk crystallising from a 3 to a 2; i.e. from 'Likely' to 'Unlikely'. It will continue to be reviewed on a quarterly basis and amended at a later date if required.

FR_I02 Failure to optimise income generated by commercial assets

Category: Infrastructure	Corporate Priority: Dacorum Delivers	Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	3 High	9 Amber	1 Very Unlikely	3 High	3 Green
Consequences		Current Controls		Assurance	

OPERATIONAL RISK REGISTER

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The council has a significant portfolio of commercially let properties, which provides one of the council's largest sources of income.

Council officers must attempt to maximise income from these assets whilst avoiding the risk of vacant properties 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.

The continuing recession and the difficulties it brings for local businesses increases the likelihood of this risk crystallising.

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The following controls aim to mitigate the risk of underperformance 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.

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.

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.

The year-end performance figures for 2013/14 demonstrate that occupation rates are above target (98.8% against a target of 95%), and that the level of arrears is also better than target (at 7.32% against a target of 9.5%).

The year-end performance figures for 2014/15 demonstrate an occupation rate of 98.3% against a target of 95%. The level of arrears is at 6.5% against a target of 9.5%.

Sign Off and Comments

Sign Off Complete

As at March 2015, KPIs CP01 and CP02 are both ahead of target, with occupation levels at over 98% and the level of arrears at 6.5%. This indicates that the controls in place are effectively mitigating this risk. The current risk ratings are appropriate and I have retained them for the next quarter.

FR_I04 Failure to maintain an effective business continuity plan for all relevant service areas

OPERATIONAL RISK REGISTER

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Category: Infrastructure	Corporate Priority: Safe and Clean Environment		Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	Tolerance: Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
Disruption caused by service failure leading to hardship for individuals, potential loss of business and significant reputational damage		These controls are implemented to ensure that the Council is adequately prepared and able to continue providing key services in the event of an emergency situation. Through this control, the probability of the Council being unable to respond to such an emergency is reduced. - Annual review process. - Corporate business continuity process and procedures set out in emergency response toolkit.			
Sign Off and Comments					
Sign Off Complete					

FR_R01 Council Tax and Business Rates collections rates drop below budget

Category: Reputational	Corporate Priority: Dacorum Delivers		Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	Tolerance: Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score

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March 2015



3 Likely	2 Medium	6 Amber	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
<p>Distribution of collection fund to other preceptors is based on the budgeted collection level, if collection falls short this could lead to a cashflow issue within the Council's finances. The fund distribution is balanced after the end of the financial year.</p> <p>Reputational risk if collection rate falls significantly – this could also impact on future years' council tax base leading to increased budget pressures.</p> <p>Financial risk in relation to business rate retention scheme if rates collection falls below government set baseline.</p>		<p>The following controls aim to identify as quickly as possible if the Council is falling behind on its collection rates target for the year. If a problem is identified, the Council is then able to invoke a range of options to minimise the ongoing negative impact on collection.</p> <p>Profiled monthly collection rates are monitored monthly - see KPIs RBF04 and RBF05. Reasons for variances are then investigated in order to address problems quickly as possible.</p> <p>Direct debit payment is recommended for all customers – a pre-filled instruction is sent to all non-DD payers with their annual bill or a first bill for a new taxpayer. The direct debit method reduce the risk of under-collection because it eliminates the risk of a payer forgetting to make a monthly payment.</p> <p>There is an active programme for taking formal recovery action against non payers.</p>		<p>The full year Council Tax Collection Rate for 2013/14 (Performance Indicator RBF05) was 97.7% against a budget of 97.5%.</p> <p>The full year Business Rates collection rate in 2014/15(Performance Indicator RBF04) was under budget at 98.1% against a target of 99%.</p>	
Sign Off and Comments					
Sign Off Complete					

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The Council's KPIs RBF04 and RBF05 (see Appendix A) indicate that for both Business Rates and Council Tax, collection rates in 2014/15 matched those achieved in 2013/14.

For Business Rates the actual performance of 98.1% collection was below the target of 99%.

Over the first quarter of 2015/16 there will be additional analysis of the Business Rates collection patterns throughout 2014/15 to ensure that problem payers are identified sooner and that action can therefore be taken more quickly. There is also work underway to make the process of interacting with the Council on the subject Business Rates more user-friendly. In particular, this involves a project to increase communication through the website which ultimately enable the faster exchange of information and, therefore, improved collection rates.

On this basis, I have retained the existing risk rating for Quarter 1 of 2015/16. However, this will be revisited at the end of the first quarter in light of the progress of these initiatives and collection rates over the early months of the year.

R02 Delays and errors in the processing of Benefits claims

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: James Deane	Portfolio Holder: Cllr Nick Tiley	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	3 High	12 Red	3 Likely	2 Medium	6 Amber
Consequences		Current Controls		Assurance	
This risk links to the corporate objective Dacorum Delivers, focussing on an efficient and effective council. Customers could suffer personal hardship resulting from delays or errors in the processing of claims. Significant reputational risk associated with high-profile errors.		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		The successful and continuously improving management of this risk can be seen in the improved performance of KPI RBF01a - Average Time Taken to Decide a New Benefit Claim. Performance for the full year 14/15 was 22.9 days, which was within the target of 23 days for the first time. This represents an improvement of 4.5 days over the	

OPERATIONAL RISK REGISTER

March 2015



<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>Risk score (4) and the Residual Risk score (2) after the controls have been taken into account.</p> <p>Quality checking and individual performance management is in place. These mean that each officer has targets for their personal productivity and accuracy, and information from quality checks is fed back in order to sustain improvement.</p> <p>Average time taken for processing new claims and changes in circumstances forms part of monthly monitoring.</p> <p>Processes are in place to expedite cases where the customer is vulnerable or facing eviction. These processes start when a case is identified within benefits, or by customer services, homelessness, housing etc.</p> <p>Monthly meetings are held between senior officers within Finance & Resources to monitor detailed performance levels at each stage of the claims process.</p> <p>This enables intermediary targets to be set for discrete elements of the process, which in turn enables the more effective monitoring which has resulted in significantly improved performance over the last 6 months.</p>	<p>27.4 days average in 2014/15, and an improvement of 9.9 days against the 12/13 result of 32.8 days.</p> <p>It should be noted that these improvements have been achieved without additional resource. It has purely been the result of improved process design and increased efficiency.</p>
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Sign Off and Comments

Sign Off Complete

OPERATIONAL RISK REGISTER

March 2015



KPIs RBF01 and RBF02 measure performance in the processing of Benefits claims, and therefore indicate the extent to which this risk is being effectively managed.

RBF01 shows that the processing of new claims averaged 24.6 days for the quarter against a target of 23 days. This represents an improvement of 2 days over the last quarter. However, it represents a drop in performance against the corresponding quarter in 2013/14 of 4.4 days.

There was an IT issue in March, which meant that no claims could be processed for 2.5 days, that had a direct impact on performance over the last quarter.

Whilst this is a disappointing result the underlying trend is for improved performance with the full year average being 22.9 days - an improvement of 4.8 days over last year, and of 9.9 days over the year before that.

At the time of this update, the average time taken to process a claim during April 2015 was 21.2 days, which suggests that performance for next quarter is on track to achieve target.

On the basis of the underlying trend of improvement over the last two years; the fact that there was a known one-off IT issue in the last quarter which negatively affected performance; and performance in April being back within target, I have not increased the risk score despite last quarter's below-target performance.

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Housing Revenue Account
Revenue Budget Monitoring Report for 31 March 2015

	Original	Provisional	Provisional Outturn	
	2014/15 (a)	2014/15	£000	%
	£000	£000	£000	£000
Income				
Dwelling Rents	(54,335)	(54,471)	(136)	0.3%
Non-Dwelling Rents	(80)	(110)	(30)	37.5%
Tenant Service Charges	(726)	(738)	(12)	1.7%
Leaseholder Charges	(431)	(465)	(34)	7.9%
Interest and Investment Income	(100)	(178)	(78)	78.0%
Contributions to Expenditure	(460)	(670)	(210)	45.7%
Total Income	(56,132)	(56,632)	(500)	0.89%
Expenditure				
Repairs and Maintenance	12,951	11,908	(1,043)	-8.1%
Revenue Contribution to Capital	15,485	17,157	1,672	10.8%
Supervision & Management	10,583	10,506	(77)	-0.7%
Corporate and Democratic Core	261	261	0	0.0%
Rent, Rates, Taxes & Other Charges	14	24	10	71.4%
Provision for Bad Debts	216	216	0	0.0%
Interest Payable	11,665	11,665	0	0.0%
Depreciation	8,908	8,908	0	0.0%
Total Expenditure	60,083	60,645	562	0.94%
Contribution to/(from) Strategic Acquisitions Reserve	(4,190)	(4,190)	0	0
HRA Deficit / (Surplus)	(239)	(177)	62	0
Housing Revenue Account Balance:				
Opening Balance at 1 April	(2,723)	(2,723)	0	
Deficit / (Surplus) for the year	(239)	(177)	62	
Contributions to Earmarked Reserves	0	0	0	
Closing Balance at 31 March	(2,962)	(2,900)	62	

Strategic Acquisitions Reserve:				
Opening Balance at 1 April	(7,350)	(7,350)	0	
Deficit / (Surplus) for the year	4,190	4,190	0	
Contributions to Earmarked Reserves	0	0	0	
Closing Balance at 31 March	(3,160)	(3,160)	0	

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GENERAL FUND RESERVES SUMMARY 2014/15

General Fund	Balance as at 31/03/14	Transfers In 2014/15	Transfers Out 2014/15	Balance as at 31/03/15
	£'000	£'000	£'000	£'000
Earmarked Grants Reserve	377		(78)	299
Management of Change Reserve	1,495	337	(625)	1,207
Technology Reserve	648		(300)	348
On Street Car Parking Reserve	181			181
Local Development Framework Reserve	666			666
Dacorum Development Reserve	924	1,260	(81)	2,103
Planning Enforcement & Appeals Reserve	125			125
Planning & Regeneration Project Reserve	178			178
Litigation Reserve	214			214
Vehicle Replacement Reserve	1,583		(1,583)	0
Longdean School Repairs Reserve	7			7
Tring Swimming Pool Repairs Reserve	75		8	83
Youth Club Reserve	101			101
Election Reserve	129	30		159
Uninsured Loss Reserve	586			586
Training & Development Reserve	143		(29)	114
Housing Conditions Survey Reserve	83		(32)	51
S106 Commuted Sums Reserve	609			609
Dacorum Partnership Reserve	81		(10)	71
Dacorum Rent Aid - Guarantee Scheme	15			15
Rent Guarantee Scheme Reserve	15			15
The Forum Reserve	1,683	367		2,050
Funding Equalisation Reserve	2,871		(2,422)	449
Pensions Reserve	1,464	309		1,773
Maylands Plus Reserve	79		(18)	61
Total Earmarked Reserves	14,332	2,303	(5,170)	11,465
General Fund Working Balance	2,697	(48)		2,649
Total General Fund Reserves	15,407	2,255	(5,170)	14,114

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PROVISIONAL OUTTURN 2014/15 - CAPITAL BUDGETS BY SCRUTINY COMMITTEE

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
General Fund										
Finance and Resources										
Commercial Assets and Property Development										
42	Tring Depot - Safety Works	Nicholas Brown	1,500,000	0	(1,500,000)	(1,500,000)	0	0	0	0
43	Voltage Optimisation Units	Nicholas Brown	11,000	0	(11,000)	(11,000)	0	0	0	0
44	Tringford Road Depot	Nicholas Brown	0	0	95,000	95,000	95,000	93,802	93,802	(1,198)
45	Grovehill Community Centre - Plant	Nicholas Brown	22,250	0	0	0	22,250	6,198	6,198	(16,052)
46	Leverstock Green Community Centre - Plant	Nicholas Brown	47,268	0	0	0	47,268	49,425	49,425	2,157
47	Adeyfield Community Centre - Window Renewals	Nicholas Brown	10,000	0	0	0	10,000	5,652	5,652	(4,348)
48	Highfield Community Centre - Resurface Car Park	Nicholas Brown	20,000	0	0	0	20,000	1,682	1,682	(18,318)
49	Apsley Industrial Estate - Box Gutter	Nicholas Brown	10,000	0	0	0	10,000	0	0	(10,000)
50	Queens Square Shopping Centre - Roof	Nicholas Brown	40,000	0	70,000	70,000	110,000	97,575	97,575	(12,425)
51	Leys Road - Roof	Nicholas Brown	25,000	0	(25,000)	(25,000)	0	0	0	0
52	Queens Square Shopping Centre - Canopy	Nicholas Brown	30,000	0	(30,000)	(30,000)	0	0	0	0
53	Queens Square Shopping Centre - Renew Walkway	Nicholas Brown	40,000	0	(40,000)	(40,000)	0	0	0	0
54	Bennettsgate Shopping Centre - Replace Lateral Mains	Nicholas Brown	50,000	0	(50,000)	(50,000)	0	0	0	0
55	The Heights Shopping Centre - New Railing	Nicholas Brown	50,000	(1,800)	0	0	48,200	44,828	44,828	(3,372)
56	St Nicholas Nursery - Roof Replacement	Nicholas Brown	0	22,768	0	0	22,768	25,287	25,287	2,519
57	Woodwells Caravan Site - Security Improvements	Nicholas Brown	60,000	0	0	0	60,000	67,757	67,757	7,757
58	Planet Ice	Nicholas Brown	0	0	400,000	400,000	400,000	400,000	400,000	0
59	Tring Sports Centre - Plant	Nicholas Brown	57,000	0	0	0	57,000	57,315	57,315	315
60	Hemel Hempstead Sports Centre - Railings	Nicholas Brown	35,000	(700)	(6,000)	(6,000)	28,300	23,865	23,865	(4,435)
61	Sports Pitches and Allotments Software	Nicholas Brown	15,000	0	(15,000)	(15,000)	0	0	0	0
62	Public Conveniences - Improvement Programme	Nicholas Brown	0	0	6,000	6,000	6,000	6,046	6,046	46
			2,022,518	20,268	(1,106,000)	(1,106,000)	936,786	879,432	879,432	(61,143)
Commissioning, Procurement and Compliance										
66	Customer Services Unit Improvement Projects	Ben Hosier	0	46,453	0	0	46,453	46,607	46,607	154
67	Telephony upgrade & virtualisation	Ben Hosier	0	0	53,440	53,440	53,440	0	0	(53,440)
			0	46,453	53,440	53,440	99,893	46,607	46,607	(53,440)
Development Management and Planning										
71	Planning Software Replacement	Alex Chrusciak	140,000	0	0	0	140,000	38,868	38,868	(101,132)
			140,000	0	0	0	140,000	38,868	38,868	(101,132)
Housing & Regeneration Management										
75	The Forum (Public Service Quarter)	Mark Gaynor	0	0	1,500,000	1,500,000	1,500,000	1,094,215	1,094,215	(405,785)
			0	0	1,500,000	1,500,000	1,500,000	1,094,215	1,094,215	(405,785)
Information, Communication and Technology										
79	Rolling Programme - Hardware	Ben Trueman	75,000	7,236	0	0	82,236	78,876	78,876	(3,360)
80	Software Licences - Right of Use	Ben Trueman	50,000	0	0	0	50,000	0	0	(32,000)
81	Enterprise Licence Agreements	Ben Trueman	25,000	0	0	0	25,000	121,631	121,631	96,631
82	Website Development	Ben Trueman	85,000	0	0	0	85,000	0	0	(85,000)
83	EDRM	Ben Trueman	17,500	11,070	0	0	28,570	28,140	28,140	(430)
84	Dacorum Anywhere	Ben Trueman	75,000	(11,475)	0	0	63,525	63,166	63,166	(359)
85	Mobile Working	Ben Trueman	0	0	63,500	63,500	63,500	19,024	19,024	(44,476)
86	Wifi	Ben Trueman	0	0	48,500	48,500	48,500	43,774	43,774	(4,726)
87	Network Switch Replacement	Ben Trueman	0	0	22,900	22,900	22,900	22,270	22,270	(630)
			327,500	6,831	134,900	134,900	469,231	376,881	376,881	(69,571)
Legal Governance										
91	Visual Files Case Management System	Mark Brookes	0	5,630	0	0	5,630	0	0	(5,630)
92	Corporate GIS	Mark Brookes	40,030	0	0	0	40,030	32,310	32,310	(7,720)
			40,030	5,630	0	0	45,660	32,310	32,310	(13,350)

PROVISIONAL OUTTURN 2014/15 - CAPITAL BUDGETS BY SCRUTINY COMMITTEE

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Finance and Resources (continued)										
Performance and Projects										
96 39, 41 Marlowes, Court House - Decant Works	Robert Smyth	1,250,000	0	(1,250,000)	(1,250,000)	0	0	0	0	0
97 Incoming Mailroom	Robert Smyth	40,000	8,009	0	0	48,009	0	0	(48,009)	0
98 Reprographics	Robert Smyth	0	5,247	0	0	5,247	0	0	(5,247)	0
		1,290,000	13,256	(1,250,000)	(1,250,000)	53,256	0	0	(53,256)	0
Totals: Finance and Resources		3,820,048	92,438	(667,660)	(667,660)	3,244,826	2,468,314	2,468,314	(757,677)	(18,835)
Housing and Community										
Chief Executive's Unit Management										
106 Highbarns Land Stabilisation Project	Steve Baker	0	228,422	350,000	350,000	578,422	501,170	501,170	(77,252)	0
107 Highbarns - HCC share of costs	Steve Baker	0	0	0	0	0	652,723	652,723	0	652,723
		0	228,422	350,000	350,000	578,422	1,153,893	1,153,893	(77,252)	652,723
Commercial Assets and Property Development										
111 Woodwells Cemetery - Extension	Nicholas Brown	205,000	0	(205,000)	(205,000)	0	0	0	0	0
112 Heath Lane Cemetry - Boundary Wall Replacement	Nicholas Brown	25,000	0	0	0	25,000	0	0	0	(25,000)
113 Kingshill Cemetery - New Roads	Nicholas Brown	50,000	0	0	0	50,000	0	0	0	(50,000)
114 Woodwells Cemetery - Work Yard Development	Nicholas Brown	0	0	21,000	21,000	21,000	48,526	48,526	20,000	7,526
115 St Peter's Churchyard - Wall replacement	Nicholas Brown	50,000	0	0	0	50,000	29,377	29,377	0	(20,624)
116 Bunkers Farm	Nicholas Brown	0	0	205,000	205,000	205,000	10,782	10,782	(194,218)	(0)
		330,000	0	21,000	21,000	351,000	88,684	88,684	(174,218)	(88,098)
People										
120 Capital Grants - Community Groups	Matt Rawdon	20,000	0	0	0	20,000	11,492	11,492	(8,508)	0
		20,000	0	0	0	20,000	11,492	11,492	(8,508)	0
Performance and Projects										
124 Hemel Hempstead Sports Centre - Gym Refurbishment	Robert Smyth	50,000	29,119	0	0	79,119	0	0	0	(79,119)
		50,000	29,119	0	0	79,119	0	0	0	(79,119)
Regulatory Services										
128 Disabled Facilities Grants	Chris Troy	573,000	0	0	0	573,000	678,167	678,167	105,167	0
129 Home Improvement Grants	Chris Troy	150,000	0	0	0	150,000	0	0	0	(150,000)
		723,000	0	0	0	723,000	678,167	678,167	105,167	(150,000)
Residents Services										
133 Rolling Programme - CCTV Cameras	Julie Still	25,000	0	0	0	25,000	19,457	19,457	0	(5,543)
134 Old Town Hall Refurbishment	Julie Still	360,000	195,147	0	0	555,147	614,834	614,834	0	59,687
135 Verge Hardening Programme	Julie Still	200,000	0	0	0	200,000	288,179	288,179	33,179	55,000
136 Youth Centre Provision	Julie Still	100,000	0	0	0	100,000	0	0	(100,000)	0
137 Adventure Playgrounds - Rewire Chaulden, Adeyfield, Bennettsend	Julie Still	38,000	0	0	0	38,000	6,640	6,640	(31,361)	0
138 Play Areas & Open Spaces - replace equipment	Julie Still	23,000	0	(23,000)	(23,000)	0	0	0	0	0
		746,000	195,147	(23,000)	(23,000)	918,147	929,109	929,109	(98,182)	109,143
Strategic Housing										
142 New Build - Elms Hostel Redbourne Road	Julia Hedger	2,114,910	(360,712)	1,039,509	1,039,509	2,793,707	3,217,437	3,217,437	250,000	173,730
143 Affordable Housing Development Fund	Julia Hedger	1,310,000	(52,406)	(864,509)	(864,509)	393,085	461,012	461,012	0	67,927
		3,424,910	(413,118)	175,000	175,000	3,186,792	3,678,448	3,678,449	250,000	241,657
Totals: Housing and Community		5,293,910	39,570	523,000	523,000	5,856,480	6,539,794	6,539,794	(2,993)	686,307

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PROVISIONAL OUTTURN 2014/15 - CAPITAL BUDGETS BY SCRUTINY COMMITTEE

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Strategic Planning and Environment										
Commercial Assets and Property Development										
151 Car Park Refurbishment	Nicholas Brown	280,000	(3,735)	(15,000)	(15,000)	261,265	78,802	78,802	(6,199)	(176,265)
152 Multi Storey Car Park Berkhamsted	Nicholas Brown	30,000	42,000	0	0	72,000	0	0	(72,000)	0
		310,000	38,265	(15,000)	(15,000)	333,265	78,802	78,802	(78,199)	(176,265)
Environmental Services										
156 Wheeled Bins & Boxes for New Properties	Craig Thorpe	20,000	0	(10,000)	(10,000)	10,000	9,755	9,755	0	(246)
157 Play Area Refurbishment Programme	Craig Thorpe	481,345	0	89,528	89,528	570,873	524,315	524,315	(46,558)	0
158 Electronic Data Collection System	Craig Thorpe	0	0	10,000	10,000	10,000	10,600	10,600	0	600
159 Litter Bin Upgrade	Craig Thorpe	0	4,205	0	0	4,205	3,950	3,950	0	(255)
160 Waste & Recycling Service Improvements	Craig Thorpe	1,727,000	(13,481)	(219,000)	(219,000)	1,494,519	1,282,093	1,282,093	(75,000)	(137,426)
161 Play Areas & Open Spaces - replace equipment	Craig Thorpe	0	0	23,000	23,000	23,000	8,490	8,490	(14,510)	0
162 Fleet Replacement Programme	Craig Thorpe	2,840,000	0	0	0	2,840,000	3,128,432	3,128,432	288,432	0
		5,068,345	(9,276)	(106,472)	(106,472)	4,952,597	4,967,634	4,967,634	152,363	(137,327)
Strategic Planning and Regeneration										
166 Old Town High Street enhancements, Hemel Hempstead	Chris Taylor	200,000	(194,640)	0	0	5,360	0	0	0	(5,360)
167 CIL Software	Chris Taylor	0	0	14,250	14,250	14,250	14,250	14,250	0	0
168 Maylands Phase 1 Improvements	Chris Taylor	500,000	0	0	0	500,000	79,022	79,022	(294,000)	(126,978)
169 GAF - Renewable Energy Provision	Chris Taylor	73,000	0	(73,000)	(73,000)	0	0	0	0	0
170 GAF - Neighbourhood Centre Improvements	Chris Taylor	164,000	0	(37,000)	(37,000)	127,000	14,623	14,623	0	(112,377)
171 GAF - Urban Park/Education Centre	Chris Taylor	120,000	9,720	0	0	129,720	0	0	(129,720)	0
172 Regeneration of Hemel Town Centre	Chris Taylor	1,795,000	49,783	500,000	500,000	2,344,783	1,625,915	1,625,915	(718,868)	0
173 Maylands Business Centre	Chris Taylor	0	0	32,000	32,000	32,000	36,580	36,580	0	4,580
174 Landscape Improvements to Maylands Gateway	Chris Taylor	0	0	0	0	0	17,185	17,185	0	17,185
175 Lighting - Magic Roundabout	Chris Taylor	0	8,466	0	0	8,466	0	0	0	(8,466)
176 Water Gardens	Chris Taylor	278,752	(8,290)	0	0	270,462	222,357	222,357	(48,105)	0
177 Market Square and Bus Interchange	Chris Taylor	0	107,594	110,000	110,000	217,594	232,707	232,707	15,113	0
178 Heath Park Gardens Improvements (Fully funded from S106)	Chris Taylor	0	0	0	0	0	400	400	0	400
179 Urban Park	Chris Taylor	0	10,000	0	0	10,000	0	0	0	(10,000)
180 Town Centre Access Improvements	Chris Taylor	40,000	0	0	0	40,000	37,720	37,720	(2,280)	0
		3,170,752	(17,367)	546,250	546,250	3,699,635	2,280,758	2,280,758	(1,177,860)	(241,016)
Totals: Strategic Planning and Environment		8,549,097	11,622	424,778	424,778	8,985,497	7,327,194	7,327,194	(1,103,695)	(554,607)
Totals - Fund: General Fund		17,663,055	143,630	280,118	280,118	18,086,803	16,335,301	16,335,301	(1,864,365)	112,864

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PROVISIONAL OUTTURN 2014/15 - CAPITAL BUDGETS BY SCRUTINY COMMITTEE

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Housing Revenue Account										
Housing and Community										
Property & Place										
192 Planned Fixed Expenditure	Fiona Williamson	22,580,000	0	(1,000,000)	(1,000,000)	21,580,000	20,287,557	20,287,557	(1,292,443)	0
		22,580,000	0	(1,000,000)	(1,000,000)	21,580,000	20,287,557	20,287,557	(1,292,443)	0
Strategic Housing										
196 New Build - Farm Place Berkhamsted	Julia Hedger	2,552,811	408,685	0	0	2,961,496	2,411,319	2,411,319	(218,681)	(331,496)
197 New Build - Galley Hill Gadebridge	Julia Hedger	1,799,512	(263,712)	0	0	1,535,800	1,467,482	1,467,482	(68,318)	0
198 New Build - London Road Apsley	Julia Hedger	3,326,500	481,390	0	0	3,807,890	917,539	917,539	(2,890,351)	0
199 New Build - General Expenditure	Julia Hedger	5,000	0	0	0	5,000	0	0	0	(5,000)
200 Martindale	Julia Hedger	4,190,000	0	0	0	4,190,000	212,962	212,962	(3,977,038)	0
201 Strategic Acquisitions - Housing	Julia Hedger	0	970,090	0	0	970,090	0	0	0	(970,090)
202 Wood House	Julia Hedger	0	0	0	0	0	78,239	78,239	78,239	0
203 The Point (Magic Roundabout Service Station)	Julia Hedger	0	0	0	0	0	6,853	6,853	0	6,853
204 The Apsley Paper Mill (Land Adj to Retail Park, London Road)	Julia Hedger	0	0	0	0	0	43,278	43,278	43,278	0
205 New Build - Queen Street (Old Tring Depot)	Julia Hedger	0	0	0	0	0	13,321	13,321	13,321	0
206 Able House	Julia Hedger	0	0	0	0	0	30,385	30,385	30,385	0
		11,873,823	1,596,453	0	0	13,470,276	5,181,378	5,181,378	(6,989,165)	(1,299,733)
Totals: Housing and Community		34,453,823	1,596,453	(1,000,000)	(1,000,000)	35,050,276	25,468,935	25,468,935	(8,281,608)	(1,299,733)
Totals - Fund: Housing Revenue Account		34,453,823	1,596,453	(1,000,000)	(1,000,000)	35,050,276	25,468,935	25,468,935	(8,281,608)	(1,299,733)
Totals		52,116,878	1,740,083	(719,882)	(719,882)	53,137,079	41,804,236	41,804,236	(10,145,973)	(1,186,869)



AGENDA ITEM: 9

SUMMARY

Report for:	Finance and Resources Overview and Scrutiny Committee
Date of meeting:	16 June 2015
PART:	1
If Part II, reason:	

Title of report:	Provisional Outturn 2014/15
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources James Deane, Corporate Director (Finance & Operations) Richard Baker, Group Manager (Financial Services)
Purpose of report:	To provide details of the provisional outturn position for the: <ul style="list-style-type: none"> · General Fund · Housing Revenue Account · Capital Programme <p>To provide details of the proposed transfers to and from earmarked reserves.</p>
Recommendations	That Committee note the provisional outturn position.
Corporate objectives:	Dacorum Delivers
Implications:	Financial and Value for Money implications are included within the body of the report.
Risk Implications	Risk implications are included within the body of the report.
Equalities	There are no equality implications.

Implications	
Health And Safety Implications	There are no health and safety implications.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

1. Introduction

1.1 The purpose of this report is to outline the Provisional Outturn for 2014/15, prior to the closure of the accounts. Outturn is reported for the following:

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

1.2 The Accounts and Audit Regulations 2011 require local authorities to have prepared their annual Statement of Accounts, complete with certification from the Section 151 Officer, by 30 June. The Statement of Accounts must be published by 30 September, following an audit to be undertaken by Ernst & Young.

1.3 The Council's outturn position is a primary source of information for the production of the Statement of Accounts. The provisional outturn position detailed in this report is subject to amendment as work continues on the preparation of the Accounts. The final outturn position, along with movements in reserves, will be reported to Cabinet at its meeting of 26 June 2015 if there are any material variances.

2. General Fund Revenue Account

2.1 The General Fund (GF) revenue account records the income and expenditure associated with all Council functions except management of the Council's housing stock. This is accounted for within the Housing Revenue Account (HRA) (see Section 7).

2.2 Appendix A provides an overview of the General Fund provisional outturn position, separating expenditure into controllable and non-controllable categories in order to focus scrutiny on those areas that officers are able to influence, i.e. the controllable.

2.3 The majority of non-controllable costs result from year-end accounting adjustments, e.g. depreciation charges, which are required to show the true value of resources used to provide the Council's services, but do not result in a cash charge to taxpayers. The provisional adjustments that have been completed to date are explained in section 6 of this report.

2.4 The table below provides a summary of the provisional outturn for the General Fund by Scrutiny area.

	Original Budget £000	Provisional Outturn £000	Forecast Variance	
			£000	%
Finance & Resources	11,746	11,772	26	0.2%
Strategic Planning & Environment	6,169	5,706	(463)	-7.5%
Housing & Community	1,555	1,538	(17)	-1.1%
Total	19,470	19,016	(454)	-2.3%

2.5 It should be noted that the above variances are measured against the Original Budget as opposed to a Revised Budget. In previous years, the Revised Budget has been approved in February, and the Provisional Outturn has been measured against this Revised Budget. An overall variance of 2.3% in controllable expenditure against the Original Budget represents a significant improvement in financial management across the Council when compared with previous years.

2.6 The following sections provide a subjective analysis of provisional outturn and major budget variances shown by Scrutiny area.

3. Finance and Resources

Finance & Resources	Controllable Budget £000	Forecast Outturn £000	Forecast Variance	
			£000	%
Employees	10,175	10,237	62	0.6%
Premises	1,524	1,724	199	13.1%
Transport	36	50	14	40.0%
Supplies & Services	4,960	4,720	(240)	-4.8%
Third-Parties	1,883	1,779	(104)	-5.5%
Income	(6,833)	(6,739)	94	-1.4%
	11,746	11,772	26	0.2%

3.1 Employees - £62k over budget (0.6%)

This overspend has arisen across services due to the vacancy factor, which is set at 5% of salary costs. In front-line areas such as Revenues and Benefits, where customer service is a primary focus, vacancies are filled quickly when they arise which has meant that the vacancy factor has not been met. A 0.6% overspend does, however, indicate that the current vacancy factor of 5% is materially correct and should be maintained.

3.2 Premises – £199k over budget (13.1%)

Overspend of £120k – This overspend relates to the Hemel Hempstead Civic Centre. Following the decision to remain in the Civic Centre until transfer to The Forum in January 2017, there have been a number of additional short-term

repairs required to ensure that the building remains usable. This includes some of the costs incurred by the Council that arising from the relocation of the library.

Overspend of £70k – This overspend relates to demand led repairs and maintenance at Community Centres and open spaces. The works to open spaces were in response to unforeseen incidents, primarily pavement subsidence at the Water Gardens and the repair of flint walls at Gadebridge Park following a number of vehicle incidents.

3.3 Supplies and Services - £240k under budget (4.8%)

Underspend of £95k - The Garage Disposal project has been re-phased into 2015/16, and the expenditure has therefore been deferred. The project is funded from earmarked reserves, and as such there is no impact on the overall outturn position.

Underspend of £100k – This relates to underspends in the Legal Service and the Performance and Projects area, most notably relating to the GIS project and the EDRMS project. As these projects are funded from reserves, there is no impact on the overall outturn position. The projects will now be delivered in 2015/16.

Overspend of £50k - The budget for the core funding grant to Sportspace was based on a proposal to amend the funding agreement. This amendment to the funding agreement has been postponed for one financial year.

3.4 Third Parties - £104k under budget (5.5%)

Underspend of £50k – This underspend related to the Internal Audit contract and is ongoing. The budget has been reduced for 2015/16 Budget.

Underspend of £30k – Costs of the Serco contract for Facilities Management have been lower than originally anticipated due to inflation rates being lower than budgeted. This saving has been reflected in the 2015/16 Budget.

3.5 Income – £94k under achieved (1.4%)

Under-achievement of £130k – This relates to the Revenues service, where the income from Court Costs recovered has been below budget. This is a continuing trend from prior years and has been amended for the 2015/16 Budget.

Surplus of £120k – An increase in income has been achieved from Investment Properties arising from the successful implementation of retrospective rent reviews. This increase has been incorporated within the 2015/16 Budget.

Deficit of £50k - This is an accounting adjustment relating to grant received in support of election costs. The monies have been received, and there is no overall impact on the outturn position, but accounting regulations require the grant income to be recognised as 'government grant' rather than within the Service income line.

4. Strategic Planning and Environment

Strategic Planning and Environment	Controllable Budget £000	Forecast Outturn £000	Forecast Variance	
			£000	%
Employees	8,336	8,291	(45)	-0.5%
Premises	1,204	1,209	5	0.4%
Transport	1,426	1,476	50	3.5%
Supplies & Services	4,684	4,687	3	0.1%
Third-Parties	119	116	(3)	-2.5%
Income	(9,599)	(10,073)	(474)	-4.9%
	6,169	5,706	(463)	-7.5%

4.1 Employees - £45k under budget (0.5%)

Overspend of £120k – This has arisen due to the vacancy factor of 5% not having been met in full across a range of services. The most significant area is Clean, Safe and Green, where the variance is £110k over budget due to low levels of staff turnover.

Underspend of £80k – This relates primarily to Building and Development Control. There have been numerous vacancies in year which, together with county-wide recruitment challenges within the profession, has led to an underspend.

Saving of £85k – This has been achieved from the introduction of the new Waste Service in November 2014. This part-year saving has been captured in the Budget for 2015/16.

4.2 Transport - £50k over budget (3.5%)

Savings of £25k – Savings have been achieved in the Clean, Safe and Green budget for fuel due to a reduction in the price of fuel.

Overspend of £50k – This relates to increased transportation costs following the introduction of the new Waste Service, specifically the cost of transporting recyclable material from the Council's depot to the recycling plant. This cost has been incorporated into the budget for 2015/16.

Overspend of £25k – A more comprehensive programme of servicing has been introduced in the past financial year for grounds maintenance vehicles. Small plant is also being serviced on a regular basis, to ensure that it complies with new Health and Safety legislation.

4.3 Income - £474k over achieved (4.9%)

Surplus of £225k - Car Parking Income has exceeded budget in 2 key areas: off-street car parking has generated an additional £115k, due to increased usage of council car parks, and the income from on-street penalty charge notices has exceeded budget by £85k. An increase of £140k has been factored into the budget for 2015/16 (£90k in off-street car parking and £50k in on-street penalty charge income).

Surplus of £200k – This has been generated in the areas of Building and Development Control due to some large one-off applications, along with a general increase in the number of applications received as the economy shows signs of recovering. An increase of £115k has been incorporated into the budget for 2015/16.

Surplus of £50k - The legal challenge to the adoption of the Local Development Framework Core Strategy has been defeated, which has resulted in unbudgeted income from the recovery of legal expenses.

5. Housing and Community

Housing & Community	Controllable Budget £000	Forecast Outturn £000	Forecast Variance	
			£000	%
Employees	3,213	3,294	81	2.5%
Premises	402	381	(21)	-5.3%
Transport	43	37	(6)	-13.9%
Supplies & Services	1,965	1,972	7	0.4%
Third Parties	25	26	1	4.3%
Income	(4,094)	(4,173)	(79)	1.9%
	1,555	1,538	(17)	-1.1%

5.1 Employees - £81k over budget (2.5%)

This overspend is across services, and is as a result of the vacancy factor not being achieved.

5.2 Premises - £21k under budget (5.3%)

Saving of £70k – In the Homelessness service, there have been savings in temporary accommodation costs arising from 2 key factors: firstly improved advice and prevention has led to a reduced need for temporary accommodation, and secondly, the Council-owned Leys Road hostel has now been open for the first full year.

Overspend of £66k - Dacorum has taken over the management of 2 Homes of Multiple Occupancy, through the process of Management Orders. This was due to the inadequate state of the properties which were posing a health and safety risk to tenants. Expenditure of £66k has been incurred to bring the properties up to the required standard. This will be recovered in full, as rental income from tenants is being retained by Dacorum until the expense is recovered.

5.3 Supplies and Services - £7k over budget

Underspend of £50k - A saving has been achieved against a budget of £83k on the cost of the Housing Stock Condition Survey. This was due to a joint procurement process being carried out with East Herts and Welwyn Hatfield District Councils. This expenditure is funded from reserves, so there will be no impact on the outturn overall.

Overspend of £36k - Unbudgeted expenditure has been incurred relating to the Community Safety Partnership. This expenditure is fully matched by increased grant income meaning that there is no overall impact on the taxpayer (see paragraph 5.4).

5.4 Income - £79k over achieved (1.9%)

Surplus of £60k - An increase in income across Regulatory Services has been generated, in the areas of Environmental Protection & Housing, Pest Control, Disabled Facility Grant Agency income and Primary Authority work.

Surplus of £36k - The grant income for the Community Safety Partnership of £36k referred to in paragraph 5.3 is unbudgeted income which offsets the budget pressure in expenditure.

6. Non-Controllable Expenditure

6.1 Appendix A includes the provisional outturn for non-controllable expenditure. These are largely year-end accounting adjustments. There will be further adjustments as work on the Statement of Accounts continues, but major variances arising to date are shown below:

	£
Housing Benefits and Subsidy	113,000
Bad debt provision	<u>(63,000)</u>
Total	50,000

The variance of £113k in Housing Benefits and Subsidy equates to 0.2% of the overall budget of £48m.

The bad debt provision was budgeted to increase by £118k based on trend analysis of previous years, but, based on the same audited calculation method the actual requirement was significantly less, at £55k.

6.2 At the time of writing, the depreciation and recharge calculations for the year have yet to be finalised and included within the non-controllable expenditure section of Appendix A. At this stage, both have been included as on budget.

6.3 The depreciation charge is an accounting adjustment which has no impact on the taxpayer. However, the recharge calculation is likely to result in the charge to the HRA deviating from budget. Any changes resulting from the recharge calculation will be reported to the Audit Committee as part of the Final Outturn report.

7. Housing Revenue Account (HRA)

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

7.2 The provisional HRA balance at the end of 2014/15 is £2.9m, which complies with the Council's approved strategy of maintaining a minimum balance on the HRA of 5% of turnover (£2.85m).

7.3 Over the course of the year the HRA generated a surplus of £177k, which is £62k lower than the budgeted surplus. Significant variances are explained in the paragraphs below.

7.4 Dwelling Rents - £136k surplus (0.3%)

Surplus income has been generated due to a number of tenants moving to target rent as they have begun a new tenancy. The level of void properties has also been kept low, with the average for the year running at approximately 0.6% (an estimate of 1% was used to set the budget).

7.5 Non Dwelling Rents - £30k surplus (37.5%)

A surplus has been generated on income from third parties for commercial use, for example telecommunications companies locating masts on HRA land. This is due to backdated income coming to the Council following the recent resolution of lease issues.

7.6 Leaseholder Charges - £34k surplus (7.9%)

This surplus is as a result of under-budgeted insurance costs chargeable to leaseholders. This has been corrected for Budget 2015/16.

7.7 Interest and Investment Income - £78k surplus (78%)

An increase in the number of Right to Buy sales over the year has resulted in increased capital balances, which have generated additional investment income.

7.8 Contribution towards expenditure - £210k surplus (45.7%)

This surplus results from the high number of repairs carried out in 2013/14 which were subsequently recharged to leaseholders on an arrears basis in 2014/15.

7.9 Repairs and Maintenance - £1,043k under budget (8.1%)

There is an efficiency saving of £400k across the areas of Responsive Repairs and Void Repairs arising from the new Total Asset Management contract with Osborne which commenced in July 2014.

There is an underspend of £680k in the area of Planned Maintenance due to delays in the programme of works, following the implementation of the Osborne contract in July 2014. The delay in the programme will be caught up in 2015/16.

7.10 Supervision and Management - £77k under budget (0.7%)

The underspend relates to:

Pension backfunding paid in 2013/14 – £210k. In February 2014, following the triennial actuarial review of the Council's pension scheme, Full Council approved

a one-off payment of £210k (HRA element) to reduce the deficit on the pension scheme. At the time of approval it was anticipated that this payment would be made in the financial year 2014/15. However, since approval the Council received notification that payment was required in March and therefore would come from the 2013/14 budget.

Savings of £80k generated from the implementation of energy efficiency projects, including installation of solar panels on some sheltered housing roofs.

Underspend of £40k Under-Occupation Incentive Scheme – the number of tenants paid an incentive to move to a smaller home has been lower than anticipated, due to a lower than expected take up of the policy.

Underspend of £320k in Salaries - of this underspend, £120k relates to the TUPE of staff to Osborne. Other savings have arisen from a number of vacancies being held due to a restructure.

Off-set by overspends relating to:

£500k - Uninsured losses relating to insurance claims from tenants for damages to buildings and water leaks. After incorporating this year's figures, trend analysis has been carried out and the budget has been increased for 2015/16.

£100k - ICT costs related to the Total Asset Management contract and merging Orchard with Osborne's equivalent (£50k), and additional development work to improve in-house systems such as Orchard and Sprint.

7.11 Revenue Contribution to Capital £1,672k over budget

Revenue Contribution to Capital (RCC) is that amount of surplus revenue, generated over the course of the year, which is transferred out of the Housing Revenue Account into the Housing Capital Programme in order to fund capital projects.

Because it is revenue over and above the amount that is required to operate the HRA for the year, the actual level of RCC will go up or down dependent on over- or under-spends elsewhere within the HRA budget. Therefore, the increase in RCC at provisional outturn 2014/15 reflects the cumulative underspend elsewhere in the budget.

In summary, this means that £1,672k more than budgeted will be available to spend on HRA capital projects in future years. This will ensure that the capital programme, which includes elements such as the new build programme, can be successfully delivered.

8. Provisional Capital Outturn

8.1 The provisional capital outturn position is summarised by Scrutiny area in the table below. Appendix C shows the provisional outturn by scheme.

The 'Rephasing' column refers to those projects where expenditure is still expected to be incurred, but will now be in 2015/16 rather than 2014/15, or conversely, where expenditure planned initially for 2015/16 has been incurred in 2014/15.

The 'Variance' column refers to those projects which are now complete, but have come in under or over budget and those projects which are no longer required.

	Current Budget £000	Provisional Outturn £000	Rephasing £000	Variance	
				£000	%
Finance & Resources	3,245	2,468	(758)	(19)	-0.6%
Strategic Planning & Environment	8,985	7,327	(1,104)	(555)	-6.2%
Housing & Community	5,856	6,540	(3)	686	11.7%
G F Total	18,087	16,335	(1,864)	113	0.6%
HRA Total	35,050	25,469	(8,282)	(1,300)	-3.7%
Grand Total	53,137	41,804	(10,146)	(1,187)	-2.2%

8.2 General Fund Major Variances

The final position for the General Fund comprises the following elements:

- £113k - overspends on completed projects
- £1.864m - slippage on incomplete projects into 2015/16

The major variances on the General Fund capital programme are as detailed below.

8.3 Net overspend of £113k comprises the following key elements:

- Line 106: unbudgeted spend of £653k relating to the Highbarns Land Stabilisation Project. This expenditure is for work to the highways which has been fully funded by Herts County Council.
- Line 129: an underspend of £150k on Home Improvement Loans due to take up being less than expected. The annual budgets for future years have been reduced from £250k to £150k to reflect a lower than anticipated demand going forward.
- Line 142: a pressure of £174k on the Elms Hostel development at Redbourne Road due to the tender price being higher than budgeted. Section 106 funding has been earmarked to offset this pressure.
- Line 151: an underspend of £176k on the Car Park Refurbishment project relating to two schemes which could not be completed this year due to staff capacity. The schemes will still be undertaken but can be accommodated within the future budget allocations, so there is no requirement to slip the budget.

- Line 160: an underspend of £137k on Waste and Recycling Service Improvements, as wheeled bins were procured more cheaply than expected through a successful tender process.
- Line 170: an underspend of £112k on Neighbourhood Centre improvements now not being undertaken.

8.4 Slippage of £1.864m comprises the following major elements:

- Line 75: £406k slippage on the budget for The Forum. The development agreement has been signed and £1.1m of the £1.5m allocated budget has been spent this financial year with the balance required in 2015/16.
- Line 106: £77k slippage on Highbarns Land Stabilisation Project. The majority of the work at this site is complete and the Council has fulfilled its obligation under the Derelict Land Clearance order. However the work is not completely finished and final sign off from the contractor is awaited.
- Line 116: £194k slippage on the purchase of the land at Bunkers Farm for a new burial site. The land will be purchased from the Homes & Communities Agency, once satisfactory site investigations have been concluded, which is estimated to be early 2015/16.
- Line 172: £720k slippage on Regeneration of the Town Centre. This is due to inaccurate forecasting of council cash flows.

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

- Line 81: £100k pressure on Enterprise Licence Agreements due to a change in licensing arrangements. There is no additional cost to scheme overall, just a change in cost profiling.
- Line 128: £105k pressure on Disabled Facilities Capital Grants. This is due to a high level of demand for disabled adaptations to properties, which is expected to continue into 2015/16.
- Line 142: £250k pressure on the Elms Hostel due to the tender price being higher than budgeted. This is in addition to the £173k referred to above. The total overspend is £424k. The £250k will be funded from budget brought forward from the Affordable Housing Development Fund.
- Line 162: £288k pressure relating to fleet purchases. The long term fleet requirements have been reviewed and have been incorporated into the Capital Programme for 2015/16 to 2019/20.

8.3 Housing Revenue Account Major Variances

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

- Line 196: £331k underspend on the New Build at Farm Place Berkhamsted where the tender price was lower than budgeted.

- Line 201: £970k underspend relating to the transfer of The Point from the General Fund to the HRA, which will be made through an accounting adjustment rather than the use of budget. The financial implications for both funds will be exactly the same.

There is projected slippage of £8.28m into 2015/16 from the following:

- Line 194: £1.3m slippage in Planned Fixed Expenditure. This figure is mainly due to re-profiling of large projects which continue into 2015/16, offset by efficiencies identified in the Osborne open book contract.
- Line 196: £217k slippage on the New Build scheme at Farm Place, which was due for completion at the end of March but will now complete early 2015/16.
- Line 198: £2.89m of slippage due to delays on the New Build scheme at London Road. Construction works have been delayed due to difficulties relocating the substation during the initial phase of the scheme. Works have now commenced and the contractor is on site.
- Line 200: £3.98m of slippage on the purchase of land for the new build site at Martindale. A deposit of 5% has been paid in this financial year to secure the purchase, but the balance has been paid in 2015/16 following completion of an archaeological survey and the granting of planning permission.

9 Balances and Reserves

9.1 The Reserves Summary at Appendix D reflects the movements approved by Council in February 2015, including a contribution of £564k which was recommended subject to outturn.

9.2 It was recommended that Cabinet approve the following additional reserve movements subject to final outturn, which are also reflected within Appendix D:

- Management of Change Reserve – contribution £150k
To meet the costs of one-off projects required to make improvements or significant changes to services for which no budgetary provision exists, including transformation, redundancy, and pension strain payments.

This reserve was approved by Full Council as a priority area within the Reserves Strategy of the Budget 2015 report in February 2015.

- Earmarked Grants Reserve – draw down £78k
This reserve contains unutilised grants from prior years. This recommended draw down would fund relevant expenditure incurred in 2014/15.

9.3 Appendix A shows that after the above reserve movements are made there will be a reduction to the General Fund Working Balance of £48k. This reflects the forecast reduction approved by Council in February 2015, and is consistent with the strategy of reducing the Working Balance to £2.5m by the end of 2015/16.

9.4 It is recommended that any further increases to the Working Balance identified as part of the year-end process should be transferred to the Management of Change

Reserve. This will help fund future organisational transformation initiatives as the Council seeks to respond to the forecast reductions in government funding.

- 9.5 In cases where reserves were to be drawn down in 2014/15 to fund budgeted expenditure which was not spent in full, only the amount required to fund actual expenditure was drawn down. The remainder is held in reserve to fund the approved expenditure as it is incurred in future years.

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Dacorum Borough Council

APPENDIX A

General Fund Revenue Budget - Provisional Outturn 2014/15 (by Overview and Scrutiny Committee)

	Month			Year-to-Date			Full Year		
	Adjusted Budget £000	Actuals £000	Variance £000	Adjusted Budget £000	Actuals £000	Variance £000	Adjusted Budget £000	Forecast Outturn £000	Variance £000
Controllable									
Finance and Resources	1,244	1,388	144	11,750	11,772	22	11,746	11,772	26
Strategic Planning and Environment	239	279	40	6,169	5,682	(487)	6,169	5,706	(463)
Housing and Community	254	244	(10)	1,555	1,538	(17)	1,555	1,538	(17)
Controllable	1,737	1,911	174	19,474	18,992	(482)	19,470	19,016	(454)
Non-Controllable									
Finance and Resources	(408)	944	1,352	(4,892)	(236)	4,656	(4,892)	(4,813)	79
Strategic Planning and Environment	280	(1)	(281)	3,362	(1)	(3,363)	3,362	3,353	(9)
Housing and Community	202	2	(200)	2,420	13	(2,407)	2,420	2,400	(20)
Non-Controllable	74	945	871	890	(224)	(1,114)	890	940	50
General Fund Service Expenditure	1,811	2,856	1,045	20,364	18,768	(1,596)	20,360	19,956	(404)
Reversal of Capital Charges							(3,586)	(3,586)	0
Interest Receipts							(187)	(286)	(99)
Revenue Contributions to Capital							285	2,205	1,920
FRS17 Adjustments							36	0	(36)
Extraordinary Items							0	(102)	(102)
Contributions to / (from) Reserves							(61)	(2,867)	(2,806)
Contributions to / (from) Working Balance							0	(48)	(48)
Budget Requirement:							16,847	15,272	(1,575)
Met From:									
Revenue Support Grant							(3,017)	(3,017)	0
Redistributed Non-Domestic Rates							(1,898)	(266)	1,632
New Homes Bonus							(2,134)	(2,143)	(9)
Other General Government Grants							(182)	(230)	(48)
Council Tax Surplus							(110)	(110)	0
Requirement from Council Tax							(9,506)	(9,506)	0
Total Funding:							(16,847)	(15,272)	1,575

Interpreting this report

General Fund Service Expenditure

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

Budget Requirement

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

Total Funding

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

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AGENDA ITEM: 10

SUMMARY

Report for:	Finance & Resources Overview & Scrutiny
Date of meeting:	16 June 2015
PART:	1
If Part II, reason:	

Title of report:	Annual Review of Financial Regulations
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources James Deane, Corporate Director (Finance & Operations)
Purpose of report:	To provide Committee with an opportunity to scrutinise the updated Financial Regulations.
Recommendations	That Committee notes the content of the report, and provides feedback for Cabinet to consider when recommended to approve the revised Financial Regulations 2015.
Corporate objectives:	The efficacy of the Financial Regulations supports all of the Council's objectives.
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

Introduction

1. The Financial Regulations provide the framework for managing the financial affairs of the Council. They are approved by the Council and they apply to every Member and employee of the Council and to anyone acting on its behalf.
2. In accordance with good practice, the Financial Regulations are reviewed periodically to ensure that they remain relevant throughout any structural or operational changes within the Council.
3. All sections of the Regulations have been reviewed, and the following substantive amendment is proposed.
4. Due to the size of the document, hard copies of the revised Financial Regulations have not been distributed to individual members of the committee. Instead, hard copies have been placed in the Majority and Minority rooms, and an electronic copy is available at the following link:

<http://www.dacorum.gov.uk/docs/default-source/council-democracy/resources---16-06-15---item-10---dbc-financial-regulations.pdf?sfvrsn=0>

Proposed update

5. **Regulation A12 f)** has been added (page 7), containing the following paragraph:

Section 106 Contributions. Council sets the budget and Cabinet has executive responsibility for the delivery of services within budgets. Delegation is given to the Section 151 Officer for in-year amendments to budgets where a one-off item is to be funded wholly from Section 106 receipts.
6. S106 contributions are payments, or works in lieu of payments, made by developers as part of their planning application. In broad terms, the purpose of S106 contributions is for the developer to make a financial contribution to offset the effect of their development on the local infrastructure. Payments received by the Council under S106 can only be used for the purpose specified within the S106 agreement. For example, a developer who builds 6 new houses may be required to make a payment to the Council to fund the delivery and maintenance of a play area for the children who are expected to live in the houses.
7. The inclusion of this regulation within the Financial Regulations formalises the current practice of the S151 Officer signing to approve the Council's use of the funds for the correct purpose. The alternative to this process would be to require Member approval for the application of S106 funds. This would not be an appropriate use of Members' time, given that the use of the S106 funds is not discretionary, and the S151 Officer is merely signing to agree proper use of the funds, in line with the developer agreement.