

CABINET AGENDA



TUESDAY 10 SEPTEMBER 2019 AT 7.30 PM
CONFERENCE ROOM 2 - THE FORUM

The Councillors listed below are requested to attend the above meeting, on the day and at the time and place stated, to consider the business set out in this agenda.

Membership

Councillor Williams (Leader)	Councillor G Sutton
Councillor Griffiths (Deputy Leader)	Councillor Anderson
Councillor Elliot	Councillor Banks

For further information, please contact Corporate and Democratic Support or 01442 228209

AGENDA

1. MINUTES (Pages 3 - 13)

To confirm the minutes of the meeting held on 30 July 2019.

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 and ask questions in accordance with the rules as to Public Participation.

5. REFERRALS TO CABINET

There were no referrals to Cabinet

6. CABINET FORWARD PLAN (Pages 14 - 15)

7. TREASURY MANAGEMENT OUTTURN REPORT FOR 2018/19 (Pages 16 - 26)

8. Q1 BUDGET MONITORING REPORT (Pages 27 - 42)

9. ANTI-SOCIAL BEHAVIOUR POLICY (Pages 43 - 56)

10. BUILDING CONTROL SERVICE (Pages 57 - 71)

11. EXCLUSION OF THE PUBLIC

To consider passing a resolution in the following terms:

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the items in Part 2 of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that, if members of the public were present during those items, there would be disclosure to them of exempt information relating to the financial and business affairs of the Council and third party companies/organisations.

Local Government Act 1972, Schedule 12A, Part 1, paragraph 3.

12. BUILDING CONTROL SERVICE (Pages 72 - 128)

MINUTES

CABINET

30 JULY 2019

Councillors: Williams (Leader)
Elliot
G Sutton
Anderson
Banks

Officers:	Natasha Beresford	Group Manager - Strategic Housing
	James Deane	Corporate Director - Finance and Operations
	Mark Gaynor	Corporate Director - Housing & Regeneration
	Sally Marshall	Chief Executive
	Stephen Mendham	Strategic Planning and Regeneration Officer
	Claire Oliveri	Communications and Consultation Officer
	Chris Taylor	Group Manager - Strategic Planning and Regeneration
	Carly Thomas	Independent Reviewing Officer
	Katie Mogan	Corporate and Democratic Support Lead Officer
	Farida Hussain	Group Manager (Legal & Corporate Services)
	Fiona Williamson	Assistant Director - Housing

Also Attendance:

Councillor Ron Tindall

The meeting began at 7.30 pm

CA/63/19 **MINUTES**

Minutes of the meeting held on 25 June 2019 were agreed by Members present and signed by the Chair.

CA/64/19 **APOLOGIES FOR ABSENCE**

Apologies of absence were received from Councillor Griffiths.

CA/65/19 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

CA/66/19 PUBLIC PARTICIPATION

There was no public participation.

CA/67/19 REFERRALS TO CABINET

There were no referrals to Cabinet.

CA/68/19 CABINET FORWARD PLAN

The forward plan was noted with the following changes:

- Add 'Tring Conservation Area Review' to September

CA/69/19 TENANCY STRATEGY

Decision

That the Tenancy Strategy be approved

Corporate objectives

Clean, safe and enjoyable environment.

Building strong and vibrant communities.

Monitoring Officer:

Further to the Localism Act 2011 local housing authorities are under a duty to prepare and publish a tenancy strategy. The attached Tenancy Strategy sets out how Dacorum meets its obligations under section 150 to 153 of the Localism Act 2011.

Deputy S.151 Officer:

There are no financial impacts raised by this strategy update.

Advice

N Beresford introduced the report which highlights the different tenancies on offer within the social housing stock and the relationship management with our partners. She introduced C Thomas who is the Independent Reviewing Officer and has led on the development of this strategy.

C Thomas said the strategy has been written to outline approaches to different tenancies and the working relationship with registered providers, the affordability and tenure types. The strategy ensures there is the same level of affordability and tenure regardless of landlord. This strategy was written prior to the Portfolio Holder decision for flexible tenancies so this can be reviewed and amended if required.

Councillor Elliot said that housing association properties charge 80% of market rent and asked how market rent is defined.

N Beresford said Dacorum falls under the South West Herts region in respect of local housing allowance rents with the exception of parts of Tring which falls into the Aylesbury Vale region. Parts of St Albans and Harpenden fall under the South West Herts region.

Councillor Elliot said those were expensive areas which should skew the rates.

Councillor Williams referred to the nomination rights (100% on all initial lets and 85 or 75% on re-lets) and said he was under the impression that housing associations do not keep their own list of applicants.

N Beresford said most do not. The lists they do keep are mainly for the internal management of urgent transfers. They often approach us as they do not retain their lists.

Councillor Williams said we may achieve more than the 75% re-let rate.

N Beresford said yes.

The recommendations were agreed.

CA/70/19 HOUSES IN MULTIPLE OCCUPATION

Decision

1. That the update on the work of the Private Rented Sector Team be noted.
2. That the Private Sector Enforcement Policy update be approved.
3. That the Houses in Multiple Occupation Policy be approved.

Corporate objectives

The Strategic Housing Service's responsibilities and activity in relation to the Private Rented Sector contributes to the following corporate objectives:

Clean, safe and enjoyable environment

Building Strong and vibrant communities

Monitoring Officer:

Local housing authorities are under a duty to review housing conditions in their districts under Part I of the Housing Act 2004 which includes private sector housing,

The attached policy documents set out how the Council meets its obligations under the Housing Act 2004.

S.151 Officer

The private sector housing service has an approved budget for 2019/20 that reflects the financial needs of the service to deliver the policies outlined in this report.

The fees and charges in relation to HMO licencing, highlighted in appendix 5, were introduced in 2019 and will monitored to ensure they fairly reflect the costs incurred in providing and enforcing these licences.

Advice

N Beresford introduced the report and said it provides an update on the development within the private sector team after key legislation changes within the last six months including the introduction of the tenant fees act and the fitness for habitation act. Last year, Cabinet approved the enforcement policy as well as the draft format of the HMO policy. The final version of the policy outlines the approach to regulating HMOs and there have been good levels of income from the licence fees.

Councillor Williams asked how a HMO was defined.

N Beresford said it was previously three storey but is longer defined by that. The current definition is five members or more in a property made up of different households.

Councillor Anderson said that HMOs often get a bad reputation and hoped that enforcement would help people and would also promote HMOs a good form of housing.

N Beresford said the department works closely with private sector landlords and are focussing on education not enforcement. We have received positive feedback from landlords and many licenses have been done through compliance. One licence has been introduced for the need to serve a regulation notice. HMOs are used by the council for temporary accommodation and these are managed effectively. They are a good option for managing pressures on the housing service.

Councillor Tindall asked if the department uses the electoral register to see if more than five adults live at one property.

N Beresford said they have 51 applications pending assessment where the landlord has made themselves known to the council. 75 properties have been identified through evidence whether that be complaints, councillors or the electoral register.

The recommendations were agreed.

CA/71/19 MEDIUM TERM FINANCIAL STRATEGY (MTFS)

Decision

RESOLVED TO RECOMMEND that:

the revised Medium Term Financial Strategy for the period 2019/20 – 2023/24, including the recommendations at Section 2 of the Strategy be approved.

Corporate objectives

The Medium Term Financial Strategy supports the delivery of all five of the corporate objectives.

Section 151 Officer:

This is a S151 Officer report.

Deputy Monitoring Officer:

No comments to add to the report

Advice

Councillor Elliot introduced the report and the MTFS looks at the general fund savings target be approved for the financial year. The four year general fund savings target is £2.9 million. The council are still awaiting the announcement of the government's spending review.

J Deane said the £2.9 million savings target represents 17% net cost of services which is a significant amount of money to find. Next year, the savings target is £780k. However, as a result of the Council's multi-year approach to savings, significant inroads have already been made to that figure leaving £130k still to find.

J Deane highlighted a number of fundamental assumptions within the MTFS. The council is in the final year of a four year deal and at present there is no certainty on future years' funding as we are awaiting the announcement of the Fair Funding Review which is scheduled for the end of this year. Until further announcements are made, the MTFS assumes continued reductions in future government funding of the magnitude experienced over previous years, resulting in the Council becoming self-sufficient by 2022/23. There is a risk that cuts could be deeper and faster than this but this is unlikely. The New Normal programme will look at cross departmental savings.

Councillor Williams said he was sceptical that an announcement from government would be made by the end of the year.

J Deane said if there is no announcement this year, and there is a roll forward of current funding arrangements in the interim then it would be prudent for the Council to treat any resultant benefits as one-off, and continue to meet the savings outlined until Government makes a formal funding announcement.

Councillor Tindall said he could not see an update on the New Normal programme on the Cabinet forward plan.

S Marshall said it would be brought forward with the budget report and it will be brought to Cabinet if there are any actions required.

Councillor Anderson asked about the annual settlement on staff pay and if there was any information for next year.

S Marshall said they were currently in negotiations. There has been a pay request from Unison for a 10% pay increase, a reduction in the working week by 2.5 hours and an extra day holiday. This is obviously their starting position and negotiations will be ongoing. The roadshows start in September so we will get more clarity then.

Councillor Anderson said it was frustrating that the decision gets put off.

S Marshall said there was a two year settlement last year which helped.

The recommendations were agreed.

CA/72/19 DACORUM BOROUGH STATEMENT OF COMMUNITY INVOLVEMENT

Decision

That:

1. the draft revised Statement of Community Involvement annexed to this report be agreed and authority be delegated to the Assistant Director, Planning, Development and Regeneration to make any final minor editorial and typographical revisions to the document including any necessary to reflect the Cabinet's discussions and decision prior to approval by Council

2. RESOLVED TO RECOMMEND that Council adopts the revised Statement of Community Involvement

The Council's Local Plan (of which the SCI forms one of the documents) helps support all 5 corporate objectives:

- *Safe and clean environment:* e.g. contains policies relating to the design and layout of new development that promote security and safe access;
- *Community Capacity:* e.g. provide a framework for local communities to prepare area-specific guidance such as Neighbourhood Plans, Town / Village Plans etc.;
- *Affordable housing:* e.g. sets the Borough's overall housing target and the proportion of new homes that must be affordable;
- *Dacorum delivers:* e.g. provides a clear framework upon which planning decisions can be made; and
- *Regeneration:* e.g. sets the planning framework for key regeneration projects, such as Hemel Hempstead town centre and the Maylands Business Park.

Monitoring Officer

The SCI should help to ensure that the views of relevant stakeholders are taken into account in the statutory plan making and planning decision-making process, which

improve the quality and consistency of those decisions and reduce legal challenges.

Deputy Section 151 Officer

There are no direct financial implications.

Advice

Councillor G Sutton introduced this item and said it forms a very important part of the future working of DBC. This will include the local plan and corporate objectives.

C Taylor said the council have an obligation to review this document every two years. This has been out to consultation.

Councillor Tindall said consultations can be crucial. He asked if it was possible to ask Communications to make consultation notices more user friendly and add more links to relevant documents and enhance the visualisation. It is likely to put people off and less people will respond.

C Taylor said a lot of lessons have been learnt from the Issues & Options consultation. Moving forward, this will be a better process which is more streamlined and one that is easier to analyse the results.

The recommendations were agreed.

CA/73/19 HEMEL GARDEN COMMUNITIES

Decision

That:

1. the success of the bid and receipt and application of £0.75m equally shared with Dacorum Borough Council and St. Albans District and City Council for their work in 2018/19 be noted.
2. **The draw down from the Local Development Framework Reserve of £0.14m in 19/20 and the residual £0.235m in 20/21 in line with Table 2 - 2 Year Spending Plan be approved and RESOLVE TO RECOMMEND its approval recommended to Council.**
3. MHCLG has given Garden Town status to Hemel Hempstead as a result of the bid be noted.
4. Funds to progress Hemel Hempstead Garden Town and Hemel Garden Communities are allocated and spent in broad alignment with the submitted Garden Communities bid to MHCLG.

5. Delegated authority is given to the Portfolio Holder for Planning and Infrastructure and Assistant Director Planning, Development and Regeneration to agree the detail in the Operational Project Plan.
6. Cabinet endorses the Project Plan in Appendix 6, 2 Year Spending Plan in Table 2 and Strategic Memorandum of Understanding between SADC, DBC and HCC in Appendix 4 and Indicative Governance Structure in Appendix 5.
7. Progress on Hemel Garden Communities and next steps are noted.

Corporate objectives

The proposals for major development at north and east Hemel Hempstead through the Hemel Garden Communities proposals are wide-ranging and relate to all corporate objectives.

Monitoring Officer:

There are no direct legal implications arising from the report at this stage, however, the legal team should continue to be consulted as the governance arrangements for the project are developed.

S.151 Officer

The use of the Local Development Framework (LDF) reserve to fund the HGC project is in line with the strategic purpose of this specific reserve.

An additional £375k was allocated to the LDF reserve in 2018/19 to fund additional strategic planning for the HGC project over the next 2 years.

Advice

Councillor G Sutton said this report follows on from the outcome of the bid submitted to MHCLG in 2018. The £750k was awarded to DBC and St Albans. This report is seeking authority to draw funds down from reserves to cover the extra staffing costs. The success of the bid is down to the hard work and dedication of staff from both councils. This is a great achievement as only 5 out of 100 districts were successful in their bids. There are discussions ongoing for future funding.

C Taylor said a lot of the annexes to the report are the details for taking the next steps like recruitment and tendering of some of the work.

Councillor Tindall asked if we have managed to finish recruitment.

C Taylor said the recruitment has been prepared but not advertised.

Councillor Tindall asked if this meant there could be some slippage on the project.

C Taylor said this may be possible but the team are working hard with preparations and the SPAR team have been carrying out this work on top of their day jobs.

Councillor Williams said in terms of scale, there is the right investment in forward planning and design. This is a major development on the edge of Hemel Hempstead and funding will be crucial.

C Taylor said they have had early meetings with the Garden City network. This funding is just the beginning of the process. The garden town status means we are now part of the organisation with the opportunity to bid for future bids.

S Marshall said there has been dialogues with key partners (St Albans council and Herts County Council) and there has been an agreement for us to host the officer. The recruitment process for the officer post will be a joint process. There are ongoing discussions with Homes England and there are problems with future funding as the government haven't decided on their funding. Discussions are being taken at the highest level.

Councillor Williams said he has had discussions with the new leader at St Albans and they are keen to continue with this project. It is important to have good working relationships and they will be determining some of the planning applications on our boundary.

Councillor Tindall asked if there was any scope to look at the parking situation across the borough and if two teams are coming together they could share ideas on how to relieve parking stress.

M Gaynor said this project will look at sustainable transport across the borough.

Councillor Williams said a separate parking consultation is ongoing.

The recommendations were agreed.

CA/74/19 KINGS LANGLEY NEIGHBOURHOOD PLAN - CONFIRMATION OF NEIGHBOURHOOD PLAN AREA

Decision

That:

1. The Neighbourhood Plan Area for Kings Langley is agreed to be consulted upon; and
2. Formal arrangements for the designation of the Kings Langley Neighbourhood Plan area is delegated to the Assistant Director for Planning, Development and Regeneration in consultation with the Portfolio Holder for Planning and Infrastructure.

Corporate objectives

If the area is formally designated for neighbourhood planning, the Kings Langley Neighbourhood Plan may assist in supporting the following corporate priorities for Dacorum:

- *A clean, safe and enjoyable environment* e.g. may contain policies relating to the design and layout of new development that promote security and safe access;
- Building strong and vibrant communities;
- Ensuring economic growth and prosperity;
- Providing good quality affordable homes, in particular for those most in need;
- *Dacorum delivers:* e.g. provides a clear framework upon which planning decisions can be made;
- *Community Capacity:* e.g. allows local communities to prepare area-specific guidance within Neighbourhood Plans

Monitoring Officer:

The legal requirements regarding neighbourhood development plans are set out within the Neighbourhood Plan Regulations 2012 and The Town and Country Planning Act 1990 (as amended).

The Council as local planning authority should ensure that it meets its obligations under the above.

The Secretary of State has the power to provide financial assistance concerning neighbourhood development orders under the Localism Act 2011.

Deputy S.151 Officer

There are no financial implications to DBC at present with funding provided through MHCLG.

Advice

Councillor G Sutton introduced the report which was to note and approve the designated area for Kings Langley.

S Mendham said this was part of the statutory process. If an area is designated, it must be consulted on.

Councillor Anderson said he welcomed this. It does need to be made clear that this is defining the area and the neighbourhood plan, in due course, is for residents and the community to get the maximum benefit out of developments. He understood there

may be some controversy but it is important to get the message out there that this will benefit the community.

Councillor Williams asked if the area proposed is different from the parish boundary.

S Mendham said no, it follows the parish boundary.

The recommendations were agreed.

CA/75/19 EXCLUSION OF THE PUBLIC

That, under s.100A (4) of the Local Government Act 1972 Schedule 12A Part 1 as amended by the Local Government (Access to Information) (Variation) Order 2006 the public be excluded during the items in Part 2 of the Agenda for this meeting, because it is likely, in view of the nature of the business to be transacted, that, if members of the public were present during those items, there would be disclosure to them of exempt information relating to the financial and business affairs of the Council and third party companies/organisations.

Local Government Act 1972, Schedule 12A, Part 1, paragraph 3.

CA/76/19 YEAR 5 OSBORNE REVIEW

Full details in part 2 minutes.

The Meeting ended at 8.20 pm

CABINET FORWARD PLAN

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
1.	15/10/19	Draft Corporate Plan		26/09/19	Sally Marshall, Chief Executive 01442 228213 Sally_marshall@dacorum.gov.uk	To be provided
2.	15/10/19	New Build Update – Approval of Contract for Gaddesden Row Site		26/09/19	Fiona Williamson, Assistant Director Housing 01442 228855 Fiona.williamson@dacorum.gov.uk	To approve the appointment of a Contractor to build 3 houses in West Dene, Gaddesden Row. To approve grant funding to Housing Associations using the Right to Buy receipts to part fund new affordable homes in the Borough.
3.	15/10/19	Housing Strategy		26/09/19	Fiona Williamson, Assistant Director Housing 01442 228855 Fiona.williamson@dacorum.gov.uk	To be provided
4.	15/10/19	The Bury Museum Project		26/09/19	James Doe, Assistant Director of Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk	To update Cabinet on progress on options for delivering a new museum at The Bury, and seek agreement on the next stages of the project.
5.	15/10/19	Financial regulations		26/09/19	Nigel Howcutt, Assistant Director of Finance & Resources 01442 22862 Nigel.howcutt@dacorum.gov.uk	To be provided
6.	15/10/19	Tring Conservation Area Review		26/09/19	James Doe, Assistant Director of Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk Sara Whelan, Group Manager of Development Management and Planning 01442 228590 Sara.whelan@dacorum.gov.uk	To approve the content of the review of the Tring Conservation Area
7.	15/10/19	Brownfield Register			James Doe, Assistant Director of Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk	To be provided
8.	15/10/19	HRA Business Plan		26/09/19	Fiona Williamson, Assistant Director Housing 01442 228855 Fiona.williamson@dacorum.gov.uk	Annual review of the Housing Revenue Account Business Plan
9.	12/11/19	Strategic Sites Design Guidance Supplementary Planning Document		24/10/19	James Doe, Assistant Director of Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk Chris Taylor, Group Manager Strategic Planning 01442 228405 chris.taylor@dacorum.gov.uk	To set out the content of a new Supplementary Planning Document to address key issues of urban design guidance on large scale, strategic development sites within the Borough

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
10.	12/11/19	Osborne five year review		24/10/19	Fiona Williamson, Assistant Director Housing 01442 228855 Fiona.williamson@dacorum.gov.uk	To be provided
11.	10/12/19	Council Tax Setting Base Report		21/11/19	Nigel Howcutt, Assistant Director of Finance & Resources 01442 22862 Nigel.howcutt@dacorum.gov.uk	To be provided
12.	10/12/19	Treasury Management 19/20 Mid-Year Report		21/11/19	Nigel Howcutt, Assistant Director of Finance & Resources 01442 22862 Nigel.howcutt@dacorum.gov.uk	To be provided

Future Cabinet Dates 2020: 14 January
11 February
10 March
21 April

Future Items:

Private Sector Housing Strategy 2020 (F Williamson)
South West Herts Joint Strategic Plan (J Doe)
CCTV Service (M Brookes)
Flexible tenancy review (F Williamson)

Agenda Item 7



Report for:	Cabinet
Date of meeting:	10 September 2019
PART:	I
If Part II, reason:	

Title of report:	TREASURY MANAGEMENT OUTTURN AND PERFORMANCE INDICATORS 2018/19
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources Nigel Howcutt, Assistant Director (Finance and Resources) Fiona Jump, Group Manager (Financial Services)
Purpose of report:	To report upon the performance outturn for treasury management in 2018/19.
Recommendations	That Cabinet recommends to Council acceptance of the report on Treasury Management performance in 2018/19 and the Prudential Indicators for 2018/19.
Corporate objectives:	Optimising investment income for General Fund and Housing Revenue budgets whilst managing investment risk is fundamental to achieving the corporate objective of delivering an efficient and modern council.
Financial Implications:	In accordance with the CIPFA Treasury Management in the Public Services Code of Practice, the order of the Council's investment priorities is 1. Security; 2. Liquidity; and, 3. Return. This may result in the Council achieving a lower rate of return than an organisation operating a more aggressive investment strategy in a less regulated sector.
Risk Implications:	Good corporate governance encompasses risk management and making sure that the Council makes decisions with the full knowledge of the associated risks and opportunities. The risk of not reviewing and updating our corporate governance arrangements have been addressed by this report.
Equalities Implications:	None

Health And Safety Implications:	None
Monitoring Officer / S151 Officer Comments:	<p>Monitoring Officer- No comments to add to the report.</p> <p>Section 151 officer- This is a S151 Officer report.</p>
Consultees:	Link Asset Services
Background papers:	Cabinet 13 February 2018 – Treasury Management Strategy (Appendix K to Budget 2018/19 Report)
Glossary of acronyms and any other abbreviations used in this report	<p>CIPFA-The Chartered Institute of Public Finance and Accountancy</p> <p>MPC- Bank of England monetary policy Committee</p> <p>GDP – Gross Domestic Product</p> <p>CFR- Capital Financing Requirement</p>

1. Regulatory Background

- 1.1 The Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management in the Public Services (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).
- 1.2 During 2018/19 the minimum reporting requirements were that Full Council should receive the following reports:
- an annual Treasury Management Strategy Statement in advance of the year;
 - a mid-year Treasury Management update report;
 - an annual review following the end of the year describing the activity compared to the strategy (this report).
- 1.3 This report provides the outturn position for the Council's treasury activities and highlights compliance with policies previously approved by Members.

2. The Economy and Interest Rates

- 2.1 Investment returns remained low during 2018/19. The expectation for interest rates for 2018/19 was that Bank of England base rate ('Bank Rate') would rise from 0.50% to 0.75%. Investment interest rates were on a gently rising trend in the first half of the year after April, in anticipation that the MPC (Monetary Policy Committee) would raise the Bank rate in August. The Bank Rate was increased to 0.75% at the MPC meeting on 2 August 2018.

2.2 Investment rates changed little during August to October but rose sharply after the MPC meeting of 1 November. Weak Gross Domestic Product (GDP) growth data after December, plus increasing concerns generated by Brexit, resulted in investment rates falling back again.

3. Treasury Position as at 31 March 2019

3.1 At the beginning and the end of 2018/19 the Council's treasury position was as follows:

	31 March 2018 Principal	Rate/ Return	Average Life	31 March 2019 Principal	Rate/ Return	Average Life
GENERAL FUND (GF)	£m	%	Years	£m	%	Years
Total external debt	19	3.05	22	18.6	3.08	21
Total internal debt	0			0		
Other (finance leases & negative CFR)	0.2			0.2		
Capital Financing Requirement	9.4			8.7		
Over / (under) borrowing	9.8			10.1		

	31 March 2018 Principal	Rate/ Return	Average Life	31 March 2019 Principal	Rate/ Return	Average Life
HOUSING REVENUE ACCOUNT (HRA)	£m	%	Years	£m	%	Years
Total external debt	346.2	3.4	18	344.1	3.36	17
Capital Financing Requirement	346.2			344.1		
Over / (under) borrowing	0			0		

	31 March 2018 Principal	Rate/ Return	Average Life	31 March 2019 Principal	Rate/ Return	Average Life
HRA and GF COMBINED	£m	%	Years	£m	%	Years
Capital Financing requirement	355.6			352.8		
Total external debt*	365.4			362.9		
Total investments	92.7	0.37	0.5	92.1	0.69	0.53
Net external debt	272.7			270.8		

*including finance lease obligations

Borrowing

3.2 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). The Council's CFR was £352.8m at the end of the year (as shown above in 3.1). This includes the borrowing from the Public Works Loan Board following the introduction of HRA Self- Financing and the borrowing taken up in 2015/16 for General Fund capital expenditure requirements. HRA self- financing involved the transfer of national housing debt from central government to local authorities with HRA responsibilities. No rescheduling of debt was undertaken during the year. Details of loans held by the Council as at 31 March 2019 can be found at Appendix A to this report.

General Fund

3.3 The General Fund CFR (its need to borrow) is £8.7m. The General Fund has borrowed in advance by £10.1m. This borrowing has utilised the lower interest rates that have been available in recent years and will be used to fund the ongoing capital programme expenditure.

Housing Revenue Account

3.4 The HRA's CFR and external borrowing are £344.1m at year end. During 2018/19 £2.1m of external borrowing was repaid in year.

4. Investment Outturn

4.1 The Council's 2018/19 investment policy, contained in its Treasury Management Strategy approved by Council in February 2018, sets out the approach for choosing investment counterparties. It is based on a system of credit ratings provided by the three main credit rating agencies, and supplemented by additional market data (such as rating outlooks and bank share prices) provided by Link Asset Services, the Council's treasury management advisors.

4.2 The Council maintained an average balance of £102.9m of internally managed funds throughout 2018/19, earning an average rate of return of 0.69% compared with the budget assumption of average investment balances of £80.0m at 0.68% investment return. Slippage on the Council's capital programme contributed towards the higher than anticipated availability of balances for investment during the year.

4.3 The weighted average maturity for investments held by the Council at 31 March 2019 was 175 days. This compares to a weighted average maturity at 31 March 2018 of 162 days.

4.4 Investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

5. Prudential and Treasury Indicators

5.1 During 2018/19, the Council complied with its legislative and regulatory requirements set out in the Treasury Management Strategy. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2017/18 Actual	2018/19 Original Budget Estimate	2018/19 Actual
	£000	£000	£000
Capital expenditure			
• General Fund	9,711	21,719	15,348
• HRA	24,591	36,483	24,725
• Total	34,302	58,202	40,073
Capital Financing Requirement:			
• General Fund	9,370	18,281	8,669
• HRA	346,172	344,104	344,104
• Total	355,542	362,385	352,769
External debt*	365,186	362,572	362,747
Investments- balance at year end			
• Longer than 1 year	0	0	0
• Under 1 year	92,750	69,515	92,098
• Total	92,750	69,515	92,098

*excluding finance lease obligations

5.2 In order to ensure that borrowing levels are prudent over the medium term, Local Authority external borrowing can only be for capital purposes, i.e. it cannot be used to support revenue expenditure. Gross borrowing should not, therefore, except in the short term, exceed its CFR i.e. the Council's need to borrow. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs. The advance borrowing shown above by external debt exceeding the CFR is due to the General Fund borrowing in advance of need in the short-term to take advantage of historically low interest rates, and the impact of slippage in the capital programme in 2018/19.

5.3 The **Authorised Limit** - the authorised limit is the "affordable borrowing limit" required by Section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. During 2018/19 the Council has maintained gross borrowing within its authorised limit.

5.4 The **Operational Boundary** – the operational boundary reflects the current borrowing position with an allowance for additional borrowing for cash flow purposes during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

	2018/19
Authorised limit	£379.000m
Operational boundary	£362.571m

5.5 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Ratio of financing costs to net revenue stream	31 March 2018 Actual	2018/19 Original Limits	31 March 2019 Actual
Non - HRA	1.04%	1.23 %	0.6%
HRA	20.17%	20.14%	20.12%

5.6 The reduction on the General Fund ratio since the original estimate reflects higher investment balances and interest rates and therefore higher interest received due to slippage on the capital programme.

5.7 The following table shows the **net debt position** for the Council. There has been no material change in net debt between years.

	31 March 2018 Principal	Rate/ Return	Average Life	31 March 2019 Principal	Rate/ Return	Average Life
	£m	%	Years	£m	%	Years
Fixed rate funding:						
-PWLB and Finance Leases	365.4	3.33		362.9	3.34	
Total external debt	365.4	3.33	19	362.9	3.34	18
CFR	355.6			352.8		
Over/ (under) borrowing	9.8			10.1		
Total investments	92.7	0.37	0.50	92.1	0.69	0.53
Net debt	272.7			270.8		

5.8 The following table shows the **maturity structure of the debt portfolio**:

	31 March 2018 actual	31 March 2019 actual
Under 12 months	2.8m	4.3m
12 months and within 24 months	3.94m	4.9m
24 months and within 5 years	£10.47m	£8.17m
5 years and within 10 years	£22.52m	£26.59m
10 years and above	£325.45m	£318.75m

5.9 The following table shows the **maturity structure of the investment portfolio**:

	2017/18 Actual £	2018/19 Actual £
Investments		
Longer than 1 year	-	-
Under 1 year	92.7m	92.1m
Total	92.7m	92.1m

5.10 The following table shows the **exposure to fixed and variable rates on investments** at year end:

	31 March 2018 Actual	2018/19 Original Limits	31 March 2019 Actual
Fixed rate (principal or interest)	81%	100%	88%
Variable rate (principal or interest)	19%	40%	12%

Appendix A: Council borrowing as at 31 March 2019

Housing Revenue Account External Borrowing

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£3,585,697	Fixed interest rate	1.99%	Less than 1 Year
PWLB	£4,590,217	Fixed interest rate	2.21%	2 Years
PWLB	£3,480,273	Fixed interest rate	2.40%	3 Years
PWLB	£1,370,129	Fixed interest rate	2.56%	4 Years
PWLB	£2,309,505	Fixed interest rate	2.70%	5 Years
PWLB	£3,334,576	Fixed interest rate	2.82%	6 Years
PWLB	£4,442,038	Fixed interest rate	2.92%	7 Years
PWLB	£5,637,006	Fixed interest rate	3.01%	8 Years
PWLB	£5,110,074	Fixed interest rate	3.08%	9 Years
PWLB	£6,339,797	Fixed interest rate	3.15%	10 Years
PWLB	£7,664,605	Fixed interest rate	3.21%	11 Years
PWLB	£9,089,448	Fixed interest rate	3.26%	12 Years
PWLB	£10,620,253	Fixed interest rate	3.30%	13 Years
PWLB	£12,546,288	Fixed interest rate	3.34%	14 Years
PWLB	£14,313,519	Fixed interest rate	3.37%	15 Years
PWLB	£16,205,585	Fixed interest rate	3.40%	16 Years
PWLB	£18,230,083	Fixed interest rate	3.42%	17 Years
PWLB	£20,394,596	Fixed interest rate	3.44%	18 Years
PWLB	£32,380,217	Fixed interest rate	3.46%	19 Years
PWLB	£35,524,201	Fixed interest rate	3.47%	20 Years
PWLB	£38,864,428	Fixed interest rate	3.48%	21 Years
PWLB	£42,416,950	Fixed interest rate	3.49%	22 Years
PWLB	£45,654,253	Fixed interest rate	3.50%	23 Years

General Fund External borrowing

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£363,563	Fixed interest rate	1.78%	Less than 1 Year
PWLB	£356,292	Fixed interest rate	2.00%	1 Years
PWLB	£349,166	Fixed interest rate	2.19%	2 Years
PWLB	£342,183	Fixed interest rate	2.35%	3 Years
PWLB	£335,340	Fixed interest rate	2.48%	4 Years
PWLB	£328,633	Fixed interest rate	2.59%	5 Years
PWLB	£326,082	Fixed interest rate	2.68%	6 Years
PWLB	£334,821	Fixed interest rate	2.76%	7 Years
PWLB	£344,062	Fixed interest rate	2.83%	8 Years
PWLB	£353,799	Fixed interest rate	2.90%	9 Years
PWLB	£364,059	Fixed interest rate	2.95%	10 Years
PWLB	£374,799	Fixed interest rate	3.00%	11 Years
PWLB	£386,043	Fixed interest rate	3.05%	12 Years
PWLB	£397,817	Fixed interest rate	3.09%	13 Years
PWLB	£410,110	Fixed interest rate	3.12%	14 Years
PWLB	£422,905	Fixed interest rate	3.16%	15 Years
PWLB	£436,269	Fixed interest rate	3.18%	16 Years
PWLB	£450,142	Fixed interest rate	3.21%	17 Years
PWLB	£464,592	Fixed interest rate	3.23%	18 Years
PWLB	£479,598	Fixed interest rate	3.24%	19 Years
PWLB	£495,137	Fixed interest rate	3.26%	20 Years
PWLB	£511,279	Fixed interest rate	3.27%	21 Years
PWLB	£527,997	Fixed interest rate	3.27%	22 Years
PWLB	£545,263	Fixed interest rate	3.28%	23 Years
PWLB	£563,148	Fixed interest rate	3.28%	24 Years
PWLB	£581,619	Fixed interest rate	3.28%	25 Years
PWLB	£600,696	Fixed interest rate	3.28%	26 Years
PWLB	£620,399	Fixed interest rate	3.27%	27 Years
PWLB	£640,686	Fixed interest rate	3.27%	28 Years

Lender	Principal	Type	Interest Rate	Maturity
PWLB	£661,636	Fixed interest rate	3.27%	29 Years
PWLB	£683,272	Fixed interest rate	3.26%	30 Years
PWLB	£705,546	Fixed interest rate	3.25%	31 Years
PWLB	£728,477	Fixed interest rate	3.25%	32 Years
PWLB	£752,152	Fixed interest rate	3.24%	33 Years
PWLB	£776,552	Fixed interest rate	3.23%	34 Years
PWLB	£801,603	Fixed interest rate	3.23%	35 Years
PWLB	£728,478	Fixed interest rate	3.22%	36 Years



Report for:	Cabinet
Date of meeting:	10 September 2019
PART:	1
If Part II, reason:	

Title of report:	Budget Monitoring Quarter 1 2019/20
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources Nigel Howcutt, Assistant Director (Finance & Resources) Fiona Jump, Group Manager, Financial Services
Purpose of report:	To provide details of the projected outturn for 2019/20 as at Quarter 1 for the: <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendations	<ol style="list-style-type: none"> 1. Consider the budget monitoring position for each of the above accounts; 2. Recommend to Council approval of the revised capital programme to move £1.5m slippage identified at Quarter 1 into financial year 2020/21 as detailed in Appendix C; 3. Recommend to Council approval of supplementary revenue budgets funded by grant income. This grant income has already been received by the Council and is ring-fenced for use in specific services. Details are set out below: <ul style="list-style-type: none"> • Supplementary budget funded by grant of £70k in the Benefits Administration service. • Supplementary budget funded by grant of £100k in the Strategic Planning service. • Supplementary budget of £62k in the Homelessness service, funded from the homelessness prevention grant currently held in reserves. • Supplementary budget of £21k in the Partnerships service, and £18k in the Homelessness service, funded

	<p>from Dacorum Partnership Reserve. This expenditure has been approved by the Dacorum Strategic Network.</p> <p>4. Recommend to Council approval of supplementary capital budgets required to deliver several service changes as set out below:</p> <ul style="list-style-type: none"> • A capital budget of £112k to fund arena seating at Hemel Sports Centre. • A capital budget of £36k for land transferred to the Council in lieu of a Community Infrastructure Levy contribution.
Corporate objectives:	Delivering an efficient and modern council.
Implications:	<p>Financial This report outlines the financial position for the Council for 2019/20 and so summarises the financial implications for service decisions expected to be made for the financial year.</p> <p>Value for Money Regular budget monitoring and reporting supports the effective use of the financial resources available to the Council.</p>
Risk Implications	This reports outlines the financial position for the Council for 2019/20 and in so doing quantifies the financial risk associated with service decisions expected to be made for the financial year.
Community Impact Assessment	The content of this report does not require a Community Impact Assessment to be undertaken.
Health And Safety Implications	There are no Health and Safety implications arising from this report.
Statutory Officer Comments:	<p>Deputy Section 151 Officer: Comments included within the body of this report.</p> <p>Monitoring Officer: No comments to add to the report.</p>
Consultees	The position reported within this report has been reviewed and discussed with relevant Council Officers.
Glossary of acronyms and any other abbreviations used in this report:	<p>GF – General Fund HRA – Housing Revenue Account MRP- Minimum Revenue Provision</p>

1. Introduction

1.1 The purpose of this report is to present the Council's forecast outturn for 2019/20 as at the 30 June 2019. The report covers the following budgets with associated appendices:

- General Fund - Appendix A. A pressure against budget of £121k is forecast.
- Housing Revenue Account (HRA) - Appendix B. A surplus of £391k is forecast.
- Capital Programme - Appendix C. Budget re-phasing to future years of £1.5m is forecast, together with a pressure on in year capital budgets of £476k.

2. General Fund Revenue Account

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

1.3 Appendix A provides an overview of the General Fund forecast outturn position. The forecast position includes areas of both under and overspend. There is a net overall pressure of £121k, less than 1% of the net cost of services budget.

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

Scrutiny Committee	Key Financial Pressure	Description
Housing and Community	£190k	Garage Income
Finance and Resources	£130k	Fleet vehicle Maintenance
Strategic Planning and Environment	£105k	Planning
Strategic Planning and Environment	£90k	Commercial Waste Income

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

	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Finance & Resources	16,382	16,364	(18)	(0.1%)
Housing & Community	537	614	77	14.3%
Strategic Planning and Environment	8,467	8,850	383	4.5%
Total	25,386	25,828	442	1.7%
Investment Property	(4,317)	(4,306)	11	(0.3%)
Core Funding	(21,070)	(21,402)	(332)	1.6%
Contribution (to)/ from General Fund Working Balance	(1)	120	121	

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

3. Finance and Resources, Investment Property and Core Funding

Finance & Resources	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	10,471	10,556	85	0.8%
Premises	1,951	1,961	10	0.5%
Transport	224	226	2	0.9%
Supplies & Services	3,888	3,944	56	1.4%
Third-Parties	672	690	18	2.7%
Transfer Payments	47,144	47,144	0	0.0%
Income	(5,112)	(5,301)	(189)	3.7%
Other Income	(47,584)	(47,584)	0	0.0%
Earmarked Reserves	4,727	4,727	0	0.0%
Total	16,381	16,363	(18)	(0.1%)

	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Investment Property	(4,317)	(4,306)	11	(0.3%)
Core Funding	(21,070)	(21,402)	(332)	1.6%
Total	(25,387)	(25,708)	(321)	1.3%

1.6 Employees - £85k pressure against budget

The forecast pressure against employee budgets includes:

- £45k relating to agency staff costs within the Estates team covering professional surveying roles that the service has struggled to recruit to permanently. A further permanent recruitment drive is underway and any associated financial benefit will be included in future reports.

3.2 Income - £189k over achievement of budget

The forecast overachievement of income against budget includes:

- £90k additional income relating to the Council's leisure management contract, arising from a reduction in business rates costs to the contractor.
- £70k of unbudgeted grant income in to the Revenues and Benefits service. This grant is ring-fenced to the Benefits Administration service and is being used to fund specialist resource to carry out the required work. A supplementary budget for agency staff in Benefits is requested, funded by the grant income received.

3.3 Core Funding - £332k additional funding/ reduction in expenditure

There is a combination of additional government grant income and a reduction in expenditure forecast to yield a benefit of £332k against core funding budgets. These include:

- Increased new burdens funding of £117k, including £100k relating to the Revenues and Benefits service. This funding is not ring-fenced for a specific use and has therefore been treated as core funding.
- The Minimum Revenue Provision (MRP) is a minimum amount which a Council must charge against its revenue budget each year for the financing of capital expenditure which has been initially funded by borrowing. The MRP is £165k lower than budgeted for 2019/20, resulting from below-budget capital expenditure in 2018/19.
- Additional income from the HRA of £50k. This arises from work on void garden clearances previously carried out by Osborne and now undertaken by Clean, Safe and Green. As such, there is no resulting additional cost to the HRA.

4. Strategic Planning and Environment

Strategic Planning and Environment	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	10,234	10,558	324	3.2%
Premises	948	960	12	1.3%
Transport	1,187	1,326	139	11.7%
Supplies & Services	2,286	2,252	(34)	(1.5%)
Third-Parties	84	84	0	0.0%
Income	(6,064)	(6,122)	(58)	1.0%
Earmarked Reserves	(208)	(208)	0	0.0%
Total	8,467	8,850	383	4.5%

4.1 Employees - £324k pressure against budget

The forecast pressure against employee budgets includes:

- £180k relating to the use of agency staff within Planning. Vacant posts are being backfilled by agency at a higher rate than the cost of permanent staff. Work on the LA3 (Local Allocation 3 - West Hemel Hempstead) development is also requiring a permanent member of staff to be backfilled in order to meet required timescales. The overspend is partially mitigated by planning income, which is forecast to exceed budget by £75k due to additional pre-application advice fees.
- £100k of Development employee costs, showing as a variance in the table above, are offset by grant funding. £240k of Planning Delivery Fund grant was received from the Ministry of Housing, Communities and Local Government in previous financial years to support the South West Hertfordshire Joint Strategic Plan, of which £170k is held in reserves. A

supplementary budget of £100k funded by this grant is requested to create a staffing budget to allow this work to be undertaken.

4.2 Transport - £139k pressure against budget

This pressure relates to the maintenance of ageing fleet vehicles in Waste Services, including additional short term hire costs and repair costs. The procurement of the new waste fleet has been completed and new vehicles are expected to be operational from November 2019.

4.3 Income - £58k surplus against budget

In addition to the forecast surplus on Planning fees of £75k, and the £100k of strategic planning grant income, included within this variance is a pressure of £90k relating to the Commercial Waste service. Income from Commercial Waste has been under budget due to the ongoing effect of loss of customers. A full review of the service including marketing and charging structure is currently underway. Resulting actions and financial benefits will be disclosed in future reports.

5. Housing and Community

Housing and Community	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	3,920	3,831	(89)	(2.3%)
Premises	886	696	(190)	(21.4%)
Transport	18	18	0	0.0%
Supplies & Services	1,288	1,254	(36)	(2.6%)
Transfer Payments	55	55	0	0.0%
Income	(5,575)	(5,185)	390	(7.0%)
Earmarked Reserves	(55)	(55)	0	0.0%
Total	537	614	77	14.3%

4.4 Employees - £89k underspend against budget

There are small forecast staffing underspends across Housing and Community relating to vacant posts that total £89k.

4.5 Premises - £190k underspend against budget

The forecast underspend relates to the ongoing upkeep and maintenance costs for the Garages service. A full stock condition survey has been commissioned to determine the current state of the garage stock. The results of the survey are expected in the autumn of 2019, and a revised maintenance programme will be developed and reported to members. In the interim, where the stock condition survey highlights urgent maintenance requirements these works are being commissioned.

4.6 Income - £390k pressure against budget

The forecast pressure relates to the Garage service income not being achieved and is a continuation of 2018/19 position. Void rates continue at around 30%. An ongoing garage strategy will be developed once the stock condition survey has been completed.

4.7 Supplementary budgets requested

A supplementary budget funded from earmarked reserves is requested to fund expenditure in the Homelessness service. In financial year 2018/19, a grant of £62k was received for the purpose of preventing homelessness. This grant is to be spent in 2019/20 on a number of measures to reduce homelessness, such as an outreach worker, an education and awareness programme for young adults and support for individual residents at high risk of homelessness in the form of help towards a deposit. A supplementary budget of £62k is requested, to be funded from the Earmarked Grants Reserve.

At a meeting of the Dacorum Strategic Network in April 2019, it was agreed that a sum of £39k would be allocated to specific projects: £18k to preventing homelessness, £14k to Community Action Dacorum Loneliness Project and £7k to Hertfordshire Constabulary for an Automatic Number Plate Recognition project. The funding for these projects is currently held within the Dacorum Partnership Reserve, and as such, supplementary budgets funded from reserve are requested.

6. Housing Revenue Account (HRA)

4.8 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.

4.9 The projected HRA balance at the end of 2019/20 is a surplus of £391k. A balanced outturn position for the HRA can be achieved by either increasing (in the case of an overall surplus) or decreasing (in the case of an overall deficit) the final revenue contribution to capital for the HRA. This will be a decision for Members to take once the final outturn position for 2019/20 is confirmed early in 2020/21.

4.10 Dwelling rents - £139k overachievement of income

The forecast overachievement of income includes:

- £82k overachievement of rental income due to budget expectations on new build sites being set prudently in advance of allocations and rent levels being agreed.
- £48k reduction in the contribution required to subsidise housing management at sheltered schemes.

4.11 Supervision and Management - £405k underspend against budget

The forecast underspend against budget includes:

- £330k relating to vacancies across the service. Recruitment to these vacancies is currently underway.

7. Capital Programme

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

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

The current budget is the original budget approved by Cabinet in February 2019, plus approved amendments.

The 'rephasing' column refers to projects where expenditure is still expected to be incurred, but will now be in 2020/21 rather than 2019/20 ('slippage'), or conversely, where expenditure planned initially for 2020/21 has been incurred in 2019/20 ('accelerated spend').

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

	Current Budget £000	Rephasing £000	Revised Budget £000	Forecast Outturn £000	Variance £000 %	
Finance & Resources	9,705	(443)	9,262	9,811	549	5.7%
Strategic Planning and Environment	4,648	0	4,648	4,569	(79)	(1.7%)
Housing & Community	6,429	(245)	6,184	6,190	6	0.1%
GF Total	20,782	(688)	20,094	20,570	476	2.3%
HRA Total	43,845	(795)	43,050	43,050	0	0.0%
Grand Total	64,627	(1,483)	63,144	63,620	476	0.7%

4.13 General Fund Major Variances

There is projected rephasing on the General Fund of £688k in 2019/20 and a forecast overspend of £476k.

The projected rephasing to future years includes:

- Line 85: slippage of £383k on Car park refurbishment projects. This budget is for the refurbishment of 6 sites in the borough, 4 of which will be completed in this financial year. Works on the Water Gardens car parks will now take place in 2020/21 as this work needs to be coordinated with the Parking Access and Movement project.
- Line 131: slippage of £245k on CCTV Equipment Refresh. The tender for this work is underway, with the work expected to begin in November. It is therefore estimated that only half of the budgeted expenditure will take place in 2019/20.

The forecast additional spend of £476k is made up as follows:

- Line 67: additional spend of £400k on Bunkers Farm. Construction commenced in mid-June 2019 following completion of substantial archaeological survey work, and is expected to take approximately 24 weeks to complete. Substantial planning costs have been incurred to date, and a requirement for additional archaeological work has brought about additional expense.

4.14 Additional Capital Budgets

- Replacement of arena seating at Hemel Hempstead Sports Centre. The current seating at the sports centre is frequently used by Hemel Storm basketball club, and for community events such as dance and gymnastics competitions, and is in need of replacement. A supplementary capital budget of £112k is requested to fund the replacement seating.
- Capital budget of £36k to fund land acquired by the Council in lieu of a Community Infrastructure Levy contribution. The Council accepted land adjacent to Okeford Drive in Tring at a value of £36k from a developer, instead of a contribution of CIL. A capital budget of £36k is therefore requested, to be funded from CIL capital funds.

4.15 Housing Revenue Account Major Variances

There is projected rephasing on HRA of £795k and a forecast balanced outturn position.

The projected rephasing to future years includes:

- Line 192: accelerated spend of £185k on Martindale. The scheme is progressing well and further spend has been brought forward from 2020/21.
- Line 198: slippage of £749k on Bulbourne. The site is owned by the Parish Council and prior to any purchase, Secretary of State approval is required to relocate an allotment to a different location on the site. These authorisations can take from between 6 to 24 months to process. Until authorisation has been given and it is clear the scheme is truly viable, the acquisition is on hold.
- Line 203: accelerated spend of £339k on Gaddesden Row. The purchase of the land has taken place earlier than originally anticipated.
- Lines 204, 205 and 206: slippage of £520k on Randalls Ride, Garage Sites and Wilstone. These schemes have not progressed as quickly as anticipated due to resourcing issues which are due to be resolved imminently.

The forecast balanced outturn position includes:

- Line 191: underspend of £393k on the budget for New Build General Expenditure. This underspend offsets against other under and overspends across the programme.

- Line 194: underspend of £1.2m on Stationers Place. The full contingency for the scheme was not required.
- Lines 196 and 197: overspend of £577k on Swing Gate Lane. Delays to the scheme have incurred further costs that are still to be finalised. Final account negotiations are due to commence shortly.
- Line 200: overspend of £900k on Eastwick Row. The purchase of the land had not been included in the budget for this scheme and will be funded through the underspend on the New Build General line (line 191).

8. Conclusions and recommendations

4.16 As at Quarter 1 2019/20, there is a forecast pressure of £121k against General Fund budgets and a forecast surplus of £391k against Housing Revenue Account budgets.

4.17 As at Quarter 1 2019/20, against General Fund capital there is forecast budget rephasing of £688k and a forecast pressure of £476k. Against Housing Revenue Account capital schemes, budget rephasing of £795k is forecast and outturn is expected to be on budget.

4.18 Members are asked to:

- note the forecast outturn position for 2019/20 ;
- recommend to Council the approval of the revised capital programme to move slippage identified at Quarter 1 into financial year 2020/21;
- recommend to Council the approval of supplementary revenue budgets set out in the report;
- recommend to Council the approval of the supplementary capital budgets set out in this report.



Dacorum Borough Council

Appendix A

Revenue Budget Monitoring Report for June 2019 (Cost of Services Analysis By Scrutiny Committee)

	Month			Year-to-Date			Full Year		
	Budget £000	Actuals £000	Variance £000	Budget £000	Actuals £000	Variance £000	Budget £000	Forecast Outturn £000	Variance £000
Cost of Services									
Finance and Resources	2,198	852	(1,346)	4,672	2,366	(2,306)	16,382	16,364	(18)
Housing and Community	154	(408)	(562)	422	(258)	(680)	537	614	77
Strategic Planning and Environment	530	1,358	828	2,291	2,536	245	8,467	8,850	383
Net Cost of Services	2,882	1,802	(1,080)	7,385	4,644	(2,741)	25,386	25,828	442
Other Items									
Investment Property	(149)	(60)	89	(2,049)	(1,908)	141	(4,317)	(4,306)	11
Investment Income	(16)	(47)	(31)	(47)	45	92	(188)	(188)	0
Interest Payments and MRP	81	0	(81)	242	237	(5)	970	805	(165)
Parish Precept Payments	0	0	0	816	811	(5)	816	816	0
Government Grants	(182)	(549)	(367)	(545)	(1,211)	(666)	(2,179)	(2,296)	(117)
Taxation (Council Tax and Business Rates)	(1,356)	1,741	3,097	(4,069)	5,159	9,228	(16,276)	(16,276)	0
Surplus / Deficit on Provision of Services	(1,622)	1,085	2,707	(5,652)	3,133	8,785	(21,174)	(21,445)	(271)
Transfers between Reserves / Funds									
Net Recharge to the HRA	(351)	(21)	330	(1,053)	199	1,252	(4,213)	(4,263)	(50)
Net Movement on General Fund Working Balance	1,281	2,866	1,585	1,796	7,976	6,180	(1)	120	121

 Housing Revenue Account 2019/20 Outturn Revenue Budget Monitoring Report				
	Adjusted Budget £000	Outturn £000	Variance £000	%
Income:				
Dwelling Rents	(52,536)	(52,675)	(139)	0.3%
Non-Dwelling Rents	(102)	(102)	0	0.0%
Tenants Charges	(1,626)	(1,644)	(18)	1.1%
Leaseholder Charges	(487)	(487)	0	0.0%
Interest and Investment Income	(435)	(435)	0	0.0%
Contribution towards Expenditure	(645)	(555)	90	-14.0%
Total Income	(55,831)	(55,898)	(67)	0.1%
Expenditure:				
Repairs & Maintenance	12,068	12,089	21	0.2%
Supervision & Management	12,783	12,378	(405)	-3.2%
Rent, Rates, Taxes & Other Charges	35	95	60	171.4%
Interest Payable	11,558	11,558	0	0.0%
Provision for Bad Debts	975	975	0	0.0%
Depreciation	12,625	12,625	0	0.0%
HRA Democratic Recharges	307	307	0	0.0%
Revenue Contribution to Capital	5,480	5,480	0	0.0%
Total Expenditure	55,831	55,507	(324)	-0.6%
Transfer to / (from) Housing Reserves	0	0	0	0.0%
HRA Deficit / (Surplus)	0	(391)	(391)	
Housing Revenue Account Balance:				
Opening Balance at 1 April 2019	(2,892)	(2,892)	0	
Deficit / (Surplus) for year	0	(391)	(391)	
Proposed Contributions to Reserves	0	0	0	
Closing Balance at 31 March 2020	(2,892)	(3,283)	(391)	

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2019

Scheme	Budget Holder	Original Budget £	Prior Year Slippage £	Adj's, Supps, Virements £	Current Budget £	Rephasing £	Revised Budget £	YTD Spend £	Projected Outturn £	Projected Over / (Under) £
General Fund										
Finance and Resources										
Commercial Assets and Property Development										
42 Service Lease Domestic Properties	Richard Rice	30,000	0	0	30,000	0	30,000	0	30,000	0
43 Old Town Hall - Cafe Roof and stonework renewal	Richard Rice	0	60,000	0	60,000	(60,000)	0	0	0	0
44 Demolition of Civic Centre	Richard Rice	0	433,527	0	433,527	0	433,527	13,747	433,527	0
45 Victoria Hall Tring Staircase Renewal	Richard Rice	20,000	0	0	20,000	0	20,000	10,927	22,000	2,000
46 Bennetts End Community Centre - Replace Roof	Richard Rice	0	0	0	0	0	0	(1,509)	0	0
47 Adeyfield Community Centre - replace roof	Richard Rice	0	0	0	0	0	0	(4,710)	0	0
48 Tring Community Centre - new play area for Children's Nursery	Richard Rice	0	11,144	0	11,144	0	11,144	0	22,000	10,856
49 Rossgate Shopping Centre - Structural Works	Richard Rice	0	300,901	0	300,901	0	300,901	0	300,901	0
50 Leys Road - Roof	Richard Rice	0	0	0	0	0	0	(1,712)	0	0
51 The Denes Shopping Centre - Renew Walkway & Canopy Covering	Richard Rice	0	27,286	0	27,286	0	27,286	20,440	20,440	(6,846)
52 Grovehill Shopping Centre - renew car park	Richard Rice	30,000	0	0	30,000	0	30,000	0	30,000	0
53 58 High St (Old Town), Hemel - Remove and Rebuild Wall	Richard Rice	0	40,900	0	40,900	0	40,900	800	103,000	62,100
54 100 High St (Old Town), Hemel - Window Replacement	Richard Rice	0	14,000	0	14,000	0	14,000	0	14,000	0
55 Half Moon Yard - Replace soffit/facia & external facade	Richard Rice	0	18,000	0	18,000	0	18,000	0	18,000	0
56 Long Chaulden Roof	Richard Rice	0	55,020	0	55,020	0	55,020	0	55,020	0
57 Bellgate - Walkway Renovation	Richard Rice	0	66,000	0	66,000	0	66,000	0	66,000	0
58 Stoneycroft - Car Park Refurbishment	Richard Rice	55,000	0	0	55,000	0	55,000	0	55,000	0
59 Hobbs Hill - Window and Door Renewal	Richard Rice	15,000	0	0	15,000	0	15,000	0	15,000	0
60 Bennettsgate - Window Renewal	Richard Rice	90,000	(4,250)	0	85,750	0	85,750	0	85,750	0
61 Central Nursery Roof Replacement	Richard Rice	15,000	0	0	15,000	0	15,000	0	15,000	0
62 Northbridge Road Highway Improvements	Richard Rice	45,000	0	0	45,000	0	45,000	0	45,000	0
63 Queens Square Canopy Renewal	Richard Rice	50,000	0	0	50,000	0	50,000	0	50,000	0
64 Kingshill Cemetery - Toilet Provision	Richard Rice	0	29,502	0	29,502	0	29,502	41,632	41,632	12,130
65 Heath Lane Chapel - Replace roof	Richard Rice	0	14,000	0	14,000	0	14,000	0	14,000	0
66 Kingshill Cemetery Infrastructure (New Burial Area)	Richard Rice	0	40,000	0	40,000	0	40,000	0	40,000	0
67 Bunkers Farm	Richard Rice	200,000	548,881	0	748,881	0	748,881	6,290	1,148,881	400,000
		550,000	1,654,911	0	2,204,911	(60,000)	2,144,911	85,904	2,625,151	480,240
Procurement and Contracted Services										
71 Berkhamsted Sports Centre - Roof Replacement	Ben Hosier	0	1,100	0	1,100	0	1,100	(7,890)	1,100	0
72 Hemel Hempstead Sports Centre - Roof	Ben Hosier	100,000	0	0	100,000	0	100,000	0	100,000	0
73 Dacorum Athletics Track - Resurface Track	Ben Hosier	(350,000)	550,000	0	200,000	0	200,000	0	200,000	0
74 Hemel Hempstead Sports Centre - Astro turf renewal	Ben Hosier	0	70,000	0	70,000	0	70,000	0	70,000	0
75 Berkhamsted Sports Centre - Installation of new hot water calorifiers	Ben Hosier	0	50,000	0	50,000	0	50,000	0	50,000	0
76 Berkhamsted Sports Centre - Building Management System	Ben Hosier	0	150,000	0	150,000	0	150,000	0	150,000	0
77 Leisure Works - Berkhamsted Swimming Pool Walls Refurbishment	Ben Hosier	33,000	0	0	33,000	0	33,000	0	33,000	0
78 Leisure Works - Jarmans Athletics Track Renew Floodlights	Ben Hosier	18,000	0	0	18,000	0	18,000	20,925	20,925	2,925
79 Leisure Works - Replacement of Disability Hoists Hemel and Berkhamsted	Ben Hosier	20,000	0	0	20,000	0	20,000	0	20,000	0
80 Leisure Works - Replacement of Fire Exit Door (Hemel)	Ben Hosier	20,000	0	0	20,000	0	20,000	0	20,000	0
81 Leisure Works - Replacement of Circulation Pump (Hemel)	Ben Hosier	12,000	0	0	12,000	0	12,000	0	12,000	0
82 Leisure Works - Replace Pool Cover Structure (Hemel)	Ben Hosier	64,000	0	0	64,000	0	64,000	0	64,000	0
83 Leisure Works - Replace Air Handling Unit in the Pool (Hemel)	Ben Hosier	390,000	0	0	390,000	0	390,000	0	390,000	0
84 Tring Swimming Pool	Ben Hosier	0	284,527	0	284,527	0	284,527	351,021	351,021	66,494

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2019

Scheme	Budget Holder	Original Budget £	Prior Year Slippage £	Adj's, Supps, Virements £	Current Budget £	Rephasing £	Revised Budget £	YTD Spend £	Projected Outturn £	Projected Over / (Under) £
85 Car Park Refurbishment	Ben Hosier	260,000	303,235	0	563,235	(383,235)	180,000	(5,601)	180,000	0
86 Multi Storey Car Park Berkhamsted	Ben Hosier	1,162,093	2,456,181	0	3,618,274	0	3,618,274	569,887	3,618,274	0
87 Works to The Forum - Pigeon Proofing of Photovoltaic Panels	Ben Hosier	20,000	0	0	20,000	0	20,000	0	20,000	0
		1,749,093	3,865,043	0	5,614,136	(383,235)	5,230,901	928,343	5,300,320	69,419
Finance and Resources (continued)										
Development Management and Planning										
91 Planning Software Replacement	Sara Whelan	0	64,614	0	64,614	0	64,614	18,100	64,614	0
		0	64,614	0	64,614	0	64,614	18,100	64,614	0
Finance & Governance Management										
95 Civic Zone Regeneration Upgrade (DevCo)	James Deane	650,000	(85,129)	0	564,871	0	564,871	37,384	564,871	0
		650,000	(85,129)	0	564,871	0	564,871	37,384	564,871	0
Housing & Regeneration Management										
99 The Forum (Public Service Quarter)	Mark Gaynor	0	0	0	0	0	0	(100,000)	0	0
100 Gade Zone	Mark Gaynor	0	0	0	0	0	0	603	0	0
		0	0	0	0	0	0	(99,397)	0	0
Information, Communication and Technology										
104 Rolling Programme - Hardware	Ben Trueman	75,000	0	45,000	120,000	0	120,000	5,584	120,000	0
105 Software Licences - Right of Use	Ben Trueman	50,000	0	0	50,000	0	50,000	0	50,000	0
106 Website Development	Ben Trueman	0	26,841	0	26,841	0	26,841	55	26,841	0
107 Mobile Working	Ben Trueman	45,000	0	(45,000)	0	0	0	0	0	0
108 Future vision of CRM	Ben Trueman	(110,000)	241,344	0	131,344	0	131,344	34,522	131,344	0
109 Improvement works to The Forum	Ben Trueman	0	94,793	0	94,793	0	94,793	41,056	94,793	0
		60,000	362,978	0	422,978	0	422,978	81,217	422,978	0
People										
113 EIS Replacement	Matt Rawdon	0	70,000	0	70,000	0	70,000	0	70,000	0
		0	70,000	0	70,000	0	70,000	0	70,000	0
Property and Place										
117 Disabled Facilities Grants	Alan Mortimer	741,000	10,670	0	751,670	0	751,670	132,335	751,670	0
		741,000	10,670	0	751,670	0	751,670	132,335	751,670	0
Revenues, Benefits and Fraud										
121 Revenues and Benefits new servers	Chris Baker	0	12,000	0	12,000	0	12,000	0	12,000	0
		0	12,000	0	12,000	0	12,000	0	12,000	0
Totals: Finance and Resources		3,750,093	5,955,087	0	9,705,180	(443,235)	9,261,945	1,183,886	9,811,604	549,659

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Scheme	Budget Holder	Original Budget £	Prior Year Slippage £	Adj's, Supps, Virements £	Current Budget £	Rephasing £	Revised Budget £	YTD Spend £	Projected Outturn £	Projected Over / (Under) £
Housing and Community										
Procurement and Contracted Services										
129 Rolling Programme - CCTV Cameras	Ben Hosier	25,000	0	0	25,000	0	25,000	0	25,000	0
130 Alarm Receiving Centre	Ben Hosier	0	33,627	0	33,627	0	33,627	0	33,627	0
131 CCTV Equipment Refresh	Ben Hosier	490,000	0	0	490,000	(245,000)	245,000	0	245,000	0
		515,000	33,627	0	548,627	(245,000)	303,627	0	303,627	0
People										
135 Verge Hardening Programme	Matt Rawdon	350,000	(106,063)	0	243,937	0	243,937	5,805	243,937	0
136 Storage Facility at Grovehill Adventure Playground	Matt Rawdon	0	25,000	0	25,000	0	25,000	0	25,000	0
137 Capital Grants - Community Groups	Matt Rawdon	20,000	0	0	20,000	0	20,000	0	20,000	0
		370,000	(81,063)	0	288,937	0	288,937	5,805	288,937	0
Strategic Housing										
141 Affordable Housing Development Fund	David Barrett	1,629,000	2,062,567	0	3,691,567	0	3,691,567	1,425,835	3,691,567	0
142 Northend and Westerdale (Garage Development)	David Barrett	370,000	1,407,359	0	1,777,359	0	1,777,359	275,114	1,782,975	5,616
144 Wood House - Office Space Fit Out	David Barrett	0	0	0	0	0	0	10,372	0	0
145 Temporary Accommodation - creation of new units	David Barrett	90,000	32,711	0	122,711	0	122,711	78,617	122,711	0
		2,089,000	3,502,637	0	5,591,637	0	5,591,637	1,789,939	5,597,253	5,616
Totals: Housing and Community		2,974,000	3,455,201	0	6,429,201	(245,000)	6,184,201	1,795,744	6,189,817	5,616
Strategic Planning and Environment										
Environmental Services										
153 Wheeled Bins & Boxes for New Properties	Craig Thorpe	10,000	0	0	10,000	0	10,000	0	10,000	0
154 Waste & Recycling Service Improvements	Craig Thorpe	36,000	11,414	0	47,414	0	47,414	25,060	41,614	(5,800)
155 Commercial Waste Collection System	Craig Thorpe	0	1,700	0	1,700	0	1,700	7,500	7,500	5,800
156 Gadebridge Park - Splash Park	Craig Thorpe	0	0	0	0	0	0	(20,590)	0	0
157 Gadebridge Park - Renovation of White Bridge	Craig Thorpe	250,000	209,426	0	459,426	0	459,426	1,945	380,000	(79,426)
158 Cupid Green Waste Site Renovation	Craig Thorpe	100,000	0	0	100,000	0	100,000	0	100,000	0
159 Cupid Green Welfare Facilities	Craig Thorpe	90,000	0	0	90,000	0	90,000	0	90,000	0
160 Fleet Replacement Programme	Craig Thorpe	1,122,328	1,715,643	0	2,837,971	0	2,837,971	60,519	2,837,971	0
161 Fleet Services Renew Plant & Equipment	Craig Thorpe	46,500	155,000	60,000	261,500	0	261,500	0	261,500	0
162 Fleet Service Management System Upgrade	Craig Thorpe	34,000	(22,000)	0	12,000	0	12,000	0	12,000	0
		1,688,828	2,071,183	60,000	3,820,011	0	3,820,011	74,434	3,740,585	(79,426)
Strategic Planning and Regeneration										
166 Maylands Phase 1 Improvements	Chris Taylor	0	0	0	0	0	0	(13,844)	0	0

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CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2019

Scheme	Budget Holder	Original Budget £	Prior Year Slippage £	Adj's, Supps, Virements £	Current Budget £	Rephasing £	Revised Budget £	YTD Spend £	Projected Outturn £	Projected Over / (Under) £
167 Urban Park/Education Centre (Durrants Lakes)	Chris Taylor	80,000	54,015	0	134,015	0	134,015	0	134,015	0
168 Maylands Business Centre	Chris Taylor	0	0	0	0	0	0	(9,645)	0	0
169 Town Centre Access Improvements	Chris Taylor	565,000	74,280	0	639,280	0	639,280	0	639,280	0
170 The Bury - Conversion into Museum and Gallery	Chris Taylor	0	55,000	0	55,000	0	55,000	0	55,000	0
		645,000	183,295	0	828,295	0	828,295	(23,489)	828,295	0
Totals: Strategic Planning and Environment		2,333,828	2,254,478	60,000	4,648,306	0	4,648,306	50,945	4,568,880	(79,426)
Totals - Fund: General Fund		9,057,921	11,664,766	60,000	20,782,687	(688,235)	20,094,452	3,030,575	20,570,301	475,849
Housing Revenue Account										
Housing and Community										
Property & Place										
182 Planned Fixed Expenditure	Alan Mortimer	12,000,000	0	0	12,000,000	0	12,000,000	800,167	12,000,000	0
183 Pain/Gain Share (Planned Fixed Expenditure)	Alan Mortimer	0	0	0	0	0	0	283,854	0	0
184 M&E Contracted Works	Alan Mortimer	700,000	0	0	700,000	0	700,000	164,614	700,000	0
185 Communal Gas & Heating	Alan Mortimer	3,000,000	0	0	3,000,000	0	3,000,000	342,535	3,000,000	0
186 DBC Commissioned Capital Works	Alan Mortimer	(439,505)	3,420,524	0	2,981,019	0	2,981,019	446,374	2,981,019	0
187 Special Projects	Alan Mortimer	146,000	767,853	0	913,853	0	913,853	0	913,853	0
		15,406,495	4,188,377	0	19,594,872	0	19,594,872	2,037,544	19,594,872	0
Strategic Housing										
191 New Build - General Expenditure	David Barrett	(326,953)	5,750,715	0	5,423,762	0	5,423,762	5,775	5,030,596	(393,166)
192 Martindale	David Barrett	8,221,449	2,021,510	0	10,242,959	184,516	10,427,475	1,404,688	10,427,475	0
193 Kylna Court (Previously known as Wood House)	David Barrett	0	0	0	0	0	0	(17,695)	84,744	84,744
194 Stationers Place / Apsley Paper Mill	David Barrett	3,895,519	2,193,192	0	6,088,711	0	6,088,711	221,959	4,920,462	(1,168,249)
195 Able House	David Barrett	0	0	0	0	0	0	16,051	0	0
196 Swing Gate Lane	David Barrett	0	0	0	0	0	0	35,700	296,373	296,373
197 Swing Gate Lane Conversion	David Barrett	0	0	0	0	0	0	104,972	280,298	280,298
198 Bulbourne	David Barrett	800,000	34,656	0	834,656	(748,937)	85,719	0	85,719	0
199 Coniston Road	David Barrett	60,000	39,200	0	99,200	(15,557)	83,643	10,141	83,643	0
200 Eastwick Row	David Barrett	120,000	11,529	0	131,529	0	131,529	26,143	1,031,529	900,000
201 St Margaret's Way	David Barrett	400,000	41,148	0	441,148	0	441,148	0	441,148	0
202 Paradise Fields	David Barrett	150,000	5,739	0	155,739	(34,071)	121,668	24,938	121,668	0
203 Gaddesden Row	David Barrett	100,000	(7,668)	0	92,332	339,168	431,500	13,325	431,500	0
204 Randalls Ride	David Barrett	120,000	0	0	120,000	(60,000)	60,000	0	60,000	0
205 Garage Sites - New Build Developments	David Barrett	500,000	0	0	500,000	(400,000)	100,000	0	100,000	0
206 Wilstone	David Barrett	120,000	0	0	120,000	(60,000)	60,000	0	60,000	0
		14,160,015	10,090,021	0	24,250,036	(794,881)	23,455,155	1,845,997	23,455,155	0
Totals: Housing and Community		29,566,510	14,278,398	0	43,844,908	(794,881)	43,050,027	3,883,541	43,050,027	0
Totals - Fund: Housing Revenue Account		29,566,510	14,278,398	0	43,844,908	(794,881)	43,050,027	3,883,541	43,050,027	0
Totals		38,624,431	25,943,164	60,000	64,627,595	(1,483,116)	63,144,479	6,914,116	63,620,328	475,849

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Report for:	Cabinet
Date of meeting:	10 September 2019
Part:	1
If Part II, reason:	

Title of report:	Anti-social Behaviour Policy
Contact:	Cllr Margaret Griffiths, Portfolio Holder for Housing Cllr Julie Banks, Portfolio Holder for Neighbourhood Delivery Author/Responsible Officers Layna Warden – Group Manager (Tenants and Leaseholders) Emma Walker – Group Manager (Community and Environmental Protection)
Purpose of report:	To provide details of the councils approach to dealing with Anti-social Behaviour and introduce a new policy combining both Housing and Environmental and Community Protection services
Recommendations	That the Anti-social Behaviour Policy as set out in the report be approved
Corporate Objectives:	<ul style="list-style-type: none"> • Working in partnership to create a borough that enables Dacorum's communities to thrive and prosper • A clean, safe and enjoyable environment • Building strong and vibrant communities
Implications:	<u>Financial</u> There are no direct financial implications arising from this policy but it is expected that court and legal costs should be reduced
'Value For Money Implications'	<u>Value for Money</u> By Environmental and Community Protection and Housing departments working closely through one joint policy a more consistent and proactive service can be provided ensuring that appropriate action is taken to reduce high court costs, build communities and reduce complaints.

Risk Implications	This is an opportunity for the Council to develop a more coordinated approach to effectively managing Anti-social Behaviour. This policy sets out our duties as a Local Authority and Landlord and the intention of this report is to comply with legislation and therefore avoid the risk of non-compliance.
Community Impact Assessment	Community Impact Assessment is attached at Appendix 3
Health And Safety Implications	There are no direct Health and Safety implications arising from this policy
Monitoring Officer/S.151 Officer Comments	<p>Deputy Monitoring Officer:</p> <p>Social landlords are required by law to have policies and procedure in place for dealing with anti-social behaviour. Approval of the updated policy will ensure that the Council meets its obligations.</p> <p>S.151 Officer</p> <p>There are no financial implications arising directly from the recommendations in this report.</p>
Consultees:	<p>Fiona Williamson – Assistant Director (Housing) Mark Gaynor- Corporate Director (Housing and Regeneration) Dave Austin – Assistant Director (Neighbourhood Delivery) CMT – Corporate Management Team RAOG - Responsible Authorities Officers Group Lindsey Walsh – Team Leader (Tenancy and Leasehold) Nicola Lobendhan – Team Leader Anti-social Behaviour Amy Dalton – Community Safety Lead Officer Usman Mohammed – Litigation Barrister</p>
Background papers:	Appendix 2 - Anti-social Behaviour Action plan
Glossary of acronyms and any other abbreviations used in this report:	<p>ASB – Anti-social Behaviour CSP – Community Safety Partnership DBC – Dacorum Borough Council</p>

1. Introduction

- 1.1. Dacorum Borough Council recognises that the problems created by Anti Social Behaviour (ASB) need to be dealt with in a robust but proportionate manner. Residents are entitled to live in a quiet and peaceful environment, so when appropriate the Council will aim to work quickly and efficiently to tackle incidents of ASB.
- 1.2. This report introduces a single council wide ASB policy set out in full at Appendix 1. This will apply to tenants and residents (regardless of tenure), their family members and other occupants and visitors. This report outlines the key elements of the policy and gives members an overview of the approach taken by all teams when managing residents or tenants who are victims or perpetrators of ASB.

2. Background

- 2.1. The Housing Team are responsible for all low and medium level ASB cases that involve council tenants. Where cases involve a significant risk to the community or involve violence these are escalated to the Corporate ASB Team to work on behalf of housing to resolve or take enforcement action. The Corporate ASB Team also manage any high level cases where the perpetrator is not a DBC Council tenant.
- 2.2. There is a responsibility on the Local Authority to effectively deal with ASB from residents and tenants and to protect the community. The Anti-social Behaviour, Crime and Policing Act 2014 updated a number of tools and powers to enable relevant officers to achieve this.
- 2.3. Over the past two years, new Group Managers have started in the posts that manage the teams who deal with ASB. Additionally a restructure to Resident Services moved the corporate ASB Team to a new Environmental and Community Protection service. The Service Level Agreement (SLA) between the two services has been reviewed and Group Managers have been involved in some complaints and cases that have been escalated to MPs and investigated by the Ombudsman.
- 2.4. These changes prompted a review to gain better understanding of the processes and experiences of residents in ASB cases. The Council's Performance and Innovation team carried out an analysis of cases and carried out a focus group with officers who are involved in some way in dealing with ASB or supporting residents who are victims.
- 2.5. A number of recommendations from this review have been taken forward as part of an Action plan as set out in Appendix 2. This was created in partnership between Housing, Environmental and Community Protection, Community Safety and Legal services.
- 2.6. One of the key recommendation from this review was to align the working practices across all teams and in particular, through one joint policy. Bringing the separate policies for Housing and Environmental and Community Protection into one working document will improve consistency and prevent legal challenge. Where cases pass between teams it will ensure it is clear which document applies.

3. The National Context

- 3.1. There have been a number of legislation changes introduced by the Anti-Social, Police and Crime Act 2014. The act introduced simpler, more effective powers to tackle anti-social behavior that provide better protection for victims and communities.
- 3.2. The powers introduced by the 2014 Act are deliberately local in nature. Those who work within and for local communities are best placed to understand what is driving the behaviour in question, the impact that it is having, and to determine the most appropriate response.
- 3.3. The powers introduced by the act are designed to be flexible to ensure that local agencies have the tools they need to respond to different forms of anti-social behaviour. The guidance sets out the legal tests that must be met before each of the powers can be used.

4. The Local Context

- 4.1. The Tenants and Leaseholders team manage the 10,400 council homes owned by DBC. The average number of live ASB cases per 1000 properties in 2018/19 was 7.04% with a total of 352 cases managed by the team over this year. This has varied from 57-80 cases open to the Housing team at any time.
- 4.2. The nature of these cases range from noise complaints, issues with parking and environmental behaviour and pet problems through to drug related problems, verbal and physical abuse and aggression. Often there are underlying issues that Housing Officers will work with partner agencies including the Police and support services to try and resolve.
- 4.3. Currently the corporate ASB team have 25 cases that have been considered High Level and escalated from the Housing Team. An SLA between the Housing and Environmental and Community Protection team covers the financial arrangement for the ASB Team to provide a specialist service on behalf of the Housing Service.
- 4.4. An additional 11 cases are currently open to the ASB team involving private residents. Last year there were 33 case dealt with by the ASB Team that were not DBC Tenants. Other cases involving Housing Association Premises are taken on if Housing Association have exhausted all avenues available to them as landlords.
- 4.5. Performance of the teams are monitored in a number of ways. This includes ensuring all cases are acknowledged within 1 working day of receiving the report and satisfaction surveys on completion of the case. Additionally case reviews are completed with all officers on a monthly basis.
- 4.6. A number of non-legal remedies like verbal or written warnings are used in the first instance with Housing Officers referring many cases to Mediation Herts to resolve disagreements between neighbours. Other options include good neighbour agreements and conflict coaching to prevent cases from escalating.

4.7. A number of legal remedies have been taken over the past 12 months, with four Closure Orders granted since the beginning of 2019. This demonstrates a considerable increase in drug-related issues but also the ability for the Council to take swift and appropriate action to effectively resolve these problems for the wider community.

5. Draft Policy

5.1. In partnership with a number of departments a key focus has been to finalise the attached draft ASB policy. This policy replaces the previous separate policy documents to ensure a joined up approach between the departments. The policy clearly sets out our commitments:

- No one should have to tolerate ASB
- Reports of ASB will be treated seriously and dealt with professionally
- ASB will be dealt with firmly, fairly and proportionately
- We will work with partners in order to deliver an effective, value for money ASB service across the community
- We will provide a high quality service that meets people's identified needs

5.2. The policy has been developed with input from both Housing and Environmental and Community Protection Department with significant input from both Legal Services and Community Safety Officers.

5.3. This policy was approved at Corporate Management Team on Tuesday 11th June 2019 and was sent to RAOG for comments from our partner organisations. Feedback was also received from the Housing and Communities Overview and Scrutiny Committee and these have informed the draft policy.

6. Conclusion

6.1. It is important that we have robust policies to support our ability to address ASB in Dacorum.

6.2. If approved this ASB Policy will replace any existing relevant policies in Housing and Environmental and Community Protection. It will be due for review in 2 years and all procedures will follow from this document to ensure front line officers uphold the commitments and detail set out in this document.

7. Recommendations

7.1. That the Anti-social Behaviour Policy as set out in the report be approved



Anti-Social Behaviour Policy

Last reviewed August 2019

1.0 Anti-Social Behaviour

Policy overview

This policy was adopted on **XXX** and is managed and adhered to by Environmental and Community Protection Service and the Housing Service. This policy will be reviewed every two years.

Contents

1.0 Policy overview

- 1.1 Introduction
- 1.2 Aim(s) of the policy
- 1.3 Links to the Council's corporate aims
- 1.4 Equality and diversity
- 1.5 Policy statement

2.0 Anti-Social Behaviour detail

3.0 Our Commitments

4.0 Additional considerations

5.0 Links to other corporate strategies and policies

6.0 Legislation

1.1 Introduction

Dacorum Borough Council recognises that the problems created by Anti-Social Behaviour (ASB) need to be dealt with in a robust but proportionate manner. Residents are entitled to live in a quiet and peaceful environment, so when appropriate the Council will aim to work quickly and efficiently to tackle incidents of ASB.

The Council's ASB policy applies to tenants and residents (regardless of tenure), their family members and other occupants and visitors.

The Anti-Social Behaviour, Crime and Policing Act 2014 defines ASB as:

- Conduct that has caused, or is likely to cause, harassment, alarm or distress to any person,
- Conduct capable of causing nuisance or annoyance to a person in relation to that person's occupation or residential premises, or;
- Conduct capable of causing (housing-related) nuisance or annoyance to any person.

1.2 Aim(s) of the policy:

The aims of this policy are to set out Dacorum Borough Council's approach to how it delivers its service, the obligations of the relevant Council departments and the commitments it makes to respond and effectively deal with various aspects of ASB.

1.3 Links to Council's corporate aims:

This policy supports the council's corporate priorities which are set out in '[Delivering for Dacorum – Corporate Plan 2015-2020](#)'

1.4 Equality and diversity

The Council is committed to promoting equality of opportunity in its services and has procedures in place to ensure that all residents are treated fairly and without unlawful discrimination.

The Equality Act 2010 provides a framework to ensure Council services are not provided in a discriminatory manner by having due regard to eliminating discrimination, harassment and victimisation, advancing equality of opportunity and fostering good relations. Under this policy, the Council will also:

- demonstrate that we have considered any vulnerability identified within the Act when deciding to proceed with legal action.
- have concluded that legal action is needed due to the effect of the anti-social behaviour on either the health of the victim and/or the perpetrator.
- ensure that the proposed legal action is a proportionate response to the anti-social behaviour.

1.0 Anti-Social Behaviour Policy

3. Our environmental protection role

The Council has a range of responsibilities to deal with “environmental” ASB, such as noise, litter, bonfires, fly tipping and abandoned vehicles. These responsibilities arise from a number of Acts and local byelaws, but in particular from the Environmental Protection Act 1990.

2.0 Anti-Social Behaviour Policy detail

Whilst these are three distinct roles, there are very strong links between them and close working arrangements have been developed between teams that deliver the various services.

The Council considers the impact on victims is crucial and operates a victim-centred approach when dealing with ASB.

How each case is handled will vary on the specific circumstances of the victim and the perpetrator. All service users will be treated with dignity and respect. Language barriers and certain forms of mental illness or disability may make it difficult for some people to express themselves or communicate clearly, so officers will consider use of advocates, translation services and/or make reasonable adjustments to meet the needs of the individuals.

1.5 Policy Statement(s)

Our Responsibilities

1. Our role as a social landlord.

As a landlord, we have a duty to respond to ASB affecting the properties we manage. Our landlord duties and powers are different from, and in addition to, the duties and powers we have to deal with ASB in the wider community.

2. Our role as part of the Community Safety Partnership

Under the Crime and Disorder Act 1988, the Council must work with the Police and other agencies to reduce crime and disorder in Dacorum. In this role, we play a key part in dealing with ASB of all kinds.



Examples of ASB

Noise:

Loud Televisions and music, persistent and unnecessary or excessive noise, shouting or yelling, excessively loud or frequent parties.

2.0 Anti – Social Behaviour Policy Detail continued

Intimidation, harassment and violence:

Verbal or written abuse, threats of violence **that have also been reported to Police**, threatening or aggressive behaviour, harassment, assault, damage to property, keeping and failing to control an aggressive dog, using or allowing premises to be used for illegal or immoral activity such as prostitution, selling, handling or storing or using illegal drugs or handling stolen goods, Domestic violence.

Environmental ASB:

Dumping rubbish and littering, vandalism, dog fouling, bonfires, graffiti, fly-posting, abandoned vehicles.

Hate motivated behaviour directed at a person's:

Race or nationality, gender, sexual orientation, disability, faith/religion, age.

ASB affecting our landlord role in addition to the above:

Failure by tenants to take reasonable steps to prevent others living in the property (including children or visitors) from behaving anti socially. Failure by tenants to observe any ASB-related tenancy condition. Any act (whether or not committed by a tenant or leaseholder), which directly or indirectly adversely affects the Council's management function. Misuse of communal areas (including parking areas). Use of motor vehicles in an anti-social manner by tenants or others living in the property or visitors of tenants or others living in the property – in these cases tenants will be referred to the housing policies and procedures.

The above is not an exhaustive list of conduct falling within each aspect of ASB, so is not intended to be read as such.

When we may not be able to get involved

We are unable to control human relationships. ASB can be difficult to define and there are some types of behaviour that are not classed as ASB and will not be investigated by the Council's Anti-Social Behaviour Team. Examples include, but are not limited to:

Children playing in the street or communal areas and young people gathering socially, unless they are being threatening or deliberately intimidating, parking issues (not being able to park outside your own home), civil disputes between neighbours e.g. shared driveways, fences, complaints about normal household noise or a single minor incident.

The Council has a limited ability to investigate and address ASB when complainants wish to remain anonymous. Perpetrators may be able to identify the person or house complaining even without names being disclosed and limits the evidence that can be produced in Court or the weight of that evidence, and therefore restricts the outcomes that we can expect to achieve with formal legal action.

3.0 Our Commitments

The Council's Anti-social Behaviour Policy is founded on the following five objectives.

1. No one should have to tolerate ASB
2. Reports of ASB will be treated seriously and dealt with professionally
3. ASB will be dealt with firmly, fairly and proportionately
4. We will work with partners in order to deliver an effective, value for money ASB service across the community
5. We will provide a high quality service that meets people's identified needs

3.0 Our Commitments continued

3.1 No one should have to tolerate ASB

Our policy is to:

- Make people aware of what anti-social behaviour is.
- Publicise and promote our various services to combat ASB.
- Encourage people to report ASB.
- Seek to respond to each reported case of ASB as quickly as possible.
- Support victims of ASB throughout the case

3.2 Reports of ASB will be treated seriously and dealt with professionally

Our policy is to:

- Assess (and reassess, when the Council considers necessary) the seriousness of the ASB reported to us.
- Treat all reports as confidential, sharing information only with other organisations that can help with the problem (e.g. the Police) and observing data protection laws and information-sharing agreements and any other relevant legislation.
- Ensure that criminal ASB reported to the Council is quickly passed on to the Police.
- Register and record each case we take on.
- Fully investigate the complaint, which may involve interviewing any alleged perpetrator and may involve interviewing third party witnesses.
- Quickly refer cases between the different departments of the Council and to other agencies as necessary.
- Formally close all cases in writing.
- Should we feel no action is appropriate, explain our reasons and advise on self-help or other alternative courses of action, whenever it is possible and appropriate to do this.
- Seek feedback on our handling of the case by way of satisfaction surveys sent to all complainants, once their case has been closed.
- Look to improve our service based on the feedback we receive.

3.3 ASB will be dealt with firmly, fairly and proportionately

Our policy is to:

- Take any necessary early action to protect people and property.
- Investigate the circumstances and seek to understand all the facts of the matter reported to us.
- Seek always to resolve cases at the lowest level of intervention, taking formal action when the ASB is serious or persistent or when it threatens people's safety or health.
- Use any of the tools and powers available to us under the law and Council policy, according to our best professional judgment.
- Take into account (and adjust our approach as necessary) when a victim or perpetrator is a vulnerable person.
- With the consent of the people involved, we may refer suitable cases to a mediation service.
- Not necessarily intervene where the issue involves private sector housing or private businesses, where there is no statutory duty on the Council to act.
- Insist that when dealing with a neighbour dispute that mediation be attempted and this may be the only action taken by the Council where there is no impact on the wider community.

3.0 Our Commitments continued

3.4. We will work with partners in order to deliver an effective, value for money ASB service across the community

Our policy is to:

- Play a full part as a key member of the Dacorum Community Safety Partnership.
- Participate in relevant strategic or preventative initiatives.
- Participate in permanent or ad-hoc multi-agency working groups dealing with specific ASB issues.
- Work with housing associations, private landlords, letting agents and businesses, providing professional advice and support as required so that these organisations can act confidently to prevent or tackle ASB, making use of their own resources.
- Consider whether reports or actions are considered inappropriate or unreasonable and ensure such reports do not take up a disproportionate amount of officer time and to ensure public money is not misspent.

3.5 We will provide a high quality service that meets people's identified needs

Our policy is to:

- Ensure that staff dealing with ASB are appropriately trained.
- Ensure that staff dealing with ASB understand and follow agreed policies and procedures.
- Focusing the response to ASB on the needs of the victims by adopting a victim-centred approach.
- Review this and other relevant policies to reflect new legislation and lessons learnt.
- Seek to ensure that all our activities are prioritised and undertaken with regard to clear evidence of need; sound consideration of how effective the work undertaken is likely to be, and a clear understanding of the outcomes sought.
- Ensure all steps are considered in line with the Equalities Act and that if there is a known vulnerability, or if one becomes known during the course of the investigation, that details are recorded and taken into account when deciding how to proceed or respond.



4.0 Additional Considerations

4.1 Examples of tools that we can use to tackle ASB

- There are a number of tools available to Local Authorities and Housing providers. Using the relevant legislation, we will take the lowest level of intervention appropriate in the circumstances.

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4.2 Support for victims and witnesses

A housing officer is available during normal office hours for Council tenants. This officer will normally be the first point of contact and will make an initial assessment of the severity of the problem. A housing officer may work alongside other relevant officers of the Council. The housing officer may refer the case to the Anti-social Behaviour Team if necessary.

If the case is passed to the ASB team, the allocated ASB officer will make contact with the victim and provide contact details. Whether the victim is working with the housing team or the ASB team, an action plan will be completed which will detail what the victim can expect from the Council and what the investigating officer will need from the victim in order to resolve the investigation. The Council will work with local agencies and community groups to help provide support both practical and emotional, for victims of ASB.

The Council is committed to providing a high level of service to both victims and witnesses of ASB. Council will consider using professional witnesses and hearsay evidence where appropriate to do so

The Council recognises that hate-motivated harassment is a serious offence and will remove hate-motivated graffiti and carry out emergency repairs as a matter of urgency after an incident is reported.

The Anti-social Behaviour, Crime and Policing Act 2014 includes new measures designed to give victims and communities a say in how ASB is dealt with:

4.3 The Community Trigger

The Community Trigger gives victims and communities the right to request a review of their case and bring agencies together to take a joined-up problem solving approach to find a solution. The Council, as a statutory authority, will have a duty to participate in case reviews as necessary.

Across Hertfordshire, a consistent approach has been developed to support all agencies involved in the new legislation, aiming to provide victims of ASB with a clear and effective response regardless of where they live in the county.

In Dacorum, the single point of contact is the Council's Lead officer for community safety. Further information on the Community Trigger can be found on the Council's website at:

www.dacorum.gov.uk/communitytrigger



4.0 Additional Considerations continued

4.4 Confidentiality and information sharing

Where appropriate, the Council will share information with the Police and other key agencies under joint information exchange protocols, so that all agencies can carry out their function and duties in accordance with the Crime and Disorder Act 1998.

The Council will also work to ensure that residents of the Borough are encouraged and are able to report incidents, confident in the knowledge that they will be recorded and investigated where appropriate.

The Council will work within the provisions of the General Data Protection Regulations (GDPR) / Data Protection Act 2018 that provides a background for the sharing of information and the need for confidentiality and privacy.

There is more information on how we use your information in our Privacy Policy, which is available on our website:

www.dacorum.gov.uk/privacypolicies

Specific action or details of the action or measures being taken with the third party will not be disclosed to the complainant by any investigating officer, unless there is a valid legal reason for the Council to do so.

4.5 Discretion

This policy commits us to dealing with ASB in Dacorum in a way that will always be fair and, in all-important respects, consistent across cases of a similar kind. However, our services are consistently evolving and each case we deal with is likely to be unique in some respect. This means that we may occasionally use our discretion to vary our approach from that described in this document. We may do this in any individual case, following appropriate consultation, or we may make any changes of approach apply in all subsequent cases, in which case we will formally amend our policy and procedures.



5.0

Links to other corporate documents

This policy links to and should be read in conjunction with the following policies and strategies:

- Children, young people and Adult Safeguarding Policy and procedures
- Lone working Policy
- Strategic Tenancy Policy
- Allocations Policy
- Corporate Complaints Policy
- Sustainable Tenancy Strategy
- Pet Policy

6.0

Legislation

The legislation listed below will be taken into consideration when implementing this policy:

- Data Protection Act 1998, 2003 and 2018
- Crime and Disorder Act 1998
- Anti-social Behaviour Act 2003
- Police and Criminal Evidence Act (PACE)
- Mental Health Act 1983 (amended 2007)
- Environmental Protection Act 1990
- Criminal Justice and Police Act 2001
- Housing Act 1996
- The Noise Act 1996 as amended by the Anti-social Behaviour Act 2003 and the Clean Neighbourhoods and Environmental Act 2005
- Children's Act 2004
- Harassment Act 1997
- Human rights Act 1998
- Homeless Reduction Act 2018
- Freedom of Information Act 2000
- Equality Act 2010
- Anti-Social Behaviour, Crime and Policing Act 2014

7.0

Partner Agencies

There are many partner agencies that we work with on anti-social behaviour are listed below:

- Hertfordshire Constabulary
- Hertfordshire Fire and Rescue
- Police and Crime Commissioners
- Housing Associations
- Mental Health Service
- Probation Service
- Hertfordshire Clinical Commissioning Group
- Hertfordshire County Council
- Neighbouring Local Authorities
- Her Majesty's Prison Service
- Change, Grow, Live
- DENS
- West Herts College
- Hertfordshire Partnership NHS Foundation Trust
- Community Safety Partnership



Report for:	Cabinet
Date of meeting:	10 September 2019
Part:	1
If Part II, reason:	

Title of report:	BUILDING CONTROL SERVICE
Contact:	<p>Cllr Graham Sutton, Portfolio Holder for Planning and Infrastructure</p> <p>Author/Responsible Officer James Doe, Assistant Director – Planning, Development and Regeneration Sara Whelan, Group Manager – Development Management and Planning</p>
Purpose of report:	To set out final proposals to Cabinet for the future delivery of the Borough Council’s Building Control service by Hertfordshire Building Control Ltd.
Recommendations	<p>That Cabinet recommends to Council:</p> <ol style="list-style-type: none"> 1. The Borough Council’s Building Control service is transferred to Broste Rivers Limited, holding company of Hertfordshire Building Control Limited and The Building Control (Hertfordshire) Company Ltd. on the terms set out in this report. 2. Authority be delegated to the Chief Executive as Head of Paid Service to agree any final and outstanding technical, financial and operational matters to be concluded in effecting the proposed transfer of the Building Control service and to authorise the completion of the respective Services Agreement, Inter-Authority Agreement, Shareholder’s Agreement and Articles of Association with Hertfordshire Building Control Ltd., together with any other legal agreements and documents which are required to give effect to the transfer. 3. An increase in the Building Control revenue budget for 2020/21 of £40k p.a. 4. The draw down of £187k from reserves to fund the one off initial membership purchase, £152k and subsequent £35k set up costs of transferring the service to HBC Ltd.

	<p>5. The following Officers are confirmed to serve in regard to Broste Rivers Limited as follows: The Chief Executive (as representative of Dacorum Borough Council as shareholder; The Corporate Director (Housing & Regeneration) as Director of Broste Rivers Limited and subsidiary companies; and the Group Manager – Development Management and Planning to the Commissioning Group.</p> <p>6. To pass a resolution to delegate statutory Building Control functions to one of the Building Control authorities (“LA1”).</p>
Corporate Objectives:	<p>The report supports the corporate objectives of :</p> <p>A clean, safe and enjoyable environment – a sustainable and well-functioning Building Control service in the long term will continue to ensure that new buildings are constructed to safe standards in compliance with the national Building Regulations, and that an effective service to deal with the public safety issues of dangerous structures as they arise can continue to be provided and delivered effectively</p> <p>Delivering an efficient and modern Council – The proposals aim to provide a resilient Building Control service in the public interest and offer the best available value for money to the local tax payer.</p>
Implications: 'Value For Money Implications'	<p><u>Financial</u></p> <p>Financial comments are provided in the Part II report.</p> <p><u>Value for Money</u></p> <p>The commercial environment within which DBC has to operate its in-house Building Control service is one of increasing competition from the private sector and high professional staff costs. This has caused service resilience problems and makes the cost of running the service in the current arrangement as unsustainable to the Council.</p>
Risk Implications	<p>Risk Assessment completed</p> <p>Risks highlighted included economic downturn, losing market share and lower than expected income. Hertfordshire Building Control have current practices in place to mitigate against these and most items on the register were green, although risks would have a high impact there is a low probability of them happening.</p>
Community Impact Assessment	<p>Completed and attached as Appendix 1 to this report.</p> <p>The recommendation to join Hertfordshire Building Control</p>

	would mostly impact DBC staff. The changes would not have any negative impacts on the wider community.
Health And Safety Implications	None directly arising from this report as the Council will continue to benefit from an effective Building Control Service
Monitoring Officer/	<p>Monitoring Officer:</p> <p>Pursuant to section 101 of the Local Government Act 1972, any function of a local authority may be delegated to another local authority. Building control is a statutory function within which certain functions cannot be delegated to any external body (other than another local authority) even if the body itself is wholly owned by other local authorities.</p> <p>Further to the above, where a local authority operates under executive arrangements, such delegations can only be made under Regulation 5(2)(a) of The Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012. Agreement to Recommendation 4 above would fulfil the necessary requirements with regards to delegation.</p> <p>Hertfordshire Building Control Ltd has been set up as a “Teckal” company under regulation 12 of the Public Contract Regulations 2015, which means that it can benefit from contracts for works, services or supply from its controlling Contracting Authority (or Authorities) without having to go through a competitive tender process,</p> <p>In order to qualify as a Teckal company the following circumstances must exist:</p> <ul style="list-style-type: none"> • The Contracting Authority/ies must exercise a control which is similar to that which it exercises over its/their own departments – this means it/they must exercise a decisive influence over both strategic objectives and significant decisions of the controlled company either itself or through another subsidiary; and • More than 80% of the activities of the company must be carried out in the performance of tasks entrusted to it by the controlling Contracting Authority/ies. <p>Therefore as long as the above circumstances continue to exist then the Council can lawfully join the company and agree a service contract with the partnering authorities.</p> <p>There are various agreements which the Council will need to agree as noted in the report and these are currently being reviewed by the Planning and Legal Teams. Authority is delegated to the Chief Executive to approve these documents once the Council are satisfied with their content.</p>

<p>S.151 Officer Comments</p>	<p>Deputy S.151 Officer</p> <p>The DBC Building control service has not delivered a balanced budget for the last 3 years with an average overspend of £150k p.a. and is currently projecting an in year pressure of circa £68K.</p> <p>All options explored for the future of Dacorum building control required growth and the proposed option is the most cost effective ongoing revenue solution evaluated, and would represent a cash saving on the existing projected revenue expenditure and that of the last 3 years.</p> <p>The membership of HBC is expected to bring resilience and deliver economies of scale to the building control service, whilst also providing security as a wider Hertfordshire building control function.</p>
<p>Consultees:</p>	<p>Sally Marshall, Chief Executive Mark Gaynor, Corporate Director Housing and Regeneration James Deane, Corporate Director of Finance and Operations Nigel Howcutt, Assistant Director Finance and Resources Ben Hosier, Group Manager, Procurement and Contracted Services Mal Brown, Team Leader Building Control</p>
<p>Background papers:</p>	<p>Report to Strategic Planning and Environment Overview and Scrutiny Committee 18 June 2019</p> <p>Report to Cabinet 25 June 2019</p> <p>Appendix 1 – Company Structure – Broste Rivers Ltd</p>
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>AI - Approved Inspector</p> <p>BC - Building Control</p> <p>BR - Broste Rivers Limited</p> <p>HBC - Hertfordshire Building Control</p> <p>IAA – Inter-Authority Agreement between the member Councils of HBC</p> <p>LA1 – One of the building control authorities of the following district councils – Broxbourne, East Herts, Hertsmere, North Herts, Stevenage, Three Rivers and Welwyn and Hatfield appointed to act as the lead authority under the Inter-Authority Agreement</p>

	<p>Teckal company - the Teckal exception allows a public authority, in specified circumstances, to procure direct from an external company in which it has control similar to that which it exerts over its own departments.</p> <p>TUPE – Transfer of Undertakings (Protection of Employees) Regulations, the process by which if services transfer to another organisation, the employment rights of current staff are protected by a direct transfer on the same pay, holiday entitlement, continuous service and other terms and conditions of employment.</p> <p>SA – Services Agreement (between the member Councils).</p> <p>TBCH – The Building Control (Hertfordshire) Company Ltd</p>
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Background

1. Cabinet considered proposals for the future of the Borough Council's Building Control service at its meeting on 25 June 2019. The report set out the background to the current in-house service, mainly on difficulties of retaining and attracting professional staff and long term service resilience against a backdrop of an increasingly competitive market from private sector building control providers ('Approved Inspectors').
2. The report highlighted work to consider different options for providing the Building Control service in Dacorum and outlined proposals for transferring it to Hertfordshire Building Control Ltd. (HBC) which is a subsidiary company of Broste Rivers Limited (BR). Cabinet agreed in principle to transfer the service to HBC on the basis that further due diligence on the technical, contractual and administrative issues is carried out by officers before final approval can be given by Cabinet and a final decision made by Full Council.
3. This report therefore sets out conclusions on a range of matters.
4. Members will note that some of the financial and Human Resources issues are confidential and accordingly are covered in a separate report under Part 2 of this meeting agenda.
5. Subject to final agreement by Full Council, and the final conclusion of all matters set out in this and the Part 2 report, the planned transfer date of the service to HBC is 1 October 2019, or as soon as possible afterwards.

Broste Rivers Limited (BR)

6. BR is the holding company of HBC and The Building Control (Hertfordshire) Company Ltd (TBCH). HBC undertakes all delegable building control activities. TBCH undertakes the commercial aspect of building control services, a chart summarising the company structure is set out at Appendix 4. BR has confirmed that its Shareholders and Board has given its support to

DBC becoming the 8th member of the partnership. It is, along with DBC, concluding its own due diligence in respect of preparation for the transfer of the Dacorum service.

7. The BR Board will receive a report on the arrangements on 19th September 2019. Subject to final approval by its Board, BR shareholders, the seven member Councils, is due to sign off the proposals by 23rd September.

Finance

8. All financial issues associated with operating costs would be dealt with by BR once DBC had fully joined as a member. It would be responsible for all costs but would gain all the fee income.
9. All details of finances are included in Part II of this report as it contains information relating to the financial and business affairs of the Council.
10. The following financial matters have been resolved and these cover:
 - a. Joining fee
 - b. Annual contribution to HBC
 - c. Deferred income ('work in progress') costs
 - d. Allowance for potential redundancy costs if permanent staff do not transfer to HBC
 - e. Loan facility to HBC.
 - f. LA1 annual fee

11. The details on these matters are set out in Part II of the agenda. To clarify, there are no redundancies arising from the transfer proposals as permanent DBC staff will transfer under the Transfer of Undertakings (Protection of Employees) (TUPE) regulations. The Part II report provides more background.

12. In terms of a loan facility to HBC, this is what the other seven Local Authorities already provide to the organisation. DBC would be entering in as a full partner to HBC and the provision of loan finance will be in line with this approach. This would be as a single investment on which interest will be payable to DBC, as it is for the other seven Councils in respect of their investments.

Procurement

13. Cabinet is reminded that the Council's statutory responsibility as a BC authority remains with the Council. However, joining this local authority partnership by awarding a contract directly to BR requires no procurement exercise as it is exempt under Regulation 12 of the Public Contracts Regulations 2015 (BR being set up as a Teckal company), and means all BC services would be transferred to BR. This will include determination of all building control regulations applications, responding to dangerous structures (24 hours a day, all year round) and maintenance of all administration records (Freedom Of Information, land charges searches etc) management of the competent persons' register.
14. A contracting authority may directly award a contract to a Teckal company without the need to put it out to tender as long as specific conditions around control, functionality and ownership are met. In addition to these conditions, a minimum of

80% of the Teckal companies' activities must relate to the tasks entrusted to it by the contracting authorities'(s). Should more than 20% of the Teckal companies' activities take place in the open market, then the company would be considered to be commercial in nature and any contracts awarded directly to it under Regulation 12 would be considered illegal and a breach of the Regulations.

15. Officers are satisfied that these conditions have been met.

Staff arrangements

16. As reported to Cabinet in June, the service has five permanent Members of staff: one Building Control Officer, one trainee Building Control Officer and three Technical Officers. The remaining professional staff along with the Manager are temporary staff engaged by the Council through employment agencies. The permanent staff will transfer to HBC through the TUPE transfer process. In respect of the temporary professional staff, the Council's contractual relationship is with the employment agencies, where TUPE arrangements will not apply.
17. The TUPE consultation process with permanent staff commenced on 1 August and is subject to a six-week consultation process. Both DBC Management and HBC has held one-to-one sessions with the affected staff to both brief them on the transfer arrangements and to address any queries or concerns they have.
18. The permanent staff will transfer to HBC's offices in Welwyn Garden City.
19. The Part II report on this agenda sets out further details on staff arrangements.
20. DBC will be left with the need to engage with BR and subsidiaries at a number of levels. These will cover:
 - a. DBC's engagement as a shareholder of BR. For the other seven councils, this is usually at Chief Executive or Director of Finance (s151 Officer) level. It is recommended that the Chief Executive serves in this capacity.
 - b. Membership of the BR, HBC and TBCH Boards. This monitors and scrutinises the work of the companies, including business planning and development of the organisation, performance levels and financial performance. Board membership by the other seven Council ranges from Director Level or the Head of the Planning and Building Control services. It is recommended that this should be the Corporate Director for Housing and Regeneration.
 - c. Membership of the HBC Commissioning Group. This deals with the operational running of HBC, and representatives of the Council is typically at Group Manager Level, and it is recommended that this be the Group Manager for Development Management and Planning.

Legal matters

21. DBC's membership of HBC will be subject to it agreeing an signing up to the following documents:

- a. HBC Articles of Association that currently apply to the seven member Councils
- b. Inter-Authority Agreement between the member Councils
- c. Services Agreement. Details of the service to be provided to DBC, as the responsible body for the discharge of Local Authority Building Control functions.
- d. Shareholder's Agreement

Articles of Association – Hertfordshire Building Control Limited

22. Broste Rivers Limited is the only subscriber to the memorandum of association as the holding company. Model articles for private companies limited by shares contained in Schedule 1 of the Companies (Model Articles) Regulations 2008 have been adopted. Specific exclusions and amendments to the model articles have been incorporated to reflect the governance requirements of the company.

Inter-Authority Agreement (IAA)

23. The IAA is dated 18th April 2018 and is made between Broxbourne Borough Council, East Hertfordshire District Council, Hertsmere Borough Council, North Hertfordshire District Council, Stevenage Borough Council, Three Rivers District Council and Welwyn Hatfield Borough Council. DBC would be joining as an eighth signatory.

24. The term of the IAA is linked with the term of the Services Agreement, which for the seven founder Councils is for 5 years from 17 August 2016 with the ability to extend for a period of 6 months. Expiry of the IAA is 12 months after the expiry of the Services Agreement. After DBC has joined BR, it will be seeking to enter into a new 5-year inter-authority agreement subject to approval from the other local authorities.

25. Under the IAA, each member authority warrants that a resolution has been passed approving delegation of the Delegated Functions to the lead Council for HBC, referred to in the agreement as LA1, which currently is Three Rivers District Council. This will require a Council decision from DBC, and the recommendations in this report refer.

26. The IAA includes the following:

- a. Appointment of a Contract Manager to monitor the Supplier's performance under the Services Agreement.
- b. The role of the HBC Commissioning Panel to instruct the Contract Manager to address all matters under the Services Agreement.
- c. Commissioning Panel quorum, which is set at 5 members. The granting of exclusivity of building control services to Hertfordshire Building Control by the Member Councils.
- d. Indemnification by each member Council of the others for performance or non-performance under the IAA.

- e. The provision for exit arrangements to be discussed 12-24 months before the expiry of the IAA.

Services Agreement (SA)

- 27. The current parties to the SA are Broxbourne Borough Council, East Hertfordshire District Council, Hertsmere Borough Council, North Hertfordshire District Council, Stevenage Borough Council, Three Rivers District Council and Welwyn Hatfield Borough Council, collectively as referred to as the Original Local Authorities and Hertfordshire Building Control Limited.
- 28. The term of the SA is for 5 years from 17 August 2016 with the ability to extend for a period of 6 months. After DBC has joined BR it will be seeking to sign up to the services agreement on a 5 year basis subject to agreement from the Original Local Authorities.
- 29. The SA includes the following provisions:
 - a. The Commissioning Panel for HBC has a representative from each LA, and this report recommends that for DBC this should be the Group Manager – Development Management and Planning.
 - b. The Contract Manager referred to in the SA is nominated by the member Councils under the Inter Authority Agreement. This is currently the Director of Community & Environmental Services of Three Rivers.
 - c. DBC will have a share in the holding company.
 - d. The founder Councils have delegated the performance of the Chargeable Advice and Functions and any other functions under the Building Act to Three Rivers under the IAA. This is important to ensure all aspects of the service are covered and that DBC is not left with any residual services to provide.
 - e. Early termination arrangements. There are limited grounds to do this, but there would be compensation payable to both the Supplier and remaining LAs based on reasonable losses incurred.
- 30. At the time of writing, Officers including Legal staff are finalising the review of all four documents to ensure they are acceptable to the Council and cover the full range of service actions for the complete transfer of the service. In addition to the processing and determination of applications made under the Building Regulations, these include plan checking, responding to dangerous structures on a 24/7 basis, all administration and management of the competent persons' register.
- 31. Members will note from the recommendations in this report that the final agreement of all legal and service documentation would be delegated to the Chief Executive as Head of Paid Service.

Data Transfer

32. Largely an operational matter, the full transfer of the service will require the migration of all Building Control caseload file data, and access to historical records from the Council's back office system to HBC's.
33. BR and HBC as a subsidiary, operational since 2016, has had to manage this process with the current seven member Councils and is therefore well experienced in the matter. DBC's file system for Building Control is fully electronic and is held on the Acolaid system in-house. HBC uses the Tascomi system. One of the seven, North Herts District Council, operated Acolaid and as such HBC has the necessary data scripts from Acolaid to Tascomi, which will be deployed with any necessary modifications to effect the transfer of the DBC data.
34. Transfer of the data by the proposed joining day is not essential. At the time that BR went live in 2016, use was made of the respective back office systems operated by the seven Councils until all data was successfully migrated to HBC's Tascomi system. To ensure that DBC's records are successfully migrated to Tascomi, and that a smooth continuity of business takes place, it is essential that this is done accurately with adequate time, particularly as it is not essential for this to be in place on day one.

Communications and Reputation

35. On joining BR, DBC will possess a one-eighth share in the business, its liabilities and future. It is therefore essential that from the viewpoint of the customers of Dacorum Building Control that the transfer of the service is as smooth and seamless as possible.
36. During September, a plan of communication with our customer base will be rolled out between DBC and HBC. This will set out the new arrangements, including the go-live date, contact details and performance standards to be expected from the new service. This is essential to retain current business and win new work, and to maintain the good reputation of DBC in providing quality Building Control services.

Conclusion

37. The above report provides a summary on progress made to enable the successful transfer of Dacorum Building Control to BR. Officers are satisfied that the financial costs of membership are acceptable and offer good value for money. They will bring the benefits of returning to the Council the discharge of its statutory Building Control functions at an acceptable cost and provide longer term resilience, with the opportunity of increasing business performance in the longer term.
38. DBC's membership of BR is subject to final approval by the BR shareholders, which is expected by 23 September 2019.
39. As work is currently ongoing on the operational matters set out in this report, a further update on progress will be provided at the meeting. Any remaining matters are proposed to be delegated to the Chief Executive as Head of Paid Service prior to the full transfer of services to BR being concluded.



Dacorum Borough Council - Community Impact Assessment

Please read the Guidance on completing a Community Impact Assessment

Once completed, please review and gain sign off from the relevant Group Manager.

Email the signed off copy to Customer Intelligence and Policy Officer Isobel Benton-Slim to publish.

If you have any further questions about how to complete this form, please contact Isobel Benton-Slim x2936

1. About the Project, service change or policy development

Responsible officer	Sara Whelan
Name and description of project, service or policy	
Building Control – review of resilience and options going forward	

2. Identifying the community impact

What impacts will this change have on the community?		
Information which might be useful in thinking about this includes our equality profiles , available for a number of demographic groups in Dacorum, and Spotlight on Dacorum , which provides information about the Borough as a whole and signposts users to detailed statistics at ward / postcode level through neighbourhood statistics.		
	Positive	Negative
		What are the positive and negative impacts? How will the positive impacts be enhanced? How will the negative impacts minimised/eliminated?
The community in general e.g. social or economic benefits or negative impacts		Positive aspects enhanced <ul style="list-style-type: none"> Resilient Building Control (BC) service providing statutory function and safe built environment Staff resilience without breaking the Dacorum pay structure Retain ownership as to how BC function is carried out by DBC having representative on HBC Board Good level of customer service to residents and builders in our borough Dangerous Structures phone would be well resourced and provide service maintaining the health and safety of community in emergencies Negative impacts minimised/eliminated <ul style="list-style-type: none"> Minimise risk of not having well-resourced BC department to protect public safety, consumer protection, safety at sports grounds and handling dangerous structures Minimising risk of high turnover of temporary staff and reduced safety in built environment Negative impacts created <ul style="list-style-type: none"> None
On DBC as an organisation e.g. on staff or operations		<ul style="list-style-type: none"> TUPE 5 existing staff to new organisation and new offices in Welwyn Garden City DBC would be required to review HBC

			financial accounts, have a representative on the board and take part in the HBC Steering group
The specific demographic considerations or characteristics e.g. age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation - specify where impacts are different for different considerations			Positive aspects enhanced Resilience in the BC team, not relying on temporary members of staff <ul style="list-style-type: none"> This will ensure we can carry out BC function to provide a safe built environment for our communities Quality of technical support and customer service would be maintained by robust governance and training at HBC <ul style="list-style-type: none"> This would maintain the reputation of DBC and the communities/customers expectation of a quality service and good customer service An effective and robust Building Control service will assist in obtaining the best implementation of Building Regulations requirements to address equalities, e.g. provision for disabilities.
The environment e.g. effects on the climate, trees, amenity space, biodiversity, water, energy, waste, material use, air quality			Positive aspects enhanced <ul style="list-style-type: none"> DBC can be confident to ensure safety in the built environment and sustainability Negative impacts created <ul style="list-style-type: none"> None, the Council would continue to deliver the Building Control function, although via HBC rather than in house
Any community issues identified for this location , if the project is based in a specific area – state if this is not applicable e.g. if there are no specific issues for this location or if the project is district-wide			None

What evidence have you used to assess the impact on the community? What baselines have been established and what data will be used to monitor the impact?
Building Control performance data at DBC has been used to consider how many dangerous structures we receive as well as the performance of the service. Recruitment data and financial data has also been used to understand the fragility of the service and impact this could have on the community, in terms of delivering a safe built environment.

What steps have you taken or plan to take to consult the whole community or specific groups affected by the service or policy development? E.g. on-line consultation, focus groups, consultation with representative groups?
Consultation with the staff and the Unions will be carried out but no wider consultation with the community is required. The Council will be delivering the same service to the community via a consortium of Local Authority BC departments rather than solely delivering via DBC BC.

3. Review – a project plan to carry out further due diligence prior to transferring the service will be owned by Development Management working with HBC and an internal corporate team including HR, Procurement and Finance colleagues as well as the BC team.

How will you review the impact, positive or negative once the service or policy has been implemented?		
Action	By when	By who
Review DM budget 20/21 compared to 19/20	March 2020	DBC officers
Review performance stats for quality and customer service after HBC has carried out DBC functions in first 6 months	2020	DBC staff and HBC
Review performance of HBC as part of DBC membership on board to ensure resilience	2020 onwards	DBC board representative

Name of responsible officer: Sara Whelan
 Role: Group Manager DM
 Date: 14 June 2019

Reviewed and signed off by: (relevant Group Manager)
 Role:
 Date:

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Broste Rivers Limited
Co. No. 9988660

- Holding company

Documents

- Shareholder's Agreement
 - ➔ Each LA has one share
 - ➔ DBC to sign up via Deed of Adherence
- DBC to appoint a representative as shareholder (Chief Executive) and a director (Corporate Director – Housing & Regeneration).

Subsidiary companies

HERTFORDSHIRE BUILDING CONTROL LIMITED
(Co. No. 09990656)

- Undertakes delegable building control functions
- Non-profit making
- DBC to appoint a director (Corporate Director – Housing & Regeneration).

Documents

- Memorandum and articles of association

THE BUILDING CONTROL (HERTFORDSHIRE) COMPANY LTD
(Co. No. 09990734)

- Undertakes Approved Inspector Work for customer other than the District Councils and any other building control work
- Profit making
- DBC to appoint a director (Corporate Director – Housing & Regeneration).

Agenda Item 12

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

Document is Restricted

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