



CABINET AGENDA

TUESDAY 22 SEPTEMBER 2020 AT 7.30 PM
DBC COUNCIL CHAMBER - 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 Griffiths (Deputy Leader)
Councillor Elliot

Councillor G Sutton
Councillor Anderson
Councillor Banks

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

AGENDA

1. MINUTES (Pages 3 - 9)

To confirm the minutes of the meeting held on 21 July 2020.

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 (Page 10)

7. Q1 FINANCIAL REPORT (Pages 11 - 28)

8. COVID-19 UPDATE (Pages 29 - 41)

9. WEST HERTS CREMATORIUM CONSORTIUM LOAN AGREEMENT (Pages 42 - 45)

10. APPOINTMENT OF A PRINCIPAL CONTRACTOR FOR CONISTON ROAD DEVELOPMENT, KINGS LANGLEY (Pages 46 - 80)

11. APPOINTMENT OF A PRINCIPAL CONTRACTOR FOR EASTWICK ROW DEVELOPMENT, HEMEL HEMPSTEAD (Pages 81 - 118)

12. 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.

MINUTES

CABINET

21 JULY 2020

Councillors: Williams (Leader)
Griffiths (Deputy
Leader)
Elliot
G Sutton
Anderson
Banks

Officers:	James Deane	Corporate Director - Finance and Operations
	James Doe	Assistant Director - Planning, Development and Regeneration
	Mark Gaynor	Corporate Director - Housing & Regeneration
	Sally Marshall	Chief Executive
	Katie Mogan	Corporate and Democratic Support Lead Officer
	Linda Roberts	Assistant Director - Performance, People and Innovation
	Alex Robinson	Strategic Planning Manager

Also in Attendance:

Councillor John Birnie
Councillor Ron Tindall

The meeting began at 6.30 pm

CA/60/20 MINUTES

Minutes of the meeting held on 23 June 2020 were agreed by Members present.

CA/61/20 APOLOGIES FOR ABSENCE

There were no apologies for absence.

CA/62/20 DECLARATIONS OF INTEREST

There were no declarations of interest

CA/63/20 PUBLIC PARTICIPATION

There was no public participation

CA/64/20 REFERRALS TO CABINET

There were no referrals to Cabinet

CA/65/20 CABINET FORWARD PLAN

The forward plan was noted with no changes.

CA/66/20 GARAGE PROGRAMME UPDATE

Decision

That the progress of the programme and the impact of COVID-19 on the garage programme be noted.

Corporate objectives

Building strong and vibrant communities and ensuring economic growth and prosperity

Deputy Monitoring Officer comments:

There are no legal implications to this report.

Deputy S151 Officer comments:

There are no financial implications to this report.

Advice

L Roberts introduced the report to members and gave an update on the programme. Since lockdown started, there have been 386 requests for garages, 189 offers made and 108 offers confirmed so the team have not seen a decrease in demand for garages which is surprising as it was thought that lockdown may affect household income and therefore the demand on garages. It is still early days but will continue to monitor the situation.

Councillor Birnie referred to the 6,855 garages stated in the report and asked if this was the total number of garages or the number due to be surveyed.

L Roberts said it was the number of garages due to be surveyed as 756 had already been done by council staff. There are approximately 7,500 garages in total across Dacorum.

Recommendations agreed.

CA/67/20 PRIVATE SECTOR ASSISTANCE POLICY

Decision

That the draft Private Sector Housing Assistance Policy as set out in the Appendix to the Cabinet report be approved.

Corporate objectives

The Private Sector assistance policy contributes to following corporate objectives:

- A clean, safe and enjoyable environment
- Providing good quality affordable homes, in particular for those most in need
- Delivering an efficient modern council

Deputy Monitoring Officer comments:

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 provides that that local authorities may for the purpose of improving living conditions provide to its residents any form of assistance, either directly or indirectly, to enable them to improve their homes.

In order to use these powers, local housing authorities must have adopted a policy setting out the assistance to be provided.

Deputy S151 Officer comments:

This policy is funded through the disabled facilities grant and hence the criteria is outlined in the grant conditions.

Advice

Councillor Griffiths introduced the report to members and said that this policy replaces the one adopted in 2013 and includes grants available for the private sector that were not available before. The majority of these grants will be allocated for the mandatory disabled grant. Previously, there had been a low level take up of these loans and when the team moved under Housing, it provided an opportunity to review the policy to include current central government funding and be able to provide broader assistance to people who want to stay in their homes. The policy was developed in consultation with Herts County Council Adult Care Services and the Clinical Commissioning Group who are aware of the grant funding. The policy went to Housing & Community OSC and they had no additional comments.

Councillor Birnie asked for clarification that this funding was only available for private sector.

M Gaynor said the mandatory disabled grant was for private sector homes as adaptations could be done with the council's housing stock.

Councillor Tindall asked how the funding would be allocated – first come first serve or would it be allocated on a case by case basis.

Councillor Griffiths said every application would be looked at individually to see what grant could be given and the possibility of it being paid back.

Councillor Tindall asked if this money could be carried over into a new financial year.

Councillor Griffiths said the winter allowance top up that was introduced two years ago had not been spent by the end of the financial year so the department contacted MHCLG to ask if they wanted the money back and they allowed us to carry it over as long as it could be spent in the first quarter.

Recommendations agreed

CA/68/20 LOCAL DEVELOPMENT SCHEME

Decision

That the justification for an additional consultation under Regulation 18 be noted, and approve it being incorporated into the revised timetable for the Local Plan and other updates to the Local Development Scheme appended to this report and delegate authority 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.

Corporate objectives

The Council's Local Plan 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.

Deputy Monitoring Officer:

Further to section 15 of the Planning and Compulsory Purchase Act 2004 local planning authorities must prepare and maintain a Local Development Scheme which must set out the documents that the Council will prepare as local development documents and the timetable for their preparation. Publishing a revised LDS as proposed in this report will satisfy this duty.

Deputy S.151 Officer

The changes to the local plan completion proposed are not expected to have a financial implication, and the local plan will be delivered within the existing funding envelope provided.

Advice

Councillor G Sutton introduced the report to members and said the purpose of the report was to consider the revised local development scheme including a revised timetable for the preparation of a new local plan. The progress of submitting a new local plan has not been smooth and has been difficult at times and so the department have sought counsel's advice.

J Doe said the team are learning lessons from other council's and regulation 18 should help to make the process more robust.

Councillor Birnie referred to page 41, paragraph 10 and the infrastructure shortcomings. He asked what these shortcomings are and said this information should be made available to the Local Plan Task and Finish Group and SPAE OSC. J Doe said there was a shortfall in the information needed to understand the requirement. Further information is required from HCC on education and there is additional transport work to be completed. The whole notion of this report is to make sure that when we reach the publication stage in early summer 2021, the work is complete and robust. He said he was confident that enough information will be available for members to consider the draft local plan in November. The task and finish group are being kept updated on the progress of the infrastructure delivery plan which must be ready at the time of publication in June 2021.

Councillor Birnie sought assurance that the SPAE OSC would be kept up to date. J Doe confirmed that a draft plan will go to SPAE OSC at their September meeting and then to Cabinet in October.

Councillor Williams commented that he accepted the need for the additional revision of the timetable and the insertion of regulation 18 but expressed his concern about the length of the process. His previous experience made him slightly nervous that there could be limited time between regulation 18 and regulation 19 consultations. He asked officers if they were confident they could meet these deadlines and said he would be disappointed if weren't able to keep to the timetable.

J Doe said he understood his concerns. The issues and options consultation asked the community for their opinions on the borough and produced a wide range of views. There will be a specific set of proposals in the draft local plan so the consultation will be more focussed. There will be a large level of public interest and the team have learnt lessons on how to process the comments received. He said he was confident that the work can be turned around in the timescales provided.

Recommendations agreed.

CA/69/20 PAVEMENT LICENSING

Decision

1. That responsibility for granting, refusal and revocation of licences, including the setting of conditions, be delegated to the Assistant Director – Corporate and Contracted Services and the Group Manager, Legal and Corporate Services
2. That the fees will be set at the maximum permitted level of £100 in order to recover as much of the cost of issuing licences as possible be approved.
3. That the duration of licences will be to 30th September 2021, unless revoked be approved.

Corporate objectives

- A clean, safe and enjoyable environment
- Building strong and vibrant communities
- Ensuring economic growth and prosperity
- Delivering an efficient and modern council

Deputy Monitoring Officer Comments

The Business and Planning Bill 2020 introduces a new legal framework for issuing pavement licences by local authorities. The framework supersedes the existing framework for pavement licensing set out in the Highways Act 1980.

Deputy S151 Officer Comments

There are no direct financial consequences of this policy change.

Advice

Councillor Williams introduced the report to members. He said this was a new piece of legislation due to be made law in a few weeks and he welcomed the ability of premises to make use of outdoor space.

F Hussain added that the legislation was going through the House of Lords at the moment and some amendments have been proposed. If anything is fundamentally changed, the Licensing committee will be kept updated. This report is asking Cabinet to delegate decisions on licenses to the Assistant Director (Corporate and Contracted

Services) and the Group Manager (Legal and Corporate Services) as there is a short timescale of 14 days to determine these applications.

Councillor Tindall asked if the Highways Act 1980 would come back into law at the end of September 2021 unless there are any further regulations.

F Hussain confirmed this would be the case. She said some amendments proposed in the Lords deal with aspects of being able to extend the law if necessary.

Councillor Williams suggested it would likely to be made permanent if it was successful.

Councillor Birnie asked if the license is only valid for one year, do applicants have to pay £100 every year.

F Hussain confirmed this would be the case.

Councillor Griffiths asked if the license was granted for maximum of a year but minimum of three months, would the last time the council could grant licences be in June 2021.

F Hussain confirmed this.

Recommendations agreed.

The Meeting ended at 6.55 pm

CABINET FORWARD PLAN

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
1.	20/10/20	Treasury Management Report		01/10/20	Nigel Howcutt, Assistant Director Finance & Resources 01442 228662 Nigel.howcutt@dacorum.gov.uk	A report on the 2019/20 treasury management performance.
2.	20/10/20	Medium Term Financial Strategy		01/10/20	James Deane, Corporate Director Finance & Operations 01442 228278 James.deane@dacorum.gov.uk	To be provided
3.	20/10/20	Local Plan Consultation Draft		01/10/20	James Doe, Assistant Director Planning, Development and Regeneration 01442 228583 james.doe@dacorum.gov.uk	To consider the content of the new draft (Regulation 18) Local Plan for the Borough of Dacorum for the purposes of public consultation
4.	20/10/20	Climate Change		01/10/20	Mark Gaynor, Corporate Director Housing & Regeneration 01442 228575 Mark.gaynor@dacorum.gov.uk	To be provided
5.	20/10/20	Car Parking Supplementary Planning Document		01/10/20	James Doe, Assistant Director Planning, Development and Regeneration 01442 228583 james.doe@dacorum.gov.uk	To be provided
6.	20/10/20	Herts Growth Board – Section 101 Committee		01/10/20	To be provided	To be provided
7.	20/10/20	Public Space Protection Order		01/10/20	Mark Brookes, Assistant Director Corporate and Contracted Services 01442 228236 Mark.brookes@dacorum.gov.uk	To be provided
8.	24/11/20	Garage Investment Strategy		05/11/20	Linda Roberts, Assistant Director of People, Performance & Innovation 01442 228979 Linda.roberts@dacorum.gov.uk	To seek approval of a proposed Investment Strategy for the DBC Garages estate
9.	24/11/20	Covid-19 Update			Sally Marshall, Chief Executive 01442 228213 sally.marshall@dacorum.gov.uk	To be provided

Future Items:

- External Equalities & Diversity Strategy (M Gaynor)
- South West Herts Joint Strategic Plan (J Doe)
- The Bury museum project (J Doe) - 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.
- Drug and Alcohol Support Commissioning (L Roberts & M Rawdon)
- Constitution Update/Protocol on filming (M Brookes)
- Berkhamsted Sports Centre (M Brookes)



Report for:	Cabinet
Date of meeting:	22 September 2020
PART:	1
If Part II, reason:	

Title of report:	Budget Monitoring Quarter 1 2020/21
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources Nigel Howcutt, Assistant Director (Finance & Resources) James Deane, Corporate Director (Finance & Operations)
Purpose of report:	To provide details of the projected outturn for 2020/21 as at Quarter 1 for the: <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendations	<p>It is recommended that Cabinet consider the budget monitoring position for each of the above accounts and:</p> <ol style="list-style-type: none"> 1. Recommend to Council approval of the revised capital programme to move £7.3m slippage identified at Quarter 1 into financial year 2021/22 as detailed in Appendix C. 2. Recommend to Council approval of supplementary revenue budgets as follows: <ul style="list-style-type: none"> • Supplementary budget of £140k in The Forum premises budget to fund the costs of ensuring the building is safe for staff to return under Coronavirus. • Supplementary budget of £60k in the Premises Insurance budget to fund additional costs of Uninsured Losses, to be funded from the Uninsured Losses reserve. • Supplementary budget of £253k in the Building Control service to fund the final settlement of Work in Progress following the transfer of the service to Hertfordshire Building Control. This is to be funded from the Management of Change reserve.

	<ul style="list-style-type: none"> • Supplementary budget of £33k in the Garage service, funded from the Invest to Save reserve, to fund a specialist project manager to lead on improvements to the garage letting process. <p>3. Recommend to Council approval of supplementary capital budgets as follows:</p> <ul style="list-style-type: none"> • A capital budget of £90k in the Waste and Recycling Capital budgets for new Wheeled Bins. • Additional budget of £400k in the Fleet Replacement Budget, to fund additional vehicles. • Capital budgets of £24k and £19k to fund electrical upgrade works at Berkhamsted Civic Centre and Victoria Hall Tring respectively. • Capital budget of £15k for essential roofing improvements at The Denes.
Corporate objectives:	Ensuring efficient, effective and modern service delivery.
Implications:	<p><u>Financial</u> This report outlines the financial position for the Council for 2020/21 and so summarises the financial implications of service decisions expected to be made for the financial year.</p> <p><u>Value for Money</u> 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 2020/21 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: This is a Deputy S.151 Officer 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</p> <p>HRA – Housing Revenue Account</p>

1. Executive Summary

- 1.1** General Fund revenue outturn – the Council is facing significant financial pressures as a result of the coronavirus. Overall in the General Fund a pressure of £5.8m is forecast, of which £5.5m results from the implications of coronavirus.

At this relatively early stage in the financial year, the majority of the forecast pressures are estimates of how budgets might be affected over the longer-term. As a result, the forecasts are subject to potentially significant change during the course of the financial year.

The forecasts do not include potential funding of income shortages announced by the government on 2nd July to fund 75% of income losses over 5% of budget. Further details on this funding are expected shortly, but it is estimated that circa £1.5m could be reimbursed to the Council under this scheme.

- 1.2** Housing Revenue Account outturn – The HRA is currently forecasting a surplus of c£900k. The major variances are an increase to the bad debt provision of £1.1m, and reduced expenditure of £2.2m on the repairs budgets.
- 1.3** General Fund Capital – increased expenditure of £0.5m is forecast against capital budgets.
- 1.4** HRA Capital - £7.3m of slippage is expected in the HRA capital budgets, predominantly in Planned Fixed Expenditure where internal works have been reprogrammed to future years due to accessibility issues.

2. Introduction

- 1.5** The purpose of this report is to present the Council's forecast outturn for 2020/21 as at the 30 June 2020. The report covers the following budgets with associated appendices:
- General Fund - Appendix A. A pressure against budget of £5.8m is forecast.
 - Housing Revenue Account (HRA) - Appendix B. A surplus of £0.9m is forecast.
 - Capital Programme - Appendix C. An overspend of £0.5m is forecast in the General Fund, for which supplementary capital budgets are requested. In the HRA, budget re-phasing to future years of £7.3m is forecast, which is 17% of the overall programme. This is due to the necessary suspension of internal works under Covid-19.

3. General Fund Revenue Account

1.6 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).

1.7 Appendix A provides an overview of the General Fund forecast outturn position.

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

Table 1		
Scrutiny Committee	Key Financial Pressure	Description
Finance & Resources	£2.7m	Investment Property income
Finance & Resources	£1m	Car Parking income
Housing and Community	£0.9m	Garages Income
Strategic Planning and Environment	£1m	Waste Services (cost pressures in Domestic Waste; income pressure in Commercial Waste)

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

Table 2	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Finance & Resources	11,988	14,545	2,557	21.3%
Housing & Community	1,686	2,670	984	58.4%
Strategic Planning and Environment	11,098	12,753	1,655	14.9%
Total Operating Cost	24,772	29,968	5,196	21.0%
Investment Property	(4,374)	(1,674)	2,700	(61.7%)
Core Funding	(20,399)	(22,480)	(2,081)	10.2%
Contribution (to)/ from General Fund Working Balance	(1)	5,814	5,815	

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

4. Finance and Resources, Investment Property and Core Funding

Table 3 Finance & Resources	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	13,819	14,174	355	2.6%
Premises	2,020	2,082	62	3.1%
Transport	296	296	0	0.0%
Supplies & Services	3,915	4,490	575	14.7%
Third-Parties	789	789	0	0.0%
Transfer Payments	47,144	47,144	0	0.0%
Income	(6,051)	(4,426)	1,625	(26.9%)
Other Income	(50,237)	(50,237)	0	0.0%
Earmarked Reserves	293	233	(60)	(20.5%)
Total	11,988	14,545	2,557	21.3%

	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Investment Property	(4,374)	(1,674)	2,700	(61.7%)
Core Funding	(20,399)	(22,480)	(2,081)	10.2%
Total	(24,773)	(24,154)	619	(2.5%)

4.1 Employees - £355k pressure against budget

The forecast pressure against employee budgets includes:

- £160k expected pressure due to increased demand for services as a result of Covid-19. Increased staffing requirements are expected in areas such as Revenues and Benefits and Environmental Protection as a result of service pressures brought about by Covid-19.
- £60k agency cost within the Estates service. Agency staff have been required to fill professional property roles in the short term while recruitment to vacant posts takes place.
- £60k pressure within Neighbourhood Delivery due to interim resource to support delivery of new initiatives within the service.
- £70k additional staffing costs in Financial Services due to a requirement for temporary staff to support the closure of accounts process.

4.2 Premises - £62k pressure against budget

A pressure against uninsured losses of £60k is forecast. Insurance premiums and uninsured loss claims increased during 2019/20 over levels seen in previous years. It is expected that this increased spend will continue into 2020/21. At Quarter 1, based on prior year trends, it is expected that this pressure will arise largely against uninsured losses relating to premises costs. A supplementary budget of £60k is requested, funded from the Uninsured Losses reserve.

4.3 Supplies & Services - £575k pressure against budget

A pressure of £525k relates to support payments made to the Council's leisure provider Everyone Active (EA) to support their losses during the period of closure of the leisure centres. An initial support payment of £205k was made to allow EA to top up the furlough pay for their staff to 100% of salary in the first 3 months of closure. A second support payment of £320k has been agreed relating to July to September to support reopening of leisure services across Dacorum, as soon as restrictions were lifted. The council is obliged to support EA during this period, as the closure of leisure centres has arisen due to a change in law (The Coronavirus Act 2020), which provides EA with contractual protection. The support payments have also ensured that the leisure centres could re-open as quickly as possible since lifting of the lockdown restrictions.

4.4 Income - £1.62m pressure

The forecast pressure in income against budget includes:

- £1.1m pressure in car parking income. This income stream has been severely affected by the coronavirus pandemic, particularly in the lockdown period during Q1 where income was 85% down on budget. As restrictions are relaxed and town centres become busier, the income is expected to recover quickly.
- £0.3m pressure in the management fee income due from the Council's leisure provider. As part of the support package to EA, the management fee has been waived for the period of time that the leisure centres were closed or only partially open. A portion of this lost income may be reimbursed via central government income losses reimbursement scheme.

4.5 Premises costs to ensure Civic Buildings are Covid secure

Costs of c. £140k have been incurred to ensure that The Forum and all Civic Buildings are Covid secure. These costs include automated doors, perspex screening and temperature checking facilities. A supplementary budget of £140k is requested to be funded from a drawdown from the Civic Buildings Reserve.

4.5 Investment Property Income - £2.7m pressure

This estimated pressure arises from the potential deficit in rental income from commercial assets. The level of rental arrears has increased year on year in the early part of 2020/21 and this expected to continue to grow as commercial tenants have exhausted their reserves, utilised government grants and are still limited by trading restrictions linked to Covid. The forecast is very much dependent on the extent of the expected recession, which will dictate how badly businesses are affected and for how long. The Estates service are being very proactive with tenants and arranging payment plans to support these businesses in the short term.

4.6 Core Funding - £2m additional funding

Additional government grant income has been received as follows:

- £1.8m of Covid-19 support grant has been received from MHCLG. There is currently no indication that further funding will be received, other than reimbursement of 75% of sales, fees and charges income as mentioned in paragraph 1.1.
- New burdens funding of £170k, to support administration of the Retail, Leisure and Hospitality Grants and Small Business Grants.
- £72k of new burdens funding relating to the Revenues and Benefits service.

5. Strategic Planning and Environment

Table 4 Strategic Planning and Environment	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	10,300	10,864	564	5.5%
Premises	990	990	0	0.0%
Transport	1,240	1,370	130	10.5%
Supplies & Services	2,100	2,339	239	11.4%
Third-Parties	113	113	0	0.0%
Income	(5,397)	(4,675)	723	(13.4%)
Capital Charges	1,571	1,571	0	0.0%
Earmarked Reserves	181	181	0	0.0%
Total	11,098	12,753	1,655	14.9%

4.1 Employees - £564k pressure against budget

A pressure of £545k relates to Waste services employees' costs from additional agency requirements. This is due to over 20 staff self-isolated for 12 weeks at the start of the lockdown period and more recently during July, a rolling 6 or 7 in self-isolation.

4.2 Transport - £130k pressure against budget

A pressure of £100k relates to the maintenance of ageing fleet vehicles in Waste Services. This pressure is expected to continue until the full fleet of waste vehicles is received later in the financial year.

A pressure of £40k relates to hire of waste vehicles to support social distancing requirements.

4.3 Supplies and Services - £239k pressure against budget

A pressure of £185k is expected in Waste Services from the increased cost of disposal of comingled recycling. This is as a result of 3 factors: firstly, tonnages of recyclable waste have increased by 30% as a result of households being at home during lockdown and continuing to work from home; secondly the contractor has charged additional processing fees to fund the costs of safe working conditions under Covid; and thirdly the global market for recyclables has declined leading to a reduction in income for recyclables.

4.4 Income – £723k pressure against budget

The forecast pressures in income budgets are all Covid-19 related:

- Pressure of £300k in Planning Income. This income stream is down 20% on profiled budget as at the end of June. Significant reductions are anticipated for the remainder of the year due to impact on household incomes and developer nervousness over longer-term implications for the housing market.
- Pressure of £240k in Commercial Waste Income. This variance arises from the anticipated pressure on income from businesses no longer operating and increase in bad debtors. This will be recession-dependent and will be monitored through the broader economic recovery.
- Pressure of £120k in Land Charges. The Housing market is likely to stagnate for a period as households await a more clearly emerging economic picture.
- Pressure of £65k in Maylands Business Centre income. A pressure is expected in rental income, dependent upon how businesses are affected by the potential economic recession.

4.5 Building Control Work in Progress

A final settlement figure has been agreed with Hertfordshire Building Control (HBC) relating to income received prior to the transfer of building control to HBC for work not yet completed, known as Work in Progress. A supplementary budget of £253k is requested to be funded from the Management of Change reserve.

6. Housing and Community

Table 5 Housing and Community	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	4,098	4,097	(1)	(0.0%)
Premises	1,003	1,094	91	9.1%
Transport	14	14	0	0.0%
Supplies & Services	1,148	1,163	15	1.3%
Transfer Payments	5	5	0	0.0%
Income	(5,680)	(4,801)	879	(15.5%)
Capital Charges	1,083	1,083	0	0.0%
Earmarked Reserves	15	15	0	0.0%
Total	1,686	2,670	984	58.4%

4.6 Premises - £91k overspend against budget

Pressure of £65k from the cost of providing emergency Bed and Breakfast Accommodation to those at risk of sleeping rough during the Covid-19 pandemic.

4.7 Income - £879k pressure against budget

Pressure of £900k in Garages income. Although the current void level is at 30.5%, it is envisaged that this will increase, as will the level of bad debt, as a result of the recession. There is a risk that garages may represent an early cost saving for a household in financial difficulties.

4.8 Garage Project Manager

A specialist project manager has been commissioned to continue the work on improvements to the garage letting process. A drawdown of £33k from the Invest to Save reserve is requested to fund this expenditure.

7. Housing Revenue Account (HRA)

4.9 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.

4.10 The projected HRA balance at the end of 2020/21 is a surplus of £887k. 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 2020/21 is confirmed later in the financial year.

4.11 Repairs and Maintenance - £2.2m under budget

This variance has arisen due to the Covid-19 pandemic, as internal or intrusive works cannot take place under the prevailing circumstances. Workstreams have been re-prioritised and non-essential internal works will be reduced for the first 6 months of year. At this stage, it is not expected that contractors will have the capacity to catch up later in the year with planned works.

4.12 Provision for Bad Debts - £1.1m over budget

It is expected that an increase in arrears of rental income will be seen this financial year, due to an increasing number of tenants in financial hardship. At this stage, it is very difficult to predict the level of arrears, as more tenants are moving on to Universal Credit, which may cause an initial delay in rental income being received. The Income team are working very closely with tenants to support them during this time, to arrange payment terms and assist with accessing benefits if appropriate.

8. Capital Programme

4.13 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 2020, plus approved amendments.

The 'rephasing' column refers to projects where expenditure is still expected to be incurred, but will now be in 2021/22 rather than 2020/21 ('slippage'), or conversely, where expenditure planned initially for 2021/22 has been incurred in 2020/21 ('accelerated spend'). A revised capital programme to re-phase slippage identified at Quarter 1 into 2021/22 is requested.

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

Table 6	Current Budget £000	Rephasing £000	Revised Budget £000	Forecast Outturn £000	Variance	
					£000	%
Finance & Resources	5,497	0	5,497	5,497	0	0.00%
Strategic Planning and Environment	2,677	0	2,677	3,170	493	18.44%
Housing & Community	3,913	0	3,913	3,913	0	0.00%
GF Total	12,087	0	12,087	12,581	493	4.08%
HRA Total	30,538	(7,262)	23,276	23,574	298	0.98%
Grand Total	42,626	(7,262)	35,363	36,155	792	1.86%

4.14 General Fund Major Variances

There is a forecast overspend of £0.5m in General Fund capital budgets.

- Line 143: additional expenditure of £0.1m on Waste Services wheeled bins. New bins have an estimated useful life of greater than a year and have therefore been treated as capital expenditure. A supplementary capital budget is requested to fund these costs in 2020/21, and additional budget for future years will be requested as part of the budget setting process going forward.
- Line 149: additional spend of £0.4m on Fleet Replacement Programme. In order to reduce the cost of hiring vehicles, additional waste vehicles will be purchased in this financial year at a cost of £350k. This includes one 26 tonne vehicle to add to the existing fleet of vehicles and two 7.5 tonne food waste trucks which were secured at a discounted price. Vehicles are also required for the Housing Cleaning service at additional cost of £50k. A supplementary capital budget is requested to fund this expenditure.

4.15 Additional Capital Budgets

Supplementary capital budgets are required to fund essential maintenance and Covid compliance works at civic buildings. These are:

- Berkhamsted Civic Centre electrical upgrade works £24k
- Victoria Hall Tring electrical upgrade work £19k

A supplementary budget of £15k for essential roofing improvements at The Denes is also required.

4.16 Housing Revenue Account Major Variances

There is estimated slippage of £7.3m in the HRA capital programme, and forecast additional spend of £0.3m.

This includes the following items:

- Lines 169-173: £6.4m of slippage on Property and Place budgets. Due to the Covid-19 pandemic, non-essential intrusive works such as kitchen and bathroom replacements are not able to be carried out in the first half of the year, apart from in void properties. Where possible external works are being re-prioritised such as roofing and estate improvements.
- Line 174: £0.85m of slippage on Special Projects. This scheme is for extension works to sheltered schemes including provision of additional units. The project has been subject to delay as the initial tender is no longer valid, and in the current Coronavirus environment additional works to sheltered accommodation is not considered wise. The scheme will be re-worked and a tender re-let in due course.
- Line 179: £0.2m under budget on Martindale. As the scheme nears completion, it is expected that the full contingency will not be required.
- Line 180: overspend of £0.4m on Stationers Place. This includes £0.2m of additional costs relating to safety measures around Covid-19, and change controls regarding drainage, planning and ground conditions.
- Line 182 Coniston Road: £0.8m of slippage. The tender period has been extended due to Covid-19 as a number of contractors had furloughed key staff. The tender award is now planned for September Cabinet rather than July.
- Line 184 St Margaret's Way: accelerated spend of £0.15m. Preparatory work on this site is ahead of schedule.
- Line 185 Paradise Fields: accelerated spend of £0.8m. This includes an overage payment on the site which was always known about and factored into budgets, however the payment is now expected earlier, as more clarity has been gained on the legalities of the overage.
- Line 192 Cherry Bounce: slippage of £0.1m. The scheme is still in its early stage and some slippage is foreseen.

9. Conclusions and recommendations

4.17 As at Quarter 1 2020/21, there is a forecast pressure of £5.8m against General Fund budgets and a forecast surplus of £0.9m against Housing Revenue Account budgets.

4.18 As at Quarter 1 2020/21, against General Fund capital there is forecast budget pressure of £0.5m. Against Housing Revenue Account capital schemes, budget rephasing of £7.3m is forecast and outturn is expected to be £0.3m over budget.


4.19 Members are asked to:

- note the forecast outturn position as at Quarter 1
- recommend to Council the approval of the revised capital programme to move slippage identified at Quarter 1 into financial year 2021/22;
- 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
Revenue Budget Monitoring Report for June 2020 (Cost of Services Analysis By Scrutiny Committee)

	<i>Month</i>			<i>Year-to-Date</i>			<i>Full Year</i>		
	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	4,863	(967)	(5,830)	6,502	4,005	(2,497)	11,988	14,545	2,557
Housing and Community	198	78	(120)	519	201	(318)	1,686	2,670	984
Strategic Planning and Environment	604	(49)	(653)	2,263	2,428	165	11,098	12,753	1,655
Net Cost of Services	5,665	(938)	(6,603)	9,284	6,634	(2,650)	24,772	29,968	5,196
Other Items									
Investment Property	(166)	(139)	27	(2,059)	(2,157)	(98)	(4,374)	(1,674)	2,700
Investment Income	(25)	(42)	(17)	(75)	64	139	(300)	(300)	0
Interest Payments and MRP	76	0	(76)	229	0	(229)	916	916	0
Parish Precept Payments	0	0	0	972	972	0	972	972	0
Government Grants	(148)	(1,098)	(950)	(445)	(6,542)	(6,097)	(1,779)	(3,860)	(2,081)
Taxation (Council Tax and Business Rates)	(1,319)	2,061	3,380	(3,956)	6,183	10,139	(15,824)	(15,824)	0
Surplus / Deficit on Provision of Services	(1,553)	782	2,335	(5,246)	(1,480)	3,766	(20,389)	(19,770)	619
Transfers between Reserves / Funds									
Net Recharge to the HRA	(365)	(36)	329	(1,096)	243	1,339	(4,384)	(4,384)	0
Net Movement on General Fund Working Balance	3,759	(192)	(3,951)	2,977	5,397	2,420	(1)	5,814	5,815

<div>  <div> Housing Revenue Account 2020/21 Outturn Revenue Budget Monitoring Report </div> </div>				
	Adjusted Budget £000	Outturn £000	Variance £000	%
Income:				
Dwelling Rents	(54,435)	(54,435)	0	0.0%
Non-Dwelling Rents	(102)	(102)	0	0.0%
Tenants Charges	(1,517)	(1,517)	0	0.0%
Leaseholder Charges	(593)	(593)	0	0.0%
Interest and Investment Income	(192)	(192)	0	0.0%
Contribution towards Expenditure	(645)	(551)	94	-14.6%
Total Income	(57,484)	(57,390)	94	-0.2%
Expenditure:				
Repairs & Maintenance	12,068	9,883	(2,185)	-18.1%
Supervision & Management	14,196	14,236	40	0.3%
Rent, Rates, Taxes & Other Charges	36	100	64	177.8%
Interest Payable	11,586	11,586	0	0.0%
Provision for Bad Debts	975	2,075	1,100	112.8%
Depreciation	12,866	12,866	0	0.0%
HRA Democratic Recharges	335	335	0	0.0%
Revenue Contribution to Capital	5,855	5,855	0	0.0%
Total Expenditure	57,917	56,936	(981)	-1.7%
Transfer to / (from) Housing Reserves	(433)	(433)	0	0.0%
HRA Deficit / (Surplus)	0	(887)	(887)	0.0%
Housing Revenue Account Balance:				
Opening Balance at 1 April 2020	(2,892)	(2,892)	0	0.0%
Deficit / (Surplus) for year	0	(887)	(887)	0.0%
Proposed Contributions to Reserves	0	0	0	
Closing Balance at 31 March 2021	(2,892)	(3,779)	(887)	

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2020

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
General Fund										
Finance and Resources										
Commercial Assets and Property Development										
42 Old Town Hall - Cafe Roof and stonework renewal	Richard Rice	0	60,000	0	0	60,000	0	60,000	0	0
43 Demolition of Civic Centre	Richard Rice	0	78,208	0	0	78,208	64,734	78,208	0	0
44 Old Town Hall Seating Replacement	Richard Rice	40,000	0	0	0	40,000	12,343	40,000	0	0
45 Berkhamsted Civic Centre Staircase Renewal	Richard Rice	23,000	0	0	0	23,000	0	23,000	0	0
46 Berkhamsted Civic Centre Improvements Works - Creation of new area	Richard Rice	20,000	0	0	0	20,000	0	20,000	0	0
47 Victoria Hall Tring lighting Upgrade Works	Richard Rice	23,000	0	0	0	23,000	0	23,000	0	0
48 Tring Community Centre - new play area for Children's Nursery	Richard Rice	0	11,144	0	0	11,144	0	11,144	0	0
49 Bennetts End Community Centre Stairlift Replacement	Richard Rice	18,000	0	0	0	18,000	0	18,000	0	0
50 Boiler Replacement Programme	Richard Rice	185,000	0	0	0	185,000	0	185,000	0	0
51 Rossgate Shopping Centre - Structural Works	Richard Rice	0	300,901	0	0	300,901	0	300,901	0	0
53 100 High St (Old Town), Hemel - Window Replacement	Richard Rice	0	14,000	0	0	14,000	0	14,000	0	0
54 Long Chaulden Roof	Richard Rice	0	55,020	0	0	55,020	0	55,020	0	0
55 Bellgate - Walkway Renovation	Richard Rice	0	43,000	0	0	43,000	0	43,000	0	0
57 Bennettsgate - Window Renewal	Richard Rice	0	85,750	0	0	85,750	0	85,750	0	0
58 Commercial Assets - Shopping Centres	Richard Rice	70,000	0	0	0	70,000	0	70,000	0	0
59 Northbridge Road Highway Improvements	Richard Rice	0	45,000	0	0	45,000	61,678	45,000	0	0
60 Queens Square Canopy Renewal	Richard Rice	0	31,436	0	0	31,436	9,257	31,436	0	0
61 Apsley Industrial Estate Improvement Works	Richard Rice	25,000	0	0	0	25,000	0	25,000	0	0
62 Improvement Works to Market Stores	Richard Rice	20,000	0	0	0	20,000	0	20,000	0	0
63 Stevenage Rise Road Resurface	Richard Rice	33,000	0	0	0	33,000	0	33,000	0	0
64 Bellgate Roof Renewal	Richard Rice	25,000	0	0	0	25,000	0	25,000	0	0
65 Bunkers Farm	Richard Rice	0	0	0	0	0	178,175	0	0	0
66 Footpath Improvements Kings Langley churchyard	Richard Rice	15,000	0	0	0	15,000	0	15,000	0	0
		497,000	724,459	0	0	1,221,459	326,188	1,221,459	0	0
Procurement and Contracted Services										
70 Dacorum Athletics Track - Resurface Track	Ben Hosier	0	133,712	0	0	133,712	16,683	133,712	0	0
71 Hemel Hempstead Sports Centre - Astrotrurf renewal	Ben Hosier	0	70,000	0	0	70,000	0	70,000	0	0
73 Leisure Works - Replace Air Handling Unit in the Pool (Hemel)	Ben Hosier	0	270,000	0	0	270,000	166,120	270,000	0	0
74 Leisure Works - Replace Air Handling Unit in the Gym (Hemel)	Ben Hosier	150,000	0	0	0	150,000	0	150,000	0	0
75 Leisure Works - Replace Air Handling Unit in the Sports Hall (Hemel)	Ben Hosier	250,000	0	0	0	250,000	0	250,000	0	0
76 Berkhamsted Leisure Centre Improvements Works	Ben Hosier	0	52,000	0	0	52,000	0	52,000	0	0
77 Car Park Refurbishment	Ben Hosier	100,000	546,896	0	0	646,896	0	646,896	0	0
78 Multi Storey Car Park Berkhamsted	Ben Hosier	0	0	300,000	300,000	300,000	49,738	300,000	0	0
79 Town Centre Access Improvements	Ben Hosier	0	538,439	0	0	538,439	57,492	538,439	0	0
		500,000	1,611,047	300,000	300,000	2,411,047	290,033	2,411,047	0	0
Development Management and Planning										
83 3D Modelling Software for Planning	Sara Whelan	60,000	0	0	0	60,000	0	60,000	0	0
84 Tablets for Planning	Sara Whelan	20,000	0	0	0	20,000	0	20,000	0	0
		80,000	0	0	0	80,000	0	80,000	0	0

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2020

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Finance & Governance Management										
88 Civic Zone Regeneration Upgrade (DevCo)	James Deane	500,000	253,646	0	0	753,646	107,634	753,646	0	0
		500,000	253,646	0	0	753,646	107,634	753,646	0	0
Information, Communication and Technology										
96 Rolling Programme - Hardware	Ben Trueman	75,000	0	0	0	75,000	13,486	75,000	0	0
97 Software Licences - Right of Use	Ben Trueman	50,000	0	0	0	50,000	120	50,000	0	0
98 Future vision of CRM	Ben Trueman	55,000	75,000	0	0	130,000	0	130,000	0	0
		180,000	75,000	0	0	255,000	13,606	255,000	0	0
People										
103 EIS Replacement	Matt Rawdon	0	10,151	0	0	10,151	0	10,151	0	0
104 Self Service Kiosks	Matt Rawdon	0	25,000	0	0	25,000	0	25,000	0	0
		0	35,151	0	0	35,151	0	35,151	0	0
Property and Place										
108 Disabled Facilities Grants	Jason Grace	741,000	0	0	0	741,000	27,301	741,000	0	0
		741,000	0	0	0	741,000	27,301	741,000	0	0
Totals: Finance and Resources		2,498,000	2,699,303	300,000	300,000	5,497,303	764,761	5,497,303	0	0
Housing and Community										
Procurement and Contracted Services										
116 Rolling Programme - CCTV Cameras	Ben Hosier	25,000	1,745	0	0	26,745	6,106	26,745	0	0
117 Alarm Receiving Centre	Ben Hosier	0	33,627	0	0	33,627	0	33,627	0	0
118 CCTV Equipment Refresh	Ben Hosier	(380,000)	490,000	0	0	110,000	95,822	110,000	0	0
		(355,000)	525,372	0	0	170,372	101,928	170,372	0	0
People										
122 Verge Hardening Programme	Matt Rawdon	450,000	79,884	0	0	529,884	61,746	529,884	0	0
124 Capital Grants - Community Groups	Matt Rawdon	20,000	0	0	0	20,000	0	20,000	0	0
		470,000	79,884	0	0	549,884	61,746	549,884	0	0
Strategic Housing										
128 Affordable Housing Development Fund	David Barrett	2,691,000	0	0	0	2,691,000	(45)	2,691,000	0	0
129 Westerdale (Garage Development)	David Barrett	0	385,885	0	0	385,885	72,327	385,885	0	0
130 Temporary Accommodation - creation of new units	David Barrett	50,000	0	0	0	50,000	0	50,000	0	0
131 Upgrade to Civica Abrisas system (Housing Options)	David Barrett	66,000	0	0	0	66,000	37,100	66,000	0	0
		2,807,000	385,885	0	0	3,192,885	109,382	3,192,885	0	0
Totals: Housing and Community		2,922,000	991,141	0	0	3,913,141	273,056	3,913,141	0	0

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2020

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Strategic Planning and Environment										
Commercial Assets and Property Development										
139 Allotment Improvement Programme	Richard Rice	40,000	0	0	0	40,000	0	40,000	0	0
		40,000	0	0	0	40,000	0	40,000	0	0
Environmental Services										
143 Wheeled Bins & Boxes for New Properties	Craig Thorpe	10,000	0	0	0	10,000	59,786	100,000	0	90,000
144 Waste & Recycling Service Improvements	Craig Thorpe	0	0	0	0	0	3,005	0	0	0
146 Gadebridge Park - Renovation of White Bridge	Craig Thorpe	0	370,000	0	0	370,000	4,656	370,000	0	0
147 Upgrade of Hand Arm Vibration Monitoring System	Craig Thorpe	17,000	(20,052)	0	0	(3,052)	0	0	0	3,052
148 Resurfacing Works and Building Improvement to Depot	Craig Thorpe	60,000	0	0	0	60,000	0	60,000	0	0
149 Fleet Replacement Programme	Craig Thorpe	2,311,130	(300,398)	0	0	2,010,732	(14,172)	2,411,130	0	400,398
150 Fleet Services Renew Plant & Equipment	Craig Thorpe	0	0	0	0	0	(2,022)	0	0	0
		2,398,130	49,550	0	0	2,447,680	51,254	2,941,130	0	493,450
Strategic Planning and Regeneration										
155 Urban Park/Education Centre (Durrants Lakes)	Chris Taylor	0	134,015	0	0	134,015	0	134,015	0	0
157 The Bury - Conversion into Museum and Gallery	Chris Taylor	0	55,000	0	0	55,000	0	55,000	0	0
		0	189,015	0	0	189,015	0	189,015	0	0
Totals: Strategic Planning and Environment		2,438,130	238,565	0	0	2,676,695	51,254	3,170,145	0	493,450
Totals - Fund: General Fund		7,858,130	3,929,009	300,000	300,000	12,087,139	1,089,071	12,580,589	0	493,450

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2020

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	In-Year Adjustments
Housing Revenue Account					
Housing and Community					
Property & Place					
169 Planned Fixed Expenditure	Jason Grace	17,057,000	0	(3,700,000)	(3,700,000)
170 Pain/Gain Share (Planned Fixed Expenditure)	Jason Grace	0	0	0	0
171 M&E Contracted Works	Jason Grace	0	0	700,000	700,000
172 Communal Gas & Heating	Jason Grace	0	0	3,000,000	3,000,000
173 DBC Commissioned Capital Works	Jason Grace	750,000	901,068	0	0
174 Special Projects	Jason Grace	0	909,653	0	0
		17,807,000	1,810,721	0	0
Strategic Housing					
178 New Build - General Expenditure	David Barrett	(318,608)	318,608	0	0
179 Martindale	David Barrett	2,035,454	2,031,700	0	0
180 Stationers Place / Apsley Paper Mill	David Barrett	0	1,450,785	0	0
181 Bulbourne	David Barrett	(689,700)	828,391	0	0
182 Coniston Road	David Barrett	1,705,800	(342,708)	0	0
183 Eastwick Row	David Barrett	1,084,951	(66,725)	0	0
184 St Margaret's Way	David Barrett	(324,148)	440,648	0	0
185 Paradise Fields	David Barrett	150,000	0	0	0
186 Gaddesden Row	David Barrett	964,679	(319,651)	0	0
187 Randalls Ride	David Barrett	80,000	112,451	0	0
188 Garage Sites - New Build Developments	David Barrett	525,000	490,270	0	0
189 Wilstone	David Barrett	33,438	105,013	0	0
190 Marchmont Fields	David Barrett	100,000	0	0	0
191 Paradise Depot	David Barrett	225,000	0	0	0
192 Cherry Bounce	David Barrett	300,000	0	0	0
		5,871,866	5,048,782	0	0
Totals: Housing and Community		23,678,866	6,859,503	0	0
Totals - Fund: Housing Revenue Account		23,678,866	6,859,503	0	0
Totals		31,536,996	10,788,512	300,000	300,000

Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
13,357,000	294,937	7,579,000	(4,977,000)	(801,000)
0	82,190	0	0	0
700,000	37,959	400,000	(300,000)	0
3,000,000	183,517	2,000,000	(1,000,000)	0
1,651,068	129,596	2,389,230	(62,838)	801,000
909,653	0	59,653	(850,000)	0
19,617,721	728,199	12,427,883	(7,189,838)	0
0	0	75,000	0	75,000
4,067,154	367,163	3,886,000	0	(181,154)
1,450,785	105,234	1,855,000	0	404,215
138,691	0	76,691	(62,000)	0
1,363,092	7,476	578,092	(785,000)	0
1,018,226	26,736	1,018,226	0	0
116,500	17,861	262,250	145,750	0
150,000	111,437	956,700	806,700	0
645,028	18,859	645,028	0	0
192,451	7,593	192,451	0	0
1,015,270	17,288	1,015,270	0	0
138,451	2,130	100,451	(38,000)	0
100,000	6,834	100,000	0	0
225,000	14,177	200,000	(25,000)	0
300,000	4,107	185,000	(115,000)	0
10,920,648	706,894	11,146,159	(72,550)	298,061
30,538,369	1,435,092	23,574,042	(7,262,388)	298,061
30,538,369	1,435,092	23,574,042	(7,262,388)	298,061
42,625,508	2,524,164	36,154,631	(7,262,388)	791,511



Report for:	Cabinet
Date of meeting:	22nd September 2020
Part:	1
If Part II, reason:	

Title of report:	COVID-19 IMPACT PAPER
Contact:	<p>Andrew Williams, Leader of the Council and Portfolio Holder for Corporate & Contracted Services</p> <p>Author/Responsible, Officer:</p> <p>Sally Marshall, Chief Executive</p> <p>James Deane, Corporate Director (Finance and Operations)</p> <p>Mark Gaynor, Corporate Director (Housing and Regeneration)</p> <p>Mark Brookes, Assistant Director (Corporate & Contracted Services)</p>
Purpose of report:	<ol style="list-style-type: none"> 1. To provide Cabinet with an update on the projected financial impact of Covid-19. 2. To highlight the work and support the Council has been carrying out across service areas in relation to Covid-19.
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet receive and note: <ol style="list-style-type: none"> (a) The projected financial impact of Covid-19 for 2020/21 as set out in section 1. (b) The service updates provided in section 2.
Corporate objectives:	The financial impact and the Council's response to Covid-19 will impact all of the Council's Corporate Objectives.
Implications:	<p><u>Financial</u></p> <p>Financial Implications are covered in section 1.</p>
'Value for money' implications	<p><u>Value for money</u></p> <p>Covid-19 will have various value for money implications which will</p>

	<p>be assessed as proposals develop to respond to the issues raised.</p> <p>The Council's initial response has focused on continuity of service provision and support for key groups and organisations – the measures implemented are aimed at assisting the recovery and minimising the long terms impacts as much as possible.</p>
Risk implications	Due to the significant impact of Covid-19, a new strategic risk has been entered into the Council's Strategic Risk Register.
Community Impact Assessment	The Council's response to date has tried to ensure minimal service disruption to the community. The recovery phase of the Council's response will continually assess its impact on the community to ensure a balanced and effective response and this will be directed through the various recovery groups.
Health and safety Implications	The Council has acted promptly and put in place appropriate measures to ensure that staff, councillors and the community are protected from Covid-19 whilst trying to ensure minimal service disruption. This will continued to be assessed through the recovery stages.
Monitoring Officer/ S.151 Officer Comments	<p><u>Monitoring Officer comments</u></p> <p>The Monitoring Officer continues to monitor the key issues raised by legislative changes and relevant government guidance and ensure that effective policies and procedures are in place to assist services to continue to deliver during the pandemic and subsequent recovery phase.</p> <p><u>S151 Officer comments</u></p> <p>The Financial Implications section of the report have been written by the S151 officer and will continue to be monitored as actual costs become clearer. Members will be regularly updated on the financial implications of Covid-19 as they develop.</p>
Consultees:	Leader of the Council, Councillor Andrew Williams
Background papers:	<p>Coronavirus Covid-19: Guidance for Local Government</p> <p>Procurement Policy Note 02/20 – Supplier Relief due to Covid-19</p>
Glossary of acronyms and any other abbreviations used in this report:	None

1. **EXECUTIVE SUMMARY – FINANCIAL IMPLICATIONS**

- 1.1 This section provides an update on the Covid-related financial pressures detailed in the June Cabinet report. It does not include the business-as-usual pressures that

emerge over the course of the year, which will continue to be reported to Members through the scheduled Budget Monitoring reports.

- 1.2 The forecasts in this report have been updated to reflect five months' worth of current year data, as well as the most recent announcements from Government on the financial support that will be provided to councils over the course of the year.
- 1.3 As at the end of August, DBC is forecast to face a net General Fund pressure in the current financial year of around £2.5m (down from the £5m pressure forecast in May). This is a net position, incorporating the following:
 - Additional expenditure £1.8m – offset by £1.8m of Government grants, as detailed in the previous report (see section 1.10)
 - Lost income £4.1m – offset by £1.6m from the Government income guarantee scheme, detailed later in this report (see section 1.7)
- 1.4 Currently, there are no indications that further Government support will be made available to local authorities. Whilst use of reserves may be an option for DBC to cover the predicted shortfall, they are all currently earmarked for future projects and their use would have longer-term implications for the Council's future ambitions. This will be kept under review as the year progresses and more clarity emerges on both the scale of the final pressure and the options available to mitigate it.
- 1.5 Falling collection rates for both Council Tax and Business Rates could create funding issues in future years. However, the technicalities of these funding streams means that the current year's budget will not be affected.
- 1.6 The HRA is currently forecasting a full-year surplus of c£900k. This is a net position, with an expected increase in the bad debt provision to be partially offset by reduced expenditure of £2.4m.

Pressure on General Fund income streams

- 1.7 The most significant financial threat continues to be lost income due to falling demand for Council services. Despite now having the benefit of 5 months of in-year data, forecasting the year-end position for these income streams remains far more challenging than under normal circumstances. The forecast year-end position could alter dramatically over the second half of the year depending on factors that cannot be estimated within any certainty and that are beyond the Council's control, e.g. the potential for future national or local restrictions/lockdown period and the unknown severity of any recession.
- 1.8 Since the June Cabinet report, Government has released detail of its Sales, Fees & Charges (SFC) scheme, which underwrites a portion of income losses for certain council income streams. Councils must meet the first 5% of all income losses, but Government will underwrite 75% of the remaining losses. Significantly for DBC, this scheme does not apply to rental income. This means that the Council's two highest income streams, Commercial Property and Garages, are not eligible for support.
- 1.9 The table below provides an update on the Council's key income streams highlighted in the June report.

Income stream	Budget	May Forecast	August Forecast	Commentary
Investment Property	£5.4m	£2.7m	£4m	There is a clear trend emerging on rental collection from commercial properties with year-on-year collection rate down 5% at the end of June, falling to 14% by the end of August. There is a significant risk that collection issues will continue to escalate throughout the year as Government grants received by traders early in the pandemic are exhausted; the furlough scheme comes to an end; and, the impact of the expected recession begins to bite. This forecast is based on 50% collection rate for the remainder of the year.
Garages Income	£3.6m	£2.7m	£3m	Garage income has held up well against budget for the first 5 months of the year, and occupancy levels have not decreased. Whilst still exposed to the threat of recession, due to the relatively strong performance thus far the forecast income loss for the remainder of the year has been reduced to 20% from an initial estimate of 25% loss.
Car Parking	£2.8m	£1.8m	£2.5m	As expected, the nationwide lockdown had a dramatic impact on parking revenue, with income at 15% against budget as at the end of May. Since then there has been a positive trend with income picking up throughout June (35%) and July (63%). The y-t-d position of £600k under budget and an assumption of 80% of budget for the remainder of the year is consistent with the original estimate of £1m under budget for the full year. This is offset by c£700k under the government scheme.
Planning Fees	£1.2m	£0.9m	£1.1m	The first 4 months of the year have been on budget. The income remains exposed to fluctuations in the property market and this forecast assumes a 25% under budget for the remainder of the year.
Commercial Waste	£1m	£0.75m	£0.9m	The timing of bills means that a clear y-t-d trend has not yet emerged. The original assumption of 25% shortfall remains in place, partially offset by the government scheme.
Temporary Accommodation	£950k	£950k	£950k	Demand has increased dramatically, but unlikely to see significant increase in income as the Council's own TA capacity becomes fully utilised.
Leisure	£500k	£200k	£360k	The leisure sector has been hit dramatically by lockdown; revenues continue to be impacted as social distancing limits visitor capacity; and, membership numbers will take many months to recover to pre-Covid levels. Unlikely that any management fee will be received this year, but £360k govt. income offset.
Civic/Sports/APG hire	£300k	£150k	£260k	Income continues to be hit by social distancing. The original forecast of 50% reduction against budget is updated only by the partial offset under the Government scheme.
Search Fees	£230k	£120k	£190k	Housing market likely to stagnate for at least the next 12 months as households await a more clearly emerging economic picture.
Total	£15.9m	£10.3m	£13.3m	

Pressure on General Fund expenditure

- 1.10 The areas forecasting significant expenditure pressure remain the same as those reported in June, and, at present, the total remains within the £1.8m of Government grant funding received. The updated figures are as below:

Expenditure Type	Pressure	Commentary
Waste Services	£750k	<p>The initial staffing and vehicle cost pressures in the first months of the pandemic are now starting to ease, and waste tonnages are returning to pre-Covid levels. However, the Council has collected increased recycling tonnages at exactly the time that the global market for recyclates has fallen further, which has led to increased costs of disposal. This trend is likely to continue throughout the year.</p> <p>There remains a risk of further additional costs depending on future lockdowns that may be implemented either locally or nationally.</p>
Supplier Support Packages	£525k	This comprises payments to key suppliers that were subject to approval under Part 2 legislation. Members can find more detail under PH Decision Sheets dated 31 March and 20 July 2020.
Office-based staff	£250k	Estimated figure across the council to cover future increased demand for services.
Facilitate compliant ways of working	£275k	This includes modifications to Council buildings e.g. screen dividers for desks; automatic door installations; investment in mobile IT, etc.
Total	£1.8m	

Pressure on Council Tax collection

- 1.11 At the end of August year-on-year collection rates were down 1.7%, with 46.3% of the annual total having been collected, compared to 48% at the same stage last year. This is marginally down on the 1.4% shortfall reported at the end of May, but the position has not deteriorated in the three months since the end of June. It is not unexpected for collection to be down on last year given the number of taxpayers rearranging their payments for later in the year. The final year-end position will depend on the extent to which reprofiled payments catch up in February and March.
- 1.12 The mechanics of the Council Tax Collection Fund mean that a short-fall in the current year collection rate will not result in a budgetary pressure for the Council until next financial year. The twin risks posed to future years' funding by falling collection rates and reduced tax base growth will be addressed within the MTFS assumptions which will be reported to Cabinet in October
- 1.13 The potential cashflow risk arising from poor collection rates was highlighted in the June report, i.e. the statutory requirement to continue paying HCC the budgeted monthly precept even if the actual amount of cash collected by DBC was way below the budgeted amount. Based on current collection rates and the Council's cash position, this risk is currently considered low.

Pressure on Business Rates collection

- 1.14 From a budgetary perspective, DBC will not be impacted in the current financial year by falling collection rates. This is because the grant DBC receives from Government is based on 'assessment of need', with a maximum of 7.5% of the grant at risk if Business Rates collection falls below a baseline level. The at-risk element is based on the previous year, so any contraction of the local economy won't impact DBC until next financial year. Assumptions on future years' impacts will be included within the MTFS reported in October.

Summary of General Fund budgetary position and potential mitigations

- 1.15 Based on the forecasts in this report, DBC faces a potential in-year Covid-related budgetary pressure of:

Increased expenditure	£ 1.8m
Less Government Grant	(£ 1.8m)
Lost income	£ 4.1m
Less Government income offset	(£1.6m)
Net financial cost	£ 2.5m

- 1.16 Based on information available at the time of writing, the use of earmarked reserves is a potential option for the Council to meet these financial pressures within the current year. However, this would be at the expense of the future projects the reserves were created to support (in some cases to finance schemes which are fundamental to meeting future savings requirements). In extreme circumstances, use of reserves could plug the budgetary gap. Options for managing the longer-term financial risks of Covid will be reported within the MTFS in October.

Housing Revenue Account

- 1.17 As at the end of August, the HRA is forecasting a full-year surplus of c£900k a result of Covid. The principle areas of variance are an increase of the bad debt provision of c£1.1m, offset by reduced expenditure of £2.2m on the repairs budget due to reduced access to tenants' homes. The threat to the HRA is significantly lower than the General Fund, as delays to rental income are likely to be short term whilst tenants transfer to Universal Credit.

2 RESILIENCE AND RECOVERY SUPPORT

- 2.1 Members will note that this is the third update report on the Council's response to Covid-19 and this part of the report will highlight some of key work and support that the Council has provided across its various services to ensure continuity of service and recovery resilience. This report covers the period July to September 2020.

Managing the pandemic

Linkages to Wider Local Resilience Forum Recovery Structure

- 2.2 In respect of the current pandemic, a Hertfordshire wide Recovery Coordinating Group (RCG) has already been established. The RCG is a multi-agency officer group with clear linkages and reporting lines to the Strategic Co-ordinating Group (SCG). The Covid 19 Health Protection Board also meets weekly to work on implementation of the

Covid 19 Outbreak Plan, this has representation from the SCG, RCG, County, Public Health England, Police, CCG and Health Service.

- 2.3 The Dacorum recovery continues to be managed by the Incident Management Team (IMT) which has been managing the pandemic to date and meets at least twice weekly to review all key issues.
- 2.4 There is continued and effective liaison between work streams at county and borough levels and daily updates are received from the Health Protection Board including infection rates for the county and borough, which enables targeted and coordinated work to be undertaken to manage any local outbreaks.
- 2.5 The Environmental and Community Protection team continues to be engaged in local Track and trace, and dealing with complaints surrounding businesses Covid Secure Status. To illustrate the intensity of the work, from the 27th August to the 3rd September the team have contact traced 56 positive cases of Covid 19, contacted significant contacts and visited workplaces associated with these cases in a bid to halt the spread of the disease in the Dacorum Area. The cases initially were in the Tring and Berkhamsted area with younger adults, although there have also now been further cases arise in the Hemel Hempstead area.

Support to Communities

- 2.6 Officers continue to liaise with community and charitable organisations which provide services to residents in the borough to start to assess the short to medium term impact of Covid-19. A fortnightly meeting has been arranged to discuss key issues, which has highlighted the financial challenges as well as insights into community issues arising from Covid-19.
- 2.7 In addition, officers have supported Hertshelp in delivering food parcels to vulnerable/shielded residents and a support letter was sent to Dacorum residents from Herts CC and Dacorum detailing various different pathways for a vast range of issues.
- 2.8 Dacorum Health and Wellbeing board has changed its agenda to focus on Covid-19 recovery with our key partners – Police, Community and Voluntary Sector, etc.

Learning from Lockdown

- 2.9 The New Normal Programme team met with every Group Manager from across the Council to understand what changes implemented as a result of Covid-19 had worked, what could be improved and what changes should be continued once lockdown is eased completely.
- 2.10 Overall, although the lockdown happened very quickly the Council was able to modify its working practices quickly to ensure that those services that were not stopped due to the pandemic were able to continue and provide support to the community. This was largely as a result of earlier investment in remote and agile working practices and technology. In addition, a number of other activities were undertaken that are not part of normal responsibilities.
- 2.11 Based on the feedback received and taking into account the results of the Staff Health and Wellbeing Questionnaire, the following observations have been made:

- (a) The Council is able to adapt ways of working and continue to deliver quality services during a period of significant change and concern.
- (b) MS Teams has been invaluable and officers have been able to continue to deliver their services whilst working from home. All Group Managers felt that it should continue to be used post the pandemic and have seen how it helps collaborative working.
- (c) MS Teams has assisted regular teams meetings and project work with external parties as it ensures more people can attend, makes coordination of diaries easier, and saves on travel time.
- (d) Feedback has been that for operational meetings, the flow of the meeting is improved in MS Teams as there is an etiquette of allowing people to speak one at a time and raising hands to ask questions. The meetings can be focussed and hence cover more ground in the same amount of time as a normal meeting. Although there are also some limitations where a greater degree of interaction is required or where the meetings involve larger number of participants.
- (e) Enabling managers to support flexible/agile working arrangements has been much appreciated by officers through the pandemic and enabled them to maintain an improved work/life balance. Managers feel that this has not impacted their team's productivity overall and so should be considered to continue as this will support individual officers in achieving their maximum potential. It will be necessary to develop and review key performance indicators to be able to assess any impact on service delivery in the medium to longer term.
- (f) Flexible working arrangements may also assist recruitment as candidates may not be so focused on the location they live in terms of proximity to Hemel Hempstead. However, it is stressed that all working arrangements need to take into account the requirement to provide the necessary level of presence in the Forum to ensure continuity of service delivery and the ongoing development of services whilst ensuring that complex and vulnerable customers are able to access services appropriately. This will vary between departments and needs to be managed by the relevant Group Manager.
- (g) The need to change business processes to enable home working has enabled both officers and managers to reflect and see what further improvements can be made. Many managers expressed a desire to automate and digitise further to remove non-value adding tasks.

2.12 The outcomes of the feedback will be considered by the New Normal Project Board and Corporate Management Team to agree which practices and procedures the Council should continue and to evaluate how services can be developed, balanced with the needs of the service and the Council's priorities.

Leisure

2.13 Officers have been working with the operator of Hemel and Berkhamsted Sports Centre, Everyone Active to agree measures for reopening with appropriate health and safety measures in place. Hemel Hempstead and Berkhamsted Sports Centres as well as Jarmans Park Athletics Track both reopened to the public and clubs in late July and feedback from service users has been positive.

- 2.14 The required health and safety measures and changes in customer behaviours have meant that the income generated by the centres is significantly less than pre-covid levels whilst operating costs remain broadly similar. A support package with Everyone Active was agreed for July, August and September to enable the centres to open, provide continuity of service and protect local jobs. The details of the support package are set out in the Part II Officer Decision dated 20th July 2020. Further support is likely to be required until the end of the financial year as a minimum and this is currently being reviewed once August and September's income figures are known.
- 2.15 Match funding has been confirmed from Sports England for consultancy support to assess the short to medium term impact of Covid-19 on all the Council's leisure facilities and this includes working with Dacorum Sports Trust to consider the impact on Little Hay Golf Club and the XC Centre.

Support to business and council contractors

- 2.16 During August 2020, eighty-four of the 780 businesses that took part in the original business intelligence telephone surveys between April and June were re-surveyed. Sixty-seven of the 251 businesses that previously reported being in crisis were re-surveyed. Of these, thirty (44.8%) felt they were still in crisis, thirty-six (53.7%) now described themselves as ticking over and one business had been sold to new owners (whom it was not possible to contact).
- 2.17 The most common reported concerns for these businesses were, as before, loss of turnover (almost 100% of the businesses), reduced productivity (86.3%) and cash flow (81.8%). 39.4% of these businesses were concerned about potential closure of the business and 37.9% were concerned about the possible need for redundancies.
- 2.18 Overall, 311+ redundancies have occurred from the total job count of 1328 for the businesses surveyed (around 23%). However, it should be noted that 250+ of these redundancies were from one employer. 146 self-employed staff had also been let go.
- 2.19 Fifty of the previous "crisis" businesses still had staff furloughed, accounting for 187 staff. A total of 200 staff had been un-furloughed, although 119 of these were on flexible or part-time furlough, to enable the business to cope with fluctuating and unpredictable demand.
- 2.20 Only 24 of the 67 business (36%) were continuing to work from home and only 11 (16%) were planning to make this part of their working conditions permanently.
- 2.21 37.3% of the previous "crisis" business were able to describe adaptations to the business. These adaptations varied according to the business, but included online or virtual services, increased marketing effort or seeking new types of customer.
- 2.22 Businesses were asked a new question this time, on how the pandemic had affected their long-term business plans. The majority felt that they were only able to focus on survival, reducing costs and trying to keep going/keep staff employed. Many reported a substantial impact on turnover, setting the business back many years in terms of its development and growth.
- 2.23 As previously reported by businesses, they found it difficult to know what support they would need ongoing, however those that answered most commonly stated that some form of financial assistance was what was needed. This was in the form of future grants, business rates relief or reform or help with staff costs. A minority mentioned

training or business advice/mentoring as helpful in the future.

- 2.24 In addition to those businesses surveyed that had been in crisis, sixteen businesses that had been ticking over and one that had been thriving were also re-surveyed. Of those ticking over, two were now able to describe themselves as thriving again. One was a discount tyre company that feels a recession will be good for them and the other provides surveying and project management services and has found business to have increased post lockdown. The business that was thriving previously provides Legionella consultancy services and continues to thrive. The previous survey can be accessed on the link below:



BusinessSurveyAug2
020CMT.pptx

- 2.25 The Hertfordshire Local Enterprise Partnership is leading on the economic recovery for Hertfordshire and has published its Economic Recovery Plan, *Unlocking Hertfordshire*, in response to COVID-19. This plan builds on the emergency measures which were taken at both local and national levels.

Its purpose is to chart a clear route through the short-medium term economic effects of the pandemic and define actions in response. It aims to accelerate recovery over the next 6-18 months, but it will also position Hertfordshire for sustained and good economic growth in the years thereafter.

The plan is structured around main three delivery packages. These are focused on:

- **Enterprise and Innovation;**
- **Skills and Creativity; and**
- **International Trade and Investment**

To ensure that progress is made towards the longer-term aspirations set out in the draft Local Industrial Strategy (and previously the Strategic Economic Plan), two transformational programmes will be also advanced.

These are:

- **Equipping Hertfordshire's places for mid-21st century working and living**
- **Connecting Hertfordshire for mid-21st century working and living**

Across both transformational programmes, Hertfordshire LEP will work alongside other partners to ensure that progress is made. In particular, the intention is that many of these broader commitments should be advanced through the emerging Growth Deal which is being negotiated through the Hertfordshire Growth Board.

Hertfordshire LEP Board will oversee the delivery of the Economic Recovery Plan and it will monitor its progress closely. Given the uncertainty of the situation and the process of EU transition, this plan is, and will remain, a live one. The LEP intends to review it in the autumn and early in the new year.

New Build

- 2.26 Work on the schemes on-site at the time of lockdown ceased for a relatively short period of around three weeks but re-started with a reduced capacity to ensure social distancing and safe working. Two schemes were completed Williams House and Howe Grove House (Northend and Westerdale) providing twelve new homes and Martindale (65 homes) and Magenta Court (29 homes) are due for completion and letting in the

next few weeks. Work has continued in getting new schemes out to tender and in for planning.

Property and Place

- 2.27 Following re-mobilisation of Osborne, who during lockdown were carrying out emergency repairs only, has allowed ordinary repairs work to restart though understandably a backlog built up whilst these could not be done. Gas Servicing and testing did continue and compliance has remained over 99%.

Support to Individuals

- 2.28 Risk assessments have been developed to enable the supported housing officers to recommence face to face, doorstep visits to all tenants in sheltered schemes and have met with over 1600 tenants and made referrals to support agencies such as AgeUK, adult care or citizens advice for 128 individuals, who had been negatively impacted throughout the lockdown. Sheltered schemes continue to have additional cleaning of all communal areas and regular telephone contact has been made with all residents who are anxious about face to face contact.
- 2.29 The income and tenancy sustainment teams have been providing advice and support to those households in financial difficulty or with complex needs through the impact of Covid-19 and the numbers requiring support continue to increased month on month.
- 2.30 The number of presentations to the Homelessness service reduced slightly in July, but increased in August, which is ordinarily a quiet month. The Council submitted a bid to Ministry Housing, Communities and Local Government for Next Steps Accommodation Funding, to assist with move on accommodation and recovery plan. The bid is currently being assessed and if successful would provide funding for up to 38 additional units. Dacorum were initially allocated £29,000 of MHCLG funding specifically to assist with homelessness, however to date we have spent in excess of £76,000 on the immediate and ongoing response.
- 2.31 At the time of writing this report there are still 160 households in Temporary accommodation and all available units are being occupied with a further pipeline of 11 referrals to be assessed. Over 620 households have been provided assistance and support since the beginning of the Pandemic.
- 2.32 The Council have seen an increase in anti-social behaviour cases, and in quarter one the number of live cases per 1000 properties was 8.38, compared with 7.24 per 1000 properties before the lockdown.
- 2.33 Domestic Abuse cases have been prevalent since the start of lockdown and even with the easing of restrictions the team continue to support a number of individuals fleeing domestic abuse. There had been 123 cases in the first seven weeks, since the end of March.

Forum/staff occupied buildings

- 2.34 Reviews have been carried out of all staff occupied buildings and changes made to ensure that staff can occupy buildings safely with appropriate distancing and hygiene measures and a phased return to the buildings has commenced. The main measures introduced include:
- Staff to sit diagonally from each other (4 staff on a bank of 8 – at the Forum).

- Maximum of 155 staff in the Forum (approximately 1/3 of full capacity) – Working from home rota to be agreed by managers
- Everyone entering the Forum will have their temperature screened and a process for what should happen if a high temperature will be agreed
- Shared seating areas and kitchens have been reconfigured
- Atrium and café to be open for takeaway only
- Visitor access to the Forum to be by appointment only – The library formally opened to the public in controlled numbers from the second week in September.
- Access to Forum to be via the pass door to the side of the main entrance and exit will be via the fire exit on the lower ground floor to ensure a one-way system can operate.
- One way system has been created around the Forum with appropriate markers
- Perspex screens (870 mm from desk surface) have been fitted to all desks and points of contact with customers/public (similar to what has happened in most shops).
- The use of lifts in the Forum are restricted to people that must use them and only 1 person is allowed in them at any one time.
- Appropriate 2 meter markings are placed on the floor at prominent parts of the building to remind everyone of the 'social distance' measures.
- Introduction of additional hand disinfectant/sanitising units around the Forum.
- Automated doors have been fitted to reduce the number of door handles needing to be touched.
- Staff will be responsible for their own coffee/tea mug and should keep it in their locker when not in use to ensure that only they use the receptacle.
- A Forum user etiquette has been prepared to ensure all users are aware of the behaviors that must be observed in relation to appropriate hygiene and social distancing measures when in the building

Town Centre, Shopping areas and public open spaces

2.35 Officers have developed an action plan for the main shopping areas across the Borough including Hemel Hempstead Town Centre, Tring and Berkhamsted and neighbourhood centres and this has now been implemented and the shopping centres have re-opened. Implemented measures include:

- Safe distancing and hand washing signage
- Utilising the large screen in the Marlowes for visual messaging
- Continued closure of play areas

- Enhanced cleaning regimes
 - Liaising with the Hemel Hempstead Business Improvement District to ensure shops are managing queuing appropriately and are opening/operating safely
- 2.36 Safe distancing and hygiene signs have been placed at the entrance to parks and open spaces and play areas which have also now been reopened.

3. SUMMARY AND CONCLUSION

- 3.1 Members will note that this report comprehensively reports the actions taken in response to the COVID-19 pandemic during the last quarter. The report also summarises the financial impact on the Council as currently forecast.
- 3.2 Officers will keep under review any impact on service delivery and associated financial implications arising from the pandemic, particularly leading into the period of preparation for any impact resulting from winter pressures. Officers will continue to provide appropriate briefings and reports to Portfolio Holders and elected members on a regular basis.

Agenda Item 9

Report for:	Cabinet
Date of meeting:	22nd September 2020
Part:	I
If Part II, reason:	

Title of report:	Loan Agreement with West Herts Crematorium Committee.
Author:	Nigel Howcutt, Assistant Director Finance and Resources.
Contacts:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources. James Deane, Corporate Director Finance and Operations.
Purpose of report:	To seek approval to award a long term loan to the partner authorities of West Herts Crematorium Joint Committee (WHCJC) to fund the development of a Crematorium in Dacorum. The loan will be available once the project has completed all planning process and has final planning approval.
Recommendations:	<ol style="list-style-type: none"> 1. That Cabinet recommend Council agree a £6m loan to the partner authorities of the West Herts Crematorium Joint Committee (WHCJC), and a supporting Deed of Contribution and Indemnity and delegate authority to the Corporate Director , Finance and Operations in consultation with the Portfolio Holder for Finance and Resources to finalise terms of the required legal documentation. 2. That Cabinet delegate authority to the Assistant Director of Finance and Operations in consultation with the Assistant Director, Corporate and Contracted services to agree a land management or lease agreement with one or all of the partner authorities of WHCJC for the proposed crematorium site on Bedmond Road.
Corporate Objectives:	Ensuring Economic Growth and Prosperity
Implications:	<p><u>Financial</u></p> <p>The loan facility provided to WHCJC will ensure all costs incurred to administer the loan are paid by the borrower.</p> <p>The loan is underwritten by all WHCJC Local Authority partners, who are all Local Authorities in Hertfordshire and hence the loan is considered a secure loan to provide.</p> <p>The loan agreement details a surplus 2% charge of interest on the cost of borrowing these funds externally so would provide an additional revenue income of at least £50k p.a.</p> <p>In addition to this additional revenue the council will receive an annual rental payment for the land of circa £50k p.a. and expected increases in</p>

'Value For Money Implications'	<p>the volume of burials of cremated remains at the adjacent Poppy Fields Cemetery.</p> <p><u>Value for Money</u></p> <p>The loan agreement details a surplus 2% charge of interest on the councils cost of borrowing these funds externally. This will ensure the council makes a return on this investment.</p>
Risk Implications	<p>The Local Authorities that are underwriting this loan facility are already approved third parties included in the DBC treasury Management strategy, and hence deemed financially sustainable.</p> <p>The Treasury Management strategy is produced annually utilising external professional guidance in regards to risk, investing in other Local Authority partners is considered a low risk strategy for the council.</p> <p>The Council itself as one of the partner organisations is also taking on a 20% share of the risk in this project. The business case for the pending crematorium and the fiscal position of WHCJC have been evaluated to ensure that the risk is considered small.</p> <p>The Medium Term Financial Strategy outlines the council's future needs for capital financing, and lending £6m externally would not impact on the council's ability to borrow to deliver this strategy. The council at present has significant borrowing headroom that could be utilised to fund other strategic ambitions.</p>
Community Impact Assessment	N/A
Health And Safety Implications	N/A
Monitoring Officer	<p>Monitoring Officer:</p> <p>The loan will be documented in a formal loan agreement made between Dacorum as the lender and the partner authorities of Watford, Hertsmere, St Albans and Three Rivers District Council as the borrowers. Dacorum's liability for its proportionate share of the loan in the event of default is documented in the supporting Deed of Contribution and Indemnity.</p> <p>Deputy S.151 Officer</p>
Deputy S.151 Officer Comments	The comments of the Deputy S151 are included in the body of this report.
Consultees:	<p>Cllr Graeme Elliot, Portfolio Holder for Finance and Resources.</p> <p>Nigel Howcutt, Assistant Director Finance and Resources.</p> <p>James Deane, Corporate Director Finance and Operations.</p> <p>Mark Brookes, Assistant Director Corporate and Contracted Services</p> <p>Fiona Jump, Financial Services Group Manager</p>
Background papers:	DBC Treasury Management Strategy 2020/21.
Glossary of acronyms and abbreviations used in this report:	WHCJC - West Herts Crematorium Joint Committee.

1. Background

- 1.1 Dacorum Borough Council is one of the five Local Authority partners that comprise the WHCJC, with the other partners being St Albans, Watford Borough Council, Three Rivers District Council and Hertsmere Borough Council.
- 1.2 The WHCJC oversee the management and operation of the West Herts Crematorium in Garston.
- 1.3 In May 2018 the chair of the WHCJC approached Dacorum Borough Council to discuss the proposal of developing a new Crematorium on Bedmond Lane in Dacorum. The land proposed for development is within the Dacorum geographical boundary and the land is owned by DBC.
- 1.4 The WHCJC have progressed with plans to develop the site into a crematorium and at this stage have submitted an application for Planning Permission which is being considered by Dacorum, in the council's role as the local planning authority.
- 1.5 Their developed business case, produced by a specialist consultant, indicates that a crematorium on this site could be viable in the medium- to long-term. In summary, the business case appears robust and indicates that the capital cost of a new crematorium is likely to be around £8m, with annual running costs of c£850k.
- 1.6 The business case assumes that the proposed Bunkers crematorium would be loss making for the first two years, as it grew its reputation and increased its customer base, moving into a profit-making position after three years. The WHCJC as a group would remain profitable throughout this period. There is always a risk with new developments but at present the WHCJC runs a successful operation at Garston and is well placed to mitigate the risk. It currently deals with around 3,200 cremations per year, generating a turnover of £2.25m, and has growing reserves that currently stand at over £3m.
- 1.7 If planning consent is approved the consortium will require funding to deliver the new crematorium, and as the land is in and owned by Dacorum it was deemed preferable for DBC to provide a loan facility alongside a land management or lease agreement for use of the land.

2.0 Proposal

- 2.1 This report seeks approval for a loan facility granted on a long term loan basis (20 years) from DBC to the partner authorities of WHCJC. The loan facility would be underwritten by all 5 WHCJC Local Authority partners to ensure a legal and secure loan facility can be provided. The loan would be administered and overseen by the council as part of the standard treasury management processes.
- 2.2 Legal, finance and commercial assets officers with assistance from external legal advisers have liaised with our Local Authority partners to produce a Loan agreement and supporting Deed of Contribution and Indemnity. This document provides the legal framework for the loan and provides security to DBC that partner organisations are underwriting the loan agreement.
- 2.3 This loan agreement sets out the legal framework to provide a £6m loan to WHCJC for a period of up to 20 years. This agreement includes a surplus 2% charge of interest on the cost to the council of borrowing these funds externally, and hence provides an additional revenue income stream to the council to be managed as part of the wider council Treasury management strategy.
- 2.4 As part of this development a land management or lease agreement between Dacorum Borough Council and WHCJC will be finalised, and this report also seeks delegated approval to oversee this agreement.
- 2.5 This arrangement will include an annual rental income to the council of £50k per annum.

- 2.6 In addition to these arrangements it is expected that the new DBC Cemetery at Bunkers Park, Poppy Fields cemetery, will see an increase in burials of cremated remains from the adjacent crematorium.

3. Recommendations

- 3.1 To delegate approval to the Corporate Director of Finance and Operations in consultation with the Portfolio holder for Finance and Resources, to finalise the loan agreement with the partner authorities of WHCJC once the legal terms of the loan agreement are in place, including planning consent for the development.

Agenda Item 10



Report for:	Cabinet
Date of meeting:	22nd September 2020
Part:	I
If Part II, reason:	

Title of report:	Appointment of a Principal Contractor for Coniston Road Development, Kings Langley
Contact:	<p>Cllr Margaret Griffiths, Portfolio Holder for Housing</p> <p>Mark Gaynor, Corporate Director Housing and Regeneration</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Nigel Howcutt, Assistant Director Finance and Resource</p> <p>David Barrett, Housing Development Group Manager</p>
Purpose of report:	<p>To be read in conjunction with Part II.</p> <ol style="list-style-type: none"> 1. To seek approval to award the main contract and appoint a Principle Contractor to construct 10 Houses at land adjacent to the corner of Coniston Road and Barnes Lane, Kings Langley. 2. To provide delegated authority to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract and/or reasonably required to complete the Project, including (but not limited to): <ol style="list-style-type: none"> a. all professional appointments; b. collateral warranties; and c. Agreements under S.38, & S.278, of the Highways Act 1980;

	<p>S.247, Part III of the Town and Country Planning Act 1990; S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1991.</p>
Recommendations:	<ol style="list-style-type: none"> 1. That the main contract to construct 10 x social rented Houses at Land Adjacent to the corner of Coniston Road and Barnes Lane, Kings Langley be awarded to Bugler Developments Ltd. 2. That delegated authority be approved to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract and/or reasonably required to complete the Project, including (but not limited to): <ol style="list-style-type: none"> a. all professional appointments; b. collateral warranties; and c. Agreements under S.38, & S.278, of the Highways Act 1980; S.247, Part III of the Town and Country Planning Act 1990; S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1991.
Corporate Objectives:	Delivering Affordable Housing
Implications:	<p><u>Financial</u></p> <p>Land adjacent to the corner of Coniston Road and Barnes Lane, Kings Langley.</p> <p>The overall development budget is reviewed strategically as part of the annual review of the Housing Revenue Account Business Plan. Each individual scheme following contract award is subject to close financial monitoring with any variances agreed formally through a change control process</p>
Value For Money Implications'	<p><u>Value for Money</u></p> <p>Land adjacent to the corner of Coniston Road and Barnes Lane, Kings Langley.</p> <p>This has been achieved through a successful procurement programme involving an open tender process.</p>
Risk Implications	<p>Risk assessments are completed within the new build Project Initiation Document (PID) and reviewed and updated on Project Management Office, on a monthly basis.</p> <p>A risk assessment is completed for each site by the Employers Agent and reviewed monthly from the award of the contract.</p>

Community Impact Assessment	A Community Impact assessment not required as homes are developed and allocated in line with the demand and to replicate the criteria for assessment, as set out in the Council's Allocation Policy, which has had a full assessment. The development includes one wheelchair compliant house.
Health And Safety Implications	<p>Each new build scheme has in place a Principal Designer and Construction Design and Management Regulations (CDM) Advisor. Contractors are required to comply with the Council's Health and Safety (H&S) policy along with Considerate Constructors requirements.</p> <p>Health & Safety is identified as a key risk of the Housing Service and is reported to the Council's Housing and Communities Overview and Scrutiny Committee on a quarterly basis. To ensure compliance monthly site checks carried out on behalf of DBC as the client to ensure adherence to H&S procedures.</p> <p>In addition the recommended contractor, Bugler Developments Ltd was the only tenderer to provide and reference implementation of a COVID-19 working policy and is COVID-19 compliant.</p>
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>The proposed contract award follows a competitive and compliant tender process which demonstrates that the Council is receiving value for money for the contract.</p> <p>Deputy S.151 Officer</p> <p>The Coniston Road development is part of the approved HRA capital programme and the costs of this contract are in line with the approved budget for this project.</p>
Consultees:	<p>Mark Gaynor, Corporate Director Housing and Regeneration</p> <p>James Deane, Corporate Director Finance & Operations</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Nigel Howcutt, Assistant Director Finance and Resources</p> <p>David Barrett, Group Manager, Housing Development</p> <p>Caroline Souto, Financial Planning & Analysis Team Leader, Financial Services</p>

	Andrew Linden, Team Leader, Commissioning, Procurement & Compliance
Background papers:	HRA Business Plan January 2020
Glossary of acronyms and any other abbreviations used in this report:	HRA Housing Revenue Account ITT Invitation to Tender JCT Joint Contract Tribunal SQ Separate Pre- Qualification PID Project Initiation Document CDM Construction Design and Management Regulations H&S Health and Safety

1. Background

- 1.1 Since 2013 the Council has embarked on a development programme, which to date has seen the delivery of 270 new Council homes, including St Peters, a block of energy efficient, Passive House flats. Additionally the Council has needed to respond to an increasing pressure from Homeless applicants and completed a 41 bed homeless hostel, The Elms in 2015.

Table 1. Properties delivered to date

Scheme	Tenure	No. of units	Completion	Site source
The Elms	TA	41	2015	Private
Longlands	Social rent	6	2015	Council
Farm Place	Social rent	26	2015	Council
St Peters	Social rent	9	2015	Private
Aspen Court	Social rent	36	2016	Private
Queen Street	Social rent	6	2016	Council
Able House	Social rent	14	2017	Private
Kylna Court	Social rent	79	2019	Private
Corn Mill Court	Social rent	12	2019	Private
Williams House	TA	6	2020	Council
Howe Grove House	TA	6	2020	Council
Magenta Court	Social Rent	29	2020	Private
TOTAL		270		

- 1.2 The Council already has both a good record of accomplishment on delivery of new homes to date and a strong pipeline of new schemes programmed. The lifting of the borrowing cap on the HRA has presented an opportunity to accelerate delivery and enable a sustainable ongoing development programme.

Table 2. Properties under construction

Scheme	Tenure	No.	Completion	Site source
West Dean	Social rent	3	2020	Council
Martindale	Social rent Sale	44 21	2020	Private
TOTAL		68		

2. Introduction

Land Adjacent to the corner of Coniston Road and Barnes Lane, Kings Langley

- 2.1 This report seeks approval for the appointment of the Principal Contractor at land adjacent to the corner of Coniston Road and Barnes Lane.
- 2.2 The Council identified Land Adjacent to Coniston Road for redevelopment, using part HRA resource and part General Fund resource. The properties would provide an ongoing revenue stream as well as being a valuable flexible asset.
- 2.3 After public consultation at the local Community Hall, a planning application was submitted in September 2019 for consideration and comprised 10 x two and three bedroom dwellings including a fully compliant Wheelchair house and creating a new access road and associated parking and amenity space, while maintaining an access path to the remaining field owned by the general fund. Planning permission was achieved in October 2019.
- 2.4 To address the climate emergency, our approach will be Fabric First, but we have the facilities within the design to include Solar PV panels if required. In addition, every house will be wired with an external supply for Electric Vehicle charging.
- 2.5 The site layout and design is shown in Appendix 1.

3. Procurement Process

- 3.1 The tender documents for the appointment of the Principal Contractor for land adjacent to the corner of Coniston Road and Barnes Lane were issued in April 2020 with an extended tender period due to the COVID-19 situation.
- 3.2 Each invite to tender (ITT) return has been scored in line with the scoring methodology set out in the ITT documentation. The scoring was completed by the Housing Development Team, the Employers Agent, BPM Project Management Ltd and the Principal Designer, Ridge and Partners LLP.
- 3.3 The form of contract for this appointment will be an amended Joint Contract Tribunal (JCT) 2016 Design and Build Contract, as provided by Eversheds in their capacity as legal adviser for the Council's New Build Programme. A draft copy of this contract was included in the ITT documentation.
- 3.4 A Design and Build Contract was selected as the Council are able to establish the financial commitments prior to works commencing, providing that changes are not introduced during the project.
- 3.5 The Council received 18 tender returns. The level of tender returns received indicates that a competitive level of tendering was achieved.

- 3.6 A financial assessment was carried out by the Council's Finance Department based on the bidder set of accounts (last 3 financial years) and a credit reference report. The recommended successful bidder passed this financial assessment.
- 3.7 The report recommends the award of the main contract to construct 10 new Council homes at land adjacent to the corner of Coniston Road and Barnes Lane to Bugler Developments Ltd.

4. Recommendations

- 4.1 To award the main contract to construct 10 x social rented units at land adjacent to the corner of Coniston Road and Barnes Lane to Bugler Developments Ltd.
- 4.2 To approve delegated authority to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract and/or reasonably required to complete the Project, including (but not limited to):
 - a. all professional appointments;
 - b. collateral warranties; and
 - c. Agreements under
 - S.38, & S.278, of the Highways Act 1980;
 - S.247, Part III of the Town and Country Planning Act 1990;
 - S.104 of the Water Industry Act 1991, and
 - S.50 of the New Roads and Street Works Act 1991.

Appendix 1.

Coniston Road Development	
Area	
10m Parking Spaces	
10m Carport	
10m Parking Spaces Total	
Total Site Area:	0.391 Hectares
Total Number of Dwellings:	10 houses
Dwellings per Hectare:	25.57 dwellings/hectare



Keyplan
Scale 1:1000

Landscape Materials Legend	
	Tarmac Roadway
	Tarmac Path
	Concrete Slab Patio Paving
	Block Paving, Mosaic
	Block Paving, Buff
	Block Paving, Bricks
	Grass
	Gravel
	New Trees
	Existing trees retained (ref to the tree survey for further information)
	Road protection zone of related trees
	Removed Trees
	Boundary Line
	Timber knee rail 600mm high
	Timber cable boarded fence, 1800mm high
	Timber cable boarded fence, 1800mm high with rails
	Block retaining wall (if required after detailed design)
	Road and Paving Curb
	Lighting column

Scale 1:200

Q 1001020 Altered road and parking layout on the northern boundary.
N 1001020 Address of parking space restricted to the northern boundary.
M 1001020 Address of parking space restricted to the northern boundary. Address of site is the northern boundary.

FOR INFORMATION

Kyle Smart ASSOCIATES 1001020 Coniston Road, Kings Langley Proposed Site Plan	
Project No.	1001020
Client	1001020
Location	1001020
Scale	1:200
Date	1001020
Drawn by	1001020
Checked by	1001020
Approved by	1001020



Coniston Road Kings Langley

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Report for:	Cabinet
Date of meeting:	22nd September 2020
Part:	I
If Part II, reason:	

Title of report:	Appointment of Principal Contractor for Eastwick Row, Hemel Hempstead
Contact:	<p>Cllr Margaret Griffiths, Portfolio Holder for Housing</p> <p>Mark Gaynor, Corporate Director Housing and Regeneration</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Nigel Howcutt, Assistant Director Finance and Resources</p> <p>David Barrett, Housing Development Group Manager</p>
Purpose of report:	<p>To be read in conjunction with Part II.</p> <ol style="list-style-type: none"> 1. To seek approval to award the main contract and appoint a Principal Contractor to construct 36 units at Eastwick Row, Hemel Hempstead. 2. To provide delegated authority to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract and/or reasonably required to complete the Project, including (but not limited to): <ol style="list-style-type: none"> a. all professional appointments; b. collateral warranties; and c. Agreements under S.38, & S.278, of the Highways Act 1980; S.247, Part III of the Town and Country Planning Act 1990; S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1991.

Recommendations:	<ol style="list-style-type: none"> 1. That the main contract to construct 36 x social rented units at Eastwick Row, Hemel Hempstead be awarded to Jarvis Contracting Limited. 2. That delegated authority be approved to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract and/or reasonably required to complete the Project, including (but not limited to): <ol style="list-style-type: none"> a. all professional appointments; b. collateral warranties; and c. Agreements under S.38, & S.278, of the Highways Act 1980; S.247, Part III of the Town and Country Planning Act 1990; S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1991.
Corporate Objectives:	Delivering Affordable Housing
Implications:	<p><u>Financial</u></p> <p>The overall development budget is reviewed strategically as part of the annual review of the Housing Revenue Account Business Plan. Each individual scheme following contract award is subject to close financial monitoring with any variances agreed formally through a change control process</p>
'Value For Money Implications'	<p><u>Value for Money</u></p> <p>This has been achieved through a successful procurement programme involving an open tender process.</p>
Risk Implications	<p>Risk assessments are completed within the new build Project Initiation Document (PID) and reviewed and updated on Project Management Office, on a monthly basis.</p> <p>A risk assessment is completed for this project by the Employers Agent and reviewed monthly from the award of the contract.</p>
Community Impact Assessment	A Community Impact assessment is not required as homes are developed and allocated in line with the demand and to replicate the criteria for assessment, as set out in the Council's Allocation Policy, which has had a full assessment. The Development includes four Wheelchair units on the ground floor.
Health And Safety Implications	Each new build scheme has in place a Principal Designer and Construction Design and Management Regulations (CDM) Advisor. Contractors are required to comply with the Council's Health and Safety (H&S) policy along with Considerate Constructors requirements.

	Health and Safety is identified as a key risk of the Housing Service and is reported to the Council's Housing and Communities Overview and Scrutiny Committee on a quarterly basis. To ensure compliance monthly site checks carried out on behalf of DBC as the client to ensure adherence to H&S procedures.
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>The proposed contract award follows a competitive and compliant tender process which demonstrates that the Council is receiving value for money for the contract.</p> <p>Deputy S.151 Officer</p> <p>The Eastwick Row development is part of the approved HRA capital programme and the costs of this contract can be met from within approved New Build Housing budget.</p>
Consultees:	<p>Mark Gaynor, Corporate Director Housing and Regeneration</p> <p>James Deane, Corporate Director Finance & Operations</p> <p>Fiona Williamson, Assistant Director Housing</p> <p>Nigel Howcutt, Assistant Director Finance and Resources</p> <p>David Barrett, Group Manager, Housing Development</p> <p>Caroline Souto, Financial Planning & Analysis Team Leader, Financial Services</p> <p>Andrew Linden, Team Leader, Commissioning, Procurement & Compliance</p>
Background papers:	Housing Revenue Account Business Plan January 2020
Glossary of acronyms and any other abbreviations used in this report:	<p>HRA Housing Revenue Account</p> <p>ITT Invitation to Tender</p> <p>JCT Joint Contract Tribunal</p> <p>SQ Separate Pre- Qualification</p> <p>PID Project Initiation Document</p> <p>CDM Construction Design and Management Regulations</p> <p>H&S Health and Safety</p>

1. Background

- 1.1 Since 2013 the Council has embarked on a development programme, which to date has seen the delivery of 270 new Council homes, including St Peters, a block of energy efficient, Passive House flats. Additionally the Council has needed to respond to an increasing pressure from Homeless applicants and completed a 41 bed homeless hostel, The Elms in 2015.

Table 1. Properties delivered to date

Scheme	Tenure	No. of units	Completion	Site source
The Elms	TA	41	2015	Private
Longlands	Social rent	6	2015	Council
Farm Place	Social rent	26	2015	Council
St Peters	Social rent	9	2015	Private
Aspen Court	Social rent	36	2016	Private
Queen Street	Social rent	6	2016	Council
Able House	Social rent	14	2017	Private
Kylina Court	Social rent	79	2019	Private
Corn Mill Court	Social rent	12	2019	Private
Williams House	TA	6	2020	Council
Howe Grove House	TA	6	2020	Council
Magenta Court	Social rent	29	2020	Private
TOTAL		270		

- 1.2 The Council already has both a good record of accomplishment on delivery of new homes to date and a strong pipeline of new schemes programmed. The lifting of the borrowing cap on the HRA has presented an opportunity to accelerate delivery and enable a sustainable ongoing development programme.

Table 2. Properties in construction

Scheme	Tenure	No. of units	Completion	Site source
West Dean	Social rent	3	2020	Council
Martindale	Social rent Sale	44 21	2020	Private
TOTAL		68		

2. Introduction

Eastwick Row, Hemel Hempstead

- 2.2 This report seeks approval for the appointment of the Principal Contractor at Eastwick Row, Hemel Hempstead.
- 2.3 The Council identified Eastwick Row for redevelopment, using Housing Revenue Account and General Fund resource. The properties would provide an ongoing revenue stream as well as being a valuable flexible asset.
- 2.4 After a public consultation, a planning application was submitted in July 2019 for consideration and comprised 36 dwellings comprising a new block of 34 flats and two 3-bed houses. In addition the public realm area in front of the existing blocks has been completely redesigned to increase the number of parking bays, create lit paths to the roads, maximise the use of the space and reduce anti-social behaviour. Planning permission was granted in June 2020.

- 2.5 The design of this scheme will maximise the energy efficiency performance of the building fabric, reducing the energy demand for space heating. The design also includes the use of solar PV array which will be connected to the landlord's supply in the apartment block to reduce the grid electricity demand for the communal lighting, plant and lifts.

Please see **Appendix A** for a proposed site layout of the scheme.

3. Procurement Process

- 3.1 As the estimated construction cost was over £4.7m an OJEU compliant tender process was required. Following a review of the options with the Council's Procurement Officer, it was recommended we use a restricted procedure with separate pre-qualification (SQ) and Invitation to Tender (ITT) stages.
- 3.2 In November 2019, we issued the SQ and received 11 responses, which after due process identified that 5 contractors were eligible to proceed to ITT.
- 3.3 In May 2020, the 5 contractors were invited to ITT and during this process one contractor withdrew their application and the remaining 4 submitted their tender. Their submissions were received in July 2020 and were scored in line with the scoring methodology set out in the ITT documentation. The scoring was completed by the Housing Development Team, the Employers Agent, Philip Panks Partnership and the Principal Designer, Ridge and Partners.
- 3.4 Final clarifications were received from all the bidders and as a result of a robust scoring process of the qualitative responses, it was recommended that the top two bidders would be invited for a tender clarification interview.
- 3.5 Of the bidders brought forward to interview the highest scoring bid was from Jarvis Contracting Limited, who have submitted a compliant submission subject.
- 3.6 The form of contract for this appointment will be an amended Joint Contract Tribunal (JCT) 2016 Design and Build Contract, as provided by Bevan Brittan in their capacity as legal adviser for the Council's New Build Programme. A draft copy of this contract was included in the ITT documentation.
- 3.7 A Design and Build Contract was selected as the Council are able to establish the financial commitments prior to works commencing, providing that changes are not introduced during the project.
- 3.8 The level of tender returns received indicates that a competitive level of tendering was achieved.
- 3.9 A financial assessment was carried out by the Council's Finance Department based on the bidder set of accounts (last 3 financial years) and a credit reference report. The recommended successful bidder passed this financial assessment.
- 3.10 In order to deliver this development, a number of statutory legal agreements need to be entered into by the Council. In order to achieve these to the benefit of the

development and reduce delays, delegated authority for the Council's legal team or appointed representative to sign these documents is required.

- 3.11 The cost to complete these agreements have been allowed for within the requested budget.

4. Recommendations

- 4.1 To award the main contract to construct 36 x social rented units at Eastwick Row, Hemel Hempstead to Jarvis Contracting Limited.
- 4.2 To approve delegated authority to the Council's Assistant Director (Corporate and Contracted Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract and/or reasonably required to complete the Project, including (but not limited to):
- a. all professional appointments;
 - b. collateral warranties; and
 - c. Agreements under
S.38, & S.278, of the Highways Act 1980;
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S.104 of the Water Industry Act 1991, and
S.50 of the New Roads and Street Works Act 1991.

Page 87



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