



Public Document Pack
**FINANCE AND RESOURCES
OVERVIEW AND SCRUTINY
AGENDA**

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

TUESDAY 3 NOVEMBER 2020 AT 6.30 PM

MICROSOFT TEAMS - MICROSOFT TEAMS*

***THIS MEETING WILL BE HELD REMOTELY VIA THE MICROSOFT TEAMS APPLICATION. SHOULD ANY MEMBERS OF THE PUBLIC WISH TO JOIN THIS MEETING, PLEASE CONTACT MEMBER.SUPPORT@DACORUM.GOV.UK BY 5PM ON MONDAY 2 NOVEMBER.**

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

Membership

Councillor Herbert Chapman
Councillor Guest
Councillor Tindall
Councillor Adeleke
Councillor Barrett
Councillor Arslan
Councillor Mahmood

Councillor Mahmood (Chairman)
Councillor Sinha
Councillor Townsend (Vice-Chairman)
Councillor Claughton
Councillor Symington
Councillor Allen

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

AGENDA

1. **MINUTES** (Pages 4 - 8)
To confirm the minutes from the previous meeting
2. **APOLOGIES FOR ABSENCE**
To receive any apologies for absence
3. **DECLARATIONS OF INTEREST**

To receive any declarations of interest

A member with a disclosable pecuniary interest or a personal interest in a matter who attends a meeting of the authority at which the matter is considered -

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent

and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial

- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Members' Register of Interests, or is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal and prejudicial interests are defined in Part 2 of the Code of Conduct For Members

[If a member is in any doubt as to whether they have an interest which should be declared they should seek the advice of the Monitoring Officer before the start of the meeting]

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

5. CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO CALL-IN

None

6. ACTION POINTS FROM THE PREVIOUS MEETING (Page 9)

7. QUARTER 2 BUDGET MONITORING REPORT (Pages 10 - 27)

8. QUARTER 2 PERFORMANCE REPORT - FINANCE AND RESOURCES (Pages 28 - 44)

9. QUARTER 2 PERFORMANCE REPORT - CORPORATE AND CONTRACTED SERVICES (Pages 45 - 59)

10. QUARTER 2 PERFORMANCE REPORT - PERFORMANCE PEOPLE AND INNOVATION (Pages 60 - 76)

11. EXCLUSION OF THE PUBLIC

To consider passing a resolution in the following terms:

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

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

- 12. LEISURE CONTRACT OPERATIONAL & FINANCIAL IMPLICATIONS OF COVID-19**
(Pages 77 - 80)
- 13. WORK PROGRAMME** (Pages 81 - 82)

Agenda Item 1

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

13 OCTOBER 2020

Present:

Cllr Adeleke	Cllr Sobaan Mahmood
Cllr Barrett	Cllr Sinha
Cllr Chapman	Cllr Symington
Cllr Cloughton	Cllr Tindall
Cllr Guest	Cllr Townsend (Vice-Chairman)
Cllr Suqlain Mahmood (Chairman)	

Also Present:

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

Officers:

S Marshall	Chief Executive
J Deane	Corporate Director – Finance and Operations
M Brookes	Assistant Director – Corporate and Contracted Services
L Roberts	Assistant Director – Performance, People and Innovation
T Angel	Corporate and Democratic Support Officer (Minutes)

The meeting started at 6.30 pm.

OS/001/20 MINUTES

The minutes of the meeting held on 8 September 2020 were agreed by the members present and will be signed by the Chairman at the next available opportunity.

OS/002/20 APOLOGIES FOR ABSENCE

There were no apologies for absence.

OS/003/20 DECLARATIONS OF INTEREST

There were no declarations of interest.

OS/004/20 PUBLIC PARTICIPATION

None.

OS/005/20 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO A CALL-IN

None.

OS/006/20 ACTION POINTS FROM THE PREVIOUS MEETING

The Chairman highlighted that 3 of the 5 action points had been completed and closed down. He asked for an update on the two ongoing action points raised by Councillors Claughton and Symington.

Councillor Claughton advised that Mark Brookes had emailed him and he was expecting some further information later this week. The Chairman asked if he was happy for the action point to be closed. Councillor Claughton confirmed it could be removed and he would raise the issue again at the next meeting if he wasn't satisfied with the additional information.

Councillor Symington explained that her query was around the wider consultation process rather than just Water Lane but it was that consultation that highlighted the issue. She said she received some more information yesterday from Ben Hosier and had replied so she was happy for the action point to be closed for now. She added that she wasn't satisfied with how the Water Lane consultation was conducted and would like to ensure that future consultations enabled more people to be involved in them and were made available at a more appropriate time of the year.

OS/007/20 COVID-19 IMPACT UPDATE

S Marshall thanked all DBC staff for their dedication, professionalism and contribution in ensuring our community have stayed safe and services have been able to continue as normal. She ran through some key points within the report and welcomed questions.

The Chairman asked how well prepared we were for a second wave of coronavirus and another lockdown. S Marshall advised we had continued with IMT (Incident Management Team) throughout the pandemic and will continue to meet to ensure preparations were in place for the pressures that winter will bring. She said various restrictions are inevitable and we had heard from the government yesterday about the three-tier model. We also continue to work with our various colleagues across the county. She stressed that it shouldn't be referred to as another lockdown but as localised restrictions, unless the government decide otherwise. She said it was going to be a difficult winter and we shouldn't underestimate the scale of the impact on services but financially we're in a robust state, and in terms of officer planning we're as prepared as we can be.

Councillor Tindall asked if we had any contingency plans in place if the leisure centres had to close again due to localised restrictions. S Marshall advised that the government had announced support packages within areas that were experiencing localised restrictions so we would have to wait and see what was made available. She added that we had built up a good working relationship with Everyone Active so she was confident that we could work through the issues together.

Councillor Tindall expressed concern with the change in Universal Credit payments and the extra pressure it would put on our staff. S Marshall explained that the housing and revenues and benefits teams were working closely with our residents to ease the financial struggle where possible. She felt the teams were extremely hard working and were experienced enough to deal with the heavy workload. Councillor Tindall expressed his gratitude to all the staff for continuing to provide a good service to our residents.

J Deane ran through the key financial areas within report. He welcomed questions from the committee.

Councillor Adeleke questioned if any additional pressure had been put on the government by local authorities as there was no end to coronavirus in sight. J Deane advised there were various organisations pulling together to put pressure on the government and there were several councils that were in a really difficult financial position which was pushing a lot of conversation.

Councillor Adeleke asked how long DBC would continue to be in a strong financial position if the current situation continued for longer than expected. J Deane said that was a difficult question to answer but felt we would be in a better position than most other councils.

Councillor Chapman sought clarification on the projected loss of garage income. J Deane advised that garage income was entirely dependent on the disposal income residents have and at the moment we have no idea on the severity or duration of the recession. He suggested that although garages were holding up at the moment we could see a drop at any time so we had to be prepared for the unknown.

Councillor Townsend sought clarification on the support given to the leisure centres. He said the email that had been circulated to members after the last meeting only covered one element of the supplier support package but didn't give a full picture. J Deane said he would provide a summary to Councillor Townsend via email.

Action: J Deane

The Chairman asked if officers were visiting premises in the borough to ensure they're complying with Covid-19 restrictions. J Deane advised that the Environmental Health team had been targeting businesses where it had been suggested they weren't complying with restrictions and social distancing. The team have also been working with HCC to track down where there may have been a localised outbreak of coronavirus within the borough.

The Chairman thanked the officers for a very good and detailed report.

Outcome:

The report was noted.

OS/008/20 MEDIUM TERM FINANCIAL STRATEGY (MTFS)

J Deane apologised for the late submission of the report due to the additional detail and uncertainty that we wouldn't normally experience. He gave a detailed presentation to the committee and welcomed questions.

Councillor Symington questioned if there was any scope to increase our fees in certain areas. J Deane replied there could be and they would look at income streams from all areas through the budget setting process.

Councillor Townsend felt it was difficult to look at this strategy in isolation from the capital strategy and suggested it would be useful to put the information together. His understanding was that the marked reserves would impact our ability to deliver on our capital programme and if we were able to see them both alongside then we would understand the impact we're making in terms of our future spend. J Deane explained that the call on reserves that were required from the capital programme were already factored in to this strategy and he drew attention to Appendix B. He

advised that we had a fully financed capital programme at present. It was a five year programme and was approved with the budget every February.

Councillor Tindall referred to the youth provision reserve. He said up until recently it was £100k and was set aside for the Highfield Youth Club which never happened. He asked if J Deane could look into the history and find out where £56k of the £100k had been spent as it hadn't been spent in Highfield. J Deane agreed. **Action: J Deane**

Councillor Guest asked if there had been any linkage between our MTFs and Hertfordshire County Council's Integrated Plan. J Deane advised it was linked in the extent that when HCC have something in their plan that involved taking money from us that would be factored into our MTFs. There's a couple of areas of pressure on the alternative financial model on the waste side where some of these savings and efficiencies HCC were putting through were having a detrimental effect on us financially.

Councillor Symington queried if there was a specific target in terms of what we put in to reserves overall. She then referred to the earmarked reserves and suggested that an outsider could find it difficult to know what they were earmarked for, how they are used and if that's the specific amount or an estimated cost. J Deane referred to Appendix B and explained there were two different kinds of reserves; the general fund reserves and the working balance. The working balance is the only one where we have a target which is 2.5%. The target there is to keep it between 5 and 15% of net cost of services and it was there as a contingency against unforeseen eventualities that require additional expenditure in year. He said every earmarked reserve is detailed within the budget report which is presented every year in February.

Councillor Symington asked if she was correct in thinking that the grants and additional funding that we have received this year haven't been factored in to next year's budget. J Deane confirmed that was correct although we would of course welcome additional funds if that happens. Councillor Symington asked if there was any indication that we would receive any additional funds next year. J Deane said it was impossible to know at the moment.

Councillor Symington sought clarification on the increased cost of employees in the next few years. J Deane advised it related to pension benefits that had been accrued for people no longer working and we had to make a payment for that. There is two ways we can do that; a small amount in year every month or we can pay three years' worth every time we get a triennial valuation.

The Chairman asked if J Deane could add serial numbers to each line in the Appendix B summary in future so it was easier to refer to. J Deane agreed.

The Chairman questioned how they decided which reserve to use money from. J Deane advised it was a council decision but the benefit of doing it when it comes closer to setting the budget is that we have a clearer idea on what we might want to do or what members might want to spend on in the coming years. By knowing that we will know which reserves are likely to have a draw down on them already.

Outcome:

The report was noted.

OS/009/20 NEW NORMAL PROGRAMME UPDATE

L Roberts introduced the report and gave an update on the progress of the programme. She highlighted key areas within the report and welcomed questions from the committee.

Councillor Tindall firstly congratulated the team on the work with apprentices. He asked if we were considering apprenticeships in environmental services where additional skills were needed as he recalled difficulties with recruitment in that area. L Roberts said they spoke to all service areas about their requirements. J Deane advised there were currently two apprentices at cupid green depot and one at the water gardens. He said they were limited due to the supervision of apprentices but they would consider taking on more in the future.

Councillor Adeleke referred to the 15 apprenticeships enrolled this year and queried if there would be 15 every year. He then asked if we were recruiting local individuals or if anyone could apply. L Roberts advised we received a limited amount of funding which would need to be staggered over a number of years. We would only be looking to recruit 2 or 3 this coming year. She added that our apprentices were predominantly from the borough.

The Chairman asked if we were looking at improvement and investment opportunities within the pilot schemes. L Roberts advised that on the technology side they were ensuring back office systems were available to all individuals working remotely and from home. On the people side they were reviewing policies to ensure everything is up to date, focusing on the health and wellbeing of staff especially during this difficult period, and also looking at our leadership and management skills courses. Another focus will be supporting people on hybrid meetings which is something that will commence in the coming weeks. The Chairman said it was important to keep positive and stay in regular contact with our staff to keep their spirits up.

Outcome:

The report was noted.

OS/010/20 WORK PROGRAMME

There were no changes to the work programme.

The Chairman reminded members to notify him if they had any particular interests or topics that they would like to see on the work programme.

The meeting ended at 8.20 pm.

Finance and Resources OSC Action Points

Date of meeting	Action point	Responsible officer	Date action completed	Response
13/10/20	<p><u>Agenda Item: Covid-19 update</u></p> <p>Councillor Townsend sought clarification on the support given to the leisure centres. He said the email that had been circulated to members after the last meeting only covered one element of the supplier support package but didn't give the full picture. J Deane said he would provide a summary to Councillor Townsend via email.</p>	James Deane	19/10/20	
13/10/20	<p><u>Agenda Item: MTFS</u></p> <p>Councillor Tindall referred to the youth provision reserve. He said up until recently it was £100k and was set aside for the Highfield Youth Club which never happened. He asked if J Deane could look into the history and find out where £56k of the £100k had been spent as it hadn't been spent in Highfield.</p>	James Deane	Ongoing	

Agenda Item 7



Report for:	Finance and Resources Overview and Scrutiny Committee
Date of meeting:	3 November 2020
PART:	1
If Part II, reason:	

Title of report:	Budget Monitoring Quarter 2 2020/21
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources Nigel Howcutt, Assistant Director (Finance & Resources) Caroline Souto, Team Leader Financial Planning & Analysis
Purpose of report:	To provide details of the projected outturn for 2020/21 as at Quarter 2 for the: <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendations	That Committee note the financial position for the Council for 2020/21 as at Quarter 2.
Corporate objectives:	Delivering an efficient and modern council.
Implications:	<u>Financial</u> This report outlines the financial position for the Council for 2020/21 and so summarises the financial implications for service decisions expected to be made for the financial year. <u>Value for Money</u> Regular budget monitoring and reporting supports the effective use of the financial resources available to the Council.
Risk Implications	This reports outlines the financial position for the Council for 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.
Consultees	The position reported within this report has been reviewed and discussed with relevant Council Officers.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account MHCLG – Ministry of Housing, Communities and Local Government EA – Everyone Active HCC – Herts County Council AFM – Alternative Financial Model PAM – Parking Access and Movement

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 £3.1m is forecast, of which £3.0m results from the implications of coronavirus. This compares to £2.5m outlined in the Covid 19 update reported to Committee in September.

As every month progresses the combination of additional government guidance and a further month of actual data allow the forecasts to be refined, particularly in the Council's key income streams. Forecasting the end of year position is particularly challenging this year, as there is still a great degree of uncertainty surrounding the second half of the year, with many factors outside of the Council's control.

- 1.2** Housing Revenue Account outturn – The HRA is currently forecasting a surplus of £0.1m. This is a reduced surplus from the figure of £0.9m which was reported at Quarter 1 as a number of new pressures have been identified.
- 1.3** General Fund capital budgets are reporting slippage of £1.38m with an overspend of £0.1m.
- 1.4** In HRA capital budgets, slippage of £1.04m is forecast with an underspend of £1.62m.

2. Introduction

- 2.1** The purpose of this report is to present the Council's forecast outturn for 2020/21 as at the 30 September 2020. The report covers the following budgets with associated appendices:

- General Fund - Appendix A. A pressure against budget of £3.1m is forecast.
- Housing Revenue Account (HRA) - Appendix B. A surplus of £0.1m is forecast.
- Capital Programme - Appendix C. General Fund capital budgets are reporting slippage of £1.38m and a budget pressure of £0.1m. Housing Revenue

Account budgets are reporting slippage of £1.04m and an underspend of £1.62m against budget.

3. General Fund Revenue Account

3.1 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).

3.2 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	Key Financial Pressure	Description
Scrutiny Committee		
Finance & Resources	£1.4m	Investment Property income
Finance & Resources	£1m	Car Parking income
Housing and Community	£0.6m	Garages Income
Strategic Planning and Environment	£1.2m	Waste Services (cost pressures and income pressures in Domestic Waste; income pressure in Commercial Waste)

3.3 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	7,806	12,085	4,279	54.8%
Strategic Planning and Environment	10,906	12,919	2,013	18.5%
Housing & Community	1,686	2,076	390	23.1%
Total Operating Cost	20,398	27,080	6,682	32.8%
Core Funding	(20,399)	(23,937)	(3,538)	17.3%
Contribution (to)/ from General Fund Working Balance	(1)	3,143	3,144	

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

4. Finance and Resources and Core Funding

Table 3 Finance & Resources	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	14,113	14,393	280	2.0%
Premises	2,946	3,193	247	8.4%
Transport	296	295	(1)	(0.3%)
Supplies & Services	3,974	4,524	550	13.8%
Third-Parties	739	745	6	0.8%
Transfer Payments	47,144	47,144	0	0.0%
Income	(11,262)	(8,065)	3,197	(28.4%)
Other Income	(50,237)	(50,237)	0	0.0%
Earmarked Reserves	93	93	0	0.0%
Total	7,806	12,085	4,279	54.8%

	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Core Funding	(20,399)	(23,937)	(3,538)	17.3%

4.1 Employees - £280k pressure against budget

The forecast pressure against employee budgets includes:

- £100k 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.

New Burdens grant funding has been received to fund additional pressures in Revenues and Benefits as a result of Covid-19. A virement to increase the staffing budget in this area will be proposed to Cabinet in the Budget Monitoring report for Quarter 2.

- £80k 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.
- £75k additional staffing costs in Financial Services due to a requirement for temporary staff to cover maternity leave and support the closure of accounts process.
- £50k underspend in the Cemeteries service, which is a combination of a short term vacancy that has now been filled and a reduced requirement for temporary staff over the busy summer period.

4.2 Premises - £247k pressure against budget

The forecast pressure in premises costs includes:

Additional costs of £60k have been incurred to ensure that The Forum remains Covid-secure for staff and residents to use. These are costs such as temperature checking equipment, automated door entry system and perspex screening.

Pressure of £140k – a pressure of £140k is expected in Insurance costs. These relate to the HRA properties and are a result of significant weather events over the summer. These charges will be passed back through the recharge to the HRA.

4.3 Supplies & Services - £550k 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 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.

4.4 Income - £3.2m pressure

The forecast pressure against income budgets includes:

- £1.4m pressure in Investment Property income. 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 first 6 months of the year, and is expected 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 economic downturn, which will dictate how badly businesses are affected and for how long. The service are being very proactive with tenants and arranging payment plans to support these businesses in the short term.
- £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. The income has improved during Quarter 2 as restrictions have been lifted, but it is currently still 55% below target year to date.
- £0.5m 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 first 7 months of the year and is unlikely to be achieved in the remainder of the financial year. Around 72% of the lost income will be reimbursed via central government income losses reimbursement scheme.
- £0.13m pressure in the Revenues budget for Court Costs recovered. This relates to the extra charges applied to council tax and business rates accounts when court action is taken in respect of non-payment. Due to the financial uncertainty for residents and local businesses caused by the Covid pandemic, formal recovery action was suspended during March. Additionally, the courts

determined that liability order hearings were not a high priority, and so no hearings can be booked until late in 2020.

The New Burdens grant funding relating to the Revenues and Benefits service will be utilised to offset this pressure, through a virement to be requested in the Quarter 2 Budget Monitoring report to Cabinet.

- £90k pressure in facilities hire at Civic Buildings. These buildings could not open during the period of lockdown. Subsequently income has been affected due to ongoing social distancing requirements.
- £55k pressure in Legal Expenditure recovered. There has been a decline in the number of commercial property transactions during first half of the year. Litigation work has also declined as courts are only dealing with urgent criminal work.

4.5 Core Funding - £3.5m additional funding

Additional government grant income has been received as follows:

- £2.05m of Covid-19 support grant has been received from MHCLG, including a 4th allocation of £232k announced in October 2020.
- New Burdens funding of £170k, to support additional pressures in Revenues and Benefits because of increased workload through the Coronavirus pandemic. This will be applied to the budgets to offset pressures in staffing and in income as mentioned above.
- £72k of New Burdens funding relating to welfare reform within the Revenues and Benefits service.

An additional £1.3m of funding is expected under the government's income guarantee scheme to reimburse local authorities for 75% of lost income after the first 5% of the budgeted total.

Recharge to the HRA – a surplus of £105k is forecast in the recharge to the HRA, which is predominantly due to additional premises Insurance charges being passed back to the HRA, as mentioned in paragraph 4.2 above.

Investment Income – pressure of £180k. A pressure of £180k is forecast in General Fund investment income budgets due to the reduction in interest rates announced by the government in March 2020.

5. Strategic Planning and Environment

Table 4 Strategic Planning and Environment	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	10,048	10,708	660	6.6%
Premises	990	1,016	26	2.6%
Transport	1,240	1,403	163	13.1%
Supplies & Services	2,100	2,675	575	27.4%
Third-Parties	366	366	0	0.0%
Income	(5,337)	(4,418)	919	(17.2%)
Capital Charges	1,571	1,571	0	0.0%
Earmarked Reserves	(72)	(402)	(330)	458.3%
Total	10,906	12,919	2,013	18.5%

5.1 Employees - £660k pressure against budget

The pressure in employees' costs includes:

- 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 continued periods of isolation. The service is still under pressure due to increased levels of waste, access issues due to more people working from home resulting in a significant increase in missed bins, and the need to maintain social distancing.
- Pressure of £50k in Planning where staffing levels have been higher than budgeted.
- Pressure of £45k in the Vehicle Repair Shop due to additional staffing requirements as a result of Covid-19.
- Pressure of £30k in Waste Development to fund the cost of an additional Recycling Officer. This is a one-off cost which will be requested to be funded from the Management of Change reserve in the Budget Monitoring report to Cabinet.

5.2 Transport - £163k 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 £85k relates to hire of waste vehicles to support social distancing requirements, particularly for crews on rural rounds. The two rural rounds consisting of a driver and two loaders have been split, requiring the hire of two additional vehicles.

5.3 Supplies and Services - £575k 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.

Additional budget of £300k is required in the Strategic Planning service to fund the work to produce the Local Plan. The budget for the Local Plan has been set at a smoothed annualised average, which does not take into account peaks and troughs in the expenditure. 2020/21 is a high spending year due to the Local Plan being finalised for submission to the Secretary of State for Examination in Public in 2022. The additional expenditure will fund key posts to deliver the Local Plan and the associated studies to ensure the Local Plan is robust at examination.

Pressure of £50k in the Planning service for legal expenditure relating to the appeals process. Where planning decisions are appealed and the decision is not in favour of the Council, legal costs are incurred which causes a budget pressure.

5.4 Income – £919k pressure against budget

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

- Pressure of £250k related to Waste Services income. A pressure of £250k is expected in income from the Alternative Financial Model (AFM) payment from Herts County Council (HCC). This is due to the increase in residual waste particularly during the lockdown period. An increase in residual waste pushes up the cost of disposal to HCC, which is then passed back to local authorities via a lower AFM income payment.
- Pressure of £200k in Planning Income. This income stream has performed well in the first 6 months of the year and is just slightly below budget. However, the income remains exposed to fluctuations in the property market and a variance of £200k is anticipated.
- Pressure of £200k 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 dependent on the extent of the economic downturn and will be monitored through the broader economic recovery.
- Pressure of £90k in Land Charges. The Housing market is likely to stagnate for a period as households await a more clearly emerging economic picture, however the temporary relaxation of stamp duty levels is helping to lessen this impact.
- 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.
- There are other pressures in income streams such as Bulky Waste £45k and Cesspool emptying £12k as a result of Covid-19.

6. Housing and Community

Table 5 Housing and Community	Current Budget	Forecast Outturn	Variance	
	£000	£000	£000	%
Employees	4,131	4,130	(1)	(0.0%)
Premises	1,003	767	(236)	(23.5%)
Transport	14	14	0	0.0%
Supplies & Services	1,148	1,095	(53)	(4.6%)
Transfer Payments	5	2	(3)	(60.0%)
Income	(5,680)	(4,997)	683	(12.0%)
Capital Charges	1,083	1,083	0	0.0%
Earmarked Reserves	(18)	(18)	0	0.0%
Total	1,686	2,076	390	23.1%

6.1 Premises - £236k underspend against budget

An underspend of £350k is expected in the garages maintenance budget. An investment strategy is being prepared to evaluate how these revenue budgets can be best utilised in order to maximise the income stream. It is now unlikely that a significant amount of expenditure will be spent this financial year.

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.

6.2 Income - £683k pressure against budget

Pressure of £600k in Garages income. Although the current void level is at 30.5%, it is envisaged that the void level will increase, as will the level of bad debt, as a result of any economic downturn. There is a risk that garages may represent an early cost saving for a household in financial difficulties.

7. Housing Revenue Account (HRA)

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

7.2 The projected HRA balance at the end of 2020/21 is a surplus of £129k. This a reduction on the forecast position expected at Quarter 1, which was £887k, as some new pressures have arisen which are detailed below. 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.

7.3 Tenants' Charges – pressure of £0.2m

This variance has arisen in service charges income. Service charges are recalculated each year to ensure that the charge received by the tenant accurately reflects the service received. Where there are variations in cost to the tenant from one year to the next, the Council has committed to only pass on an increase of CPI +1% (in line with current rental policy).

7.4 Interest and Investment Income – pressure of £0.1m

A pressure of £100k is forecast against investment income budgets due to the reduction in interest rates announced by the government in March 2020.

7.5 Contribution Towards Expenditure – pressure of £0.1m

This income relates to property transactions such as the granting of lease extensions and easements. The budgeted target is not being achieved due to a lower volume of transactions.

7.6 Repairs and Maintenance - £2.1m 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.

7.7 Supervision and Management – pressure of £0.2m

This pressure has predominantly arisen due to higher than expected insurance costs, specifically related to Uninsured Losses claims due to weather events over the summer months.

7.8 Rent, Rates and Taxes – pressure of £0.1m

This pressure is due to Council Tax charges on empty HRA properties. Currently the level of voids in sheltered schemes is higher than anticipated which is leading to an additional cost.

7.9 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

8.1 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').

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

	Current Budget £000	Rephasing £000	Revised Budget £000	Forecast Outturn £000	Variance	
					£000	%
Finance & Resources	5,595	(1,214)	4,382	4,523	141	2.52%
Strategic Planning and Environment	3,127	(169)	2,958	2,961	3	0.10%
Housing & Community	3,913	10	3,923	3,867	(56)	-1.43%
GF Total	12,635	(1,373)	11,262	11,351	88	0.70%
HRA Total	23,276	(1,036)	22,240	20,624	(1,615)	-6.94%
Grand Total	35,911	(2,409)	33,502	31,975	(1,527)	-4.25%

8.2 General Fund Major Variances

There is forecast slippage of £1.38m in the General Fun with a forecast overspend of £0.1m.

The slippage of £1.38m includes the following items:

- Line 80 and 88: Slippage of £0.88m on the Parking Access and Movement (PAM) project and refurbishment of Water Gardens North and South Car Parks. These schemes have been unavoidably delayed due to the coronavirus pandemic, as an essential part of the project is a survey to review traffic levels. This is required before planning permission can be granted. The traffic survey is now programmed in for later this calendar year with construction commencement anticipated in early summer 2021.

The new access road that is being installed as part of the PAM project will enter the Water Gardens South car park, so it would be unwise to resurface this car park prior to part of it being excavated for the new access road.

The Water Gardens lower deck resurfacing will be carried out by the same contractor as the Water Gardens South resurfacing and the PAM project, so these

works have been programmed in consecutively to achieve efficiencies in construction costs.

- Line 155: slippage of £0.13m on the Durrant's Lake project. Negotiations to conclude this project have been delayed due to the coronavirus pandemic.

The additional expenditure of £0.1m includes:

- Line 68: additional expenditure of £0.18m on the Bunkers Farm project to construct a new cemetery site. This expenditure will be fully met from a contribution to be received from Watford Borough Council. A supplementary budget funded from capital contribution will be requested in the Quarter 2 Budget Monitoring report to Cabinet.
- Lines 76-78: underspend of £0.11m on works to install new air handling units at Hemel Hempstead Leisure Centre. These works were undertaken during the period of closure of the leisure centre in Spring 2020, which allowed the works to be carried out at a lower cost.

8.3 Housing Revenue Account Major Variances

There is estimated slippage of £1.04m in the HRA capital programme, and forecast underspend of £1.62m. This includes the following items:

- Line 179: £1.32m under budget on Martindale. This scheme is expected to complete in Autumn 2020, and it is now possible to release the full contingency (c. £0.9m) as this has not been required. In addition, at Quarter 1 it was expected that additional costs could arise due to Covid-19. These costs have not been as significant as expected.
- Line 180: underspend of £0.44m on Stationers Place. The project is at the completion stage and contingency within the budget can now be released.
- Line 183 Coniston Road: £0.36m of slippage. The tender period for award of the main contract was extended due to Covid-19, as a number of contractors had furloughed key staff. The contract has now been awarded and a start on site is expected for Quarter 4 of 2020/21.
- Line 184 Eastwick Row: slippage of £0.65m. The tender process for this scheme was also impacted by Covid-19. The contract has now been awarded and a start on site anticipated for Quarter 4 2020/21.

9. Conclusions and recommendations

- 9.1** As at Quarter 2 2020/21, there is a forecast pressure of £3.1m against General Fund budgets and a forecast surplus of £0.1m against Housing Revenue Account budgets.
- 9.2** As at Quarter 2 2020/21, against General Fund capital there is forecast slippage of £1.38m and a budget pressure of £0.1m. Against Housing Revenue Account capital schemes, budget rephasing of £1.04m is forecast and outturn is expected to be £1.62m under budget.
- 9.3** Members are asked to note the financial position for the Council for 2020/21 as at Quarter 2.



Dacorum Borough Council
Revenue Budget Monitoring Report for September 2020

	Month			Year-to-Date			Full Year		
	Budget £000	Actuals £000	Variance £000	Budget £000	Actuals £000	Variance £000	Budget £000	Forecast Outturn £000	Variance £000
Operational Costs									
Finance and Resources	151	1,736	1,585	4,132	5,778	1,646	7,806	12,085	4,279
Housing and Community	19	134	115	499	366	(133)	1,686	2,076	390
Strategic Planning and Environment	694	790	96	4,857	5,936	1,079	10,906	12,919	2,013
Net Operational Costs	864	2,660	1,796	9,488	12,080	2,592	20,398	27,080	6,682
Other Items									
Investment Income	(25)	(50)	(25)	(150)	(133)	17	(300)	(120)	180
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)	(2,178)	(2,030)	(890)	(13,909)	(13,019)	(1,779)	(5,392)	(3,613)
Taxation (Council Tax and Business Rates)	(1,319)	(36,914)	(35,595)	(7,912)	(26,838)	(18,926)	(15,824)	(15,824)	0
Surplus / Deficit on Provision of Services	(1,387)	(39,142)	(37,755)	(7,576)	(39,908)	(32,332)	(16,015)	(19,448)	(3,433)
Transfers between Reserves / Funds									
Net Recharge to the HRA	(365)	(29)	336	(2,192)	169	2,361	(4,384)	(4,489)	(105)
Net Movement on General Fund Working Balance	(926)	(36,511)	(35,585)	(449)	(27,659)	(27,210)	(1)	3,143	3,144

18/09/20

 Housing Revenue Account 2020/21 Outturn Revenue Budget Monitoring Report				
	Adjusted Budget £000	Outturn £000	Variance	
			£000	%
Income:				
Dwelling Rents	(54,435)	(54,358)	77	-0.1%
Non-Dwelling Rents	(102)	(102)	0	0.0%
Tenants Charges	(1,517)	(1,306)	211	-13.9%
Leaseholder Charges	(593)	(593)	0	0.0%
Interest and Investment Income	(192)	(92)	100	-52.1%
Contribution towards Expenditure	(645)	(531)	114	-17.7%
Total Income	(57,484)	(56,982)	502	-0.9%
Expenditure:				
Repairs & Maintenance	12,068	10,018	(2,050)	-17.0%
Supervision & Management	14,196	14,391	195	1.4%
Rent, Rates, Taxes & Other Charges	36	160	124	344.4%
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	57,286	(631)	-1.1%
Transfer to / (from) Housing Reserves	(433)	(433)	0	0.0%
HRA Deficit / (Surplus)	0	(129)	(129)	0.0%
Housing Revenue Account Balance:				
Opening Balance at 1 April 2020	(2,892)	(2,892)	0	0.0%
Deficit / (Surplus) for year	0	(129)	(129)	0.0%
Proposed Contributions to Reserves	0	0	0	
Closing Balance at 31 March 2021	(2,892)	(3,021)	(129)	

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR SEPTEMBER 2020

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	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	0	60,000	0	10,000	(50,000)	0
43	Demolition of Civic Centre	Richard Rice	0	78,208	0	0	0	78,208	87,271	87,271	0	9,063
44	Old Town Hall Seating Replacement	Richard Rice	40,000	0	0	0	0	40,000	30,858	40,000	0	0
45	Berkhamsted Civic Centre Staircase Renewal	Richard Rice	23,000	0	0	0	0	23,000	0	24,000	0	1,000
46	Berkhamsted Civic Centre Improvements Works - Creation of new area	Richard Rice	20,000	0	0	0	0	20,000	0	20,000	0	0
47	Victoria Hall Tring lighting Upgrade Works	Richard Rice	23,000	0	0	0	0	23,000	0	23,000	0	0
48	Berkhamsted Civic Centre Electrical Upgrade Works	Richard Rice	0	0	24,000	0	24,000	24,000	0	24,000	0	0
49	Victoria Hall Tring Electrical Upgrade Works	Richard Rice	0	0	19,000	0	19,000	19,000	0	19,000	0	0
50	Tring Community Centre - new play area for Children's Nursery	Richard Rice	0	11,144	0	0	0	11,144	0	11,144	0	0
51	Bennetts End Community Centre Stairlift Replacement	Richard Rice	18,000	0	0	0	0	18,000	0	0	0	(18,000)
52	Boiler Replacement Programme	Richard Rice	185,000	0	0	0	0	185,000	0	185,000	0	0
53	Rossgate Shopping Centre - Structural Works	Richard Rice	0	300,901	0	0	0	300,901	0	300,901	0	0
55	100 High St (Old Town), Hemel - Window Replacement	Richard Rice	0	14,000	0	0	0	14,000	0	14,000	0	0
56	Long Chaulden Roof	Richard Rice	0	55,020	0	0	0	55,020	0	55,020	0	0
57	Bellgate - Walkway Renovation	Richard Rice	0	43,000	0	0	0	43,000	0	43,000	0	0
59	Bennettsgate - Window Renewal	Richard Rice	0	85,750	0	0	0	85,750	10,970	13,000	(72,750)	0
60	Commercial Assets - Shopping Centres	Richard Rice	70,000	0	0	0	0	70,000	0	70,000	0	0
61	Northbridge Road Highway Improvements	Richard Rice	0	45,000	0	0	0	45,000	61,678	61,678	0	16,678
62	Queens Square Canopy Renewal	Richard Rice	0	31,436	0	0	0	31,436	9,257	31,436	0	0
63	Apsley Industrial Estate Improvement Works	Richard Rice	25,000	0	0	0	0	25,000	0	25,000	0	0
64	Improvement Works to Market Stores	Richard Rice	20,000	0	0	0	0	20,000	0	20,000	0	0
65	Stevenage Rise Road Resurface	Richard Rice	33,000	0	0	0	0	33,000	0	33,000	0	0
66	Bellgate Roof Renewal	Richard Rice	25,000	0	0	0	0	25,000	0	25,000	0	0
67	Roofing Improvements The Denes	Richard Rice	0	0	15,000	0	15,000	15,000	0	15,000	0	0
68	Bunkers Farm	Richard Rice	0	0	0	0	0	0	178,275	178,275	0	178,275
69	Footpath Improvements Kings Langley churchyard	Richard Rice	15,000	0	0	0	0	15,000	19,500	19,500	0	4,500
70	Allotment Improvement Programme	Richard Rice	40,000	0	0	0	0	40,000	0	40,000	0	0
			537,000	724,459	58,000	0	58,000	1,319,459	397,809	1,388,225	(122,750)	191,516
Procurement and Contracted Services												
73	Dacorum Athletics Track - Resurface Track	Ben Hosier	0	133,712	0	0	0	133,712	16,683	54,583	(79,129)	0
74	Hemel Hempstead Sports Centre - Astroturf renewal	Ben Hosier	0	70,000	0	0	0	70,000	0	70,000	0	0
76	Leisure Works - Replace Air Handling Unit in the Pool (Hemel)	Ben Hosier	0	270,000	0	0	0	270,000	120,000	556,380	0	286,380
77	Leisure Works - Replace Air Handling Unit in the Gym (Hemel)	Ben Hosier	150,000	0	0	0	0	150,000	0	0	0	(150,000)
78	Leisure Works - Replace Air Handling Unit in the Sports Hall (Hemel)	Ben Hosier	250,000	0	0	0	0	250,000	56,000	0	0	(250,000)
79	Berkhamsted Leisure Centre Improvements Works	Ben Hosier	0	52,000	0	0	0	52,000	0	100,249	0	48,249
80	Car Park Refurbishment	Ben Hosier	100,000	546,896	0	0	0	646,896	0	170,000	(476,896)	0
81	Multi Storey Car Park Berkhamsted	Ben Hosier	0	0	300,000	0	300,000	300,000	180,985	300,000	0	0
82	Town Centre Access Improvements	Ben Hosier	0	538,439	0	0	0	538,439	89,109	138,439	(400,000)	0
			500,000	1,611,047	300,000	0	300,000	2,411,047	462,776	1,389,651	(956,025)	(65,371)
Development Management and Planning												
86	3D Modelling Software for Planning	Sara Whelan	60,000	0	0	0	0	60,000	0	0	(60,000)	0
87	Tablets for Planning	Sara Whelan	20,000	0	0	0	0	20,000	0	20,000	0	0
			80,000	0	0	0	0	80,000	0	20,000	(60,000)	0

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR SEPTEMBER 2020

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Finance & Operations Management											
91 Civic Zone Regeneration Upgrade (DevCo)	James Deane	500,000	253,646	0	0	0	753,646	107,634	753,646	0	0
		500,000	253,646	0	0	0	753,646	107,634	753,646	0	0
Information, Communication and Technology											
99 Rolling Programme - Hardware	Ben Trueman	75,000	0	0	0	0	75,000	26,861	75,000	0	0
100 Software Licences - Right of Use	Ben Trueman	50,000	0	0	0	0	50,000	2,409	50,000	0	0
101 Future vision of CRM	Ben Trueman	55,000	75,000	0	0	0	130,000	6,400	80,000	(50,000)	0
		180,000	75,000	0	0	0	255,000	35,670	205,000	(50,000)	0
People											
105 EIS Replacement	Matt Rawdon	0	10,151	0	0	0	10,151	15,719	25,000	0	14,849
106 Self Service Kiosks	Matt Rawdon	0	25,000	0	0	0	25,000	0	0	(25,000)	0
		0	35,151	0	0	0	35,151	15,719	25,000	(25,000)	14,849
Property and Place											
110 Disabled Facilities Grants	Jason Grace	741,000	0	0	0	0	741,000	158,940	741,000	0	0
		741,000	0	0	0	0	741,000	158,940	741,000	0	0
Totals: Finance and Resources		2,538,000	2,699,303	358,000	0	358,000	5,595,303	1,178,548	4,522,522	(1,213,775)	140,994
Housing and Community											
Procurement and Contracted Services											
112 Rolling Programme - CCTV Cameras	Ben Hosier	25,000	1,745	0	0	0	26,745	16,463	26,745	0	0
119 Alarm Receiving Centre	Ben Hosier	0	33,627	0	0	0	33,627	0	33,627	0	0
120 CCTV Equipment Refresh	Ben Hosier	(380,000)	490,000	0	0	0	110,000	99,987	120,000	10,000	0
		(355,000)	525,372	0	0	0	170,372	116,450	180,372	10,000	0
People											
124 Verge Hardening Programme	Matt Rawdon	450,000	79,884	0	0	0	529,884	183,567	529,884	0	0
125 Capital Grants - Community Groups	Matt Rawdon	20,000	0	0	0	0	20,000	3,000	20,000	0	0
		470,000	79,884	0	0	0	549,884	186,567	549,884	0	0
Strategic Housing											
129 Affordable Housing Development Fund	David Barrett	2,691,000	0	0	0	0	2,691,000	226,257	2,691,000	0	0
130 Westerdale (Garage Development)	David Barrett	0	385,885	0	0	0	385,885	195,282	330,000	0	(55,885)
131 Temporary Accommodation - creation of new units	David Barrett	50,000	0	0	0	0	50,000	0	50,000	0	0
132 Upgrade to Civica Abritas system (Housing Options)	David Barrett	66,000	0	0	0	0	66,000	62,800	66,000	0	0
		2,807,000	385,885	0	0	0	3,192,885	484,340	3,137,000	0	(55,885)
Totals: Housing and Community		2,922,000	991,141	0	0	0	3,913,141	787,357	3,867,256	10,000	(55,885)

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR SEPTEMBER 2020

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)	
Strategic Planning and Environment												
Environmental Services												
144	Wheeled Bins & Boxes for New Properties	Craig Thorpe	10,000	0	90,000	0	90,000	100,000	99,685	100,000	0	0
145	Waste & Recycling Service Improvements	Craig Thorpe	0	0	0	0	0	0	3,005	0	0	0
147	Gadebridge Park - Renovation of White Bridge	Craig Thorpe	0	370,000	0	0	0	370,000	(5,362)	370,000	0	0
148	Upgrade of Hand Arm Vibration Monitoring System	Craig Thorpe	17,000	(20,052)	0	0	0	(3,052)	0	0	0	3,052
149	Resurfacing Works and Building Improvement to Depot	Craig Thorpe	60,000	0	0	0	0	60,000	0	60,000	0	0
150	Fleet Replacement Programme	Craig Thorpe	2,311,130	(300,398)	400,000	0	400,000	2,410,732	103,042	2,410,732	0	0
			2,398,130	49,550	490,000	0	490,000	2,937,680	200,370	2,940,732	0	3,052
Strategic Planning and Regeneration												
155	Urban Park/Education Centre (Durrants Lakes)	Chris Taylor	0	134,015	0	0	0	134,015	0	0	(134,015)	0
157	The Bury - Conversion into Museum and Gallery	Chris Taylor	0	55,000	0	0	0	55,000	0	20,000	(35,000)	0
			0	189,015	0	0	0	189,015	0	20,000	(169,015)	0
Totals: Strategic Planning and Environment			2,398,130	238,565	490,000	0	490,000	3,126,695	200,370	2,960,732	(169,015)	3,052
Totals - Fund: General Fund			7,858,130	3,929,009	848,000	0	848,000	12,635,139	2,166,275	11,350,510	(1,372,790)	88,161
Housing Revenue Account												
Housing and Community												
Property & Place												
163	Planned Fixed Expenditure	Jason Grace	17,057,000	0	(3,700,000)	(4,977,000)	(8,677,000)	8,380,000	1,718,025	7,579,000	0	(801,000)
176	Pain/Gain Share (Planned Fixed Expenditure)	Jason Grace	0	0	0	0	0	0	(317,104)	0	0	0
177	M&E Contracted Works	Jason Grace	0	0	700,000	(300,000)	400,000	400,000	85,615	450,000	50,000	0
172	Communal Gas & Heating	Jason Grace	0	0	3,000,000	(1,000,000)	2,000,000	2,000,000	821,819	2,000,000	0	0
173	DBC Commissioned Capital Works	Jason Grace	750,000	901,068	0	(62,838)	(62,838)	1,588,230	393,647	2,389,230	0	801,000
174	Special Projects	Jason Grace	0	909,653	0	(850,000)	(850,000)	59,653	0	59,653	0	0
			17,807,000	1,810,721	0	(7,189,838)	(7,189,838)	12,427,883	2,702,002	12,477,883	50,000	0
Strategic Housing												
178	New Build - General Expenditure	David Barrett	(318,608)	318,608	0	0	0	0	0	75,000	0	75,000
179	Martindale	David Barrett	2,035,454	2,031,700	0	0	0	4,067,154	1,154,271	2,747,830	0	(1,319,324)
180	Stationers Place / Apsley Paper Mill	David Barrett	0	1,450,785	0	0	0	1,450,785	689,081	1,010,100	0	(440,685)
181	Swing Gate Lane	David Barrett	0	0	0	0	0	0	41,610	51,610	0	51,610
182	Bulbourne	David Barrett	(689,700)	828,391	0	(62,000)	(62,000)	76,691	2,716	66,220	(10,471)	0
183	Coniston Road	David Barrett	1,705,800	(342,708)	0	(785,000)	(785,000)	578,092	12,176	217,500	(360,592)	0
184	Eastwick Row	David Barrett	1,084,951	(66,725)	0	0	0	1,018,226	65,786	364,555	(653,671)	0
185	St Margaret's Way	David Barrett	(324,148)	440,648	0	145,750	145,750	262,250	47,341	297,340	35,090	0
186	Paradise Fields	David Barrett	150,000	0	0	806,700	806,700	956,700	204,408	970,600	13,900	0
187	Gaddesden Row	David Barrett	964,679	(319,651)	0	0	0	645,028	231,541	663,000	0	17,972
188	Randalls Ride	David Barrett	80,000	112,451	0	0	0	192,451	28,700	192,451	0	0
189	Garage Sites - New Build Developments	David Barrett	525,000	490,270	0	0	0	1,015,270	57,783	1,055,366	40,096	0
190	Wilstone	David Barrett	33,438	105,013	0	(38,000)	(38,000)	100,451	8,252	90,000	(10,451)	0
191	Marchmont Fields	David Barrett	100,000	0	0	0	0	100,000	14,702	100,000	0	0
192	Paradise Depot	David Barrett	225,000	0	0	(25,000)	(25,000)	200,000	36,997	155,000	(45,000)	0
193	Cherry Bounce	David Barrett	300,000	0	0	(115,000)	(115,000)	185,000	5,407	90,000	(95,000)	0
			5,871,866	5,048,782	0	(72,550)	(72,550)	10,848,098	2,600,771	8,146,573	(1,086,099)	(1,615,426)
Totals: Housing and Community			23,678,866	6,859,503	0	(7,262,388)	(7,262,388)	23,275,981	5,302,773	20,624,456	(1,036,099)	(1,615,426)
Totals - Fund: Housing Revenue Account			23,678,866	6,859,503	0	(7,262,388)	(7,262,388)	23,275,981	5,302,773	20,624,456	(1,036,099)	(1,615,426)
Totals			31,536,996	10,788,512	848,000	(7,262,388)	(6,414,388)	35,911,120	7,469,048	31,974,966	(2,408,889)	(1,527,265)

Agenda Item 8



Report for:	Finance & Resources Overview and Scrutiny Committee
Date of meeting:	3rd November 2020
Part:	1
If Part II, reason:	

Title of report:	Finance & Resources Performance and Operational Risk Report Quarter 2 2020/21
Contacts:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources Nigel Howcutt, Assistant Director, Finance and Resources.
Purpose of report:	To provide Committee with analysis of quarterly performance and risk management within Finance & Resources for the 2nd quarter of 2020/21.
Recommendations	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 2, 2020/21.
Corporate objectives:	The provision of effective financial services and the allocation of resources such as assets and facilities support all five of the Council's corporate objectives, with particular reference to <i>Ensuring efficient, effective and modern service delivery</i> and, through Revenues, Benefits and Fraud division, <i>Building Strong and Vibrant Communities</i> .
Implications:	<u>Financial</u> Contained within the body of the report.
'Value for money' implications	<u>Value for money</u> Contained within the body of the report.
Risk implications	Contained within the body of the report
Equalities implications	None
Health and safety Implications	There are no health and safety implications.
Consultees:	Group Manager (Commercial Assets & Property Development) Group Manager (Financial Services) Group Manager (Revenues, Benefits and Fraud)
Background papers:	Previous performance reports to Scrutiny.

Glossary of acronyms and any other abbreviations used in this report:	F&R OSC- Finance and Resources Overview and Scrutiny Committee.
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1. Risk and Performance reports are presented to Overview and Scrutiny Committees on a quarterly basis. They provide Members with an opportunity to scrutinise performance against a range of key indicators, and to review how the key risks facing the Services are being managed.
2. The attached appendices provide comprehensive risk and performance information for Finance & Resources for Quarter 2 of 2020/21 (July – September).

Appendix A – Finance & Resources Qtr 2 Performance Report.

Appendix B – Finance and Resources Qtr 2 Operational Risk Register.

3. The Performance Report, Appendix A, highlights that there are 4 amber KPI's and 6 green where performance is good.
4. There are 5 out of 16 KPI's have been reported as red which is a decrease of 1 compared to the first quarter of 20/21. The KPI that has improved month on month is the collection rate of business rates, although this will require continual performance monitoring.
5. The 5 red rated KPI's are as a direct impact of the Coronavirus pandemic and are;
 - **RBF01 Average Time to decide a new claim for Housing Benefit** – For the majority of the quarter there has been increased workload as a result of the covid-19 pandemic, with a large increase in applicants, in particular the new cases linked to the increase in Temporary accommodation. In conjunction with this the service have given applicants more time to provide information and documents given the effect of the pandemic.
 - **FIN03 General Fund outturn projection** – See the agenda item on the second quarter budget monitoring position for more details.
 - **FIN08 Investment Income** – This income stream is below expectations due to 2 directly linked issues, of reduced cash balances and reduced investment interest.

The pandemic has resulted in lower cash balances than expected as income collected from capital receipts, council tax, business rates to fees and charges, whilst expenditure has increased where services need to react to the pandemic. At the same time interest rates on investments have plummeted in line with the world economy with some council investment funds now returning a 0% rate of return.

- **FIN02a Time taken for debtors to pay** – This is adversely impacted by the pandemic with cash recovery ceased for a period and with businesses not operating during lock down. As of September debt

recovery actions are back to usual and performance is expected to improve in the third quarter.

- **CP02 – Percentage arrears on commercial property rents** – The arrears on the commercial portfolio are historically at or around 7% which is considered to be a market leading.

In the current market the arrears were expected to increase significantly and at 15% they are lower than previous projections. The majority of the commercial portfolio is in the retail sector and some landlords are reporting arrears as high as 87%.

The income collection and performance are being heavily scrutinised monthly and the bad debt provision as part of the monthly monitoring has been increased significantly.

At present the period from P6 to P12 is expected to be the hardest period to collect rental in as;

- Businesses have a more uncertain trading environment than Qtr 2,
- The job furlough scheme as it was is ending,
- The significant Government grants appear to have come to an end,
- Cash flow and reserves are starting to be diminished.

6. All scores as set out in the Operational Risk Register at Appendix B have been reviewed for 2020/21 Quarter 2, and comments added to the report. The scores reflected have not changed since quarter 1.
7. As you will note from Appendix B the operational risk scores and outcomes are all impacted by the coronavirus pandemic which was both unexpected and significant.
8. As at quarter 2 controls and mitigations in place for operational risks are deemed to be strong, and the council's ability to monitor and respond to the impact of the pandemic has also been strong.

OSC Report - Finance & Resources - Finance and Resources Sep-2020

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG	Comments	Actions
Dacorum Delivers - Efficiencies						
RBF01 - Average time taken to decide a new claim for Housing Benefit	24.7 Days 5231 / 212 Target: 17 Days	21 Days 5365 / 256 Target: 17 Days	14.7 Days 3217 / 219 Target: 20 Days	2 0 2	<p>Updater Comments: Quarter 2 is always challenging due to the summer holiday period. Although over target, this can mostly be attributed to smaller volumes of claims and outlier cases having a greater impact on the average.</p> <p>Approver Comments: There is no one reason for the number of cases which are taking longer than usual, although several factors linked to the pandemic are feeding into this issue. These include: giving people more time to respond to enquiries before we decide that they are not entitled on the basis of incomplete information; resource has been moved away from some of the monitoring reports to other tasks, so some claims are not followed up as quickly as usual. The outliers mentioned make up about 10% of the decisions.</p>	No Info
RBF02 - Average time taken to decide a change event for Housing Benefit	7.2 Days 20896 / 2913 Target: 8 Days	6.1 Days 32080 / 5278 Target: 8 Days	5.5 Days 27288 / 4936 Target: 9 Days	0 0 4	Updater Comments: Although the service has been stretched over quarter 2, performance in this area has remained at a good level.	No Info
FIN03 - General Fund expenditure - outturn forecast against budget	£27004000 Target: £20398000	£27696000 Target: £20398000	£17157000 Target: £16605000	3 1 0	Approver Comments: Performance against this indicator is being adversely impacted by the coronavirus pandemic. The information presented is that as at the end of August, the latest approved position available.	No Info
FIN04 - HRA expenditure outturn forecast against budget	£57045000 Target: £57917000	£58344000 Target: £57917000	£55627000 Target: £55831000	0 1 3	Approver Comments: The information presented is that as at the end of August, the latest approved position available.	No Info
FIN05 - HRA income - outturn forecast against budget	£57427000 Target: £57917000	£57645000 Target: £57917000	£55899000 Target: £55831000	0 2 2	Approver Comments: Performance against this indicator is being adversely impacted by the coronavirus pandemic. The information presented is that as at the end of August, the latest approved position available.	No Info

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG	Comments	Actions
FIN06 - General Fund Capital Expenditure - outturn forecast against budget	£12280589 Target: £11787139	£11346000 Target: £11346000	£20310301 Target: £20722687	0 1 3	Approver Comments: Performance against this indicator is being adversely impacted by the coronavirus pandemic. The information presented is that as at the end of June, the latest approved position available.	No Info
FIN07 - HRA Capital Expenditure: outturn forecast against budget	£23574042 Target: £30538369	£29698000 Target: £29698000	£43050027 Target: £43844908	0 0 4	Approver Comments: The information presented is that as at the end of June, the latest approved position available.	No Info
FIN08 - Investment income: outturn forecast against budget	£214450 Target: £492000	£219430 Target: £492000	£751590 Target: £623000	2 0 2	Approver Comments: Performance against this indicator is being adversely impacted by the coronavirus pandemic. There has been a decrease in rates of return	No Info
FIN11 - Investment Property Income ytd budget against ytd actual	£3606241 Target: £3621930	£2380343 Target: £2322026	£3438801 Info Only	0 2 2	Updater Comments: This indicator measures invoices raised. It is broadly in line with target at Q2	No Info
RBF06 Council Tax customer contact response (percentage of contacts responded to within 3 days)	98% 7631 / 7802 Target: 98%	87% 6741 / 7736 Target: 89%	97% 9156 / 9401 Target: 89%	0 3 1	Updater Comments: The team have had a successful second quarter, and only fractionally missed the target. This has been achieved through more resources being available due to less annual leave being taken, and reductions to other tasks usually carried out that are not measured.	No Info
Dacorum Delivers - Performance excellence						
FIN01 - Percentage of creditor trade invoices paid within 30 days	99.5% 2754 / 2768 Target: 97%	99.7% 2545 / 2552 Target: 97%	97.6% 3012 / 3087 Target: 97%	0 0 4	Approver Comments: There continues to be strong performance against this indicator.	No Info
FIN02a - Time taken for debtors to pay	62.6 Days Target: 40 Days	54.3 Days Target: 40 Days	19.9 Days Target: 40 Days	2 1 1	Approver Comments: Performance against this indicator is being adversely impacted by the coronavirus pandemic, as debtors take longer to pay. Following a moratorium, debt recovery activity has restarted from October. This is expected to improve performance against this indicator.	No Info
Dacorum Delivers - Value for money						

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG	Comments	Actions
RBF04 - NNDR (Business Rates) in-year collection rate	46.8% Target: 51%	23.3% Target: 28.7%	51.5% Target: 51%	 1 1 2	No Comments Approver Comments: The impact of the pandemic continues to have a profound impact on business rates collection, although this is being partly offset by the reduced amount which needs to be collected, due to the business rates holiday for most retail, hospitality, leisure and childcare businesses. We continue to work with the finance team in order to provide the best estimates possible to feed into the budget monitoring and financial forecasts.	No Info
RBF05 - Council Tax collection rate	55.2% Target: 57%	28% Target: 29.8%	57.2% Target: 57%	0 3 1	Approver Comments: Collection continues to be impacted by issues related to the pandemic. At present, it appears that residents who deferred instalments due at the beginning of the year are making payments in line with their new schedules, but whether all payments are made will not be known until the end of March. Following the re-opening of the Courts, we have also now restarted formal recovery processes, and hope that this will lead to more engagement with residents who are not currently paying.	No Info
Regeneration - Drive value from Council owned assets						
CP01 - Percentage of commercial property occupation	95.24% 580 / 609 Target: 95%	95.73% 583 / 609 Target: 95%	96.06% 585 / 609 Target: 95%	0 0 4	Updater Comments: There are currently 29 voids on our books. There are 7 properties (24%) under offer and in solicitors hands which we are hoping to complete shortly. There are 2 (7%) properties which are in a marketable condition. 20 void properties (69%) need refurbishment or substantial remedial works before they could be marketed. TA are looking at a number of maisonettes which if taken would reduce voids significantly. It is anticipated that the current Covid-19 pandemic will have a detrimental impact on lettings in the short to medium term as businesses face unprecedented challenges. One of the void properties is Dacre House which has been earmarked for DENS.	No Info

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG 	Comments	Actions
CP02 - Percentage arrears on commercial property rents	15% 884575 / 5877130 Target: 8%	12% 683034 / 5877130 Target: 8%	7% 401638 / 5831632 Target: 8%	2 0 2	Updater Comments: The overall debt level is at 15%. Please note this includes Woodwell Caravan Park charges but it does not include the September quarter. Please note that reminders were not being issued and the majority of tenants were not being chased due to the Government moratorium preventing legal debt collection. Businesses have not yet benefited from a sustained trading period due to recent restrictions, and we are conscious that the September quarter sums have become due at the end of September and that Government grant has ended. We are assisting tenants where possible with deferred payment plans and we will recoup these sums over time. For governance, we have established a process for those seeking assistance with payments plans.	No Info



Quarter 2 Operational Risk Report

Sep-2020

Summary

The over all risk score for each or the risks highlighted within this report are arrived at by multiplying the score given for the probability of the risk happening and the severity of the consequences of this risk.

The probability and severity are scored 1-4 relating to their severity as shown in the below table

The severity of the overall risk score can also be found in the below table

Risk Score	Probability	Severity
1	Low	Low
2	Medium	Medium
3	High	High
4	Severe	Severe

Overall Score	RAG
0 - 4	Green
6 - 10	Amber
12 - 16	Red

Inherent Probability	Inherent Impact	Inherent Risk Score	Mitigated Probability	Mitigated Impact	Mitigated Risk Score
Finance & Resources					
FR_F02 Delays to Capital programme					Nigel Howcutt
4	2	8	3	2	6
FR_F03 Variances in General Fund revenue budget					Nigel Howcutt
4	3	12	3	3	9
FR_I02 Failure to optimise income generated by commercial assets					Nigel Howcutt
4	3	12	3	3	9
FR_R01 Council Tax and Business Rates collections rates drop below budget					Nigel Howcutt
3	3	9	3	2	6
FR_R02 Delays and errors in the processing of Benefits claims					Nigel Howcutt
4	3	12	3	2	6

FR_F02 Delays to Capital programme

Quarterly Update

The overall General fund capital spend is in line with budget expectations, with the exception of one project being delayed at present due to covid. The HRA new build projects have picked up since lockdown and are also expected to be on track in 20/21, covid permitting. The HRA planned fixed expenditure that includes repairs and refurbishment to kitchens and bathrooms, continues to be behind schedule as access to homes during the pandemic has been restricted, these works will be reprofiled to future years.

Inherent Impact	Inherent Probability	Inherent Risk Score
2	4	8
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
2	3	6

Impact

Many of the major projects within the Capital Programme are fundamental to delivery of the Council's corporate objectives. Therefore significant delays can impact on the achievement of the corporate plan.

Financial decision-making is negatively affected if the timing of projects in the Capital Programme is wrong. This can result in lost investment income or increased interest costs as the Council moves closer to the point where it will need to borrow.

The estimated delivery date is considered as part of the decision to allocate capital funds to one project over another. If estimated timings are not accurate, there is a risk that the allocation of funds is not being decided on appropriately.

If inaccurate project management is tolerated, there is a risk that the culture of financial management across the Council will be negatively affected which will have consequences for wider financial decision-making.

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

Controls to manage the risk

The controls that have been implemented to mitigate this risk target the robustness of capital bids both at the time they are submitted and throughout the delivery phase of the projects.

In particular, scrutiny is focussed on those elements of the capital bid that experience indicates are the primary cause of delays to capital projects. These include

- How robust are the assumptions on the estimated duration of the procurement exercise?
- How realistic is the estimated time taken for contractors to deliver the works?
- How realistic are the assumptions on officer availability to manage the project on time?

The rationale behind this approach is that an increased culture of challenge will lead to more realistic programming of future capital projects, and therefore a reduced likelihood of slippage.

The following controls are in place with a view to developing a culture of scrutiny and challenge for officers to improve the accuracy of future bids:

- Monthly meetings take place between accountants and budget holders to monitor progress against original timeframes and costs;
- Corporate Management Team (CMT) receive a quarterly report on the progress of capital projects against anticipated timeframes;
- Performance Group comprising Chief Officers and cabinet Members receive a monthly report on the progress of current projects;
- Reports go to Cabinet and all Overview and Scrutiny Committees (OSC) every quarter. These reports have been redesigned to focus on the more immediate risk of in-year delivery, highlighting higher risk areas to invite closer scrutiny from Members.

Evidence the risk is being managed

The General Fund and New House Building capital programme are due to be delivered within the estimated timeframes, with the exception of 1 project that is being delayed. The HRA planned upgrades to kitchens and bathrooms is significantly delayed due to the covid pandemic limiting access to homes. There is a immaterial GF budget pressure reported at present but it is expected to be managed in the remainder of the year.

Risk Owner : Nigel Howcutt Portfolio holder : Graeme Elliot

FR_F03 Variances in General Fund revenue budget

Quarterly Update

At Quarter 2 the General Fund revenue outturn is facing significant financial pressures as a result of the coronavirus. Overall in the General Fund a pressure of £3.1m is forecast, of which £3.0m results from the implications of coronavirus.

Inherent Impact	Inherent Probability	Inherent Risk Score
3	4	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
3	3	9

Impact

Accurate, well-controlled budgeting relates directly to the achievement of the Dacorum Delivers corporate objective, and indirectly, through the financial decision-making process, to the achievement of all of the Council's corporate objectives.

Inaccurate budgeting negatively affects the Council's ability to make evidence-based decisions. A significant underspend at year-end could indicate that funds have been needlessly diverted from a competing priority. A significant overspend at year-end could result in reserves being used to support lower priority objectives. Both of these could result in reputational damage for the Council.

Failure to address the causes of inaccurate budgeting could negatively impact the Council's culture of financial management, which in turn increases the risk of poor financial decision-making.

Controls to manage the risk

The following controls aim to reduce the probability of there being a variance in the General Fund Revenue Budget by ensuring that there is strong challenge put to Budget Holders on the robustness of their assumptions, from a range of audiences.

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

The annual budget-setting process consists of an ongoing scrutiny process in which senior officers from across the Council, together with the Financial Services team, challenge the following year's budget bids from Group Managers.

This scrutiny process is augmented by the Budget Review Group (BRG), consisting of Chief Officer Group and representatives from the Portfolio Holder group, which provides early Member-level challenge.

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

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

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

Evidence the risk is being managed

At year end 2019/20 the general fund returned a balanced budget with the ongoing mitigation plans assisting in delivering a balanced budget.

At Quarter 1 the Revenue pressure for 20/21 was estimated to be circa £5.8m, a combination of improved performance, and additional government funding has seen the overall picture improve.

Risk Owner : Nigel Howcutt Portfolio holder : Graeme Elliot

FR_I02 Failure to optimise income generated by commercial assets

Quarterly Update

The budget expectation is that investment property income will fall by £1.4m in 20/21. The first half yearly debt arrears have increased to 15% from a standard 7%. Arrears are projected to grow for the remainder of the year as commercial tenants have exhausted their reserves, utilised government grants and are limited by trading restrictions linked to Covid. The forecast is very much dependent on the extent of the expected economic downturn, which will dictate how badly businesses are affected and for how long. The service are being very proactive with tenants and arranging payment plans to support these businesses in the short term.

Inherent Impact	Inherent Probability	Inherent Risk Score
3	4	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
3	3	9

Impact

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

Council officers must attempt to maximise income from these assets whilst avoiding the risk of vacant properties and increasing bad debts, which could arise if rents are set too high, and would jeopardise the council's achievement of its corporate objectives of Regeneration and Dacorum Delivers.

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

Controls to manage the risk

The following controls aim to mitigate the risk of under-performance of the Council's commercial assets by maintaining good communication links between relevant Council services, and by regularly monitoring performance against targets (see KPIs CP01 and CP02) to ensure that underperformance is identified and addressed as quickly as possible. The existence of these controls has led to the 'Inherent Probability' of this risk occurring reducing from a score of 4, which is shown in the Residual Probability (i.e. after controls implemented) being a 3.

Estates officers responsible for negotiating rent reviews hold monthly meetings with the Debtors team to track current bad debtors. This increases their understanding of the economic pressures businesses are facing, and how it can impact on council income.

There are currently Corvu performance targets to maintain the number of voids (empty properties) below 5%, and to keep the rent arrears below 10%. Failure to meet either of these targets would prompt further investigation.

Evidence the risk is being managed

In 2018/19 the commercial property service achieved occupancy of 96.2% with rent arrears of only 5%. This performance is above the targeted KPI levels and well ahead of commercial expectations.

This was followed by another strong yearly performance in 19/20, with occupancy above 96% and arrears below 7%

Risk Owner : Nigel Howcutt Portfolio holder : Graeme Elliot

FR_R01 Council Tax and Business Rates collections rates drop below budget

Quarterly Update

The first half year of 20/21 for council tax and business rates has been unparalleled in regards to policy and collection changes.

Policy change has meant that the largest ever business rates waiver for the retail, leisure and hospitality industry has been implemented.

In addition to this the council had stopped recovery action for the first 6 months of the year, following government guidance.

Overall the collection of council tax is expected to be below expected levels by between 2%-4%, as the year progresses more data will assist the council in fine tuning that prediction.

Inherent Impact	Inherent Probability	Inherent Risk Score
3	3	9
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
2	3	6

Impact

Distribution of collection fund to other preceptors is based on the budgeted collection level, if collection falls short this could lead to a cashflow issue within the Council's finances. The fund distribution is balanced after the end of the financial year.

Reputational risk if collection rate falls significantly – this could also impact on future years' council tax base leading to increased budget pressures.

Financial risk in relation to business rate retention scheme if rates collection falls below government set baseline.

Controls to manage the risk

The following controls aim to identify as quickly as possible if the Council is falling behind on its collection rates target for the year. If a problem is identified, the Council is then able to invoke a range of options to minimise the ongoing negative impact on collection.

Profiled monthly collection rates are monitored monthly - see KPIs RBF04 and RBF05. Reasons for variances are then investigated in order to address problems quickly as possible.

Direct debit payment is recommended for all customers – a pre-filled instruction is sent to all non-DD payers with their annual bill or a first bill for a new taxpayer. The direct debit method reduce the risk of under-collection because it eliminates the risk of a payer forgetting to make a monthly payment.

There is an active programme for taking formal recovery action against non payers.

Evidence the risk is being managed

In 2018/19 and 2019/20 Business rates and council tax collection achieved or exceeded budgeted levels. The collection rates achieved are above national averages and specifically business rates collection was in the upper quartile of national performances.

FR_R02 Delays and errors in the processing of Benefits claims

Quarterly Update

The performance of the benefits service in Qtr 1 and Qtr 2 has been varied. The surge in case work as a result of the pandemic has meant that the service were initially stretched.

The process of new clients providing evidence and details supporting their claims has been slower due to a combination of covid restrictions and the service being more lenient with individuals meaning processing can take longer.

The processing of existing claimants changes has being strong as these are less impacted by a reduced need to provide validation data.

Inherent Impact	Inherent Probability	Inherent Risk Score
3	4	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
2	3	6

Impact

This risk links to the corporate objective Dacorum Delivers, focussing on an efficient and effective council.

Customers could suffer personal hardship resulting from delays or errors in the processing of claims.

Significant reputational risk associated with high-profile errors.

Staff time spent on addressing unnecessary errors leads to duplication of effort and is an inefficient use of resources.

Government subsidy for housing benefit expenditure is based on external audit certification of the claim made. There is financial risk if errors on cases are identified during their testing.

Communications with claimants needs to be well written and jargon-free in order to reduce the risk of repeat queries which puts pressure on limited staff resources.

Controls to manage the risk

The controls in place aim to mitigate this risk by closely monitoring performance to assist with effective decision-making around resource allocation. This is a heavily process driven service area and close monitoring also helps to identify bottle necks in the process which need to be improved to optimise performance. By subjecting the process to this regular in-depth scrutiny the Service is able to reduce the probability of the risk crystallising, hence the reduction between the Inherent Risk score (4) and the Residual Risk score (2) after the controls have been taken into account.

Quality checking and individual performance management is in place. These mean that each officer has targets for their personal productivity and accuracy, and information from quality checks is fed back in order to sustain improvement.

Average time taken for processing new claims and changes in circumstances forms part of monthly monitoring.

Processes are in place to expedite cases where the customer is vulnerable or facing eviction. These processes start when a case is identified within benefits, or by customer services, homelessness, housing etc.

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

This enables intermediary targets to be set for discrete elements of the process, which in turn enables the more effective monitoring which has resulted in significantly improved performance over the last 6 months.

Evidence the risk is being managed

The KPI's for the housing benefit service in 2019/20 were all achieved with new performance records set along the way.

The first half of 20/21 has seen a surge in new cases and changes to existing claimants. The service have had to introduce new ways of working to deal with the new cases during covid. The performance on changes to existing housing benefit cases has remained strong.



Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	3 November 2020
PART:	1
If Part II, reason:	

Title of report:	Quarter 2 Performance Report – Corporate and Contracted Services
Contact:	<p>Cllr Andrew Williams, Portfolio Holder for Corporate and Contracted Services</p> <p>Author/Responsible Officers:</p> <p>Mark Brookes (Assistant Director – Corporate and Contracted Services)</p> <p>Ben Hosier – Group Manager (Procurement and Contracted Services)</p> <p>Farida Hussain - Group Manager (Legal and Corporate Services)</p>
Purpose of report:	To provide Members with the performance report for quarter two in relation to Corporate and Contracted Services.
Recommendations	That Members note the report.
Corporate objectives:	Resources and Value For Money; Optimise Resources and Implement Best Practice.
Implications:	<p><u>Financial</u></p> <p>Financial implications are highlighted throughout the report, where applicable.</p>
'Value For Money Implications'	<u>Value for Money</u>

	Monitoring Performance supports the Council in achieving Value for Money for its citizens.
Risk Implications	Risk Assessment completed for each service area as part of service planning and reviewed quarterly.
Equalities Implications	Equality Impact Assessment completed for each service area as part of service planning and reviewed quarterly.
Health And Safety Implications	None
Consultees:	Cllr Andrew Williams, Portfolio Holder for Corporate and Contracted Services
Background papers:	Annex: Quarter 2 Performance Report

1. Members will find attached to this report the Corvu performance data for Corporate and Contracted Services.
2. The only Operational Risk which falls within this area is CE_R01 Failure to deliver successful elections and there have been no changes to this risk during the second quarter.
3. The services included in this report are those services which fall under the Assistant Director (Corporate and Contracted Services), which are Legal, Licensing, Corporate Support (which includes the now combined teams of Members Support, Electoral Registration and Corporate Support) and Procurement and Contracted Services.

The Legal Team

4. The Legal team frequently represent the Council in the courts and tribunals, leading on injunctions, prosecutions and defending employment tribunal cases and judicial review proceedings. Although most court buildings reopened as of 17th July 2020, the number of cases being heard at court has been restricted as the courts are operating priority lists and are also dealing with a backlog of cases that have built up when courts were closed at the beginning of lockdown. In the last quarter the Legal team presented the following cases in court:-

Matter	Client/type	Case Detail
DBC v WE Black Limited	Planning – Breach of Tree Preservation Order	Fine £2,500, Victim Surcharge £181, Costs £2,689 Total:- £5,370
DBC v Gadsden	Planning – Breach of Tree Preservation Order	Fine £100, Victim Surcharge £100, Legal Costs £2,500 Total:- £3,600
DBC v Jamie Thomas	Environmental Health – Breach of Public Space Protection Order	Fine £220 Costs: £311 Victim surcharge: £32 Total - £563

The Licensing Team

5. Key updates for the team are as follows:
- Pavement Licences became the Council’s responsibility as a temporary measure by Government, where these are usually dealt with by Highways at the County Council. This required delegations to be updated, and everything from the application forms, website and budget codes to be set up, as well as conditions for these licences being drafted and agreed.
 - Covid-19 related guidance for the taxi trade was drafted and agreed by the Licensing and Health and Safety Enforcement Committee and widely circulated to the trade, advising on screens, cleaning their vehicles, and face coverings for passengers.
 - Three Alcohol and Gambling Sub Committees were held, and one planned but dispensed with following withdrawal of objections. The three held were:
 - Boxmoor lodge (review of licence following application from Hertfordshire constabulary) – no action taken by Committee
 - Chilfest Open Air Cinema (new application) – granted with some additional conditions
 - Craft Yard (variation) – granted with some additional conditions
 - A Licensing and Health and Safety Enforcement Sub-Committee was also held for a driver who refused to take a passenger with an assistance dog. The driver was given a formal warning by the committee; he had evidenced a phobia of dogs signed off by a doctor with a requirement to attend therapy.
 - Consultations began on the Council’s new draft Taxi and Private Hire Licensing Policy, and the review of the Licensing Act Statement of Policy.

- Four strikes (warnings) issued, three for drivers using the taxi rank for parking, and one for failure to display his roof sign.

Corporate and Democratic Support

6. During Quarter 2, Corporate and Democratic Support carried out the following:

Corporate meetings

- Supported & attended 10 corporate meetings (including minutes)

Committee meetings

- Published 26 agendas
- Completed 25 sets of minutes
- Processed 38 public speakers at virtual committee meetings
- Processed 56 members of the public to 'view only' virtual committee meetings
- Published 6 Portfolio Holder Decisions
- Published 22 Officer Decisions

Corporate complaints

Processed 364 items of customer feedback received via the CIMS system; allocating as;

- 307 as Service Requests directed to the back office
- 54 as Stage 1 complaints for investigation
- 3 as Stage 2 complaints for review.

Due to the Covid-19, we continue to deliver the majority of our committee meetings virtually via Microsoft Teams. Risk Assessment & procedures are in place for face-to-face meetings when guidance and restrictions allow. Upgrade to the AV in the Council Chamber and Conference Rooms 1 & 2 has been agreed and the order raised for works to commence at the end of October. This will enable 'hybrid' or MS Teams meetings to be held in each of these key committee rooms as and when legislation allows.

Member Development

7. In Quarter 2, there have been two Member Development sessions carried out virtually:

- Constitution Training (mandatory). This session was facilitated by Mark Brookes (Assistant Director – Corporate & Contracted Services) and Farida Hussain (Group Manager – Legal & Corporate Services). There were 32 attendees.
- Members Safeguarding Awareness Training (mandatory). This session was facilitated by Education Child Protection and was carried out over 2 sessions with a total of 24 Members registered to attend.

8. **Mayoral Support**

Quarter 2 has continued to be impacted by Covid-19 and therefore not allowed us to run our normal event calendar. Work has continued on the following;

- Virtual Your Town Dacorum: We have continued to work closely with the Community Partnership team to organise a virtual 5k & 10k fundraising run for residents of Dacorum (taking place weekend of 16/17 October). The Mayor has agreed for the money to be donated to 'Raise' which supports West Herts Hospitals. Mayor's Office set up virtual registration for this event using our event booking and ticket platform.
- Marketing: Continue to maintain an official social media presence for the Mayor (the official social media page is on platform Instagram. The Mayoress' manage a Mayor of Dacorum Facebook page during Cllr Douris' term). Pop up banner with QR code linking to Mayor's events page now installed by reception in The Forum. Options are also being explored for ensuring the Mayor's Office is marketed at future events held by other departments within Dacorum (ie Fun Palaces, Halloween Party etc).
- Online fundraisers: Work has continued on the Dacorum Cookbook which will be on sale ahead of Christmas and includes 'donated' recipes from various businesses and hospitality venues around the Borough. Other virtual fundraising initiatives such as a 'Wine Pull' and Christmas raffles are also under development.
- Civic Reception 2021: Save the date notifications have been sent out for the Mayor's Civic Reception for March 2021 and options are being explored to set up a virtual dinner, should this be required.
- COVID: The Mayor has been attended selected events. Risk assessments have been carried out and the function form that is completed by those requesting the Mayor to attend has been updated to include a section on how the event meets COVID safety requirements to ensure the Mayorality remains COVID compliant at all times. This has included reviewing provision of refreshments in the Parlour and requirements within Mayor's car.

Digital Print & Post Room (Central Administration)

9. The Digital Print & Post Room continue to deliver their ongoing services alongside the additional processes developed to support the organisation in being COVID compliant whilst maintaining essential services, including providing enhanced services to back offices working from home by maintaining a physical presence in the building to receive outgoing items electronically to convert to printed letters and vice versa receiving hard copy incoming mail items and converting to digital mail items.

Electoral Services

10. During Q2 the rolling registration continued and has increased due to the annual canvass starting. The following was processed:

Additions: 2770
Amendments: 328

Deletions: 3590

The Electoral Services Team welcomed a new Assistant Electoral Registration Officer to the team, to fill a current vacancy. During this quarter the team started to work more from The Forum in order to process the daily scanning for this year's annual canvass.

In addition, work has continued to cleanse the data held on the Electoral Register, with a variety of checks and audits being carried out. This includes, Overseas electors and their voting method, all property classifications, elector notes, property notes and UPRN's.

In July, the Canvass Communication A form was sent to all 52,185 Route 1 (Matched) properties.

In addition the Canvass Communication B and Canvass Forms were sent to the 13,219 Route 2 properties.

Although a steady response has been received, this was followed up in August, by sending out 6,491 reminder forms to chase the Route 2 non responding properties.

During September the telephone canvass was carried out, which was resourced within the team as the numbers were quite low. This was successful and well received by the electors, and was completed within a week.

During September 20 canvassers were trained, which took place via Microsoft Teams and was received very well (ahead of the door knocking phase). All of the canvassers' equipment was collated, including the additional PPE required this year. A risk assessment for this aspect of the canvass was produced and approved by Environmental and Community Protection.

The two Political support staff have maintained business as usual and have continued to support councillors with online meetings

Procurement

11. Covid-19 Update

- The Forum has remained open during Q2 under normal office hours for officers to attend where necessary. Following the Prime Ministers statement in September asking office workers who can work from home to do so, there has been a small reduction in the usage of the building.
- The Herts Valley CCG have stopped their planned return to the office for the foreseeable future.
- The library remains open to members of the public for browsing for 15 minutes maximum duration.
- The Registry Office remains open for weddings and registering births.

Procurement

12. A number of procurement exercises and projects have been ongoing:

- Main Contractor for Eastwick Row contract awarded to Jarvis Contracting
- Main Contractor for Coniston Road contract awarded to Bugler Developments
- Consultancy Services for New Build Programme
 - Randalls Ride
 - Cherry Bounce

2019/20	Apr	May	Jun	Jul	Aug	Sep
On street	576	660	632	683	792	624
Off Street	437	686	659	658	592	599
Total	1,013	1,346	1,291	1,341	1,384	1,223

Difference	Apr	May	Jun	Jul	Aug	Sep
On street	-576	-525	-504	-161	-413	-149
%	-100%	-80%	-80%	-24%	-52%	-24%
Off Street	-437	-686	-633	-390	-361	-190
%	-100%	-100%	-96%	-59%	-61%	-32%
Total	-1,013	-1,211	-1,137	-551	-774	-339
%	-100%	-90%	-88%	-41%	-56%	-28%

TRO's

1. Marlowes changes
Statutory consultation planned to commence 18/11/20
2. Lockers Park Lane junction protection
Live
3. CPZ – Wood Crescent (South zone extension)
Informal consultation planned to commence 18/11/20
4. CPZ – Ebbens Road
Consultation report available. Decision on future of scheme required.
5. Lower Kings Road MSCP
Open
Vandalism and anti-social behaviour
6. Bournside Blue Badge car park
Open
7. Redbourn Road
PH decision submitted
8. Wood Lane End
PH decision submitted
9. Chaulden Terrace
PH decision submitted
10. Wolsey Road
TRO signed and sealed, go live 18/11/20

CCTV

14. Following the Covid-19 lockdown the CCTV control room and installation works have returned to normal. All staff are now back at work and all housing installation projects have now been completed.
 - Order placed for a new camera at Canal Fields Berkhamsted, awaiting deliver date for installation of column.
 - Process started for external audit with the SSAIB (Security Services Alarm Inspection Board) for accreditation of the Surveillance Camera Commissioner code of practice.

The CCTV refresh program is well underway and on target within this year's phase of the project as shown below.

Proposed Upgrade/Replacement cost					
Year	2020/21	2021/22	2022/23	2023/24	2024/25
Budget	£150,568	£89,958	£108,002	£116,545	£139,574
Outstanding	£48,055	£89,958	£108,002	£116,545	£139,574
Spent	£102,513	£0	£0	£0	£0
Remaining	£48,055	£89,958	£108,002	£116,545	£139,574

Leisure Contract

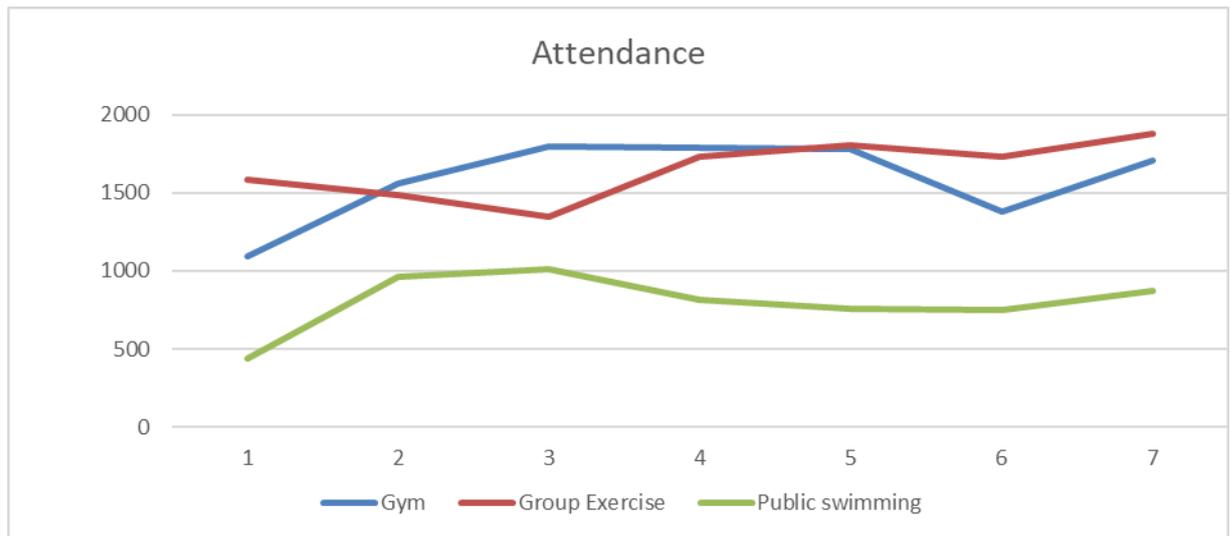
15. The leisure centres opened on 25th July, throughput figures for Q2 are shown below against each location:

Hemel Hempstead

Activity	Throughput						
	WB 25/07	WB 01/08	WB 08/08	WB 15/08	WB 22/08	WB 29/08	WB 05/09
Gym	1,093	1,557	1,797	1,789	1,783	1,376	1,702
Group Exercise	1,587	1,484	1,350	1,728	1,801	1,728	1,878
Public swimming	435	961	1,007	815	756	749	874
TOTAL	3,115	4,002	4,154	4,332	4,340	3,853	4,454

Sales	Units of sales						
	WB 25/07	WB 01/08	WB 08/08	WB 15/08	WB 22/08	WB 29/08	WB 05/09
Annual Fitness	6	7	5	10	7	3	3
DD Fitness	73	33	32	24	25	38	29
Swim Lessons	0	0	0	0	13	1	39
TOTAL	79	40	37	34	32	41	71

	TOTAL members					
	Pre Covid	August	September			
Fitness	3,921	3,178	3,232			
Swim lessons	1,797	1,263	1,313			

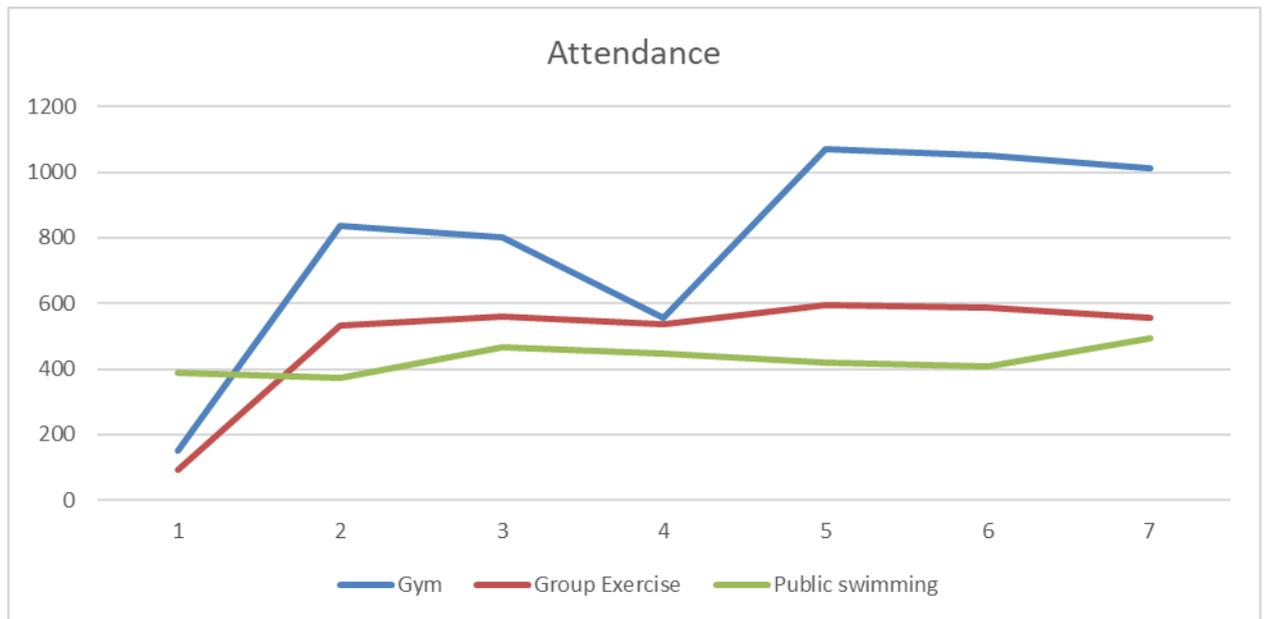


Berkhamsted

	Throughput						
Activity	WB 25/07	WB 01/08	WB 08/08	WB 15/08	WB 22/08	WB 29/08	WB 05/09
Gym	152	837	802	557	1,072	1,053	1,014
Group Exercise	92	531	559	537	595	587	555
Public swimming	387	375	468	446	420	409	495
TOTAL	631	1,743	1,829	1,540	2,087	2,049	2,064

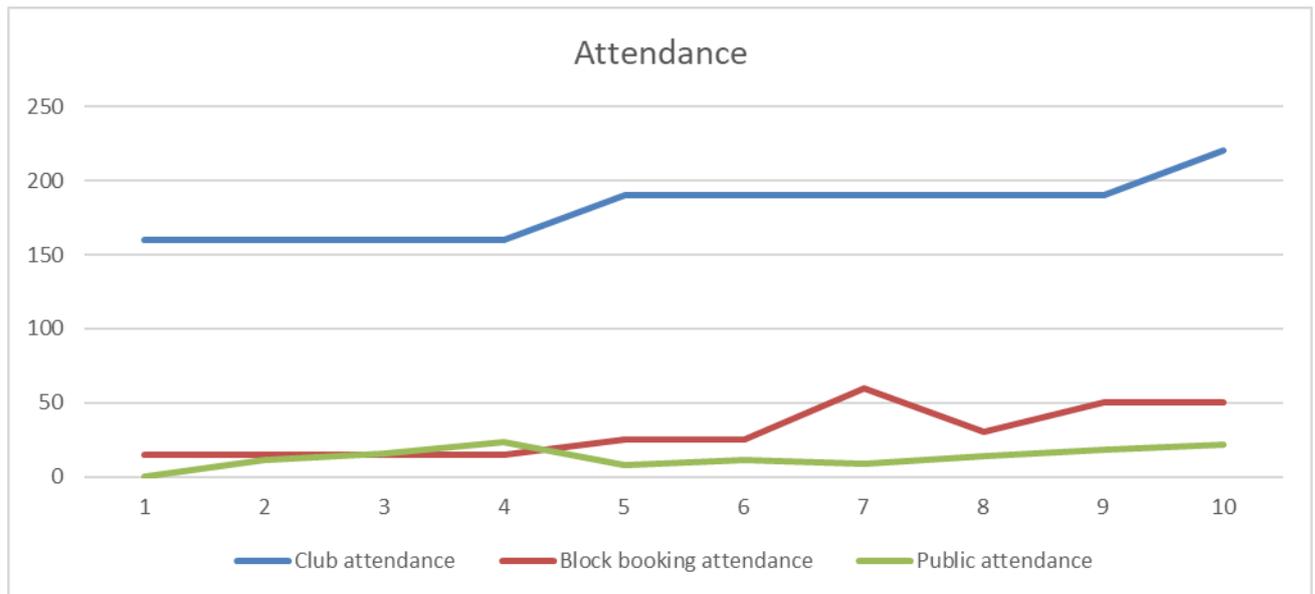
	Units of sales						
Sales	WB 25/07	WB 01/08	WB 08/08	WB 15/08	WB 22/08	WB 29/08	WB 05/09
Annual Fitness	44	24	17	2	1	1	3
DD Fitness	3	1	4	8	13	12	27
Swim Lesson	0	0	0	0	0	0	0
TOTAL	47	25	21	10	14	13	30

	TOTAL members					
	Pre Covid	August	September			
Fitness	1,731	1,455	1,432			
Swim lessons	740	539	543			



Jarman Park

Activity	Throughput									
	06-Jul	13-Jul	20-Jul	27-Jul	03-Aug	10-Aug	17-Aug	24-Aug	31-Aug	05-Sep
Club attendance	160	160	160	160	190	190	190	190	190	220
Block booking attendance	15	15	15	15	25	25	60	30	50	50
Public attendance	0	11	16	23	8	11	9	14	18	22
TOTAL	175	186	191	198	223	226	259	234	258	292



Leisure Modernisation – Berkhamsted Leisure Centre

16. A tender for the Project Management & Full Design Team Services has been published via a Crown Commercial Services Framework Agreement. The closing date is set for Friday 18th September. Work on the evaluation of the tender submissions continues and a report on the outcome will be presented to Cabinet in the near future.

Multi-Storey Car Park

17. The car park opened at the beginning of September following the completion of the S278 Highway works.
- The Council have sold all 78 business permits and visual checks have shown low usage in the other car park levels in the first few weeks.
 - Working with Communications and Berkhamsted Town Council to look at the most appropriate advertising strategies, to increase the numbers.
 - Unfortunately the car park experienced a spate of vandalism shortly after opening and there was damage to the lighting motion sensors and the vehicle counting system, which were smashed/ripped off of their fixings.
 - In addition to this fire alarms were activated and resulted in the fire brigade attending site.

Parking & Access Movement Project

18. The current latest programme shows the following key stages, although these have been impacted by the Covid-19 lockdown:
- Trees on Leighton Buzzard Road to be removed (*completed*)
 - Informal TRO consultation will commence in March 2020 (*completed*)
 - A tentative date of the Planning Pre-Application Meeting of 04 April has been arranged. (*completed*)

- Given the traffic survey discussions, the Traffic Survey is currently scheduled for completion on 05 June – subject to successfully attaining the permission from Ringway (*delayed due to lockdown, likely to take place in September*)
- An indicative period of the BT diversionary works of: 01 Jun. to 28 Sep. (*awaiting confirmation of delay due to lockdown*)
- Assumed that a Term Contractor will be appointed to undertake the works and therefore no tender period is allowed.
- Assumed that there will be no Planning Conditions following the statutory 8-week Period of Determination and therefore the Term Contractor can immediately commence with the works.
- Subject to the above – the result of the Planning Application is scheduled as 23 Nov (*likely to be delayed as other stages will not be complete due to Covid*)
- Assumed that said Term Contractor will already be mobilised in the vicinity of the works, undertaking resurfacing work of the North Car Park who will then immediately switch to undertake the works for the South car park.
- Subject to planning consent a construction period of 04 Nov. 2020 to 15 Feb. 2021 (3 months) (*likely to be delayed as other stages will not be complete due to Covid*)

OSC Report - Finance & Resources - Corporate and Contracted Services Sep-2020

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG	Comments	Actions
Dacorum Delivers - Efficiencies						
FIN13 - Car Parking Income ytd budget against ytd actual	£637730 Target: £1386355	£153204 Target: £693177	£1178737 Target: £1085220	2 1 1	<p>Updater Comments: This income stream was severely hit during the lockdown period, but has recovered to some extent and is now 50% below target.</p> <p>Approver Comments: We wil continue to monitor the income on a quarterly basis. But due to the period where the car parks were unused, it is very unlikely that this will recover during 2020/21 to reach the targets.</p>	Keep monitoring throughout the period and ensure that the Council reclaims as much as they can from the government.
Dacorum Delivers - Performance excellence						
LG03 - Percentage of Right to Buy documents sent to tenants/their Solicitors within 15 working days of receipt of full instructions	100% 7 / 7 Info Only	100% 5 / 5 Info Only	100% 20 / 20 Info Only		No Comments	No Info
LG06 - Percentage of housing possession proceedings commenced within 20 working days of receipt of full instructions	100% 1 / 1 Info Only	100% 1 / 1 Info Only	100% 0 / 0 Info Only		No Comments	No Info
LG09 - Percentage of prosecution proceedings commenced within 20 working days of receipt of full instructions	100% 2 / 2 Info Only	100% 2 / 2 Info Only	100% 0 / 0 Info Only		No Comments	No Info
Dacorum Delivers - Reputation and profile delivery						
DPA01 - Percentage of DPA requests met in 31 days	94.44% 17 / 18 Target: 100%	100% 14 / 14 Target: 100%	96.77% 30 / 31 Target: 100%	0 2 2	Updater Comments: Property and Place missed response deadline for the 1 DPA not on target	No Info

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG	Comments	Actions																					
CS02a - Percentage stage 1 complaints resolved in 15 days for the Council	62.16% 23 / 37 Target: 80%	86.49% 32 / 37 Target: 80%	71.88% 46 / 64 Target: 80%	2 0 2	<p>Updater Comments: There were 37 Stage 1 complaints due for response within Qtr 2, of these 14 were responded to out of target as follows;</p> <p>July 2020 1 in Revenues & Benefits 2 in Environmental Services 4 in Property & Place</p> <p>August 2020 1 in Revenues & Benefits 3 in Environmental Services</p> <p>September 2020; 1 complaint in Environmental Services 2 complaints in Property & Place;</p>	<p>Trend data being produced and sent to Linda Roberts for cascade to ADs where appropriate.</p> <p>Current complaints process being</p>																					
CS02b - Percentage stage 2 complaints resolved in 15 days for the Council	50% 1 / 2 Target: 80%	80% 8 / 10 Target: 80%	100% 5 / 5 Target: 80%	1 0 3	<p>Updater Comments: There were 2 complaints accepted for Stage 2 escalation/review during Qtr 2, one response was sent out of target.</p> <p>This related to a planning & environmental health issue. The response was sent late due to the complexity of establishing information across both services.</p>	<p>Trend data being produced and sent to Linda Roberts for cascade to ADs where appropriate.</p> <p>Current complaints process being</p>																					
FOI01 - Percentage FOI requests satisfied in 20 days	91.91% 125 / 136 Target: 100%	90% 99 / 110 Target: 100%	91.75% 189 / 206 Target: 100%	4 0 0	<p>Updater Comments: Missed Deadlines</p> <table border="1"> <thead> <tr> <th>Department</th> <th>Manager</th> <th>Number of Requests Missed</th> </tr> </thead> <tbody> <tr> <td>Environmental Services</td> <td>Craig Thorpe</td> <td>4</td> </tr> <tr> <td>Regulatory Services</td> <td>Emma Walker</td> <td>1</td> </tr> <tr> <td>Strategic Housing</td> <td>Natasha Beresford</td> <td>3</td> </tr> <tr> <td>Procurement & Compliance</td> <td>Ben Hoiser</td> <td>1</td> </tr> <tr> <td>Dev Management & Planning</td> <td>Sara Whelan</td> <td>1</td> </tr> <tr> <td>Fincial Services</td> <td>Fiona Jump</td> <td>1</td> </tr> </tbody> </table>	Department	Manager	Number of Requests Missed	Environmental Services	Craig Thorpe	4	Regulatory Services	Emma Walker	1	Strategic Housing	Natasha Beresford	3	Procurement & Compliance	Ben Hoiser	1	Dev Management & Planning	Sara Whelan	1	Fincial Services	Fiona Jump	1	No Info
Department	Manager	Number of Requests Missed																									
Environmental Services	Craig Thorpe	4																									
Regulatory Services	Emma Walker	1																									
Strategic Housing	Natasha Beresford	3																									
Procurement & Compliance	Ben Hoiser	1																									
Dev Management & Planning	Sara Whelan	1																									
Fincial Services	Fiona Jump	1																									
MS01 - Average number of training opportunities taken up per Member	0.2 Opportunities 34 / 150 Info Only	0.5 Opportunities 46 / 102 Info Only	0.3 Opportunities 99 / 306 Info Only		No Comments	Reported for information purposes, no action required at this time.																					

Agenda Item 10



Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	3 November 2020
PART:	1
If Part II, reason:	

Title of report:	Performance and Risk report Quarter 2 2020/21 – Performance, People & Innovation
Contact:	Andrew Williams, Leader of the Council and Portfolio Holder Corporate & Contracted Services Author/Responsible Officer: Linda Roberts (Assistant Director – Performance , People and Innovation), Matt Rawdon (Group Manager – People and Communities) and Ben Trueman (Group Manager – Technology and Digital Transformation)
Purpose of report:	To provide the Committee with analysis of performance and risk management for the services and functions provided by the Performance, People & Innovation Division.
Recommendations	That the Committee notes the contents of the report and the performance of the division for Quarter 2 2020/21.
Corporate objectives:	The Performance, People & Innovation division supports the delivery of all corporate objectives, although there is a particular focus on ‘modern and efficient council’.
Implications:	<u>Financial</u> Poor performance could lead to increases in costs as well as reducing the value of our service offer.
‘Value For Money Implications’	<u>Value for Money</u> The work of the division supports the achievement of value for money in the pursuit of the Council’s objectives
Risk Implications	Risk Assessment regularly reviewed
Equalities Implications	There are no equalities implications arising from this report.
Health And Safety	There are no health and safety implications arising from this

Implications	report.
Consultees:	None
Background papers:	Attached: 1. Quarter 2 Operational Risk and Performance reports
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	<p>This is a regular report to the committee detailing the performance of the relevant services for this committee over the last quarter.</p> <p>The review also considers operational risks and highlights any additional controls and assurances needed to address the issues raised.</p>
Glossary of acronyms and any other abbreviations used in this report:	<ul style="list-style-type: none"> • IT – Information Technology team • FirstCare – The Council’s sickness management system • KPIs – Key performance indicators

Introduction

- 1.1 Performance reports are produced on a quarterly basis with information collated in the Council's performance management system (Rocket).
- 1.2 The performance report for the division is attached and it examines progress in relation to two key themes:
 - 1.2.1 Human Resources
 - 1.2.2 IT and Digital Services

Monitoring Performance

Human Resources

The total sickness absence outturn for Q2 has decreased in this quarter from last. However, the short term sickness cases has seen an increase in this quarter which reflects a similar pattern to last year. Conversely the amount of days lost due to long term sickness has decreased this quarter which is essentially because the Council lifted the suspension of sickness hearings so these cases could be progressed. The Council is continuing to operate a robust management process that involves a senior management team (supported by HR) reviewing every case of sickness on a monthly basis to ensure that we are taking robust, timely and fair action. The HR team has been arranging wellness courses and resilience courses to help staff who have been working from home to assist with the transition. HR led on a health and wellness week for all staff that incorporated a programme of on-line courses / webinars which attracted over 100 attendances. Training courses on how to effectively manage home workers are also being rolled out the management team.

Staff turnover can help the organisation to understand its performance in relation to employee retention and motivation. The turnover for this quarter is particularly low, this is likely to be a result of the pandemic.

IT and Digital Services

IT Systems availability (100%) was positive within the quarter. This, combined with the adoption of collaborative technologies such as Microsoft Teams Live Event, has continued to be essential throughout the quarter as DBC officers have continued to depend on resilient systems to work remotely while maintaining service standards.

The complexity of supporting this model of working (involving layers of network outside of DBC control) has presented challenges to which ICT are adapting and although the target for incidents resolved in less than 2 days was missed it is an improving position both in Q2 and, at the point of writing, into Q3.

Numbers of Website Users (180,257) broadly maintained the increase seen in the previous quarter and is 24.6% up from the equivalent quarter last year. We assume that a lack of face-to-face contact has continued to drive increased traffic to the Council's online services and in this context, the Web Team have invested considerable effort in developing quite complex COVID specific forms for grant applications, self-isolation payments etc.

OSC Report - Finance & Resources - Performance, People and Innovation Sep-2020

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG	Comments	Actions
Dacorum Delivers - Performance excellence						
HR02a - Turnover of staff	2 % Info Only	6 % Info Only	11 % Info Only		Approver Comments: This is a low percentage, which could be related to CV-19 impact.	No Info
HR04a - Total days lost through SHORT TERM sickness absence	692.5 Days Info Only	496.5 Days Info Only	651.5 Days Info Only		Approver Comments: The Sickness Scrutiny Group continues to review all sickness cases to ensure that the Council is proactively managing sickness absence. Cases that are a cause for concern are escalated to a more formal route where necessary. HR continue to actively support manager in sickness cases to ensure policies are being followed and proportionate action is taken.	No Info
HR04b - Total days lost through LONG TERM sickness absence	827.5 Days Info Only	1276.5 Days Info Only	1049 Days Info Only		Approver Comments: This is a positive result compared to last year and the last quarter outturn. The sickness scrutiny group continues to review all long term sickness cases to ensure the Council is doing everything possible to support staff back to work.	No Info
HR04c - Long term sickness as a percentage of total sickness	54.44% 827.5 / 1520 Info Only	72% 1276.5 / 1773 Info Only	61.69% 1049 / 1700.5 Info Only		Approver Comments: For information.	No Info
HR04e - Short term sickness as a percentage of all sickness	45.56% 692.5 / 1520 Info Only	28% 496.5 / 1773 Info Only	38.31% 651.5 / 1700.5 Info Only		Approver Comments: For information.	No Info
ICT01 - Percentage of incidents resolved in less than 2 days	86.27% Target: 90%	82% Target: 90%	95% Target: 90%	0 3 1	Approver Comments: Slightly below our target after being affected by vacancy and absence at the beginning of the quarter.	No Info
ICT02 - Availability of primary systems (office hours)	100% Target: 99%	100% Target: 99%	99.95% Target: 99%	0 0 4	Approver Comments: Consistently excellent availability at a critical time.	No Info

Indicator Name	Results Sep-2020	Last Months Results Jun-20	Last Years Results Sep-19	RAG	Comments	Actions
HR03 - Total days lost through sickness absence	1520 Days Info Only	1773 Days Info Only	1700.5 Days Info Only		Approver Comments: A positive outturn compared to last year and last quarter. The sickness scrutiny group continues to review all sickness to ensure cases are managed efficiently and the Council is doing all it can to support staff back to work.	No Info
HR05 - Average days lost due to sickness absence per FTE - profiled target	0.72 Days 1520 / 2097.63 Target: 0.86 Days	0.85 Days 1773 / 2077.73 Info Only	0.86 Days 1700.5 / 1987.44 Target: 0.85 Days	0 0 1	Approver Comments: As per HR03 comments	No Info
ICT06 - Total number of incidents and service requests reported (ICT)	2991 Info Only	2931 Info Only	3839 Info Only		Approver Comments: Steady demand on the Service Desk as they continue to support the majority of staff in working from home.	No Info
Dacorum Delivers - Reputation and profile delivery						
WEB03 - Number of Website Users	180257 Info Only	181711 Info Only	144681 Info Only		Approver Comments: Very slight reduction in numbers of the previous quarter but substantially maintaining the increase in traffic made in the last year.	No Info



Quarter 2 Operational Risk Report

Sep-2020

Summary

The over all risk score for each or the risks highlighted within this report are arrived at by multiplying the score given for the probability of the risk happening and the severity of the consequences of this risk.

The probability and severity are scored 1-4 relating to their severity as shown in the below table

The severity of the overall risk score can also be found in the below table

Risk Score	Probability	Severity
1	Low	Low
2	Medium	Medium
3	High	High
4	Severe	Severe

Overall Score	RAG
0 - 4	Green
6 - 10	Amber
12 - 16	Red

Inherent Probability	Inherent Impact	Inherent Risk Score	Mitigated Probability	Mitigated Impact	Mitigated Risk Score
Performance and Projects					
PP_R011 Failure to deliver Dacorum's digital programme leads to poor customer experiences and increased costs from calls and face to face visits					Linda Roberts
3	4	12	2	4	8
PP_R012 Failure to deliver an effective approach to the management of performance, projects and complaints					Linda Roberts
3	4	12	2	4	8
PP_R014 Failure to achieve the service outcomes for the community and Leisure Contracts					Linda Roberts
3	4	12	2	4	8
PP_R015 Failure to effectively and proactively manage the media profile of DBC including social media					Linda Roberts
2	4	8	1	4	4
PP_R016 Failure to effectively and proactively manage all aspects of employee relations					Linda Roberts
3	4	12	2	4	8
PP_R017 Failure to support the organisation, and in particular the leadership team, to manage organisational change and staff development					Linda Roberts
3	4	12	2	4	8
PP_R018 Failure to understand and respond to the current and future technology needs of the Council					Linda Roberts
3	4	12	2	4	8
PP_R04 Failures in ICT resilience or security leading to significant system downtime					Linda Roberts
3	4	12	2	4	8

Risk Owner : Linda Roberts Porfolio holder : Andrew Williams

PP_R011 Failure to deliver Dacorum's digital programme leads to poor customer experiences and increased costs from calls and face to face visits

Quarterly Update

Take-up of the MyDacorum portal for residents grew through the quarter (from 4665 at the end of Q1 to 5220 at the end of Q2).

Q2 has seen continued development of the MyDacorum platform, including work on repairs reporting and pest control appointment booking. The Web Team have also delivered a number of COVID related forms for business grants and self-isolation payments.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	3	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	2	8

Impact

86% of adults use the internet regularly and people expect services that reflect their 24/7 online lives.

Digital services also provide an opportunity to use new technology to reduce costs while maintaining or improving service quality.

However if we don't deliver our digital vision this will have major consequences.

It will mean that we can't provide services in the most effective way. It will also lead to improvements and savings not being realised. Also systems and processes will fall further behind the expectations of residents.

Failure to deliver an effective approach to digital services will also result in reputational damage.

The customer experience will also suffer as residents cannot access services at a time and in a way that is best for them.

Controls to manage the risk

Historically elements of the Council's digital programme were delivered as part of the Digital Dacorum programme.

Following delivery of that programme, digital initiatives continue to be delivered within the Technology Service's work plan and through the New Normal Programme.

These actions are managed and supported by the Digital team and governed the New Normal Programme Board. They are also monitored at the monthly Performance Board.

Evidence the risk is being managed

- Specialist digital staff are in place
- Digital Transformation Strategy and Service Plan
- New Normal Programme / Board
- Website content management and governance process

Risk Owner : Linda Roberts Porfolio holder : Andrew Williams

PP_R012 Failure to deliver an effective approach to the management of performance, projects and complaints

Quarterly Update

The majority of performance indicators and projects are in target and continue to be monitored jointly by members and senior officers.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	3	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	2	8

Impact

The ability to manage performance, projects and complaints is vital if we are going to successfully deliver the Council's objectives and priorities.

Effective project and performance management ensures that we can deliver what's expected on time and under budget. It also enables us to maximise value for money.

However poor project and performance management leads to cost overruns, delays and a failure to achieve outcomes. It also causes opportunity costs and can leads to expensive or ineffective remedial work.

Failure to manage complaints can lead to poor service, dissatisfaction and an inability to learn from mistakes and issues.

Controls to manage the risk

The Council operates Managing Projects Successfully, our approach to project management. This provides detailed step-by-step guidance on how to develop, define, manage and evaluate a project.

We have a well established performance management system (Corvu) underpinned by a detailed performance framework.

We have a team of performance and project management specialists and on a monthly basis we produce programme and performance monitoring reports which are scrutinised at a Member led Performance Board and Group.

We have a robust complaints policy and a specialist complaints management system.

Evidence the risk is being managed

- We monitor performance, projects and complaints on a monthly, quarterly and annual basis
- We have a dedicated performance and project management system (Rocket and PMO online)
- We have a project management framework (Managing Projects Successfully)

Risk Owner : Linda Roberts Porfolio holder : Andrew Williams

PP_R014 Failure to achieve the service outcomes for the community and Leisure Contracts

Quarterly Update

The quarterly meetings have taken place and most outcomes are on track. Some contracts have seen an increase in demand due to CV-19, so we have asked for an impact assessment report.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	3	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	2	8

Impact

The community contracts provide vital support services for some of the most vulnerable residents in Dacorum. The contracts are:

- Information, Advice and Advocacy
- Supporting the Voluntary Sector
- Reducing Social Isolation
- Promoting Healthy Relationships

The forthcoming leisure contract will ensure that our leisure facilities are managed in the most effective way possible.

However if we don't achieve the outcomes from each contract, the community will receive inadequate services which can have serious consequences.

Failure to deliver would also adversely affect the capacity of the local VCS and the community and local sports clubs.

There would also be negative implications for the reputation of the Council and for the services involved.

Controls to manage the risk

We have introduced a number of controls which manage the risk of not achieving the service outcomes:

We have and are undertaking a comprehensive and robust commissioning process, which ensures that we select providers that can deliver on our objectives.

We will agree KPIs with each contract.

We will conduct regular contractual performance meetings and we have a well established process for dealing with any issues.

All the contracts will be managed by senior officers with oversight from the Group Manager and Assistant Director.

We have commissioned specialist advice from legal and leisure consultants.

Evidence the risk is being managed

- Commissioning Tender Returns
- Contracts and Agreements
- KPI Monitoring Reports/Surveys etc.

Risk Owner : Linda Roberts Porfolio holder : Andrew Williams

PP_R015 Failure to effectively and proactively manage the media profile of DBC including social media

Quarterly Update

The Communications team continue to support the major projects and much focus has been on our response to CV-19. Digital Digest continues to be delivered monthly and this quarter the team has been drafting the Dacorum Digest Winter edition.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	2	8
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	1	4

Impact

The media profile of the organisation is very important for the Council.

If our media profile is not professionally managed, it could lead to reputational risk for the council. This includes reputational risk/damage to members and council staff, and questions being asked about service delivery (as a council) and value for money.

A positive media profile also offers a real opportunity to attract new investment and resources.

The risks from social media occur either because we aren't using the tool to engage residents restricting our contact with key demographics, or because our reputation has been damaged due to inappropriate or negative use or postings.

Controls to manage the risk

We have a number of controls in place to mitigate these risks:

For press and media coverage we use a press management system called Vuelio. This enables us to plan for both proactive and reactive issues and maintain control of all outbound and inbound media activities.

We have developed good working relationships with the local press and media and continue to involve them in our important activities. Similarly the press are in regular contact with the communications team for comments or further information regarding campaigns and activities.

For social media we use Crowd Control (CCHQ) which is the UK's leading risk management software for managing all social media accounts across the council. CCHQ is a web-based risk management platform that enables us to efficiently control access to our social pages, keeping them safe and secure.

We also require all staff to read, understand and sign a number of policies relating to the use of social media and ICT.

We work closely with service areas to support their marketing/communications plans

We require managers to follow a consultation process which supports a professional consultation exercise.

Evidence the risk is being managed

- We have a dedicated and experienced communications team with expertise across all forms of media.
- The majority of press coverage has been positive with a large emphasis on our priorities.

Risk Owner : Linda Roberts Porfolio holder : Andrew Williams

PP_R016 Failure to effectively and proactively manage all aspects of employee relations

Quarterly Update

The HR team has been working closely with the TUs to ensure employment issues relating to CV-19 are quickly addressed such as annual leave, hearing arrangements, sickness.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	3	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	2	8

Impact

Having highly motivated and productive staff is central to everything we do.

Failure to effectively manage all aspects of employee relations can have a number of implications.

A less motivated and productive workforce will lead to issues of poor service and performance. It can also cause high levels of sickness and dissatisfaction.

It could also result in appeals and employment tribunal cases and staff turnover will increase causing additional disruption and cost.

Controls to manage the risk

We have a number of controls in place to mitigate these risks:

We have robust employment policies that are reviewed regularly to ensure they are in line with good practice and the latest employment legislation.

We have hold employee relation meetings with trade unions and we consult with them on changes to any relevant policies and procedures.

We provide training for managers on employment policies and all managers leading employee relation cases are supported by a qualified HR professional.

We utilise information coming from staff engagement groups to support change.

Evidence the risk is being managed

- Very few employment appeals to Members.

- Staff turnover is low.

Risk Owner : Linda Roberts Porfolio holder : Andrew Williams

PP_R017 Failure to support the organisation, and in particular the leadership team, to manage organisational change and staff development

Quarterly Update

We have recently launched a new HR system which captures mandatory training take up and will in the future provide us better management information on our skill gaps.
 Our managing in Dacorum programme continues to have a good take up for exiting managers and potential managers.
 We have recently focussed our training efforts in support health and welling, as well as courses on how to effectively work from home and how best to manage home workers.
 Coaching and mentoring is an area will be focussing on shortly.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	3	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	2	8

Impact

Managing and adapting to change is key if we are going to deliver the Council's vision.
 That's why we need to develop and foster a workforce that is flexible, responsive and able to manage organisation change.
 The consequences of this risk include dis-engaged staff, service delivery issues and low productivity.
 We could also experience high levels of turnover and a likelihood that key staff would relocate to other organisations.

Controls to manage the risk

We have introduced a number of controls which manage the risk:
 Our Corporate training programme (featuring mandatory training courses) ensures that staff have the right skills.
 We have a staff engagement group to ensure we have feedback on what works and does not.
 We run a managing in Dacorum programme that supports succession planning for new leaders and ensures our managers have the right skill set to manage staff effectively.
 The People Strategy and New Normal Change programme focusses on staff having the right skills, values and experience.
 Our Service Efficiency Programme (overseen by the Chief Operating Group) will also help to develop the change attitude within the organisation.

Evidence the risk is being managed

- Regular staff forum briefings with a bespoke information section on the intranet
- Good attendance in the training programmes.
- Services are well received from the public
- Positive staff surveys.

PP_R018 Failure to understand and respond to the current and future technology needs of the Council

Quarterly Update

Technology is a key part of the New Normal Programme (as part of the People & Technology work stream) providing an opportunity to review the Council's technology approach and to ensure it is fit for purpose for future ways of working within DBC.

Replacement of desktop equipment for officers is now complete allowing access to enhanced software and greater flexibility in working arrangements, such as mobile working.

Two pilot projects, one looking at Robotic Process Automation (RPA) and one trialling the use of detailed Business Process Re-engineering (BPR) through a partner organisation, have completed and both have moved into delivery. The BPR project is implementing changes to the Housing Voids process, including technology changes. The RPA pilot project is now deploying the technology to the Live environment, and is expected to save considerable time/effort within the Regulatory Services Team.

Development of the Council's CRM solution continued through the quarter, concentrating on plans to migrate to the Microsoft's cloud technology.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	3	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	2	8

Impact

ICT is central to the performance of departments. This includes both hardware and business applications (i.e. software) as well as the service desk and special projects.

Poor ICT makes it difficult for departments to provide their services effectively. Issues with ICT can also have a negative impact on the reputation of DBC.

In addition ICT issues can lead to significant knock-on costs, including delays in processing benefits or responding to service requests.

Failure to understand the technology needs of the Council will make it impossible to achieve many of the efficiencies and service improvements achievable through changing how we work.

Controls to manage the risk

We have put in place the necessary structure, strategy, plans, budgets and vision to ensure we respond to the current and future needs of the business.

The service is based around core elements:

- the service desk
- infrastructure
- business analysis
- projects
- business applications
- application development

We have an Digital Technology Strategy Service Plan.

We also have an established staffing complement and budget which has been shaped around the ICT needs of DBC.

The Technology Service has regular conversations with other council services and the Innovation & Improvement team work closely with Services to understand and improve business processes, including the potential introduction of new technology.

A technical project Manager is in place to ensure that planned improvements are achieved.

Work by specialist business applications resources within services is coordinated by ICT management.

All staff are provided with the necessary hardware including the laptops, teleworker phones, etc. as required to support remote working.

We take a category management approach to procurement.

Evidence the risk is being managed

- Regular dialogue between ICT and other services.
- Technology is discussed regularly at Leadership Team meetings
- ICT Strategy and Service Plan.
- New Normal Programme
- Project scrutiny at monthly Performance Board

Risk Owner : Linda Roberts Porfolio holder : Andrew Williams

PP_R04 Failures in ICT resilience or security leading to significant system downtime

Quarterly Update

In Q2 overall systems availability was 100%. The Council deploys a wide range of security controls and resilience including diverse routes on the BT network to the Council's primary sites and data replicated across production and Disaster Recovery data centres.

DBC is certified compliant for use of the Government's Public Services Network (PSN) by the Cabinet Office, specifying policies on password and other security protocols, software updates, network access etc. It includes rigorous and independent penetration testing, scheduled to be undertaken in Q3.

Inherent Impact	Inherent Probability	Inherent Risk Score
4	3	12
Mitigated Impact	Mitigated Probability	Mitigated Risk Score
4	2	8

Impact

ICT is central to the performance of departments.

A failure in ICT resilience or security would see loss of access to some or potentially all ICT applications and services.

This would have serious consequences for productivity, communication links with the public and would have a major impact on public facing services.

It could also lead to reputational damage or concerns about our capacity.

Controls to manage the risk

We have introduced a number of controls which manage the risk:

Technical Controls -

The Council has a secondary data centre which can be put into action in the event of a serious failure of the primary data centre.

Our Wide Area Network design provides resilient connectivity (diverse routing) so that if the direct connection from the Civic Centre to the primary data centre (Amersham) is severed, traffic will be re-routed to run via the secondary data centre.

Servers exist in a virtual environment and are hosted across multiple physical machines, meaning there is less dependence on individual components.

Data is replicated across the two data centres and is also backed up so that it can be called back and restored if required.

Process controls -

Data back-ups are stored off site.

Security -

We have a number of security processes in place, all of which is underpinned (and assured) by our PSN compliance.

These include corporate firewalls, anti-virus software on end point devices, end point security solutions to block unknown devices, encrypted hard drives, managed permissions and a two factor authentication process.

Evidence the risk is being managed

Assurance

- KPI's - ICT01 - % of incidents resolved in less than 2 days. ICT02 - Availability of primary systems. WEB01 - Website availability
- High Level Recovery Plan and Recovery Time/Point objectives available on request
- Successful tests of DR procedure – assuring that services can be restored within the secondary data centre using replicated data.
- PSN Compliance.
- Regular internal audits as reported to the Council's Audit Committee

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

Document is Restricted

Agenda Item 13

Clerk: Trudi Angel (x2224)

Finance and Resources Overview & Scrutiny Committee: Work Programme 2020/21

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

Meeting Date	Report Deadline	Items	Contact Details	Background information
Joint Budget 1 December 2020		*** Joint Budget *** ***** <i>Ideally no further items to be added</i>	Corporate Director, Finance & Operations James.deane@dacorum.gov.uk	<i>To review and scrutinise the budget for 2021-22</i>
		Garage Investment Strategy	Assistant Director, Performance, People & Innovation linda.roberts@dacorum.gov.uk	<i>To present the proposed Investment Strategy for DBC's garage stock</i>
6 January 2021	29 December 2020	Action Points (from previous meeting)		
Joint Budget 2 February 2021		*** Joint Budget *** ***** <i>Ideally no further items to be added</i>	Corporate Director, Finance & Operations James.deane@dacorum.gov.uk	<i>To review and scrutinise the budget for 2021-22</i>
9 March 2021	26 February 2021	Action Points (from previous meeting)		
		Budget Monitoring Report	Assistant Director, Finance & Resources	<i>To review and scrutinise quarterly</i>

		Nigel.howcutt@dacorum.gov.uk	<i>performance</i>
	Finance & Resources Q3 Performance Report	Assistant Director, Finance & Resources Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
	Corporate & Contracted Services Q3 Performance Report	Assistant Director, Corporate & Contracted Services Mark.brookes@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
	Performance, People & Innovation Q3 Performance Report	Assistant Director, Performance, People & Innovation linda.roberts@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>

Items to be scheduled:

- **Berkhamsted Sports Centre (M Brookes)**