



Public Document Pack Housing and Community Overview and Scrutiny Agenda

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

Tuesday 1 December 2020 at 6.30 pm

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 30 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 Adeleke (Vice-Chairman)
Councillor Mrs Bassadone
Councillor England
Councillor Imarni (Chairman)
Councillor Mahmood
Councillor Pringle
Councillor Arslan

Councillor Durrant
Councillor Johnson
Councillor Oguchi
Councillor Hollinghurst
Councillor Barry
Councillor Freedman

For further information, please contact member.support@dacorum.gov.uk

AGENDA

1. MINUTES

To confirm the minutes from October and November.

2. ACTION POINTS (Pages 3 - 8)

3. APOLOGIES FOR ABSENCE

To receive any apologies for absence

4. 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]

5. PUBLIC PARTICIPATION

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

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

None

7. BUDGET PREPARATIONS 2021/22 (Pages 9 - 34)

8. GARAGE PROJECT UPDATE (Pages 35 - 41)

9. WORK PROGRAMME (Pages 42 - 43)

Housing and Community OSC

Actions arising

Date of meeting	Action point	Responsible for action	Date action completed	Update on action point
9 September 2020	HC/059/20 – S Railson to provide costings for the upgrade of the Old Town Hall.	Sara Railson		
7 October 2020	HC/071/20 – Councillor Imarni to get an update from the Climate Change Lead Officer as to when a report could be scheduled at the committee	Councillor Imarni		
4 Nov	HC/077/20 Cllr Mahmood asked about the total income and where appreciation should be included. F Jump advised that appreciation is accounted for differently, not in the Housing Revenue Account and she would be happy to provide	F Jump		

	the information outside of this meeting.			
4 Nov	<u>HC/078/20</u> Cllr Barry asked if there is a breakdown per venue of the attendance at Adventure Playgrounds.	M Rawdon		
4 Nov	<u>HC/078/20</u> Cllr England asked what the Council's Policy is and what it might be in terms of supporting the local community with information about the incidents of Covid locally. Cllr England mentioned that he had been copied into correspondence, from Jo Bullen who is posting information on Facebook daily, which asks if the Council can amplify the output	M rawdon		

	<p>that she is producing. Cllr England wanted to know if we can do that. M Rawdon will raise with the Incident Management Team.</p>			
4 Nov	<p><u>HC/078/20</u></p> <p>L Roberts advised that we need to be very careful of the information provided due to confidentiality. Cllr England will the request as he does not think it contains personal information, it's Government information and just a case of amplifying it as it's already in the public domain. L Roberts confirmed it would be helpful if Cllr England could forward the information.</p>	Cllr England		

4 Nov	<u>HC/078/20</u> Cllr Pringle raised concerns about public perception on Covid at the moment, there is a sense that people are consciously challenging the risk despite the Governments advice, which people are not trusting. There is more trust at a local level and Cllr Pringle would like Dacorum Borough Council to take stock and reflect on the vital role we can play, a granular approach is needed, working very closely with schools, which is a trusted community network. Cllr Pringle had raised previously about a communications strategy, people need to know what's happening in their community	M Rawdon		
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	<p>because it's vital that people understand the facts. Consideration should be given to a granular breakdown being published daily, with perhaps inclusion in weekly newsletters in schools and education facilities that are already being sent out, which sets out the details in the Borough to ensure that the public are fully aware of the risks and the actions they can take. M Rawdon confirmed he would raise it at Incident Management Team.</p>			
<p>4 Nov</p>	<p><u>HC/079/20</u> F Williamson advised she will circulate more detailed</p>	<p>F Williamson</p>		

	information on the Capital charges breakdown.			



Report for:	Housing and Community Overview & Scrutiny Committee
Date of meeting:	1st December 2020
PART:	1
If Part II, reason:	

Title of report:	BUDGET PREPARATION 2021/22
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources James Deane, Corporate Director (Finance & Operations) Nigel Howcutt, Assistant Director (Finance & Resources)
Purpose of report:	To provide Members with an overview of the draft budget and provide the opportunity to scrutinise and provide feedback to Cabinet.
Recommendations	That Scrutiny Committees review and scrutinise the draft budget proposals for 2021/22 and provide feedback, to be considered by Cabinet, for each Committee's specific area of responsibility.
Corporate Objectives:	All. Setting a balanced budget supports all of the Council's corporate objectives.
Implications:	The financial and value for money implications are set out in the body of the report.
Risk Implications	The Council is required to set a balanced budget and scrutiny of the overall budget proposals will assist in the challenge process required.
Community Impact Assessments	Where appropriate, Community Impact Assessments for proposed budgets amendments have been undertaken by relevant service areas.
Health And Safety Implications	None.
Consultees:	Budget Review Group; Portfolio Holders; Chief Officer Group; Corporate Management Team; Group Managers.
Background Papers:	Agenda item 7 Medium Term Financial Strategy 2020/21 – 2024/24, October 2020 Cabinet.
Key Terms,	GF – General Fund

Definitions & Acronyms	HRA – Housing Revenue Account MTFS – Medium Term Financial Strategy OSC – Overview and Scrutiny Committee RSG – Revenue Support Grant
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Introduction

1. The purpose of this report is to present for scrutiny and review the draft budget proposals for 2021/22.
2. Budget detail for every area of the Council has been made available to all Members. A glossary of budget categories and which specific budget, sections are grouped under is set out in Annexe A.
3. With the exception of the Finance & Resources committee, which scrutinises all budgets, individual Overview and Scrutiny Committees (OSCs) will focus only on those appendices and that portion of the Capital Programme that relate directly to their remit.
4. A senior Finance Officer will be present in each of the committees to support the Chair.
5. The following appendices are relevant to the draft budget proposals for 2021/22:

Corporate view

- Appendix A – General Fund Budget Summary 2021/22
- Appendix Bi – Budget Change Analysis 2019/20 – 2021/22
- Appendix Bii – Summary by Committee

Housing & Community

- Appendix Di – Housing and Community GF Budgets Summary 2021/22
- Appendix Dii – Housing and Community GF Budgets Detail 2021/22

Housing Revenue Account

- Appendix F – Housing Revenue Account Budget 2021/22
- Appendix G – Housing Revenue Account Movements 2020/21 – 2021/22

Capital Programme

- Appendix Hii – Housing and Community Capital Programme: Summary of new and amended projects
- Appendix Iii – Housing and Community Capital Programme 2021/22 - 2025/26

Medium Term Financial Strategy (MTFS)

6. The current MTFS was approved by Council in October 2020 and contained the following key decisions which have informed the budget-setting process for 21/22:
 - A General Fund savings target of £590k for 2021/22
 - A General Fund savings target of £1.8m over the duration of the MTFS period
 - A General Fund balance of between 5% and 15% of Net Service Expenditure
 - A minimum HRA working balance of at least 5% of turnover

7. The draft budget presented in Appendix A has a balanced position. At this stage, this remains subject to a number of budgetary assumptions. Work continues on these assumptions, and the finalised position will be reported to Members at the Joint OSC in February.
8. Council has delegated authority to the S151 Officer to revise the MTFS if material changes to forecasts are required as a result of future government announcements. In light of the current Covid pandemic and the constantly changing financial environment the S151 Officer is providing Cabinet with regular MTFS and financial updates.

Key Assumptions included in draft General Fund Budget

9. The following assumptions are incorporated within the draft budget:
 - £5 increase in Council Tax and 1% increase in taxbase
 - An average 2.5% pay settlement
 - Vacancy factor of 5% for non-front-line services
 - Business Rates funding levels set at safety net levels (See para 13)
 - Negative Revenue Support Grant (RSG) (See paragraphs 14 - 18)
 - New Homes Bonus reduced by 55% (£970k). (See para 19-20)
 - Inflation freeze on Supplies and Services

Government funding – Business Rates

10. Due to the global pandemic the Local Government Fair Funding Review, most recently planned for rollout in 21/22, has been further delayed and Government has stated that Local Authorities will receive a one-year settlement for 2021/22.
11. In the absence of specific detail, this budget makes a series of funding assumptions, outlined in subsequent paragraphs. Confirmation of 2021/22 Government funding levels will be announced within the Local Government Finance Settlement, expected in December, and incorporated within the second draft budget brought for Members' scrutiny in February 2021.
12. The expected economic downturn in future months, together with an as yet unclear Government Business Rates policy for 21/22, have combined to create significant uncertainty over the level of funding the Council will receive from Government next year.
13. This proposed budget has therefore taken a prudent approach and set retained Business Rates funding at the 'safety net' level, i.e. the Government-guaranteed minimum level of funding under the current system. The approved MTFS compartmentalises Covid pressures and provides for this shortfall to be supported through the use of reserves. This ensures that the Council can take a prudent approach to likely funding levels and control the impact through use of reserves without making unnecessary and potentially damaging short-term changes to its underlying business model.

Government funding – Revenue Support Grant

14. The Local Government Finance Settlement 2020/21, issued by MHCLG in December 2019, suspended 'negative RSG' payments for 20/21. At that point

Government indicated this was a one-off arrangement and has given no subsequent indication that there will be a further suspension in 2021/22.

15. The concept of 'negative RSG' was introduced to enable Government to reduce the level of funding paid to an authority when there was no further RSG left to reduce. The idea was that the negative RSG would net off against the Business Rates funding to bring total authority funding down to a level, which, in Government's opinion, reflected its level of need.
16. In this respect 'negative RSG' was only ever a transitional tool until each authority's needs-level funding is captured and baselined within the Business Rates future funding methodology. Government has previously stated that RSG will cease to exist as a funding stream once the new funding model is rolled out.
17. It is prudent to assume that Government has not fundamentally changed its medium-term assessment of Dacorum's level of need, and that the suspension of negative RSG last year was a temporary relief, and not guaranteed to be reflected in the funding methodology beyond the current year. Consequently, this budget assumes that negative RSG will reduce the Council's funding by £970k in 21/22.
18. Any decision by Government to suspend negative RSG again in 21/22, in whole or in part, will lead to a financial gain for Dacorum. Unless explicitly announced otherwise by Government, this benefit should be seen as a one-off and accordingly used by the Council to fund one-off expenditure. Final confirmation of Government's decision around negative RSG is expected in December as part of the Local Government Finance Settlement, and any implications will be reported back to Members in February.

Government funding – New Homes Bonus

19. New Homes Bonus (NHB) was also planned for review under the now-delayed Fair Funding Review. In the absence of any further updates, this budget assumes no change to Government's previous commitments on future years' payments, i.e. that NHB will cease in 22/23.
20. In line with the approved MTFS, this budget assumes a continuation of the Council's current strategy, i.e. due to its time-limited nature NHB funding is not used to support ongoing service provision, but is instead contributed to the Dacorum Development Reserve for future one-off spending.

Key General Fund budget savings since last year

21. Detailed budget changes between 2020/21 and 2021/22 are shown in Appendix B. Key items include:
 - £4.7m removal of the one-off pensions payment arising from triennial review
 - £150k total staff efficiency savings
 - £450k increase in income generated
 - £80k reduction in Supplies and Services costs

Key General Fund budget growth since last year

22. Detailed ongoing growth areas (i.e. not one-off items of expenditure to be funded from reserves) are shown in Appendix B. Key items include:
- £186k to Employees budgets
 - £101k to support new Premises costs
 - £2.2m Income reduction due to the impact of Covid
23. In order to assist Members in their scrutiny, the draft Housing and Community budget is set out at a detailed Service level in appendices Di and Dii.

Housing Revenue Account

24. The draft HRA Budget for 2021/22 is attached at Appendix F, with explanations of major movements between the Original Budget 2020/21 and Draft Budget 2021/22 shown in Appendix G.
25. Key assumptions incorporated into the draft budget, reflecting assumptions in the HRA 30 year Business Plan that is reviewed annually by cabinet;
- Rent increase of CPI + 1% on all properties (£919k)
 - An increase in Supervision and Management budget to support service delivery and enhanced Property maintenance management (£408k)
 - Removal of the 20/21 one off secondary pension contribution (£1.32m)
 - Increase in the revenue contribution to capital (£1.55m)

Capital Programme

26. The draft Housing and Community Capital Programme is set out in Appendix Iii.
27. The proposed changes to the capital programme are detailed in appendix Hiii. There are 4 extensions of current capital projects into 2025/26 at a cost of £1.1m, and 2 proposed changes to existing projects that require £25k, in totality these proposals require an additional £1.16m of funding between 2021-25/26.

Next Steps

28. Members are asked to review and scrutinise the draft budget proposal for 2021/22, and to provide feedback for Cabinet to consider ahead of the next Joint OSC, in February 2021.

Annexe A
Explanation of expenditure categories used in appendices
Budget Categories Glossary

Employees

This group includes the cost of employee expenses, both direct and indirect, for example:

- Salaries
- Employer's National Insurance and pension contributions
- Agency staff
- Employee allowances (not including travel and subsistence)
- Training
- Advertising
- Severance payments

Premises

This group includes expenses directly related to the running of premises and land:

- Repairs, alterations and maintenance
- Energy costs
- Rent
- Business Rates
- Water
- Fixture and fittings
- Premises insurance
- Cleaning and domestic supplies
- Grounds maintenance

Transport

This group includes all costs associated with the hire or use of transport, including travel allowances:

- Repair and maintenance of vehicles
- Vehicle licensing
- Fuel
- Vehicle hire
- Vehicle insurance
- Employee mileage

Third Party Payments

Third party payments are contracts with external providers for the provision of a specific service. Examples for the Council include the Call Centre, Payroll Services, and Parking Enforcement.

Supplies & Services

This group includes all direct supplies and service expenses to the authority:

- Equipment, furniture and materials
- Catering/Vending
- Clothing and uniforms
- Printing, stationery and general office expenses
- External services (consultancy, professional advisors)
- Communications and computing (eg software maintenance, telephones and postage)
- Members allowances
- Conferences and seminars
- Grants and subscriptions

Capital Charges

These statutory accounting adjustments reflect a notional charge to the service for the use of a Councils asset. An example is Cupid Depot, for which a charge is made to Waste Services, for as long as the service uses the asset. These charges are reversed out centrally and do not impact on Council Tax.

Transfer Payments

This includes the cost of payments to individuals for which no goods or services are received. For the Council this only relates to Housing Benefit payments.

Income

This group includes all income received by the service from external users or by way of charges:

- Rental income
- Sales of goods or services (eg the sale of recyclables and waste sacks)
- Fees and charges (eg Planning, Parking and Burials)

Grants and Contributions

This group includes all income received by the service from external bodies:

- Specific Government grants
- Income for jointly run projects/services
- Reimbursement of costs (eg recovery of legal costs)
- Other contributions (eg recycling credits from Herts County Council)

Recharges

This statutory accounting adjustment charges out the back office functions (such as Finance and Legal) to the front line services. These adjustments are based on timesheet information provided by Group Managers and are subject to changes each year. The recharges overall will come back to zero, with the only impact on Council Tax being the overall charge to the Housing Revenue Account, as shown in Appendix A.

DRAFT GENERAL FUND BUDGET SUMMARY 2021/22

	Original 2020/21	Growth / (Savings)	Estimate 2021/22
	£000	£000	£000
Service Expenditure & Income			
Employees	28,220	(3,742)	24,478
Premises	4,739	206	4,945
Transport	1,550	46	1,596
Supplies & Services	7,056	431	7,487
Third-Parties	902	(91)	811
Transfer Payments	47,149	0	47,149
Capital Charges & Bad Debts	4,917	0	4,917
Income	(18,395)	1,437	(16,958)
Grants and Contributions	(51,426)	(170)	(51,596)
Recharge to HRA	(4,384)	(223)	(4,607)
Net Cost Of Services	20,328	(2,107)	18,221
Less:			
Interest Receipts	(300)	(125)	(425)
Interest Payments & MRP	916	121	1,037
Reversal of Capital Charges	(4,802)	0	(4,802)
Revenue Contributions to Capital	350	0	350
Net movement to/(from) Earmarked Reserves	139	(25)	114
Budget Requirement General Fund	16,631	(2,136)	14,495
Parish Precepts	972	34	1,006
Budget Requirement Including Parishes	17,603	(2,102)	15,501
Funded by:			
Business Rates Retained	(3,615)	818	(2,797)
Revenue Support Grant	0	940	940
New Homes Bonus/Government Grants	(1,779)	971	(808)
Council Tax (Surplus)/Deficit	(151)	151	0
Business Rates (Surplus)/Deficit	1,000	(700)	300
Net Expenditure before Council Tax	13,058	78	13,136
Demand on the Collection Fund	(13,058)	(49)	(13,107)
Net Change in General Fund Balance	(0)	29	29
General Fund Balance B/Fwd	(2,502)		(2,502)
In year use			29
General Fund Balance C/Fwd	(2,502)		(2,473)

GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22

EMPLOYEE EXPENDITURE

2020/21 Employee Budget		28,220
<u>Inflation</u>		
Pay award of 2.5% per annum (estimate)		586
Increments		127
Sub total - Inflation		713
<u>Growth items</u>		
Private Sector Housing Officer	Natasha Beresford	40
Strategic Planning Manager	Chris Taylor	80
Poppy Fields cemetery (Bunkers Farm) grounds maintenance	Richard Rice	30
Other growth items under £15k		36
Sub total - Growth items		186
<u>Removal of 2020/21 one-off items (reserve / grant funded)</u>		
Remove secondary pensions contribution lump sum payment in 2020/21	Fiona Jump	(4,680)
Hemel Garden Communities project team	James Doe	(193)
South West Herts Joint Strategic Plan costs	James Doe	(60)
Caravan storage - additional resource to generate additional income	Richard Rice	(15)
Innovation and Improvement Intern post	Ben Trueman	(22)
Web Developer fixed term post	Ben Trueman	(8)
Homeless Prevention and Assessment Team - 2 new posts	Natasha Beresford	(26)
Private Sector Housing 1 year fixed term post	Natasha Beresford	(50)
Sub total - Removal of 2020/21 one-off items		(5,054)
<u>2021/22 one-off items (reserve / grant funded)</u>		
Diversity and Community Inclusion Officer - 3 year fixed term post	Matt Rawdon	47
Climate Change Emergency Officer - 3 year fixed term post	Mark Gaynor/Ben Hosier	40
Planning Enforcement Post - 1 year fixed term	Sara Whelan	41
Innovation & Improvement Intern - further year of fixed term post	Ben Trueman	22
Web Developer fixed term post	Ben Trueman	8
Commercial Waste project officer - 1 year fixed term	Craig Thorpe	20
Staff resources to support additional PPA income	Sara Whelan	110
South West Herts Joint Strategic Plan costs	James Doe	100
Hemel Garden Communities project team	James Doe	250
Sub total - 2021/22 one-off items		638
<u>Efficiency savings</u>		
Revenues and Benefits service review	Chris Baker	(30)
Legal and Corporate service review	Farida Hussain	(20)
Customer services - staff reconfiguration	Matt Rawdon	(5)
Corporate Support Restructure	Farida Hussain	(35)
Waste Services - savings from new staff joining on lower grades	Craig Thorpe	(25)
Consolidate training budgets in Revenues and Benefits	Chris Baker	(12)
Other minor items under £15k		(22)
Sub total - Efficiency savings		(149)
<u>Other</u>		
Internal movement of budget (no growth or efficiencies to services)		(77)
Sub total - Other		(77)
Total change year on year		(3,742)
2021/22 Employee Budget		24,478

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
PREMISES EXPENDITURE**

2020/21 Premises Budget	4,739
Inflation	
General inflation	105
Sub total - Inflation	105
Growth items	
Poppy Fields Cemetery Operational Costs (Bunkers Farm) Richard Rice	37
Berkhamsted Multi-Storey car park - maintenance, cleaning and business rates Ben Hosier	64
Sub total - Growth items	101
Total change year on year	206
2021/22 Premises Budget	4,945

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
TRANSPORT EXPENDITURE**

2020/21 Transport Budget	1,550
Inflation	
General inflation	66
Sub total - Inflation	66
Efficiency savings	
Reduction in Travel Expenditure Craig Thorpe/Emma Walker	(20)
Sub total - Efficiency Savings	(20)
Total change year on year	46
2021/22 Transport Budget	1,596

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
SUPPLIES & SERVICES EXPENDITURE**

2020/21 Supplies & Services Budget		7,056
<u>Inflation</u>		
Inflation on ICT costs and contracted services		70
Sub total - Inflation		70
<u>Growth items</u>		
Robotic Process Automation – Licensing & Support	Ben Trueman	23
Booking Live Licence / Support	Ben Trueman	10
Capita payment system cloud hosting	Ben Trueman	10
Poppy Fields Cemetery Operational Costs (Bunkers Farm)	Richard Rice	14
Berkhamsted Multi-Storey car park - car park services costs	Ben Hosier	21
Sub total - Growth items		78
<u>Removal of 2020/21 one-off items (reserve / grant funded)</u>		
Caravan storage - additional resource to implement proposal	Richard Rice	(5)
Review and improvement of planning process	Sara Whelan	(50)
Leisure - feasibility work Berkhamsted Leisure Centre	Ben Hosier	(65)
Controlled Parking Zones	Ben Hosier	(45)
VE Day event	Farida Hussain	(30)
Armed Forces Day	Matt Rawdon	(20)
Sub total - Removal of 2020/21 one-off items		(215)
<u>2021/22 one-off items (reserve / grant funded)</u>		
Funding for Local Plan in year of examination	Chris Taylor	155
Climate Change Emergency Budget (for technical studies, consultancy support and community initiatives and events)	Mark Gaynor/Ben Hosier	100
Diversity and Inclusion Officer - associated budget	Matt Rawdon	5
Hemel Garden Communities project work	James Doe	50
South West Herts Joint Strategic Plan costs	James Doe	140
Sub total - 2021/22 one-off items		450
<u>Efficiency savings</u>		
Revenues e-billing	Chris Baker	(5)
Customer Services efficiencies	Matt Rawdon	(2)
Reduction in Telephony Expenditure	Ben Trueman	(10)
Reduction of legal expenses budget in Revenues and Benefits	Chris Baker	(14)
Non replacement of dog waste bins (if near a general waste bin)	Craig Thorpe	(15)
Savings in revenue costs through capital purchases of wheeled bins	Craig Thorpe	(25)
Minor savings under £5k		(8)
Sub total - Efficiency savings		(79)
<u>Other</u>		
Internal movement of budget (no growth or efficiencies to services)		127
Sub total - Other		127
Total change year on year		431
2021/22 Supplies & Services Budget		7,487

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
THIRD-PARTY PAYMENTS**

2020/21 Third Party Payments Budget	902
Inflation	
Contractual inflation	18
Sub total - Inflation	18
Removal of 2020/21 one-off items (reserve / grant funded)	
New payroll contract implementation costs	Fiona Jump (60)
Sub total - 2021/22 one-off items	(60)
Efficiency savings	
In-house Resilience Service Delivery	Emma Walker (20)
Internal Audit contract	Fiona Jump (20)
Sub total - Efficiency savings	(40)
Other	
Internal movement of budget (no growth or efficiencies to services)	(9)
Sub total - Other	(9)
Total change year on year	(91)
2021/22 Third Party Payments Budget	811

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
TRANSFER PAYMENTS**

2020/21 Transfer Payments Budget	47,149
Total change year on year	0
2021/22 Transfer Payments Budget	47,149

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
INCOME**

2020/21 Income Budget		(18,395)
Inflation		
General inflation		(264)
Sub total - Inflation		(264)
Growth items		
Ongoing pressure in Commercial Waste income from Covid-19 impact	Craig Thorpe	100
Ongoing pressure in Commercial rents from Covid-19 impact	Richard Rice	1,000
Ongoing pressure in garage rents from Covid-19 impact	Jason Grace	500
Ongoing pressure in Leisure income from Covid-19 impact	Ben Hosier	501
Hemel Hempstead Market	Chris Taylor	20
Sub total - Growth items		2,121
Increased income		
Temporary Accommodation	Natasha Beresford	(210)
Caravan Storage income	Richard Rice	(10)
Planning fees	Sara Whelan	(50)
Planning Performance Agreement income	Sara Whelan	(145)
Land Disposal Enquiry Charges	Richard Rice	(20)
Income from Health Certificates	Emma Walker	(5)
Littering & Public Spaces Protection Orders (PSPO) Income	Emma Walker	(5)
Income from charging Registered Providers for Housing allocations	Natasha Beresford	(5)
Sub total - Increased income		(450)
Other		
Internal movement of budget (no growth or efficiencies to services)		30
Sub total - Other		30
Total change year on year		1,437
2021/22 Income Budget		(16,958)

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
GRANTS, REIMBURSEMENTS AND CONTRIBUTIONS**

2020/21 Grants, Reimbursements and Contributions Budget	(51,426)
Inflation	
General inflation	(35)
Sub total - Inflation	(35)
Removal of 2020/21 one-off items (reserve / grant funded)	
Homeless Prevention and Assessment Team - 2 new posts	Natasha Beresford 26
South West Herts Joint Strategic Plan	James Doe 60
Sub total - Removal of 2020/21 one-off items	86
2021/22 one-off items (reserve / grant funded)	
South West Herts Joint Strategic Plan	(240)
Sub total - 2021/22 one-off items	(240)
Growth items	
Reduction to Benefits Administration Subsidy grant	Chris Baker 60
Waste Services Alternative Financial Model (AFM)	Craig Thorpe 50
Sub total - Growth items	110
Increased income	
Bunkers Farm consortium income	Richard Rice (50)
Sub total - Increased income	(50)
Other	
Internal movement of budget (no growth or efficiencies to services)	(41)
Sub total - Other	(41)
Total change year on year	(170)
2021/22 Grants, Reimbursements and Contributions Budget	(51,596)

**GENERAL FUND BUDGET CHANGE ANALYSIS 2021/22
RECHARGE TO THE HRA**

2020/21 Recharge to the HRA	(4,384)
Other	
Adventure Playgrounds - cessation of cleaning service from Housing Cleaning and move in house	Matt Rawdon (25)
Budget virements from Income	(30)
Annual inflationary uplift in HRA recharge (in line with salaries inflation)	(168)
Sub total - Other	(223)
Total change year on year	(223)
2021/22 Recharge to the HRA	(4,607)

OVERVIEW AND SCRUTINY COMMITTEE GENERAL FUND BUDGETS 2021/22				
	Finance & Resources 2021/22 (£'000s)	Housing & Community 2021/22 (£'000s)	Planning & Environment 2021/22 (£'000s)	Total (£'000s)
Employees	9,461	4,352	10,665	24,478
Premises	2,894	1,034	1,016	4,945
Transport	305	14	1,276	1,596
Supplies & Services	3,908	1,109	2,470	7,487
Third-Parties	724	0	86	811
Transfer Payments	47,144	5	0	47,149
Capital Charges	2,131	1,083	1,704	4,917
Income	(8,515)	(4,869)	(3,574)	(16,958)
Grants and Contributions	(48,864)	(700)	(2,031)	(51,596)
Recharges	(6,350)	(50)	1,793	(4,607)
Net Expenditure by Committee	2,838	1,978	13,405	18,221

HOUSING & COMMUNITY COMMITTEE GENERAL FUND BUDGETS 2021/22

	Original 2020/2021 £	Forecast 2020/2021 £	Draft 2021/2022 £	Variance 2020/21 - 2021/22	
				£	%
Housing & Community					
Employees	4,149,420	4,117,615	4,352,200	202,780	5%
Premises	1,002,772	767,303	1,033,990	31,218	3%
Transport	13,890	13,692	14,160	270	2%
Supplies & Services	1,147,730	1,095,150	1,108,740	(38,990)	(3%)
Capital Charges	1,083,200	1,083,200	1,083,200	0	0%
Transfer Payments	5,000	2,000	5,000	0	0%
Income	(5,055,090)	(4,283,420)	(4,869,040)	186,050	(4%)
Grants and Contributions	(660,170)	(658,833)	(700,350)	(40,180)	6%
Recharges	(39,576)	23,346	(50,008)	(10,432)	26%
Net Expenditure: Housing & Community	1,647,176	2,160,053	1,977,892	330,716	20%

HOUSING & COMMUNITY COMMITTEE GENERAL FUND BUDGET DETAIL 2021/22

	Original 2020/2021 £	Forecast 2020/2021 £	Draft 2021/2022 £	Variance 2020/21 - 2021/22 £ %	
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Housing & Community

Corporate and Contracted Services

Community Safety (CCTV) (Ben Hosier)

Employees	414,120	414,120	422,050	7,930	+2%
Premises	96,520	96,520	98,450	1,930	+2%
Transport	230	230	230	0	+0%
Supplies & Services	11,160	11,160	11,270	110	+1%
Capital Charges	85,300	85,300	85,300	0	+0%
Grants and Contributions	(20,380)	(7,046)	(20,790)	(410)	(2%)
Recharges	(533,488)	(530,394)	(576,563)	(43,076)	(8%)
Net Expenditure: Community Safety (CCTV)	53,462	69,890	19,947	(33,516)	(63%)

Regulatory Services (Licensing) (Farida Hussain)

Employees	256,290	256,290	261,460	5,170	+2%
Transport	2,710	2,710	2,760	50	+2%
Supplies & Services	15,120	15,120	15,240	120	+1%
Income	(291,990)	(286,990)	(295,680)	(3,690)	(1%)
Grants and Contributions	(2,880)	(2,880)	(2,940)	(60)	(2%)
Recharges	102,690	120,142	115,848	13,159	+13%
Net Expenditure: Regulatory Services (Licensing)	81,940	104,392	96,688	14,749	+18%

Net Expenditure: Corporate and Contracted Services	135,402	174,282	116,635	(18,767)	(14%)
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Housing Landlord (Fiona Williamson)

Housing Standards (Jason Grace)

Employees	50,520	57,781	55,070	4,550	+9%
Income	(35,110)	(15,110)	(35,810)	(700)	(2%)
Recharges	10,915	11,520	7,444	(3,471)	(32%)
Net Expenditure: Housing Standards	26,325	54,192	26,704	379	+1%

Garages (Jason Grace)

Employees	41,840	87,369	42,750	910	+2%
Premises	685,440	327,911	699,150	13,710	+2%
Capital Charges	719,300	719,300	719,300	0	+0%
Income	(3,570,780)	(2,970,780)	(3,142,200)	428,580	+12%
Recharges	436,950	442,516	441,739	4,789	+1%
Net Expenditure: Garages	(1,687,250)	(1,393,685)	(1,239,261)	447,989	+27%

Supporting People (Jason Grace)

Recharges	7,500	7,500	7,500	0	+0%
Net Expenditure: Supporting People	7,500	7,500	7,500	0	+0%

HOUSING & COMMUNITY COMMITTEE GENERAL FUND BUDGET DETAIL 2021/22

	Original 2020/2021 £	Forecast 2020/2021 £	Draft 2021/2022 £	Variance 2020/21 - 2021/22 £ %	
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Homelessness (Natasha Beresford)					
Employees	878,760	913,259	918,610	39,850	+5%
Premises	109,950	219,690	113,650	3,700	+3%
Transport	1,000	717	1,020	20	+2%
Supplies & Services	65,300	89,665	65,300	0	+0%
Capital Charges	115,000	115,000	115,000	0	+0%
Income	(950,660)	(946,750)	(1,179,680)	(229,020)	(24%)
Grants and Contributions	(606,920)	(608,337)	(637,320)	(30,400)	(5%)
Recharges	200,473	215,154	238,917	38,444	+19%
Net Expenditure: Homelessness	(187,097)	(1,601)	(364,503)	(177,406)	(94%)

Housing Advice (Natasha Beresford)					
Employees	106,640	104,360	110,600	3,960	+4%
Supplies & Services	35,230	35,230	35,920	690	+2%
Recharges	176,880	186,623	183,717	6,837	+4%
Net Expenditure: Housing Advice	318,750	326,213	330,237	11,487	+4%

Housing Strategy (Natasha Beresford)					
Employees	555,320	522,725	548,740	(6,580)	(1%)
Transport	2,720	2,805	2,770	50	+2%
Supplies & Services	18,020	13,711	18,150	130	+1%
Transfer Payments	5,000	2,000	5,000	0	+0%
Income	(30,600)	(30,600)	(36,210)	(5,610)	(18%)
Recharges	139,331	146,021	141,649	2,319	+2%
Net Expenditure: Housing Strategy	689,791	656,662	680,099	(9,691)	(1%)

Net Expenditure: Housing Landlord	(831,982)	(350,719)	(559,224)	272,758	+33%
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Performance and Projects (Linda Roberts)

Heritage (Matt Rawdon)					
Supplies & Services	58,000	58,000	58,000	0	+0%
Net Expenditure: Heritage	58,000	58,000	58,000	0	+0%

Theatres and Public Entertainment (Matt Rawdon)					
Employees	243,930	182,414	252,260	8,330	+3%
Premises	59,862	72,182	64,650	4,788	+8%
Transport	550	550	560	10	+2%
Supplies & Services	104,230	52,764	104,260	30	+0%
Capital Charges	43,100	43,100	43,100	0	+0%
Income	(81,590)	(3,100)	(83,220)	(1,630)	(2%)
Recharges	81,271	82,526	90,579	9,308	+11%
Net Expenditure: Theatres and Public Entertainment	451,353	430,436	472,189	20,836	+5%

HOUSING & COMMUNITY COMMITTEE GENERAL FUND BUDGET DETAIL 2021/22

	Original 2020/2021 £	Forecast 2020/2021 £	Draft 2021/2022 £	Variance 2020/21 - 2021/22 £ %	
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Outdoor Sports & Recreation Facilities (Adventure Playgrounds) (Matt Rawdon)					
Employees	334,360	303,977	344,320	9,960	+3%
Premises	49,630	49,630	56,690	7,060	+14%
Transport	3,300	3,300	3,370	70	+2%
Supplies & Services	44,410	36,900	44,530	120	+0%
Capital Charges	12,200	12,200	12,200	0	+0%
Income	(87,270)	(23,000)	(89,010)	(1,740)	(2%)
Grants and Contributions	(190)	(190)	(190)	0	+0%
Recharges	157,305	151,407	147,189	(10,116)	(6%)
Net Expenditure: Outdoor Sports & Recreation Facilities (Adventure Playgrounds)	513,745	534,224	519,099	5,354	+1%

Community Development (Partnerships and Commissioning) (Matt Rawdon)					
Employees	185,180	219,798	279,460	94,280	+51%
Transport	820	820	840	20	+2%
Supplies & Services	61,740	40,680	22,320	(39,420)	(64%)
Grants and Contributions	(24,420)	(30,000)	(33,620)	(9,200)	(38%)
Recharges	64,255	66,833	66,397	2,142	+3%
and Commissioning)	287,575	298,131	335,397	47,822	+17%

Community Development (Residents Services & Neighbourhood Action) (Matt Rawdon)					
Employees	258,250	229,771	258,340	90	+0%
Premises	1,370	1,370	1,400	30	+2%
Transport	1,700	1,700	1,730	30	+2%
Supplies & Services	18,940	24,040	18,980	40	+0%
Grants and Contributions	0	(5,000)	0	0	
Recharges	63,427	66,248	64,738	1,311	+2%
Net Expenditure: Community Development (Residents Services & Neighbourhood Action)	343,687	318,129	345,188	1,501	+0%

General Grants, Bequests and Donations (Matt Rawdon)					
Supplies & Services	624,800	624,800	624,800	0	+0%
Capital Charges	10,900	10,900	10,900	0	+0%
Recharges	53,696	61,872	54,909	1,213	+2%
Net Expenditure: General Grants, Bequests and	689,396	697,572	690,609	1,213	+0%

Customer Services (Matt Rawdon)					
Employees	577,950	579,492	603,420	25,470	+4%
Transport	420	420	430	10	+2%
Supplies & Services	56,310	56,310	55,210	(1,100)	(2%)
Capital Charges	97,400	97,400	97,400	0	+0%
Income	(200)	(200)	(200)	0	+0%
Recharges	(731,880)	(733,422)	(756,260)	(24,380)	(3%)
Net Expenditure: Customer Services	0	0	0	0	

HOUSING & COMMUNITY COMMITTEE GENERAL FUND BUDGET DETAIL 2021/22

	Original 2020/2021 £	Forecast 2020/2021 £	Draft 2021/2022 £	Variance 2020/21 - 2021/22 £ %	
Communication & Consultation (Matt Rawdon)					
Employees	246,260	246,260	255,120	8,860	+4%
Transport	440	440	450	10	+2%
Supplies & Services	34,470	36,770	34,760	290	+1%
Income	(6,890)	(6,890)	(7,030)	(140)	(2%)
Grants and Contributions	(5,380)	(5,380)	(5,490)	(110)	(2%)
Recharges	(268,900)	(271,201)	(277,810)	(8,910)	(3%)
Net Expenditure: Communication & Consultation	0	(0)	0	(0)	
Net Expenditure: Performance and Projects	2,343,756	2,336,491	2,420,481	76,725	+3%
Net Expenditure: Housing & Community	1,647,176	2,160,053	1,977,892	330,716	+20%

DRAFT HOUSING REVENUE ACCOUNT BUDGET SUMMARY 2020/21 & 2021/22										
		2020/21 £'000s			2021/22 £'000s					
	Note	Original 2020/21	Forecast Outturn	Variance	Updates from Business Plan			Other	Growth / (Savings)	Estimate 2021/22
					CPI + 1% rent increase	Interest	Depreciation			
Income										
Dwelling Rents	1	(54,435)	(54,358)	77	(919)			(111)	(1,030)	(55,465)
Non-Dwelling Rents		(102)	(102)	0					0	(102)
Tenant Service Charges		(1,517)	(1,306)	211					0	(1,517)
Leaseholder Charges		(593)	(593)	0					0	(593)
Interest and Investment Income		(192)	(92)	100					0	(192)
Contributions to Expenditure		(645)	(531)	114					0	(645)
Total Income		(57,484)	(56,982)	502	(919)	0	0	(111)	(1,030)	(58,514)
Expenditure										
Repairs and Maintenance	2	12,068	10,018	(2,050)				(460)	(460)	11,608
Revenue Contribution to Capital	3	5,855	5,855	0				1,553	1,553	7,408
Supervision & Management	4	14,196	14,391	195				(535)	(535)	13,661
Corporate and Democratic Core		335	335	0					0	335
Rent, Rates, Taxes & Other Charges		36	160	124					0	36
Provision for Bad Debts		975	2,075	1,100					0	975
Interest Payable		11,586	11,586	0					0	11,586
Depreciation	5	12,866	12,866	0			39		39	12,905
Total Expenditure		57,917	57,286	(631)	0	0	39	558	597	58,514
HRA Deficit / (Surplus)		433	304	(129)	(919)	0	39	447	(433)	0
Housing Revenue Account Balance:										
Opening Balance at 1 April		(2,892)	(2,892)	0						(2,892)
Deficit / (Surplus) for the year		0		0						0
Closing Balance at 31 March		(2,892)	(2,892)	0						(2,892)
Earmarked Reserves:										
Opening Balance at 1 April		(5,739)	(5,739)	0						(5,435)
Contribution from / (to) Reserve	6	433	304	(129)					0	
Closing Balance at 31 March		(5,306)	(5,435)	(129)						(5,435)

SUMMARY OF MAJOR MOVEMENTS IN HOUSING REVENUE ACCOUNT BUDGET 2020/21 - 2021/22**Note 1 - Dwelling Rents**

Rents for 2020/21 saw an increase for the first time in 4 years and were set according to the new MHCLG Rent Standard which provides for an increase of CPI + 1% (2.7% in total in 2020/21). The 12 month CPI rate as published by the ONS in October 2020 is lower than last year at 0.5%, giving a total increase of 1.5% for 2021/22. The average dwelling rent is proposed to increase from £103.43 in 2020/21 to £104.96 in 2021/22.

The rental income for 2021/22 is expected to be £111k higher than the previous year due to additional rent from new build properties (additional £243k from 73 new units at Magenta Court, Martindale Fields and Bingham Mews), less £132k from properties sold under Right to Buy (estimate of 24 units).

Note 2 - Repairs and Maintenance

A budget reduction of £250k in repairs and maintenance is proposed for the remaining years of the current Total Asset Management (TAM) contract. This relates to an expected decrease in site overheads due to the reduction in work volumes arising from the effect of the Covid-19 pandemic on a number of workstreams. In addition the need to invest in alternative areas of work to address the Building Safety Bill, community alarm upgrades and energy efficiency works, which will be carried out by specialist contractors, will reduce the ongoing budget for the TAM contract.

A budget reallocation has also been made to transfer £210k of budget from Repairs and Maintenance to Supervision and Management. This is due to an increased requirement for professional and technical support in Property and Place.

Note 3 - Revenue Contribution to Capital

The Revenue Contribution to Capital has been adjusted to balance the HRA in year. An increased contribution to capital is expected.

Note 4 - Supervision and Management and Corporate and Democratic Core

The draft budget includes the following assumptions:

In line with estimates for the General Fund, salaries budgets include pay inflation of 2.5%.

Growth of £198k to meet service demands including: £48k to fund a service redesign in the Tenants & Leaseholders service; £150k Property and Place restructure to fund three new posts - £65k Building Safety Team Leader, £50k Pre-Voids Surveyor, £35k Complaints Officer

There is a decrease to the budget relating to pension costs of £1.32m, as 2020/21 included a one-off secondary pension contribution. This has been removed for Budget 2021/22.

There is an increase to the draft budget for 2021/22 due to revised estimates for recharges from the General Fund.

Note 5 - Depreciation

The budgets for depreciation have been increased to reflect an increase in capital assets as a result of the new build programme, combined with inflation in house prices.

Note 6 - Contribution from / to Pension Reserve

In 2020/21, a contribution from reserves was required to fund one-off pension contributions costs. This is not required in 2021/22.

HOUSING & COMMUNITY COMMITTEE - NEW AND AMENDED GENERAL FUND CAPITAL BIDS 2021/22 - 2025/26

NEW BIDS	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
Procurement and Contracted Services (Ben Hosier)						
Rolling Programme - CCTV Cameras					25	25
Property & Place (Jason Grace)						
Disabled Facilities Grants					741	741
People and Performance (Matthew Rawdon)						
Capital Grants - Community Groups					20	20
Verge Hardening Programme					350	350
TOTAL - NEW BIDS	0	0	0	0	1,136	1,136
REPHASED AND AMENDED SCHEMES	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000	Total £000
People and Performance (Matthew Rawdon)						
Adventure Playgrounds Improvement programme	(1,500)	500	500	500	0	0
Self Service Kiosks	25					25
TOTAL - REPHASED AND AMENDED BIDS	(1,475)	500	500	500	0	25

HOUSING & COMMUNITY COMMITTEE - DRAFT CAPITAL PROGRAMME BY OSC 2021/22 - 2025/26

Scheme		21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000
GENERAL FUND						
People and Performance (Matthew Rawdon)						
1	Verge Hardening Programme	350	350	350	350	350
2	Adventure Playgrounds Improvement programme	-	500	500	500	-
3	Self Service Kiosks	25	-	-	-	-
4	Capital Grants - Community Groups	20	20	20	20	20
		395	870	870	870	370
Procurement and Contracted Services (Ben Hosier)						
5	Rolling Programme - CCTV Cameras	25	25	25	25	25
6	CCTV equipment refresh	110	110	110	455	-
		135	135	135	480	25
Strategic Housing (David Barrett)						
7	Affordable Housing Development Fund (fully funded from 141 Capital Receipts)	829	311	-	-	-
		829	311	-	-	-
Strategic Housing (Natasha Beresford)						
8	Temporary Accommodation - creation of new units	55	-	-	-	-
		55	-	-	-	-
Property & Place (Jason Grace)						
9	Disabled Facilities Grants	741	741	741	741	741
		741	741	741	741	741
TOTAL - GENERAL FUND		2,155	2,057	1,746	2,091	1,136

HOUSING & COMMUNITY COMMITTEE - DRAFT CAPITAL PROGRAMME BY OSC 2021/22 - 2025/26

Scheme		21/22 £'000	22/23 £'000	23/24 £'000	24/25 £'000	25/26 £'000
	HOUSING REVENUE ACCOUNT					
	Property & Place (Jason Grace)					
10	Planned Fixed Expenditure	10,477	13,320	13,320	13,320	13,320
11	DBC Commissioned Capital Works	5,746	4,746	4,780	5,204	4,203
12	Special Projects - Sheltered Schemes	800				
		17,023	18,066	18,100	18,524	17,523
	Strategic Housing (David Barrett)					
13	New Build - General Expenditure	27,305	30,280	39,430	21,450	-
		27,305	30,280	39,430	21,450	-
	TOTAL - HOUSING REVENUE ACCOUNT	44,328	48,346	57,530	39,974	17,523
	TOTAL CAPITAL PROGRAMME	46,483	50,403	59,276	42,065	18,659



Report for:	Finance and Resources Overview and Scrutiny Committee Housing and Communities Overview and Scrutiny Committee
Date of meeting:	1 December 2020
Part:	1
If Part II, reason:	

Title of report:	Garage Programme Update
Contact:	<ul style="list-style-type: none"> • Andrew Williams, Portfolio Holder for Corporate and Contracted Services • Margaret Griffiths, Portfolio Holder for Housing • Linda Roberts, AD People, Performance and Innovation, Author/Responsible Officer • James Deane, Corporate Director (Finance and Operations), Garage Programme Sponsor • Fiona Williamson, AD Housing, Garage Programme Sponsor • Samantha Raggatt, Garage Programme Manager (contractor)
Purpose of report:	<ol style="list-style-type: none"> 1. The purpose of this report is to update members on the: <ol style="list-style-type: none"> a. Current garage asset position b. Progress of the Garage Programme review and its objectives
Recommendations	<ol style="list-style-type: none"> 1. Note the progress made to date.
Period for post policy/project review	Propose another report is delivered for consideration in 3fourmonths (April 2021)
Corporate objectives:	<ul style="list-style-type: none"> • Building strong and vibrant communities • Ensuring economic growth and prosperity
Implications:	<p><u>Financial</u></p> <p>The review is essential to ensure the garage asset maximises revenue and is appropriately aligned to demand, so that alternative use options can be considered for the generation of</p>

<p>'Value for money' implications</p>	<p>capital receipts or alternative revenue streams. The review is being funded from reserves on the basis of spend to save.</p> <p><u>Value for money</u></p> <p>The review is being undertaken at market rates for this nature of professional services support.</p>
<p>Risk implications</p>	<p>There is an active risk register for this programme review which is managed by the Programme Board.</p> <p>The main risk for the Council relating to Garages is without any intervention they will be a continued decline of revenue. There is a reputational risk to the Council for the perceived poor management of the garage stock.</p>
<p>Community Impact Assessment</p>	<p>Community Impact Assessment carried out on 7th January 2020.</p>
<p>Health and safety Implications</p>	<p>There are no specific H&S concerns in this review as such. However Health and Safety implications will be full considered as part of the recommendations that will be developed once the review is complete.</p>
<p>Consultees:</p>	<ul style="list-style-type: none"> • Chris Simmonds, Legal & Corporate Services, DBC • Jonathan Carrington Dunn, Estates and Cleaning Lead Officer, DBC (for Clearing and Ground Maintenance) • Richard Rice, GM, Commercial Assets and Property Development, DBC (for Disposals) • David Barrett, Group Manager, Housing Development • Lucy Tash, Accountant: Housing, DBC (for budgets) • Ben Trueman, GM - Technology & Digital Transformation, DBC (for ICT systems) • Joe Guiton, Team Leader Community Safety & Children's Services (Verge Hardening Programme) • Alan Parry, Business Systems Developer (IT), DBC • Andrew Linden, Procurement Team Leader, DBC • Steve Oakey, Partner, Brasier Freeth • Differentis, Data Analysis Consultants • Aitchison Raffety, Property Consultants, Hemel Hempstead • The Garages Team, Housing, Property and Place
<p>Glossary of acronyms and any other abbreviations used in this report:</p>	<p>CMT – Corporate Management Team CPW – Community Protection Warning CPN - Community protection Notice</p>

Executive Summary

1. The Garages Project has been running since November 2019. The approach to managing the Garages has had some long-term issues and the project was created in order to understand the current condition of the stock, establish if there is any demand, improve the letting processes and maximise any income from potential disposals.
2. There has been approximately 4 months of delay to the project as a consequence of the pandemic. However the conditional surveys of all the garages was completed at the end of September 2020.
3. A data model has been generated using the survey data and work has commenced on analysing the data in accordance with the objectives of the project: Protect the revenue stream, Invest in the stock, Streamline the lettings process and Continue the disposals programme.
4. The project will report back to OSC in April 2021 with an update on further recommendations to ensure that the council has going forwards a professional Garages Letting and Management Service.

Introduction

5. The Garages Project has been running since November 2019. The approach to managing the Garages has had some long-term issues and the project was created in order to understand the current condition of the stock, establish if there is any demand, improve the letting processes and maximise any income from potential disposals.
6. In the previous update the objectives of and the approach to the project were defined. It started looking at the potential pent-up demand as there were many people listed on various waiting lists. There was also an initial review of the Garages team working processes to see how these could be improved.
7. Unfortunately in March 2020 the project was halted due to the impact of the COVID-19 pandemic. This caused a significant delay to the project as the software suppliers (Orchard Pro-Master) furloughed some staff which halted the further development of the tool to be used for capturing condition survey data. In addition we were unable to appoint a condition survey company to carry out the surveys as we were in lockdown.
8. The resulting delays means that the survey of all garage was not completed until the end of September 2020. This data has subsequently been exported from the collection tool and a data model has been created using Microsoft Power BI.

Garages Project Objectives

9. The objectives for the Garages Project were agreed in February 2020 and the initial findings of the project are described in relation to each of the objectives:
 1. Protect the revenue stream
 2. Invest in the stock
 3. Streamline the lettings process
 4. Continue the disposals programme

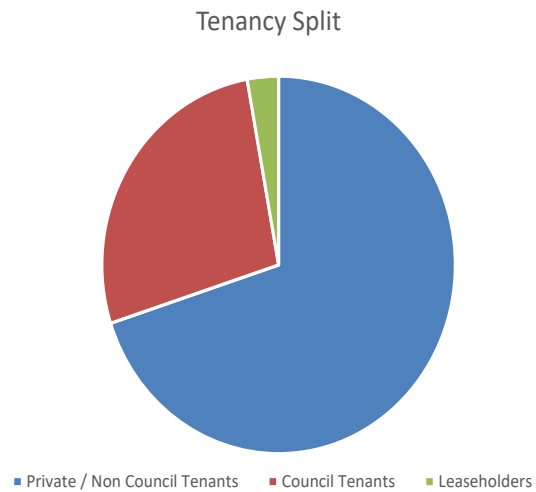
Protect the revenue stream

1. At the beginning of the project, and as reported in February 2020 OSC, the council believed that there were 7,611 garages across 771 blocks. The detailed survey has confirmed that there are currently 7,385 garages in 769 blocks across Dacorum.
2. The reduction in numbers is due to garages that historically have been disposed were not removed from the original data. There are 2,245 void garages of which 1,369 have not been identified disposal and could potentially increase revenue generating capacity.
3. The garages income has consistently increased even when prices were increased. Previous price increases were on an incremental basis - there was scope to increase income but the point of price elasticity was unknown. A big part of this project is to isolate the variables that might have affected demand, and to understand how much demand is genuinely price elastic and how much of previous volatility was down to processes that needed improving, stock refurbishment etc.

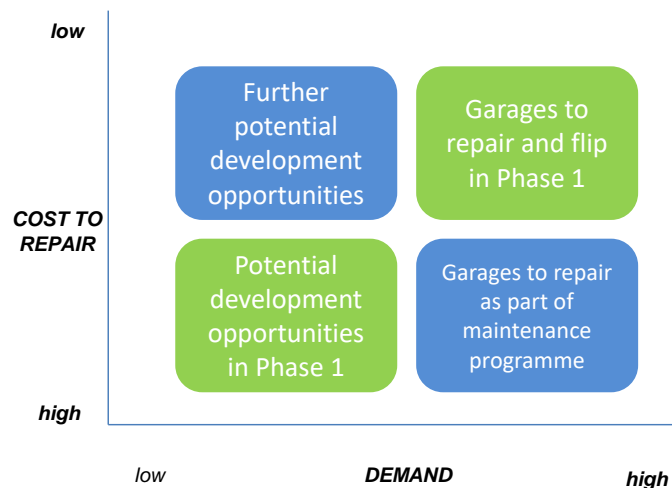
Years	Revenue Income	Void Rates
2015/2016	£2.7m	23%
2016/2017 5.3% standard inflationary increase	£3.1m	21%
2017/2018 14.3% price increase, after a Garages Pricing Review, contributed to increased void rates in following years but revenue income increased.	£3.3m	23%
2018/2019	£3.4m	27%
2019/2020	£3.2m	31%

4. The following diagram show the tenancy split across the garages portfolio:

- Leaseholders 2%
- Housing Tenants 19%
- Private Lets 49%
- Void 31%



5. The diagram below illustrates the approach to identifying which garages should be repaired in Phase1 and which garages could be considered for future disposal.



Invest in the stock

6. The logic to repair those with estimated low costs to repair in areas of high demand means that the council should be able to flip these garages quickly for rental. This in turn will provide additional income to help fund the further repair and maintenance work that is required across the garage estate.
7. Once identified the project will need to develop a tender for this work and explore how and when it can be completed. The council are actively considering how this could be awarded to a local company as part of the council's response to post-COVID recovery.
8. As the model has only just been completed, it will take some further time to identify the number of garages suitable for Phase 1 and the likely cost of

work. This and the tendering process means that it likely that the work should aim to start in April 2021

Streamline the lettings process

9. Initial work completed at the beginning of the year was to work through backlog of waiting list. There is still a requirement to continue to do some data cleansing and consolidate into a single list going forward.
10. Although some investigations were made into looking at either procuring or developing an online garage management system at this time the team feel that the improvements would not warrant the expenditure. However it will be possible working with the council's own Development Team to ensure that there is an easy to use garage request solution for potential customers going forward.
11. The current team has performed very well despite the problems in working that occurred during the first lockdown. Despite all the challenges there has been an increase in rents and income when compared to the previous year. Going forward the team will also look into advertising and marketing to support take up where voids are being repaired and made available.
12. Further process improvement is required to develop the service into a professional Garages Letting and Management Service. This will include a review of future organisation needed to deliver it and will be managed by the current Project Manager.

Continue Disposals Programme

13. The garage disposal programme over the last 5 years has been particularly successful in achieving the Council's corporate ambitions. It has generated £8.56m of capital receipts to support the delivery of the capital programme whilst minimising the revenue impact of borrowing; it has seen a number of sites developed by Housing Associations delivering much need affordable housing across the borough, which in turn has enabled Right-to-Buy receipts to remain within Dacorum rather than being returned to Central Government. One of the objectives of this project is to continue benefitting from an evidence-based disposal programme.
14. In addition to those garages and sites that have already been earmarked for development, the data model can be used to identify those garages that are in areas of high cost to repair and low demand. These sites will be investigated to see if they can be developed for alternate use. It may also be appropriate to demolish if these are areas subject to continued Anti-Social Behaviour.
15. When thinking about disposals other issues such as parking consideration as well as proximity to other potential disposal sites will be taken into account when considering the best solution for the site.
16. The next phase of the disposal programme is underway and Heads of Terms have been agreed in principle. The sales have been targeted at Housing Associations so that as well as providing capital receipts to the council it is a

ways to ensure an increase in the number of affordable homes across the Borough. The purchaser intends to build low density affordable homes. The agreed Heads of Terms are subject to contract, due diligence & approval. Sites are sold unconditionally – i.e. without planning. Any future development of the site is subject to DBC's planning process.

Next steps

17. The following list shows the further steps that the Project will be considering going forward:

- a. Complete identification of low cost of repair/high demand void garages to flip and re-let.
- b. Produce a tender for this tailored programme of works for Repairs, preferably targeting a local company, to start the repairs from April 2021.
- c. Identify further potential development sites to be investigated from high cost of repair/low demand data.
- d. Develop approach for on-going maintenance plan to cover remaining garage stock on a cyclical basis.
- e. Continue to improve and streamline letting processes in advance of a large number of garages being made available to rent.

18. It is proposed that the project should report again at the next joint OSC in April 2021.

Agenda Item 9

Housing & Community 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
4 November 2020	23 October 2020	Budget Monitoring Q2 report	Group Manager for Financial Services Fiona.jump@dacorum.gov.uk	To review and scrutinise quarterly performance
		Children Services and Community Safety Partnership, Customer Services, The Old Town Hall, Communications and Community Partnerships Q2 Performance Report	Assistant Director for Performance, People and Innovation linda.roberts@dacorum.gov.uk	To review and scrutinise quarterly performance
		Housing Performance Q2 report	Assistant Director for Housing Fiona.williamson@dacorum.gov.uk	To review and scrutinise quarterly performance
		Supported Housing Review	Assistant Director for Housing Fiona.williamson@dacorum.gov.uk	To review proposals for the Supported Housing Charges and improvements to schemes.
1 December 2020	20 November 2020	Joint Budget <i>Ideally no further items to be added</i>		
		Garage Investment Strategy	Assistant Director for Performance, People and Innovation linda.roberts@dacorum.gov.uk	To present the proposed Investment Strategy for DBC's garage

				stock
5 January 2021	25 December 2021	HRA Business Plan	Assistant Director for Housing Fiona.williamson@dacorum.gov.uk	
2 February 2021	22 January 2021	Joint Budget <i>Ideally no further items to be added</i>		
3 March 2021	19 February 2021	Budget Monitoring Q3 report	Group Manager for Financial Services Fiona.jump@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Children Services and Community Safety Partnership, Customer Services, The Old Town Hall, Communications and Community Partnerships Q3 Performance Report	Assistant Director for Performance, People and Innovation linda.roberts@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Housing Performance Q3 report	Assistant Director for Housing Fiona.williamson@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Climate Change update	Melanie Parr Melanie.parr@dacorum.gov.uk	<i>Update</i>