

CABINET AGENDA



**TUESDAY 16 MARCH 2021 AT 6.30 PM
MICROSOFT TEAMS - MICROSOFT TEAMS**

**This meeting of the Cabinet 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 15 March**

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

Membership

Councillor Williams (Leader)
Councillor Griffiths (Deputy Leader)
Councillor Elliot

Councillor Anderson
Councillor Banks
Councillor Barrett

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

AGENDA

1. MINUTES (Pages 3 - 8)

To confirm the minutes of the meeting held on 9 February 2021.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

3. DECLARATIONS OF INTEREST

To receive any declarations of interest

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

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

becomes apparent

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

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

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

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

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

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements and ask questions in accordance with the rules as to Public Participation.

5. REFERRALS TO CABINET

There were no referrals to Cabinet

6. CABINET FORWARD PLAN (Pages 9 - 10)

7. HRA BUSINESS PLAN (Pages 11 - 39)

8. INDEPENDENT REMUNERATION PANEL 2020 - SCHEME OF MEMBERS' ALLOWANCES FOR DACORUM BOROUGH COUNCIL (Pages 40 - 55)

9. COVID UPDATE (Pages 56 - 68)

10. EXCLUSION OF THE PUBLIC

To consider passing a resolution in the following terms:

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

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

MINUTES

CABINET

9 FEBRUARY 2020

Councillors:	Andrew Williams	Leader of the Council
	Margaret Griffiths	Portfolio Holder for Housing
	Graeme Elliot	Portfolio Holder for Finance & Resources
	Julie Banks	Portfolio Holder for Community & Regulatory Services
	Alan Anderson	Portfolio Holder for Environmental Services
	Graham Sutton	Portfolio Holder for Planning & Infrastructure

Also attended: Councillors Tindall, Birnie, Arslan

Officers:	C Hamilton	Chief Executive
	J Deane	Corporate Director (Finance & Operations)
	M Gaynor	Corporate Director (Housing & Regeneration)
	HHowcutt	Assistant Director (Finance & Resources)
	F Hussain	Group Manager (Legal & Corporate Services)
	MRawdon	Group Manager (People & Performance)
	NMarch	Licensing Team Leader
	C O'Neil	Corporate Support Team Leader (minutes)

The meeting began at 6.30 pm

CA/010/21 MINUTES

The minutes of the meeting held on 19 January 2021 were agreed by Members present.

CA/011/21 APOLOGIES FOR ABSENCE

There were no apologies for absence.

CA/012/21 DECLARATIONS OF INTEREST

There were no declarations of interest.

CA/013/21 PUBLIC PARTICIPATION

There was no public participation.

CA/014/21 REFERRALS TO CABINET

There were no referrals to Cabinet.

CA/015/21 FORWARD PLAN

The plan was agreed and noted.

CA/016/21 Alcohol related Public Spaces Protection Orders Consultation Outcome

Decision

The approval of the re-establishment of the Public Space Protection Orders noted in paragraph 1.5 to the report

Deputy Monitoring Officer

Further to Section 59 of The Anti-Social Behaviour Crime and Policing Act 2014, local authorities have powers to create PSPOs to deal with anti-social behaviour in designated public places. The consultation requirements have been complied with and Cabinet must now consider if it is appropriate and proportionate to approve the re-establishment of the PSPOs, on the basis of the consultation responses and community impact assessment.

Deputy S.151 Officer

The installation of suitable signage and the reintroduction of the PSPO's service can be delivered from within existing budgets.

Advice

Cllr Williams introduced the report and advised that the Police had responded, they are supportive. A Community Impact Assessment has also been completed as attached to the report. Cllr Williams explained this is a separate issue to how PSPO's are enforced which is going through overview & scrutiny soon.

Cllr Griffiths endorsed that this is another good tool to assist those using our open spaces expressing that she is fully supportive.

Recommendations agreed.

CA/017/21 Budget 2021/22

Decision

RESOLVED TO RECOMMEND;

General Fund Revenue Estimate

- a) set a Dacorum Borough Council General Fund Council Tax requirement of £12.406m, and a provisional amount of £13.405m for the combined Borough Council and Parish Councils' requirement for 2021/22;
- b) approve a Band D Council Tax increase of £5 (2.42%) for Dacorum Borough Council;

- c) approve the base estimates for 2021/22, as shown in Appendix A1, and the indicative budget forecasts for 2021/22 – 2024/25, as shown in Appendix A2;
- d) approve the forecast balances of Revenue Reserves as shown in Appendix J, and approve section 11 of this report as the updated Reserves Strategy;
- e) approve increases in Fees and Charges for 2021/22 as set out in Appendices C3, D3, and E3;
- f) approve and adopt the Treasury Management Strategy for 2021/22, attached at appendix K, noting the proposed changes to counter party limits detailed in section 4.6' (amended)
- g) approve and adopt the Capital Strategy for 2021/22, attached at Appendix L;
- h) note that this budget paper, if approved by Council, will form part of the Medium Term Financial Strategy.

Capital Programme

- i) approve the Capital Programme for 2021/22 to 2025/26, as detailed in Appendix I;
- j) approve the financing proposals in Appendix I subject to an annual review of the financing options by the Corporate Director (Finance & Operations), in consultation with the Portfolio Holder for Finance and Resources, during the preparation of the Statement of Accounts.

Housing Revenue Account (HRA)

- k) set dwelling rents according to the new MHCLG Rent Standard, which provides for a rent increase of CPI+1% (1.5% in total). The average dwelling rents is proposed to increase to £104.96 in 2021/22, from its current level of £103.43 (based on 52 weeks);
- l) approve the HRA estimate for 2021/22 as shown in Appendix F.

Employer Terms and Conditions

- m) note that the hourly rate of all Council employees continues to exceed the rate proposed by the rates of the Living Wage Foundation, for 2021/22 (to be reviewed annually thereafter).

Statement by Chief Finance Officer

- n) approve the statement by the Chief Finance Officer regarding the robustness of the budget estimates and level of reserves as set out in Appendix M.
- o) approve Dacorum Borough Council entering into a Hertfordshire Business Rates pool as described in paras 4.10 to 4.15

Monitoring Officer

Under the Council's Constitution it is the responsibility of Cabinet to draw up firm proposals for the Budget, having regard to the responses to the consultation, and to present those proposals to full Council for approval. Once full Council has approved the Budget it is the responsibility of Cabinet to implement it.

S.151 Officer

Comments contained in body of report. Chief Finance Officer Statement contained in Appendix M of the report.

Advice

Cllr Elliot introduced the report presenting the councils recommended budget for 2021/22, advising that it has been through a comprehensive scrutiny process involving two joint budget OSC meetings, most recently at the start of February.

Cllr Elliot noted that there are two amendments to be made to the recommendations section;

Recommendation f) to be updated to read; 'approve and adopt the Treasury Management Strategy for 2021/22, attached at appendix K, noting the proposed changes to counter party limits detailed in section 4.6'

Also to include an additional recommendation o) to read; 'approve Dacorum Borough Council entering into a Hertfordshire Business Rates pool as described in paras 4.10 to 4.15.

Cllr Birnie asked; on page 114, item 1.6, there is a recommendation for training arrangements, for 'specialised for officers and councillors', commenting that he had never heard of this before and asking if this could be explained?

JDeane confirmed this is a training provision to ensure that all officers handling the Councils assets are suitably trained, along with Audit Committee members.

Cllr Birnie commenting that on reading minutes of Finance & Resources Overview & Scrutiny meeting for this item he noted that that Cllr Simmons referred to sum for 'undisclosed capital projects' where NHowcutt had advised it was a Part 2 item so it would be discussed outside of the meeting. Cllr Birnie asked if any of these items come under the remit of the Strategic Planning & Environment Overview & Scrutiny (SPAЕ).

JDeane responded to confirm that none relate directly to SPAЕ.

NHowcutt, added that a presentation was given on this last year and he would be able to circulate that if required.

Cllr Williams asked if there had been a recent announcement asked billing authorities to defer billing subject to an announcement as part of the budget.

JDeane responded that there hasn't been a clear instruction issued but that Government have suggested billing authorities might want consider deferring. JDeane advised that in response to this, the team are working on switching first payment date from 1st to 15th of

month to allow us to make any necessary changes following budget announcement and still enable us to get the bills out with the correct timescales.

Cllr Griffiths advised she was at a recent meeting of the hospital regarding plans going forward; they are about to enter a consultation with another due in May. Cllr Griffiths suggested to the Clinical Commissioning Group (CCG), with hard to reach people, it might be worth having a chat with all the Councils in their areas as they will be carrying out mass mailing everyone with their Council Tax; maybe CCG could request we include some communication in those bills to reach all households, with CCG paying a contribution to postal costs.

Cllr Tindall advised he is in close contact with director of Public Health in his role of County Councillor and asked the Chair; would you like me to raise this with him as a suggestion as a useful way to communicate?

Cllr Williams responded that the timescale for this to happen would be very tight as billing will be due to go out very soon. Would place an additional strain on our Revenues service.

Recommendations agreed (with the amendments to recommendations as set out).

CA/018/21 Strategic Risk Register Quarter 3 2020/21

Decision

That the position on the Strategic Risk Register as at the end of quarter 3, 2020/21 be noted.

Monitoring Officer

No comments to add.

S.151 Officer

No comments to add.

Advice

Cllr Elliot introduced the report and advised it shows the latest position with regard the Council's key strategic risks at the end of December 2020. He advised that COVID does not appear as a risk at this time while we manage the impact of the pandemic through Finance & Resources Overview & Scrutiny. He added that as we move through the crisis stage of the pandemic and more toward recovery, consideration will be given on how the will be incorporated into this register to continue to manage the risk.

Report noted.

CA/019/21 Senior Officer Pay Policy

Decision

- 1) **RESOLVED TO RECOMMEND** to Council that it adopts the Pay Policy for 2021/22 as set out in appendix 1 to this report.
- 2) Agreement that any amendments to the Pay Policy throughout the financial year 2021/2022, which may be required as a result of legislative changes, can be approved by the Chief Executive in conjunction with the Council's Monitoring Officer.

Deputy Monitoring Officer

The Senior Pay Policy is required by virtue of section 38 of the Localism Act 2011 and this Pay Policy complies with the statutory requirement and associated guidance.

Deputy S.151 Officer

No further comments to add to this report.

Advice

Cllr Williams advised that it is a requirement for the Council to look at this on an annual basis and make recommendations.

Cllr Williams highlighted a change from previous years in that the Council took a decision 3 years ago to alter the lease car allowances and this comes into effect for this pay policy.

Cllr Williams advised that the pay settlement is not yet agreed, commenting that there is some way to go between unions and employers to come to agreement.

Recommendations agreed.

The meeting ended at 6.52pm

CABINET FORWARD PLAN

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
1.	20/04/21	Climate Change Emergency Update		01/04/21	Mark Gaynor, Corporate Director Housing & Regeneration 01442 228575 mark.gaynor@dacorum.gov.uk	To be provided
2.	20/04/21	New Protocol on Member & Community Engagement pre and during Planning Process		01/04/21	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk	To be provided
3.	20/04/21	Town Centre Strategy		01/04/21	James Doe, Assistant Director Planning, Development & Regeneration 01442 228583 James.doe@dacorum.gov.uk	To be provided
4.	20/04/21	Higbarns		01/04/21	Mark Brookes, Assistant Director Corporate & Contracted Services 01442 228236 Mark.brookes@dacorum.gov.uk	To be provided
5.	20/04/21	Berkhamsted Sports Centre		01/04/21	Mark Brookes, Assistant Director Corporate & Contracted Services 01442 228236 Mark.brookes@dacorum.gov.uk	To be provided
9.	25/05/21			13/05/21		To be provided
10.	22/06/21	Appointment of a principal Contractor for Mountbatten View		10/06/21	Fiona Williamson, Assistant Director of Housing 01442 228855 Fiona.williamson@dacorum.gov.uk David Barrett, Group Manager Housing Development 01442 228252 David.barrett@dacorum.gov.uk	To be provided
	22/06/21	Provisional Financial Outturn		10/06/21	Nigel Howcutt, Assistant Director Finance & Resources 01442 228662 Nigel.howcutt@dacorum.gov.uk	To be provided
	22/06/21	Garage Strategy		10/06/21	James Deane, Corporate Director Finance & Operations 01442 228278 james.deane@dacorum.gov.uk	To be provided
11.	20/07/21	Appointment of a Principal Contractor for Wilstone		08/07/21	Fiona Williamson, Assistant Director of Housing 01442 228855 Fiona.williamson@dacorum.gov.uk David Barrett, Group Manager Housing Development 01442 228252 David.barrett@dacorum.gov.uk	To be provided
		Appointment of a Principal Contractor for Randalls Ride		08/07/21	Fiona Williamson, Assistant Director of Housing 01442 228855 Fiona.williamson@dacorum.gov.uk David Barrett, Group Manager Housing Development 01442 228252 David.barrett@dacorum.gov.uk	To be provided
		Appointment for a Principal Contractor for 6 No Garage Sites		08/07/21	Fiona Williamson, Assistant Director of Housing 01442 228855 Fiona.williamson@dacorum.gov.uk David Barrett, Group Manager Housing Development 01442 228252 David.barrett@dacorum.gov.uk	To be provided

Future Items:

- South West Herts Joint Strategic Plan (J Doe)
- The Bury museum project (J Doe) - To update Cabinet on progress on options for delivering a new

Last updated: 08 March 2021

- museum at The Bury, and seek agreement on the next stages of the project.
- Drug and Alcohol Support Commissioning (L Roberts & M Rawdon)
- Constitution Update/Protocol on filming (M Brookes)

- Paradise Depot Redevelopment and New Provision for DENS
- New Build DevCo

AGENDA ITEM:

Report for:	Cabinet
Date of meeting:	16th March 2021
Part:	Part I
If Part II, reason:	

Title of report:	Housing Revenue Account Business Plan 2021/24
Contact:	Margaret Griffiths, Portfolio Holder Housing Fiona Williamson, Assistant Director Housing
Purpose of report:	To update Cabinet on the next three year phase of the Council's Housing Revenue Account Business Plan
Recommendations	<ol style="list-style-type: none"> 1. That Cabinet recommends Council to approve the updated Housing Revenue Account Business Plan 2021/24 2. That Cabinet recommends Council to approve the revised development programme budgets as set out in Section 9.3. 3. That Cabinet delegates approval of the additional grant funding to the Corporate Director of Finance and Regeneration to award grant funding up to £1.4M to support the development of affordable housing units, by Thrive at the two waters site in Hemel Hempstead.
Corporate Objectives:	Delivering Affordable Housing
Implications:	<u>Financial</u> Regular review of the Council's Housing Revenue Account (HRA) Business Plan is essential to ensure short, medium and long term viability of the Business Plan
'Value For Money Implications'	<u>Value for Money</u> All contracts and services are tendered in line with the Council's procurement procedures to ensure Value for Money. The Council's Housing Landlord service annually compares running costs with other social landlords through 'Housemark' benchmarking data.
Risk Implications	Monitoring of the Housing Revenue Account Business Plan has been identified as a key risk of the Housing Service and is reported to the Council's Housing & Communities Overview & Scrutiny Committee on a quarterly basis.

<p>Equalities Implications</p>	<p>The Housing Revenue Account is a 'ring fenced' account for income and expenditure solely related to the Council's housing stock, tenants and leaseholders. Community Impact Assessments are produced for all policies that relate to the delivery of housing services and these are reflected in the Business Plan.</p>
<p>Health And Safety Implications</p>	<p>Health & Safety is identified as a key risk of the Housing Service and is reported to the Council's Housing & Communities Overview & Scrutiny Committee on a quarterly basis.</p>
<p>Monitoring Officer/S.151 Officer Comments</p>	<p>Monitoring Officer: A stock retained local housing authority must maintain a Housing Revenue Account in accordance with section 74 of the Local Government Act 1989</p> <p>Further to section 76 of the 1989 Act, local housing authorities must formulate and implement proposals to ensure that for each financial year the Housing Revenue Account does not show a debit balance.</p> <p>The annual review provides a robust mechanism to monitor the business plan to ensure that it takes account of the changes in government policy, law and economy and therefore meets the Council's statutory requirements.</p> <p>Deputy S.151 Officer: There are a number of inflationary assumptions inherent within the Business Plan which are liable to change over the planning period, and which could therefore pose a risk to delivery.</p> <p>These assumptions are kept under constant review, and this report is the annual update of the HRA business plan.</p> <p>The way in which the Council structures its borrowing will influence the amount of funding available in future years. Borrowing options, together with any implications for the future programme, will be presented to Members in advance.</p> <p>There is the possibility of unanticipated government interventions that could impact on the HRA business plan in particular the current projections of annual rent increases which are set at is CPI +1% for next 5 years.</p> <p>The Council endeavours to maximise the use of housing grants to deliver affordable homes and in order to do this awards additional grants to registered providers to support affordable homes growth and opportunities for residents. If these grants were not fully utilised by the council the funds would be redistributed by MHCLG, and Dacorum and its partners may incur interest charges.</p>
<p>Consultees:</p>	<p>Mark Gaynor, Corporate Director of Housing & Regeneration James Deane, Corporate Director Finance & Operations</p>

	<p>Nigel Howcutt, Assistant Director Finance Fiona Jump – Group Manager Financial Services David Barrett – Group Manager Housing Development Natasha Beresford – Group Manager Strategic Housing Layna Warden – Group Manager, Tenants and Leaseholders Jason Grace – Group Manager Property and Place</p>
Background papers or appendices	Appendix A Revised HRA Business Plan 2021-2024
Glossary of acronyms and any other abbreviations used in this report:	<p>HRA - Housing Revenue Account TAM - Total Asset Management RTB – Right to Buy UC - Universal Credit TA – Temporary Accommodation MHCLG – Ministry for Housing, Communities and Local Government DWP – Department for Work and Pensions PWLB – Public Works Loan Board CPI – Consumer Price Index</p>

1. Background

- 1.1 In April 2012 the Council agreed its first 30 year Housing Revenue Account (HRA) Business Plan. It was a requirement following the introduction of Self Financing (replacing the HRA Housing Subsidy System). This report details the update to the HRA Business Plan and explains the issues and assumptions, which required consideration, including the impact of the Coronavirus pandemic. This report is to update members of the Housing and Communities Overview and Scrutiny Committee on the content of the Business Plan and assumptions that have been made in the financial model, investment strategy and the ongoing development pipeline.

2.0 Housing Revenue Account Business Plan

- 2.1 The resources available following the move to 'Self Financing' in 2012, has enabled the Council to establish a strategic approach towards the long term investment plans for the stock. It was possible, and essential, to not only consider the existing housing stock, but also wider issues such as community development, improving the environment and the potential to build new Council homes, to attempt to address the increasing demand yet decreasing supply of social and affordable housing.
- 2.2 The Business Plan not only concentrates on the financial related strategy and objectives, but also the service priorities of the Council's landlord function to its tenants and leaseholders. The long term perspective is crucial to ensure that the service and its primary assets, the housing stock, are fit for purpose for the whole period and beyond.

3.0 Performance of the Business Plan

- 3.1 The performance of the Business Plan is monitored through monthly financial management meetings and due to the complex nature of the HRA, and the impact of external factors, including the Coronavirus pandemic, the performance against budget can be subject to various areas of over and underspend throughout the year. These are reported to the Council's Senior Leadership Team, Cabinet and Scrutiny Committees on a quarterly basis.
- 3.2 There have been a number of areas of investment that has been undertaken to the existing stock since the move to self-financing and table 1 below provides details of the delivery of some of the main elements that have been renewed. In addition there has been investment in roof renewals to sheltered schemes, houses and flat blocks, external wall insulation projects and estate improvements, as well as sufficient resources to enable the delivery of the new build programme.

Table 1

Improvement Works	2012/ 13	2013/ 14	2014/ 15	2015/ 16	2016/ 17	2017/ 18	2018/ 19	2019/ 20
Kitchens	456	721	433	351	246	437	551	326
Bathrooms	426	529	327	235	210	328	277	294
Re-Wires	605	784	411	252	14	210	118	2
New Doors	1935	3480	2568	1284	907	1044	637	755
Boilers	770	963	782	782	916	1065	875	942

- 3.3 Specific estate wide projects, including the refurbishment of 3 blocks at Summer Court, to incorporate a biomass boiler and the refurbishment of the block at Longlands, which included thermal upgrading and the addition of 6 new flats as a rooftop development, have been delivered under self-financing.
- 3.4 The total number of new homes completed is 338, of which 21 have been for market sale to cross subsidise further delivery of social rent properties, 12 self-contained flats for use as temporary accommodation, a 41 bed Hostel and 264, allocated to local people, at social rent since the first HRA Business Plan in 2012.
- 3.5 The pipeline has the potential, subject to planning, to deliver a further 368 properties and the development team are constantly looking at any sites that become available to assess the viability for social housing. To align with corporate priority. Table 2 below contains the proposals for the continuation of the development programme over the next 5 years, with further development planned in excess of those that were outlined in the last business plan report, in January 2020.

Table 2

Scheme	Status	Unit Nos	
Built to date	Farm Place, St Peters, Elms, Aspen Ct, Queens St, Able House, Longlands	138	338
Kylna Court	Completed January 2019	79	
Swing Gate Lane New	Completed Autumn 2019	9	
Swing Gate Lane Refurb	Completed Autumn 2020	3	
Magenta Court	Completed September 2020	29	
Martindale	Completed November 2020	65	
Northend Garage Site	Completed June 2020	6	
Westerdale Garage Site	Completed July 2020	6	
Gaddesden Row	Completed January 2021	3	
Eastwick Row	Start on Site Spring 2021	36	
Coniston Road	Start on Site Spring 2021	10	
Bulbourne	Design Commenced	10	322
St Margarets Close	Design Commenced	48	
Wilstone	Submitted for Planning Approval	6	
Randalls Ride	Submitted for Planning Approval	30	
Garage Sites	Submitted for Planning Approval	20	
Paradise Depot	Design Commenced	40	
Paradise Fields	Planning Approval Achieved	58	
Cherry Bounce	Design Commenced	80	
LA1	Design Commenced	30	
Total		706	

4.0 Factors considered in the the updated HRA Business Plan

4.1 Government Policy & Proposals

- 4.2 As detailed in previous years' review of the HRA Business Plan, the 1% rent reduction had a negative impact on the income of approximately £33m over the total 4 year period. This reduced resources available to build new homes and invest in the current housing stock.
- 4.3 The Regulator of Social Housing's Rent Standard, whereby increases will be limited to the Consumer Price Index (CPI) rate of inflation plus 1%, has been implemented from 2020/21, and reflects the Government's Policy Statement on rents. Both of these frameworks set rents for existing tenants and no longer have any provision for a move to convergence (target rent). There is some limited flexibility to increase rents by up to 5% for General Need's stock or 10% for Supported or Sheltered Housing, but this is on the basis of some form of enhancement to either the property or services delivered.
- 4.4 The lifting of the Debt Cap, in October 2018, has provided the Council with the opportunity, through prudential borrowing, to consider the impact of increasing the new build programme or additional investment in the existing stock. Although this has resulted in no externally imposed limit, the Council need to assess the affordability of any projects, for which the additional borrowing is to deliver and the need to demonstrate that it can prudentially afford to make the repayments associated with any borrowing.
- 4.5 The affordability of borrowing to fund more house building within the HRA is determined within the this Business Plan, and is influenced by a number of factors and forecasts e.g. rent levels, investment required for existing stock, running costs, land prices, build inflation, borrowing costs etc.
- 4.6 The government is currently considering the future of the decent homes standard, which was last reviewed in 2006, and set out the minimum standards acceptable for the condition of social housing. The full details of the new standard have not been agreed, and further consultation with tenant representatives will be undertaken to develop a the new standard which are likely to include improved building safety and thermal performance.
- 4.7 Additionally upgrading the existing stock to adapt to a changing climate and zero carbon targets by 2050, will have some impact on the business plan. There is provision made for investment in both measures to improve the thermal performance of the existing stock and also to address the move away from Gas and use of fossil fuels to renewable and electric based technologies. The Council are working with the Energy Savings Trust and the Greater South Eastern Energy Hubs to model the best measures for the various construction types, to ensure the investment maximises the carbon reductions and that the technology is sustainable.

5.0 Sale of High Value Council Homes

- 5.1 This proposal, within the Housing & Planning Act 2016, for Local Authorities to sell its high value homes to in effect fund the Right to Buy (RTB) extension to Housing Associations, has been subject to a pilot scheme. The uptake was considerably lower than anticipated but has not been completely discounted at this stage.
- 5.2 Following professional advice, the HRA business plan currently assumes no payment or loss of stock related to this policy. Should detail be issued during 2020/21, the Business Plan will be reviewed and presented to the Council's Cabinet for approval.

6.0 Universal Credit

- 6.1 From December 2019, all new working age benefit claims or those households with a significant change in circumstances have been migrated to Universal Credit. The only remaining exception covers a limited number of rent categories, which continue to be paid by Housing benefit, such as temporary accommodation and specialist support accommodation. One of the biggest risks is that tenants directly receive the housing element of UC, whereas Housing Benefit is directly credited to the rent account. As a landlord the Council can apply for a direct payment of rent or rent arrears from the DWP for those tenants who have difficulties paying rent due to certain vulnerabilities.
- 6.2 A significant challenge has been to accurately identify the long term impact of UC on the collection of rents, which has been further compounded by the impact of the Pandemic. A large number of tenants have contacted their income officers for advice, due to being furloughed or made redundant and for some, it is the first time that they have needed to access benefits.
- 6.3 The roll out in Dacorum has started in small pockets and is due to complete in December this year, 2021. In April 2019, 517 of the Council's tenants, were in receipt of UC and by the end of December 2020, this had risen to 2201 tenants. The number that are now expected to migrate or be new claimants of UC in Dacorum has increased from 2800 to 3200 in 2020.
- 6.4 From the information currently available in respect of arrears levels for those in receipt of UC, at the end of December 2020, the current rent arrears for tenants claiming UC, as a percentage of the annual rent debit, equates to 2.7%. The Business Plan has been adjusted to include a provision for irrecoverable debts to £2m in 2020/21 to provide a prudent estimate of the impact of UC and the pandemic.

7.0 Right to Buy and 1-4-1 replacement scheme

- 7.1 The re-invigoration of the Right to Buy Policy, (RTB) in 2013, increased the level of discount available to tenants and resulted in an immediate and sustained increase in the number of sales. Table 3 below provides the numbers in the past five years and the year to date number for 2020/21. There is a degree of volatility in the numbers or RTB's completed in each year and which had an impact on receipts into the Council and a reduction in rental income from tenancies.

Table 3

Year	Right to Buy sales
2015/16	90
2016/17	93
2017/18	52
2018/19	29
2019/20	38
2020/21 year to date	29 (to 19 th Feb 21)

- 7.2 The assumptions in the Business Plan have been updated to reflect this and the current projection is 726 sales over the remainder of the 30 year plan.
- 7.3 The Council signed up to an agreement with the Department for Communities and Local Government (now the Ministry of Housing, Communities and Local Government), following the government's major increase in the level of potential discount for Right to Buy, which allowed the Council to use the receipts to part fund new affordable homes – the one for one replacement scheme.
- 7.4 The use of the 1-4-1 replacement grant is subject to time limits and if the Council is unable to spend its "one for one" receipts they must be returned to the Government. Should the Council retain receipts and then be unable to spend them within a three-year period then interest becomes payable.
- 7.5 The Council have provided grant funding to Registered Providers to increase the supply of affordable housing. Each grant funded scheme is subject to a legal contract, which commits the Council to make the payments at agreed timescales and places an obligation on the Housing Association to spend the funding within specific timescales or otherwise face financial penalties.
- 7.6 The pandemic has impacted on the delivery pipeline of some of these schemes and MHCLG had extended the timescales, however there is still potential for a shortfall in the full allocation and expenditure of the available funding.
- 7.7 Thrive Homes have previously received grant funding, approved at Cabinet on the 19th September 2017 and a grant agreement subsequently entered into on the 15th November 2017. Thrive Homes have since revised the design to deliver additional units creating a total of 39, one and two bedroomed units and have requested a further grant of £1.4M to cover the balance of costs, within the allowable 30% of grant permissible. This will result in the Council contributing to all of the units within the development, which are to be let on an affordable rent to buy scheme. If approved the contract will be amended by way of a deed of variation against the current contract and will contain the same conditions. The project is progressing well on site and due for completion May 2021.
- 7.8 In order to reduce the potential for a requirement for repayment of any of the grant and associated interest is not due to Government, an increase in the grant funding to is recommended and allowed for in this iteration of the business plan.

8.0 Increased Development Costs

- 8.1 The costs associated with delivering the new build schemes have gradually increased against the assumptions originally made in the first iteration of the Business Plan (due to increases in construction costs and increased tender costs). The impact of Brexit has been reflected in some material costs, which have increased as a result of the fall in the value of sterling and there is ongoing uncertainty regarding the availability of skilled labour. The pandemic has also resulted in measures to make sites Covid secure, which has introduced new costs and also resulted in some increased project timescales, with the associated additional pro-rata preliminary costs. It is hoped that these will be temporary in nature' but these factors have caused problems with determining budget forecasts and prudent assumptions have been made, based upon the information currently available.

9.0 Housing Revenue Account Business Plan 2021/2024

- 9.1 The revised draft of the Business Plan, can be found in Appendix A. All areas of the plan have been reviewed by officers in both housing and finance.
- 9.2 Appendix 1, of the plan itself, details a number of financial assumptions which are required to enable a level of future financial planning. They have been made based on past and future trends along with the current knowledge of political and external factors. They are however subject to change and close monitoring throughout the year will ensure that, if there is significant change, this can be factored in and the impact reported as required depending on the significance.
- 9.3 As a result of the revisions and updating of the Business Plan the 2021/24 Business Plan reflects the current 30 year financial forecast, for the Housing Revenue account and some of the key issues are as follows:
- Rents are will rise at CPI plus 1% for the next 5 years and is modelled with just a CPI increase for the remaining years of the plan.
 - The Council's selective disposal strategy will continue. An assumption of £1m income per year has been made.
 - The level of RTB sales remains forecast at 24 annually. Close monitoring on a quarterly basis will be required to ensure that receipts generated are in line with financial assumptions and it aligns with the 1-4-1 receipt reinvestment.
 - The capital programme of investment in the current housing stock remains significant. The budgets in this area are to be approved within the Council's annual budget setting process. Each year would be subject to review and budget approval. The forecast for the next five years is detailed within table 4 below:

Table 4

2020/21 Current year	2021/22	2022/23	2023/24	2024/25	2025/26
£11.708m	£17.023m	£18.066m	£18.100m	£18.542.m	£17.523m

- Investment in the Council's New Build programme, over the same period is detailed in table 5 below:

Table 5

2020/21 Current year	2021/22	2022/23	2023/24	2024/25	2025/26
£7.743m	£24.337m	£33.911m	£37.781m	£22.190m	£16.375m

- 9.4 The financial model allows for the use of the 1-4-1 receipts being reinvested. The Council are assessing the opportunity to bid for the next round of the Affordable Homes Grant programme, for the period 2021-26, and await publication of the prospectus, which is due out imminently. Homes England who administer the grant on behalf of MHCLG, have indicated that schemes delivered for social rent and using modern methods of construction, will be given additional consideration in the assessment process. If the Council are able to secure funding, rules governing the use of mixing 1-4-1 receipts and Affordable Homes Grant will need to be adhered to maximise the use of any grant awarded.
- 9.5 Following an announcement in the November 2020 Spending Review, the Government reduced PWLB borrowing rates to gilts plus 80 basis points (0.08%) for its Certainty Rate borrowing. Certainty Rate borrowing is 20 basis points (0.02%) lower than Standard Rate PWLB borrowing and is available to authorities who provide the Government with information on their plans for long term borrowing and associated capital expenditure. Short term borrowing rates have been reduced accordingly in the current business plan. Longer term borrowing rates are unchanged from the plan approved by Cabinet in January 2020, having already been modelled at a prudent level.
- 9.6 The current business plan has a peak debt of £396.7m in 2025/26, which incorporates the additional borrowing requirement to deliver the additional units and retain an appropriate level of investment in the existing stock. This has reduced from the peak debt modelled in the January 2020 Business Plan, which had a peak debt of £403.7m in 2024/25.
- 9.7 Residual debt is forecast at £16.6m at the end of 30 years, previously at £69.61m in the January 2020 plan. The HRA is forecast to be debt free at the end of 32 years, previously 34 years in the January 2020 plan.

10. Recommendations

- 10.1 That Cabinet approve the updated HRA Business Plan 2021/2024, as set out in Appendix A.
- 10.2 That Cabinet approve the revised investment and development programme budgets, as set out in section 9.3 of this report.
- 10.3 That Cabinet delegates approval of the additional grant funding to the Corporate Director of Finance and Regeneration to award grant funding up to £1.4M to support the development of affordable housing units, by Thrive at the two waters site in Hemel Hempstead.



People: Property: Place

Dacorum Borough Council Housing Revenue Account

Business Plan

2021 – 2024



Draft for consideration



Contents

1.0 Introduction

2.0 Overview

3.0 Delivering for Dacorum

4.0 Our Housing Service

4.1 Our Housing Strategy

4.2 Our 'Get Involved' Strategy

5.0 The Governance and Delivery of the Plan

6.0 Homes for the Future

6.1 Our Asset Management Strategy

6.2 Our Stock Investment Requirements & Financing

7.0 Our Priorities

8.0 The Housing Revenue Account(HRA)

8.1 The HRA Forecast

8.2 The HRA Treasury Strategy

8.3 HRA Resources Available

9.0 The Risks and Challenges

Appendix One

1. Financial Assumptions

1.0 Introduction

1.0 Introduction

Dacorum Borough Council Housing Service is the landlord for approximately 10,200 council homes across the borough, 2000 of which are sheltered housing for older people. We also own the freehold for approximately 1800 leasehold flats.

Housing is a vital part of the Council's long-term vision for the borough. The Council's Corporate Plan identifies 'Affordable Housing' as a key priority and commits to '*providing good quality affordable homes, particularly to those most in need*'.

The Council has continued to deliver a strong development programme to provide new homes, at social rent, across the borough for local people. In addition to these much-needed homes, a 41-bed homeless hostel, the Elms, and two blocks providing 12 self-contained units of temporary accommodation have been developed. To date we have completed 338 new homes and have a further 368 in the pipeline, with ambition to build more.

Since 2012 and the introduction of self-financing, whereby the Council retains all of the rental income and any growth capital generated to fund investment in the housing stock, a business plan has been developed to enable long term planning. The financial model enables various scenarios of investment to be modelled to make sure there is an appropriate balance between investment in existing homes and new build developments. The financial model is reviewed annually to take account of any external legislative changes that can increase or reduce the availability of revenue, such as the statutory decrease in rents.

The current Business Plan will be for a three year period, as it is acknowledged the Social Housing White paper and Building Safety Bill, as well as the ongoing impact of the Coronavirus pandemic and the response to the Climate emergency, will all require some adjustment in the priority areas of investment.

This plan identifies how the Council will utilise the HRA income and continue to deliver a great housing service, this includes;

- Ensuring tenants' views are listened to and acted upon
- How investment will be made to address priority areas in existing stock and build new homes
- Showing our plans are laid on firm foundations and sustainable
- What additional resources we might have for investment
- Key risks in the delivery of this business plan with actions to mitigate these



2.0 Overview

2.0 Overview

The HRA business plan has been reviewed and updated to include the latest vision, priorities and the financial position of Dacorum's Housing Service. It is aligned to the Corporate Priorities and includes details as to how the housing service can contribute to the net carbon zero targets. The Asset Management strategy is in the process of being updated and a new stock condition survey being commissioned to ensure our investment is in line with the current condition of the housing stock and estates.

The Council has a financial model that demonstrates a sound financial long term plan for its Housing Revenue Account.

This updated business plan starts at the beginning of the financial year 2020/21 and extends over the next 30 years. It incorporates the latest budgetary forecasts and contingency provision has been made for increased investment to address the forthcoming legislative requirements in respect of building safety.

This plan is written for Elected Members, tenants and staff involved in the governance or the management of our housing service and it demonstrates;

- the sustainability of our existing homes;
- how viable our current investment plans are in the long-term;
- the finances available for investment in new homes and investment in our existing stock and service;
- the role of the housing service in the Council's overall vision and priorities.

At the time of updating this business plan we are aware of a number of challenges already impacting the housing service and Dacorum residents. The full implications of the Pandemic upon our tenants and leaseholders, is yet to be realised, but there has been an increase in those applying for Universal Credit and requiring support from our welfare and sustainment teams. The potential increase in bad debt provision is reflected in the financial assumptions.

In addition, the Social Housing White Paper will result in greater external scrutiny and regulation, which may require differing ways of working and delivery of services. The Homelessness Reduction Act and the "Everyone in" ask, during the pandemic have dramatically increased the numbers of households presenting to the Homeless team.



3.0 Delivering for Dacorum

3.0 Delivering for Dacorum

Around three quarters of our homes are in Dacorum's largest town, Hemel Hempstead, with the remainder spread across the other Hertfordshire towns of Berkhamsted and Tring as well as the surrounding villages.

Dacorum has a population of 154,800. Twenty percent of the population are under 16 and we have significantly less 16 – 24 year olds than the national average. The largest age group totalling 84,800 are aged 25-64; we also have higher than England averages for people aged 85+. On the whole we know that Dacorum is an affluent borough.

We have significantly better than England average levels for income deprivation, child poverty and older people living in deprivation. However analysis of indices of multiple deprivation scores indicates our homes generally exist in the small concentrated pockets of deprivation that exist in some wards in Dacorum. The pandemic may have impacted the employment opportunities of some of our tenants and leaseholders and it is important for us as a Housing Service to work with our tenants to understand their needs, priorities and how best to support them.

Housing plays a key role in delivering on a number of the Council's visions, *by providing good quality affordable homes, in particular for those most in need, creating a clean safe and enjoyable environment by working with tenants and leaseholders to help build strong and vibrant communities.*

Provision of affordable housing, helping people into work and creating employment opportunities through our contracts with external partners and the tenant academy, mean we can assist in creating economic growth and prosperity.

The annual investment of over £30 million into existing homes and assets and our new build programme, ensures we are providing good quality affordable homes in particular for those most in need. Through tenant engagement and homelessness prevention we contribute to clean, safe and enjoyable environments that build strong and vibrant communities. Finally, we are continuing to explore how the use of technology and innovative ways of working can deliver a more efficient and modern service that benefits our tenants.



4.0 Our Housing Service

4.1 Our Housing Strategy

The Housing Service is comprised of four teams that focus upon the various areas of service delivery:

- Tenants and Leaseholders – responsible for the management of the housing landlord functions, from initial sign up, throughout the period of tenancy to the termination of tenancy.
- Property and Place - responsible for the repairs, cyclical maintenance and improvements of our homes and estates.
- Strategic Housing - which includes responsibilities such as fulfilling our homelessness statutory duties and influencing other housing providers such as the private rented sector and housing associations.
- Housing Development – responsible for overseeing the development process from initial designs, through planning and construction to completion and handover of new homes.

Our purpose is to ensure we can meet people’s housing need within Dacorum, whether this is through social housing, owned and managed directly by the Council, affordable homes owned and managed by Registered providers or through a more secure and stable private rented sector.

Whilst the HRA is solely used for the delivery of our landlord duties, there are benefits for operating the housing service as a single entity with clear and shared visions and objectives. This will help us to understand the needs for a range of good quality affordable housing tenures in Dacorum and provide a seamless service for residents.

Working with staff, tenants and leaseholders we came up with the following vision for the Housing Service. *‘We want Dacorum to be a place people are proud to call home. We will involve our tenants & leaseholders in decisions, provide good quality, affordable homes, help maintain tenancies and prevent homelessness – and be honest about improvements we still need to achieve.’*

To support our shared vision our Housing Strategy also includes the following key strategic objectives:

- Work in partnership to meet the demand for quality, affordable housing Dacorum
- We proactively and effectively tackle poor housing conditions across Dacorum’s private housing sector
- We understand our housing stock and use it to provide the right homes to meet tenants needs
- We support and empower our Dacorum Borough Council tenants



4.2 Our Tenant Involvement Strategy

Dacorum Borough Council is committed to listening to and working with its tenants and leaseholders, giving them a voice to influence the services and decisions made by the Housing service.

By building strong working relationships with our involved Tenants and Leaseholders, we are able to deliver a sustainable service that meets local housing need.

This four-year strategy demonstrates our commitment to genuine partnerships with Tenants and Leaseholders to deliver a great housing service.

Our vision for the new 'Get Involved' strategy 2020-2024 is for all our tenants to have the opportunity to engage with us and directly influence the delivery of services to them by the housing service.

We are committed to ensuring that our tenants feel listened to, so that they are empowered to influence decisions and services.

Tenant involvement provides us with the tenant experience of our services and helps us to prioritise what is important to our tenants, ensuring value for money and excellence in services.

Following the publication of the 'New deal for social housing', we are intent on listening to our tenants and ensuring they have a real voice, tackling the stigma of social housing and making our communities safe and clean environments.

The strategy is underpinned by four commitments which are:

Commitment 1: All Dacorum Tenants and Leaseholders have the opportunity to 'Get Involved'.

Commitment 2: Dacorum Borough Council works in partnership to ensure the housing service is shaped by the needs of our tenants.

Commitment 3: Dacorum Borough Council will proactively celebrate and promote the positive attributes and value of our social housing and tenants to challenge any stigma.

Commitment 4: Dacorum Borough Council is accountable to its Tenants and Leaseholders.



5.0 Governance and Delivery

5.0 Governance and Delivery

The HRA business plan is a living document, which articulates the short, medium and long-term strategies for the management, maintenance, improvement and addition to the Council's housing stock.

Officers from both housing and finance undertake an annual review of the financial model to ensure it reflects changes to the new build programme, or the impact of external factors and any changes approved by the Council's Cabinet on an annual basis.

Once approved, it is the responsibility of the officers in the Housing Service and Finance Department to monitor and deliver the plan.

To ensure transparency the Tenant and Leaseholder Committee, the top level committee in the 'Get Involved' Strategy will receive strategic updates on the financial position of the Housing Service against its target. This will also be presented to elected members on the Council's Housing and Communities Overview and Scrutiny Committee.

Each year we will use the annual report to publish our top line figures from the HRA business plan. This will help to keep our tenants informed and offer information around value for money. The annual report is also our opportunity to pull together satisfaction information collected throughout the year and publish our annual goals for the service based on what our tenants feel is important. These are shown through our annual 'promises'. This is outlined further in section 7.

This business plan is supported by a financial model that uses the latest budgetary information to outline the expenditure required for all the key services and priorities of the Housing landlord functions. It does not include the Strategic Housing, which is financed by the Council's General Fund.

Any fundamental changes or circumstances that will see expenditure increase above those provided, or income fall below expectations then the plan will be revisited with support from the stakeholders listed. Swift action allows us to remedy any shortfalls and assess to the medium and longer-term impact to the plan. This flexibility is particularly important as it allows us to consider and react to the numerous changes previously mentioned.



6.0 Homes for the Future

6.1 Our Asset Management Strategy

In year 2017 we produced our Asset Management strategy called 'Homes for the Future'. It commits to having the right homes that meet the required standards and that we work with our tenants, leaseholders and contractors to provide good quality homes for the future. It recognises our homes are the Council's most valuable asset.

The strategy, is currently under review and a stock condition survey will be undertaken to supplement the existing information and provide up to date details of the condition of the components. Once completed a revised strategy will be developed and incorporate the ongoing energy improvement measures and building safety upgrades that will be required to keep our homes fit for the future.

The new strategy will consider the current four commitments and be developed in consultation with a range of stakeholders, including tenant led focus groups, intelligence gathered by our contractors and feedback from the STAR survey. The development of current strategy resulted the following four commitments:

- **Commitment One:** Our housing assets meet the current and future needs of our tenants
- **Commitment Two:** Our tenants live in homes that are safe and maintained to the agreed standard
- **Commitment Three:** Through investments and improvements our assets generate income and support the housing service (HRA) business plan
- **Commitment Four:** We get the best value from our assets and develop homes for the future

In 2014 the Council entered into a number of contracts, for external service providers to deliver the repairs, cyclical maintenance and compliance works and planned improvement work. The contracts are monitored monthly and an annual review undertaken to ensure they are delivering to the promises that they made at tender stage. The options for future delivery models are being explored, so a smooth transition can be achieved and to allow for engagement with tenants and leaseholders.

By achieving effective asset management, the Council can provide good quality accommodation, which can contribute to the carbon reduction targets and enable tenants to live independently, to improve their quality of life and deliver a sustainable service for the future.



6.0 continued

6.2 Our Stock Investment Requirement and Financing

The table below shows the projected Capital spend requirements for our housing stock to both improve and maintain it over the next 30 years. All new homes that have been completed, are underway or approved as part of the Council's new build programme have been accounted for. We have also included a budget for further new homes where sites have not yet been formally approved.

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
Description	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31-2034.35	2034.35-2039.40	2040.41-2044.45	2045.46-2049.50	
Expenditure	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Capital Maintenance	11,708	17,023	18,066	18,100	18,524	17,523	15,428	15,708	15,993	16,284	84,886	94,146	117,614	134,474	595,477
New Build	7,743	24,337	33,911	37,781	22,190	16,375	0	0	0	0	0	0	0	0	142,337
Total expenditure	19,451	41,360	51,977	55,881	40,714	33,898	15,428	15,708	15,993	16,284	84,886	94,146	117,614	134,474	737,814
Financing															
Revenue Contributions to Capital	(5,855)	(7,371)	(6,900)	(6,068)	0	0	0	0	0	0	0	0	0	0	(26,194)
Capital Receipts and Reserves	(4,624)	(16,258)	(3,006)	(1,766)	(1,000)	(8,500)	(737)	(757)	(778)	(799)	(3,260)	(5,055)	(13,992)	(5,057)	(65,589)
Major Repairs Reserve	(6,915)	(10,477)	(13,320)	(13,320)	(13,320)	(13,320)	(14,691)	(14,951)	(15,216)	(15,485)	(81,626)	(89,090)	(97,225)	(106,090)	(505,045)
Right to Buy Receipts	(2,057)	(7,255)	(6,550)	(2,902)	(2,794)	(2,813)	0	0	0	0	0	0	0	0	(24,370)
Borrowing	0	0	(22,200)	(31,825)	(23,600)	(9,266)	0	0	0	0	0	0	(6,397)	(23,328)	(116,616)
Total financing	(19,451)	(41,360)	(51,977)	(55,881)	(40,714)	(33,898)	(15,428)	(15,708)	(15,993)	(16,284)	(84,886)	(94,146)	(117,614)	(134,474)	(737,814)
Net (over)/ under financing	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0

All of the expenditure assumptions detailed in the table include the impact of inflation and how this will affect the cost of improvements and maintenance of our stock. The funding for capital expenditure is raised through our rents and sales of properties. An integral accounting adjustment for depreciation results in a charge to the HRA that is then credited to a major repairs reserve, which in turn funds capital works.

A formula used nationally dictates how much we should credit the major repairs reserve. If there is a shortfall in funding capital works we are able to top this up with revenue contributions from the HRA.

Right to Buy receipts help fund both capital works and new build expenditure, in particular '1-4-1' receipts which we go on to discuss in more detail in sections 8 and 9.

Other capital receipts and grants received by the HRA are a result of shared ownership properties and properties purposefully built to sell on the open market. This allows us to subsidise the cost of building new affordable homes.

In the later stages of the plan we detail required borrowing for the HRA account. This is further explained in section 8.

Overall this table shows the HRA can afford to meet our capital investment, maintenance and current new build targets.

7.0 Our Priorities

7.0 Our Priorities

In 2020 we conducted the Survey of Tenants and Residents (STAR). STAR is a satisfaction survey that helps landlords to identify and evidence how well they are meeting the needs of tenants and leaseholders and engaging them in the work that they do.

The results showed we are delivering a good quality service to our tenants and leaseholders. We found that 77% of our general needs tenants, 90% of our supported housing tenants and 62% of leaseholders who responded to the survey are satisfied with the overall service they receive.

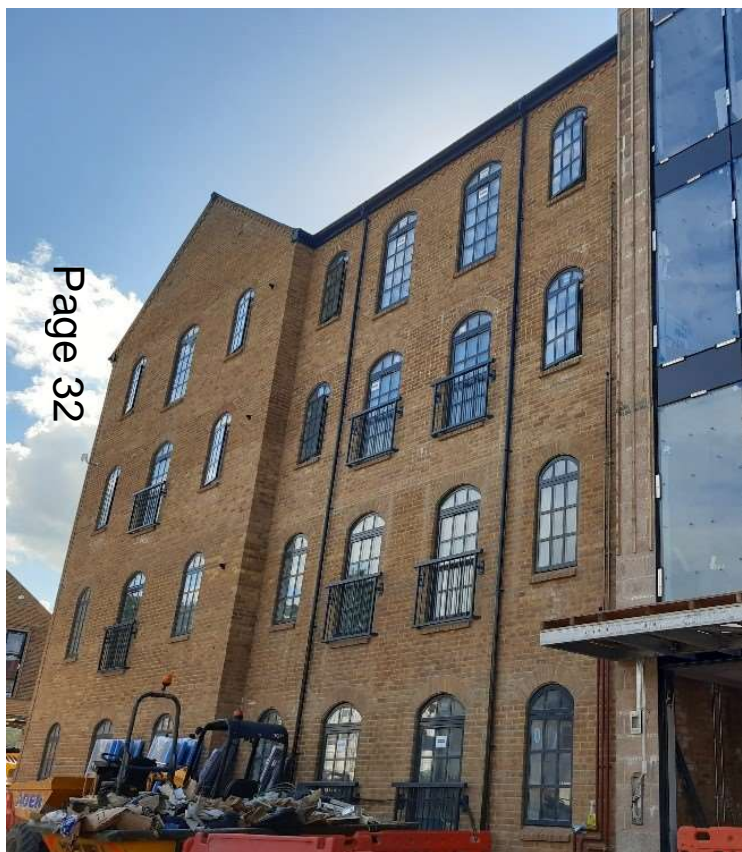
Key action points arising from the survey are that we need to work in partnership with our TAM partner, Osborne Property Services Ltd to improve satisfaction. The expenditures dedicated to repairs within this plan will offer certainty to our tenants and leaseholders that improving and maintaining our stock continues to be a main priority for the Housing Service.

Another recommendation is to improve tenants' and leaseholders' perceptions of feeling listened to. Our new approach and structure for delivering Tenant Involvement and investment in digital communications will achieve this.

The forthcoming Building Safety Bill, which has been developed following the Dame Judith Hackitt Review of the tragic fire at Grenfell Tower in London, will require the management of health and safety to be undertaken in line with new Building Regulations and Statutory instruments and the need for high rise (over 18M) higher risk buildings to be certified as compliant. The Council has for some time had a robust approach to managing Fire Safety, Gas Servicing and other statutory compliance within its housing stock and is undertaking the necessary preparations to ensure we are able to comply with the new regulatory requirements.

The Council has committed to building new homes across the borough and this remains a priority. There is always an appetite to deliver more homes and all options to support this endeavour are considered. With a growing demand for housing and the need for it to be affordable, we will where possible seek to extend our development programme above the expenditure detailed within this plan.

As well as the 338 new homes already completed, there are approximately 368 either on site or at the planning stages with a future pipeline being finalised.



8.0 The HRA Finances

8.1 The HRA Forecasts

In section 6.2 we have shown that we can meet our core investment needs as per the asset management strategy and deliver additional affordable homes.

This section reviews the HRA and the day to day income and expenditure forecasts. See appendix one for the details behind the HRA and Capital forecasts including assumptions made.

As part of the national self-financing settlement the HRA took on debt of £354million in place of making an annual subsidy contribution. This in effect made HRA business plans easier to produce as it enables us to project our finances and understand what resources are available.

The Government lifted limits placed on HRA borrowing during 2018/19. This limit was known as the 'HRA debt cap'. The lifting of the debt cap gives the Council more flexibility in the financing of its HRA capital programme.

The borrowing to date has been predominantly through the Public Works Loan Board (PWLB), which was supplemented in the early years of the plan through direct borrowing from the General Fund reserves.

A number of assumptions, which are contained in Appendix A, are used to inform the forecasts and there are contingency sums included in the forecast for the costs associated with the increased regulatory requirements arising from the Building Safety Bill and investment in Energy efficiency measures.

It is also recognised that in order to provide tenants with more information that relates to their tenancy and their homes, that there will need to be investment in a customer portal so that real time rental information, gas servicing certificates, electrical test certificates repairs report status and other information relating to the property or their tenancy can be accessed online. Provision for investment in new systems is included in the capital forecasts and will be delivered to align with other corporate ICT projects.



Business Plan Forecast 2020-2050

Year	1	2	3	4	5	6	7	8	9	10	11-15	16-20	21-25	26-30	Total
Description	2020.21	2021.22	2022.23	2023.24	2024.25	2025.26	2026.27	2027.28	2028.29	2029.30	2030.31- 2034.35	2035.36- 2039.40	2040.41- 2044.45	2045.46- 2049.50	
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Income															
Rental Income	(54,358)	(55,465)	(56,866)	(59,355)	(62,927)	(63,718)	(65,187)	(66,338)	(67,509)	(68,699)	(363,694)	(396,870)	(433,045)	(472,457)	(2,286,490)
Service charge income	(2,175)	(2,500)	(2,545)	(2,596)	(2,656)	(2,709)	(2,763)	(2,818)	(2,875)	(2,932)	(15,563)	(17,183)	(18,972)	(20,946)	(99,233)
Other Income	(357)	(357)	(363)	(371)	(379)	(387)	(395)	(402)	(410)	(419)	(2,222)	(2,454)	(2,709)	(2,991)	(14,217)
Total income	(56,890)	(58,322)	(59,775)	(62,322)	(65,962)	(66,814)	(68,345)	(69,559)	(70,794)	(72,050)	(381,480)	(416,508)	(454,726)	(496,394)	(2,399,940)
Expenditure															
Management	14,673	14,069	14,334	14,683	15,060	15,444	15,754	16,071	16,395	16,725	88,808	98,112	108,394	119,757	568,280
Bad debt provision	2,075	975	1,003	1,047	1,110	1,124	1,150	1,170	1,191	1,212	6,418	7,003	7,642	8,337	41,458
Responsive & Cyclical Repairs	7,899	11,608	11,890	12,294	12,719	13,174	13,552	14,013	14,454	14,936	81,269	93,104	106,648	122,145	529,705
Total expenditure	24,647	26,652	27,227	28,024	28,889	29,742	30,457	31,255	32,040	32,873	176,494	198,219	222,684	250,239	1,139,443
Capital financing costs															
Interest paid	11,586	11,586	11,745	12,822	13,709	14,042	13,923	13,616	13,250	12,900	58,540	51,182	38,723	14,004	291,628
Interest received	(93)	(191)	(172)	(165)	(183)	(199)	(229)	(280)	(302)	(269)	(1,326)	(1,528)	(1,332)	(1,307)	(7,575)
Depreciation	12,866	12,905	13,216	13,602	14,030	14,401	14,691	14,951	15,216	15,485	81,626	89,090	97,225	106,090	515,392
Capital financing costs	24,359	24,299	24,790	26,259	27,556	28,244	28,385	28,287	28,163	28,115	138,840	138,745	134,617	118,786	799,445
Appropriations															
Revenue contribution to repayment of debt	0	0	1,166	2,028	9,007	8,489	9,222	9,895	10,498	11,025	65,750	79,140	97,089	126,845	430,151
Revenue contribution to capital	5,855	7,371	6,900	6,068	0	0	0	0	0	0	0	0	0	0	26,194
Revenue contribution to reserves	2,029	0	0	0	0	0	0	0	0	0	0	0	0	0	2,028
Appropriations	7,884	7,371	8,067	8,095	9,007	8,489	9,222	9,895	10,498	11,025	65,750	79,140	97,089	126,845	458,373
Net (income)/ expenditure	0	0	308	56	(510)	(340)	(281)	(122)	(93)	(37)	(396)	(404)	(337)	(524)	(2,679)

This table shows the forecast net income/ expenditure on the HRA. It indicates that the HRA can remain balanced over the 30 years projected.

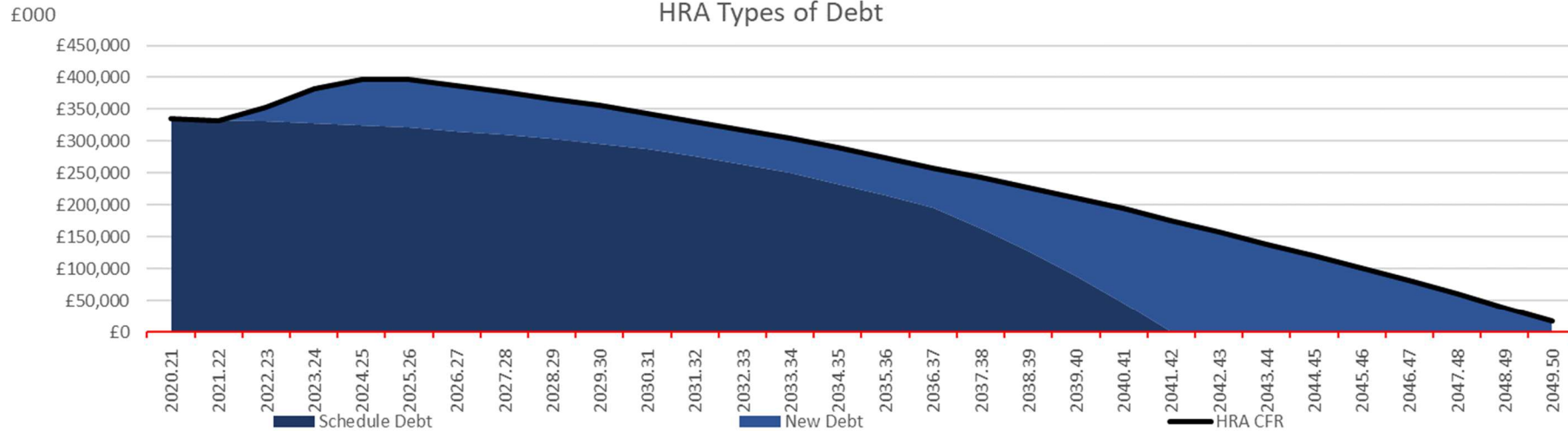
Forecast HRA income and expenditure allows the HRA to meet: the cost of day to day management and repairs for our housing stock; manage interest charges; the depreciation charge that funds capital works through the major repairs reserve; and top up the funding for capital works through revenue contributions. A minimum balance has been set within this financial model to ensure the HRA working balance does not go below an agreed figure.

8.2 The Treasury Management Strategy

The treasury management strategy determines how the business plan will be financed and considers income received, through rents, 1-4-1 receipts, selective market sales of new build units or borrowing, against the costs of management and supervision, maintenance of the existing stock and new build programmes and repayment of interest and capital on the debt.

This graph shows our projected borrowing position. It highlights our capital expenditure needs against the required HRA balance.

HRA Types of Debt



The dark blue area shows the balances for the original loans taken out with the transition to self-financing. This will be fully repaid by year 22. In line with the capital funding requirements in section 6.0, new borrowing is required to fully finance the capital programme in the later years. This is shown in lighter blue. New borrowing is a result of changes to rent policy causing a reduction in previously anticipated levels of income, an increase in numbers of right to buys and the need to match fund 70% of the new build programme to avoid losing receipts.

In summary the HRA will remain balanced, fully funded and become debt free in 32 years.

8.0 Continued

8.3 HRA Resources Available

Whilst the HRA has a minimum balance set for unforeseen short-term impacts such as high responsive repairs expenditure, we cannot assume that there are additional resources available to meet all the priorities outlined in section 7.

Additional resources available to the HRA are primarily through borrowing. Additional borrowing incurs additional interest payments on the associated debt, which has an impact on the minimum HRA balance.

In summary, whilst the HRA has borrowing capacity to fund tenants' priorities, it is essential we understand the potential impact associated with each of the priorities listed before committing resources.

The annual update of this business plan will allow us to effectively monitor and make such decisions and the financial model that determines the viability of the business plan is reviewed to ensure any external variables have been accounted for and that the plan is deliverable.

The impact of the Pandemic cannot be fully assessed, but there has been an increase in the bad debt provision to allow for any ongoing economic shock that impacts the ability of our tenants to pay their rent. It is anticipated that there will be an ongoing need to support a number of households to sustain their tenancies and that there could be a changing view of sheltered accommodation, but at the time of writing it is not possible to understand the full financial implications.

The lockdown restrictions and concerns from tenants regarding internal works being carried out has resulted in a reduced level of capital investment in 2020-21, which has been smoothed over the next two years, as it is likely that the first two quarters of 2021-22, will still be impacted until the vaccination programme has been fully delivered.



9.0 Risks and Challenges

9.0 The Risks and Challenges

We have identified four key areas that could have significant impact to the financial projections detailed in section 8.

Risks

Cost Inflation

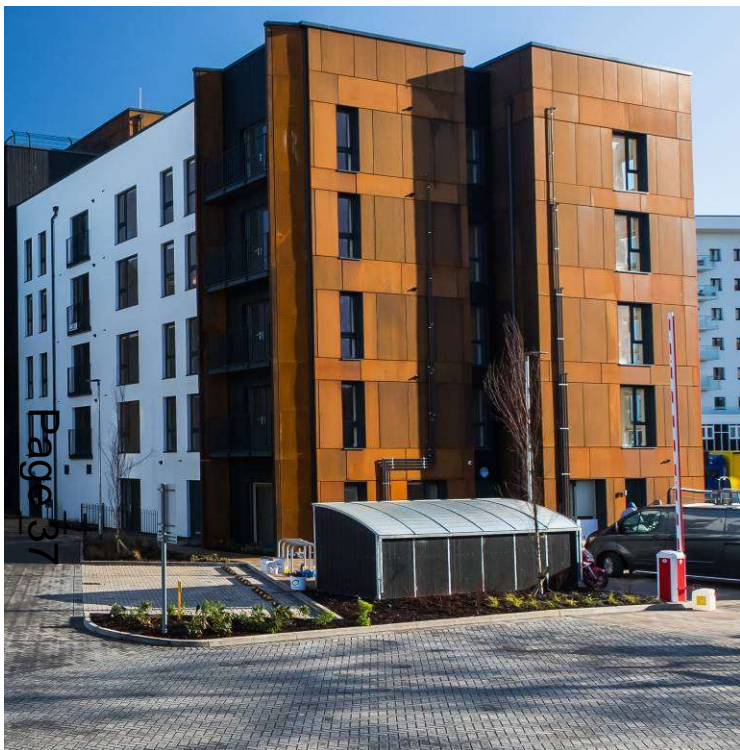
Following the exit of the UK from the European Union, interest rates have and are predicted to remain low, but the threat of inflation remains. Although a trade deal was reached with the EU, there are a number of materials that are imported and as the value of sterling remains lower than in the past, has resulted in costs increasing. If this continues and alternative UK produced materials are not available, this could affect both our ability to maintain our current homes and our ability to deliver our New Builds. This means our current available resources within the plan would become increasingly limited.

Right to Buys

There is a level of volatility regarding levels of Right to Buy and prediction is difficult, especially in the current economic climate. An increase in uptake for Right to Buy would see a reduction in our rental income. A decrease in sales results in more income but more properties to maintain and less receipt for use. Each sale results in a '1-4-1' receipt which we have to spend on providing new affordable homes within a 3-year timeframe. With the development costs of 70% falling to us and the remaining 30% from these receipts, we are under additional pressure to either build new homes in a shorter timescale, absorb our portion of the cost to do so, or return these receipts to Central Government. We are actively working with a number of Registered Social Landlords who we can 'grant' these receipts to for the provision of affordable housing, but a number of schemes have suffered delays through the pandemic. Ministry for Housing Communities and Local Government has granted a small extension of these timescales.

Challenges

Housing White Paper The detail is not currently available on the new role of the social housing regulator and the impact upon stock retained local authorities. Whilst the detail of the recommendations of the Housing White paper are understood and the Council are currently delivering many of these within the current service offering, there could be additional costs associated with demonstrating compliance with a set of performance indices that have not been developed.



9.0 The Risks and Challenges continued

Climate Emergency

The challenge is to try and improve upon the target of 2050, which is the national target set for domestic dwellings. The Council are working with Energy Savings Trust to model the stock and identify those energy efficiency measures, which result in the maximum carbon reduction for the least financial investment. The reality of the situation is that the actions of the occupiers have the greatest impact on the ability to reduce the carbon use and it is essential that we work with tenants to consider the various methods to reduce the energy consumption of households.

Short to Medium term impact of the pandemic on the economy

The potential for a number of tenants or leaseholders to be negatively impacted financially, from the economic effects of the Pandemic, is one which could impact the bad debt provision and consultation with leaseholders will be even more important before works are programmed, to understand any risks of recovering costs through the Section 20 process.

Evictions from the private rented sector after suspension of all court activity

Throughout the pandemic there has been a desire for everyone to remain in their accommodation, so that during periods of lockdown everyone has accommodation, even if this is temporary in nature. One of the mechanisms that was introduced to achieve this objective was a suspension of court activity that would result in eviction of tenants from their accommodation. The period of suspension on evictions has been extended as the impact of the pandemic required further periods of lockdown. Housing advice has been provided to a number of households in the private rented sector who are at risk of eviction when the courts recommence eviction proceedings and this could result in an increase in households requiring support from the Council to secure suitable accommodation, or a number becoming homeless. It is anticipated that this could put pressure on the need for temporary accommodation and move on accommodation, some of which may be funded through the HRA and impact the business plan.



Appendix One

Financial Assumptions

The 30-year business plan has been based on the approved budget for 2020/21, adjusted for any revenue impact of new build schemes yet to receive formal approval. The capital expenditure has been derived from the housing asset management database and current new build programme. In order to project forward the remaining 29, years certain assumptions have to be made in order to provide for the projections. These are:

Item	Assumption
Rent Increases	Years 2 onwards CPI + 1% for the next five years, and CPI for the remaining years throughout plan. New tenancies re-let at (social) formula rent.
RPI	Year 2 RPI (1.3%), Year 3 RPI(2.8%), and 3.0% for the remainder years throughout plan– applies to service charges, other income, management costs, repairs and maintenance costs
Minimum HRA Balance	5% of turnover
Major Repairs Reserve Balance	Nil – to be fully utilised each year to fund capital works and new build
New Build Programme	264 units built, 46 in progress, 367 in pipeline. Let at existing (social) formula rent levels.
Voids and Bad Debts	Voids: 0.8% of gross income Bad Debts: 1.80%.
Right to Buy sales	Assumption of 24 sales per year. The self-financing settlement assumed an average of 20 per year. The HRA benefits from all retained right to buy receipts.
Interest Rates	On existing borrowing the loan interest rates are fixed with levels between 3.0% and 4% depending on the duration. New borrowing which is assumed in the plan is modelled at 1.7% in 21/22 and 4.0% thereafter.

Agenda Item 8



Report for:	Cabinet
Date of meeting:	16 March 2021
Part:	1
If Part II, reason:	

Title of report:	REPORT BY THE INDEPENDENT REMUNERATION PANEL 2021 - MEMBERS' ALLOWANCES FOR DACORUM BOROUGH COUNCIL
Contact:	Layla Fowell – Member Support Officer Farida Hussain – Group Manager Legal & Corporate Services Mark Brookes – Assistant Director – Corporate & Contracted Services
Purpose of report:	To formally receive the proposals of the Independent Remuneration Panel 2020 for a revised Scheme of Members' Allowances.
Recommendations	It is requested that Cabinet: - <ol style="list-style-type: none"> 1. Formally receives and considers the report of the Independent Remuneration Panel following its review of the Council's existing Members' Allowances Scheme, as set out in the background of this report. 2. Decides whether or not it wishes to recommend to Council the approval of the changes to the Members' Allowances Scheme as recommended by the Independent Remuneration Panel in its report.
Corporate objectives:	The role of Local Councillor is a major part of Dacorum Borough Council's delivery of an efficient, effective and modern Council. As such the remuneration that councillors receive should reflect this central role and assist in attracting the calibre of Council Member the residents of Dacorum deserve.
Implications:	<u>Financial</u> The estimated cost of the IRP recommendations is £439,995 for the Financial Year 2021/2022.
'Value for money'	The scheme of SRA payments recommended by the Panel (assuming all are claimed) will be £154,140, an increase of

implications	<p>£770 over the current scheme</p> <p>The above figure is an increase of £2,198 from the estimated cost of £437,797 for the Financial Year 2020/2021 due to the proposal to implement a 0.5% budget increase to the scheme of allowances (Basic Allowance and Special Responsibility Allowances) as recommended by the Independent Remuneration Panel.</p>
Risk implications	<p>This is an opportunity for the Council to develop conditions that encourage participation in the democratic process and contribute to its strategies for engaging with and empowering the community.</p> <p>Failure to produce a relevant and appropriate Member Allowances Scheme could have an impact on the calibre and performance of Members.</p>
Community Impact Assessment	There are no community impacts resulting from this report
Health and safety Implications	None
Monitoring Officer/S.151 Officer Comments	<p>Monitoring Officer:</p> <p>This report was written in consultation with the Assistant Director (Corporate and Contracted Services) as Monitoring Officer and his comments have been incorporated with the report.</p> <p>S151 Officer:</p> <p>The approved 21/22 budget has sufficient budget to fund the proposed overall £2k increase to members allowances.</p>
Consultees:	<ul style="list-style-type: none"> • The Independent Remuneration Panel • Members • Finance & Resources Overview & Scrutiny Committee (feedback from the committee will be provided at the Cabinet meeting)
Background papers:	The Report of the Independent Remuneration Panel (marked as Appendix A in the body of this report)
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) requires the Council to put in place a policy for members' allowances. Before it can agree the policy, the Council is required to have regard to the views and recommendations of an Independent Remuneration Panel (IRP)
Glossary of acronyms and any other abbreviations	<p>IRP – Independent Remuneration Panel</p> <p>BA - Basic Allowance</p>

used in this report:	<p>SRA - Special Responsibility Allowances</p> <p>LGPS - Local Government Pension Scheme</p> <p>HMRC - Her Majesty's Revenue and Customs</p>
----------------------	--

1. Background

1.1. The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended) requires the Council to put in place a policy for members' allowances. The policy is valid for a period of up to 4 years and this revision will be effective from 1st April 2021.

1.2. The scheme covers:

- The Basic Allowance (BA)
- Special Responsibility Allowances (SRAs)
- Dependent Carers Allowance
- Travel and Subsistence Allowances
- Co-optees Allowances
- Any arrangements to backdate allowances
- Any arrangements to withhold or recover allowances in the event that a member is suspended or disqualified
- Arrangements (if any) to make Basic or Special Responsibility Allowances pensionable under the Local Government Pension Scheme (LGPS).

1.3. Before it can agree the policy, the Council is required to have regard to the views and recommendations of an Independent Remuneration Panel (IRP) on all of the above issues, with the exception of the withholding or recovery of allowances.

1.4. In the case of making allowances pensionable, the Regulations provide that the Council can only do so based on a recommendation from the IRP that this should happen. It follows that the recommendation from the IRP to the effect that allowances should not be made pensionable will, in effect, be binding on the Council. (Note that it has not at present been clarified as to whether Councillors will be included in Auto Enrolment under Government Pension legislation, and therefore if the above-mentioned Regulations will remain in place).

1.5. The Independent Remuneration Panel met on 14th, 16th and 21st December 2020 to consider its recommendations on the scheme. The Panel consisted of:

- Lynda Evans (Chair), a graduate in Computer Science has been a technology professional working at Reuters in the 1990s, a mother, and a paid and unpaid project worker in the charity sector. Married with one daughter Lynda has lived in Dacorum for 23 years.
- Brendan Henry who lives in Hemel Hempstead and has been a Dacorum Resident since 1995.
- Carla Brandon who lives in Dunstable, Bedfordshire. Carla has worked in Dacorum for 20 years and was previously a resident for 26 years.

1.6. The Panel considered a copy of the Council's current Members Allowances Scheme. It was also provided with the following relevant papers, as reference documents:

- What is an Independent Remuneration Panel
- Programme 2020
- What we would like from the Panel
- Cabinet Portfolios and Directorates
- Membership of Cabinet and Committees
- List of Councillors
- Timetable of meetings 2019-2020
- Government Guidance on Regulation for Local Authority Allowances
- I&DeA Members' Allowance Survey 2008
- HM Revenue & Customs – Mileage and Fuel Allowances
- Payment of Members Allowances 2019/20
- Members' Allowances Scheme 1st April 2012
- Report by the Independent Remuneration Panel 2016
- Minutes from the Finance and Resources Overview and Scrutiny Committee – 7th February 2017
- Cabinet Agenda Report 14th February 2017
- Cabinet Minutes 14th February 2017
- Other Hertfordshire Remuneration Information
- Other Hertfordshire Member Allowance Schemes
- Last IRPs and their recommendations
- Members Questionnaire Analysis

1.7. In arriving at its recommendations, the Panel considered the replies given to a Members Questionnaire on the Scheme. Those members expressing a wish to meet with the panel were invited to attend the meeting.

1.8. The Panel met with:

- Councillor Ron Tindall – Leader of the Opposition
- Councillor Colin Peter
- Councillor Adrian England
- Councillor Andrew Williams – Leader of the Council

2. Terms of Reference

2.1. The Independent Remuneration Panel was asked by the Council to review the existing policy and recommend a revised Member Allowances scheme for the Council, in accordance with the requirements for such a scheme set out in the 2003 Regulations. The Panel was therefore required to review each of the issues set out in paragraph 14, above.

3. The IRP Approach in 2020

3.1. The IRP considered the existing scheme was working satisfactory and decided to leave it in place with an annual increase based on September CPI figure. An increase of 0.5% which is the CPI figure for September 2020 is therefore the panel's recommendation.

- 3.2. It was the panel's wish that the allowances remain broadly in line with those of neighbouring councils.
- 3.3. The panel considerations remained consistent with the concept that allowances were provided to enable members to recover the immediate costs they incurred in their duties, and to provide some recompense for the time spent on those duties, accepting that a proportion of that time would be given voluntarily. In this context, allowances are not, and should not, be seen as 'payment' for work undertaken in the sense that applies to ordinary employment.
- 3.4. The Panel agreed two key tenets, which governed its overall approach to its review of Members Allowances.
- 3.5. Firstly, it was made clear that it was open to the Panel to recommend change to any aspects of the current scheme in any way that seemed appropriate. The Panel took the view that, where elements of the existing scheme were operating in a manner which all concerned thought was satisfactory; there was little point in change for the sake of change.
- 3.6. The second tenet was the Panel's support for the continuation of the concept that allowances were provided to enable members to recover the immediate costs they incurred in their duties, and to provide some recompense for the time spent on those duties, accepting that a proportion of that time would be given voluntarily. In this context, allowances are not to be seen as "payment" for work undertaken in the sense that applies to ordinary employment.
- 3.7. It was clear to the Panel that such a concept had been applied in deriving the existing allowance scheme, and that the great majority of members continued to support it. The Panel was thus anxious to maintain the principle that the Councillors role is essentially about service to the local community, not private gain.

4. The Questionnaire Survey

- 4.1. The results of the 2020 survey are given in detail in Appendix A.
- 4.2. The remainder of this report describes the Panel's recommendations and the reasons behind them.

5. The Basic Allowance (BA)

- 5.1. In the questionnaire survey, a majority of Councillors responding thought that the current level of BA should be increased by 2.75% in line with staff pay. 2.75% was the expected pay increase prior to the Government's Spending Review announcement in November 2020. The September CPI figure is 0.5% and the panel recommends increasing the BA by that amount. The panel agreed that in the current climate that the CPI figure of 0.5% was the most appropriate to recommend.
- 5.2. The indexing arrangement should be changed whereby the allowances are increased in April in line with the Consumer Price (CPI) as at the previous September and last until to the end of the following financial year

6. Special Responsibility Allowances (SRAs) – General Considerations

- 6.1. In looking at the current SRA payments the Panel felt that the current levels and relativities were still appropriate and should remain in place. Special Responsibility Allowances should however be increased by 0.5% in line with the Basic Allowance.
- 6.2. Current SRAs appeared to comply with the DCLG (Department for Communities and Local Government) guidance that they should be paid only to those members who have a significant additional responsibility over and above the generally accepted duties of a Councillor.
- 6.3. The Panel also noted that, whilst the Regulations do not prohibit the payment of more than one SRA to any one member, the Council's existing scheme provided that no member is able to draw more than one SRA at any one time. The Panel felt that this was a sensible provision, as it tends to safeguard against individual members seeking to accrue too many roles or an undue number of allowances. The Panel agreed to recommend that the allowance scheme should continue to provide that no member is able to draw more than one SRA at any one time.
- 6.4. The Panel recommends that the Leader of the Council continues to receive three times the BA, the Cabinet Members receive twice the BA, the Cabinet Support Member receive one times the BA and Committee Chairs receive between a quarter and one times the BA. Some Committee Vice-Chairs also receive a half times the BA. These multiples were based on the observation of the additional work required to perform these functions. We believe that this allows for a fair and equitable distribution of the available allowances.
- 6.5. The Local Government (Committees and Political Groups) Regulations 1990 defines a political group as constituted if 2 or more members of a Council wish to be treated as a political group. With regards to the Special Responsibility Allowances for the Opposition Group Leaders, the scheme stipulates that an Opposition Group leader must be leading a group of 5 before an SRA is payable as agreed by Full Council 14 July 2010.
- 6.6. In 2011 the IRP recommended that the formulae for remuneration for the First Opposition Group Leader be simplified to a multiple of the BA. The Panel suggested a multiple of 1.25, which left the actual amount payable largely unchanged. The 2013 Panel recommend no changes to the Special Responsibility Allowance for the Opposition Group Leader.
- 6.7. The Panel further recommends no change to the current arrangement of there being no additional remuneration to the 2nd or subsequent Opposition Group Leader.

7. Summary of Proposed SRA Payments

The Panel note that the current SRAs to be paid for the period 1st April 2021 to 31st March 2022 are as follows:

Role	BA Multiplier	SRA 2021/22	Number payable	Total Cost
Leader	3	16,815	1	16,815
Cabinet members* (see note 6.3 above)	2	11,210	*6	67,260
Cabinet Support Officer	1	5,605	1	5,605
Chairman of Development Control Committee	1	5,605	1	5,605
Chairman of Licensing and Health and Safety Enforcement Committee	1	5,605	1	5,605
Chairman of Licensing and Health and Safety Enforcement Sub Committee Or, and only if this allowance is unclaimed, Vice Chairman of Licensing and Health and Safety Enforcement Committee	0.50	2,802.50	1	2,802.50
Chairman of Appeals Committee	1	5,605	1	5,605
Vice Chairman of Appeals Committee	0.50	2,802.50	1	2,802.50
Chairman of Audit Committee	1	5,605	1	5,605
Chairman of Overview and Scrutiny Committees	1	5,605	3	16,815
Vice Chairmen of Overview and Scrutiny Committees	0.50	2,802.50	3	8,407.50
Vice Chairman of Development Control Committee	0.50	2,802.50	1	2,802.50
Chairman Standards Committee	0.25	1,401.25	1	1,401.25
1 st Opposition Group Leader	1.25	7,006.25	1	7,006.25

8. Care Allowances

- 1.1. The IRP recommends retention of the Council's current care allowances, as it may continue to provide some marginal encouragement for a wider range of people to consider becoming Councillors, and may mean that existing members do not have to stand down simply because they have acquired caring responsibilities. The Panel therefore has no hesitation in recommending that the new allowances scheme should include retaining the existing Care Allowance scheme in its current format.
- 1.2. The IRP recommend that the hourly rate payable for child care should be in line with the National Minimum Wage which will be £8.72 from 1st April 2020 up to a maximum of £906.88 for the year. The hourly rate and annual maximum should increase in line with any future increases in the National Minimum Wage.
- 1.3. The IRP recommend that the Dependent Carer's Allowance continue at £13.32 per hour up to a maximum of £1281 per year.

9. Travel and Subsistence Allowances

- 9.1. No change is proposed to the existing scheme of subsistence allowances or the indexation methods. However, the Panel recommend that the mileage payments made in respect of all "approved duty" journeys undertaken by members in their own vehicles be kept in line with the current per mile operating cost of the vehicle concerned determined by the Her Majesty's Revenue and Customs (HMRC). (Changes in line with HMRC approved rates can be made without reference back to the IRP).

10. Allowances for Co-opted Members

- 10.1. It is proposed that co-opted committee members continue to be paid an allowance for the time they spend in meetings. The allowance for co-opted members of any committee, who are not Chairman of the Committee, should stay at £400 p.a.
- 10.2. We understand that there are no current plans to co-opt a person to chair a Committee. Should such a co-option be made in the future we propose that the co-opted Chairman's allowance should be 0.5 of a Councillor's Basic Allowance.
- 10.3. The allowances payable to co-optees should continue to be covered by the same indexing arrangements that apply to the Basic Allowance.
- 10.4. Co-opted members should continue to receive the same rates of travel allowance in respect of travel to and from meetings as Councillors.

11. Ceasing Payments of Allowances to Members Who Have Been Suspended

11.1. The Panel recommends the current regulations continue to apply.

12. Pensions

12.1. The Panel recommends that Councillors should not be given the option of joining the Local Government Pension Scheme.

13. Date of Implementation

13.1. The effective date of implementation for this scheme is 1st April 2021.

14. Backdating of Allowances

14.1. The Panel recommends that the Council continue with its current policy of making retrospective payments of SRAs to individual members where circumstances justify it.

15. Office Equipment

15.1. The Council will consider the provision of Broadband to those who do not already have it. It also offers them an “allowance” of £200 every four years to cover the cost of any office furniture or equipment (such as a paper shredder) they need to purchase for use in their homes in their Councillor role. The Panel understands that, whilst the latter is called an allowance, it is not paid to members as a cash sum, but is held as an account by the Member Support section, which will make or fund purchases from the account on the member’s behalf. This means that it falls outside the member’s allowance scheme, as it is more akin to the Council agreeing to provide members with office equipment of a value of up to £200 over their 4-year term of office.

This will be an item to look at in more detail in the future

16. Financial Implications

16.1. The following represents the Panel’s assessment of the overall financial implications of the revised scheme.

16.2. The Panel’s recommendation is that the BA should be increased in April 2021 by 0.5%.

16.3. Basic Allowance is paid to 51 Councillors and (assuming all claim) has a total cost of £285,855, an increase of £1,428 over the current scheme.

16.4. The scheme of SRA payments recommended by the Panel (assuming all are claimed) will be £154,140, an increase of £770 over the current scheme.

16.5. Therefore the Panel estimates that the overall financial impact of its recommendations would result in a total cost of £439,995 for the financial year 2021– 2022. This represents an increase of £2,198 over the current scheme for the CPI increase.

17. Accountability

- 17.1. The Panel feels that much of the work done by Councillors is still not appreciated by their electorate and that more readily available information on the varied work that they undertake would enable the public to be better informed and may even encourage more people to consider becoming a Councillor themselves.
- 17.2. The council meeting minutes list those present and those who have offered apologies for non-attendance. The Council Website now gives the opportunity for this information to be readily placed in the public domain, along with details of ward work and other meetings/consultations that individual Councillors attend. Such web pages should help to promote the work done by Councillors and educate and inform the public.
- 17.3. Whilst our remit does not include training and development, the Panel appreciates the significant support available to Councillors and would encourage them to make full use of it. Increasing public awareness of the training and support available may also help to encourage more people to come forward as candidates.
- 17.4. The panel acknowledges there was a view among a significant number of councillors that allowances should be increased by a percentage in keeping with staff salary increases. Although noting this, the panel's view remained that allowances for neighbouring councils was the most appropriate comparison and any link to staff may make the distinction between an allowance and salary less clear.
- 17.5. The panel heard there could be a significant difference in both meeting attendance and contributions by council members. The panel felt that making a formal link between these two duties and the paying of an allowance was outside of its remit. However it felt the point should be noted and the council asked to review its policies to ensure that appropriate actions are taken - in a timely fashion- to address the situation of a councillor not performing their duties without good reason.

Appendix-A: 2020 IRP Questionnaire

Responses to 2020 Questionnaire

1. Replies were received from 34 members out of a possible 51, this represents a 67% return.

How long have you been a borough councillor?

- 0 - Less than 1 year
- 16 - 1-3 years
- 3 - 3-5 years
- 5 - 5-7 years
- 2 - 7-9 years
- 8 - More than 9

2. Please tell us how many hours a week on average you spend on your various duties as a councillor. (Please note this does not include activities you may have under any Special Responsibility Allowance (SRA) arrangements you may have, as you will be asked about this later in the survey)

	Less than 1 hour per week	1 to 3 hours per week	3 to 5 hours per week	5 to 7 hours per week	7 to 9 hours per week	9 hours or more per week
Ward work (including phone calls, emails, visiting constituents etc)	0	4	10	5	7	7
Preparation for committees	1	9	14	6	0	3
Attendance at committees	0	9	12	7	2	2
Any other activity (please give details in box below)	3	8	3	3	4	1

3. Do you regard the level of activity on Council work as ...?

- 0 – Less than I anticipated
- 17 – About the same as I anticipated
- 15 – More than I anticipated

4. Do you regard the level of activity and time commitment expected of your Council work as:
- 2 – Less than it should be
 - 28 – Reasonable
 - 3 – More than it should be
5. The Basic Allowance has been increased every year since 2017 and the allowance for 2020/2021 is £5,577. Which of the following proposals for basic allowances would you support
- 3 – Decrease
 - 5 – Continue with current allowance
 - 20 – Increase allowance of £5,577 by 2.75% in line with staff pay
 - 5 – Increase by another amount (please specify)
6. The posts shown below attract a Special Allowance (SRA). Please indicate whether you consider the different SRAs are appropriate or not in each case:

*No member is allowed to draw more than one SRA at any one time

	Too High	Fair	Too Low
Leader (£16,731)(3 x basic)	3	19	12
Cabinet members (£11,154)(2 x basic)	4	23	7
Chair of Overview and Scrutiny Committees (£5,577)(1 x basic)	3	27	4
Vice Chair of Overview and Scrutiny Committees (£2,789)(0.5 x basic)	4	23	7
Chair of Development Committee (£5,577)(1 x basic)	3	23	8
Vice Chair of Development Committee (2,789)(0.5 x basic)	3	22	8
Chair of Licensing and Health and Safety Committee (£5,577)(1 x basic)	5	22	7
Vice Chair of Licensing and Health and Safety Committee (£2,789)(0.5 x basic)	6	22	6
Chair of Appeals Committee (£5,577)(1 x basic)	8	22	4
Vice Chair of Appeals Committee (£2,789)(0.5 x basic)	7	23	4
Chair of Audit Committee (£2,789)(0.5 x basic)	4	19	11
Chair of Standards Committee (£1,394)(0.25 x basic)	2	23	9
Opposition Group Leader (£6,971)(1.25 x basic)	2	24	8

7. Please indicate which roles, in addition to those listed, you consider should receive SRA and supply any comments or supporting evidence below – 16 comments received on this question.

Written responses:

- None (x8)
- DMC members as there is a lot of paperwork to get through and preparation if done properly. Also it is a big responsibility making key strategic decisions.
- Chair and vice chair of the member development steering group, this group heavily influence the quality and training of councillor's and should be recognised for its value to all members. The 'Mother and father' of the council too, in recognition of long service to Dacorum
- Chair of Health Scrutiny Committee
- All members of scrutiny committees should receive an allowance. That would stop the scrutiny committees filling up with (semi) active chair and lots of members who contribute nothing apart from showing up on the night.
- Opposition lead on Scrutiny Ctees Chair Member development Cttee
- Mayor because (I assume) the member concerned would lose other responsibility allowances while in office.
- Shadow Portfolio-holder
- Small SRA for short term additional duties such as Task and Finish groups

8. Please indicate any roles for which a SRA is currently paid which, in your view, should not receive such an allowance and supply any comments or supporting evidence below – 12 comments received on this question.

Written responses:

- None (x8)
- I am not sure that vice chairs do in terms of preparation and extra work. I'm not convinced a vice chair needs a big allowance, maybe they should instead receive a small allowance for each time they chair a meeting instead?
- Advisor to the cabinet – why does the role even exist? Disappeared this year but needs not to return, especially in this climate
- Chair/Vice Chair of Appeals Committee. Few meetings and insignificant workload
- Mayor Deputy Mayor Most Councillors are desperate to become Mayor. They do it for the status and the perks, like free meals at events and the mayoral car. Surely this is enough reward without a salary as well.

9. How many hours per week do you estimate you spend on each of the following Council activities as a direct consequence of your special

responsibilities, separate from your involvement as a member elected to represent your constituency?

	Less than 1 hour per week	1 to 3 hours per week	3 to 5 hours per week	5 to 7 hours per week	7 to 9 hours per week	9 hours or more per week
Attending committees	0	6	0	2	1	0
Meeting preparation	0	2	4	3	0	0
Dealing with members of the public about matters relation to the areas you have responsibility over	1	3	1	3	1	0
Any other activity	0	3	0	1	0	0

10. Do you feel that your time commitment and responsibility that you carry is adequately reflected in the current level of SRA applicable to you?

- 4 – Yes
- 5 - No

11. If no, on what basis do you feel it is inadequate?

3 comments received on this question. Written response:

- Your time is taken up by other things not in survey
- It is totally inadequate – it does not even comply with the legal minimum wage! To comply, it should be a Minimum of £300 / WEEK
- Too low in view of the amount of background research needed to do the job properly.

12. Do you consider that the current scheme for Child Care Allowance is:

- 1 – Too high
- 26 - Satisfactory
- 6 - Too low

13. Do you consider that the current scheme for Dependent Carers Allowance is:

- 1 – Too high
- 22 - Satisfactory
- 10 – Too low

14. Do you consider that the levels of the allowances generally are:

- 0 – Too high
- 28 - Satisfactory
- 5 - Too Low

15. Please leave any evidence or comments below if necessary:

5 comments received on this question. Written responses:

- The allowance for meals: too low. BUT re imbursement in full as stated for journeys on trains etc, is fair.
- In 2 places in this survey, we are asked to specify, but there is no box to do so. More attention needs to be paid to the amount of time spent on research (including attendance at other committees eg cabinet) adequately to carry out SR's. We have excellent Council officers, but Members are not adequately incentivised by comparison with other District Councils to do the work to keep up with and maintain the standards of our Officers' output.
- Allowances should be set at a level to attract professionals to be able to dedicate sufficient time to scrutinise the council's work. I would like to be able to take time off work to do this. My employer will allow me to take unpaid leave if I want to, but cannot afford it.
- Travelling time and use of own vehicle to/from meetings and parking should be paid
- The allowances no longer reflect the real price of subsistence and some hotel accommodation

16. Were you aware of the level of remuneration available before you became a borough councillor?

- 10 – Yes
- 24 – No

17. Did your level of remuneration have any influence on your decision to become a borough councillor?

- 1 - Yes
- 33 – No

18. Do you incur any significant costs which you believe are not covered by your present allowance?

- 9 – Yes
- 25 - No

19. If Yes, please leave any comments below

12 comments received on this question. Written responses:

- It's not significant but I spend £240 a year on a mobile phone that I did not use before so I have a separate one for council business.
- Number of hours that I have to take off work is not sustainable for the level of remuneration received.
- Excess time
- Managing community centres can be a full time job and this is not remunerated
- Opportunity cost of working elsewhere due to workload of the council.
- Domestic Broadband, printing the documents as still better IMO than on-screen document for detailed checking etc.
- Inability to accept consultancies and to pursue investment opportunities owing to lack of time.
- I have avoided taking time off work (which would mean I would lose pay) which often means I cannot attend day time meetings. Though my employer is extremely flexible.
- As DBC is paperless it is necessary to print certain documents to take part in meetings as only have one DBC screen
- Own equipment (including home office), electricity, travel etc, In line with other Council employees I believe the compensation is woeful compared to others having to work from home on Council business.
- Attending Parish and Resident related issues in terms of time, fuel costs, telephone and correspondence.

20. When considering whether or not to stand for re-election in the future, how significant a factor would the level of allowance be to you? (1 being not at all significant and 5 being extremely significant)

Average number - 2

Agenda Item 9



Report for:	Cabinet
Date of meeting:	16 th March 2021
Part:	1
If Part II, reason:	

Title of report:	COVID-19 IMPACT PAPER
Contact:	Andrew Williams, Leader of the Council and Portfolio Holder for Corporate & Contracted Services Author/Responsible, Officer: Claire Hamilton, Chief Executive James Deane, Corporate Director (Finance and Operations) Mark Gaynor, Corporate Director (Housing and Regeneration) Mark Brookes, Assistant Director (Corporate & Contracted Services)
Purpose of report:	1. To provide Cabinet with an update on the projected financial impact of Covid-19. 2. To highlight the work and support the Council has been carrying out across service areas in relation to Covid-19.
Recommendations	1. That Cabinet receives and note: (a) The projected financial impact of Covid-19 for 2020/21 as set out in section 1. (b) The service updates provided in section 2.
Corporate objectives:	The financial impact and the Council's response to Covid-19 will impact all of the Council's Corporate Objectives.
Implications:	<u>Financial</u> Financial Implications are covered in section 1.
'Value for money'	<u>Value for money</u>

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

1. **EXECUTIVE SUMMARY – FINANCIAL IMPLICATIONS**

- 1.1 This section builds on previous reports to Cabinet to provide the most recent update on the Covid-related financial pressures facing the Council in the current financial year. This is now based on ten months of in-year data. It does not include the business-as-usual pressures that have emerged over the course of the year, which will continue to be reported to Members through the scheduled Budget Monitoring reports.
- 1.2 As at the end of January, DBC is forecast to face a net General Fund pressure in the current financial year of around £2.35m (marginally up on the £2.2m reported in November).

This is a net position, incorporating the following:

- £2.45m additional expenditure (para 1.7)
- £2.1m reduced income, net of government income support (paras 1.4 – 1.6)

Offset by:

- £2.2m of government grants

- 1.3 The HRA is currently forecasting a full-year surplus of c£2.8m. This is a net position, with an expected increase in the bad debt provision of £1.1m to be more than offset by reduced expenditure of £4.4m on repairs and maintenance. This repairs and maintenance underspend reflects the reduced access requirements to people's homes which has impacted on the Council's ability to carry out non-essential internal works. It is anticipated that this work will be picked up once the social distancing restrictions begin to be lifted.

Pressure on General Fund income streams

- 1.4 As has been the case throughout the year, the most significant financial threat continues to be lost income. The table below (paragraph 1.6) shows the latest year-end forecasts for key income streams. The table shows that, after significant early movements, before demand trends could be identified and before Government had finalised its Income Support Scheme, forecasts against most income streams have become more stable in recent reports.
- 1.5 The income stream that remains most exposed to potentially significant changes over the closing months of the year is the one with the largest budget: Investment Property. As rental income, it is not eligible for the Government's income protection scheme which limits the volatility of other, non-rental income by underwriting 73% of net losses. The risk of a significant in-year swing has reduced with each month that the expected recession has not crystalized. However, the risk remains stark for the future as businesses begin to exhaust the reserves and government support that have helped keep them afloat over recent months. Announcements of further Government support within the March budget will potentially have a significant impact on this income stream in future months. An update will be reported back to Members at the next opportunity
- 1.6 The table below provides an update on the Council's key income streams highlighted in previous reports.

Income stream	Budget	May Forecast	August Forecast	October Forecast	January Forecast	Commentary
Investment Property	£5.4m	£2.7m	£4m	£4.4m	£4.7m	As at the end of January, 82% of rents due in the current year had been collected compared with 93% at the same point last year. This shortfall has been projected onto the year-end to forecast income of £4.7m.
Garages Income	£3.6m	£2.7m	£3m	£3.1m	£3.2m	As at the end of January, the garage occupancy level has not reduced throughout the year, though the impact of Covid has impeded the realisation of budgeted gains due to the delayed garage project and the redirection of corporate staffing resource. Future garage rental income remains exposed to the threat of potential recession.
Car Parking	£2.8m	£1.8m	£2.5m	£2.3m	£2.4m	As expected, the nationwide lockdown during the early months of the financial year had a dramatic impact on parking revenue, with income down at 15% of budget as at the end of May. The following months saw a positive trend with actual income gradually moving toward budget through subsequent months through to October (80%). Following implementation of the third lockdown, however, income again began to reduce and was down at 35% of budget for January. A slight improvement of 50% against budget is forecast for the remaining months of the year. The forecast outturn position reflects that Government will underwrite c73% of the lost income from car parking.
Planning Fees	£1.2m	£0.9m	£1.1m	£1.1m	£1.15m	Over the first 10 months of the year income has been down around 5% against budget. Future income remains exposed to fluctuations in the property market and this forecast assumes 15% under budget for the remainder of the year. The Government Income Guarantee Scheme will reimburse the Council around 73% of the planning income shortfall.
Commercial Waste	£1m	£0.75m	£0.9m	£0.9m	£0.9m	Forecast remains consistent with the October position, and is based on the final two months continuing year-to-date trends.
Temporary Accmmdtn	£950k	£950k	£950k	£950k	£950k	Demand has increased dramatically, but the Council is unlikely to see a significant increase in income as the Council's own TA capacity becomes fully utilised. The Council has budgeted capital resource to increase its supply of TA, which will result in increased income.
Leisure	£500k	£200k	£360k	£360k	£360k	The leisure sector has been hit dramatically by lockdown; revenues continue to be impacted as social distancing limits visitor capacity; and, membership numbers will take many months to recover to pre-Covid levels. It is unlikely that any management fee will be received this year, but £360k will instead be reimbursed through the govt. income scheme.
Civic/Sports/A PG hire	£300k	£150k	£260k	£260k	£260k	Income continues to be hit by social distancing. The original forecast of 50% reduction against budget is updated only by the partial offset under the Government scheme.
Search Fees	£230k	£120k	£190k	£200k	£215k	There has been a minor increase in income over the last three months, probably as a result of the temporary relaxation of stamp duty requirements. This is likely to continue until the end of the current year, and potentially into next as a result of the extension announced in the March budget.

Alternative Financial Model (AFM)	£310k	£310k	£310k	£100k	£0	<p>The AFM is a payment made by HCC to district councils to incentivise recycling and reduce landfill. Reductions in the tonnage sent to landfill saves HCC money (as the Waste Disposal Authority), and a portion of these savings are then shared with district councils as a reward for implementing the changes that drive that reduction.</p> <p>The increased number of people working from home over the last year has driven up the amount of landfill tonnage generated across the county as a whole. Consequently, HCC has not reduced its landfill costs and there are no savings to share with districts.</p>
Total	£16.3m	£10.6m	£13.6m	£13.7m	£14.2m	Forecast shortfall of £2.1m (13% of budget)

Pressure on General Fund expenditure

- 1.7 The areas forecasting significant expenditure pressure remain the same as those reported in November, and, at present, the total remains largely within the £2.2m of Government grant funding received. The updated figures are as below:

Expenditure Type	Pressure	Commentary
Waste Services	£1m	The heightened restrictions and increasing infection rates are placing increasing cost pressures on the service – agency staff usage has again increased and additional trucks are being hired to cope with increased tonnages, the need to separate crews on rural rounds, and access challenges due to increased homeworking and a resultant increase in cars parked on roads.
Supplier Support Packages	£1m	This comprises payments to key suppliers that were subject to approval under Part 2 legislation, and is up £500k on the last report to Cabinet. Members can find more detail under PH Decision Sheets dated: 31 March; 20 July; and 10 December – all issued in 2020.
Office-based staff	£200k	Estimated additional staffing costs to meet Covid-related increases in service demand across the Council over the course of the year.
Facilitate compliant ways of working	£250k	This includes modifications to Council buildings e.g. screen dividers for desks; automatic door installations; investment in mobile IT, etc.
Total	£2.45m	

Pressure on Council Tax collection

- 1.8 At the end of January, year-on-year collection rates were down 1.6%, with 92.2% of the annual total having been collected, compared to 93.8% at the same stage last year. This represents an improvement on the 1.8% shortfall at the end of October, and the general trend has not deteriorated since the end of June.
- 1.9 It is expected that, at this stage, collection rates would be down on last year due to the number of taxpayers rearranging their payments for later in the year. The final year-end position will depend on the extent to which re-profiled payments catch up in February and March. At the time of writing, early data indicates that collection in February was up on all previous months in the current year, which would suggest at least a closing of the current year-on-year shortfall.
- 1.10 The mechanics of the Council Tax Collection Fund mean that a short-fall in the current year collection rate will not result in a budgetary pressure for the Council until next financial year.

Pressure on Business Rates collection

- 1.11 From a budgetary perspective, DBC will not be impacted in the current financial year by falling collection rates. This is because the grant DBC receives from Government is based on 'assessment of need', with a maximum of 7.5% of the grant at risk if Business Rates collection falls below a baseline level. The at-risk element is based

on the previous year, so any contraction of the local economy won't impact DBC until next financial year. Members will be kept updated on the emerging position.

Summary of General Fund budgetary position and potential mitigations

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

Increased expenditure	£2.45m
Net income pressure	£2.10m
Less additional Government grants	<u>(£2.2m)</u>
Net budgetary pressure	£2.35m

1.13 The MTFs approved by Council in November 2020 recommended a strategy of managing Covid-related pressures through the use of the newly created Economic Recovery Reserve. The £2.35m pressure shown above is within the £3.5m forecast draw down from this reserve in 2021/22. The final-year end position and required draw down will be reported back to Members later in the year.

Housing Revenue Account

1.14 As at the end of January, the Covid-related impact on the HRA is a forecast surplus of c£2.8m. The principle areas of variance are an increase of the bad debt provision of c£1.1m, offset principally by reduced expenditure of £4m on the repairs budget due to reduced access to tenants' homes. The threat to the HRA is significantly lower than the General Fund, as delays to rental income are likely to be short term whilst tenants transfer to Universal Credit.

2 RESILIENCE AND RECOVERY SUPPORT

2.1 Members will note that this is the fourth update report on the Council's response to Covid-19 and this part of the report will highlight some of key work and support that the Council has provided across its various services to ensure continuity of service and recovery resilience. This report covers the period December 2020 to March 2021.

Managing the pandemic

Linkages to Wider Local Resilience Forum Recovery Structure

2.2 In respect of the current pandemic, a Hertfordshire-wide Recovery Coordinating Group (RCG) has been established. The RCG is a multi-agency officer group with clear linkages and reporting lines to the Strategic Co-ordinating Group (SCG). The Covid-19 Health Protection Board also meets weekly to work on implementation of the Covid-19 Outbreak Plan, this has representation from the SCG, RCG, County, Public Health England, Police, CCG and Health Service. There are a number of specific cells coordinating operational activity and supporting these Groups and Boards.

2.3 The Dacorum incident and recovery continues to be managed by the Incident Management Team (IMT) which has been managing the pandemic to date and meets at least twice weekly to review all key issues.

2.4 There is continued and effective liaison between work streams at county and borough levels and daily updates are received from the Health Protection Board including infection rates and vaccination rates for the county and borough. This enables

targeted and coordinated work to be undertaken to manage any local outbreaks. The Director of Public Health at Hertfordshire County Council is currently reviewing his Outbreak Plan to shape the work of the Health Protection Board for the next few months.

- 2.6 The Environmental and Community Protection team continues to be engaged in local Track and Trace, and dealing with complaints and requests for advice surrounding businesses' Covid Secure Status. The intensity of the work continues to rise and the EH team has contact traced 201 positive cases of Covid 19 in Q3 and investigated a number of business outbreaks. The Team has visited several workplaces with multiple cases, to check Covid compliance and ensure close workplace contacts of the cases have also been isolating, in a bid to halt the spread of the disease in the Dacorum area.
- 2.7 From 8th February, a local Dacorum Covid Advisory Service has been set up. 6 Advisors from within the Environmental and Community Protection Team have been visiting businesses and open spaces to discuss Covid compliance. Where compliance is not achieved with advice, the cases are escalated to either the Environmental Health Team or Police dependent on the nature of the breach.
- 2.8 A bid to the Health Protection Board for additional resource in the Corporate, Health, Safety and Resilience Team to support the elections team to deliver a Covid Secure Election has been successful. The Health and Safety Advisor started in post on the 1st March and will be supporting the elections team to carry out a safe election, for staff, Councillors and Members of the Public.
- 2.9 The Council is currently undertaking a review of its approach to the post Covid recovery stage to ensure that it is fit for purpose and targets those areas most affected by the pandemic.

3. Support to Communities

- 3.1 Officers continue to liaise with community and charitable organisations which provide services to residents in the borough to assess the short, medium and long term impacts of Covid-19. A monthly meeting has been arranged to discuss key issues, and this has highlighted the financial challenges faced by organisations, as well as providing invaluable insights into community issues arising from Covid-19. The organisations continue to see an increase in demand for their services, with more residents now being identified as vulnerable. The group also enables insights into future levels and requirements of demands to help make the VCS more resilient as we move forward. Partnership working between charitable and community organisations has increased and many organisations have demonstrated significant flexibility in using their resources in different ways to meet the needs and demands of residents as well as supporting Council services.
- 3.2 Officers have supported the Hertshelp project which provides support for our most vulnerable residents. Support for the food delivery process has now concluded as this service is no longer offered by Hertfordshire County Council. The new focus from Hertshelp is to utilise local charity support to help our vulnerable clients, from volunteers delivering food to picking up urgent medical supplies. DBC is responsible for supporting the County-led advertising campaigns and publishing relevant information on our media platforms. This messaging will form a significant part of our new weekly electronic Digest to support Covid recovery. All relevant staff have also been briefed on signposting information when residents contact us. Furthermore, we are working closely with Community Action Dacorum to support COVID Champions.

These are volunteers who are charged with getting the right messages out to their local community regarding COVID and vaccinations. This is a county-wide initiative and our own employed Covid Champion staff are working with them to disseminate the public health messages.

- 3.3 The Council has reviewed the financial support provided to Citizen Advice Dacorum (CAD), given the recent and projected demand on the service. According to the figures from CAD, the demand for advice in areas of employment, debt, benefits and food vouchers is increasing as we move through 2021 and is likely to increase when the Government's furlough scheme concludes. It is also evident that clients in Dacorum have increasing need for advice regarding divorce and separation, which will create future housing issues. There is also a reported increase in advice regarding private sector properties, and the fact fewer jobs are available, will result in increased debts and ultimately, housing issues for these clients.
- 3.4 Despite the support from the Council and National bodies, the demand on CAD services still remains high with a significant likelihood that this demand will grow.
- 3.5 The Dacorum Health and Wellbeing board has changed its agenda to focus on Covid-19 recovery with our key partners – Police, Community and Voluntary Sector, etc. This is to ensure that, as a group, we are supporting each other and utilizing resources to support the community recovery.
- 3.6 Officers have continued to support residents' physical and mental health through our sports and culture action plans, albeit delivered through virtual means, including starting initiatives such as the Chatty Café and Walk Dacorum.
- 3.7 Community Action Dacorum have been managing the volunteer response to getting vaccination centers up and running, working with over 700+ volunteers as they have continued with their shift in services under our support for Dacorum contract.
- 3.8 The council has repurposed the Community Grant Scheme to provide specific COVID-19 support for voluntary and community sector organisations for the Summer and Winter rounds of funding in 2020. In total, the Community Grant and Small Grants schemes have awarded just over £39k of COVID-19 response and relief funding to voluntary and community sector organisations.
- 3.9 Following the Government's recent announcement, outdoor sports are likely to be allowed again from 29th March, indoor sports from 17th May. It is therefore key that our outdoor recreational facilities are of a good standard.
- 3.10 In Northridge there is an area which has 2 basketball hoops. The hard-core area for play (although used frequently) is in a very bad state of repair and has been identified as a potential to improve provision for outdoor sport and physical activity. To support the local community and Dacorum Basketball clubs to engage in safe outdoor sport and physical activity, it is proposed to use £16,630 of the Youth Reserve to extend the current play area to make it a properly marked out basketball court, with a safe and suitable playing surface and regulation standard hoops. The community and local clubs have made DBC aware of the condition of the area, reporting it to the Community Partnerships and Wellbeing Team, and through relevant Councillors.
- 3.11 The Youth Reserve is a total of £44,000 and has the following stipulation against it for its spend: "To assist with repairs expenditure and the provision of youth provision." This proposal fits within the parameters that the funding can be spent on.

4. Leisure

- 4.1 On 31st October, the Prime Minister announced that further restrictions would be applied on a nation-wide basis for the period 5th November to 2nd December, which was then extended until the recent announcement, which means that gyms should be able to reopen on 12th April.
- 4.2 The closures continue to be a set-back for the leisure service which had done an excellent job ensuring that that the centres were Covid secure. The member base and casual user numbers had begun to recover from re-opening in late July, and efforts to rebuild this will need to recommence once restrictions are lifted.
- 4.3 This further closure period and the required health and safety measures, together with changes in customer behaviour, continue to significantly affect the income generated by the centres. The Council agreed further support for the leisure service from October to the end of March 2021 to enable the centres to re-open as soon as possible once the restrictions were lifted.
- 4.4 It is predicted that there will be a need to support the service through most of 2021/2022, as a return to pre-Covid income levels is likely to be a slow process as customer confidence gradually returns. Discussions are currently taking place to ascertain the level of support required to the end of the 2021/22 financial year and will be reported to members once a position is agreed.
- 4.5 The Council applied, and has been successful in obtaining, £296,000 of financial support from the National Leisure Recovery Fund. This will be allocated towards the costs of supporting the service through the period December 2020 to March 2021.

5. New Build

- 5.1 Work on the housing schemes which were on-site at the time of lockdown ceased for a relatively short period of around five weeks but then re-started with a reduced capacity following the Government guidance on working safely. During this period 12 new homes for temporary accommodation were completed at Williams House and Howe Grove House (Northend and Westerdale) We have successfully completed Martindale (65 homes) this includes 21 homes for market sale of which 20 have been sold and Magenta Court (29 homes). The Paradise Fields site has achieved a planning approval to build 58 new homes, sites at Eastwick Row (36 homes) and Coniston Road (10 homes) are mobilising to start works on site. In addition, there are eight schemes currently submitted for Planning Approval.

6. Support to Individuals

- 6.1 The wellbeing and safety of tenants remains a priority for the housing service, as it balances risk with the more complex needs of some of the residents. Officers in the Income and Tenancy teams prioritise phone calls and use of video calls to deal with enquiries and understand any concerns that tenants have. Where there is an essential need to see a tenant in person, doorstep visits have been undertaken, in particular for those in Supported Housing or those working with the Tenancy and Welfare Sustainment Officers. This has ensured that support and referrals are provided to tenants in crisis and safeguarding concerns can be identified.

- 6.2 Communal lounges have remained shut at schemes since the first lockdown in March 2020. During December, socially distanced activities took place at some schemes with the support from partners in the community and voluntary sector. Feedback from this identified that social isolation is a significant risk to older tenants and a programme of activities and support will be introduced that can ensure tenants can be connected to each other safely. Further letters have been sent to all supported housing tenants giving them details of how they can get involved.
- 6.3 The Income and Tenancy Sustainment teams have continued to provide advice and support to those households in financial difficulty or with complex needs through the impact of Covid-19 and the numbers requiring support continue to increase month on month. Over 2200 tenants are now in receipt of Universal Credit and officers are focusing on regular communication and providing support over enforcement. As a consequence we have seen rent arrears reduce slightly so in January 2021 arrears were only 9% higher than this time last year. Over the coming months, we expect to see an increase in applications for debt relief orders and will work closely with the Citizens Advice Dacorum to support these tenants.
- 6.4 The Welfare & Sustainment Officers within the Tenancy Sustainment team, provide vital support to those households in temporary accommodation and in the first 6 months of their introductory tenancy. As a commissioned Housing Related Support (HRS) service by Hertfordshire County Council, the service has a contract to support 35 service users and receives funding of £45,000. The team is currently supporting 189 applicants in temporary accommodation and 41 households in the first 6 months of their tenancies with DBC, which is far in excess of their current contract. Currently low level support is being provided to 69 homeless households with approximately 120 with medium to high support needs receiving more intensive support and guidance, this number fluctuates slightly as clients move in and out of the service. Due to this significant increase and disparity in funding, a proposal was submitted to Hertfordshire County Council in early February 2021 requesting consideration for additional funding and a review of the current contract.
- 6.5 The Council's bid to Ministry of Housing, Communities and Local Government (MHCLG) for Next Steps Accommodation Project (NSAP) funding, to assist with move on accommodation was successful in part. A co-produced bid with Hightown Housing Association led by Dacorum, has been successful in receiving 50% of funding to deliver a scheme of 5 move on units for single homeless clients, the remaining 50% has been match funded by Hightown.
- 6.6 Homeless approaches continue to be high with 213 approaches in November, 170 in December and 257 in January, this compares with 153, 113 and 149 approaches in November, December and January of the previous year. To date a total of £114,117 has been spent on the Covid response. In addition to funding already received, the service has been successful in claiming £19,900 from the Hertfordshire County Council DEFRA grant, plus a further £11,000 to assist with food costs for households accommodation in B&B's, hotels or needing additional support in temporary accommodation and £1,800 of Winter Support Grant. Additionally the service is currently finalising its year 4 bid for Rough Sleeper Initiative funding (RSI), with assurances from MHCLG that at least £241,000 will be granted to enable the the Dacorum Outreach Service and the double district Housing First project to continue. The final submission deadline is 26th February 2021, with funding being granted in April 2021.
- 6.7 The service has continued to work in partnership with multiple agencies to manage

the response, to 'protect' those at risk of homelessness and rough sleeping and bring them into accommodation. This includes co-leading the Hertfordshire Accommodation Cell and the establishment of Countywide Multi-Disciplinary Team meetings, as well as localised engagement with the statutory and voluntary sector. In particular the partnership work with Dacorum Community Trust has enabled 633 households to receive vital help and support since April 2020 and this is a 92% increase on the previous year, a figure which is set to rise further. Currently there are 4 known rough sleepers within the Dacorum area. This has reduced from 9 in December 2020 and the Outreach Team continues to engage to establish trust and breakdown barriers, with the aim of bringing clients safely into accommodation. As at 12th February 2021 there are 165 households in temporary accommodation, with 3 households pending imminent placement. Of these clients in temporary accommodation, there are a number who require more intensive management and support from staff due to offending history (15 clients) and those who are homeless as a result of domestic abuse (22 clients). Since July 2020, 1447 households have been given advice and support.

- 6.8 Due to the significant increase in demand, the service met with MHCLG in November 2020 to address concerns with regards to current pressures and capacity to manage the ongoing response, particularly as the service considered that its NSAP bid was insufficient given the current position. As a result of this meeting and evidence provided to MHCLG, the service was awarded £98,000 contingency funding to assist in the efforts to continue to support and 'Protect' those at risk of homelessness and rough sleeping. Additionally, through engagement with MHCLG and partnership work with DENS, the service was successful in its bid for Cold Weather Funding of £10,000. This funding has been utilised to extend DENS Day Centre hours, providing vital additional support by way of food and access to advice, washing and laundry facilities to those at risk of homelessness and rough sleeping. The funding enabled the installation of two bunkabins at The Elms, to be used as Crash Pods providing additional bed spaces of accommodation during the severe cold weather period. Through further communication with MHCLG, it has been confirmed that the council is eligible for £5,000 'Protect Plus' funding, which it is proposed will be used to further extend the two pods at the Elms for an additional 12 weeks after April 2021.
- 6.9 Within the Private Sector Housing Service, the number of service requests and approaches has significantly increased over the past 9 months. Service data shows that from July – September 2020, 129 approaches were received, compared with 58 during the same quarter of the previous year, similarly from October – December 2020 167 approaches, compared 66 for the same quarter in the previous year. Current evidence is suggesting that this trend will continue.
- 6.10 As a result of Covid 19 guidance, the service suspended all non-emergency private sector visits and inspections. As a result there are currently over 100 visits outstanding, such as HMO or compliance visits. Based on our knowledge of the service, this equates to over 220 hours of officer time required to undertake these visits, in addition to any new activity. MHCLG guidance released on 26th January 2021 confirmed that the regulatory requirements of Private Sector Housing delivery was deemed as a Category B activity: High priority, and advised that these activities should be undertaken wherever possible. As a result, visits have been reinstated following strict guidance, risk assessments and using appropriate PPE.
- 6.11 The service is currently investigating two illegal evictions which have taken place within the past few months. This requires preparation of a case file, building and collecting evidence and taking witness statements from all affected parties. Such processes are challenging within Covid19 restrictions, however once completed the

service will undertake the relevant Interviews Under Caution (IUC) to hear from the Landlord and his account of the case, prior to consideration of enforcement action.

- 6.12 There were 16 new anti-social behaviour cases in December and 12 in January. This is slightly higher than the previous year, but shows cases are not increasing to the levels seen throughout the first lockdown and during last summer. With a number of cases being closed over the past 2 months, the number of live cases per 1000 properties was at its lowest level of 3.81 at the end of January 2021. This allows the officers time to ensure the new cases are effectively managed from initial referral and address some of the more complex cases with a high number of victims and perpetrators of ASB experiencing mental health difficulties.
- 6.13 Domestic Abuse cases have been prevalent since the start of lockdown and, even with the easing of restrictions, the team continues to support a number of individuals fleeing domestic abuse. In September there had been 123 cases in the first seven weeks, since the end of March. There has now been 228 new Domestic Abuse cases since the last report.

7. Forum/staff occupied buildings

- 7.1 In accordance with the further restrictions announced by the Prime Minister on 31st October, office based staff have been advised to work from home until the restrictions are lifted if they can perform their roles effectively from home. There will continue to be a core group of staff undertaking essential duties only in the Forum with appropriate leadership support in place.
- 7.2 The Clean, Safe and Green team continues to run services from the depots with appropriate Covid protection measures in place.

8. SUMMARY AND CONCLUSION

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