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FINANCE AND RESOURCES OVERVIEW AND SCRUTINY AGENDA

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

TUESDAY 8 MARCH 2022 AT 7.30 PM

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 Chapman	Councillor Sinha
Councillor Guest	Councillor Townsend (Vice-Chairman)
Councillor Tindall	Councillor Claughton
Councillor Adeleke	Councillor Symington
Councillor Arslan	Councillor Douris
Councillor So Mahmood	Councillor Dhyani
Councillor Su Mahmood (Chairman)	

For further information, please contact Corporate and Democratic Support on 01442 228209 or email member.support@dacorum.gov.uk

AGENDA

- 1. MINUTES** (Pages 4 - 7)
To confirm the minutes from the previous meeting.
- 2. APOLOGIES FOR ABSENCE**
To receive any apologies for absence.
- 3. DECLARATIONS OF INTEREST**

To receive any declarations of interest.

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

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

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

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

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

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

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

4. PUBLIC PARTICIPATION

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

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

6. ACTION POINTS FROM THE PREVIOUS MEETING

There are no outstanding action points from the previous meeting.

7. QUARTER 3 BUDGET MONITORING REPORT (Pages 8 - 22)

8. QUARTER 3 PERFORMANCE REPORT - FINANCE AND RESOURCES (Pages 23 - 39)

9. QUARTER 3 PERFORMANCE REPORT - CORPORATE AND CONTRACTED SERVICES (Pages 40 - 57)

10. QUARTER 3 PERFORMANCE REPORT - PERFORMANCE, PEOPLE AND INNOVATION (Pages 58 - 65)

11. GARAGES UPDATE (Pages 66 - 72)

12. COMMERCIAL STRATEGY UPDATE (Pages 73 - 75)

13. PARKING ENFORCEMENT SERVICE (Pages 76 - 83)

14. ELECTRIC VEHICLE CHARGING POINTS (Pages 84 - 93)

15. WORK PROGRAMME

A draft work programme for 2022-2023 will be produced and circulated in due course.

Agenda Item 1

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

2 FEBRUARY 2022

Present:

Cllr Adeleke	Cllr Suqlain Mahmood (Chairman)
Cllr Chapman	Cllr Tindall
Cllr Cloughton	Cllr Townsend (Vice-Chairman)
Cllr Guest	Cllr Arslan

Officers:

Claire Hamilton (Chief Executive)
Nigel Howcutt (Chief Finance Officer)
Trudi Angel (Corporate and Democratic Support Officer – Minutes)

Also in attendance:

Cllr Andrew Williams (Portfolio Holder, Corporate and Contracted Services)

Attended remotely:

Mark Brookes (Assistant Director – Corporate and Contracted Services)
Jody Nason (Strategic Director – People and Transformation)
Ben Trueman (Group Manager – Technology and Digital Transformation)
Farida Hussain (Group Manager – Legal and Corporate Services)
Cllr Graeme Elliot (Portfolio Holder, Finance and Resources)

The meeting started at 7.30 pm.

Cllr Suqlain Mahmood opened the meeting and highlighted it was a combined budget meeting with all three OSC's.

1. Minutes

The minutes of the last meeting were agreed.

2. Apologies for Absence

Apologies for absence were received from Councillor Allen, Douris and Symington.

3. Declarations of Interest

There were no declarations of interest.

4. Public Participation

There was no public participation.

5. Action points from the previous meeting

All action points from the previous meeting had been resolved.

6. Budget 2022/2023

N Howcutt gave a presentation on the 2022-2023 budget setting process and the impact of the changes to the local government finance settlement.

Questions

Cllr Townsend queried how the Council's budgeting assumptions have altered based on the changes to inflation and interest rates since December. N Howcutt stated that Treasury Advisers are not expecting significant changes to interest rates over the next 12 months. They are currently at 0.25%, providing a return of 0.2% on Dacorum's investments in the first half of the year. Dacorum's budgeting assumptions have therefore not changed in response to this. The Council's assumptions have also not changed regarding inflation. The budget has allowed for a 2.5% inflation in salaries, which is higher than is expected. A 5% inflation is factored in for utilities. Inflation for utilities is expected to decrease during the second half of 2022-2023. N Howcutt noted that Dacorum's assumptions are robust and will continue to be monitored.

It was queried whether the rent guarantee reserve was time limited, as it has been left at 0. N Howcutt clarified that as the reserve had not been used for several years, it was felt appropriate to move the rent management reserve into the management of change reserve.

It was questioned what the training and development reserve will be used for in this financial year. N Howcutt specified that the level of the reserve was increased in the last year. Little will come out of it in 2022-2023, but withdrawals will include £75,000 for the apprenticeship scheme and the National Graduate Development Programme. It is not considered necessary to increase the reserve again in 2022-2023.

Cllr Birnie asked what mitigations are in place to guard against unexpected inflation. N Howcutt stated that this would be mitigated through fiscal management. If there is an over-spend in Q1, negotiations would begin with services, assistant directors, and directors to reduce their costs. These budgetary control processes have received a gold star rating. If these costs cannot be mitigated in the first half of the year, proposals will be produced for funding these extra costs. N Howcutt noted that reserves should not be used to fund ongoing pressures, but are instead for one-off investments. Reserves would only be used in the short-term through the revenue monitoring session.

Cllr Birnie commented that the presentation did not include enough information about the movement of reserves. N Howcutt stated that these had been highlighted to members in December, and would be shown clearly in the final budget report given to cabinet. This presentation only showed the difference between December and now. This is to ensure all members are clear on what reserves are currently held.

Cllr Suqlain Mahmood noted that the government's Levelling Up proposals should not affect Dacorum too much. N Howcutt agreed, noting that local government funding is unlikely to increase. As Dacorum is classed as the 'East of England', it is one of the regions that will benefit from Levelling Up, but its proximity to London may make it less likely to receive funding.

Cllr Suqlain Mahmood queried whether having good reserves would affect the amount of Levelling Up funding the council could receive. N Howcutt stated that Dacorum's reserves are appropriate for its needs and will reduce year on year over the next few years. The government's approach to reserves is yet to be determined.

Cllr Suqlain Mahmood queried whether the 2022-2023 budget would be able to withstand an April increase in energy prices. N Howcutt noted that he believed this to be the case, but it will depend on the magnitude of the increase. The Council will not procure the next year of utilities until October, so this is when any increase would come. If the 2022-2023 winter is particularly cold, this may place the utility budget under pressure.

Cllr Townsend stated that the Wendover Canal Project, listed as Item A in Table 2 on page 15, should be the responsibility of the Council. Cllr Birnie agreed that Tring should be supported as far as possible but through matched rather than grant funding. This will go to the Cabinet for scrutiny.

Cllr Tindall noted that Item B on the alternative proposal is there to support the climate change agenda in the run up to 2030. It will ensure that funding has been allocated should officers find a way to retrofit council properties.

Cllr Freedman stated that this would have been useful in 2020 when lockdown made it difficult to access some properties as it would have allowed the labour force to work on empty properties. Overall running costs for those properties would now be decreasing. This will go to the Cabinet for scrutiny.

Cllr Williams thanked Cllr Tindall and his comments for presenting the amendments to the budget in time to include them in the scrutiny papers. The Cabinet will give opinions on these amendments on 15th February.

Cllr Suqlain Mahmood noted that most councillors share the proposal for insulating houses better. The item on electrical vehicles will be brought to the next scrutiny meeting with a report on charging points.

Outcome:

That the Committee reviewed the draft budget proposals for 2022/23 and provided feedback to be considered by Cabinet.

7. Work Programme

The Chairman advised there were no updates to the work programme.

The meeting ended at 8.10 pm



FINANCE AND RESOURCES

Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Budget Monitoring Quarter 3 2021/22
Date:	8 th March 2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – General Fund Summary Appendix B - HRA Summary Appendix C Capital Programme
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account AFM – Alternative Financial Model

<p>Report Author / Responsible Officer</p> <p>Fiona Jump, Group Manager, Financial Services</p> <p> </p> <p>Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)</p>

Corporate Priorities	<p>A clean, safe and enjoyable environment</p> <p>Building strong and vibrant communities</p> <p>Ensuring economic growth and prosperity</p> <p>Providing good quality affordable homes, in particular for those most in need</p> <p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
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Wards affected	All
Purpose of the report:	<p>1. To provide details of the projected outturn for 2021/22 as at Quarter 3 for the:</p> <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendation (s) to the decision maker (s):	<p>1. That Committee note the financial position for the Council for 2021/22 as at Quarter 3.</p>
Period for post policy/project review:	The Council's financial position is reported to committee on an ongoing, quarterly basis.

1 Introduction:

- 1.1** General Fund revenue outturn – General Fund revenue budgets are forecasting a deficit of £0.13m. The position includes a drawdown of funding from the Economic Recovery Reserve (ERR) of £0.55m to cover Covid- related pressures. This approach was recommended to Council for approval by Cabinet in November 2021. The Economic Recovery Reserve was specifically set up to fund pressures associated with Covid.
- 1.2** Housing Revenue Account outturn – The HRA is currently forecasting a deficit of £0.86m. At the end of the financial year, this can be funded from revenue reserves or from a reduced Revenue Contribution to Capital. This will be a decision for Members to take at the end of the financial year.
- 1.3** General Fund Capital – General Fund capital budgets are reporting further slippage of £0.68m with an overspend of £0.31m at Quarter 3.
- 1.4** HRA Capital – there is further forecast slippage of £5.10m in the HRA capital programme. This slippage is predominantly in new build schemes where challenges are being experienced, including those arising from dealing with third parties. Further information is provided in this report.
- 1.5** The purpose of this report is to present the Council's forecast outturn for 2021/22 as at the 31st December 2021. The report covers the following budgets with associated appendices:
- General Fund - Appendix A. A pressure against budget of £0.13m is forecast.
 - Housing Revenue Account (HRA) - Appendix B. A deficit of £0.86m is forecast.
 - Capital Programme - Appendix C. General Fund budgets are reporting slippage of £0.68m with an overspend of £0.31m at quarter 3. The HRA is forecasting slippage of £5.10m to future financial years.
- 1.6** The General Fund revenue account records the income and expenditure associated with all Council functions, except the management of the Council's own housing stock, which is accounted for within the Housing Revenue Account (HRA).
- 1.7** Appendix A provides an overview of the General Fund forecast outturn position.
- 1.8** The table below outlines the service areas with a significant financial pressures, before any mitigation from the application of reserve funding:

Table 1	Key Financial Pressure	Description
Scrutiny Committee	£'000	
Finance & Resources	400	Car Parking income.
Housing and Community	300	Temporary Accommodation income and voids repair costs.
Strategic Planning and Environment	500	Waste Services cost and income pressures

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

Table 2	Current Budget	Forecast Outturn	Variance	
	£000	£000	£000	%
Finance & Resources	7,517	7,502	(15)	(0.2%)
Strategic Planning and Environment	1,800	2,061	261	14.5%
Housing & Community	10,790	10,811	21	0.2%
Total Operating Cost	20,107	20,374	267	1.3%
Core Funding	(20,107)	(20,247)	(140)	0.7%
Contribution (to)/ from General Fund Working Balance	0	127	127	

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

2 Finance and Resources and Core Funding

Table 3 - Finance & Resources	Current	Forecast	Variance	
	Budget	Outturn	£000	%
	£000	£000	£000	%
Corporate and Contracted Services	3,035	3,058	23	0.8%
Performance, People and Innovation	3,213	3,250	37	1.2%
Chief Executive and Strategic Management Team	576	576	0	0.0%
Finance & Resources	45	(57)	(102)	(226.7%)
Neighbourhood Delivery	176	186	10	5.7%
Planning, Development and Regeneration	472	489	17	3.6%
Total	7,517	7,502	(15)	(0.2%)

	Current	Forecast	Variance	
	Budget	Outturn	£000	%
	£000	£000	£000	%
Core Funding	(20,107)	(20,247)	(140)	(0.3%)

2.1 Corporate and Contracted Services £20k pressure against budget

The forecast pressure includes a draw down from the ERR to support pressures against car parking income. This income stream has been affected by restrictions imposed by the Covid-19 pandemic, particularly in the first quarter of the year where income was 23% down on budget. Subsequent quarters have improved, but the income stream is still being impacted by the change in behaviour of both shoppers and commuters.

2.2 Finance & Resources £100k surplus against budget

This includes:

- £600k surplus in Investment Property income. Income invoiced is up on budget. The level of void properties is higher than pre-Covid levels, and may increase as the year goes, but collection rates have held up well and are only slightly below pre-Covid levels. This is due to the proactive approach of the Commercial Assets and Accounts Receivable teams in working with tenants to agree terms of payment such as payment plans.

This surplus is being offset by a number of overspends, including:

- £90k pressure in the income budget for the Bunkers Farm new crematorium site due to delays experienced.
- £140k pressure in Insurance costs.
- £80k pressures across the Revenues and Benefits service and Financial Services on staffing budgets, the budget for cash processing services and other more minor expenditure lines.

2.3 Core Funding - £140k surplus against budget

- £520k of additional government grant income has been received, including £0.25m of support relating to the administration of Covid-19.
- Pressure of £250k in Investment Income. A pressure on the budget is anticipated, as interest rates remain very low following the Bank of England base-rate reduction in March 2020.
- Pressure of £130k in additional costs incurred from the costs of repairs to void Temporary Accommodation properties. The higher than budgeted cost reflects the current high usage of properties for Temporary Accommodation. A revised schedule and scope of works is being undertaken given the current demand levels.

2.4 Strategic Planning and Environment

Table 4 - Strategic Planning & Environment	Current Budget	Forecast	Variance	
	£000	Outturn £000	£000	%
Neighbourhood Delivery	9,954	9,938	(16)	(0.2%)
Planning, Development and Regeneration	818	819	1	0.1%
Finance & Resources	18	54	36	200.0%
Total	10,790	10,811	21	0.2%

2.5 Neighbourhood Delivery - £10k surplus against budget

The position includes ERR funding to support Covid-related pressures against waste services employees' costs and vehicle hire costs. These additional costs have arisen due to ongoing access issues from residents continuing to work from home and staffing challenges.

Also supported by the ERR is a pressure relating to income from the Alternative Financial Model (AFM). No income is expected from the AFM due to high levels of residual waste. This is partially offset by additional income from recycling credits which is expected to over-achieve against budget due to increased tonnage.

2.6 Planning, Development and Regeneration Services are broadly on budget.

There are minor overspends within some Finance and Resources service areas.

3 Housing and Community

Table 5 - Housing & Community	Current Budget	Forecast	Variance	
	£000	Outturn £000	£000	%
Corporate and Contracted Services	564	519	(45)	(8.0%)
Performance, People and Innovation	1,448	1,433	(15)	(1.0%)
Communities	1,442	1,452	10	0.7%
Housing	(1,654)	(1,343)	311	(18.8%)
Total Operating Cost	1,800	2,061	261	14.5%

3.1 Housing - £310k overspend against budget

A pressure of £230k has arisen against the budget for Temporary Accommodation (TA) income.

£110k arises from void properties in the Council's hostels and in properties used for TA. In communal hostels, it is not possible to achieve maximum capacity on all units, as it would be unsafe to do so under current circumstances. In properties being used for TA, there are a high number of void properties due to complexity of the work required to ensure the properties are fit for purpose.

A pressure of £110k relates to a project to convert new units into TA. This has taken longer than anticipated due to the extensive work that is required in converting the properties into suitable accommodation, including obtaining planning permission.

The balance relates to other premises relates costs in the TA service, due to demand on the service.

4 Housing Revenue Account (HRA)

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

4.2 The projected HRA balance at the end of 2021/22 is a deficit of £860k. A balanced outturn position for the HRA can be achieved by either increasing (in the case of an overall surplus) or decreasing (in the case of an overall deficit) the final revenue contribution to capital for the HRA, or by a contribution from or to HRA revenue reserves. This will be a decision for Members to take once the final outturn position for 2021/22 is confirmed.

4.3 Dwelling Rents - £280k under achievement in income

The void rate is running slightly higher than the budgeted 0.8%, at 1.12%. This is particularly attributable to voids at sheltered schemes as a direct result of the pandemic.

4.4 Tenants Charges - £130k under achievement in income

In line with the Dwelling Rent variance, this variance has predominantly arisen due to the increased void level at sheltered schemes.

4.5 Contribution towards Expenditure - £130k under achievement in income

The income budget for minor capital receipts and rechargeable works is not expected to be fully achieved, due to lower activity as a result of the Covid pandemic.

4.6 Repairs and Maintenance - £160k over budget

This variance has arisen due to two factors: firstly, there is an underspend in the £1m budget set aside for a full stock condition survey. It has been decided to carry out a phased process, with a quarter of the council's stock being surveyed this financial year. The unspent portion of this budget will need to be carried forward into future financial years. Secondly, there is increased expenditure from addressing the backlog of work which had built up as a result of the Covid pandemic following limited access to properties. There is a renewed focus on electrical works to ensure compliance and a focus on completing outstanding work while access is permitted.

4.7 Supervision and Management - £170k over budget

This variance is comprised of a number of items including the following:

- £360k underspend on vacancies to be filled later in the financial year and underspend on general budgets where activity is lower due to Covid.

- £140k share of the Transformation programme costs, funded from a reduced revenue contribution to capital (as agreed by Cabinet in June 2021)
- £100k of expenditure required to ensure asbestos compliance
- £140k in additional insurance costs in line with the pressure expected in General Fund budgets as a result of increased insurance premiums.

4.8 Rent, Rates and Taxes - £140k over budget

This pressure has arisen due to Council Tax liability from the change in empty homes discount from 3 months to 1 month. This pressure was seen in 2020/21 and is expected to continue into 2021/22. The budget will be corrected for 2022/23.

5 Housing Revenue Account- Technical and Accounting Adjustments

5.1 In addition to the service-related variances above, technical adjustments have arisen. These surpluses and deficits better reflect the position in the HRA that was seen last financial year and are expected again for this financial year. They can be balanced by a reduction in the revenue contribution to capital

5.2 Interest and Investment Income - £120k under achievement in income

This pressure is expected due to interest rates remaining very low following the Bank of England base-rate reduction in March 2020.

5.3 Interest Payable - £200k surplus

A revised forecast outturn is reported based on an updated interest schedule and interest charges are lower than budgeted.

5.4 Provision for Bad Debts - £500k surplus

Although it is expected that tenants will need the support of the service during a challenging year, the budget allocation is not expected to be required in full. Arrears are down 10% year on year and collection rates are up, therefore the bad provision is estimated to be lower than budgeted. The projected impact of Covid and Universal Credit on bad debt has not been realised to date, with an underspend realised in the last financial year as well.

5.5 Depreciation - £2,300k increase to the forecast

The forecast reflects a more likely outturn position. On completion of the production of the 2020/21 financial statements, the impact of the re-valuations of dwellings that was undertaken has been factored into this year's projections. This increase is in line with the 2020/21 audited financial outturn.

6 Capital Programme

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

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

The current budget is the original budget approved by Cabinet in February 2021, plus approved amendments.

The 'rephasing' column refers to projects where expenditure is still expected to be incurred but will now be in 2022/23 rather than 2021/22 ('slippage'), or conversely, where expenditure planned initially for 2022/23 has been incurred in 2021/22 ('accelerated spend').

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

	Current	Re-	Revised	Forecast	Variance	
	Budget	phasing	Budget	Outturn	£000	%
	£000	£000	£000	£000	£000	%
Finance & Resources	4,017	(318)	3,699	3,867	168	4.2%
Strategic Planning and Environment	2,965	(355)	2,610	2,739	129	4.3%
Housing & Community	3,644	(5)	3,639	3,653	14	0.4%
GF Total	10,625	(678)	9,948	10,259	311	2.9%
HRA Total	26,714	(5,099)	21,616	21,617	2	0.0%
Grand Total	37,340	(5,776)	31,563	31,876	312	0.8%

6.2 General Fund Major Variances

General Fund capital budgets are reporting slippage of £680k with an overspend of £310k. The slippage of £680k includes the following items:

- Line 85: Slippage of £200k on Chipperfield Common Car Park Resurfacing due to delays in securing a suitable contractor for the works.
- Line 86: Slippage of £100k on the Fleet Replacement programme. This slippage is predominantly due to the delays in the supply of orders. The service is experiencing delays of approximately 9-12 months between order and supply. These delays are due to a shortage of raw materials which is impacting production.
- Line 104: Slippage of £280k relating to the renewal of Astroturf at Hemel Sports Centre. The project has experienced delays in securing planning permission and from additional drainage requirements.
- Line 123: Slippage of £100k relating to the Customer Relationship Management (CRM) system. Progress on this scheme awaits the completion of work currently being undertaken to develop the Council's customer strategy.

The overspend of £310k includes the following items:

- Line 82: Additional expenditure of £130k the purchase of wheeled waste bins and boxes for new properties. Waste Services are replacing large volumes of bins that are reaching their end of life.
- Line 103: An underspend of £120k on the resurfacing of Dacorum Athletics track
- Line 113: Additional expenditure of £80k on Town Centre Access Improvements project. The aim of this project is to improve traffic flow and access into the Water Gardens car parks in Hemel Hempstead. The additional spend relates to additional electrical and repair works being required.

6.3 Capital Budget Virement

Movement of budget between capital schemes (virement) was requested between the following schemes at the February 2022 Cabinet meeting:

- Lines 82 and 113: £80k to be vired from budget from the Dacorum Athletics track works (line 82) to the Town Centre Access Improvements project (line 113).

7 Housing Revenue Account Major Variances

7.1 There is estimated slippage of £5.10m in the HRA capital programme. This includes the following items:

- Line 178: Slippage of £1.08m on Planned Fixed Expenditure relating to the Asset Management contract.
- Line 180: Slippage of £0.01m relating to maintenance and electrical contracted works.
- Line 182: Slippage of £0.88m relating to DBC commissioned capital works.

7.2 There is further slippage on some of the Council's New Build Development schemes. More significant items of slippage include:

- Line 189: Slippage of £0.80m on Bulborne. The scheme is awaiting confirmation that the land can be purchased.
- Line 191: Slippage of £1.58m on Eastwick Row. The scheme has been delayed due to challenges in finding an agreeable pre-commencement planning condition around a drainage solution with Herts County flood authority. This has led to a delay in units being delivered. There are also delays arising from contractor trading conditions.
- Line 193: Slippage of £0.34m on Paradise Fields. Timing differences in purchasing the land have occurred due to delays in the planning process.
- Line 197: Slippage of £0.25m on Wilstone following updated forecasts provided by the contractor.
- Line 198: Slippage of £0.14m on Marchmont Fields due to delays in the project being submitted for planning permission.

8 Equalities, Community Impact and Human Rights

8.1 Community Impact Assessments on Council activities are carried out by relevant services with responsibility for those activities. A separate Community Impact Assessment has not been carried out in respect of this report.

8.2 There are no Human Rights Implications arising from this report.

9 Sustainability implications

9.1 There are no specific sustainability implications arising from this report.

10 Council infrastructure

10.1 The content of this report sets out the implications of the Council's activities for its financial resources for 2021-22.

11 Conclusions

11.1 As at Quarter 3 2021/22, there is a forecast pressure of c. £0.13m against General Fund budgets and a forecast deficit of £0.86m against Housing Revenue Account budgets.

11.2 As at Quarter 3 2021/22, General Fund capital budgets are reporting slippage of £0.68m with an overspend of £0.31m. Against Housing Revenue Account capital schemes, budget rephasing of £5.10m is forecast.



Dacorum Borough Council
Revenue Budget Monitoring Report for December 2021 (Cost of Services Analysis By Scrutiny Committee)

	<i>Full Year</i>		
	Budget £000	Forecast Outturn £000	Variance £000
Cost of Services			
Finance and Resources	7,517	7,502	(15)
Housing and Community	1,800	2,061	261
Strategic Planning and Environment	10,790	10,811	21
Net Cost of Services	20,107	20,374	267
Other Items			
Investment Income	(425)	(175)	250
Interest Payments and MRP	1,037	1,037	0
Parish Precept Payments	1,000	1,000	0
Government Grants	(1,968)	(2,488)	(520)
Revenue Contribution to Capital	350	350	0
Taxation (Council Tax and Business Rates)	(15,494)	(15,494)	0
Surplus / Deficit on Provision of Services	(15,500)	(15,770)	(270)
Transfers between Reserves / Funds			
Net Recharge to the HRA	(4,607)	(4,477)	130
Net Movement on General Fund Working Balance	0	127	127

 Housing Revenue Account 2021/22 Outturn Revenue Budget Monitoring Report for December 2021				
	Budget	Forecast	Variance	
	£000	Outturn	£000	%
		£000		
Income:				
Dwelling Rents	(55,465)	(55,186)	279	-0.5%
Non-Dwelling Rents	(102)	(102)	0	0.0%
Tenants Charges	(1,517)	(1,386)	131	-8.6%
Leaseholder Charges	(593)	(593)	0	0.0%
Interest and Investment Income	(192)	(75)	117	-60.9%
Contribution towards Expenditure	(645)	(520)	125	-19.4%
Total Income	(58,514)	(57,862)	652	-1.1%
Expenditure:				
Repairs & Maintenance	11,608	11,769	161	1.4%
Supervision & Management	13,692	13,862	170	1.2%
Rent, Rates, Taxes & Other Charges	36	175	139	386.1%
Interest Payable	11,586	11,385	(201)	-1.7%
Provision for Bad Debts	975	475	(500)	-51.3%
Depreciation	12,905	15,233	2,328	18.0%
HRA Democratic Recharges	341	341	0	0.0%
Revenue Contribution to Capital	7,371	5,484	(1,887)	-25.6%
Total Expenditure	58,514	58,724	210	0.4%
Transfer to / (from) Housing Reserves	0	0	0	0.0%
HRA Deficit / (Surplus)	0.00	862	862	0.0%
Housing Revenue Account Balance:				
Opening Balance at 1 April 2021	(2,892)	(2,892)	0	0.0%
Deficit / (Surplus) for year	0	862	862	0.0%
Proposed Contributions to Reserves	0	0	0	
Closing Balance at 31 March 2022	(2,892)	(2,030)	862	

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2021

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)	
General Fund												
Finance and Resources												
Commercial Assets and Property Development												
46	Strategic Acquisitions	Richard Rice	0	0	0	0	0	0	0	0	0	
47	Service Lease Domestic Properties	Richard Rice	30,000	0	0	0	30,000	8,542	30,000	0	0	
48	Old Town Hall - Cafe Roof and stonework renewal	Richard Rice	0	60,000	0	(60,000)	0	0	0	0	0	
49	Demolition of Civic Centre	Richard Rice	0	0	0	0	0	31,395	0	0	0	
50	Berkhamsted Civic Centre Staircase Renewal	Richard Rice	0	0	0	0	0	1,100	0	0	0	
51	Berkhamsted Civic Centre Lift Renewal	Richard Rice	20,000	0	0	0	20,000	10,865	20,000	0	0	
52	Renew Mains Water Supply to Berkhamsted Civic Centre	Richard Rice	25,000	0	0	0	25,000	10,251	25,000	0	0	
53	Tring Community Centre - new play area for Children's Nursery	Richard Rice	0	11,144	0	0	11,144	0	11,144	0	0	
54	Adeyfield Community Centre Structural Improvements	Richard Rice	17,000	0	0	0	17,000	0	0	(17,000)	0	
55	Boiler Replacement Programme	Richard Rice	140,000	(71,245)	0	0	68,755	0	68,755	0	0	
56	Tring Community Centre - Retaining Wall for New Play Area	Richard Rice	20,000	0	0	0	20,000	0	20,000	0	0	
57	Rossgate Shopping Centre - Structural Works	Richard Rice	0	300,901	0	0	300,901	0	300,901	0	0	
58	Bennettsgate Shopping Centre - External Render	Richard Rice	0	0	0	0	0	0	0	0	0	
59	100 High St (Old Town), Hemel - Window Replacement	Richard Rice	0	14,000	0	0	14,000	0	14,000	0	0	
60	Long Chaulden Roof	Richard Rice	0	55,020	0	0	55,020	0	55,020	0	0	
61	Bellgate - Walkway Renovation	Richard Rice	0	27,000	0	0	27,000	0	27,000	0	0	
62	Bennettsgate - Window Renewal	Richard Rice	0	74,780	0	(74,780)	0	0	0	0	0	
63	Commercial Assets - Shopping Centres	Richard Rice	0	4,897	0	0	4,897	47,440	47,440	0	42,543	
64	Queens Square Canopy Renewal	Richard Rice	0	0	0	0	0	(1,464)	0	0	0	
65	Improvement Works to Market Stores	Richard Rice	0	20,000	0	0	20,000	22,477	22,477	0	2,477	
66	Refurbishment of Dacre House	Richard Rice	450,000	0	0	0	450,000	210,414	450,000	0	0	
67	Renew Surface Water Drains to Henry Wells Square	Richard Rice	40,000	0	0	0	40,000	0	40,000	0	0	
68	Void Commercial Property Refurbishment	Richard Rice	70,000	0	0	0	70,000	86,258	86,258	0	16,258	
69	Bennettsgate - Structural Concrete Improvements & Façade Renewal	Richard Rice	90,000	0	0	(79,500)	10,500	10,238	10,500	0	0	
70	Bellgate - Concrete Renewal & Refurbishment	Richard Rice	25,000	0	0	0	25,000	0	25,000	0	0	
71	Village Centre - Soffits & Facias	Richard Rice	45,000	0	0	0	45,000	0	45,000	0	0	
72	9 High Street Tring, Electrical Works	Richard Rice	21,000	0	0	0	21,000	6,207	21,000	0	0	
73	Broadwater Road Resurfacing	Richard Rice	93,000	0	0	0	93,000	0	93,000	0	0	
74	Gadebridge Park Roadway Improvements	Richard Rice	0	0	0	0	0	0	0	0	0	
75	Allotment Improvement Programme	Richard Rice	40,000	9,590	0	0	49,590	0	49,590	0	0	
76	Stone Works to Charter Tower	Richard Rice	18,000	0	0	0	18,000	1,590	18,000	0	0	
77	Nickey Line Bridge Refurbishment	Richard Rice	50,000	0	0	0	50,000	0	50,000	0	0	
78	Bunkers Farm	Richard Rice	0	0	0	0	0	(2,612)	0	0	0	
			1,194,000	506,087	0	(214,280)	(214,280)	1,485,807	442,701	1,530,085	(17,000)	61,278
Procurement and Contracted Services												
103	Dacorum Athletics Track - Resurface Track	Ben Hosier	0	117,029	0	0	117,029	0	0	0	(117,029)	
104	Hemel Hempstead Sports Centre - Astroturf renewal	Ben Hosier	0	280,000	0	0	280,000	0	0	(280,000)	0	
105	Leisure Works - Replace Pool Cover Structure (Hemel)	Ben Hosier	0	0	0	0	0	(720)	0	0	0	
106	Berkhamsted Leisure Centre Redevelopment	Ben Hosier	0	500,000	0	0	500,000	327,575	577,575	77,575	0	
107	Leisure Centre - Fire Door Improvements	Ben Hosier	0	0	95,000	0	95,000	103,664	103,664	0	8,664	
108	Hemel Hempstead Leisure Centre - Pool Dosing Equipment	Ben Hosier	0	0	50,000	0	50,000	49,220	49,220	0	(780)	
109	Car Park Refurbishment	Ben Hosier	60,000	623,193	0	0	683,193	6,837	683,193	0	0	
110	Multi Storey Car Park Berkhamsted	Ben Hosier	0	0	0	0	0	(329)	(329)	0	(329)	
111	Water Gardens North Car Park Drainage Improvements	Ben Hosier	35,000	0	0	0	35,000	0	35,000	0	0	
112	Multi Functional Devices	Ben Hosier	90,000	0	0	(90,000)	0	0	0	0	0	
113	Town Centre Access Improvements	Ben Hosier	0	391,864	135,314	0	527,178	1,005,682	607,080	(0)	79,902	
			185,000	1,912,086	280,314	(90,000)	190,314	2,287,400	1,491,930	2,055,403	(202,425)	(29,572)

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2021

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)	
Finance and Resources (continued)												
Information, Communication and Technology												
120	Rolling Programme - Hardware	Ben Trueman	75,000	0	0	0	0	75,000	98,214	140,642	0	65,642
121	Software Licences - Right of Use	Ben Trueman	40,000	29,850	0	0	0	69,850	26,000	69,850	0	0
122	Website Development	Ben Trueman	0	0	0	0	0	0	82	0	0	0
123	Future vision of CRM	Ben Trueman	(25,000)	123,600	0	0	0	98,600	0	0	(98,600)	0
			90,000	153,450	0	0	0	243,450	124,296	210,492	(98,600)	65,642
Finance & Governance Management												
91	Civic Zone Regeneration Upgrade (DevCo)	Robin Barton	0	0	0	0	0	0	(1,514)	71,000	0	71,000
			0	0	0	0	0	0	(1,514)	71,000	0	71,000
Legal and Corporate Services												
128	Audio-visual Improvement Works at The Forum	Mark Brookes	0	0	0	0	0	0	42,512	0	0	0
			0	0	0	0	0	0	42,512	0	0	0
	Totals: Finance and Resources		1,469,000	2,571,623	280,314	(304,280)	(23,966)	4,016,657	2,099,925	3,866,980	(318,025)	168,348
Housing and Community												
Communities												
136	Verge Hardening Programme	Layna Warden	350,000	(24,898)	0	(105,102)	(105,102)	220,000	102,346	220,000	0	0
137	Adventure Playgrounds Improvement Programme	Layna Warden	0	0	0	0	0	0	6,224	13,939	0	13,939
138	Capital Grants - Community Groups	Layna Warden	20,000	3,500	0	0	0	23,500	10,000	19,000	(4,500)	0
			370,000	(21,398)	0	(105,102)	(105,102)	243,500	118,570	252,939	(4,500)	13,939
Procurement and Contracted Services												
114	Rolling Programme - CCTV Cameras	Ben Hosier	25,000	1,456	0	0	0	26,456	0	26,456	0	0
115	Alarm Receiving Centre	Ben Hosier	0	33,627	0	0	0	33,627	0	33,627	0	0
116	CCTV Equipment Refresh	Ben Hosier	110,000	(41,713)	0	0	0	68,287	53,555	68,287	0	0
			135,000	(6,630)	0	0	0	128,370	53,555	128,370	0	0
Property and Place												
152	Garages Renewal Programme	Jason Grace	0	0	0	0	0	0	0	0	0	0
153	Disabled Facilities Grants	Jason Grace	741,000	202,842	0	0	0	943,842	519,076	943,842	0	0
			741,000	202,842	0	0	0	943,842	519,076	943,842	0	0
Strategic Housing												
157	Affordable Housing Development Fund	David Barrett	829,000	275,614	0	0	0	1,104,614	254,321	1,104,614	0	0
158	Westerdale (Garage Development)	David Barrett	0	0	0	0	0	0	(401)	0	0	0
159	Temporary Accommodation - creation of new units	David Barrett	300,000	23,386	0	0	0	323,386	19,399	323,386	0	0
160	Aragon Close - Creation of Affordable Housing Move-on Units	David Barrett	0	0	900,000	0	900,000	900,000	32,375	900,000	0	0
			1,129,000	299,000	900,000	0	900,000	2,328,000	305,695	2,328,000	0	0
	Totals: Housing and Community		2,375,000	473,814	900,000	(105,102)	794,898	3,643,712	996,896	3,653,151	(4,500)	13,939

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CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2021

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Strategic Planning and Environment											
Development Management and Planning											
142 Planning Software Replacement	Philip Stanley	0	0	0	0	0	0	8,020	8,020	0	8,020
143 3D Modelling Software for Planning	Philip Stanley	0	60,000	0	0	0	60,000	50,600	50,600	0	(9,400)
144 Tablets for Planning	Philip Stanley	0	20,000	0	0	0	20,000	653	20,000	0	0
		0	80,000	0	0	0	80,000	59,273	78,620	0	(1,380)
Environmental Services											
82 Wheeled Bins & Boxes for New Properties	Craig Thorpe	100,000	0	0	0	0	100,000	174,187	230,000	0	130,000
83 Waste & Recycling Service Improvements	Craig Thorpe	25,000	0	0	0	0	25,000	23,297	25,000	0	0
84 Resurfacing Works and Building Improvement to Depot	Craig Thorpe	0	60,000	0	0	0	60,000	0	0	(60,000)	0
85 Chipperfield Common Car Park Resurfacing	Craig Thorpe	200,000	0	0	0	0	200,000	0	0	(200,000)	0
86 Fleet Replacement Programme	Craig Thorpe	3,111,905	901,345	0	(1,513,250)	(1,513,250)	2,500,000	1,968,543	2,400,000	(100,000)	0
87 Fleet Services Renew Plant & Equipment	Craig Thorpe	0	0	0	0	0	0	(6,397)	0	0	0
		3,436,905	961,345	0	(1,513,250)	(1,513,250)	2,885,000	2,159,630	2,655,000	(360,000)	130,000
Strategic Planning and Regeneration											
84 Urban Park/Education Centre (Durrants Lakes)	Chris Taylor	0	134,015	0	(134,015)	(134,015)	0	0	5,000	5,000	0
85 Maylands Business Centre	Chris Taylor	0	0	0	0	0	0	(9,645)	0	0	0
86 The Bury - Conversion into Museum and Gallery	Chris Taylor	0	53,150	0	(53,150)	(53,150)	0	29,614	0	0	0
		0	187,165	0	(187,165)	(187,165)	0	19,969	5,000	5,000	0
Totals: Strategic Planning and Environment		3,436,905	1,228,510	0	(1,700,415)	(1,700,415)	2,965,000	2,238,871	2,738,620	(355,000)	128,620
Totals - Fund: General Fund		7,280,905	4,273,947	1,180,314	(2,109,797)	(929,483)	10,625,369	5,335,692	10,258,751	(677,525)	310,907

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CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2021

APPENDIX C

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)	
Housing Revenue Account												
Housing and Community												
Property & Place												
178	Planned Fixed Expenditure	Jason Grace	4,635,000	2,242,000	0	0	0	6,877,000	3,565,211	5,799,600	(1,077,400)	0
179	Pain/Gain Share (Planned Fixed Expenditure)	Jason Grace	0	0	0	0	0	0	126,308	0	0	0
180	M&E Contracted Works	Jason Grace	(220,000)	1,320,000	0	0	0	1,100,000	604,105	1,000,000	(100,000)	0
181	Communal Gas & Heating	Jason Grace	(1,000,000)	3,500,000	0	0	0	2,500,000	1,368,949	2,500,000	0	0
182	DBC Commissioned Capital Works	Jason Grace	5,746,000	758,132	0	(1,153,000)	(1,153,000)	5,351,132	1,879,410	4,468,450	(882,682)	0
183	Special Projects	Jason Grace	(47,147)	847,147	0	(750,000)	(750,000)	50,000	(1,105)	50,000	0	0
			9,113,853	8,667,279	0	(1,903,000)	(1,903,000)	15,878,132	7,542,878	13,818,050	(2,060,082)	0
Strategic Housing												
187	New Build - General Expenditure	David Barrett	0	0	0	157,000	157,000	157,000	0	0	27,000	(184,000)
188	Martindale	David Barrett	0	0	0	0	0	0	3,663	0	0	0
189	Bulbourne	David Barrett	823,155	117,165	0	(89,320)	(89,320)	851,000	33,278	48,300	(802,700)	0
190	Coniston Road	David Barrett	925,145	978,087	0	(368,230)	(368,230)	1,535,002	981,371	1,485,002	(50,000)	0
191	Eastwick Row	David Barrett	5,267,730	714,189	0	(3,256,920)	(3,256,920)	2,724,999	876,560	1,146,599	(1,578,400)	0
192	St Margaret's Way	David Barrett	554,645	(18,886)	0	(233,260)	(233,260)	302,499	299,387	317,999	15,500	0
193	Paradise Fields	David Barrett	3,276,000	(846,436)	0	(1,869,565)	(1,869,565)	559,999	73,047	217,004	(342,995)	0
194	Gaddesden Row	David Barrett	(70,985)	69,482	0	0	0	(1,503)	14,705	0	0	1,503
195	Randalls Ride	David Barrett	1,611,820	8,019	0	(1,297,840)	(1,297,840)	321,999	389,876	321,999	0	0
196	Garage Sites - New Build Developments	David Barrett	4,363,935	768,185	0	(2,236,965)	(2,236,965)	2,895,155	2,758,120	2,975,120	79,965	0
197	Wilstone	David Barrett	1,251,000	75,403	0	(501,400)	(501,400)	825,003	570,137	576,143	(248,860)	0
198	Marchmont Fields	David Barrett	3,042,000	53,470	0	(2,835,470)	(2,835,470)	260,000	63,735	123,770	(136,230)	0
199	Paradise Depot	David Barrett	1,660,000	128,548	0	(1,608,550)	(1,608,550)	179,998	64,351	180,548	550	0
200	Cherry Bounce	David Barrett	245,000	265,190	0	(285,190)	(285,190)	225,000	121,514	222,500	(2,500)	0
201	Stoneycroft and Great Sturgess	David Barrett	0	0	0	0	0	0	157,592	184,000	0	184,000
			22,949,445	2,312,416	0	(14,425,710)	(14,425,710)	10,836,151	6,407,335	7,798,984	(3,038,670)	1,503
Totals: Housing and Community			32,063,298	10,979,695	0	(16,328,710)	(16,328,710)	26,714,283	13,950,212	21,617,034	(5,098,752)	1,503
Totals - Fund: Housing Revenue Account			32,063,298	10,979,695	0	(16,328,710)	(16,328,710)	26,714,283	13,950,212	21,617,034	(5,098,752)	1,503
Totals			39,344,203	15,253,642	1,180,314	(18,438,507)	(17,258,193)	37,339,652	19,285,904	31,875,785	(5,776,277)	312,410



FINANCE & RESOURCES

Overview and Scrutiny Committee

Report for:	Finance & Resources Overview and Scrutiny Committee
Title of report:	Finance & Resources Performance Report Quarter 3 2021/22
Date:	March 8 th 2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder for Finance & Resources
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A Finance and Resources Quarter 3 Performance Report Appendix B Finance & Resources Operational Risk Register Quarter 3 2021.22
Background papers:	Previous performance reports to Scrutiny.
Glossary of acronyms and any other abbreviations used in this report:	F&R OSC- Finance and Resources Overview and Scrutiny Committee.

Report Author / Responsible Officer

Nigel Howcutt, Chief Finance Officer



nigel.howcutt@dacorum.gov.uk / 01442 2282662 (ext. 2662)

Corporate Priorities	The provision of effective financial services and the allocation of resources such as assets and facilities support all five of the Council's corporate objectives, with particular reference to <i>Ensuring efficient, effective and modern service delivery</i> and, through Revenues, Benefits and Fraud division, <i>Building Strong and Vibrant Communities</i> .
Wards affected	All
Purpose of the report:	To provide Committee with analysis of quarterly performance within Finance & Resources for the 3 rd Quarter of 2021/22.

Recommendation (s) to the decision maker (s):	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 3, 2021/22.
Period for post policy/project review:	

1. Performance reports are presented to Overview and Scrutiny Committees on a quarterly basis. They provide Members with an opportunity to scrutinise performance against a range of key indicators.
2. Members will find enclosed in Appendix A, the In-phase performance report for Finance & Resources for Quarter 3 of 2021/22 (October - December) and Appendix B the Quarter 3 Finance and Resources Operational Risk Register.
3. The Performance Report, Appendix A, highlights that there are 7 amber KPI's and 5 green where performance is good.
4. There are also 4 out of 16 KPI's that have been reported as red, which is an improvement since quarter two with 2 KPI; s performance turning from red to amber. These are;
 - FIN 03 General Fund Expenditure, this is detailed in the quarter 3 report,
 - RBF01 time taken to complete New Housing Benefit claims. The benefits service is still under a lot of pressure but performance is improving as the impact of covid reduces.
5. The 4 service areas with red rated KPI's are directly impacted by the Coronavirus pandemic, and achieving pre pandemic targets is proving difficult in the current environment, these KPI's are;

- **RBF06 Council Tax customer contact response** – The volume and complexity of the council tax queries, combined with the increase in demand for council tax support has slowed the services performance down. Resources have been re-channelled and an improvement in performance is expected.
- **FIN08 Investment Income** – This income stream is below expectations due to lower than expected interest rates and hence a reduced return on treasury investments.

Interest rates on investments have plummeted in line with the world economy with some council investment funds now returning a 0% rate of return, in 19/20 DBC averaged 0.8% return on investments in 21/22 it is projected to be 0.07%. The 22/23 budget has been revised.

- **FIN02a Time taken for debtors to pay** – This is adversely impacted by the pandemic with debtors taking longer to pay and with a higher proportion choosing to pay via instalments. The service expected debt recovery actions to be back to normal in 21/22 but government policy has meant debt recovery processes are still not back to what the industry would call "normal".
- **CP02 – Percentage arrears on commercial property rents** – The arrears on the commercial portfolio are historically at or around 8% which is considered to be a market leading level.

In the current market the arrears are circa 23% which although higher than historic performance is performing well compared to the sector wide averages.

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

6. The Qtr 3 Operational risk register is attached in Appendix B, there are three changes to the overall Operational Risk scores compared to Quarter 2;

- **Council Tax and Business Rates Collection Rates** drop below budget – The residual risk score has increased from 6 to 8. The present council tax collection is below expected levels and although performance is expected to improve in the final quarter, we are now three quarters of the way through the year and hence the likelihood of this improving back to expected levels has reduced.
- **Delays to Capital Programme** – The residual risk has increased from 6 to 8. Although the impact or consequences of the delay have remained consistent the likelihood of delays is now beginning to crystallise in quarter 3 with limited time to make up ground.
- **Variance in the General Fund Budget** – The Residual risk score has decreased from 8 to 6. The likelihood of general fund variances at this point in the fiscal cycle is reduced given we are three quarters of the way through the financial year. The detailed Quarter 3 financial monitoring report is on the agenda for discussion.

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
CP01	Percentage of commercial property occupation	95.07%	95.00%	95.07%	95.00%	95.40%	95.00%		31 Dec 2021 There are currently 30 void properties on our books. There are 9 properties (30 %) under offer. 21 void properties (70%) need refurbishment or substantial remedial works before they can be marketed. Covid - 19 pandemic is still having a detrimental impact on lettings in the short to medium term as businesses face a number of challenges. Legal completions are taking longer as applicants, while keen to bid, are hesitant to complete legal paperwork which affects our completion figures.
CP01 (D)	Number of commercial properties	609		609		609		n/a	
CP01 (N)	Number of commercial properties occupied	579		579		581		n/a	
CP02	Percentage arrears on commercial property rents	23%	9%	25%	9%	14%	9%		31 Dec 2021 The overall debt level is 22.89%. This month's arrears percentage has risen as commercial service charge reconciliation sums fell due. Please note that reminders are being issued and the majority of tenants are being chased but due to the Government moratorium no formal legal debt collection can be undertaken. Many businesses still have not benefitted from a sustained trading period due to recent lockdown restrictions. We are assisting tenants where possible with deferred payment plans and we will recoup these sums over time (approx. 42% of the debt).
CP02 (D)	Total rent for commercial properties	£4,939,772		£4,939,772		£5,877,130		n/a	
CP02 (N)	Total arrears on commercial properties	£1,130,906		£1,241,568		£812,880		n/a	
FIN11	Investment Property Income ytd budget against ytd actual	£4,950,534	£4,086,880	£3,612,105	£2,983,220	£4,934,570	£4,954,937		31 Dec 2021 This target measures income invoiced and is currently 21.1% above target

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Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
FIN01	Percentage of creditor trade invoices paid within 30 days	99.8%	96.0%	99.5%	96.0%	99.4%	96.0%	↓	31 Dec 2021 Performance against this indicator continues to be strong due to the efforts of officers across the Council and the Council's payments team.
FIN01 (D)	Number of creditor trade invoices that will reach 30 days in period	857		931		1,082		n/a	
FIN01 (N)	Number of creditor trade invoices paid within 30 days	855		926		1,075		n/a	
FIN02a	Time taken for debtors to pay	56.1	40.0	61.4	40.0	59.0	40.0	↓	31 Dec 2021 Performance against this indicator continues to be adversely impacted by the Coronavirus pandemic. Debtors are taking longer to pay, with a higher proportion paying via instalments. Government policy means that restrictions on debt enforcement activity are expected to continue to the end of the financial year. We continue to engage with the Council's debtors to maximise income collection as far as possible, mindful of the economic impact of the pandemic on our residents and businesses.
FIN027	General Fund expenditure - outturn forecast against budget	£20,395,000	£20,107,000	£21,260,000	£20,107,000	£27,219,000	£20,599,000	↓	31 Dec 2021 The position reported is that as at the end of November 2021, the latest approved position. Performance against this indicator is below target and broadly at same level as the previously reported period. Pressures within the position arising from the pandemic are fully funded from the Economic Recovery Reserve, an approach previously approved by Members. There are also pressures across General Fund services arising from 'business as usual' activities such as temporary accommodation costs. These pressures are being closely monitored, with the overall financial position of the authority formally reported to Members on a quarterly basis.

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
FIN04	HRA expenditure outturn forecast against budget	£58,629,000	£58,513,600	£57,955,000	£58,513,600	£56,354,000	£57,917,000	↕	31 Dec 2021 The position reported is that as at the end of November 2021, the latest approved position. Performance against this indicator is below target. Forecast expenditure has increased from the previous reported period as vacancies are now expected to be filled. There are pressures against insurance costs and council tax costs relating to empty homes. The overall financial position of the HRA is reported to Members on a quarterly basis.
FIN05	HRA income - outturn forecast against budget	£57,837,000	£58,514,000	£57,954,000	£58,514,000	£57,390,000	£57,917,000	↕	
FIN06	General Fund Capital Expenditure - outturn forecast against budget	£9,771,656	£9,490,000	£11,699,852	£11,699,852	£11,350,510	£12,635,139	↕	31 Dec 2021 The performance reported is that as at the end of September 2021, the latest approved position. The overspend reported relates largely to town centre access improvements. A supplementary budget, to be grant funded, has since been approved to support this spend via the quarterly financial monitoring report to committee.
FIN07	HRA Capital Expenditure: outturn forecast against budget	£26,715,786	£41,360,000	£38,413,483	£43,042,993	£20,624,450	£23,275,981	↕	31 Dec 2021 The performance reported is that as at September 2021, the latest approved position. Forecast expenditure is broadly on budget.
FIN08	Investment income: outturn forecast against budget	£115,320	£492,000	£87,060	£492,000	£214,640	£492,000	↕	31 Dec 2021 Performance against this indicator is below target . This is due to a reduction in interest rates which is impacting the Council's return on its investments. Performance against this indicator has improved from last month's performance. Investment decisions continue to be taken carefully and in line with the Council's Treasury Management Strategy.

Revenue, Benefits & Fraud

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
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Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
RBF01	Average time taken to decide a new claim for Housing Benefit	18.5	17.0	20.9	17.0	19.5	17.0	↓	31 Dec 2021 Resources across the service continue to be stretched by the administration of the Test and Trace Isolation Payments Scheme. As applications have risen, it has become increasingly difficult to provide the core aspects of the service. In light of this, the current performance is very good.
RBF01 (D)	Number of new Housing Benefit claims in period	148		221		219		n/a	
RBF01 (N)	Total days taken to decide new Housing Benefit claims in period	2,624		4,812		4,465		n/a	
RBF02	Average time taken to decide a change event for Housing Benefit	5.9	10.0	7.3	10.0	5.7	8.0	↓	31 Dec 2021 Performance in this area continues to be very good
RBF02 (D)	Number of change event Housing Benefit claims in period	2,446		2,670		4,257		n/a	
RBF02 (N)	Total days taken to decide change event Housing Benefit claims in period	16,609		21,697		22,633		n/a	
RBF04	NNDR (Business Rates) in-year collection rate	73.1%	74.4%	46.7%	47.3%	71.5%	76.6%	↑	31 Dec 2021 The unique profile of retail, hospitality, leisure relief this year means that prior year comparison remains unhelpful. Indications are that year-end collection will show some improvement from last year, but still be lower than pre-COVID expectations.
RBF05	Council Tax collection rate	83.2%	84.9%	56.1%	57.0%	83.2%	84.9%	↑	31 Dec 2021 The percentage collection level this year is currently in line with last year, although this does still mean that we have collected £4.9 million more than last year. We presently expect to finish the year at a level of around 97.3% - this would be higher than last year, although still lower than in pre-pandemic times.

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
RBF06	Council Tax customer contact response (percentage of contacts responded to within 14 days)	77%	98%	73%	98%	89%	98%	↕	31 Dec 2021 Performance in this area has improved since the previous quarter, with some additional temporary resource supporting the team. Unfortunately a sickness absence within the team during December means that it has not improved as much as we had hoped. We are continuing to work to introduce process changes which will automate some tasks and free officers to concentrate on the more complex work.
RBF06 (N)	Number of council tax customers contacting DBC responded to within 14 days	6,914		6,763		8,336		n/a	

Finance & Resources Operational Risk Register

December 2022

Summary

Risk Name	Risk Owner	31-Dec-21			
		Risk Consequence	Risk Likelihood	Status	Status
		Actual	Actual	Actual	Update
Council Tax & Business Rates collections rates drop below budgets	Nigel Howcutt	2	4	8	<p>Quarter on quarter there has been an increase of 1 in the likelihood of the In-year Collection rates not being achieved, this increases the overall risk by 2.</p> <p>The In-year Collection rates in 21/22 started strongly in the first half of the year and have tailed off over quarter 3. This is a trend that is being seen across the Hertfordshire county. The Council Tax at quarter 3 is behind expected levels as detailed in the quarterly performance report, KPI RBF05.</p> <p>It is expected that the year-end collection rates for council tax will remain behind target by circa 0.8%. The 21/22 collection of previous year's council tax arrears is performing positively and ahead of expectations with collection arrears double those of recent years, which is equivalent to 0.7% collection rate improvement ahead of expectations.</p> <p>This improvement assists in offsetting the impact of the in-year collection shortfall and hence at present is resulting in no expected budget pressures for 22/23. If collection rates on the whole continue to decline going forward there is a risk that future Medium Term Financial Strategy assumptions may need adjusting, and this would impact on the savings requirement in the medium term.</p>
Delays and errors in the processing of Benefits claims	Nigel Howcutt	2	3	6	<p>No Change to the risk score in Quarter 3. The impact on the benefits service of Covid is still ongoing which is providing mixed performance results. Dealing with existing client queries is performing in line with expectations but the time taken to process new claims is still performing slower than pre covid expectations. A combination of the surge demand on the benefits service from the surge in test and trace applications in quarter 3 with a slower process to complete new</p>

					applicants due to covid changes means the service still has room for improvement on the stretch targets that are expected.
Delays to capital programme	Nigel Howcutt	4	2	8	<p>The mitigated probability score has been increased from 3 to 4, as it is very likely that overall capital spend in the year will be below expectations. At this point in the year it is unlikely that this will change and slippage in 22/23 with a revised programme of delivery is being created.</p> <p>The capital programme is showing significant slippage with an additional £5.8m of slippage across the HRA and General Fund at quarter 3. The impact is predominantly on the HRA, showing a £5.1m quarter 3 slippage. There are a combination of reasons as discussed in the budget monitoring reports, these include; slower planning approvals than expected, a shortage of materials and skilled labour in the wider construction sector.</p>
Failure to optimise income generated by commercial assets	Nigel Howcutt	3	3	6	<p>No Change in risk Score.</p> <p>The commercial assets service is outperforming budgeted expectations by over £600k, and current void levels at circa 5% are in line with expectations and pre covid performance levels.</p>
variances in general fund revenue budget	Nigel Howcutt	3	2	6	<p>A reduction from 3 to 2 in the mitigated probability of the General Fund producing a variance in 21/22. Overall risk reduces to 6 from 8, the likelihood of unknown events that create additional in year variances decreases as there is less time for changes in service provision.</p> <p>The general fund variance as at quarter 3 is £130k, equivalent to less than 1% of the net cost of services. There is an expectation that budget holders will improve performance to ensure a balanced budget by year end.</p>

Detail	Status
Council Tax & Business Rates collections rates drop below budget	
Risk Owner	Nigel Howcutt
Portfolio	Finance & Resources
Risk Description	Council Tax & Business Rates collections rates drop below budget
<p>Comments</p>	<p>Quarter on quarter there has been an increase of 1 in the likelihood of the In-year Collection rates not being achieved, this increases the overall risk by 2.</p> <p>The In-year Collection rates in 21/22 started strongly in the first half of the year and have tailed off over quarter 3. This is a trend that is being seen across the Hertfordshire county. The Council Tax at quarter 3 is behind expected levels as detailed in the quarterly performance report, KPI RBF05.</p> <p>It is expected that the year-end collection rates for council tax will remain behind target by circa 0.8%. The 21/22 collection of previous year's council tax arrears is performing positively and ahead of expectations with collection of 20/21 arrears double those of recent years, which is equivalent to 0.7% collection rate improvement ahead of expectations.</p> <p>This improvement assists in offsetting the impact of the in-year collection shortfall and hence at present is resulting in no expected budget pressures for 22/23. If collection rates on the whole continue to decline going forward there is a risk that future Medium Term Financial Strategy assumptions may need adjusting, and this would impact on the savings requirement in the medium term.</p>
<p>Controls & Assurances</p>	<p>The following controls aim to identify as quickly as possible if the Council is falling behind on its collection rates target for the year. If a problem is identified, the Council is then able to invoke a range of options to minimise the ongoing negative impact on collection.</p> <p>Profiled monthly collection rates are monitored monthly - see KPIs RBF04 and RBF05. Reasons for variances are then investigated in order to address problems quickly as possible.</p> <p>Direct debit payment is recommended for all customers. The direct debit method reduces the risk of under-collection because it eliminates the risk of a payer forgetting to make a monthly payment.</p> <p>There is an active programme for taking formal recovery action against non-payers.</p>
<p>Evidence Risk is being managed</p>	<p>In 2018/19 and 2019/20 Business rates and council tax collection achieved or exceeded budgeted levels. The collection rates achieved are above national averages and specifically business rates collection was in the upper quartile of national performances.</p>

Consequences / Impacts	<p>Distribution of collection fund to other preceptors is based on the budgeted collection level, if collection falls short this could lead to a cash flow issue within the Council's finances. The fund distribution is balanced after the end of the financial year.</p> <p>Reputational risk if collection rate falls significantly – this could also impact on future years' council tax base leading to increased budget pressures.</p> <p>Financial risk in relation to business rate retention scheme if rates collection falls below government set baseline.</p>
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Delays and errors in the processing of Benefits claims	
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Risk Owner	Nigel Howcutt
Portfolio	Finance & Resources
Risk Description	Delays and errors in the processing of Benefits claims
Comments	<p style="color: red;">No Change to the risk score in Quarter 3. The impact on the benefits service of Covid is still ongoing which is providing mixed performance results. Dealing with existing client queries is performing in line with expectations but the time take to process new claims is still performing slower than pre covid expectations. A combination of the surge demand on the benefits service from the surge in test and trace applications in quarter 3 with a slower process to complete new applicants due to covid changes means the service still has room for improvement on the stretch targets that are expected.</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 34</p>	<p>Controls & Assurances</p> <p>The controls in place aim to mitigate this risk by closely monitoring performance to assist with effective decision-making around resource allocation. This is a heavily process driven service area and close monitoring also helps to identify bottle necks in the process which need to be improved to optimise performance. By subjecting the process to this regular in-depth scrutiny the Service is able to reduce the probability of the risk crystallising, hence the reduction between the Inherent Risk score (4) and the Residual Risk score (2) after the controls have been taken into account.</p> <p>Quality checking and individual performance management is in place. These mean that each officer has targets for their personal productivity and accuracy, and information from quality checks is fed back in order to sustain improvement.</p> <p>Average time taken for processing new claims and changes in circumstances forms part of monthly monitoring.</p> <p>Processes are in place to expedite cases where the customer is vulnerable or facing eviction. These processes start when a case is identified within benefits, or by customer services, homelessness, housing etc.</p>
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Evidence Risk is being managed	<p>The 20/21 financial year has seen a surge in new cases and changes to existing claimants. The service have had to introduce new ways of working to deal with the new cases during covid. The performance on changes to existing housing benefit cases has remained strong with performance in Qtr. 4 being the strongest achieved in over 18 months.</p>
Consequences / Impacts	<p>This risk links to the corporate objective Dacorum Delivers, focussing on an efficient and effective council.</p> <p>Customers could suffer personal hardship resulting from delays or errors in the processing of claims.</p> <p>Significant reputational risk associated with high-profile errors.</p> <p>Staff time spent on addressing unnecessary errors leads to duplication of effort and is an inefficient use of resources.</p> <p>Government subsidy for housing benefit expenditure is based on external audit certification of the claim made. There is financial risk if errors on cases are identified during their testing.</p> <p>Communications with claimants needs to be well written and jargon-free in order to reduce the risk of repeat queries which puts pressure on limited staff resources.</p>
Delays to Capital programme	
Risk Owner	Nigel Howcutt
Portfolio	Finance & Resources
Risk Description	Delays to Capital programme
Comments	<p>At present construction projects are impacted by 3 main uncertainties;</p> <ol style="list-style-type: none"> 1. Supply and cost of construction materials, 2. Shortage of supply of skilled professional tradespeople, 3. Planning approval processes being slower than usual. (Especially those including external government bodies/agencies). <p>These factors are making planning, procurement and delivery of capital projects more uncertain. At present the general fund capital programme has only shown small signs of slippage but the HRA capital programme is expected to slip by up to 50% in year.</p>

<p>Controls & Assurances</p>	<p>The controls that have been implemented to mitigate this risk target the robustness of capital bids both at the time they are submitted and throughout the delivery phase of the projects.</p> <p>In particular, scrutiny is focussed on those elements of the capital bid that experience indicates are the primary cause of delays to capital projects. These include</p> <ul style="list-style-type: none"> • How robust are the assumptions on the estimated duration of the procurement exercise? • How realistic is the estimated time taken for contractors to deliver the works? • How realistic are the assumptions on officer availability to manage the project on time? <p>The rationale behind this approach is that an increased culture of challenge will lead to more realistic programming of future capital projects, and therefore a reduced likelihood of slippage.</p> <p>The following controls are in place with a view to developing a culture of scrutiny and challenge for officers to improve the accuracy of future bids:</p> <ul style="list-style-type: none"> • Monthly meetings take place between accountants and budget holders to monitor progress against original timeframes and costs; • Corporate Management Team (CMT) receive a quarterly report on the progress of capital projects against anticipated timeframes; • Performance Group comprising Chief Officers and cabinet Members receive a monthly report on the progress of current projects; • Reports go to Cabinet and all Overview and Scrutiny Committees (OSC) every quarter. These reports have been redesigned to focus on the more immediate risk of in-year delivery, highlighting higher risk areas to invite closer scrutiny from Members.
<p>Evidence Risk is being managed</p>	<p>The General Fund and New House Building capital programmes will be concluded but the timeframes have extended as a result of covid. There is no significant financial pressures in the capital programme the majority of projects been delivered to budget.</p>

Consequences / Impacts	<p>Many of the major projects within the Capital Programme are fundamental to delivery of the Council's corporate objectives. Therefore significant delays can impact on the achievement of the corporate plan.</p> <p>Financial decision-making is negatively affected if the timing of projects in the Capital Programme is wrong. This can result in lost investment income or increased interest costs as the Council moves closer to the point where it will need to borrow.</p> <p>The estimated delivery date is considered as part of the decision to allocate capital funds to one project over another. If estimated timings are not accurate, there is a risk that the allocation of funds is not being decided on appropriately.</p> <p>If inaccurate project management is tolerated, there is a risk that the culture of financial management across the Council will be negatively affected which will have consequences for wider financial decision-making.</p> <p>Not delivering major projects within the timeframe to which it has committed itself exposes the Council to reputational risk.</p>
Failure to optimise income generated by commercial assets	
Risk Owner	Nigel Howcutt
Portfolio	Finance & Resources
Risk Description	Failure to optimise income generated by commercial assets
Comments	<p>At quarter 3 Commercial Property is achieving a budget surplus of circa £600k, and overall occupancy is at circa 95% achieving pre Covid performance levels.</p> <p>The government's Covid moratorium running to March 2022, prevents any formal legal debt collection or evictions, which means although debt is being raised and reminders issued the council has no legal challenge to assist in debt recovery. The debt levels have increased as a result but they are still within in-year projected levels.</p> <p>When the moratorium ceases the service will need to work closely with these businesses to achieve the best outcome all round. Present levels of affordable payment plans in operation are already twice the pre-covid levels.</p>

<p>Controls & Assurances</p>	<p>The following controls aim to mitigate the risk of under-performance of the Council's commercial assets by maintaining good communication links between relevant Council services, and by regularly monitoring performance against targets (see KPIs CP01 and CP02) to ensure that underperformance is identified and addressed as quickly as possible. The existence of these controls has led to the 'Inherent Probability' of this risk occurring reducing from a score of 4, which is shown in the Residual Probability (i.e. after controls implemented) being a 3.</p> <p>Estates officers responsible for negotiating rent reviews hold monthly meetings with the Debtors team to track current bad debtors. This increases their understanding of the economic pressures businesses are facing, and how it can impact on council income.</p> <p>There are currently In Phase performance targets to maintain the number of voids (empty properties) below 5%, and to keep the rent arrears below 10%. Failure to meet either of these targets would prompt further investigation.</p>
<p>Evidence Risk is being managed</p>	<p>In 2018/19 the commercial property service achieved occupancy of 96.2% with rent arrears of only 5%. This performance is above the targeted KPI levels and well ahead of commercial expectations.</p> <p>This was followed by another strong yearly performance in 19/20, with occupancy above 96% and arrears below 7%.</p> <p>In 20/21 the occupancy level remained strong at 95% with arrears increasing to 15% in 20/21. Arrears are significantly below the market average with some large landowners declaring up to 80% arrears for 20/21.</p>
<p>Consequences / Impacts</p>	<p>The council has a significant portfolio of commercially let properties, which provides one of the council's largest sources of income.</p> <p>Council officers must attempt to maximise income from these assets whilst avoiding the risk of vacant properties and increasing bad debts, which could arise if rents are set too high, and would jeopardise the council's achievement of its corporate objectives of Regeneration and Dacorum Delivers.</p> <p>The continuing economic recovery and the difficulties it brings for local businesses increases the likelihood of this risk crystallising.</p>
<p>Variances in General Fund revenue budget</p>	
<p>Risk Owner</p>	<p>Nigel Howcutt</p>
<p>Portfolio</p>	<p>Finance & Resources</p>
<p>Risk Description</p>	<p>Variances in General Fund revenue budget</p>
<p>Comments</p>	<p>A reduction from 3 to 2 in the probability of the General Fund producing a variance in 21/22. Overall risk reduces to 6 from 8, the likelihood of unknown events that create additional in year variances decreases as there is less time for changes in service provision.</p> <p>The general fund variance as at quarter 3 is £130k, equivalent to less than 1% of the net cost of services. There is an expectation that budget holders will improve performance to ensure a balanced budget by year end.</p>

Controls & Assurances	<p>The following controls aim to reduce the probability of there being a variance in the General Fund Revenue Budget by ensuring that there is strong challenge put to Budget Holders on the robustness of their assumptions, from a range of audiences.</p> <p>It is intended that these controls will increase the opportunity for flawed assumptions to be exposed as soon as possible, as well as incorporating a stronger culture of financial management across the Council leading to continuous improvement in the setting of accurate budgets.</p> <p>The annual budget-setting process consists of an ongoing scrutiny process in which senior officers from across the Council, together with the Financial Services team, challenge the following year's budget bids from Group Managers.</p> <p>This scrutiny process is augmented by the Budget Review Group (BRG), consisting of Chief Officers and representatives from the Portfolio Holder group, which provides early Member-level challenge.</p> <p>There are two opportunities for OSCs to scrutinise the budget proposals and directly question the relevant officers before the budget report is finalised and considered by Cabinet and Council.</p> <p>Once approved, in-year budget performance is managed through monthly meetings between accountants and budget holders, which underpin monthly reports to CMT and quarterly reports to Cabinet and OSCs.</p> <p>The Council's Financial Regulations provide a guide to all budget-holders and are subject to annual review.</p>
Evidence Risk is being managed	<p>In the last 5 financial years the council has delivered either a balanced budget or a surplus in regards to financial performance. In 20/21 the pandemic had a significant impact on the council's income generation and hence created a financial pressure. The revised MTFS set up the Economic Recovery Reserve to provide additional medium term support of the council's income generation. This allowed for the 20/21 financial budget pressure to be funded and also supported the medium term financial recovery.</p>
Consequences / Impacts	<p>Accurate, well-controlled budgeting relates directly to the achievement of the Dacorum Delivers corporate objective, and indirectly, through the financial decision-making process, to the achievement of all of the Council's corporate objectives.</p> <p>Inaccurate budgeting negatively affects the Council's ability to make evidence-based decisions. A significant underspend at year-end could indicate that funds have been needlessly diverted from a competing priority. A significant overspend at year-end could result in reserves being used to support lower priority objectives. Both of these could result in reputational damage for the Council.</p> <p>Failure to address the causes of inaccurate budgeting could negatively impact the Council's culture of financial management, which in turn increases the risk of poor financial decision-making.</p>



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Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Quarter 3 Performance Report – Corporate and Contracted Services
Date:	
Report on behalf of:	Councillor Andrew Williams, Portfolio Holder for Corporate and Contracted Services
Part:	I
If Part II, reason:	N/A
Appendices:	Quarter 3 Performance Report
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	

Report Author / Responsible Officer

Mark Brookes, Assistant Director (Corporate and Contracted Services)



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Corporate Priorities	<ul style="list-style-type: none"> A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
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Wards affected	All
Purpose of the report:	To provide Members with the performance report for quarter three in relation to Corporate and Contracted Services.
Recommendation (s) to the decision maker (s):	That Members note the report.
Period for post policy/project review:	Quarterly

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

The Legal Team

4. The Legal team frequently represent the Council in the courts and tribunals, leading on injunctions, prosecutions and defending employment tribunal cases and judicial review proceedings. In the last quarter the Legal team presented the following cases in court:-

Matter	Client/type	Case Detail
Taxi Licensing prosecution	DBC – v- Zahoor Khan	Listed at St Albans Mags Court on 24th November 2021 No Insurance offence £150.00 Endorsement on licence - 6 points 7 March offence £80, 8 March offence £80, 13 March offence £80.00, V.S= £34.00 Costs of £600.00

		Total: £1,024
Environmental Health -- Fly-tipping	DBC – v Rupert Brown trading as RB Fencing	Listed at St Albans Mags Court on 10 November 2021 Fine: £6000, Victim surcharge: £170 Costs: £2,500. Total: £8670
Environmental Health – Health & Safety Prosecution	R (via DBC) – v - Dacorum Sports Trust	Breach of health and safety resulting in two incidents where service users fell from a climbing wall and sustained injuries. Matter heard at Peterborough Crown Court on 17/12/2021 – Defendants fined £33,333. Victim surcharge £170 Costs £41,953.70 Total: £75,456.70

The Licensing Team

5. Key updates for the team are as follows:

- On 30th November 2021 Licensing Enforcement Policy and Sex Establishment Licensing Policy were considered by the Licensing and Health and Safety Enforcement Committee. The reviewed policies were agreed in full and set to be implemented.

- On 7th December 2021 the Licensing Committee considered an application for a new premises licence. There were objections to this by a local resident and four residents who were in favour of the application. After hearing all the evidence and after due deliberation the Licensing Committee granted the Premises Licence in full.
- In respect of Hackney Carriage and Private Hire drivers, six strikes were issued against drivers who had infringed the regulations in respect of parking vehicles unattended on a taxi rank and a private hire vehicle using a taxi rank to park while shopping. A further strike was issued for a hackney carriage operating without a roof sign.
- There have been several Temporary Event notices and other licenses issued by staff and two officers have been kept busy with Animal Licensing visits and renewal applications. Also there is a review and change to the Animal Licence procedure that will come into force in January 2022 so officers are involved in updating licence holders and the Council web pages.
- We were unable to recruit to the vacancy of Licensing Team Leader and an interim member of staff was appointed.

Corporate and Democratic Support

6. During Quarter 3, Corporate and Democratic Support carried out the following:-

- Supported 20 committees (including agendas & minutes)
- Supported 12 corporate meetings
- Processed 5 Portfolio Holder Decisions
- Processed 5 Officer Decisions
- Delivered 2 Member Development sessions;
 - 1st November- Licensing training part 1
 - 4th November – Licensing Training part 2

Mayoralty

During Q3, the Mayor's Office had a number of exciting upcoming event opportunities – which are listed below:

- Remembrance Sunday took place in November, after two years of being unable to go ahead. The event had a huge turnout and was a great success

within the community. The Mayor's Office had to take more responsibility from previous years, due to the DSAG changes and requirements needed within the Borough.

- In November, proposals were underway for the Queens Platinum Jubilee (which will be taking place in June). The proposals needed to be finalised and pitched forward to SLT, ensuring that the event tied in with the Bruno Peek Foundation outlines and the community.
- The transfer of Armed Forces Day was confirmed from the Community Partnership team to the Mayor's Office. The event also takes place in June and is for around 3,000 – 5,000 people. After designing a pitch and getting approval through Cllr. Banks, the event planning begun and was underway.
- Invitations and planning began for the Mayors upcoming Civic Dinner.
- The Mayor attended the DENS annual sleep out alongside Cllr. Griffiths (as this is his chosen charity). The event raised over £50,000 and was a huge success.
- We received confirmation that the Tring Park Musical would be going ahead and began marketing ticket sales for this event, as a community fundraiser towards the Mayors chosen charity, DENS.

Digital Print & Post Room

During Qtr 3 the team;

- Processed and franked a total of 72,805 outgoing mail items, at a total cost of £34,513.68 (includes HVCCG & CAB which is recharged)
- Processed 718 cheque transactions and 14 cash receipt transactions
- Facilitated weekly **Confidential waste** collections to following total weights:
 - The Forum – 1770 kg
 - Cupid Green Depot - 138 kg

In addition;

Arranging external courier deliveries of ICT equipment to addresses of employees working from home outside the borough.

Arranging in-house courier deliveries of ICT equipment within the borough.

Printing of all external mail for all departments

Various incoming post items being electronically sent to recipients not using Information@Work

7. Electoral Services

Electoral Registration

Throughout Q3 the Electoral Registration Team do not issue updates to the register due to the forthcoming annual canvass, therefore the below amendments are for December only.

➤ Changes	30
➤ Deletions	308
➤ Additions	151
➤ Movers	36

Annual Canvass

Throughout Q3 the annual canvass saw the successful completion of the Personal canvass in October, where canvassers called at over 5500 properties. The response rate was 34%. The canvassers all completed their allocated areas on time and in a professional manner. Covid secure precautions were put in place and all PPE equipment required was provided to them.

In addition, the Electoral Services team completed the Telephone Canvass. Due to the volume of calls required and the resources available, calls were prioritised based on the lower response areas for 2020 and those who did not have a personal canvasser allocated to that area this year. Based on the amount of calls made, the response rate was 23%. This is an area for further consideration in 2022 to see if it is a viable exercise compared to the resources required.

The Route 3 canvass was completed and proved to be very successful receiving a 100% return. All forms were processed and many new potential electors were added.

As a result of all of the above canvassing methods, 100's of Invitations to register were issued, returned and processed. Reminders were also sent to those who did not respond.

November was a canvass completion month. Therefore all processing was completed, all final data checks carried out, all pre-publication checks and reporting completed and final preparations for register distribution were concluded.

The team worked extremely hard throughout the whole canvass to ensure all data was accurate, processed on time and maintained a high level of customer satisfaction.

The annual canvass completed on the 30th of November 2021 and ended with a 95.3% response rate which is a great achievement and matched the response from 2020.

Electoral Register

As part of the data cleansing prior to publication, the team carried out checks on property/elector notes, checked for properties without postcodes, reviewed street lists and contacted anyone who had changed their name who had a postal vote, but had not updated their signature form.

The revised 2021 Register of Electors was successfully published on the 1st of December. All versions were distributed to those who requested, payments were processed and all hard copies allocated to those who required it.

In addition, further register checks were carried out to help maintain the register, such as: Property classifications, elector markers, names changes for postal voters and proxy validation checks, post publication pre distribution property moves.

The number of new properties to be added to the register has also significantly increased during this period, these have all been included on the register and sent a canvass form.

Staff Training

During Q3 the team attended:

- The Electoral Commissions training on Performance Standards as a revised set has now been published.
- the Association of Electoral Administrators (AEA) training on Boundary Reviews
- the Association of Electoral Administrators (AEA) training on Common Challenges at the Count.

The team is continuously updating and refreshing their skills and knowledge and always keep up to date with changing legislation.

Elections

The Notice of Elections for the Berkhamsted West Ward, Berkhamsted Town Council West Ward and Boxmoor Ward were published on the 29th of December 2021. This therefore started the statutory election timetable

Election staff database

A number of checks have been carried out and completed in order to maintain the database. All staff were contacted to ask for further contact information. This will be continually reviewed and monthly updates are now sent to Payroll so they can also maintain the Election Payroll database.

Printing tender

The tendering process for the Elections and Electoral Registration printing contract were carried out and completed during Q3. Following all scoring and checks, the successful bidder was selected (Sci Print Ltd) and an Officer Decision was produced (this is pending approval at the time of writing).

8. Procurement

A number of procurement exercises and projects have been ongoing:

- Paradise Fields New Build Scheme (£15.5m / 2 years)
- Asbestos removal contract for Housing (£1m / 4 years)
- Temporary Agency Staff (still scoping the procurement but estimated to be £2m per annum)

- Stair lift contract for Housing Properties (£900k / 5 years)
- Telecoms renewal contract (still scoping the procurement but estimated to be £70k per annum)
- Purchase of Light Commercial Vehicles (£1.007m / 4 years)
- Rossgate Shops Window Replacement (£300k / 3 months)
- Fire Safety work to Housing Properties (£12m / 4 years)

9. Parking Services

The Covid-19 pandemic continues to have negative impact on usage in Council owned car parks and this has had a significant impact on the number of parking sessions and Penalty Charge Notices being issued, both of which have financial implications.

Parking Sessions

2021/22	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	11,499	11,964	12,806	13,388	11,553	11,908	11,350	10,432	9,190			
Off Street	59,941	67,054	68,143	70,854	68,332	65,756	69,302	70,389	75,213			
Total	70,527	79,018	80,949	84,242	79,885	77,664	80,652	80,821	84,403			

2020/21	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	2,066	3,005	7,870	12,737	11,756	13,481	13,178	9,841	8,429			
Off Street	12,941	19,988	39,723	58,406	78,878	67,757	71,987	30,318	76,532			
Total	15,007	22,993	47,593	71,143	90,634	81,238	85,165	40,159	84,961			

2019/20	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	16,817	17,681	17,184	18,048	16,144	16,252	17,774	17,423	16,756			
Off Street	97,975	105,540	102,656	90,347	88,084	87,541	88,121	86,099	89,501			

Total	114,792	123,221	119,840	108,395	104,228	103,793	105,895	103,522	106,257			
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Difference	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	-5,318	-5,717	-4,378	-4,660	-4,591	-4,344	-6,424	-6,991	-7,566			
%	-32%	-32%	-25%	-26%	-28%	-27%	-36%	-39%	-45%			
Off Street	-38,034	-38,486	-34,513	-19,493	-19,752	-21,785	-18,819	-15,710	-14,288			
%	-39%	-36%	-34%	-22%	-22%	-25%	-21%	-18%	-16%			
Total	-44,265	-44,203	-38,891	-24,153	-24,343	-26,129	-25,243	-22,701	-21,854			
%	-39%	-36%	-32%	-22%	-23%	-25%	-24%	-22%	-21%			

Lockdown 1 was from April 2020 to June 2020

Lockdown 2 was during November 2020

Lockdown 3 was from January 2021 to April 2021

Omicron variant commenced in December 2021

The number of parking sessions during Q3 in 2021/22 against 2019/20 (pre-Covid) is running at a 22% reduction. A decrease from the 23% in Q2 and from 36% in Q1

PCN's Issued

2021/22	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	478	501	609	557	520	646	662	555	427			
Off Street	329	391	367	359	311	335	447	369	227			

Total	807	892	976	916	831	981	1,109	924	654			
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2020/21	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	0	135	128	522	379	475	422	558	628			
Off Street	0	0	26	268	231	409	420	370	298			
Total	0	135	154	790	610	884	842	928	926			

2019/20	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	576	660	632	683	792	624	581	523	357			
Off Street	437	686	659	658	592	599	633	340	334			
Total	1,013	1,346	1,291	1,341	1,384	1,223	1,214	863	691			

Difference	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	-98	-159	-23	-126	-272	22	81	32	70			
%	-17%	-24%	-4%	-18%	-34%	4%	14%	6%	20%			
Off Street	-108	-295	-292	-299	-281	-264	-186	29	-107			
%	-25%	-43%	-44%	-45%	-47%	-44%	-29%	9%	-32%			

Total	-206	-454	-315	-425	-553	-242	-105	61	-37			
%	-20%	-34%	-24%	-32%	-40%	-20%	-7%	7%	-5%			

Lockdown 1 was from April 2020 to June 2020

Lockdown 2 was during November 2020

Lockdown 3 was from January 2021 to April 2021

Omicron variant commenced in December 2021

The number of PCN's issued during Q3 in 2021/22 against 2019/20 (pre-Covid) is running at a 2% reduction. An increase from the 31% reduction in Q2 and the 26% reduction in Q1

TRO's

TRO's

Marlowes (North)

- Formal consultation has closed; our consultants (ADL) have conducted their analysis on the results and have provided their report with the recommendation to proceed to the Statutory Consultation phase

Waterhouse Street

- Received support to propose to reduce the taxi rank from the end of the southernmost bus stop to the pedestrian crossing to be replaced with disabled bays that are restricted 3 hour maximum stay no return within 3 hours and also pay to park bays.

Cobbets Ride, Tring

- Early stages of looking to consult on the introduction of waiting restrictions in Cobbetts Ride, Tring, as businesses park there all day preventing residents and their visitors from parking.

Saba management & Notice Processing

- All notice processing staff are now working back in the office full time.
- All Saba Staff are encouraged to conduct two rapid flow tests a week at home
- Recruiting temporary staff for sickness cover
- No Covid cases reported

Council team

- Progressions including Enforcement Agent action continues, end of year reviews with both enforcement agents (Jacobs and Marston) have taken place and they have both had their contract extended for a further 2 years.
- The Council are working with the police to enforce the disabled bays and taxi rank on Marlowes as delivery drivers are parking in them whilst they collect food for delivery. JustEat have entered into discussions and will be advising their delivery drivers to park in the service yard or in the Goods Vehicle loading only bay outside KFC if they show their just Eat bag to the CEO. If no driver is seen then PCNs will be issued.
- Parking Services is looking to introduce regulation 10 PCNs - A Regulation 10 Penalty Charge Notice is sent in the post to the registered keep/owner of a vehicle rather than fixed to the vehicle. We will obtain the vehicle owner's details from DVLA in order to send out a Regulation 10 notice if:
 - our Civil Enforcement Officer attempted to serve the PCN by affixing it to the vehicle but was prevented from doing so by someone
 - our Civil Enforcement Officer was unable to serve the PCN due to the vehicle being driven away
 - Regulation 10 Penalty Charge Notices have been introduced to reduce the number of evaded notices and to support CEOs. Motorists who try to prevent a PCN being served by driving away or behaving in a threatening or abusive manner towards a CEO will still receive a PCN in the post.

Improving compliance with parking regulations will contribute to improved road safety, reduce public transport journey times and less congestion.

The following number of PCNs were written off as the vehicles had driven away:

01/04/2019 – 31/03/2020 = 74

01/04/2020 – 31/03/2021 = 163

01/04/2021 – 30/11/2021 = 207

Following a review of the cost of the system configuration and the loss of income from writing off these PCN's, we have instructed Saba to configure the system to enable the team to issue Regulation 10 PCNs and an official DBC letter has been produced to be automatically posted to the vehicle owner/keeper after PCNs issue.

10. CCTV

The CCTV refresh program is on track and we are close to concluding the second year of the program.

Proposed Upgrade/Replacement cost					
Year	2020/21	2021/22	2022/23	2023/24	2024/25
Budget	£148,041	£89,958	£108,002	£119,072	£139,574
Outstanding	£32,055	£89,958	£78,058	£113,290	£139,574
Spent	£115,986	£0	£29,944	£5,782	£0
Remaining	£32,055	£89,958	£78,058	£113,920	£139,574

11. Leisure Contract

Leisure centres at Berkhamsted and Hemel Hempstead opened on April 12 in line with the Government's easing of lockdown measures, Jarman's Park opened on 29th March 2021.

Weekly Attendance Data

Week Commencing	Gym		Group Ex		Swimming		Outdoor		Total
	Hemel	Berko	Hemel	Berko	Hemel	Berko	Berko 3G	Track	
2019/20 Average	132 ¹	56 ¹	2,898	816	1,672	415 ²	N/A	557	6,546
Jul – Oct 20 Average	1,700	904	1,875	612	846	477	n/a	215	6,629
29th March 2021	0	0	0	0	0	0	0	330	330
April Average	2,103	1,337	0	0	2,278	1,226	881	245	8,035
May Average	1,834	1,662	1,888	567	2,337	1,163	835	351	9,389
June Average	1,724	1,198	1,925	576	2,778	1,273	840	956	11,269
July Average	1,318	1,004	1,822	530	4,235 _s	1,339	840	718	11,797_s

August Average	1,502	816	1,971	558	4,668	1,426	828	296	12,065
6 th September 2021	1,405	758	1,918	618	4,145	1,341	840	290	11,315
13 th September 2021	1,411	842	2,050	636	3,990	1,366	840	630	11,765
20 September 2021	1,429	852	2,061	626	3,952	1,359	840	320	11,439
27 September 2021	1,442	835	2,001	623	3,701	1,361	840	350	11,153
04 October 2021	1,427	863	2,017	662	3,932	1,324	840	290	11,355
11 October 2021	1,439	804	1,997	628	3,835	1,308	840	320	11,171
18 October 2021	1,414	857	1,934	607	3,784	1,338	840	320	11,094
25 October 2021	1,220	790	1,766	599	3,975	1,369	840	290	10,849
01 November 2021	1,412	908	2,049	653	3,737	1,306	840	320	11,225
08 November 2021	1,405	887	2,039	610	3,922	1,323	840	291	11,317
15 November 2021	1,474	896	2,027	627	3,661	1,316	840	302	11,143
22 November 2021	1,305	864	1,931	608	3,440	1,232	840	290	10,510
29 November 2021	1,248	803	1,741	603	3,336	1,186	840	290	10,047
6 December 2021	1,082	686	1,740	526	3,123	1,206	840	290	9,493
13 December 2021	1,007	782	1,555	483	3,250	1,152	840	290	9,359
20 December 2021	675	447	945	314	2,431	276	154	290	5,532
27 December 2021	567	553	660	158	1,633	568	55	0	4,194
03 January 2022	1,272	904	1,868	611	3,883	1,380	858	290	11,066
10 January 2022	1,036	666	1,543	573	2,968	1,157	918	300	9,161
Average Attendance	1,471	972	1,838	562	3,415	1,248	807	409	9,944
Direction of Travel	↓	↓	↓	↑	→	↑	↑	↓	↑

¹ The gym attendance report for 2019/20 is for scanned membership cards, which obviously show much lower than they were (due to scanning card and holding door open for friend/magnets either not being installed or not working on doors to control access). Whereas the stats between lockdowns are now accurate due to customers having to book their sessions so unfortunately a direct comparison is not available.

² Berkhamsted public swim sessions appear higher now than Pre Covid, this is due to additional public pool space at Berkhamsted as their school swimming lessons haven't yet returned in their entirety yet (for example Egerton Rothesday having approx. 5 hours per week pre lockdown and not yet returning, giving 150 additional public swim spaces at present each week)

⁵ Outdoor swimming pool opens

Leisure Modernisation – Berkhamsted Leisure Centre

- Work continues on the Berkhamsted Sports Centre project developing the design, site options and business planning.
- Consultation has commenced with various stakeholders, including Everyone Active, and other local stakeholders.

- The key work streams we are developing include:
 - Facility mix,
 - Site layout,
 - Location of 3 G pitches (including exploring off-site opportunities),
 - Options for residential development if the 3G pitches can be located off-site,
 - Sustainability measures,
 - Concept design and business planning.
- RIBA Stage 3 Spatial Coordination has now commenced.
- The procurement of the main contractor has now commenced, the closing date for the tender submissions is 4 February 2022.

12. **Highbarns**

Remediation of collapse feature and voids identified running from the edge of the collapsed feature towards the residential properties

- Contractual terms have been finalised to complete the infill works.
- There are various statutory consents to be obtained and the works will then be programmed but likely to be commenced in the autumn.
- The contract commenced in November and is now expected to be completed in early March.

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
CS02a	Percentage stage 1 complaints resolved in 15 days for the Council	67.54%	80.00%	81.03%	80.00%	81.82%	80.00%	✘	31 Dec 2021 The majority of late responses were from Property & Place during this period (16 complaints) relating to housing repairs and maintenance.
CS02a (D)	Number stage 1 complaints due to be resolved in period for the council	114		116		44		n/a	
CS02a (N)	Number stage 1 complaints resolved in 15 days for the Council	77		94		36		n/a	
CS02b	Percentage stage 2 complaints resolved in 15 days for the Council	50.00%	80.00%	66.67%	80.00%	66.67%	80.00%	✘	31 Dec 2021 A large number of Stage 2 complaints received during this Quarter.
CS02b (D)	Number stage 2 complaints due to be resolved in period for the council	12		3		9		n/a	
CS02b (N)	Number stage 2 complaints resolved in 15 days for the Council	6		2		5		n/a	
DPA01	Percentage of DPA requests met in 31 days	91.67%	100.00%	87.50%	100.00%	100.00%	100.00%	✔	
DPA01 (D)	Number of DPA requests due in period	24		8		20		n/a	
DPA01 (N)	Number of DPA requests met in 31 days	22		7		20		n/a	
FOI01	Percentage of FOI requests satisfied in 20 days	93.96%	100.00%	92.86%	100.00%	86.90%	100.00%	✔	
FOI01 (D)	Number of FOI requests due in period	149		140		168		n/a	
FOI01 (N)	Number of FOI requests satisfied in 20 days	140		130		146		n/a	
LG03	Percentage of Right to Buy documents sent to tenants/their Solicitors within 15 working days	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	→	

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Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
LG03 (D)	Number of Right to Buy documents due to be sent to tenants/their Solicitors in period	17		11		11		n/a	
LG03 (N)	Number of Right to Buy documents sent to tenants/their Solicitors within 15 working days	17		11		11		n/a	
LG06	Percentage of housing possession proceedings commenced within 20 working days	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	→	
LG06 (D)	Number of housing possession proceedings set to commenced in period	1		0		2		n/a	
LG06 (N)	Number of housing possession proceedings commenced within 20 working days	1		0		2		n/a	
LG09	Percentage of prosecution proceedings commenced within 20 working days	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	→	
LG09 (D)	Number of prosecution proceedings set commenced in period	4		2		2		n/a	
LG09 (N)	Number of prosecution proceedings commenced within 20 working days	4		2		2		n/a	



Finance and Resources

Overview and Scrutiny Committee

Report for:	Finances and Resources Overview and Scrutiny Committee
Title of report:	Performance and Risk report Quarter 3 2021/22 – Performance, People & Innovation
Date:	8 March 2022
Report on behalf of:	Councillor Andrew Williams, Leader of the Council and Portfolio Holder Corporate & Contracted Services
Part:	I
If Part II, reason:	N/A
Appendices:	Quarter 3 Operational Risk and Performance reports
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	<ul style="list-style-type: none"> • IT – Information Technology team • FirstCare – The Council’s sickness management system • KPIs – Key performance indicators

Report Author / Responsible Officer

Author/Responsible Officer: Jody Nason (Strategic Director – People and Transformation)

Matt Rawdon (Group Manager – People) and Ben Trueman (Group Manager – Technology and Digital Transformation)



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Corporate Priorities	<p>A clean, safe and enjoyable environment</p> <p>Building strong and vibrant communities</p> <p>Ensuring economic growth and prosperity</p> <p>Providing good quality affordable homes, in particular for those most in need</p> <p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
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Wards affected	All
Purpose of the report:	1. To provide the Committee with analysis of performance and risk management for the services and functions provided by the Performance, People & Innovation Service.
Recommendation (s) to the decision maker (s):	1. That the Committee notes the contents of the report and the performance of the service for Quarter 3 2021/22.
Period for post policy/project review:	

1 Introduction

This is a regular report to the committee detailing the performance of the relevant services for this committee over the last quarter.

The review also considers operational risks and highlights any additional controls and assurances needed to address the issues raised.

Performance reports are produced on a quarterly basis with information collated in the Council's performance management system (Rocket).

The performance report for the division is attached and it examines progress in relation to two key themes: Human Resources; and IT and Digital Services.

2 Key Issues

Monitoring Performance

2.1 Human Resources

2.1.1 The total sickness absence outturn for Q3 is similar to the last quarter but higher than Q3 last year. Both short and long term absence has increased.

2.1.2 The sickness scrutiny group continues to meet regularly to assess all sickness absence and will look to identify trends and any areas of concern, in these cases they will be escalated to a more formal route via the policy. This group also monitors compliance to return work interviews to ensure staff members returning have a session with their manager to discuss their absence, as well as carrying out spot checks on whether managers are in regular contact with their staff.

2.1.3 The HR team has analysed the statistics and there appears to be an increase in stress/anxiety related absence (both home and work) as well as increased absence related to Covid-19. HR work with management to assess cases to understand what the reasons for the sickness absence so that a tailored approach to managing the absence is devised. For cases of work related sickness, mechanisms are in place to identify the 'possible cause', so that managers can find solutions to alleviate these pressures whilst still setting expectations of work delivery. Alternatively, for cases including home life stressors, in these situations there are many support processes in place such as, occupational health, counselling, sign posting to external support, our new mental health first aider programme.

2.1.4 We also continue to send out a fortnightly wellness offer which includes courses, webinars, exercise classes, other support. These focus on a dedicated topic which also link into national themes around wellness. The Council has now launched our mental health first aider programme, where we have a cohort of trained staff who can be the first port of call for our workforce should they need some assistance. We also offer free confidential helpline to staff where they can seek professional advice and counselling in certain cases.

2.1.5 The Cabinet Office warned UK Public Sector employers to brace themselves for higher sickness absence due to Covid-19 and Dacorum is experiencing this along with other colleagues across Hertfordshire local authorities. The Council's Incident Management Team is being kept abreast of Covid-19 related absences across the council teams so pressures can be mapped and identified. Proactive action can then be taken to keep our essential services running. The Council has provided clear guidance to staff and management through IMT on how to manage CV- 19 sickness absence and what people need to do if they are infected, along with guidance on how best to reduce risks of infection. Linked to this we have a corporate risk assessment fully endorsed by our Health and Safety team.

2.1.6 Long term sickness has decreased this quarter. The sickness scrutiny group continues to assess all long term sickness cases each month to ensure the Council is doing all it can to support staff back to work, by ensuring we have the latest medical information from our Occupational Health team, looking at what adjustments we can make to roles and where cases need to be escalated to a formal process in line with the policy. We work closely with managers to ensure regular contact is made with staff who are absent from work as this is a critical aspect to help staff back to the workplace.

2.1.7 The staff turnover percentage is lower than the previous quarter. An average staff turnover in the UK is around 15%, so the council this quarter is in line with the typical staff turnover rate.

2.2 *IT and Digital Services*

2.2.1 IT Systems availability (99.83%) was positive within the quarter demonstrating the fundamental reliability of the Council's technology infrastructure. Access to the internet for a limited set of users was interrupted in November. However, most users were unaffected and the issue was resolved the following day.

2.2.2 The primary performance indicator (ICT01 - Percentage of incidents resolved in less than 2 days) was red within the quarter at 49.31%. Through a combination of sickness absence and vacancies, the Service Desk have been very short staffed through the quarter. One vacancy was filled in December. In January, the Service Desk's apprentice was appointed to a permanent role. A new Lead Officer for the Service will start in March. However, another member of team has since resigned and recruitment is in train for a permanent replacement to take staff levels back up to full capacity of 5. Figures early in Q4 suggest the position is improving but with a backlog of calls to resolve and new team members requiring training, it will take some time for this positively to affect KPI figures.

2.2.3 In Q3 the Council's primary data centre was migrated from a Buckinghamshire County Council facility (which was closing) to shared space within the Council's CCTV centre at Cupid. At the same time the Council's Wide Area Network provision migrated to a new provider. Both projects were completed with very limited impact on users.

2.2.4 Q3 saw the annual Public Sector Network (PSN) accreditation process completed. This includes the undertaking of rigorous third-party health checks by Cabinet Office approved ethical hackers, both from outside and within the Council's network. DBC ICT then prepares and implements a Remedial Action Plan in response to these health checks, which is submitted directly to the Cabinet Office as part of our re-accreditation application. (NB: On 21st January, the Cabinet Office confirmed that they were satisfied with Council's approach and our accreditation was renewed for a further year.)

2.2.5 Numbers of Website Users (149,804), is a drop from the previous quarter's figure of 175,776 and may be a sign that some customers are returning to pre-pandemic forms of interaction with the Council as well as a reduction in guidance and application sought for COVID purposes. The number of registered MyDacorum users, however, continued to rise, standing at 8222, an increase of 5.4% over the previous quarter.

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
HR02a	Turnover of staff	15		17		8		✗	A healthy staff turnover is considered to be around 10 to 15%.
HR03	Total days lost through sickness absence for the council (OSC)	2,306.55		2,270.91		1,933.62		n/a	<p>The total days lost this quarter has increased slightly to the last quarter. The main contributors have been increased sickness absence in Covid-19 related and mental health issues. The Cabinet Office warned UK Public Sector employers to brace themselves for higher sickness absence due to Covid-19 and Dacorum is experiencing this along with other colleagues across Hertfordshire local authorities. The Council's sickness scrutiny group continues to meet monthly to assess all sickness cases from the previous month. The group continues to focus on: identifying cases where there is a cause for concern and escalates formally where appropriate, ensure the Council is supporting long term sickness cases back to work as quickly as possible, identifies sickness trends and explores practices to help reduce absences. This group also monitors compliance to return work interviews to ensure staff members returning have a session with their manager to discuss their absence. The Council has provided clear guidance to staff and management through IMT on how to manage CV-19 sickness absence and what people need to do if they are infected, along with guidance on how best to reduce risks of infection. Linked to this we have a corporate risk assessment fully endorsed by our H&S team</p>

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
									<p>Mental health related absence is also high and the Council continues to support staff in this area. The mental health first aider scheme was re-launched with a cohort of fully trained advisers. There has been increased promotion of this scheme this month, with A5 flyers and screen savers advertising the scheme. The fortnightly wellness programme also continues highlighting different wellness topics. This month has seen a focus on financial wellbeing with drop in clinics taking place and we launched a winter wellbeing programme which provides webinars/courses on tips to stay health over the colder winter months. Our on-line fitness classes have also commenced throughout January.</p> <p>IMT is being kept abreast of Covid related absences across the council teams so pressures can be mapped and identified. Proactive action can then be taken to keep our essential services running.</p>

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
HR04a	Total days lost through SHORT TERM sickness absence (OSC)	1,299.04		1,072.65		657.62		n/a	The total days for short term sickness absence has increased. There has been an increase in Covid-19 related sickness absence in this quarter. The Council's Incident Management Team is being kept abreast of Covid-19 related absences across the council teams so pressures can be mapped and identified. Proactive action can then be taken to keep our essential services running. The Council has provided clear guidance to staff and management through IMT on how to manage CV-19 sickness absence and what people need to do if they are infected, along with guidance on how best to reduce risks of infection. Linked to this we have a corporate risk assessment fully endorsed by our H&S team.
HR04b	Total days lost through LONG TERM sickness absence (OSC)	1,007.51		1,198.26		1,276.00		n/a	Long term sickness absence is less than the last quarter. The Council's sickness scrutiny group continues to review all sickness on a monthly basis to ensure that we are doing all we can to support staff back to work, this includes: maintaining regular contact, occupational health advice, adjusting working practices/workplaces.
HR04e	Short term sickness as a percentage of all sickness (OSC)	56.32%		47.23%		34.01%		↑X	
HR04f	Long term sickness as a percentage of all sickness (OSC)	43.68%		52.76%		65.99%		n/a	
HR05	Average days lost due to sickness absence per FTE (OSC)	3.20		3.12		2.75		n/a	Please see HR03 comments.

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
ICT01	Percentage of incidents resolved in less than 2 days	49.31%	90.00%	85.00%	90.00%	89.57%	90.00%		31/12/2021 The Service Desk have been very short staffed through the quarter, through a combination of staff sickness and vacancies. One vacancy was filled in December with another two currently in recruitment (across a team of 6). A further team member has recently returned from long term sick leave. The measure will be monitored internally on a weekly basis and improvement is expected, although new staff will take some time to learn systems and reach full efficiency.
ICT01(D)	Number of incidents	434.00		1,181.00		1,410.00		n/a	
ICT01(N)	Number of incidents resolved within 2 days	214.00		987.00		1,263.00		n/a	
ICT02	Availability of primary systems (office hours)	99.83%	99.00%	100.00%	99.00%	100.00%	99.00%		31/12/2021 Performance within the quarter was positive but a limited set of users' access to the internet was affected in November. Most users were unaffected and the issue was resolved the following day.
ICT06	Total number of incidents and service requests reported (ICT)	2,272		2,914		2,455			31/12/2021 The numbers of calls to the Service Desk were broadly in line with previous years.
WEB03	Number of Website Users	149,804		175,776					Reduced from the previous quarter, possibly signalling a reduction of guidance sought by customers for COVID purposes.



Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Garages Update
Date:	Tuesday 08 March 2022
Report on behalf of:	Councillor Graeme Elliot, Portfolio Holder for Finance and Resources
Part:	I
If Part II, reason:	N/A
Appendices:	N/A
Background papers:	N/A
Glossary of acronyms and any other abbreviations used in this report:	MTFS – Medium Term Financial Strategy

Report Author / Responsible Officer

Robin Barton, Interim Strategic Director, Corporate & Commercial



Robin.barton@dacorum.gov.uk

Corporate Priorities	A clean, safe and enjoyable environment Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery
Wards affected	ALL
Purpose of the report:	<ol style="list-style-type: none"> To provide an update on the performance of the Garages Service. To secure approval for additional costs incurred during the 2021/22 financial year. To secure a mandate for a refocused Garage Service.
Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> To approve additional 21/22 supplementary funding of £115k revenue and £300k capital to fund project costs incurred during the 2021/22 financial year. To approve the proposed refocusing of the Garages Service. To approve the proposed Operational Plans for 2022/23 and approve a one off £550k draw down from reserves, £425k funding for 22/23 and £125k funding for 23/24, funded from the Management of Change Reserve. To approve the transfer of the Garages Service to primary oversight by the Finance and Resources Scrutiny Committee. To approve a supplementary capital budget for 2022/23 garage investment of £500k. The specific investment decisions to be delegated to the Strategic Director (Corporate and Commercial) in consultation with the relevant Portfolio Holder and s.151 Officer. To approve the disposal of £500k of underutilised garages to finance the additional garage investment and garage conversion proposals. To delegate specific disposal decisions to the Strategic Director (Corporate and Commercial) in consultation with

	the relevant Portfolio Holder and s.151 Officer, and in line with current financial regulations.
Period for post policy/project review:	Review the strategy and performance on a bi annual basis.

1 Introduction/Background:

Dacorum’s garages portfolio represents a significant capital asset, which needs to support the Council’s corporate priorities. The portfolio is the Council’s second highest income stream, generating around £3m of revenue each year. As the Council becomes increasingly reliant on self-financing its activities, and as we move towards a formalised commercial strategy, it will be imperative that the role of the garages portfolio is clarified and strengthened.

Within this context, a 3 year business plan has been developed for the Garages Service. A commercial operation of this size and scale – 7,300 garages – needs to be developing and investing in its operation in the medium term. This will need to become a more usual approach for the Council’s commercial activities.

This report provides an update on the improvement work completed during the 2021/22 financial year. It seeks approval for additional funding to finance expenditure incurred in delivering this improvement work.

The report then provides an update and recommendations on a number of operational constraints faced by the service, and makes recommendations on developing the service during 2022/23 and beyond.

2 Key Issues:

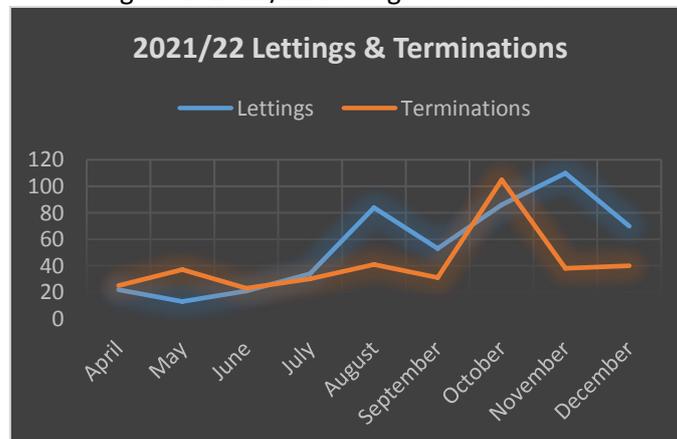
2.1. 2021/22 Improvement Work

This year has seen significant improvement work completed by the Garages Team. Figure 1 shows a steady increase in garage lettings, as this work and the additional resources have developed.

The primary aspects of this work have been:

- Refurbishment of 359 garages, across the Borough.
- A review of operational processes, to simplify operational activity.
- Implementation of a web-based application portal for residents.
- Resourcing of an enhanced operational team (3 Lettings Officers, compared to a baseline establishment of 1).

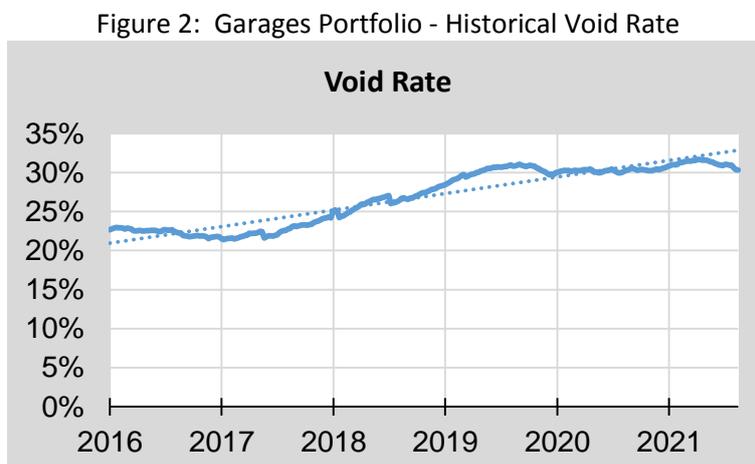
Figure 1: 2021/22 Lettings & Terminations



2.2. Operational Performance

Despite an increasing number of lettings throughout this year, operational performance of the service continues to be lower than we would like. There are a number of good reasons for this, which are detailed below.

Figure 2 provides a time analysis of voids across the garages portfolio. The service is operating at voids of around 30%. In contrast, indicative comparable data from other authorities indicates that a void rate of 10-20% is more typical (which still represents a significant opportunity cost). There has been a gradual increase in the void rate over the last few years.



There are likely to be a number of drivers for the void performance, some operational and some strategic.

Operationally, data and data access is limited. This reduces the efficiency of the service and makes it difficult to make operational decisions effectively. For example, stock condition data is limited which means that a physical visit is required to many units before a letting can be made. This acts as a serious bottleneck on the service.

Operationally, there is a lack of clarity on the core focus of the service, which stems from the historic purchase of the portfolio by the General Fund. The Garages Team spend much of their time supporting tenants with a range of neighbourhood management activity – such as parking enforcement – which should be resolved by other teams across Council. These issues are, of course, important and ones which the Council should be responding to residents. However, this response needs to be led by teams with the relevant focus, skills and expertise.

Strategically, there is little systematic capture of how garages are being used and the reasons for the termination of lettings. This makes it difficult to project medium-term demand. Anecdotally, we know that many modern cars are not suited to the design of the garages and that storage is the primary purpose of many lettings. We will need to capture much better demand data if the service is to make effective plans for its operation over the medium-term.

2.3. Financial Projections

The service has a budgeted income of £3.1m for the 2021/22 financial year and is currently forecast to achieve this. It is projected to achieve a Net Operating Surplus of £1.1m (net surplus of £800k, excluding additional capital investment costs) as set out in Figure 3.

Figure 3: Garage Service 21/22 Income and Expenditure Statement

	Budget £'000's	Actuals £'000's	Variance £'000's
Gross Expenditure	741	855	114
Gross Income	-3,142	-3,141	1
Gross Surplus	-2,401	-2,286	115
Service Recharges	443	443	0
Capital Charges	720	720	0
Net Surplus	-1,238	-1,123	115

Currently, the Medium Term Financial Strategy (MTFS) assumes a steady increase in the net income generated by the garages portfolio. Given the historic void trends and operational performance achieved this year (with the additional investment required) it appears unlikely that these assumptions will be achieved without a strategic re-focusing of the service.

We are proposing a set of financial targets for the service – as set out in Figure 4 – which will deliver a significant improvement in the net income generated by the service by 2025. The plans set out below will provide the service with a period of investment in the core capabilities required to operate a portfolio of this scale, which should then enable income to grow over subsequent years. The analysis completed to date indicates that continuing to operate the service without this investment is likely to cause income to stagnate in the medium term.

Figure 4: Income Projections

	2022/23	2023/24	2024/25
Income	£3.1m	£3.4m	£3.7m
Operating Costs	£1.3m	£1.2m	£1.2m
Capital Investment	£0.7m	£0.7m	£0.7m
Surplus	£1.1m	£1.5m	£1.8m

2.4. 2021/22 Additional Investment

During the 21/22 financial year the garage service has invested in additional operational staffing, external consultancy support and extra capital investment to reduce the increase in void levels, as detailed earlier in this report.

This is resulting in a pressure on both the revenue and capital budgets for 2021/22. As a result the service is showing an in year revenue pressure of £115k, as detailed in Figure 3 above and an additional capital investment pressure of £300k, resulting from the investment in c. 400 garages.

The recommendation is to provide an additional one off reserve draw down of £115k from the Management of Change reserve to fund the in-year revenue pressure, and to set up a supplementary capital budget of £300k for 2021/22.

2.5. Strategic Focus

The achievement of the financial targets set out above will need the Garage service to re-focus its approach alongside developing its operational arrangements.

The service needs to be equipped with a clear focus as a service which generates significant income to support General Fund services. We would propose that the following four objectives are adopted for the service, which will provide clarity and focus for the service:

- To generate significant, sustainable net income streams to support General Fund activity;
- To provide a quality service to customers of the Garage Service;
- To identify surplus assets from the portfolio and support identification of ongoing uses that deliver commercial returns and the Council's strategic goals;

- To support the maximisation of capital receipts from the portfolio when ongoing Council use is discounted.

Governance structures need to be clarified to support these strategic objectives. At Officer level, we have now established an Operational Board, which is tasked with overseeing the performance of the service. This reports into the new Commercial Board, chaired by the Chief Executive.

Given the need to clarify the service as primarily a commercial activity, it is recommended that the Garage Service starts to be overseen by Finance & Resources Scrutiny Committee.

Internally, to allow the service to focus on its core lettings activity we will need to review current recharges with other services (principally the HRA) and establish internal service level agreements to establish clear expectations of how other Council services will support the garages portfolio.

2.6. Operational Plans

During the 2022/23 financial year, the Service will need to undertake a range of operational activity to commence the process of refocusing the service.

A 3 month moratorium on new applications is urgently required to provide the Lettings Officers with the necessary time to clear a long, historic waiting list. This is currently exacerbating operational inefficiencies as there is a lack of clarity in true underlying demand for units.

A comprehensive stock condition survey should be commissioned to provide detailed and reliable data on the condition of each garage, and allow lettings decisions to be taken without recourse to physical site visits. This work should also capture data about the wider context and potential of garage sites, to inform decision making about alternative uses and disposals.

The services' data systems need to be improved further so that data about garage use and terminations is captured and can be analysed to inform medium-term demand planning.

We would recommend that alternative uses for low / no demand sites are actively progressed during the 2022/23 financial year, as the first step in enhancing the role of this significant council asset in supporting the economic growth of the Borough. We would recommend that a small number of sites are identified to pilot conversion into starter industrial units (or equivalent). We have commenced work, as part of the commercial strategy, in developing an initial business case for this offer.

2.7. Investment Requirements

This development of the service will require further investment into the service. As set out in Figure 5, it is expected that this should generate significant improvements to the net income generated by the service, rising from £1.1m to £1.8m, within 3 years.

We would recommend that provision is made for the following key investments during the 2022/23 financial year:

Short Term Revenue Growth

- Continued investment in an enhanced operational team: £125k p.a. for 2 years
- Detailed Stock condition survey: £150k
- Data system improvements: £150k

This service transformation requires a one off £550k draw down from reserves, this is broken down into £425k funding for 22/23 and £125k funding for 23/24. It is proposed that these funds will be drawn down from the Management of Change Reserve.

Garage redevelopment/ Starter-industrial unit pilots: £500k

Financing

To finance this capital investment, we would recommend that a small number of disposals are made early in the new financial year, the additional receipts received over and above existing expectations can be used to fund this investment.

This approach will make the Garage future investment strategy self-financing and reduce the need for additional council capital financing in the medium term. It will also establish an important principle that a service which is primarily focused on generating income finances service development from its own assets.

3 Options and alternatives considered

The primary alternative to these proposals would be to allow the service to return to a team of 1 lettings officer, and continue operations with limited data and effectiveness. For the reasons set out above, this would lead to sustainment of high void rates, loss of income to the Council, and significant opportunity costs.

An alternative approach which could be considered would be to transfer the garages portfolio to a management company through the letting of a contract. Whilst this has not been market tested, the lack of good quality stock condition data is likely to act as a significant constraint on this approach and the willingness of a commercial operator to assume responsibility for letting the stock.

4 Consultation

Relevant consultation will be undertaken when proposals are developed for alternative uses of specific garages sites. At the moment, the main focus of this report is strengthening the internal operation of the garage portfolio.

5 Financial and value for money implications:

The current level of voids across the garages portfolio represents significant opportunity cost, in both financial and neighbourhood development terms. The proposals set out will enable the Council to achieve better utilisation from this capital asset, whilst enabling alternative uses for vacant sites to be implemented.

The council's MTFs will be reviewed and reported back to members in the summer and the impact of this proposed strategy will be incorporated in the review of MTFs assumptions.

6 Legal Implications

There are not considered to be any significant legal implications arising from these recommendations.

7 Risk implications:

There are two main risks associated with these proposals. The lack of good quality service data makes it hard to project medium-term demand for the garage portfolio with confidence. The proposals set out here are intended to start to reduce this risk and to commence diversification of the portfolio into uses beyond lettings to residents for parking purposes.

Secondly, there is a risk that a full stock condition survey might identify significant issues with the stock and associated investment requirements. This is a latent risk which the Council already holds and, again, these proposals are intended to start to reduce this risk by enabling longer-term asset management planning to commence.

8 Equalities, Community Impact and Human Rights:

There is no anticipated community impact at this stage. The garages portfolio will continue to operate and make garages available to residents. The focus of these recommendations is around increasing the internal efficiency of this activity. At this stage, no proposals are being made for which specific sites might be disposed of. Any community impact will need to be assessed once specific sites have been identified.

There are no Human Rights Implications arising from this report.

9 Sustainability implications (including climate change, health and wellbeing, community safety)

There are no sustainability implications arising from these proposals.

10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

There are no implications for Council infrastructure arising from these proposals.

11 Conclusions:

The proposals set out in this report should create the strategic framework require to develop further the Council's use of its garage portfolio, increasing the net income generated for the General Fund whilst also increasing the role that the portfolio plays in the economic and community development of the Borough.



Finance and Resources

Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Commercial Strategy - Update
Date:	Tuesday 08 March 2022
Report on behalf of:	Councillor Graeme Elliot, Portfolio Holder for Finance and Resources
Part:	I
If Part II, reason:	N/A
Appendices:	N/A
Background papers:	N/A
Glossary of acronyms and any other abbreviations used in this report:	IBCs – Initial Business Cases MTFS – Medium Term Financial Strategy

<p>Report Author / Responsible Officer</p> <p>Robin Barton, Interim Strategic Director, Corporate & Commercial</p> <p> </p> <p>Robin.barton@dacorum.gov.uk</p>

Corporate Priorities	<ol style="list-style-type: none"> 1. A clean, safe and enjoyable environment. 2. Building strong and vibrant communities. 3. Ensuring economic growth and prosperity. 4. Providing good quality affordable homes. 5. Ensuring efficient, effective and modern service delivery. 6. Meeting the challenges of the climate emergency
Wards affected	All
Purpose of the report:	1. To provide an update on the work to develop a Commercial Strategy.
Recommendation (s) to the decision maker (s):	1. To note the update.
Period for post policy/project review:	

1 Introduction/Background

Committee Members will be aware from previous agenda item that the Council is now developing a Commercial Strategy, to support its financial position and the significant funding gap currently identified in the Medium Term Financial Strategy. There is growing expectation that the Local Government Funding Review, due later this year, will confirm the need for Dacorum to become self-financing in the medium-term.

This paper provides a brief update on the progress and timelines of this work.

2 Key Issues

2.1. Consultancy Support

Following a competitive tender process, we have engaged consultancy support from a partnership between Costain and Commercial Gov. Costain have extensive experience in delivering large scale infrastructure developments across the public sector, whilst Commercial Gov are a specialist consultancy who have helped a number of authorities to develop commercial opportunities. This should provide the Council with a valuable combination of perspectives.

This support commenced at the start of the year, and an extensive programme of meetings with SLT, Assistant Directors and Group Managers took place during the first few weeks of January. This yielded a longlist of potential opportunities, which were then appraised for deliverability and contextual fit. We are now working to prioritise these for the development of Initial Business Cases.

2.2. Governance Arrangements

To support this agenda, a Commercial Board has been established, chaired by the Chief Executive. This Board is meeting on a fortnightly basis, to oversee the development of the Commercial Strategy. As the work progresses into specific initiatives, this Board will monitor progress of implementation and realisation of the associated financial targets.

As the Board starts to monitor progress against the planned benefits of initiatives delivered through the Commercial Strategy, updates will be provided to this Scrutiny Committee.

2.3. Approach

As presented previously at the December Joint Budget Scrutiny meeting, we are applying a broad scope to the Commercial Strategy and considering opportunities which could generate income and realise financial savings.

The initial list of opportunities falls into three broad categories:

- Large opportunities, which will have some complexity in their implementation, but which could generate significant financial benefits;
- Substantial service-level opportunities which, whilst focused on a particular service area, are likely to need additional resources or expertise to implement; and
- Tactical opportunities which build on existing services or capacity, and which should be achievable with existing internal skills and knowledge.

As we develop the Commercial Strategy, it will be important that we develop a portfolio of opportunities which balance the scale of opportunity, with deliverability and risk.

The external support will deliver a Commercial Strategy, underpinned by a suite of Initial Business Cases (IBCs). Further work will then be needed to develop the IBCs further into Full Business Cases, supported by detailed implementation plans.

The IBCs will also play an important role in informing the update to the Medium Term Financial Strategy (MTFS), which is due to be completed in the summer.

2.4. Early Priorities

The Commercial Board is currently working with Costain to agree the full suite of opportunities which will have IBCs developed. Four initial opportunities have been selected for further exploration which are:

- Assessing the opportunity to retrofit some vehicles in the Council fleet with electric motors;
- Appraising the commercial model and deliverability of installing Solar Panels into Council car parks;

- Considering the benefits that might be realised from introducing new technology into car parking charging structures, which may also support priorities to enhance our town centres;
- Developing the business model for converting unused garages into starter commercial units, to support local businesses, as part of the proposed garage strategy.

The Committee will also be aware of a separate report setting out a proposed strategic approach to developing the garage portfolio. This is a key early milestone for the commercial agenda, which has the potential to generate additional income for the Council over the medium term.

2.5. Financing

Currently this work is being funded from a reserves allocation, which was previously agreed.

It is likely that the Commercial Strategy will require further investment to generate the financial (and wider) benefits identified in the IBCs. The requirements for this will inform the overall strategy and detailed business cases will assist in the development of the MTFS. Further updates, and proposals on how to finance these, will be brought forward to Members as the detail is developed.

3 Consultation

Relevant consultation proposals will be developed once the Commercial Strategy is developed and the specific proposals within it are fully understood.

4 Financial and value for money implications

The Commercial Strategy will play a key role in supporting the Council's financial sustainability. Each business case will be subject to a value for money and best value assessment which will inform the recommendations and decision making as opportunities are brought forward for approval.

5 Legal Implications

There are not considered to be any significant legal implications arising from these recommendations.

6 Risk implications

The implementation of a Commercial Strategy will change the risk profile of the Council, and will require careful risk planning and management. Officers will bring forward recommendations during the 2022/23 financial year on work that may be required to support this. A first step in this process is the commercial training being delivered for Members on 3rd March.

7 Equalities, Community Impact and Human Rights:

There are no Equality, Community Impact or Human Rights Implications arising from this report.

8 Sustainability implications (including climate change, health and wellbeing, community safety)

There are no Sustainability implications arising from this report.

9 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

There are no Council infrastructure implications arising from this report.

10 Conclusions:

Committee Members are asked to note this update.



FINANCE & RESOURCES

Overview and Scrutiny Committee

Report for:	Finance & Resources Overview and Scrutiny Committee
Title of report:	Parking Enforcement Service – Value for Money & Performance.
Date:	8 March 2022
Report on behalf of:	Councillor Andrew Williams, Portfolio Holder for Corporate & Contracted Services
Part:	I
If Part II, reason:	N/A
Appendices:	N/A
Background papers:	N/A
Glossary of acronyms and any other abbreviations used in this report:	Decriminalised Parking Enforcement (DPE) Civil Parking Enforcement (CPE) Penalty Charge Notices (PCNs) Civil Enforcement Officer (CEO) Traffic Regulation Order (TRO)

Report Author / Responsible Officer

Ben Hosier, Group Manager Procurement & Contracted Services



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Corporate Priorities	A clean, safe and enjoyable environment Ensuring economic growth and prosperity
Wards affected	All Wards
Purpose of the report:	<ol style="list-style-type: none"> To update Committee on the value for money aspect of the Parking Enforcement Service To update Committee on the performance of the Parking Enforcement Service from a costs/benefits perspective.
Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> To note the performance of the Parking Enforcement Service from a value for money perspective
Period for post policy/project review:	N/A

1 Introduction/Background:

- 1.1 In the mid-1990s local authorities were provided with the right to apply for powers to enforce on-street parking restrictions. The adoption of what was then called Decriminalised Parking Enforcement (DPE) but is now termed Civil Parking Enforcement (CPE), has spread rapidly across the United Kingdom, CPE must comply with the Traffic Management Act 2004 legislation.

Dacorum Borough Council adopted CPE powers in October 2003 and from then until March 2018 Watford Borough Council (WBC) was lead authority in a partnership which acted on behalf of Hertfordshire County Council (the highway authority) under the terms of a parking agency agreement between the two authorities. As the parking authority, WBC provided parking enforcement on behalf of the Dacorum and Three Rivers District Council. WBC hosted a parking enforcement contract with an external parking enforcement contractor. This contract provided Civil Enforcement Officers (parking), office functions, pay and display maintenance, permit issue etc.

- 1.2 In April 2018 the partnership was disbanded and the Council contracted with Indigo Park Services UK (now Saba Park UK) to provide a Parking Enforcement Service which also included back office services and systems. The contract is for an initial 5-year period, with the option to extend for a further 5 years. This Service operates in accordance with contractual terms and policy objectives agreed by the Council.

- Parking Enforcement including processing of Penalty Charge Notices (PCNs) up to and including challenge is carried out by Saba Park UK.
- Investigation of representations and appeals, is undertaken by Dacorum Council officers, working in accordance with statute, regulations, guidance and Council policy.

- 1.3 In 2021, this Committee requested an update report on the value for money performance of the Parking Enforcement Service. This request was not to ascertain whether value for money could be demonstrated when the contract was awarded for this Service, but whether the performance of the Service was delivering value for money from a cost/benefit perspective.

The report will focus on key measurable activities and use the financial mechanics of the Parking Enforcement Service, including ring-fenced and non ring-fenced income and expenditure to identify and demonstrate the performance and value of the Service.

2 Key Issues/proposals/main body of the report:

2.1 Key Measurable Activities

The primary purpose of CPE, as identified in statutory guidance, is to support local authorities (county and district) in their delivery of their overall transport objectives in areas such as those detailed below:

- Managing the traffic network to ensure expeditious movement of traffic, (including pedestrians and cyclists)
- Improving road safety
- Improving the local environment
- Improving the quality and accessibility of public transport
- Meeting the needs of people with disabilities, some of whom will be unable to use public transport and depend entirely on the use of a car
- Managing and reconciling the competing demands for kerb space

There are a number of key activities that form part of the Parking Enforcement Service that help to demonstrate the performance outcomes and identify the direction of travel of the Service.

2.2 Car park Usage

Table 1

	On-Street £	Off-Street
2009/10	£106,833	£1,469,251
2019/20 (last pre-covid year)	£167,882	£1,748,107

Unfortunately only data on cash collected from DBC car parks was recorded back in 2009/10, rather than the number of parking sessions. The above data shows that although cash collected from DBC car parks has increased over the last 10 years, this does not show clear evidence of a marked increase in the car park usage, when you take account of the parking tariff increases that would have been implemented during this period. Therefore an assumption that car park usage is likely to have increased only slightly during this period has been made.

2.3 Number of PCNs issued

Table 2

	PCNs Issued
2009/10	15,915
2019/20 (last pre-covid year)	12,625

The Traffic Management Act 2004 outlines that the primary purpose of CPE is to ensure compliance with parking controls and improve road safety. The above figures demonstrate that the number of PCNs issued has seen a 26% reduction over the last decade as parking behaviours of residents and visitors has increased in compliancy, indicating that the Service is supporting legislative objectives are being met.

2.4 On-Street / Off Street PCNs

Table 3

	On-Street	Off-Street
2009/10	50%	50%
2019/20 (last pre-covid year)	62%	38%

The above figures demonstrate that from an equal split back in 2009/10, the majority of parking infringements now occur in on-street locations. Over the last decade, the Council have needed to adapt its enforcement activities to be flexible to respond to changing parking behaviours. The Council have 26 car parks across the borough, where, due to the well-defined and concise area, the off-street enforcement is relatively easy to be carried out, whereas the off-street enforcement is much more time consuming to undertake as it covers all parking restrictions on the public highway spread right across the whole borough.

2.5 On-Street and Off-Street contraventions

The number of PCNs issued for the main on-street and off-street parking contraventions;

Table 4

On Street Contraventions	2009/10	2019/20	Direction
Parked in a restricted street (yellow lines)	3,852	3,351	↓
Parked in a permit/shared use bay without permit/voucher/ticket	912	1,012	↑
Parked without a valid pay and display ticket/voucher	774	43	↓
Parked after expiry of pay and display ticket.	767	92	↓
Parked in a disabled bay/space without valid blue badge	726	274	↓
Parked for longer than permitted	378	464	↑
Parked where loading/unloading is not permitted	167	343	↑
Parked at a bus stop or stand	149	76	↓

Table 5

Off Street Contraventions	2009/10	2019/20	Direction
Parked in a car park without a valid ticket/voucher	4,372	4,444	↑
Parked after expiry of paid for time	2,865	424	↓
Parked in a disabled bay without a valid blue badge	300	76	↓
Parked with additional payment to extend stay (meter feeding)	279	13	↓
Parked beyond bay markings	191	40	↓
Parked in a restricted area	102	87	↓

The above figures show that over the last 10 years, although the highest number of on-street and off-street contraventions have remained at a near constant level (these are the people that are either willing to take a risk of parking illegally or are not put off by the PCN charges), there has been a marked decrease in many of other contraventions.

This demonstrates that the Parking Enforcement Service has created a change in parking behaviour, such as the large decrease in the number of vehicles that are parking in an on-street or off-street disabled bay/space without a valid blue badge, or the decrease in the number of vehicles parking in bus stops, both of which shows compliance with parking controls and improves road safety.

2.6 PCN Cancellation

Table 6

	PCNs Cancelled	% of Total Issued
2009/10	3,710	23%
2019/20 (last pre-covid year)	2,810	22%

Typically around 20% of PCNs issued are cancelled upon receipt of a challenge or representation, the principle reasons for cancellation of PCNs being evidence of valid parking session being produced, valid permit/blue badge being produced, mitigating circumstances (vehicle breakdown or sudden illness) or Civil Enforcement Officer (CEO) error in issuing of PCN. The number of CEO errors in 2009/10 was 169 and by 2019/20 this had reduced to 55, this provides evidence that the Service is continuously improving.

2.7 PCN Appeals

Table 7

	No. of Appeals	Appeal rate per PCN	Not contested	Adjudicator allowed	Adjudicator refused
2009/10	35	0.22%	9%	22%	69%
2019/20 (last pre-covid year)	15	0.12%	20%	27%	53%

A local authority's performance at appeal can be regarded as a proxy indicator for its performance at earlier stages in the enforcement process.

As can be seen above, the data shows that the number of appeals has reduced over the last decade, which is positive news and demonstrates that the Service is delivering a good service. The Traffic Penalty Tribunal recognises that local authorities may not contest appeals on occasion, primarily when additional evidence comes to light during the appeals process. The tribunal is on record as suggesting a "not contested" rate of 20% of appeals as reasonable – a higher rate might be indicative of poor decision making earlier in the enforcement process, however, there is no indication that this is the reason in the Council's case.

2.8 Increased Enforcement Areas

Table 8

	No. of TROs	No. of CPZs
2009/10	68	5
2019/20 (last pre-covid year)	230	12

The on-street enforcement area has increased in size and complexity over the last 10 years. A Traffic Regulation Order (TRO) provides clear guidance on the implementation of parking restrictions in a defined area, which can range from short sections of a road (e.g. around junctions or outside schools) through to the inclusion of a number of roads. These TROs are primarily proposed by the Highways Authority and geographically cover the main towns, villages and residential areas of Dacorum.

Although the on-street enforcement area has expanded, the resource required to enforce this area has not, which can have a dilution effect on the enforcement results. To combat this, mobile technology (vehicle-mounted ANPR CCTV cameras and live-fed hand held devices) were introduced to the Service in 2017/18 to make the Service more efficient and effective.

2.9 Financial Aspects

Table 9

Dacorum Annual Report 2009/10	On Street	Off Street	Total
Expenditure			
Contract Costs	£313,102	£286,886	£599,988
Staffing & Support Costs	£148,743	£181,798	£330,541
Maintenance/Improvement/Other	£33,771	£392,766	£426,537
Capital Charges	£0	£345,470	£345,470
Total Expenditure	£495,617	£1,206,920	£1,702,537
Income			
PCN Income	(£247,376)	(£165,434)	(£412,810)
Permit Income	(£37,336)	£0	(£37,336)
Pay & Display Income	(£104,647)	(£1,252,225)	(£1,356,872)
Other	(£2,903)	(£19,902)	(£22,805)
Total Income	(£392,262)	(£1,437,561)	(£1,829,823)
Net (Surplus)/Deficit	£103,355	(£230,641)	(£127,286)

Table 10

Dacorum Annual Report 2019/20	On Street	Off Street	Total
Expenditure			
Contract Costs	£525,729	£121,670	£687,399
Staffing & Support Costs	£187,756	£103,231	£290,988
Maintenance/Improvement/Other	£139,416	£677,930	£817,346
Capital Charges	£64,514	£75,513	£140,027
Total Expenditure	£957,416	£978,344	£1,935,760
Income			
PCN Income	(£277,516)	(£145,162)	(£422,677)
Permit Income	(£56,156)	£0	(£56,156)
Pay & Display Income	(£167,859)	(£1,559,599)	(£1,727,458)
Other	(£15,289)	(£44,938)	(£60,227)
Total Income	(£516,819)	(£1,749,699)	(£2,266,518)
Net (Surplus)/Deficit	£440,596	(£771,355)	(£330,759)

The above financial data demonstrates that the expenditure related to the Parking Service has increased during this period by over £230k (14%), however, it should be noted that £185k of this figure falls outside of the scope of the Parking Enforcement Service and is attributed to maintenance and capital charges of parking infrastructure works.

The Parking Enforcement contract costs have increased by 15% during this period, although the average rate of inflation in the UK over the same period was 25%.

The Council staff and support costs for this period show a decrease of 14%, this has been achieved by transferring some of the workload on to the Parking Enforcement provider resulting in the reduction of headcount at the Council.

The data also demonstrates that the income related to Parking Services has increased during this period by over £430k (24%).

The pay and display income accounts for £370k of this increase and despite the number of PCN's being issued being reduced by 26% during this period, the income derived from this has actually increased by almost £10k (even though the PCN charges have not increased), this is because the on-street PCNs attract a higher rate of penalty to try to improve road safety by deterring parking infringements from taking place on the public highway.

- 2.10 Under the terms of the Road Traffic Act 1991, which governed DPE until April 2008, local authorities were required to make their on-street parking enforcement regime self-financing as soon as possible.

Local authorities are not, however, allowed to design their enforcement regime to make a surplus. Any surplus generated is 'ring fenced' to fund related functions such as passenger transport, car park improvements or environmental improvements.

Table 11

Parking Trading Account 2019/20	Ring-fenced	Non Ring-fenced	Total
Expenditure			
Contract Costs	£600,786	£86,612	£687,399
Staffing & Support Costs	£216,248	£74,740	£290,988
Maintenance/Improvement/Other	£139,416	£677,930	£817,346
Capital Charges	£64,514	£75,513	£140,027
Total Expenditure	£1,020,965	£914,795	£1,935,760
Income			
On Street PCN Income	(£277,516)	£0	(£277,516)
Off Street PCN Income	(£145,162)	£0	9£145,162)
Permit Income	(£56,156)	£0	(£56,156)
Pay & Display Income	(£167,859)	(£1,559,599)	(£1,727,458)
Other	(£15,289)	(£44,938)	(£60,227)
Total Income	(£661,981)	(£1,604,537)	(£2,266,518)
Net (Surplus)/Deficit	£358,984	(£689,742)	(£330,759)

3 Options and alternatives considered

3.1 At the request of this Committee, this report provides an update on the value for money performance of the Parking Enforcement Service, on that basis, no options or alternatives have been considered.

4 Consultation

4.1 At the request of this Committee, this report provides an update on the value for money performance of the Parking Enforcement Service, on that basis, no consultation has been carried out.

5 Financial and value for money implications:

5.1 This report provides an update on the value for money performance of the Parking Enforcement Service, the main body of the report is covered in section 2 above.

6 Legal Implications

6.1 This report provides an update on the value for money performance of the Parking Enforcement Service, no legal implications have been identified in this report.

7 Risk implications:

7.1 This report provides an update on the value for money performance of the Parking Enforcement Service, no risk implications have been identified in this report.

8 Equalities, Community Impact and Human Rights:

8.1 This report provides an update on the value for money performance of the Parking Enforcement Service, there is no need to carry out or review on the Community Impact Assessment or to consider Human Rights.

9 Sustainability implications (including climate change, health and wellbeing, community safety)

9.1 This report provides an update on the value for money performance of the Parking Enforcement Service, no sustainability implications have been identified in this report.

10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

10.1 This report provides an update on the value for money performance of the Parking Enforcement Service, no impact on Council infrastructure have been identified in this report.

11 Conclusions:

11.1 Demonstrating the performance of the Parking Enforcement Service is not a straight forward process.

It is not as simple as identifying what the Service deliverables are for this Service and analysing these against the cost of the Service to identify whether the performance delivers value for money.

As previously stated, the objective of the Parking Enforcement Service is to support the Council to improve road safety, support people with disabilities, manage local traffic, improve the local environment and to manage competing demands for kerb space.

One train of thought is that for a Parking Enforcement Service to be considered to be performing an excellent Service, this would require parking compliancy at 100%, but as a result this would result in no PCNs being issued out and using the 2019/20 financial data would result in a loss of over £400k in income giving a net deficit position of almost £100k, clearly this would not be financially sustainable from a Council perspective.

11.2 The data that is provided in this report demonstrates that over the last decade, the performance of the Service has helped to support the Council with meet the legislative objectives:

- Reduced the number of PCN's being issued out by helping to shape the parking behaviours of residents and visitors to increase parking compliancy
- Meeting the needs of people with disabilities by reducing the number of times that people park in these spaces without displaying a blue badge
- Improving road safety by reducing the number of people who park in bus stops
- Increase the likelihood of vehicles that park in violation of parking restrictions having to pay the financial penalty by reducing the number of PCNs that are cancelled due to CEO error.
- Reduce the level of appeals by following a clear and consistent process during the early stages of enforcement.
- Continue to deliver an increase in parking compliancy over an ever-increasing and complex geographical enforcement area.
- Demonstrate value for money by delivering the Parking Enforcement Service within a financial envelope that has been significantly lower than inflation over the same period
- Support the Council to deliver a surplus in its Parking Service trading account

By its very nature, Parking Enforcement is reactive in the operational activities that it carries out on a daily basis, however, it also has a proactive role to play with the Council in trying to change the parking behaviours of residents and visitors.

It is unable to do this as a stand-alone service and needs to work collaboratively with the Council to form part of the Council's overall approach to Parking.

This report has demonstrated that the Parking Enforcement Service supports the Council to deliver a value for money Parking Service.



FINANCE AND RESOURCES

Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Electric Vehicle Charging Points
Date:	8 th March 2022
Report on behalf of:	
Part:	I
If Part II, reason:	N/A
Appendices:	N/A
Background papers:	N/A
Glossary of acronyms and any other abbreviations used in this report:	EVCP – Electric Vehicle Charging Point ORCS – On street Residential Charge point Scheme (Government funding for installation of EVCPs)

<p>Report Author / Responsible Officer</p> <p>Richard Le-Brun, Assistant Director (Neighbourhood Delivery)</p> <p>✉ 📞</p> <p>Richard.lebrun@dacorum.gov.uk / 01442 228807 (ext. 2807)</p>
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Corporate Priorities	<p>A clean, safe and enjoyable environment</p> <p>Building strong vibrant communities</p> <p>Ensuring economic growth and prosperity</p> <p>Climate and ecological emergency</p> <p>Ensuring efficient, effective and modern service delivery</p>
Wards affected	ALL
Purpose of the report:	<p>1. To provide an overview of current work to develop Electric Vehicle Charging Points across the Borough</p>

	<ol style="list-style-type: none"> To set out the proposed approach to introducing EVCPs in Council Car Parks and the opportunities it brings, subject to further discussions and negotiations with potential suppliers
Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> To note the content of the report To note the intent to conclude a commercial negotiation / procurement as required, with a further report to be produced on conclusion
Period for post policy/project review:	N/A

1. Background Summary

A quarter of all greenhouse gas emissions in the UK comes from Transport¹. In Dacorum, Transport is responsible for over 40% of the borough's emissions.²

To address this and meet the UK's Climate Emergency target of being net-zero by 2050, the UK government has banned the sale of petrol and diesel vehicles in order to support the transition to electric vehicles (EVs).

To date, within Dacorum there are approximately 1,600 EVs, it is estimated that in 8 years' time, by 2030 there will be 30,000 EVs – with this figure expected to continue to grow exponentially until around 2040 where it is predicted we will have over 80,000 EVs. Approximately 1/3 (25,000 households) of Dacorum residents do not have a driveway or garage and are unable to charge from home – as such these households will be relying on publicly available charge points (as shown by blue dots on the adjacent map).

The planning of sufficient EV charging points (EVCPs) is crucial to meet this imminent demand.

There will be a range of responsibilities to deliver sufficient EVCP infrastructure, and whilst this is not solely Dacorum's responsibility, at present whilst EV ownership is still low and charging infrastructure is still highly limited, Dacorum has an important role to play. This is especially pertinent as it is one of the biggest actions we can take to help tackle the Climate Emergency locally, especially whilst the national and local strategic plan is still developing.

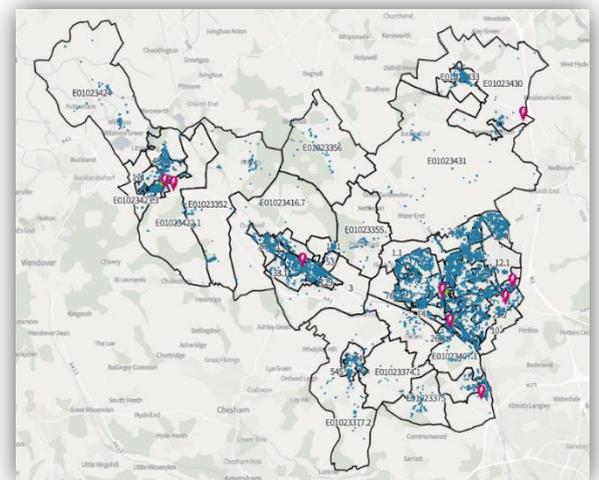


Figure 1 - Map of Dacorum showing households that will be reliant on public charge points

¹ Source: Business, Energy and Industrial Strategy (BEIS) UK Greenhouse Gas Emissions 2020

² Source: Business, Energy and Industrial Strategy (BEIS) Local Authority Emissions 2019.

2. National and Local Support

The Government's Transport Decarbonisation Plan (TDP) was released in July 2021 but the local authority information due out in 2021 has yet to be released. Hertfordshire County Council have produced a draft EV strategy, which is subject to ongoing discussions with Boroughs but unlikely to be finalised or published in the near future due to waiting for final Government Guidance to be released.

Therefore Dacorum has continued to work on what can be carried out locally to further the EV agenda and infrastructure, including:

1. Modelling the future uptake of EV vehicles and data gathering
2. Exploring implementing EV charge points (EVCPs) in Council car parks and identifying which sites are most viable
3. Liaising with EVCP operators to understand what they can offer and what ownership models are available.
4. Evaluating the commercial model which might underpin the installation of charging points

In parallel to this, work continues on a local EV strategy and work programme that will be adapted as more information becomes available both at a National and County level.

3. Charging Hierarchy

There are a variety of different charge point types and locations that will be required to meet the EV demand. This is demonstrated by the EV Charging Hierarchy.

Understanding this hierarchy and planning accordingly will be important when developing our future EV work programme.

There are a range of actions that the Council will be planning to take under its 'spheres of influence' to support the transition to EV within Dacorum. The most important focus and priority right now is to implement EVCPs in Council-owned car parks because this is land that we own and also acts as destinations for residents and fall under the '*Destination: Occasional*' part of the hierarchy.

This report outlines the steps that are being taken to achieve the installation of EVCPs in Council car parks.

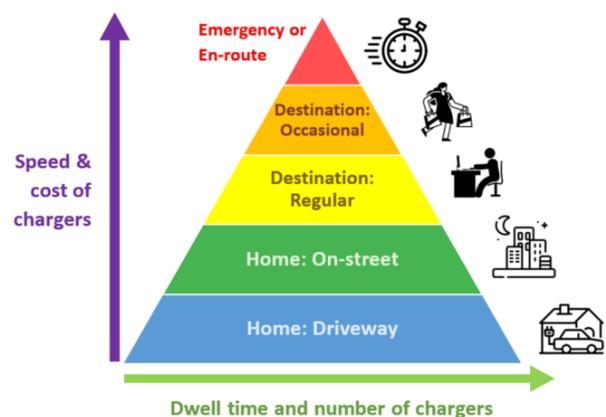


Figure 2- EV Charging Hierarchy

4. Overview of Current Dacorum EV Charging Infrastructure

In Dacorum there are currently 13 publicly accessible EVCPs. Of these, five are commercially owned and eight are Council-owned. Of the Councils 25 public Council-managed car parks, there are currently have EVCPs at 6 of these sites (24%).

The below table shows a comparison of Hertfordshire local authorities and their current EV infrastructure and how this relates to their resident populations and needs.

Hertfordshire Local Authority	Households relying on on-street parking?	% of pop'n	On-street households within 5 min walking distance of EVCP	% of pop'n	Charging sites per 1,000 on-street households
<i>Herts Average</i>	<i>19,223</i>	<i>39%</i>	<i>1795.7</i>	<i>9%</i>	<i>0.65</i>
Broxbourne	14,715	36%	886	6%	0.4
Dacorum	24,791	39%	1671	6.7%	0.6
East Herts	23,298	37%	1511	6.5%	0.4
Hertsmere	16,745	38%	1296	7.7%	0.6
North Herts	21,139	37%	1605	7.6%	0.7
St Albans	22,335	37%	3569	16%	0.9
Stevenage	16,587	44%	1153	7%	0.3
Three Rivers	11,673	31%	641	5.5%	0.8
Watford	20,180	51%	4294	21%	1.2
Welwyn Hatfield	20,769	42%	1331	6.4%	0.6

Source: Field Dynamics - [On Street Charging \(acceleratedinsightplatform.com\)](https://acceleratedinsightplatform.com)

The Dacorum data shows that 6.7% (1671) of the households who do not have access to a driveway or garage to park their car are within a 5 minute walking distance from a publicly available EVCP. This is slightly below the Hertfordshire average of 9%. Using Council Car Park assets will greatly increase publically available EVCPs. Watford have been making good progress on installing EVCPs, which has been driven by local demand due to being closer to the London's ULEZ charge, and enabled due to being awarded funding.

5. Modelling EVCP Demand in Dacorum

Dacorum have been running an EV Residents Survey since February 2020 which has received over 2000 responses to date. Over 60% of respondents have told us that they would be encouraged to buy an EV sooner if more charge points were installed in their local area. Additionally, the below chart shows that the availability of charging infrastructure is one of the biggest concerns for residents.

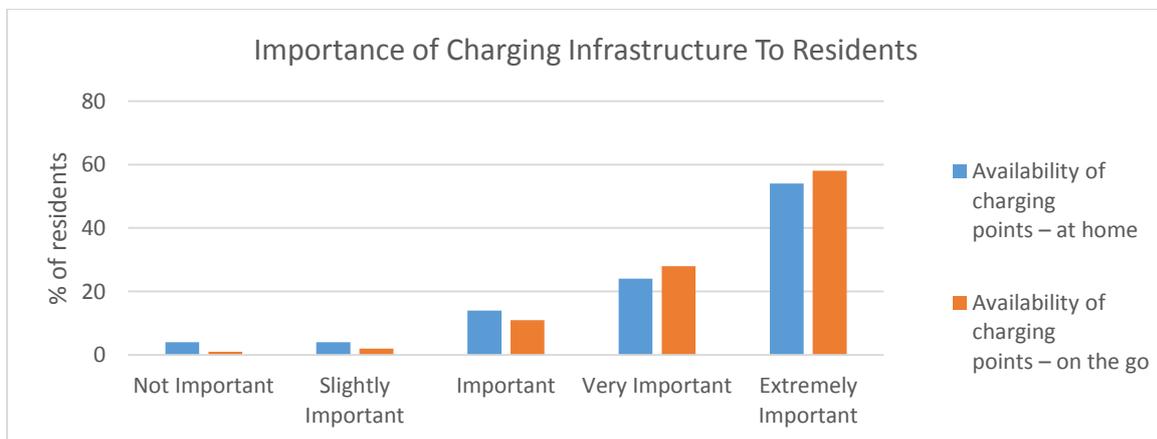


Table 1- Importance of Charging Infrastructure to Residents - data from EV Residents Survey

Work was conducted with Field Dynamics in 2021, as specialist EV consultants, to create a report specifically for Dacorum to model our future EVCP demand. Dacorum was one of the first authorities in the UK to benefit from their new 'Jumpstart' programme which provides support around this type of modelling.

The key outcomes of this work were that:

- **By 2030, we are likely to have over approximately 30,000 EVs in Dacorum³.**
This does not take into account plug in hybrid EVs, who will also be using charging infrastructure.
- **Approximately 2 in 5 households, (equivalent to ~25,000 households) do not have a driveway or garage to install home charge points.** These are symbolised by blue dots on the map (Figure 1).
- **The borough is estimated to need around 700 publicly available EVCPs by 2030 to meet demand.** Achieving this will need a collaborative effort between all land-owners, businesses and organisations. But what is clear is the Council cannot provide all of these so must focus on interventions in key areas.

The borough was modelled and split into zones to help us understand demand further (figure 3):

- **Commercial** - Zones where residents will be able to rely on commercially provided chargers
- **Public Need** - These zones have a high level of residents who will be reliant on public charging
- **Off-Street** - These zones have a high level of residents who will be able to charge at home
- **Visitor** - Zones where non-residents will make up a high level of charging
- **Minimum need** - Zones where there is a minimum need for public charging

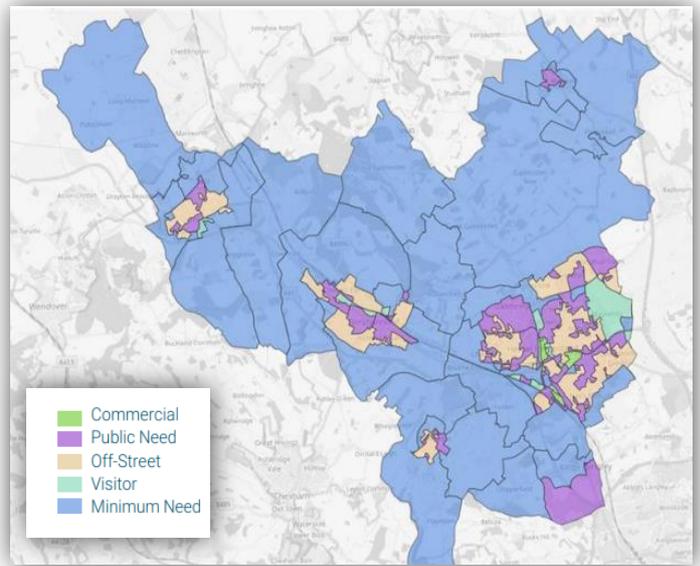


Figure 3 - Map of Dacorum showing EVCP demand zones

The map (figure 4) shows the catchment achieved in Hemel Hempstead by putting EVCPs into all of the council-owned car parks.

As demonstrated, implementing EVCPs in these areas will not be sufficient on their own to meet the needs of the borough, but provides an initial way forward by the Council to utilise their own land to add to the overall infrastructure.

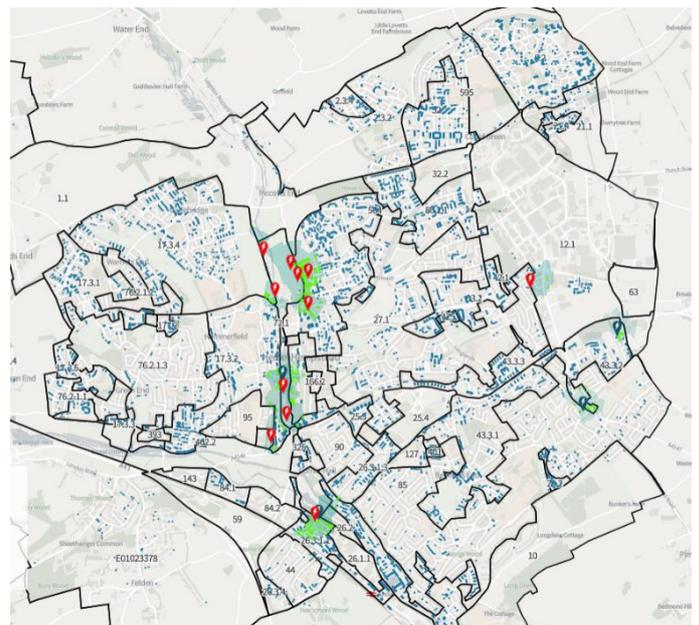


Figure 4 - Map showing DBC car parks (red), compared to residents relying on public chargers (blue dots)

6. Developing the EVCP Car Park Work Programme

³ Calculated using the National Grid: Future Energy Scenarios Consumer Transformation uptake curve.

Council Owned Car Parks and Government Funding

The [On-street Residential Charge point Scheme](#) (ORCS) provides grant funding for local authorities to install residential charge points and includes car parks in its criteria. Up to 75% of project funding is delivered through ORCS (up to £7,500 per charging point, with the limited cases up to £13,000), with local authorities expected to match-fund the remaining. The Transport Decarbonisation Plan confirmed that this funding would continue until 2024 at least.

There is a set criteria for car-parks to be eligible. This criteria has been cross-referenced with the Boroughs car parks resulting in the site list below, with sites highlighted in yellow already have existing charge points.

Car park	Area
Wood Lane End, HP2 4RA	Hemel Hempstead
The Gables, near Bell Court, HP2 5HL	Hemel Hempstead
High Street, Old Town, HP1 3AQ	Hemel Hempstead
Gadebridge Lane	Hemel Hempstead
Queensway, HP1 1HR	Hemel Hempstead
Alexandra Road, HP2 5BS	Hemel Hempstead
Water Gardens (North) Lower deck, Bridge Street, HP1 1EF	Hemel Hempstead
Moor End, HP1 1BT	Hemel Hempstead
Park Road, HP1 1JS	Hemel Hempstead
Durrants Hill, HP3 5SD	Hemel Hempstead
The Nap, WD4 8ET	Kings Langley
Langley Hill, WD4 9HD	Kings Langley
Lower Kings Road, Floors 4 and 5	Berkhamsted
Lower Kings Road, Floors 6 and 7 (weekends only)	Berkhamsted
St John's Well Lane, HP4 1HA	Berkhamsted
The Forge, High Street, HP23 5AG	Tring
Church Yard, Frogmore Street, HP23 5AZ	Tring
Frogmore Street (West), HP23 5AU	Tring
Hicks Road, AL3 8LJ	Markyate

The availability of ORCS funding does alleviate a lot of the infrastructure cost but does still result in Council investment being required to make up the remaining 25% of costs. Initial work carried out with BP Pulse showed that, for the installation of 4 charging points in a car park, the Council investment could range from between £7000 to £30,000 per car park depending on how much ORCS funding is provided.

For this reason, officers have begun to explore alternative options.

EVCP Providers

An alternative to using ORCS funding, and limiting the impact on public funds, is to partner with an EVCP Provider through a commercial contract. Several other local authorities are moving forwards with this.

Dacorum initiated conversations with EVCP providers in 2021 to understand what potential costs would be and options around this through the use of private partnerships with EVCP providers. Initial conversations led to a preferred provider, but this has since become unfeasible due to them stepping away from fully funding any EVCP.

Therefore a variety of different Fast and Rapid EVCP providers have since been approached and asked a range of questions on what they could offer us instead. Several are now willing to fully fund projects, without the need for ORCS funding, but with the main caveats:

- Long leases – e.g. 15-25 years
- Site selection – typically they want areas with very high footfall,

Some EVCP providers are also interested in using ORCS funding, and match-funding the additional 25% so that this is no cost to the Council. Additionally, there is also the option for Dacorum to pay the 25%, which will enable more profit share options. These varying funding models and opportunities will be fully understood once all proposals have been received.

What is clear from initial conversations is that a range of Fast and Rapid charging options will be needed to maximise opportunities across the Borough, with opportunities around the installation of EVCPs in car parks that can lead to an income return to the Council. This may mean partnering with more than one provider in order to install either Fast or Rapid, depending on what is appropriate in the given location.

There are also very clear commercial opportunities around partnering with such companies in the provision of EVCPs in Council Car parks, not only through potentially fully funded infrastructure costs but also a return to the Council through the life of the contract via a rental agreement (for the use / loss of a car park space) or a percentage share of income received after costs.

Risks and Opportunities

As set out, due to the commercial nature of the providers, a long term lease is being sought by most to ensure return on any investment. This can present a risk if mitigation is not ensured at the contract stage around long term financial and technological issues and these issues will need to be considered throughout the proposal evaluation process.

By working with EVCP providers that have offered to fully-fund projects, several have also committed to also paying wider costs, including the addition of electrical sub-stations where needed to improve electrical capacity. This is an important elements of the selection process, as this infrastructure would otherwise be a very costly measure for the Council, or would be a barrier to installing appropriate charging infrastructure at all.

Dacorum does find itself in a very positive commercial position due to an increased competitive market of providers, allowing potential for commercial gain as mentioned above. The work undertaken to date allows this to be maximised by having a clear understanding of need in the Borough and availability of options.

Next Steps for EVCPs in Council Car Parks

Proposals from selected EVCP providers are currently being evaluated to understand the best way forward. Additionally, some EVCP providers are on different frameworks which will impact the timelines as to whether we can give a direct award or need to go out to tender. This is all feeding into a clear commercial options appraisal going forward. Regarding investment requirements, further appraisal will be completed as part of these negotiations.

It is therefore the intention of Officers to conclude a commercial negotiation / procurement process and bring forward proposals for approval through the appropriate forums once completed.

In terms of timeframes, the intention is to move forward with installation of such EVCPs in car parks during the course of 2022/23. This would require work with any successful provider in terms of their timelines, and subject to all due diligence. But this would be the first phase of a bigger role out of EVCPs in the Borough on Council land.

7. Developing a Wider EV Strategy

As stated, the Council is limited in what it has direct control over and whilst this work is being progressed, a wider EV strategy and work plan is also being developed, which this singular aspect of providing EVCPs in local car parks feeds in to. This work plan will be subject to change dependent on advances in guidance for both national and local guidance. Initially we plan to address and explore the following areas:

Workplace Charging

A fundamental aspect of the charging hierarchy will be the provision of EVCPs in workplaces. This objective carries a range of benefits for organisations throughout Dacorum. Although the Council will have limited direct influence, besides within the Council organisation, there are several actions the Council will be able to take to encourage businesses and organisations to install EVCPs.

On-Street Charging

With over a third of Dacorum residents in the borough not having the ability to charge at home, there will be instances where there is a need to provide on-street charging if there is a pocket of high population density with households who need support charging and no sufficient EVCP infrastructure nearby. This will be especially important near large blocks of flats where parking pressures may already be an existing issue. Areas will need to be assessed on a case-by-case basis to determine what infrastructure is suitable.

Hertfordshire County Council owns the majority of the highways land, it will be necessary to collaborate with them in instances where Dacorum is not the landowner. However, in the short-term Dacorum will be gathering initial area information for where there is likely to be a need and what infrastructure is feasible in each location.

Home Charging

Home-chargers will form the most essential part of the EV charging hierarchy and are the cheapest and most convenient method of charging EVs. Approximately two thirds of households will be able to install an EVCP at home. Whilst the Council will be able to install home-chargers at some of our council-owned housing, the main role they will have to play under this objective, will be encouraging home owners and landlords to install EVCPs

Policy will need to be agreed regarding the use of cables crossing footpaths – e.g. specialised cable channels, as this may enable more residents to install wall-mounted EVCPs, reducing the demand for public EVCPs. This could be managed in a similar way to residents applying for dropped kerbs, but will be explored.

EV Car Pool

Providing EV car pools allows users to hire EVs for as little as an hour at a time. This method of short-term hiring can help overcome a range of barriers and encourage people to use EVs. Dacorum can play a role in establishing one of these, learning from several Hertfordshire local authorities have adopted an early model which allows an EV car pool to be used by staff during office hours and then be available to the public during evenings and weekends.

EV Fleet

Dacorum will work to lead by example and transition its own fleet to EV (or equivalent depending on technology available). This is currently being looked at in terms of options and availability.

Guidance will be produced and rolled out to local businesses and organisations to encourage them to also make this transition and to make the most of free support, e.g. the Energy Saving Trust's free [Fleet Advice](#) scheme.

Communication, Engagement and Guidance

Communication and engagement with local stakeholders – especially residents and organisations – through the provision of advice, guidance and support, will be a fundamental part of our role in supporting the transition to EVs. This will be especially important due to EVs being such a fast evolving technology and people requiring updates and information from a reliable, trustworthy source.

All of the aforementioned objectives will require communication and engagement to some extent – whether it is through large-scale initiatives, informative social media campaigns, website content, guidance documents, community talks, and so on.

Demystifying EVs will help encourage more people to transition more quickly. Information will need to be provided around the benefits of EVs, where and how people can charge conveniently, various funding streams and incentives available

3 Options and alternatives considered

Due to the need to address the climate and ecological emergency, and identifying transport as a major contributor to both the problem and future solutions, the Council is limited in its options around the installation of EVCPs where it is viable to do so.

1. Do Nothing – which, as can be seen from the earlier data and requirements, is not an option
2. Directly install charge points - unfortunately the Council, as with others, do not hold the expertise or capability to do this, resulting in further delays and increased on costs associated with getting in a position to be able to achieve this.
3. Work with private contractors to install EVCPs in Council Car Parks, exploring the options or fully funded or ORCS funded options dependant on type and number of EVCPs involved. While initial discussions with providers have shown that a fully funded option is available for installation of ultra-rapid chargers, the expansion to also have rapid chargers is likely to fall within ORCS funding and therefore potential commitment of Council investment. The commercial approach being taken will assess and quantify this as part of any procurement process. This approach would also build in requirements for replacement of technology as it surpassed by newer technology.

Therefore Option 3 is the lower risk option for the Council, limiting financial risk in the short and long term, while ensuring an approach that keeps the technology up to date in the Car Parks. But it should be recognised that the market is changing quickly and that there cannot be an assumption that a commercial offer available now will last, putting emphasis on the need to take forward any approach quickly.

4 Consultation

The move to EVs was agreed as part of the Climate and Ecological Emergency draft strategy that was approved by Cabinet in November 2021, which had been subject to all necessary consultation.

5 Financial and value for money implications:

The model being explored for the installation of EVCPs in Council Car Parks offers the best value for money approach, limiting any public money contribution but allowing the exploration of income return via a rental or income percentage scheme with the provider.

6 Legal Implications

The process will be subject to meeting procurement and contractual requirements

7 Risk implications:

The risk to this approach is limited due the main financial risk sitting with the provider in terms of installation and setup. The main risk of adopting a fully funded approach is the long term lease requirements of companies (20-25 years), but this is mitigated by the providers not requiring any exclusivity condition (e.g. the Council could opt to use other providers to install EVCPs in future in the same car parks) as well as contractual obligations around ensuring equipment is updated as new technology is adopted.

8 Equalities, Community Impact and Human Rights:

Community Impact Assessment - this will be completed as part of any procurement process

Human Rights – None

9 Sustainability implications (including climate change, health and wellbeing, community safety)

The work to increase EVCPs across the Borough, with priority on Council owned land, feeds directly into the climate and ecological emergency agenda and action points. As described in the report, addressing emissions from transport is key to the overall carbon emission reduction, but the infrastructure must be in place to allow this.

10 Council infrastructure (including Health and Safety, HR/OD, assets and other resources)

As described in the report, the Council has limited direct control over the installation of EVCPs, being the use of its own land assets being Council Car Parks in this case. As part of the commercial action plan around this, any implications around health and safety and resources will be considered in detail to ensure no direct or indirect escalation of risks.

11 Conclusions:

Ultra Low Emission Vehicles will play a vital part in reducing carbon emissions in the Borough and beyond. But for this to happen, and for people to be encouraged to move to such vehicles, the infrastructure must be in place to support. While Dacorum are not in a position to provide the majority of this, it does have the ability to influence by setting an example on its own land. Therefore this is a priority to get EVCPs into Council Car Parks from 2022, but through partnership working with the private sector to maximise what can be done and minimise impact on the public purse. Several leading EVCP providers are providing options around this, which will allow the progression of the procurement process. Once this has been completed, Dacorum will be in a position to update all on the next steps to see tangible actions in car parks starting in 2022.