



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

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

TUESDAY 6 SEPTEMBER 2022 AT 7.30 PM

COUNCIL CHAMBER, THE FORUM

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

Membership

Councillor Chapman
Councillor Guest
Councillor Tindall
Councillor Adeleke
Councillor Arslan
Councillor So Mahmood
Councillor Su Mahmood

Councillor Sinha
Councillor Townsend
Councillor Cloughton (Vice-Chairman)
Councillor Symington
Councillor Douris (Chairman)
Councillor Freedman

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

AGENDA

1. MINUTES (Pages 3 - 17)

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

To follow.

7. BUDGET MONITORING REPORT (Pages 18 - 29)

8. QUARTER 1 PERFORMANCE REPORT - FINANCE & RESOURCES (Pages 30 - 50)

9. QUARTER 1 PERFORMANCE REPORT - CORPORATE & COMMERCIAL SERVICES (Pages 51 - 79)

10. QUARTER 1 PERFORMANCE REPORT - PEOPLE AND TRANSFORMATION (Pages 80 - 87)

11. COMMERCIAL STRATEGY UPDATE (Pages 88 - 104)

12. WORK PROGRAMME (Pages 105 - 107)

MINUTES

FINANCE & RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

5 JULY 2022

Present:

Cllr Adeleke	Cllr Sinha
Cllr Chapman	Cllr Sobaan Mahmood
Cllr Cloughton (Vice-Chairman)	Cllr Peter
Cllr Douris (Chairman)	Cllr Symington
Cllr Freedman	Cllr Tindall
Cllr Guest	

Officers:

Nigel Howcutt (Chief Finance Officer)
Ben Trueman (Head of Digital)
Ben Hosier (Head of Commercial Development)
Trudi Angel (Corporate and Democratic Support Officer)

Also in attendance:

Cllr Andrew Williams (Portfolio Holder, Commercial Strategy and Delivery)
Cllr Graeme Elliot (Portfolio Holder, Corporate Services)

The meeting started at 7.30 pm.

1. MINUTES

The Chairman advised that the minutes had been circulated and asked if these could be taken as an accurate record.

Councillor Cloughton referred to item 10 on page 18. He wanted to make an amendment regarding the absence due to stress and anxiety and stated that, according to the minutes, he had said it was unsurprising given the pandemic and asked for a deep-dive of the analysis to provide the reasons for the increase, which sounded as though he had already answered his own question. He noted that the Council had undergone significant change recently and they were trying to unscramble what was due to Covid and what was due to changes in the Council. The Secretary had been notified of the proposed amendment.

The Chairman said the proposed amendment would be clarified by the secretary. There were no other comments on the minutes.

The Chairman then asked whether everybody had seen all of the action points and responses.

Councillor Townsend referred to the action point regarding action point part 1 on page 2. He said that an assertion was made that the DBC-owned car parks include the Old School Yard in Tring, but he believed that they are owned by Tring Town Council and raised this point for clarification.

The Chairman asked B Hosier if he agreed with Councillor Townsend's point of clarity. B Hosier replied he did.

Councillor Tindall said he understood that the County Council were reluctant about EV on-street chargers. Councillor Tindall wondered if this had any impact on what the Council were doing about EV chargers. He noted that there were narrow streets throughout the borough and that residents could be disadvantaged if the Council couldn't finish putting in on-street EV chargers in the future when technology allows.

B Hosier replied to Councillor Tindall by saying that, in order for the Council to install EV charger points, they need the landowner's permission and Hertfordshire County Council Highways will not give the Council that permission currently. B Hosier then stated that this is why the decision has been made to place the EVCPs in car parks which are in the Council's ownership, apart from the Old School Yard car park.

The Chairman said he would need to double check whether some of the action points were actually information points and an opportunity to ask further questions. This is something he wanted to take away to think about before the next meeting.

An information point was raised by Councillor Cloughton regarding the question asked about face-to-face customer services in Berkhamsted and Tring, and the fact that they've been reintroduced had been widely advertised. He said he had had a very helpful response from H Peacock, setting out the way in which the services were advertised. He stated that, apart from physical posters being put up at the locations, all the other means of promulgating the change were digital. This had been pointed out to H Peacock, saying that the people who are most likely to want face-to-face meetings in these locations are the people who are least likely to have access to computers, and so before any conclusions are drawn about how heavily these services are used, he suggested that there should be a review of the way in which they were being advertised.

The Chairman noted H Peacock's response and referred Councillor Cloughton back to the comment he made following Councillor Tindall's question.

2. APOLOGIES FOR ABSENCE

Apologies were received from Councillors Arslan and Suqlain Mahmood. Councillor Peter substituted for Councillor Suqlain Mahmood.

The Chairman advised Councillor Chapman would be arriving late to the meeting.

3. DECLARATIONS OF INTEREST

The Chairman asked that any declarations of interest should be addressed as they arise during the meeting.

4. PUBLIC PARTICIPATION

There was no public participation.

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

None.

6. ACTION POINTS FROM THE PREVIOUS MEETING

The action points were discussed under agenda item 1 (minutes).

7. PROVISIONAL OUTTURN REPORT

N Howcutt expressed his thanks to his wider finance team for working diligently to produce the provisional financial outturn, and the financial statement for 2021/2022. N Howcutt stated that the Council was, yet again, on course to be one of the first councils in the country to get audited accounts, and that there were only 5% or 6% of councils that do this.

N Howcutt noted that the report in front of members was a provisional outturn which outlines any significant changes from the reports seen throughout the year. The headline is that the Council has a surplus on the general fund at year end of about £565,000; this was predominantly brought about by the year end working around cost related to the general fund and HRA, and that split being more focused on HRA than the general fund. Following discussions with the leader and cabinet members, it had been recommended that the funds were put into a specific earmarked reserve to allow the Council to fund any in-year inflationary pressures that may be suffered given the current economic climate. From N Howcutt's perspective, this seemed a very sensible thing to do, while still working out how the cost of living crisis may impact the various areas. This has also helped them to respond to questions around what the Council was doing to respond to inflation.

N Howcutt noted that there were no other significant points to note regarding the rest of the report, apart from technical changes around capital accounting. N Howcutt stated that the outturn was in line with what was expected. There are pressures this year, some of which relate to things such as the waste service, partly through Covid and partly through development and growth in the borough, which is when there will be increased demand on that service area. In addition to this, other areas that were spoken about during the year, in terms of income collection, for example car parking, some of these issues are expected to carry on into 2022 and 2023, and N Howcutt stated that the quarter 1 report will be coming to members in September.

Councillor Townsend stated that at a previous meeting, he had raised a concern about the general funds being kept flat, and that at the end of the year the Council come up with reserves and the amount of reserve is always equal to the surplus. He said he had previously asked the question, but wanted to ask again, whether it has been confirmed with external auditors that this is appropriate.

N Howcutt responded that, because the Council had been very efficient with the accounts, the external auditors started last Monday and they would be going through the statements, decisions and policies put in place.

In terms of the end of year surplus, N Howcutt stated that it has to go somewhere, and that the only logical place for that to go is into a provision or reserve. In terms of the rationale for why that happens at year end, he stated that some practices are being changed regarding the HRA and general fund recharging, specifically that more quarterly detailed reconciliations will be done, in order to give comfort that the Council is not waiting until year end and that the numbers will be skewed. The largest section is around insurance, so around 90% of that recharge is insurance, and noted that insurance claims take a period of time to go through the system. He then explained that at the end of March, a lot of these insurance costs will not yet have been received which are then passed on to the HRA, and so over the next couple of months, while accounts are being formed, the costs come through and accruals are done. N Howcutt said that this is the reason why you do often see a year-end spring on that HRA recharge. The Council is looking at this and examining how it is accounted for, but the other end is in terms of budget monitoring, and that there has been little or no changes throughout the full period. He stated he was comfortable there is consistent, effective and robust monitoring in place.

Councillor Townsend clarified his question, and stated that the question was one of methodology, specifically whether the external auditor is comfortable with the methodology whereby the reserved amount is about the same figure. He explained he has asked this question persistently for a number of years regarding the methodology used to calculate the reserve amount.

N Howcutt answered that the auditors are aware and agreed with the methodology.

Councillor Adeleke asked a question regarding item 6.5, repairs and maintenance, where there is an underspend. Councillor Adeleke wanted to know if the underspend was as a result of the fact that they were unable to continue maintenance due to circumstances beyond their control. If they had managed to carry out maintenance as planned, would there still be an underspend.

N Howcutt responded that there are 2 points to note, that there is underspend where works have been completed but have costed less than it was thought. Equally, there is overspend, which is the opposite, and then there is also slippage. Slippage is where works have not been undertaken and so the budget has slipped into the next financial year to allow the work to be undertaken.

Councillor Symington asked about filming costs and the CIL (Community Infrastructure Levy) administration. Filming costs made a surplus income of £9,000, which is going to town centre improvements. Councillor Symington wondered if that meets the Council's threshold for what this should be giving off as a surplus, because there are considerable externalities to the community having filming going on. Councillor Symington said, therefore, that to put more back in would be beneficial to residents.

N Howcutt responded that, in terms of filming, this year the Council has been promoting the idea of being a filming Council, and being supportive of that, whilst also taking residents' considerations regarding location, how much filming etc. into account. The filming service has delivered a profit, including all costs put into that, and it was felt that because that filming was, to a certain extent, using commercial assets, that profit from that should be put back into the community.

N Howcutt acknowledged that £9,000 was a small amount, and that the Council would look at how the filming goes in 2022-23, which effectively is year 2 of the filming support mechanism, and it may be that after doing this the Council may decide to use those funds for other items or to come back to members to decide how the funds can be best invested. He said that the small surplus to be put back into the high street is less of a concern in terms of utilisation.

In terms of the CIL admin, it is slightly technical accounting. The Council is only allowed to charge the CIL income that is actually received. A 5% amount is permitted to be taken to one side for admin, costs for which are fairly consistent year-on-year, but income varies. N Howcutt explained that 5% is charged, and if it's under what is needed in the budget, then reserves are drawn upon, and if it's over, the surplus is allocated to reserves. He explained that there was a surplus this year, and that this surplus was going to be put into a CIL reserve.

Councillor Symington asked whether the figure was available for what the admin costs for the CIL were annually. She then stated that she did not have a problem with the

money going back into the community, but the issue is that it is an enormous inconvenience for people who live in that community for a very small amount of money.

N Howcutt stated that was a policy decision that might be better answered by others. The policy was rolled out in 2021/22, in terms of supporting and growing the industry. N Howcutt noted that the area of the country in which they live is a booming area for the filming industry, and stated that the commercial ethos the Council is trying to deliver meant that it was right that the Council should try and tap into some of that business.

The Chairman noted that any location that has filming brings in a host of residual benefits, relative to the short period of inconvenience. He gave the example of Heartbeat or Last of the Summer Wine, and how the filming locations of those programmes had prospered as a result.

Councillor Elliot reiterated that filming provides a fantastic advert for the borough. He gave the example of After Life, that highlighted the old town of Hemel, and that filming was advertising the borough as a fantastic place to live.

The Chairman noted that, on occasion, the film company will leave the area in a slightly better condition than they found it in.

N Howcutt added some detail on the filming process, that an assessment is done on the space being used, and who might be impacted by the use of that space. Payments are made by the filming company directly to businesses or residents who may be affected by the filming process.

The Chairman noted that when filming developments are completed, there will be more sound stages in Hertfordshire than there are in Hollywood. He also highlighted that, on filming credits, you will see that a lot of people working in the films are employed locally, and therefore filming brings employment to the local area. He finished by saying he thought the filming was a cause to rejoice.

Councillor Symington said that she does not have a problem with supporting the filming industry, but that £9,000 is not a lot of money. She advised that one small parish Council received £20,000 from one film, and that money has been put back into their community, but that in the whole borough, only £9,000 has been gained. She felt that the borough should not undersell themselves.

Regarding the question around CIL admin, N Howcutt said he would come back to Councillor Symington with the details on that, but that there is variance year-on-year. N Howcutt then stated that filming is going to be part of a review that is due to take place over the next few months, and that reviewing what the Council is charging for certain filming items is part of that review. **Action.**

Councillor Freedman then asked a question to do with slippages, that there are a number of projects with slippage in both the HRA and the general fund. He made the point that with the devaluation of the pound, and inflation being so high, any slippage is a dangerous thing because future costs will be materially higher than at present. Councillor Freedman said he wanted to make sure that the Council is being more aggressive in preventing slippages than previously, due to increasing costs.

N Howcutt said that Councillor Freedman was right in what he had said, but that equally, holding contractors to rates was difficult. He said the Council were trying to make sure slippage was kept to a minimum, but equally, the Council was trying to work with providers to try and limit cost increases. N Howcutt then stated that the cost to the end of 2021/22 seemed to be similar to the costs at the beginning of 2022/23, so as long as the Council could deliver some of that slippage within a short period of time, there should not be a significant increase in cost. He then explained that the bigger issue is in the larger capital projects which take multiple years, and hoped that current inflation was abnormally high, but that the Council would react to the industry as much as they could.

Councillor Guest made a comment regarding page 23 of the papers, point 1.3. She referred to the surplus of just over £500,000, and that she thought the idea of the money going into reserve was a good idea as Covid has shown us we never know what is down the road. Councillor Guest then asked a question regarding page 25 and the general fund provision plan in the community, where the Council was slightly over budget. Councillor Guest asked how the overspend was going to be factored in.

N Howcutt replied that the surplus was the net of all the over and underspends across the whole Council. Effectively, through underspends in other areas, the Council have funded that pressure in housing and communities. N Howcutt stated that, as part of the outturn, the Council examined how many of the pressures and surpluses were considered to be a baseline going forward, and whether they required a response in the following year's budget. N Howcutt reiterated that the net position for the Council is a £565,000 surplus, and that one of the biggest areas of surplus for the last year was the commercial property portfolio.

Councillor Townsend asked a question regarding the £565,000 surplus. He asked to what extent the Council thinks they are covered with that amount. Was it possible at this stage in the financial year to say how inflation will affect the Council?

The Chairman replied that he suspected these were in-year transfers, whereas if you were considering a policy position, that might come at the time of the budget.

N Howcutt said that in-year decisions will be made on how to use these funds, and that the surplus should be thought of as a short-term 'release valve' to use for areas of pressure. N Howcutt stated that he knew where key pressures would be, which were around arrangements for employee inflation, and around utilities and fuel. He advised

that another area of potential risk was Council tax collection, but that this hasn't materialised as yet. In previous years the budget had been sufficient to cover inflationary increases, but that current times were abnormal, and so the reserve would allow extra funding if required. The Q1 report will give an indication of where pressures are, and therefore whether the reserve is too much, enough, or too little. He suspected the surplus will be more than enough to see the Council through the impact of the cost of living crisis in 2022-2023.

Councillor Symington asked about the £150,000 Dacorum development reserve going towards the Berkhamsted Leisure Centre. Councillor Symington understood that several transfers have already been made to pay for the developments, and that there was going to be a pause between phase 3 and 4, that the development would come back to a scrutiny committee, and that the project was fully financed throughout. Councillor Symington asked where the project was at, and why the Council was paying out £150,000 when the project does not seem to have moved forward.

N Howcutt stated that, at present, the Council requires the additional funds to look at other options on the sites that have come out of the initial investigation work that was done as part of stage 3, and that everything else Councillor Symington said was correct. The period between phases 3 and 4 would give the Council some additional options to look to do work on the leisure centre. Once the funds are spent, that is the point at which the Council would come back to scrutiny groups and cabinet for the medium- and long-term solution for the Berkhamsted Leisure Centre.

Councillor Symington then asked about inflation, and whether N Howcutt could give some details on what the current budget for wage inflation is for this year. Given that the unions have put in for 11%, and Hertfordshire County Council are talking about 4%, what level of wage inflation has the Council already budgeted for and what does each 1% increase over that budget cost the Council.

N Howcutt replied that some of this was under discussion at the moment. The Council currently has 2.5% in its MTFS for 2022/23, which is approximately 0.3% higher than the average for a district Council, and 0.2% higher than the Hertfordshire average. So, the Council is above average in terms of what is in the MTFS. The Council is in discussions at the moment around what is being put in for 2023/24, and are looking at increasing that, and that will come forward in the MTFS in September.

N Howcutt then stated that the Council would be looking at the possibility of putting significantly more in for 2023/24. For every 1% that comes about, the Council is looking at, depending on how it impacts, circa £250,000 for every 1% increase in the pay award. N Howcutt then said there are a lot of technical discussions going on and that he did not foresee that the end pay award will be a standard 5% across the board, that he thought there would be a more targeted approach at those that are on the lower earnings levels. The Council tends to have far less than, if any, of those lower-scale points that may see

those incremental rises. N Howcutt warned that if Councillors hear numbers of 20%, don't assume that that is 20% on Dacorum at the bottom levels, because Dacorum does not generally have many staff on those lower scales. N Howcutt reiterated that it would be wrong to go into any detail, and said Councillors should not forget that last year, unions started at 7.5%.

The Chair had a question regarding page 26, item 6.7. The item talked about the empty homes discount being reduced from 3 months to 1 month and he wanted to know whether any action was being taken to try and mitigate that.

N Howcutt replied action is being taken. In terms of turning around the Council properties, it's high on the radar of the housing and transformation programme. Some of that is around liaising with partners to be able to flip those properties as quickly as possible. The average turnaround time is around 30 days, so it's on track, but there are some properties that exceed that time, and the Council is looking to make improvements in this area. What the Council has done is put additional funds into HRA, to fund part of this in the 2022/23 base budget. Although improvements are expected, the Council will not see the step change until the pressure is moved in its entirety.

Outcome:

The report was noted.

8. COMMERCIAL STRATEGY

Full details can be found in the Part 2 Minutes.

9. WORK PROGRAMME

There were no changes to the work programme.

There being no further business, the Chairman thanked everyone for attending and closed the meeting.

The meeting ended at 9.01 pm.

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

Document is Restricted



Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Financial Performance Quarter 1 2022-23
Date:	6th September 2022
Report on behalf of:	CLlr Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – General Fund Forecast Outturn Position Q1 2022-23 Appendix B – HRA Forecast Outturn Position Q1 2022-23 Appendix C – Projected Capital Outturn Q1 2022-23
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

Report Author

Clare Dempsey, Team Leader Financial Planning and Analysis



Clare.Dempsey@dacorum.gov.uk / 01442 228264 (ext. 2264)

Responsible Officer

Fiona Jump, Head of Financial Services



Fiona.Jump@dacorum.gov.uk / 01442 228162 (ext. 2162)

Corporate Priorities

- 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
Wards affected	All
Purpose of the report:	1. To provide details of the projected outturn 2022-23 as at quarter 1 for the: <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendation (s) to the decision maker (s):	1. That Committee note the financial position for 2022-23 as at Quarter 1.
Period for post policy/project review:	The Council's financial position is reported to committee on an ongoing, quarterly basis.

1 Introduction:

1.1 This report presents the Council's forecast outturn for 2022-23 as at the 30 June 2022. The report covers the following budgets with associated appendices:

- General Fund – Appendix A. A pressure against budget of £0.872m is forecast.
- Housing revenue Account (HRA) – Appendix B. A pressure of £1.040 is forecast.
- Capital Programme – Appendix C. General Fund Budgets are forecasting re-phasing to future years of £13.740m (14.5% of the budget). The HRA capital programme is forecast to budget.

2 General Fund Position – all Scrutiny Committee Areas

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

2.2 The table below provides an overview by Scrutiny area of the provisional outturn for controllable budgets within the General Fund.

Table 1 Scrutiny Committee	Current Budget £m	Forecast Outturn £m	Variance	
			£m	%
Finance & Resources	7.556	8.033	0.477	6.3%
Strategic Planning and Environment	10.987	11.746	0.759	6.9%
Housing and Community	1.949	2.002	0.053	2.7%
Total Operating Cost	20.492	21.781	1.289	6.3%
Core Funding	(20.493)	(20.910)	(0.417)	2.0%
(Surplus)/ Deficit	(0.001)	0.871	0.872	

2.3 Key variances against General Fund and HRA service areas (greater than £0.100m) are outlined in sections 3-7 below.

3 General Fund Position- Finance and Resources and Core Funding

Table 2 – Finance and Resources Quarter 1	Current	Forecast	Variance	
	Budget	Outturn	£m	%
	£m	£m	£m	%
Chief Executives	0.913	0.968	0.055	6.0%
Resident Services	0.527	0.515	(0.012)	(2.3%)
Corporate and Commercial	3.377	3.812	0.435	12.9%
People and Transformation	3.456	3.506	0.050	1.4%
Place	(0.717)	(0.768)	(0.051)	7.1%
Total Operating Cost	7.556	8.033	0.477	6.3%
Core Funding	(20.493)	(20.910)	(0.417)	2.0%

3.1 Key variances against Finance and Resources service areas (greater than £0.100m) are outlined below.

3.2 Place- net additional income of £0.051m

The net variance for Place is below £0.100m and comprises some relatively large variances. The Council's investment property portfolio has performed strongly during the first quarter projecting to achieve additional income of around £0.300m over budgeted levels. This is partly offset by staffing pressures within the Property Services team £0.140m, a shortfall against income targets in other areas and other minor pressures.

3.3 Corporate and Commercial- net pressure of £0.435m

There is a pressure on car parking income budgets of £0.500m, with demand for parking down by circa 15% on pre- Covid levels. The position is being closely monitored. The pressure is partly offset by other minor favourable variances within the service.

3.4 Core Funding- additional income of £0.417m

Due to the increase in interest rates the Council is receiving higher returns on treasury investments of £0.230m over budget. An increase to the HRA recharge income of £0.187m is expected as a result of additional general fund employee costs.

4 General Fund Position- Strategic Planning and Environment

Table 3 – Strategic Planning and Environment Quarter 1	Current	Forecast	Variance	
	Budget	Outturn	£m	%
	£m	£m	£m	%
Resident Services	10.688	11.417	0.729	6.8%
People & Transformation	(0.114)	(0.113)	0.001	(0.9%)
Place	0.411	0.439	0.028	6.8%
Total Operating Cost	10.987	11.746	0.758	6.9%

4.1 Resident Services – pressure of £0.729m

Waste Services is continuing to experience significant budgetary pressures with employee costs circa £0.700m and fuel costs circa £0.150m, combined with a commercial waste shortfall of £0.100m are causing a pressure on budgets of £0.925m. This is offset by £0.300m by the high prices we are receiving for recyclables.

5 General Fund Position- Housing and Community

Table 4 – Housing and Community General Fund Quarter 1	Current	Forecast	Variance	
	Budget	Outturn	£m	%
	£m	£m	£m	%
Resident Services	0.965	1.027	0.062	0.064
Corporate and Commercial	(1.823)	(1.811)	0.012	(0.007)
People and Transformation	1.104	1.098	(0.006)	(0.005)
Place	1.703	1.688	(0.015)	(0.009)
Total Operating Cost	1.949	2.002	0.053	0.027

5.1 At Q1 2022-23 there are no significant variances (greater than £0.100m) against Housing and Community service areas to report. The financial performance of all service areas continues to be monitored and any change in this position will be brought before Members in future reports.

6 Housing Revenue Account Position

6.1 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 provisional outturn position for the HRA is shown at Appendix B.

6.2 The projected HRA balance at the end of 2022-23 is a pressure of £1.040m. Work relating to the Council's Housing Transformation Improvement Programme (HTIP) is driving this pressure. Mitigation for this pressure has since been agreed via a reduction in expected expenditure against other approved HRA budgets, notably Repairs and Maintenance and the Revenue Contribution to Capital. This mitigating arrangement will be reflected in future financial reports.

6.3 Supervision and Management - £1.254m pressure against budget

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

- £1.6m committed to the Housing Transformation Improvement Programme (HTIP). £0.570m is expected to be funded from approved repairs and maintenance budgets. The balance is expected to be funded via a reduction in the budgeted revenue contribution to capital. As a result, this budget pressure is expected to reduce at quarter 2.
- £0.187m recharge costs from the General Fund for additional employee costs to support the HRA.
- An additional request will be made in the September Cabinet report for growth to the HRA for £0.05m for the addition of tenancy sustainment officers.

6.4 Rent, Rates and Taxes - £0.114m over budget

This pressure has arisen due to Council Tax liability for empty homes.

7 HRA- Technical and Accounting Adjustments £0.359m over achievement in income

7.1 In addition to the service-related variances above, technical adjustments have arisen. Following an increase in interest rates, returns on investments are having a favourable impact on the HRA budget.

8 Capital Programme

8.1 Appendix C shows the projected capital provisional 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 2022, plus approved amendments.

The 'rephasing' column refers to projects where expenditure is still expected to be incurred but will now be in 2023/24 rather than 2022/23 ('slippage'), or conversely, where expenditure planned initially for 2023/24 has been incurred in 2022/23 ('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.

Table 5- Capital Outturn 2022-23	Current Budget £m	Re-phasing (To)/from future years £m	Revised Budget £0m	Forecast Outturn £m	Variance	
					£m	%
Finance and Resources	17.287	(13.700)	3.586	3.586	0	0.9%
Strategic Planning and Environment	4.520	0.000	4.520	4.520	0	0.0%
Housing & Community	3.960	(0.039)	3.920	3.920	0	0.0%
GF Total	25.767	(13.740)	12.027	12.027	0	0.0%
HRA Total	68.514	0.000	68.514	68.514	0	0.0%
Grand Total	94.281	(13.740)	80.541	80.541	0	0.0%

8.2 General Fund Capital Programme Major Variances

General Fund capital budgets are reporting slippage of £13.740m. The slippage of includes the following items:

- Line 65: Slippage of £13.700m against Berkhamsted Leisure Centre redevelopment while alternative options are considered.
- Line 130 Alarm Receiving Centre £0.034m – work is being undertaken on programme and specification. This is expected to slip to future financial years.

8.3 Housing Revenue Account Major Variances

The HRA capital programme is forecast to be on budget for 2022/23. Note the following items:

- Line 177: Overspend of £0.250m on M&E Contracted Works offset by
- Line 179 Underspend of £0.250m on DBC Commissioned Capital Works

The New build programme is currently reporting as on budget this will be reviewed at quarter 2 once it is understood how the current planning moratorium will impact the programme of works

8.4 Supplementary Capital Budget Request

A request will be made in the September Cabinet report for a capital budget of £1m to be created for the re-purchase of Right To Buy properties. The Council has first refusal on the subsequent sale of homes purchased under Right to Buy, if the property is offered for sale within ten years of the original purchase. It is proposed that capital budget is earmarked for this purpose.

9 Equalities, Community Impact and Human Rights

9.1 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.

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

10 Sustainability implications

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

11 Council infrastructure

11.1 The content of this report sets out the implications of the Council's activities for its financial resources for 2022-23.

12 Conclusions


12.1 A forecasted outturn for 2022-23 at quarter 1, there is a pressure of £0.870m against Council General Fund budgets. Housing Revenue Account budgets are reporting a pressure of £1.040m.

11.2 A forecasted outturn 2021-22 at Quarter 1, General Fund capital budgets are reporting slippage of £13.740m with a balanced budget for the Housing Revenue Account capital schemes.



Dacorum Borough Council General Fund Position Q1 2022-23 30 June 2022

	Month			Year-to-Date			Full Year		
	Budget £000	Actuals £000	Variance £000	Budget £000	Actuals £000	Variance £000	Budget £000	Forecast Outturn £000	Variance £000
Cost of Services									
Finance and Resources	563	1,448	885	3,123	12,804	9,681	7,556	8,033	477
Housing and Community	276	(199)	(475)	480	(597)	(1,077)	1,949	2,002	53
Strategic Planning and Environment	685	420	(265)	2,483	1,995	(488)	10,987	11,746	759
Net Cost of Services	1,524	1,669	145	6,086	14,202	8,116	20,492	21,781	1,289
Other Items									
Investment Income	(25)	(61)	(36)	(75)	(67)	8	(300)	(530)	(230)
Interest Payments and MRP	86	0	(86)	257	0	(257)	1,029	1,029	0
Parish Precept Payments	0	0	0	1,034	1,015	(19)	1,034	1,034	0
Government Grants	(136)	(428)	(292)	(409)	(1,883)	(1,474)	(1,638)	(1,638)	0
Taxation (Council Tax and Business Rates)	(1,279)	2,061	3,340	(3,837)	6,183	10,020	(15,347)	(15,347)	0
Surplus / Deficit on Provision of Services	(1,492)	1,462	2,954	(4,810)	3,009	7,819	(15,222)	(15,452)	(230)
Transfers between Funds									
Net Recharge to the HRA	(439)	(29)	410	(1,318)	219	1,537	(5,271)	(5,458)	(187)
Net Movement on General Fund Working Balance	(407)	3,102	3,509	(42)	17,430	17,879	(1)	871	872

 Housing Revenue Account 2022/23 Outturn Revenue Budget Monitoring Report				
	Budget	Forecast	Variance	
	£000	Outturn	£000	%
		£000		
Income:				
Dwelling Rents	(57,300)	(57,319)	(19)	0.0%
Non-Dwelling Rents	(102)	(102)	0	0.0%
Tenants Charges	(1,517)	(1,517)	0	0.0%
Leaseholder Charges	(592)	(592)	0	0.0%
Interest and Investment Income	(42)	(401)	(359)	854.8%
Contribution towards Expenditure	(645)	(645)	0	0.0%
Total Income	(60,198)	(60,576)	(378)	0.6%
Expenditure:				
Repairs & Maintenance	11,513	11,563	50	0.4%
Supervision & Management	15,902	17,156	1,254	7.9%
Rent, Rates, Taxes & Other Charges	66	180	114	172.7%
Interest Payable	11,302	11,302	0	0.0%
Provision for Bad Debts	750	750	0	0.0%
Depreciation	15,620	15,620	0	0.0%
HRA Democratic Recharges	398	398	0	0.0%
Revenue Contribution to Capital	4,647	4,647	0	0.0%
Total Expenditure	60,198	61,616	1,418	2.4%
Transfer to / (from) Housing Reserves	0	0	0	0.0%
HRA Deficit / (Surplus)	0	1,040	1,040	0.0%
Housing Revenue Account Balance:				
Opening Balance at 1 April 2022	(2,892)	(2,892)	0	0.0%
Deficit / (Surplus) for year	0	1,040	1,040	0.0%
Proposed Contributions to Reserves	0	0	0	
Closing Balance at 31 March 2023	(2,892)	(1,852)	1,040	

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2022

Scheme	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										
Head of Digital										
46 Automation Programme	85,000	0	0	0	0	85,000	0	85,000	0	0
47 Firewall Renewal	95,000	0	0	0	0	95,000	0	95,000	0	0
48 Civica Customer Experience Software (Flare replacement)	100,000	0	0	0	0	100,000	0	100,000	0	0
49 Rolling Programme - Hardware	75,000	0	0	0	0	75,000	41,414	75,000	0	0
50 Software Licences - Right of Use	40,000	0	0	0	0	40,000	0	40,000	0	0
51 Future vision of CRM	100,000	98,600	0	0	0	198,600	0	198,600	0	0
52 Renewal of Data Centre Hardware	0	0	0	0	0	0	0	0	0	0
	495,000	98,600	0	0	0	593,600	41,414	593,600	0	0
Head of Environmental Protection										
56 Health and Safety software system	40,000	0	0	0	0	40,000	0	40,000	0	0
	40,000	0	0	0	0	40,000	0	40,000	0	0
Head of Property Services										
60 Strategic Acquisitions	0	0	0	0	0	0	0	0	0	0
61 Service Lease Domestic Properties	0	8,118	0	0	0	8,118	0	8,118	0	0
62 Old Town Hall - Cafe Roof and stonework renewal	0	60,000	0	0	0	60,000	0	60,000	0	0
63 Piccotts End Retaining Wall Rebuild	35,000	0	0	0	0	35,000	0	35,000	0	0
64 Tring Community Centre - new play area for Children's Nursery	0	11,144	0	0	0	11,144	0	11,144	0	0
65 Adeyfield Community Centre Structural Improvements	20,000	17,000	0	0	0	37,000	0	37,000	0	0
66 Boiler Replacement Programme	15,000	5,046	0	0	0	20,046	1,260	20,046	0	0
67 Tring Community Centre - Retaining Wall for New Play Area	0	20,000	0	0	0	20,000	0	20,000	0	0
68 Bennetts End Community Centre door upgrade work	15,000	0	0	0	0	15,000	7,245	15,000	0	0
69 External Refurb - Woodhall Farm Community Centre	40,000	0	0	0	0	40,000	0	40,000	0	0
70 Rossgate Shopping Centre - Structural Works	240,000	221,577	0	0	0	461,577	49,577	461,577	0	0
71 Bennettsgate Shopping Centre - External Render	0	0	0	0	0	0	0	0	0	0
72 Commercial Properties - Renew Obsolete Door Entry Controls	25,000	0	0	0	0	25,000	0	25,000	0	0
73 100 High St (Old Town), Hemel - Window Replacement	0	14,000	0	0	0	14,000	0	14,000	0	0
74 Long Chaulden Roof	0	55,020	0	0	0	55,020	0	55,020	0	0
75 Bellgate - Walkway Renovation	0	19,550	0	0	0	19,550	7,450	19,550	0	0
76 Bennettsgate - Window Renewal	0	74,780	0	0	0	74,780	0	74,780	0	0
77 Queens Square Canopy Renewal	40,000	0	0	0	0	40,000	(1,464)	40,000	0	0
78 Refurbishment of Dacre House	0	0	0	0	0	0	(4,668)	0	0	0
79 Renew Surface Water Drains to Henry Wells Square	0	19,100	0	0	0	19,100	21,620	19,100	0	0
80 Void Commercial Property Refurbishment	70,000	0	0	0	0	70,000	0	70,000	0	0
81 Bennettsgate - Structural Concrete Improvements & Façade Renewal	0	79,762	0	0	0	79,762	0	79,762	0	0
82 Bellgate - Concrete Renewal & Refurbishment	0	25,000	0	0	0	25,000	10,700	25,000	0	0
83 Village Centre - Soffits & Facias	0	45,000	0	0	0	45,000	24,110	45,000	0	0
84 9 High Street Tring, Electrical Works	0	14,793	0	0	0	14,793	0	14,793	0	0
85 Broadwater Road Resurfacing	0	93,000	0	0	0	93,000	0	93,000	0	0
86 Creation of new Community Facility and Foodbank at The Hub (Dens)	625,000	0	0	0	0	625,000	0	625,000	0	0
87 Damp proofing improvements to commercial properties	30,000	0	0	0	0	30,000	0	30,000	0	0
88 Kings Langley Charter Court - Separate Meter Supply	20,000	0	0	0	0	20,000	0	20,000	0	0
89 48-52 High Street - Fire Alarm System Renewal	15,000	0	0	0	0	15,000	0	15,000	0	0
90 Bellgate Canopy Renewal - Highfield	200,000	0	0	0	0	200,000	0	200,000	0	0

Scheme	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)
91 Rossgate Terrace Walkway Waterproofing	30,000	0	0	0	0	30,000	0	30,000	0	0
92 Public Conveniences - Improvement Programme	40,000	0	0	0	0	40,000	0	40,000	0	0
93 Maylands Business centre upgrade fire alarm	20,000	0	0	0	0	20,000	0	20,000	0	0
	1,480,000	782,890	0	0	0	2,262,890	115,830	2,262,890	0	0
Head of Commercial Development										
97 Hemel Hempstead Sports Centre - Astroturf renewal	0	280,000	0	0	0	280,000	0	280,000	0	0
98 Berkhamsted Leisure Centre Redevelopment	14,150,000	(299,644)	0	0	0	13,850,356	139,135	150,000	(13,700,356)	0
99 Car Park Refurbishment	0	135,000	0	0	0	135,000	(2,861)	135,000	0	0
100 Multi Storey Car Park Berkhamsted	0	0	0	0	0	0	(2,020)	0	0	0
101 Water Gardens North Car Park Drainage Improvements	0	35,000	0	0	0	35,000	0	35,000	0	0
102 Multi Functional Devices	0	90,000	0	0	0	90,000	0	90,000	0	0
	14,150,000	240,356	0	0	0	14,390,356	134,254	690,000	(13,700,356)	0
SD Corporate & Commercial										
106 Civic Zone Regeneration Upgrade (DevCo)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
Totals: Finance and Resources	16,165,000	1,121,846	0	0	0	17,286,846	291,498	3,586,490	(13,700,356)	0
Housing and Community										
AD Place, Community and Enterprise										
110 Adventure Playgrounds Improvement Programme	500,000	0	0	0	0	500,000	0	500,000	0	0
111 Capital Grants - Community Groups	20,000	4,500	135,000	0	135,000	159,500	0	165,000	5,500	0
	520,000	4,500	135,000	0	135,000	659,500	0	665,000	5,500	0
Head of Housing Property										
112 Disabled Facilities Grants	741,000	272,834	0	0	0	1,013,834	96,365	1,013,834	0	0
	741,000	272,834	0	0	0	1,013,834	96,365	1,013,834	0	0
Head of Development										
123 Affordable Housing Development Fund	311,000	487,594	0	0	0	798,594	(257,042)	798,594	0	0
124 Temporary Accommodation - creation of new units	0	275,201	0	0	0	275,201	164,334	275,201	0	0
125 Aragon Close - Creation of Affordable Housing Move-on Units	0	824,288	0	0	0	824,288	598,293	824,288	0	0
	311,000	1,587,083	0	0	0	1,898,083	505,585	1,898,083	0	0
Head of Community Safety										
129 Rolling Programme - CCTV Cameras	25,000	11,290	0	0	0	36,290	0	25,000	(11,290)	0
130 Alarm Receiving Centre	0	33,627	0	0	0	33,627	0	0	(33,627)	0
131 CCTV Equipment Refresh	110,000	(55,460)	0	0	0	54,540	(43,791)	54,540	0	0
132 Verge Hardening Programme	150,000	114,036	0	0	0	264,036	0	264,036	0	0
	285,000	103,493	0	0	0	388,493	(43,791)	343,576	(44,917)	0
Totals: Housing and Community	1,857,000	1,967,910	135,000	0	135,000	3,959,910	558,160	3,920,493	(39,417)	0
Strategic Planning and Environment										
AD Place, Community and Enterprise										
140 Urban Park/Education Centre (Durrants Lakes)	0	134,015	0	0	0	134,015	0	134,015	0	0
141 The Bury - Conversion into Museum and Gallery	0	53,150	0	0	0	53,150	0	53,150	0	0
	0	187,165	0	0	0	187,165	0	187,165	0	0



Scheme	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)
Head of Environmental Services										
145 Waste Services IT upgrade	80,000	0	0	0	0	80,000	0	80,000	0	0
146 Wheeled Bins & Boxes for New Properties	100,000	0	0	0	0	100,000	30,654	100,000	0	0
147 Litter Bin Upgrade	40,000	0	0	0	0	40,000	0	40,000	0	0
148 Play Areas & Open Spaces - replace equipment	250,000	0	0	0	0	250,000	0	250,000	0	0
149 Resurfacing Works and Building Improvement to Depot	0	60,000	0	0	0	60,000	0	60,000	0	0
150 Chipperfield Common Car Park Resurfacing	0	200,000	0	0	0	200,000	0	200,000	0	0
151 Gadebridge Park Walled Garden Pathway Improvements	30,000	0	0	0	0	30,000	0	30,000	0	0
152 Improvements to Sport Pitches	35,000	0	0	0	0	35,000	0	35,000	0	0
153 Waste Transfer Site Upgrade Works	400,000	0	0	0	0	400,000	0	400,000	0	0
154 Fleet Replacement Programme	919,988	1,943,640	0	0	0	2,863,628	151,613	2,863,628	0	0
155 Fleet Services Renew Plant & Equipment	0	0	0	0	0	0	(6,397)	0	0	0
	1,854,988	2,203,640	0	0	0	4,058,628	175,871	4,058,628	0	0
Head of Property Services										
159 Boxmoor War Memorial Structural Improvements	40,000	(500)	0	0	0	39,500	1,500	39,500	0	0
160 Gadebridge Park Roadway Improvements	110,000	0	0	0	0	110,000	41,090	110,000	0	0
161 Allotment Improvement Programme	40,000	16,750	0	0	0	56,750	0	56,750	0	0
162 Stone Works to Charter Tower	0	18,000	0	0	0	18,000	0	18,000	0	0
163 Nickey Line Bridge Refurbishment	0	50,000	0	0	0	50,000	0	50,000	0	0
	190,000	84,250	0	0	0	274,250	42,590	274,250	0	0
Totals: Strategic Planning and Environment	2,044,988	2,475,055	0	0	0	4,520,043	218,461	4,520,043	0	0
Totals - Fund: General Fund	20,066,988	5,564,811	135,000	0	135,000	25,766,799	1,068,119	12,027,026	(13,739,773)	0
Housing Revenue Account										
Housing and Community										
Head of Housing Property										
175 Planned Fixed Expenditure	7,942,600	1,358,640	0	0	0	9,301,240	1,062,096	9,301,240	0	0
176 Pain/Gain Share (Planned Fixed Expenditure)	0	0	0	0	0	0	423,227	0	0	0
177 M&E Contracted Works	1,200,000	0	0	0	0	1,200,000	311,815	1,450,000	0	250,000
178 Communal Gas & Heating	2,500,000	213,275	0	0	0	2,713,275	157,228	2,713,275	0	0
179 DBC Commissioned Capital Works	6,423,400	3,086,293	0	0	0	9,509,693	549,015	9,259,693	0	(250,000)
180 Special Projects	0	513,021	0	0	0	513,021	0	513,021	0	0
	18,066,000	5,171,229	0	0	0	23,237,229	2,503,382	23,237,229	0	0
Head of Development										
184 New Build - General Expenditure	184,000	(184,000)	0	0	0	0	1,977	0	0	0
185 Martindale	0	0	0	0	0	0	(33,730)	0	0	0
186 Bulbourne	1,317,354	901,594	0	0	0	2,218,948	0	2,218,948	0	0
187 Coniston Road	283,000	306,730	0	0	0	589,730	246,743	589,730	0	0
188 Eastwick Row	2,952,080	4,822,263	0	0	0	7,774,343	574,144	7,774,343	0	0
189 St Margaret's Way	1,032,741	216,916	0	0	0	1,249,657	2,558	1,249,657	0	0
190 Paradise Fields	10,739,486	1,949,209	0	0	0	12,688,695	273,054	12,688,695	0	0
191 Randalls Ride	3,169,961	1,069,885	0	0	0	4,239,846	1,216	4,239,846	0	0
192 Garage Sites - New Build Developments	2,763,580	2,239,042	0	0	0	5,002,622	116,373	5,002,622	0	0
193 Wilstone	1,026,897	659,593	0	0	0	1,686,490	105,301	1,686,490	0	0
194 Marchmont Fields	4,054,000	2,923,395	0	0	0	6,977,395	65,229	6,977,395	0	0

Scheme	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)
195 Paradise Depot	1,031,000	1,578,483	0	0	0	2,609,483	38,601	2,609,483	0	0
196 Cherry Bounce	(127,690)	367,643	0	0	0	239,953	5,843	239,953	0	0
197 Stoneycroft and Great Sturgess	0	0	0	0	0	0	13,035	0	0	0
198 Garage Sites B	0	0	0	0	0	0	21,787	0	0	0
	28,426,409	16,850,753	0	0	0	45,277,162	1,432,131	45,277,162	0	0
Totals: Housing and Community	46,492,409	22,021,982	0	0	0	68,514,391	3,935,512	68,514,391	0	0
Totals - Fund: Housing Revenue Account	46,492,409	22,021,982	0	0	0	68,514,391	3,935,512	68,514,391	0	0
Totals	66,559,397	27,586,793	135,000	0	135,000	94,281,190	5,003,631	80,541,417	(13,739,773)	0



Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Finance & Resources Performance Report Quarter 1 2022/23
Date:	6 th September 2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A Financial Services Performance report Q1 2022/23 Appendix B Revenues , Benefits and Fraud Performance report Q1 2022/23 Appendix C Finance and Resources Operational Risk report Q1 2022/23
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

<p>Report Author</p> <p>Nigel Howcutt, Chief Finance Officer</p> <p> </p> <p>Nigel.Howcutt@dacorum.gov.uk / 01442 22862 (ext. 2662)</p>
--

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 1 st Quarter of 2022/23.
Recommendation (s) to the decision maker (s):	That Committee notes the contents of the report and the performance of Finance & Resources for Quarter 1, 2022/23.
Period for post policy/project review:	Service performance is reported to committee on an ongoing, quarterly basis.

1 Introduction

- 1.1 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.
- 1.2 Members will find enclosed in Appendices A and B, the In-phase performance report for Finance & Resources for Quarter 1 of 2022/23 (April - June) and Appendix C the Quarter 1 Finance and Resources Operational Risk Register.

2 Finance and Resources Performance Q1 2022/23

- 2.1 The Performance Reports, attached at Appendices A and B, highlight that there are 2 amber KPI's and 6 green, where performance is good.
- 2.2 There are also one indicator reported as red:
- **FIN02a Time taken for debtors to pay** – This indicator continues to be adversely impacted by the impact of the pandemic. Debtors taking longer to pay and with a higher proportion choosing to pay via instalments. Government policy has meant debt recovery processes are still not back to what the industry would call “normal”. As restrictions on recovery ease, performance later in 22/23 is expected to improve. The cost of living crisis represents a further risk to performance against this indicator.

3 Finance and Resources Operational Risk Q1 2022/23

- 3.1 The Q1 Operational risk register is attached in Appendix C. There were several change to the risk score and the rationale for those changes from quarter 4 2021/22 to quarter 1 2022/23.
- 3.2 A key reason for changes in scores from the end of one financial year to the start of the next, is that at the beginning of the financial year there is more uncertainty over what may happen over the next 12 months and more risk of new barriers to performance.
- 3.3 The collection on council tax and business rates risk score has increased from an 8 to a 9.
- The 21/22 collection was impacted by Covid and by year end it was clear that in year budgeted collection rates would not be achieved so a higher likelihood of risk (4), but it was also clear that the impact (2) would be negligible as collection of council tax arrears has offset this shortfall.
 - The 2022/23 collection rates at the start of the financial year are on track with expectations so the likelihood of a risk is scored lower at 3, but the impact that could occur of lower collection rates is more likely at the start of the year than the end of the year and hence a higher impact score of 3 is projected.

There is great uncertainties about council tax collection rates in 2022/23 and the potential for the impact of the cost of living crisis on household's ability to pay their bills is very real, but to date there is no evidence base to support this position.

3.4 The risk of delays to the Capital Programme and Revenue budget pressures have increased. The capital programme and the revenue impact are both significantly impacted by the continuing inflationary growth putting pressures on these budgets, and the revenue monitoring report will discuss this in more detail.

4 Equalities, Community Impact and Human Rights

4.1 There are no equalities or community impact implications arising directly from this report.

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

5 Sustainability implications

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

6 Council infrastructure

6.1 The content of this report include performance information relating to the Council's use of its financial resources for 2022/23.

Financial Services

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%	99.7%	96.0%	99.8%	96.0%	✓	30 Jun 2022 Performance against this indicator continues to be strong due to efforts from officers across the Council and the Council's Accounts Payable team.
FIN01 (D)	Number of creditor trade invoices that will reach 30 days in period	1,058		1,297		1,329		n/a	
FIN01 (N)	Number of creditor trade invoices paid within 30 days	1,056		1,293		1,327		n/a	30 Jun 2022 .
FIN02a	Time taken for debtors to pay	51.7	40.0	49.0	40.0	58.1	40.0	✗	30 Jun 2022 Performance against this indicator continues to be adversely impacted by the pandemic. Debtors are taking longer to pay, with a higher proportion paying via instalments. Performance has deteriorated slightly on the previous quarter, which was the last quarter of 2021-22. Government restrictions on commercial debt recovery ended at the end of March 2022. Protections for eligible debtors remain in place until the end of September 2022 which means recovery activity continues to be restricted. 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 and cost of living on our residents and businesses.
FIN03	General Fund expenditure - outturn forecast against budget	£20,306,000	£20,306,000	£20,296,000	£20,107,000	£20,569,000	£20,107,000	✗	30 Jun 2022 The forecast outturn position is at budget at this early stage in financial year 2022-23.

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	£60,199,000	£60,199,000	£58,439,000	£58,513,600	£58,381,000	£58,513,600	✗	30 Jun 2022 The forecast outturn position is at budget at this early stage in financial year 2022-23.
FIN05	HRA income - outturn forecast against budget	£60,199,000	£60,199,000	£57,862,000	£58,514,000	£58,349,000	£58,514,000	✓	30 Jun 2022 The forecast outturn position is at budget at this early stage in financial year 2022-23.
FIN06	General Fund Capital Expenditure - outturn forecast against budget	£22,854,000	£22,854,000	£10,258,751	£9,490,000	£9,490,000	£9,490,000	✗	30 Jun 2022 The forecast outturn position is at budget at this early stage in financial year 2022-23.
FIN07	HRA Capital Expenditure: outturn forecast against budget	£67,920,000	£67,920,000	£21,617,034	£41,360,000	£41,360,000	£41,360,000	✗	30 Jun 2022 The forecast outturn position is at budget at this early stage in financial year 2022-23.

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
RBF01	Average time taken to respond to a benefit-related contact from a resident.	12.82		12.22		14.46			<p>30 Jun 2022</p> <p>Following the end of the Self-isolation Support payment scheme, the benefits service has been able to concentrate resources back into the core functions of administering council tax support and housing benefit claims.</p> <p>✗ There remain challenges with the different way that the document management system operates now, which has added extra steps to many processes. The team are continuing to work on these and review processes to see if there are more efficient methods of working.</p>
RBF01 (D)	Number of new benefit-related contact from a resident in period	1,792		1,316		2,799		n/a	
RBF01 (N)	Total days taken to decide new benefit-related contact in period	22,974		16,083		40,471		✗	
RBF04	NNDR (Business Rates) in-year collection rate	26.7%	27.8%	95.1%	98.4%	27.8%	28.7%	✗	<p>30 Jun 2022</p> <p>Due to the large variations in business rate reliefs provided during the pandemic, it is difficult to identify a suitable comparator year to measure performance against. Early indications this year are that there are more businesses struggling to pay than before the pandemic, but that the position may be better than during 2020/21</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
RBF05	Council Tax collection rate	30.0%	29.0%	97.2%	98.4%	29.0%	29.8%		<p>30 Jun 2022</p> <p>The processing of Energy Rebate Payments (EBR) to residents means that this indicator is not a real measure of council tax payments made by residents at present. The process we have to follow means that we have paid about £1.3 million of EBR into council tax accounts, and a large proportion of this will subsequently be refunded to residents.</p> <p>Overall this means that the actual collection rate at the moment could be anywhere within the range of 29.0% to 30.0%. We expect that the impact of EBR processing will have disentangled from the council tax collection rate by the end of quarter 2, leaving us more able to understand the actual situation.</p>
RBF06	Average time taken to respond to a council tax related contact from a resident	12.24							<p>30 Jun 2022</p> <p>The major focus of the team during this quarter has been work which links to the Energy Bills Rebate (EBR). This does mean that other items of council tax related correspondence are not being looked at so quickly, and so performance on this measure is likely to drop over the next couple of months as the EBR work finishes and the team catch up with the outstanding other work.</p>
RBF06 (D)	Number of council tax customers responded to in period	10,314							
RBF06 (N)	Total number of days taken to respond to council tax customers in period	126,276							

Risk Register Summary Table

Risk Name	Risk Owner	30 Jun 2022		
		RM01 Risk Consequence	RM02 Risk Likelihood	Status
		Actual	Actual	Actual
Council Tax & Business Rates collections rates drop below budget	Nigel Howcutt	3	3	9.00
Delays and errors in the processing of Benefits claims	Nigel Howcutt	2	3	6.00
Delays to Capital programme	Nigel Howcutt	2	3	6.00
Failure to optimise income generated by commercial assets	Nigel Howcutt	3	2	6.00
Variations in General Fund revenue budget	Nigel Howcutt	2	3	6.00

Risk Name	Detail	30 Jun 2022 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.
	Comments	
	Controls & Assurances	<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 – a pre-filled instruction is sent to all non-DD payers with their annual bill or a first bill for a new taxpayer. The direct debit method reduce the risk of under-collection because it eliminates the risk of a payer forgetting to make a monthly payment.</p> <p>In quarter 4 of 2021/22 and quarter 1 of 2022/23 the service saw the largest growth in direct debit initiations. This improves the consistency and reliability with which residents pay their council tax.</p> <p>There is an active programme for taking formal recovery action against non payers and this is monitored monthly and overseen through quarterly performance reporting</p>
	Evidence Risk is being managed	<p>The processes for collection of council tax and business rates have been consistent over time and the budgeted collection rate levels have been achieved.</p> <p>The collection rates achieved are above national averages and specifically business rates collection was in the upper quartile of national performances.</p> <p>The service has been able to increase the volume of CT payers that are received through Direct Debits and has also developed 10 and 12 monthly payment processes in the last few years.</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 cashflow 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>	
Delays and errors in the processing of Benefits claims	Risk Owner	Nigel Howcutt
	Portfolio	Finance & Resources

Risk Name	Detail	30 Jun 2022 Status
Page 39	Risk Description	Delays and errors in the processing of Benefits claims
	Comments	
	Controls & Assurances	<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 which is deemed good practice.</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. The service work in partnership with other council services and external bodies to achieve good outcomes for the residents.</p> <p>Monthly meetings are held between senior officers within Finance & Resources to monitor detailed performance levels at each stage of the claims process, and quarterly performance meetings with the S151 are undertaken.</p> <p>This enables intermediary targets to be set for discrete elements of the process, which in turn enables the more effective monitoring which has resulted in significantly improved performance over the last 6 months.</p>
	Evidence Risk is being managed	<p>Prior to pandemic the KPI's for the housing benefit service in 2019/20 were all achieved with new performance records set along the way.</p> <p>The 20/21 and 21/22 financial years saw 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 the second half of 21/22 being the strongest achieved in over 18 months.</p> <p>The annual housing benefits audit and audit returns have all being approved by auditors and the processes have received substantial assurance.</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>	

Risk Name	Detail	30 Jun 2022 Status	
Delays to Capital programme	Risk Owner	Nigel Howcutt	
	Portfolio	Finance & Resources	
	Risk Description	Delays to Capital programme	
	Comments		
	Controls & Assurances	<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 focused 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; • Strategic Leadership Team (SLT) receive a quarterly report on the progress of capital projects against anticipated timeframes; • Performance Group comprising Chief Officers and cabinet Members receive a monthly report on the progress of current projects; • Reports go to Cabinet and all Overview and Scrutiny Committees (OSC) every quarter. These reports have been redesigned to focus on the more immediate risk of in-year delivery, highlighting higher risk areas to invite closer scrutiny from Members. 	
	Evidence Risk is being managed	<p>The General Fund and New House Building capital programmes have been maintained throughout the pandemic and covid recovery period. The timeframes have extended as a result of covid, and the capital programme has been adjusted accordingly. There has been no significant financial pressures realised to date as a result of the capital programme being delayed.</p> <p>The recent increase in capital project costs has been maintained within existing contingency budgets, it is expected that future procurement of construction partners will exceed historic cost expectations.</p>	

Risk Name	Detail	30 Jun 2022 Status
	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>

Risk Name	Detail	30 Jun 2022 Status
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	
	Controls & Assurances	<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 InPhase 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>A plan for further debt recovery once the current government covid policies ends in October 2022 ae being developed.</p>
	Evidence Risk is being managed	<p>In 2019/20 the commercial property service achieved occupancy of 96.2% with rent arrears of only 7%. This performance is above the targeted KPI levels and well ahead of commercial expectations, and followed an equally strong 2018/19.</p> <p>In 20/21 the occupancy level remained strong at 95% with arrears increasing to 15% in 20/21, and up to 20% in 21/22 in response to the pandemic and in particular government covid restriction policies in relation to rent arrears and evictions. Arrears are still at circa 20%, significantly below the market average for the retail sector of circa 60% for this period.</p> <p>The service have increased the number of payment plans and alternative methods for debt collection in this period and this has meant debt levels have remained below sector averages.</p>
Consequences / Impacts	<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 maximize 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 Economic Development.</p> <p>The continuing recession and the difficulties it brings for local businesses increases the likelihood of this risk crystallising, and the current government covid policies reduce the services levers to deal with growth and debt recovery.</p>	

Risk Name	Detail	30 Jun 2022 Status	
Variances in General Fund revenue budget	Risk Owner	Nigel Howcutt	
	Portfolio	Finance & Resources	
	Risk Description	Variances in General Fund revenue budget	
	Comments		
	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 CEX, S151 officer and 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 reporting to the SLT which underpin 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>The Financial Performance for 2021/22 was in line with budgeted expectations, and the reserves support provided from the economic recovery reserve was in line with 2020 expectations.</p> <p>The first quarter of 2022/23 is showing an initial financial pressures of circa £800k that will need to be mitigated and managed accordingly.</p>	
	Consequences / Impacts	<p>Accurate, well-controlled budgeting relates directly to the corporate Objective creating a modern and efficient council. Indirectly, through the financial decision-making process, this links 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>	



www.dacorum.gov.uk

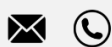
Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Quarter 1 Performance Report – Legal and Democratic Services
Date:	6 th September 2022
Report on behalf of:	Councillor Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	Quarter 1 Performance Report
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	

Report Author / Responsible Officer

Mark Brookes, Assistant Director (Legal and Democratic Services)

Farida Hussain - Head of Legal and Democratic Services



Mark.brookes@dacorum.gov.uk / 01442 228236 (ext. 2236)

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>
-----------------------------	--

	Climate and ecological emergency
Wards affected	All
Purpose of the report:	To provide Members with the performance report for quarter four 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 Legal and Democratic Services, which are under the sections headed Legal and Corporate 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 in Quarter 1 came under the Assistant Director (Legal and Democratic Services), which are Legal, Licensing and Corporate Support (which includes the combined teams of Members Support, Electoral Registration and Corporate Support). Members will note that in Q1 2022/23 the Procurement and Contracted Services Team moved into the new Commercial Strategy and Delivery Portfolio led by Councillor Andrew Williams and the remaining services moved under the Corporate Services Portfolio led by Councillor Graeme Elliott.

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
Fly-tipping prosecution	DBC -V- Ismail Parllaku	11 th May 2022 - Fine £1120.00, victim surcharge £112 and costs £867.23 Total:- £2099.23

Fly-tipping prosecution	DBC-v-Selvin Matthew	11 th May 2022 - Fine £2000, victim surcharge £190 and costs £938.03 Total:- £3,128.03
Fly-tipping prosecution	DBC-v-Baby Joseph	11 th May 2022 - Fine £258, victim surcharge £34 and costs £938.02 Total:- £1,230.02
Fly-tipping prosecution	DBC-v-Khawaja Wani	11 th May 2022 - Fine £1000, victim surcharge £100 and costs £744.44 Total:- £1,844.44
Fly-tipping prosecution	DBC-v- Martin Nevin	Warrant of arrest issued
Fly-tipping prosecution	DBC-v-Caroline Nevin	Warrant of arrest issued

In addition to the above, 89 cases were issued under the Single Justice Procedure.

The Licensing Team

5. Key updates for the team are as follows:

- The Licensing Team have had a busy month with several Animal Licence Applications and Animal Inspections being dealt with each Inspection takes up at least 4 hours of an officers time. The Applications also demand several hours of post-inspection completion.
- There are also two current Investigations taking place in respect of unlicensed dog boarders and dog breeders.
- Enforcement Officers have been dealing with several incidents relating to taxi licensing, which will be considered by the Licensing Committee on the 1st September 2022 to answer if they are fit and proper persons to hold their respective licenses. This enquiry alone as taken up many hours of Investigations and PACE Interviews.
- Investigation Officers have been dealing with holders of Pavement licenses who have either failed to renew the licence and refusing to pay the £100 fee or traders who refuse to apply for a licence enforcement is continuing. I can report that most of the people concerned have now agreed to pay the fee for renewal or apply for new licenses this in part due to the visits made by the Enforcement and Compliance Officers.
- There is also an ongoing situation with a Licensed Premises that is not conforming to Licensing Regulations this is being dealt with by the Licensing

Team, Hertfordshire Police Licensing Officers and Dacorum Planning Department.

- Also it is time for the annual inspection of Licensed Static Caravan Parks within the Dacorum Borough. The last Inspection was several years ago and a new policy document will be put forward to the Licensing Committee to incorporate new legislation. As we have several sites this will involve each officer making several visits to all sites to make sure they are compliant.
- Finally the day to day applications and enquiries keep coming in and this is keeping all Officers busy there are more and more FOI mainly for Animal and Taxi Licensing. These are answered and returned within the 28 day period.

Corporate and Democratic Support

6. During Quarter 1, Corporate and Democratic Support carried out the following:-

- Delivered Annual Council and Mayor Making
- Supported 17 committees (including agendas & minutes)
- Supported 14 corporate meetings (including Portfolio Holder updates)
- Processed 13 Portfolio Holder Decisions
- Processed 4 Officer Decisions
- Delivered 6 Member Development sessions;
 - 21st April – Mandatory Training - Planning
 - 5th May - Member Briefing – Planning Enforcement & Heritage (also open to Parish Councils)
 - 17th May - Member Briefing – CIL
 - 16th June - New Code of Conduct for Members
 - 21st June - Member Briefing – Private Sector Housing
 - 29th June - Member Briefing – Joint Strategic Plan
- Administered the Corporate Complaints System, carrying out assessment, processing, summarising and allocation of;
 - 117 Stage 1 complaints
 - 14 Stage 2 complaints
 - 200 Service Requests

Mayoralty

During Q1, the term of Mayor for Cllr Stewart Riddick came to an end and at the Annual Council and Mayor Making ceremony Cllr John Birnie became Mayor of Dacorum for 2022/23, with Cllr Alan Johnson as his Deputy. Cllr Birnie announced Dacorum Community Trust as his chosen charity.

The Mayoralty launched a new fundraising initiative, a sweet stall, with the team and the charity attending the following events;

- Queens Platinum Jubilee Party in Gadebridge Park – raising £477.48
- Armed Forces Day in Gadebridge Park – raising £371.83
- Queens Baton Relay in Gadebridge Park (fundraising total tbc)
- The Mayoralty received a total of £523.75 in donations for the charity

- The Mayor also hosted a flag raising ceremony for 'Fly a Flag for Armed Forces Day'
- The Mayor attended 27 engagements, both within Borough supporting local community & business events and at events hosted by Mayors & Chairs across Hertfordshire
- The Deputy Mayor attended 7 engagements on behalf of the Mayor

Digital Print & Post Room

During Qtr 1 the team;

- Processed and franked a total of 93,228 outgoing mail items, at a total cost of £46,980.98 (includes HVCCG & CAB which is recharged)
- Processed and banked 697 cheques with a total income of £232,396.91
- Received and banked 15 emergency cash transactions with a total value of £14,089.15
- Arranged confidential waste collections of;
 - The Forum 792kg
 - Cupid Green 194kg

Electoral Services

7. During Quarter 1, the following changes were made to the Electoral Register:-

Additions 1058

Deletions 610

Changes 199

Movers 279

In addition to registration, the following audits were carried out:

- A review of 18,000 postal voters was completed, to ensure that all information required has been captured correctly and maintained
- 1000 invitation to register forms sent for 17 year olds, as provided on the attainers list from HCC.
- Work has begun to cleanse the register and deleting expired ITR's. This is where an elector asked to register, the relevant form was sent to them and a reminder but they have not completed it. If it is still required, this will be picked up during annual canvass.
- Whilst carrying out all of the above mentioned manual checks, it has been highlighted that there are many electors who are marked as being over 76 yrs. (excluded from jury service), which are not. This back dates to their registration prior to IER when they could tick the box to be excluded from jury service. There were 8100 records which were manually checked and adjustments made to those records which were inaccurate.
- A large number of duplicate applications/emails/phone calls were received from electors questioning the May elections, or not as the case was for DBC.

Communications had been sent out via social media highlighting DBC did not have any elections.

Staff Training

Throughout this quarter the team attended the Association of Electoral Administrators (AEA) Eastern Region administrator's group meetings, where updates were received from the Electoral Commission, the AEA and the Department for Levelling Up, Housing and Communities (DLUHC). The Elections Bill was discussed in length and immediate implications highlighted.

An elections webinar was attended to gain an overview of issues/resolutions raised by authorities holding May 2021 elections.

Two team members attended the count at St Albans Council which provided an insight into how others carry out certain processes and proved very beneficial.

Staffing

Due to staff sickness, the team were short 1 full time member of staff for this quarter.

The team continue to have a vacancy for an Electoral Services Lead Officer. This is currently being re-advertised with a closing date of 10 July 2022.

Update as of Aug 2022 – this post has been filled from within the team and therefore the recruitment process will shortly begin to back fill the Assistant post.


Annual Canvass 2022

Preparations have started for the annual canvass 2022. The project plan, risk assessment and timetable have been produced and all relevant dates communicated and agreed with the printers, Call Centre and post room.

The National data match has been booked in for the 5th of August and all local data matching will be carried out the following week.

Hemel Hempstead BID ballot

Work has begun to assist with the Hemel BID ballot due in November 2022 and this will progress over the summer. Initial meetings have been held and timescales set out.

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
FOI01	Percentage of FOI requests satisfied in 20 days	82.48%	100.00%	84.77%	90.00%	94.29%	100.00%		
FOI01 (D)	Number of FOI requests due in period	137	90	151		140		n/a	
FOI01 (N)	Number of FOI requests satisfied in 20 days	113	90	128		132		n/a	

Commercial Assets and Property Development

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	96.39%	90.00%	96.06%	95.00%	95.24%	95.00%		30 Jun 2022 There are currently 22 voids on our books. 6 Maisonettes which have been offered to TA. properties (27%) under offer. 16 void proper need refurbishment or substantial remedial w they could be marketed. In the short to medii businesses still face unprecedented challenge completions are taking longer presently.
CP01 (D)	Number of commercial properties	609		609		609		n/a	
CP01 (N)	Number of commercial properties occupied	587		585		580		n/a	
CP02	Percentage arrears on commercial property rents	18%	23%	21%	9%	20%	9%		30 Jun 2022 The overall debt level is 18.35%. Please note 1 reminders are being issued and the majority c being chased. Due to the Commercial rent (Co Act) 2022 coming into force formal legal debt still protracted and complex with collection sti difficult for Landlords. The Act requires arbitri action on Debt recovery. We are assisting ten possible with deferred payment plans and we these sums over time (approx. 36% of the de
CP02 (D)	Total rent for commercial properties	£5,395,706		£4,939,772		£4,939,772		n/a	
CP02 (N)	Total arrears on commercial properties	£990,176		£1,029,219		£988,529		n/a	
FIN11	Investment Property Income ytd budget against ytd actual	£2,186,513	£2,095,199	£5,086,795	£4,470,120	£2,301,726	£1,929,280		30 Jun 2022 Investment property income is 4.4% above tai

Development Management & Planning

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	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
FIN16	Planning Fees ytd actual against profiled budget	£465,189	£391,493	£1,416,685	£1,399,640	£420,057	£349,910		30 Jun 2022 Planning fee income is 18.8% above target at largely due to receiving two large application therefore reflective in the 20% drop in overall application numbers.
FIN17	Search Fees ytd actual against profiled budget	£52,105	£57,750	£223,522	£231,000	£69,351	£57,750		30 Jun 2022 Search fees income is 9.8% below target at M search activity picked up considerably at the Quarter.

Digital

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	67.81%	90.00%	61.98%	90.00%	91.86%	90.00%		30/06/2022 Although this is still below target, the steady a sign of the staffing issues on the Service E resolved. As older incidents are closed this v negative impact on this KPI in the short to m the overall picture is an improving one and th should see a return to target.
ICT01(S)	Number of incidents	1,042.00		924.00		1,093.00		n/a	
ICT01(N)	Number of incidents resolved within 2 days	629.00		516.00		1,004.00		n/a	
ICT02	Availability of primary systems (office hours)	100.00%	99.00%	99.67%	99.00%	100.00%	99.00%		30/06/2022 No outages of core systems throughout the demonstrating excellent overall resilience.
ICT06	Total number of incidents and service requests reported (ICT)	2,372		2,178		2,079			30/06/2022 The reduction in open calls has been made i increase in calls to the Service Desk through

Financial Services

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%	99.7%	96.0%	99.8%	96.0%		30 Jun 2022 Performance against this indicator continues to due to efforts from officers across the Council Council's Accounts Payable team.

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 (D)	Number of creditor trade invoices that will reach 30 days in period	1,058		1,297		1,329		n/a	
FIN01 (N)	Number of creditor trade invoices paid within 30 days	1,056		1,293		1,327		n/a	30 Jun 2022
FIN02a	Time taken for debtors to pay	51.7	40.0	49.0	40.0	58.1	40.0		30 Jun 2022 Performance against this indicator continues to be adversely impacted by the pandemic. Debtors are taking longer to pay, with a higher proportion paying in instalments. Performance has deteriorated slightly on the previous quarter, which was the last quarter of 2021-22. Government restrictions on commercial debt repayments ended at the end of March 2022. Protections for debtors remain in place until the end of September which means recovery activity continues to be impacted. We continue to engage with the Council's debt recovery team to maximise income collection as far as possible, in order to mitigate the economic impact of the pandemic and cost to our residents and businesses.
FIN03	General Fund expenditure - outturn forecast against budget	£20,306,000	£20,306,000	£20,296,000	£20,107,000	£20,569,000	£20,107,000		30 Jun 2022 The forecast outturn position is at budget at this stage in financial year 2022-23.
FIN04	HRA expenditure outturn forecast against budget	£60,199,000	£60,199,000	£58,439,000	£58,513,600	£58,381,000	£58,513,600		30 Jun 2022 The forecast outturn position is at budget at this stage in financial year 2022-23.
FIN05	HRA income - outturn forecast against budget	£60,199,000	£60,199,000	£57,862,000	£58,514,000	£58,349,000	£58,514,000		30 Jun 2022 The forecast outturn position is at budget at this stage in financial year 2022-23.
FIN06	General Fund Capital Expenditure - outturn forecast against budget	£22,854,000	£22,854,000	£10,258,751	£9,490,000	£9,490,000	£9,490,000		30 Jun 2022 The forecast outturn position is at budget at this stage in financial year 2022-23.
FIN07	HRA Capital Expenditure: outturn forecast against budget	£67,920,000	£67,920,000	£21,617,034	£41,360,000	£41,360,000	£41,360,000		30 Jun 2022 The forecast outturn position is at budget at this stage in financial year 2022-23.
FIN08	Investment income: outturn forecast against budget	£342,000	£342,000	£156,214	£492,000	£91,940	£492,000		30 Jun 2022 Forecast investment income currently on target

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
TL02	Rent collected as a percentage of rent owed (excluding current arrears brought forward)	98.86%	99.00%	101.69%	99.00%	99.64%	99.00%		
TL13a	Percentage of Community Alarm calls answered within 1 min	95.80%	97.50%	95.00%	97.50%	93.02%	97.50%		
TL15 (D)	Number of Tenancy Enforcement investigation where tenant responded to satisfaction survey			3.00					
TL15 (N)	Number of Tenancy Enforcement investigation where tenant was satisfied with the outcome			3.00					
TL55	% of tenants paying for their house or garage rent by Direct debit								
TST02	Percentage of Tenancy Sustainment cases where rent arrears were reduced	75%	70%	71%	70%	100%	70%		
TST02 (D)	Number of Tenancy Sustainment cases with rent arrears in period	4		7		3			
TST02 (N)	Number of Tenancy Sustainment cases where rent arrears were reduced in period	3		5		3		n/a	

Legal & Democratic Services

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	37.14%	80.00%	87.38%	80.00%	91.00%	80.00%		30 Jun 2022 There is a significant decline in adherence with response times for Stage 1 complaints for the Council. Of the 105 complaints that were formally investigated, 39 responded to within target.
CS02a (D)	Number stage 1 complaints due to be resolved in period for the council	105		103		100		n/a	

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 (N)	Number stage 1 complaints resolved in 15 days for the Council	39		90		91		n/a	
CS02b	Percentage stage 2 complaints resolved in 15 days for the Council	28.57%	80.00%	66.67%	80.00%	66.67%	80.00%		30 Jun 2022 Performance against adherence with target res is declining. It should be noted that there has been a notable increase in the number of Stage 2 escapes. These are often very complex in nature and are a time consuming task for Directors to undertake, placing pressure on their resource levels. Of the 14 complaints accepted for independent review during Qtr 1 2022/23, 4 were sent within target
CS02b (D)	Number stage 2 complaints due to be resolved in period for the council	14		3		3		n/a	
CS02b (N)	Number stage 2 complaints resolved in 15 days for the Council	4		2		2		n/a	
DPA01 (N)	Percentage of DPA requests met in 31 days	90.00%	100.00%	100.00%	100.00%	100.00%	100.00%		90% DPA met on time
DPA01 (D)	Number of DPA requests due in period	10		14		18		n/a	10 DPAs received
DPA01 (N)	Number of DPA requests met in 31 days	9		14		18		n/a	9 out of 10 DPAs on time
FOI01	Percentage of FOI requests satisfied in 20 days	82.48%	100.00%	84.77%	90.00%	94.29%	100.00%		
FOI01 (D)	Number of FOI requests due in period	137	90	151		140		n/a	
FOI01 (N)	Number of FOI requests satisfied in 20 days	113	90	128		132		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%		
LG03 (D)	Number of Right to Buy documents due to be sent to tenants/their Solicitors in period	8	8	11		2		n/a	

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 (N)	Number of Right to Buy documents sent to tenants/their Solicitors within 15 working days	8	8	11		2		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	2	2	1		0		n/a	
LG06 (N)	Number of housing possession proceedings commenced within 20 working days	2	2	1		0		n/a	
LG09	Percentage of prosecution proceedings commenced within 20 working days	100.00%	100.00%	62.50%	100.00%	100.00%	100.00%	✓	
LG09 (D)	Number of prosecution proceedings set commenced in period	8	8	8		3		n/a	
LG09 (N)	Number of prosecution proceedings commenced within 20 working days	8	8	5		3		n/a	

People

Measure Code	Measure Name	This Month Actual	This Month Target	Last Month Actual	Last Month Target	-12 Months Actual	-12 Months Target	DoT	Comments
HR02a	Turnover of staff	12.00%		11.00%	n/r	10.00%		✓	Staff voluntary turnover of 12% is considered l across the industry standard.
HR03	Total days lost through sickness absence for the	2,488.90		2,733.30	n/r	1,802.57		n/a	The total days lost this quarter has reduced fr previous quarter. This quarters main contribu
HR04a	Total days lost throught SHORT TERM sickness	1,030.77		1,391.92	n/r	858.10		n/a	Please see comments on HR03
HR04b	Total days lost throught LONG TERM sickness	1,458.13		1,341.38	n/r	944.47		n/a	Please see comments on HR03
HR04e	Short term sickness as a percentage of all sickness	41.41%		50.92%	n/r	47.60%		✓	Please see comments on HR03
HR04f	Long term sickness as a percentage of all sickness	58.59%		49.08%	n/r	52.40%		n/a	Please see comments on HR03

Measure Code	Measure Name	This Month Actual	This Month Target	Last Month Actual	Last Month Target	-12 Months Actual	-12 Months Target	DoT	Comments
HR05	Average days lost due to sickness absence per FTE	1.17		1.27	n/r	0.84		n/a	Please see comments on HR03

Procurement and Contracted Services

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
FIN13	Car Parking Income ytd budget against ytd actual	£566,400	£678,320	£2,170,636	£2,772,990	£538,928	£693,248		30 Jun 2022 The income is 16.5% below target for Q1. This is because parking levels have still not recd to pre-pandemic levels. It is likely that motorists parking habits have cha the pandemic, with more people working from h The Service will continue to monitor these target throughout the remainder of the year.

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
RBF04	Average time taken to decide a new claim for Housing Benefit		17.0	22.5	17.0	29.4	17.0	?	
RBF01 (D)	Number of new Housing Benefit claims in period			178		186		?	
RBF01 (N)	Total days taken to decide new Housing Benefit claims in period			4,584		4,481		?	
RBF02	Average time taken to decide a change event for Housing Benefit	13.5	10.0	11.1	10.0	14.1	10.0		
RBF02 (D)	Number of change event Housing Benefit claims in period			9,779		4,051		?	
RBF02 (N)	Total days taken to decide change event Housing Benefit claims in period			27,375		31,257		?	
RBF04	NNDR (Business Rates) in-year collection rate	26.7%	27.8%	95.1%	98.4%	27.8%	28.7%		30 Jun 2022 Due to the large variations in business rate relief during the pandemic, it is difficult to identify a comparator year to measure performance against. Indications this year are that there are more businesses struggling to pay than before the pandemic, but the position may be better than during 2020/21

Measure Code	Measure Name	This Quarter Actual	This Quarter Target	Last Quarter Actual	Last Quarter Target	-4 Quarters Actual	-4 Quarters Target	DoT	Comments
RBF05	Council Tax collection rate	30.0%	29.0%	97.2%	98.4%	29.0%	29.8%		<p>30 Jun 2022</p> <p>The processing of Energy Rebate Payments (EI residents means that this indicator is not a real council tax payments made by residents at pre process we have to follow means that we have £1.3 million of EBR into council tax accounts, an proportion of this will subsequently be refunded to residents.</p> <p>Overall this means that the actual collection rate at the moment could be anywhere within the range of 20.0% to 30.0%. We expect that the impact of EBR processing will be disentangled from the council tax collection by the end of quarter 2, leaving us more able to understand the actual situation.</p>
RBF06	Council Tax customer contact response (percentage of contacts responded to within 14 days)	66%	94%		98%	74%	98%	?	
RBF05 (D)	Number of council tax customers contacting DBC in period	3,074				6,599		?	
RBF05 (N)	Number of council tax customers contacting DBC responded to within 14 days	2,024				4,872		?	



www.dacorum.gov.uk

Finance and Resources

Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Quarter 1 Performance Report – Corporate and Contracted Services
Date:	6 September 2022
Report on behalf of:	Councillor Andrew Williams, Portfolio Holder for Commercial Strategy and Delivery
Part:	I
If Part II, reason:	N/A
Appendices:	Quarter 1 Performance Report
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	

Report Author / Responsible Officer

Ben Hosier – Head of Commercial Development



Ben.Hosier@dacorum.gov.uk / 01442 228215 (ext. 2215)

Corporate Priorities	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
Wards affected	All
Purpose of the report:	To provide Members with the performance report for quarter four 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

- Members will note that in Q1 2022/23 the Procurement and Contracted Services Team moved into the new Commercial Strategy and Delivery Portfolio led by Councillor Andrew Williams.

This report provides an update on the performance during Q1 of the Commercial Development Service.

2. Procurement Activity

The Procurement team are currently supporting the delivery of a number of commissioning and tendering activities.

Q1 - Commissioning Activities

Project	Status	Service	Duration	Total Value
Temporary Agency Staff	Commissioning process signed off by Commercial Board. Awaiting award to direct award to CCS framework suppliers.	People and Transformation	Up to 15/01/24	£4,000,000
Car Salary Sacrifice Scheme	Commissioning in progress expected to report to commercial board in September 2022	People & Transformation	4 years	£192,000
Supply of liquid fuels for the Council's fleet vehicles	The Council have signed up to an ESPO agreement who run an aggregated procurement on our behalf every 2 years.	Resident Services	2 years	£1,080,000
Supply, Installation and Maintenance of the Multi-Functional Printers	In the early stages of the commissioning process. To include the Reprographics machine which expires 30/09/2023.	Corporate and Commercial Services	5 years	£150,000
Mobile Phone Communications	Commissioning process commenced	Corporate and Commercial Services	5 years	£150,000
Community Alarm Monitoring Contract	Looking to extend the contract to June 2023 - waiting for PH report to be signed. Commissioning process is in progress which includes looking at opportunity of utilising CCTV Control Room	Resident Services	5 years	£366,678

Q1 - Tendering Activities

Reference	Title of Tender	Estimate Value £
CPU00508	Telecommunications Services	£100,000
CPU00510	Enterprise Firewall Devices (YPO framework 976)	£300,000
CPU00509	Garages stock Condition Survey	£150,000
CPU00502	Main contractor St Margaret's Way (new build housing)	£11,370,519
CPU00505	Site Inspector Services	£50,000
CPU00487	Supply, Installation & maintenance of Stair lifts and Ceiling Joists	£1,000,000

3. Procurement Compliance

Following a Procurement Assurance internal audit report, the recommendation was to update the Finance & Resources Overview & Scrutiny Committee with any non-compliance procurement activities.

Number of times the Procurement Standing Orders have been set aside

Contract	Justification	Responsible Officer
Tree Maintenance Services	<p>In 2018 the Council awarded 2 contracts following a compliant tender process for tree maintenance services on a 5 year period. Both contracts are due to terminate on the 31st March 2023. Since the start of the Covid-19 pandemic, one of the contractors has found it difficult to deliver the contract to the Council's requirements, which has left the Council in a situation where it has outstanding works some of which are Priority A works which are safety related.</p> <p>The Council are keen to ensure both contracts for tree maintenance services end at the same time meaning we are looking at just over 18 months before the remaining contracts ends. The Council is intending to issue the outstanding works to a third contractor however if we were to enter into a tender process then it is likely that this would take up to 6 months meaning therefore that there would be a further backlog in works before the contract is awarded. It is also unlikely that the market will be interested in a lengthy tender process for such a short term agreement meaning we will not obtain the required level of competition.</p> <p>On that basis, the Council feels the best approach would be to appoint a company on an 18 month period to conclude on the 31st March 2023.</p>	Craig Thorpe
Banking Services	<p>To enable the direct appointment of an interim Commercial Contracts Manager until the recruitment of a permanent position is concluded and also the direct appointment of a Commercial Commissioning Expert on a 26 week period.</p> <p>These roles will focus on the Council's Housing Repair and Maintenance contract, The commissioning and contracts management process will allow the Council to review the current service and will identify efficiencies and improvements in service delivery.</p>	Ben Hosier

Non-Compliant expenditure during Q1

Contract	Reason	Responsible Officer	Mitigation
Fixed Telecommunications	Contract expired	Ben Trueman	New tender submissions being evaluated – contract award likely in next few weeks
Banking Services	Contract expired	Fiona Jump	Re-commissioning of Banking Service commenced in June 2022
Supply of Sacks for Environmental Services	Contract expired	Craig Thorpe	Recommissioning of new supply commenced in June 2022
Temporary Agency Staff	Contract(s) expired	Matt Rawdon	Corporate project - commissioning process signed off by Commercial Board in July 22. Awaiting to direct award to Crown Commercial Services framework suppliers.
Fire Safety Works	Contract(s) expired	Jon Maxwell	Tendering process signed off by Commercial Board in June 2022, to award 7 Contractors a place on Dacorum Borough Council's Fire Safety Framework for a 4 year period.
Nurse-led Absence Management	Contract expired	Matt Rawdon	Recommissioning of new service commenced in June 2022
Car Salary Sacrifice Scheme	Contract expired	Matt Rawdon	Recommissioning of new service commenced in June 2022
Verge Hardening Programme	Contract expired	Karen Proudfoot	There is a need to obtain authority to extend the current agreement

4. 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

2022/23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	12,432	13,141	12,805									
Off Street	93,041	98,072	93,253									
Total	105,473	111,213	106,058									

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	16,385	16,044	12,371
Off Street	97,975	105,540	102,656	90,347	88,084	87,541	88,121	86,099	89,501	82,241	79,237	69,231
Total	114,792	123,221	119,840	108,395	104,228	103,793	105,895	103,522	106,257	98,626	95,281	81,602

Difference	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	-4,385	-4,540	-4,379									
%	-26%	-26%	-25%									
Off Street	-4,394	-7,468	-9,403									
%	-4%	-7%	-9%									
Total	-9,319	-12,008	-13,782									
%	-8%	-10%	-12%									

The number of parking sessions during Q1 in 2022/23 against the same period in 2019/20 (Pre-Covid) is running at a 10% decrease.

PCN's Issued

2022/23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	427	432	406									
Off Street	347	268	302									
Total	774	700	708									

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	483	487	377
Off Street	437	686	659	658	592	599	633	340	334	375	326	211
Total	1,013	1,346	1,291	1,341	1,384	1,223	1,214	863	691	858	813	588

Difference	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	-149	-228	-226									
%	-26%	-35%	-36%									
Off Street	-90	-418	-357									
%	-21%	-61%	-54%									
Total	-239	-646	-583									
%	-24%	-48%	-45%									

The number of PCN's issued during Q1 in 2022/23 against the same period in 2019/20 (Pre-Covid) is running at a 39% decrease.

TRO's

- **Marlowes (North)** – Proposal to introduce Pay to Park bays, No waiting restrictions, No waiting/no loading restrictions, and Disabled badge holder only bays.

The formal consultation has concluded and our consultancy (ADL) have provided their formal consultation report, which is available to view on the [Councils results of completed consultations web page](#) along with documentation in the form of the Statement of Reasons, the Notice of Proposal, the draft TRO, the TRO schedule, and the initial letter with plan.

The decision to progress the scheme has been made, and ADL are putting a design and works package together.

One solar powered Pay to Park payment machine has been ordered to add to the two already in store, in the process of re-commissioning these machines.

- **Waterhouse Street** - Proposal to reduce the taxi rank from the end of the southernmost bus stop to the pedestrian crossing to be replaced with disabled badge holder only bays restricted to a three hour maximum stay with no return within three hours and also Pay to Park bays.

The consultation has concluded and our consultancy (ADL) have provided their consultation report, which is available to view on the [Councils results of completed consultations web page](#)

Received decision from the Portfolio Holder for Corporate & Contracted Services after reading the consultation report, and we have decided to make revisions to the proposal, which are:

1. Instead of proposing Pay to park bays on the western side of the road after the pedestrian crossing, we propose to keep the existing taxi rank, although only five standard vehicles in length* please see the revised proposal in the map below
** A standard vehicle length would be equal to the length of a family car such as a Ford Focus*
2. Proposing 8 disabled badge holder only bays on the western side of Waterhouse Street, instead of proposing 7 disabled badge holder only bays restricted from Monday to Sunday from 8am to 8pm to a maximum of 3 hours parking with no return within 2 hours.

- **Cobbets Ride, Tring** – Proposed scheme for Cobbetts Ride, Barbers Walk and Abstacle Hill, to prevent commuter parking. We have gone with a two hour daytime commuter ban restriction, which are single yellow lines restricted between 11am-1pm Monday to Friday on both sides of the road to prevent all day parking with ‘at any time’ double yellow lines to protect the junctions for safety.

We undertook an informal resident’s consultation to gauge public support. Stakeholders affected by the proposals were consulted from Wednesday 15 June 2022 to Friday 15 July 2022 (noon).

The consultation has concluded and our consultancy (ADL) have provided their consultation report, which is available to view on the [Councils results of completed consultations web page](#)

Received decision from the Portfolio Holder for Corporate & Contracted Services after reading the consultation report, and it has been decided not to pursue this scheme.

- **Station Road, Hemel Hempstead** – Proposal to extend the no waiting at any time double yellow lines to protect the grass verge & footpath and for general safety reasons further to Cllr Riddick’s correspondence with Parking Services.

We undertook a formal statutory consultation as required to introduce the no waiting at any time restrictions (double yellow line). The consultation was held from Wednesday 22 June 2022 until noon on Thursday 21 July 2022. During this process, site notices and plans were attached to street furniture on site, the Notice of Proposal documents were made available on our website, and they were also published in the Hemel Hempstead Gazette. A copy of the Site Notice and Plan was also directly posted to residents and businesses of the area - a total of 297 addresses.

The consultation has concluded and our consultancy (ADL) have provided their consultation report, which is available to view on the [Councils results of completed consultations web page](#)

Received decision from the Portfolio Holder for Corporate & Contracted Services after reading the consultation report, and it has been decided to pursue this scheme, please note this scheme has taken priority over the others. Parking Services did not informally consult first.

We hope to be enforcing in approx. 6 weeks.

- **The Denes, Hemel Hempstead** – Proposal to limit the existing parking bays outside the shopping areas to two hours with no return within two hours Monday to Sunday 8:00am - 7:00pm further to Cllr Maddern’s correspondence with Parking Services.
Our consultancy (ADL) have undertaken a site visit and assessment and have engineered a scheme design that is agreeable to the local stakeholders in the area including no waiting at any time on the junctions of Pinecroft/The Denes, Barnacres Road/Georgewood Road, Barnacres Road/The Denes.

Our consultancy (ADL) is currently undertaking an informal resident/business consultation to introduce the proposed restrictions. The consultation is advertised on the Councils [Waiting restrictions \(dacorum.gov.uk\)](http://dacorum.gov.uk) web page. The consultation period ended for the public on Friday 19 August 2022. However, one of the statutory consultees (Nash Mills parish Council) have requested an extension as they wish to discuss this in their meeting on Monday 12th September 2022, which has been agreed. We will then receive the result of the consultation in a report provided by ADL.

- **Anchor Lane, Hemel Hempstead** - Further to Cllr Allen and Herts Police’s correspondence with Parking Services, Parking Services propose to introduce No Waiting at Any Time (Double Yellow Line) restrictions at the junction with Heath Lane up to the end of the current No Waiting ‘Mon-Fri 8.30am-4.30pm’ (Single Yellow Line). There are currently three restrictions in a small area on Anchor Lane, Parking Services are proposing to make the area less confusing to motorists, and to help to prevent parents parking (and driving) along the pavements at school drop off and pick up times.. Also at the junction of Beechfield Road and Anchor Lane the proposal is to introduce additional no waiting at any time restrictions in order to prevent parking close to or on the mini roundabout.

Our consultancy (ADL) have undertaken a site visit and assessment on Friday 22 April 2022 and have engineered a scheme design that is agreeable to the local stakeholders in the area. Parking Services are proposing to introduce no waiting at any time (double yellow) lines on Beechfield Road including protection for the Anchor Lane/Beechfield Road junction. Correspondence has taken place between Councillors and Parking Services to extend these double yellow lines from the Beechfield Road/Anchor Lane junction to outside number 38 Beechfield Road as currently residents are parking their vehicles on the grass verge, which we are proposing to stop.

Parking Services has submitted a Portfolio Holder Decision Records Sheet for statutory comments.

- **Elm Grove, Berkhamsted ('F' Zone)** - Proposal to introduce a residents only Controlled Parking Zone in order to formalise current parking habits to avoid obstruction currently caused by inappropriate parking by commuters visiting the town centre.

Our consultancy (ADL) have undertaken a site visit and assessment on Friday 22 April 2022 to engineer a scheme design that is agreeable to the local stakeholders in the area. Proposed for restricted time to be Mon-Sun 8am-8pm with the zone named 'F'. The proposed 'F' zone would have the same restricted hours as our existing 'C' zone. Therefore, we propose 700 hours of visitor sessions for residents with a maximum of 3 permits per household.

The call in period has expired and we are currently informally consulting residents and business on a proposal to alter the existing parking arrangements at Elm Grove, Berkhamsted, consisting of the introduction of:

- 1) A permit parking area (Controlled Parking Zone F) - permitting only permit holders to park in that area.
- 2) Additional no-waiting-at-any-time (double yellow line) restrictions - to prevent parking on both sides of Elm Grove.

The proposals

The proposals are in response to concerns being raised about non-resident vehicles (consisting of shoppers and commuters) parking on Elm Grove meaning residents are unable to park near to their properties.

These measures are also being proposed for the following reasons:

- To prevent double parking on Elm Grove
- To enable residents to park close to their homes by preventing commuters/shoppers parking on the road (whom would not be eligible for a permit)
- To prevent parking at the junction of Elm Grove and A4251 High Street
- To generally improve the safety and navigability of Elm Grove for road users

The deadline for responses is noon on Friday 9th September 2022. The proposed changes and plan are set out in the document available on the Councils web page: [Waiting restrictions \(dacorum.gov.uk\)](https://www.dacorum.gov.uk)

- **Old Fishery Lane, Berkhamsted)** - Proposal to introduce no waiting at any time restrictions (double yellow lines) on Old Fishery Lane. Currently vehicles are parking at the end of the road, on the turning head and outside homes. DBC & HCC have received complaints from residents that they cannot use their drives. There has also been a canal boat fire and the fire brigade struggled to get as close to the fire as they wanted. Therefore, Parking Services has offered to introduce the restrictions, if HCC provide the funding to do so. HCC have agreed and invoice sent. Parking Services will now raise an EDRS to start the process to introduce the proposed restrictions.

5. Leisure Contract

Attendance figures for leisure centres at Berkhamsted and Hemel Hempstead and the athletics track at Jarman's Park are shown below. The overall attendance figures pre-pandemic were 20,000 per week on average.

Weekly Attendance Data

Week Commencing	Gym		Group Ex		Swimming		Outdoor		Total
	Hemel	Berko	Hemel	Berko	Hemel	Berko	Berko 3G	Track	
2019/20 Average	132	56	2,898	816	1,672	415	N/A	557	6,546
2021/22 Q1 Weekly Average	1,887	1,399	1,271	381	2,464	1,221	852	517	9,564
2021/22 Q2 Weekly Average	1,414	881	1,934	571	4,283	1,374	836	471	11,760
2021/22 Q3 Weekly Average	1,192	773	1,704	538	3,370	1,136	717	274	9,703
2021/22 Q4 Weekly Average	1,401	926	2,131	687	3,923	1,420	831	433	11,751
2022/23 Q1 Weekly Average	1,309	1,048	2,024	650	4,580	1,466	795	980	12,851
Average Attendance	1,441	1,005	1,813	565	3,724	1,323	806	535	11,126
Direction of Travel last Qtr	↓	↑	↓	↓	↑	↑	↓	↑	↑

The Council supported Everyone Active (EA) through the pandemic by waiving their rights to the contractual management fee for 2020/21 and 2021/22 and also provided additional financial support to help with the recovery from the pandemic.

The total maximum support the Council provided to EA during 2020/21 is set out below:

	Amount (£)
Approved financial support paid to EA in 2020/21	£1.5M
Less Government Income Support Scheme	(£350k)
Income Government Support Scheme	(£320K)
Net cost of financial support provided in 2020/21	£830k

The total maximum support the Council provided to EA during 2021/22 is set out below:

	Amount (£)
Approved financial support paid to EA in 2021/22	£1.245M
Net cost of financial support provided in 2021/22	£919k

The actual support payments made by the Council in 2020/21 (in addition to the net management fee waiver) was to £319,041 which was £325,959 less than the forecast of £645,000.

Financial support from the Council to EA ceased from 2022/23 and an agreement on the management fee for 2022/23 was negotiated resulting in the Council receiving an annual figure of £430k, invoiced on a monthly basis (£35,833).

The management fee is approximately 50% of the contractual management fee for 2022/23, but it is recognised that the leisure industry is still recovering from the pandemic and attendance has not yet returned to pre-pandemic levels.

The financial performance of the contract during Q1 2022/23 is set out below:

	April	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total
Income	£352,976	£374,965	£382,372										£1,110,314
Expenditure	£367,345	£401,352	£347,538										£1,116,235
Contract Costs	£46,500	£46,500	£46,500										£139,501
Surplus/Deficit	£60,869	£72,888	£11,666										£145,423

6. Garage Service

The information below shows the number of terminations and commencements that have been completed within Q1.

	01/04/2022	11/04/2022	18/04/2022	25/04/2022	02/05/2022	09/05/2022	16/05/2022	23/05/2022	30/05/2022	06/06/2022	13/06/2022	20/06/2022	27/06/2020
	Wk 1	wk2	Wk 3	Wk 4	Wk 5	WK6	Wk 7	Wk 8	Wk 9	Wk 10	Wk 11	Wk 12	Wk 13
Terminations	13	10	10	6	5	11	18	9	10	7	8	8	10
Commencements	42	25	15	10	5	20	9	9	10	9	8	7	13
Weekly difference	-29	-15	-5	-4	0	-9	9	0	0	-2	0	1	-3
Occupied Garages	5222	5251	5266	5271	5275	5275	5284	5275	5275	5275	5277	5277	5276
Void Garages	1916	1887	1872	1867	1863	1863	1854	1863	1863	1863	1861	1861	1862
Total Garages	7138	7138	7138	7138	7138	7138	7138	7138	7138	7138	7138	7138	7138

The Council have also just received tenders submissions back on the recently advertised Garage stock condition survey, and will be looking to carry out the evaluation of these tenders and award of contract over the next few months.

Once the stock condition survey is carried out, this will enable the Service to produce a Garage Asset Strategy, which will set out the longer term aspirations for the Council.

7. Commercial Programme

Members of the Committee have been made aware of the Commercial Programme that has commenced over the summer. The Full Business Cases are due to be fully developed by the end of September for phase 1 FBC's and the end of October for phase 2 FBC's.

The FBC's will be reviewed by Commercial Board during October and November and presented to this Committee and Cabinet.

Project	Lead Officer	Project Sponsor(s)	Directorate	Additional Comments
Phase 1				
Smart Parking	Ben Hosier	Robin Barton	Corporate & Commercial Services	
Light Industrial Units	David Barrett Richard Rice	Robin Barton James Doe	Place	
Commercial Waste	Richard LeBrun	Jody Nason	Resident Services	Project pending the Waste Transformation Programme being fully mobilised
CCTV	Karen Proudfoot	Richard LeBrun	Resident Services	
Fees and Charges	Fiona Jump	Nigel Howcutt	Corporate & Commercial Services	
Environmental Shared Service	Emma Walker	Richard LeBrun	Resident Services	
Property Services	Mark Pinnell Richard Rice	Jody Nason James Doe	Resident Services Place	This FBC will also play a key role in the development of a future operating model for housing, as part of the Housing Transformation & Improvement Programme
Phase 2				
Fleet EV	Craig Thorpe	Richard LeBrun	Resident Services	Project pending the Waste Transformation Programme being fully mobilised
Developer Account	Alex Robinson	James Doe	Place	
Planning Enforcement Shared Service	Alex Robinson	James Doe	Place	
Legal Shared Service	Mark Brookes	Robin Barton	Corporate & Commercial Services	
Homes & Contents Insurance Service	Fiona Jump	Nigel Howcutt	Corporate & Commercial Services	

A Commercial Strategy has also been drafted over the summer and a separate report on this is included on this agenda.



Finance and Resources

Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Quarter 1 Performance Report – <ul style="list-style-type: none"> • People • Transformation • Digital and ICT • Communications
Date:	6 th September 2022
Report on behalf of:	Councillor Graeme Elliot
Part:	I
If Part II, reason:	N/A
Appendices:	N/A
Background papers:	
Glossary of acronyms and any other abbreviations used in this report:	KPI – Key Performance Indicators

Report Author / Responsible Officer

Aidan Wilkie (Strategic Director – People & Transformation)

Matt Rawdon, Assistant Director (People)

Ben Trueman, Head of Digital

Kelvin Soley, Head of Communications

Hannah Peacock, Head of Transformation



Matt.Rawdon@dacorum.gov.uk / 01442 228513 (ext. 2513)

Ben.Trueman@dacorum.gov.uk / 01442 228171 (ext. 2171)

Kelvin.Soley@dacorum.gov.uk / 01442 228504 (ext. 2504)

Hannah.Peacock@dacorum.gov.uk / 01442 228037 (ext. 2037)

Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Ensuring efficient, effective and modern service delivery Climate and ecological emergency
Wards affected	All wards
Purpose of the report:	1. To provide the Q1 performance information for monitoring and information
Recommendation (s) to the decision maker (s):	1. That Members note the report and identify any areas where they require additional information
Period for post policy/project review:	N/A

1. Introduction

1.1. This paper will provide an update on service performance over Q1 2022/2023 for People, Transformation (including CSU and Climate and Ecological Emergency), Digital and ICT, Communications and also highlight key achievements over this same period.

2. People

2.1. The total sickness absence outturn for Q1 is lower than in Q4 but significantly higher than quarter 1 last year.

2.2. Detailed analysis shows the main contributors to sickness absence were medical infection (CV-19 related), musculoskeletal, surgery and mental health issues. HR work with management to assess cases to understand the reasons for the absence so that a tailored approach can be 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, there are many support processes in place such as: occupational health; counselling; sign posting to external support; and our new mental health first aider programme.

2.3. The sickness scrutiny group continues to meet regularly to assess all sickness absence and looks to identify trends and areas of concern. Any such cases will be escalated to a more formal route as per the policy. This group also monitors return work interview compliance, as well as carrying out spot checks on whether managers are in regular contact with their staff while off sick.

2.4. 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.

- 2.5. HR also continue to send out a fortnightly wellness offer which includes courses, webinars, exercise classes and other support. These focus on a dedicated topic and also link into national themes around wellness. The Council continues to promote 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. We also are continuing to run our staff engagement group which is focussing on health and wellbeing issues/solutions as well as how the return to the office is progressing.
- 2.6. 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.
- 2.7. HR has been undertaking further interventions which were recently approved by the strategic leadership team to help reduce sickness absence, the key actions include: Rolling out Mental Health First Aid awareness 'lite' course for all managers, having a physio on site for front line staff, working with H&S on musculoskeletal cases – to identify trends, appropriate PPE and training needs. We will also be introducing computers at Cupid Green Depot to allow access to Intranet – courses, webinars and we will be reviewing the health and wellbeing areas at the depot.
- 2.8. The staff turnover percentage of 12% is similar to the previous quarter (11%). A healthy staff turnover rate in the UK is considered to be around 10% - 15%.

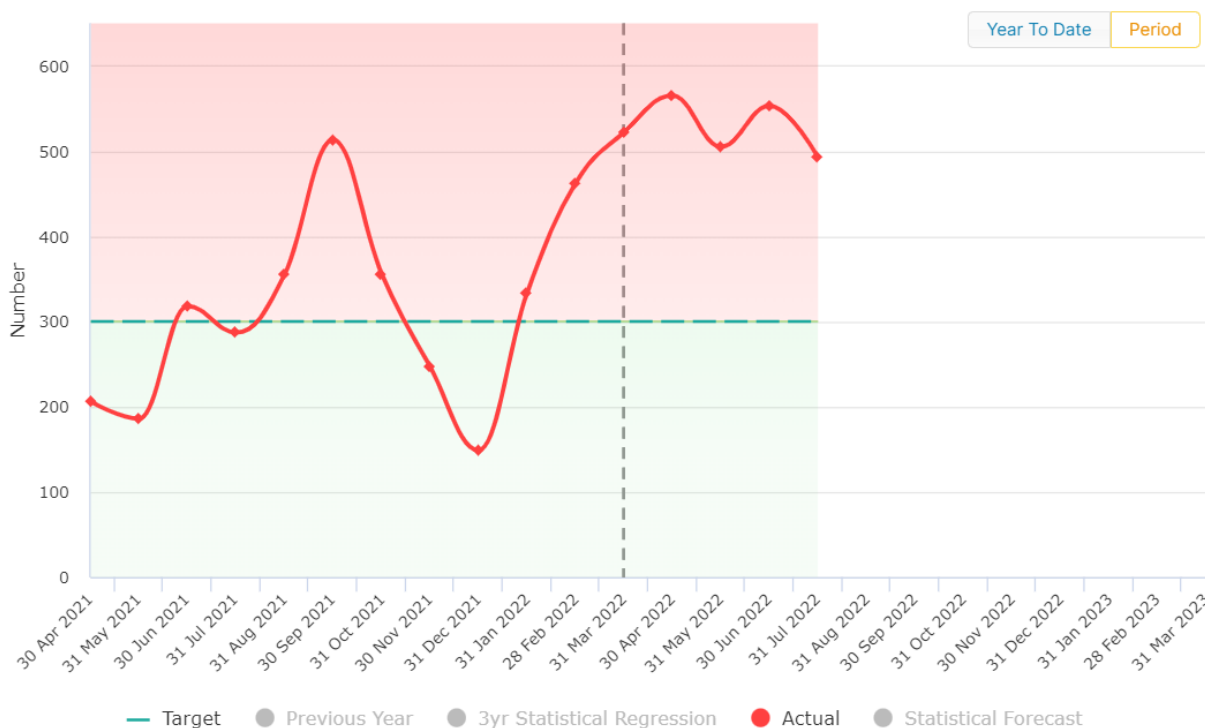
3. Transformation

- 3.1. As highlighted in the Q4 Performance Report a temporary external resource (31ten) was brought in to establish a Programme Management Office (PMO). The aim of this was to provide visibility of programmes and projects across the organisation, to develop a strong project management methodology and to drive delivery of our priority work.
- 3.2. It was recognised that it would not be possible to recruit to permanent posts before 31ten's contract with the Council ended in June 2022. As a result, a paper was taken to Cabinet and then to Full Council in July 2022, requesting further temporary resource to allow for a more permanent resource plan to be developed.
- 3.3. This was approved at full Council, and an interim PMO Lead with additional PM resource have subsequently started on short-term contracts, and are working to deliver the permanent PMO structure as well as deliver business critical projects including HTIP and Commercial Strategy Business Cases. A detailed permanent resource proposal has been developed and is being worked through with the Strategic Leadership Team. Further updates will be provided in the next quarter on the permanent PMO structure.
- 3.4. Within the Transformation Programme, the Customer Strategy procurement exercise was completed in this quarter. Ignite, who had successfully supported DBC in drafting the Customer Strategy, were awarded the contract to implement the strategy. During the first phase of the Customer Strategy, there were 12 high-priority processes, which were identified for further review and redesign when they were assessed against a set of problem statements to assess how effective and efficient each of them currently are e.g. *Customers cannot find the information they need online, or the information available is unclear, so we receive a high volume of enquiries*. Ignite are now undertaking detailed analysis on these key customer-facing processes, and will be working with the services to improve them over the next quarter.

- 3.5. As part of the first phase of the Customer Strategy, Ignite also completed an As Is / To Be process review of the current DBC complaints processes, including in-house complaint handling, MP enquiries, and Ombudsman complaints. Over the next quarters, we will be looking to implement a series of recommendations designed to significantly improve our complaints handling.
- 3.6. As noted last quarter, the Transformation Service has supported Service Planning for this year. In this quarter, all drafted Service Plans were approved by the Strategic Leadership Team. Further work will be completed ahead of next years' service planning cycle to embed service planning into business as usual.
- 3.7. The work to review KPIs that have come out of the Service Plans has now been structured into a Performance Review project, and will be reviewing how we record, monitor, manage and report on our performance. Further updates and recommendations for improvements will be brought back to members in due course.

4. Customer Services Unit (CSU)

- 4.1. Not all key performance indicators were achieved this quarter with wait-times longer with an average of 541 seconds vs. 439 seconds last quarter (target of calls to be answered within 300 seconds). There are a small number of vacancies, and a number of officers who are still completing their training, which has also had an impact on call-handling wait times. That said, there have been improvements within the last month of the quarter, as the impact of the Energy Benefit Rebate calls and the knock-on back-office challenges of processing the rebate begins to wear off.



(Average Wait-Time – April 21 – June 2022)

5. Climate and Ecological Emergency

- 5.1. The applications for the Green Community Grants closed and assessed with 8 successful projects gaining £17,000 of funding – including textiles reuse, wildlife monitoring, tree planting, pond management and creation, wildlife areas and community education and engagement.

5.2. In this quarter we ran a month-long Wildflower Seed Giveaway and a primary school competition as Dacorum Climate Action Network (CAN) initiatives, this resulted in:

- Over 4000 packets of wildflower seeds delivered to residents and schools.
- 28 schools taking part in the competition and the winning school (Nash Mills) had an interactive afternoon session with a class where officers helped to set up a new insect hotel, with surrounding pollinator friendly planters, a wildlife water area and sowed wildflower seeds.
- As a result of the above giveaway and competition, throughout May over 150 residents joined Dacorum CAN – doubling the number of residents signed up (current total: 333), with an additional 16 organisations also joining (current total: 59).

5.3. Interactive Wildflower Map has been developed and launched on our website to show which areas of the borough are purposefully left uncut to actively create more wildflower-rich and biodiverse grasslands across the borough

5.4. Solar Bulk Buy Scheme gained approval at Cabinet in April 2022, this scheme is a Hertfordshire-wide scheme which will enable Hemel Garden Communities and the 11 Hertfordshire authorities to join and assist residents to benefit from a solar bulk buy scheme, allowing them to make cost savings and encouraging them to purchase Solar PV panels for their private residences, which helps with the climate and ecological emergency.

5.5. The Coniston Road development of 10 new two-bedroom and three-bedroom homes available for social rent has been completed. All the houses are highly energy efficient, complete with solar panels and electric vehicle charge points.

5.6. The Green Homes Grant is a funding scheme which allows eligible residents to receive up to £10,000 worth of energy-saving improvements to their homes, such as insulation, renewable heating systems, solar PV panels and new doors and windows, at no additional cost. In this quarter, there has been a successful targeted mail-out campaign, focusing on eligible residents, and as a result over 500 referrals have been generated.

6. Digital and ICT

6.1. IT Systems availability (99.3%) continued to be positive within the quarter demonstrating the fundamental reliability of the Council's technology infrastructure. There was one short outage on the morning of 25th July. This was caused by an issue within the core network of our supplier (Virgin Media). They rapidly identified the cause of the issue and services returned in little over an hour.

6.2. The primary performance indicator (ICT01 - Percentage of incidents resolved in less than 2 days) was red within the quarter at 77.99. However, this was a significant improvement over the previous quarter at 61.98%, which was itself a considerable improvement over the previous quarter's 49.31%.

6.3. The staffing position on the Service Desk improved over the quarter, with a single vacancy left to fill. This has significantly contributed to improved performance. Officers have targeted older calls, which has affected the KPI, but as these are reduced and newer team members gain expertise performance against target should continue to improve.

6.4. The number of website users (146,973) increased by more than 10% over the previous quarter's figure of 132,871. The number of registered MyDacorum users continued to rise, standing at 9908, 14% growth since the previous quarter. The Digital team is working with consultants as part of the Customer Strategy

Implementation, identifying opportunities to develop MyDacorum further and improving customer journeys.

7. Communications

7.1. Delivered an external communications programme supporting 60 corporate projects and events across DBC services and partner organisations. This includes 463 social media campaigns (posts) through our corporate channels (Facebook, Twitter and LinkedIn), 30 news articles on our website, 20 press releases and over 160,000 emails via our digital publications portfolio.

Highlights include:

- Dacorum's Den
- Launch of Hemel Green Walking Map
- Raising the flag for Pride Month
- Free compost giveaway
- Prosecutions for littering, PSPO breaches and fly-tipping
- Tap to donate scheme
- Commonwealth Games Queen's Baton Relay
- Dacorum's Great British Spring Clean
- Northridge Way Basketball refurbishment
- Biodiversity Day and seed giveaway
- Residents' telephone survey

7.2. Delivered an events programme including the Queen's Platinum Jubilee weekend, consisting of our Platinum Party in the Park (largest event in Gadebridge Park in the last several years), Beacon lighting ceremony and fireworks display, Green Canopy planting and Cinema in the Park. We also delivered our annual Armed Forces Day celebrations bringing thousands of residents and armed forces personnel together. Following a busy period of events, we are completing a 'lessons learned' exercise, to ensure continuous review and improvement in event delivery.

7.3. Delivered an internal communications programme, including our Annual Staff Recognition Awards. We received just under 300 nominations across 12 award categories, including a 'Members Choice' award. Over the same period we issued 32 internal communications campaigns across internal channels, such as our intranet, covering staff news, corporate information (projects and initiatives) and staff events.

7.4. Delivered our publication programme of print and digital publications, including the Summer edition of Dacorum Life (delivered to over 63,000 households in the borough by Royal Mail), 13 issues of Dacorum Life - digital (12,245 subscribers) and 13 issues of Members News.

7.5. Ongoing Covid-19 communications campaigns delivered over the quarter, including public information campaigns from the Cabinet Office, Local Resilience Forum and service specific updates from DBC services.

7.6. Social media and website statistics:

Our social media channels continue to grow organically at a healthy rate compared to similar local authorities. This quarter sees the biggest increase in LinkedIn connections, reflecting increased activity and engagement from the business and professional community.

Dacorum Facebook – April to June 2022

Connections – 11,738 (increase of 420 from Q4 2021/22)

Link clicks – 10,193 (increase of 829 from Q4 2021/22)

Posts – 220 (decrease of 14 from Q4 2021/22)

Dacorum Twitter – April to June 2022

Connections – 8,841 (increase of 54 from Q4 2021/22)

Link clicks – 1,019 (decrease of 681 from Q4 2021/22)

Posts - 208 (decrease of 16 from Q4 2021/22)

Dacorum LinkedIn – April to June 2022

Connections – 4,095 (increase of 243 from Q4 2021/22)

Link clicks – 231 (decrease of 277 from Q4 2021/22)

Posts – 35 (decrease of 8 from Q4 2021/22)

7.7. Top five posts by clicks and website statistics (Q1 2022/23)

<p>View post</p> <p>dacorum f 18 May 2022 18:02</p> <p>We are sharing a consultation being carried out by the Post Office who are moving to a new location in Hemel town centre. Please visit https://orlo.uk/39B58 to view the consultation and find out more.</p>	<p>51</p> <p>24</p> <p>8</p> <p>1.2K</p>	<p>13K</p> <p>13.3K</p> <p>9.62</p>	<p>1</p> <p>1.2K</p> <p>CLICKS</p>
<p>View post</p> <p>dacorum f 08 Jun 2022 13:01</p> <p>The points awarded to applicants on our Housing Register, who then use these to bid on available properties, will change in July based on your circumstances. Applicant...</p>	<p>28</p> <p>43</p> <p>31</p> <p>582</p>	<p>12.2K</p> <p>13.1K</p> <p>5.24</p>	<p>2</p> <p>582</p> <p>CLICKS</p>
<p>View post</p> <p>dacorum f 03 May 2022 16:00</p> <p>Our annual Free Compost Giveaway is taking place on Sunday 15 May from 8.30am - 11.30am. The compost will be pre-bagged and given out on a first-come, first-serve...</p>	<p>127</p> <p>29</p> <p>45</p> <p>518</p>	<p>12.2K</p> <p>12.5K</p> <p>5.74</p>	<p>3</p> <p>518</p> <p>CLICKS</p>
<p>View post</p> <p>dacorum f 17 May 2022 15:33</p> <p>🌻🌻 Free Wildflower Seed Giveaway 🌻🌻 We're giving away thousands of packets of wildflower seeds to residents and schools to celebrate Biodiversity Day...</p>	<p>58</p> <p>33</p> <p>16</p> <p>445</p>	<p>11.9K</p> <p>12.8K</p> <p>4.31</p>	
<p>View post</p> <p>dacorum f 19 Apr 2022 10:02</p> <p>Our adventure playgrounds are available to hire and are ideal for birthday parties (including discos, pitch hire, inflatables and laser tag), family gatherings, corporate...</p>	<p>80</p> <p>16</p> <p>12</p> <p>279</p>	<p>17.3K</p> <p>18.4K</p> <p>2.1</p>	

Page Title	Pageviews ↓	Unique Pageviews
	1,038,534 % of Total: 100.00% (1,038,534)	743,755 % of Total: 100.00% (743,755)
1. My Bin Collections	142,952 (13.76%)	62,080 (8.35%)
2. Council Services - Payment Portal	129,802 (12.50%)	58,953 (7.93%)
3. Dacorum Borough Council Home Page	105,592 (10.17%)	88,280 (11.87%)
4. Payment summary - Payment Portal	36,336 (3.50%)	27,460 (3.69%)
5. Search Dacorum Borough Council	34,245 (3.30%)	30,714 (4.13%)
6. When are my bins collected	33,738 (3.25%)	31,750 (4.27%)
7. Transaction complete - Payment Portal	32,158 (3.10%)	29,887 (4.02%)
8. Complete your shopping - Payment Portal	31,443 (3.03%)	26,544 (3.57%)
9. Search planning applications	28,911 (2.78%)	23,375 (3.14%)
10. Energy Bills Rebate	25,870 (2.49%)	22,907 (3.08%)



FINANCE & RESOURCES

Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Commercial Strategy
Date:	6 September 2022
Report on behalf of:	Councillor Andrew Williams, Leader and Portfolio Holder for Commercial Strategy & Delivery
Part:	I
If Part II, reason:	
Appendices:	None
Background papers:	Finance and Resources Overview and Scrutiny Committee, 5th July 2022, Commercial Strategy Update. Cabinet, 15th March 2022, Commercial Strategy Update.
Glossary of acronyms and any other abbreviations used in this report:	

Report Author / Responsible Officer

Ben Hosier, Head of Commercial Development



Ben.hosier@dacorum.gov.uk / 01442 228215

Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Ensuring efficient, effective and modern service delivery Climate and Ecological Emergency – working to deliver net zero carbon
Wards affected	All
Purpose of the report:	To share the Commercial Strategy with Committee
Recommendation (s) to the decision maker (s):	1. To acknowledge and note the content of the Commercial Strategy, with particular focus on the Commercial Objectives and Principles
Period for post policy/project review & Implementation:	Full Business Cases for identified opportunities will be presented for approval over the coming months. Regular performance reports will be presented, once approval has been given to commence implementation of opportunities.

1 Introduction/Background

The Council's Corporate Plan sets out an ambitious agenda. We want to help our communities to become stronger and more vibrant and we want to continue to deliver excellent services to our residents. At the same time our funding remains under pressure. This will require the Council to develop new approaches, finding new ways to manage and improve services and their cost effectiveness, whilst also identifying ways of generating additional financial income.

As detailed in a series of updates to Scrutiny and Cabinet meetings, Officers have been working on a Commercial Strategy – and associated delivery programme – over recent months and this is now being shared with this Committee. The Strategy is intended as an outward facing document, which sets out the reasons for the Council to adopt a more formalised set of commercial behaviours and what this means for Members, Officers and Residents.

2 Key Issues

The Commercial Strategy sets out the need for a more innovative, commercially focused Council if Dacorum is to continue delivering and investing in valued services within the context of continued reductions in central government funding. It documents the need for different approaches to leverage maximum value from the Council's assets and resources to create a financially sustainable organisation.

The Commercial Strategy has adopted a broad definition of 'commercial' and assessing, testing and developing various ways in which the Council might be able to use its assets and capabilities more effectively to both reduce costs and develop viable revenue streams. The opportunities identified in the Commercial Strategy span 5 thematic areas:

- **Service Models:** Enhancing the design of services to maximise quality, minimise cost and create longer-term flexibility.
- **Traded Services:** Offering existing Council Services to fee-paying clients, either individuals, businesses or other councils/public sector organisations.
- **Procurement:** Driving greater value from our use of external suppliers, both financial and social.
- **Contract Management:** Ensuring our suppliers deliver all their commitments to our residents.
- **Assets & Investments:** Financial opportunities from carefully appraised, strategic investments.

The Strategy has four primary objectives:

- Enhancing our ability to provide social, economic and environmental outcomes that can help to deliver against all six of our priorities.
- Developing new incomes streams to support services and help balance the budget.
- Creating a culture where staff think and act differently to deliver new ways of service delivery to serve our residents and businesses.
- Increasing the robustness of the organisation through the creation of a diverse commercial portfolio to ensure long term organisational sustainability.

2.1. Key Considerations

The Commercial Strategy identifies the following 7 principles, which will underpin commercial activity and behaviours in Dacorum:

1. *We will continually identify and develop opportunities to commercialise existing and new services.*

A commercial lens and behaviours will need to be a continual part of how the Council operates, which continues beyond the current set of opportunities and business cases.

2. *Our partnerships (private and public) will be efficient and deliver best value.*

Whilst working collaboratively with partners to secure outcomes for our residents, these partnerships will need to work commercially for Dacorum as much as they do for our partners.

3. *We will have a strategic commissioning and procurement approach that derives the maximum value from every pound spent.*

Existing service models and contracts will not be assumed to be the right approach for the future, and will be fully evaluated before new commitments are made.

4. *We will adopt the most effective delivery models to deliver best value services.*

We will be honest and focused in evaluating our service delivery models, putting effectiveness and efficiency above comfort with existing arrangements.

5. *When we need to charge for our services, we will price commercially, ensuring that this covers the cost of the service unless we have made a conscious and evidenced decision to subsidise.*

Fees and charges will (as a minimum) reflect the full cost to the Council of providing a service – not just the direct operating costs – and exceptions to this will only be where there are strong drivers which enable other priority outcomes to be secured.

6. *We will be commercially astute – we will understand the market for our services, and know how to make it work for us.*

Services will understand the context in which their services operate and how best to maximise value for residents.

7. *We will all understand and recognise where we have a role to play in maximising the impact of the Council's assets for the benefit of residents and communities.*

These commercial principles will need to be owned and deployed by Members and Officers in their decision making.

2.2. Governance

As set out in the Commercial Strategy, the Commercial Board – chaired by the Chief Executive – will act as the main Officer Governance forum responsible for overseeing the implementation of the Commercial Strategy and the associated work plan. Regular updates will be provided to Finance and Resources Overview and Scrutiny Committee. Any investment requirements will follow normal approval processes, through Cabinet and Full Council.

2.3. Timelines

The Commercial Strategy sets out an initial set of commercial opportunities, which are currently having Full Business Cases prepared. It is planned for the FBCs to have finished being developed in two stages (as indicated below) and for Commercial Board to review these during October and November, detailed timings and Implementation Plans are currently being developed as part of the FBC's.

Full Council approval of any investment required will follow, depending on the final requirements identified in the Full Business Cases.

Project	Lead Officer	Project Sponsor(s)	Directorate	Additional Comments
Phase 1 – FBC development by 30 September				
Smart Parking	Ben Hosier	Robin Barton	Corporate & Commercial Services	
Light Industrial Units	David Barrett Richard Rice	Robin Barton James Doe	Place	
Commercial Waste	Richard LeBrun	Jody Nason	Resident Services	Project pending the Waste Transformation Programme being fully mobilised
CCTV	Karen Proudfoot	Richard LeBrun	Resident Services	
Fees and Charges	Fiona Jump	Nigel Howcutt	Corporate & Commercial Services	
Environmental Shared Service	Emma Walker	Richard LeBrun	Resident Services	
Property Services	Mark Pinnell Richard Rice	Jody Nason James Doe	Resident Services Place	
Phase 2 – FBC development by 31 October				
Fleet EV	Craig Thorpe	Richard LeBrun	Resident Services	Project pending the Waste Transformation Programme being fully mobilised
Developer Account	Alex Robinson	James Doe	Place	
Planning Enforcement Shared Service	Alex Robinson	James Doe	Place	
Legal Shared Service	Mark Brookes	Robin Barton	Corporate & Commercial Services	
Homes & Contents Insurance Service	Fiona Jump	Nigel Howcutt	Corporate & Commercial Services	

3 Consultation

The Commercial Strategy has been drafted around clear themes, objectives and principles in support of the Council's Medium Term Financial Strategy, which has included input and updates with Officers and Members.

4 Risk implications:

The pursuit of further income generating opportunities will create additional risks for the Council's strategic risk profile. Similarly, new service models and new procurement approaches will also carry additional risks. The Commercial Board will play a key role in maintaining oversight of this risk profile. Members will also have a critical role to play in this, through reporting to the Finance and Resources Overview and Scrutiny Committee. Regular reports and updates will also be provided to the Audit Committee. Individual commercial opportunities are likely to be reviewed by Internal Audit at appropriate stages in their lifecycle. Members will be aware that Commercial Awareness Training was made available to all Members earlier in the year (delivered by Trowers and Hamlin) and further opportunities to support Members in their governance of these risks will be kept under regular review.

There is no doubt that commercial development by a number of local authorities has created significant risks, in particular by creating unsustainable borrowing levels. The current set of commercial opportunities has been deliberately selected to provide a balanced portfolio with limited requirements for financial borrowing.

5 Equalities, Community Impact and Human Rights

There are no specific implications arising from the Commercial Strategy itself. Any implications arising from individual commercial opportunities will be identified as part of the Business Case and associated approval process.

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

There are no specific implications arising from the Commercial Strategy itself. Any implications arising from individual commercial opportunities will be identified as part of the Business Case and associated approval process.

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

The implementation of individual commercial opportunities will make demands of the Council's infrastructure. This will be assessed within the Management Case of each Business Case and form part of the associated approval process.

8 Conclusions:

To support the Council's ambitions and in response to the financial pressures identified in the Medium Term Financial Strategy, the Council must look at existing and new funding streams to enable the Council to have greater financial sustainability in the delivery of the Corporate Plan.

The Council has considered the wider public and private sectors to develop new approaches, find new ways to manage and improve services and their cost effectiveness, whilst also identifying ways of generating additional financial income.

This Commercial Strategy produces a framework which clearly sets out the reasons for the Council to adopt a more formalised set of commercial behaviours and what this means for Members, Officers and Residents

Dacorum Borough Council

Commercial Strategy

1.0 INTRODUCTION

Our Corporate Plan sets out an ambitious agenda for Dacorum. We want to help our communities to become stronger and more vibrant and we want to continue to deliver excellent services to our residents. We are focussing on our place-shaping role to create high quality neighbourhoods, facilities, town centres and jobs. We aspire to create new and better homes for our residents and we need to respond to the climate and ecological emergency. At the same time, our funding remains under pressure. The Revenue Support Grant from central government continues to fall and, as a result, both our Corporate Plan and Medium Term Financial Strategy recognise the need for the Council to be a more commercial organisation. This means that we need to improve service delivery and organisational efficiency and find ways to generate more income as a critical component of our financial strategy. Successful delivery of the Commercial Strategy should enable members and officers to make positive choices about what they want to invest in, and where, rather than being forced to make decisions about how, and where, to reduce expenditure.

Therefore, in order to deliver the priorities of the Corporate Plan, the Council needs a new, more agile, innovative, and commercially aware operating model to ensure that, in an environment of continued reductions in central funding, our limited resources are used to leverage maximum value and create a financially sustainable organisation that meets the changing needs and expectations of residents.

Our vision for Dacorum Borough includes an aspiration that we will be a commercially minded council. This is explained as *“a Council which adopts a commercial mind-set across the organisation. We expect staff to think innovatively and deliver services differently. We will use commercial principles to maximise the impact of our assets (whether physical or intangible) to benefit our communities and deliver financial sustainability”*

In responding to this, the Council will follow the following commercial principles:

- We will continually identify and develop opportunities to commercialise existing and new services;
- Our partnerships (private and public) will be efficient and deliver best value;
- We will have a strategic commissioning and procurement approach that derives the maximum value from every pound spent;
- We will adopt the most effective delivery models to deliver best value services;
- When we need to charge for our services, we will price commercially, ensuring that this covers the full cost of the service unless we have made a conscious and evidenced decision to subsidise;
- We will be commercially astute – we will understand the market for our services, and know how to make it work for us;
- We will all understand and recognise where we have a role to play in maximising the impact of the Council’s assets for the benefit of residents and communities.

This Commercial Strategy explores:

1. The drivers behind our aspiration to be a more commercial organisation
2. What this means for Dacorum Borough Council
3. Our commercial objectives
4. How we will deliver these objectives

The Council has historically focused on cost control, which led to a relatively strong financial position in relation to other councils. However, continued financial pressures mean that this approach alone will no longer meet our financial objectives. The Council needs to innovate and develop an ambitious commercial and entrepreneurial approach to build on the past and develop a sustainable council that enables the communities of Dacorum to thrive and prosper. This commercial strategy outlines how we will achieve this.

2.0 NATIONAL DRIVERS

2.1 Local Authority Funding Gap

Over the last few years, grants from Central Government have decreased by around 40%.

The Revenue Support Grant was historically reducing year on year as part of the last multiyear financial settlement (2016-2019) and achieved zero for 18/19. Current MTFS assumptions are that the Council will have to pay a negative Revenue Support Grant from 2023/24 onwards.

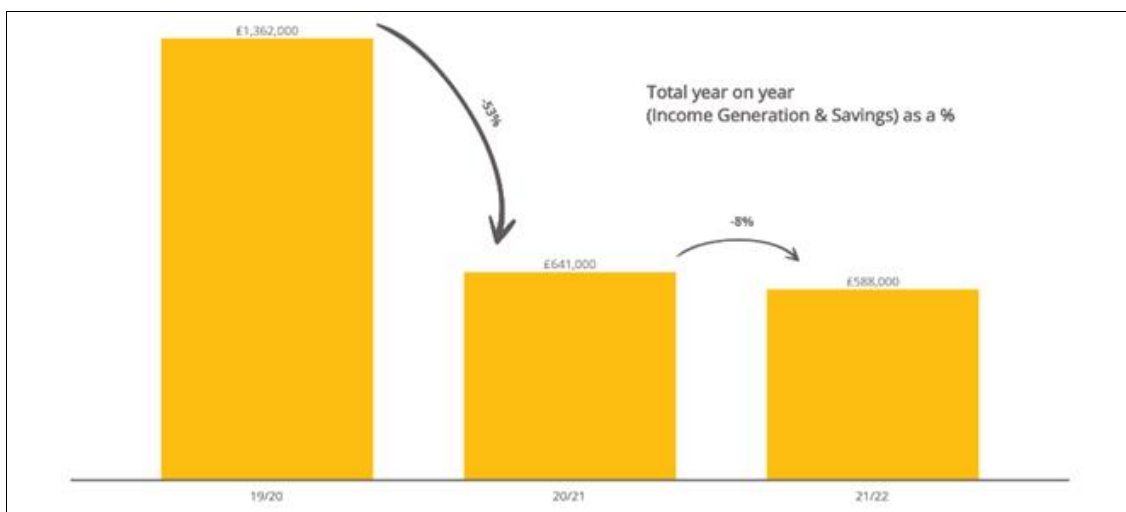
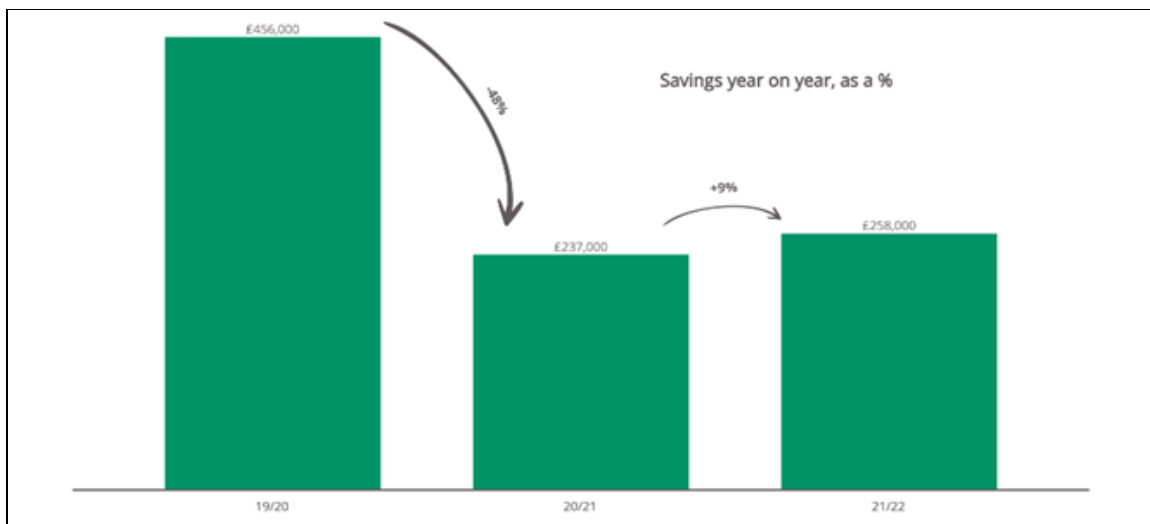
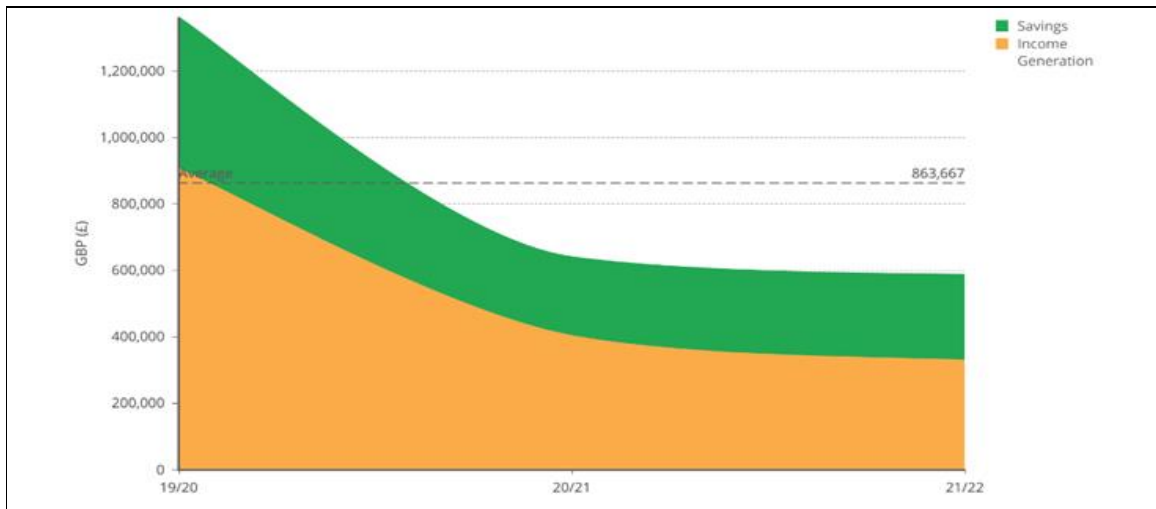
The 22/23 Local Government Finance Settlement provided a potential increase in councils' core spending power in cash terms. However, to realise this, the government assumption is that councils will raise council tax by the maximum amount permitted without requiring a referendum. The New Homes Bonus also makes up a considerable part of funding for councils like Dacorum. This is the fourth on-year settlement in a row, which, without a multi-year settlement, makes it difficult to make long-term financial plans.

This is not the only funding stream that is likely to change. Baseline funding (Business rates funding) is likely to be changed significantly in 22/23 and there is uncertainty as to how this will be developed as part of the levelling up agenda.

The Council has already responded to this national picture by making savings and generating new forms of income as well as new practices and delivery models, in order to bridge the gap between the increasing demand for services and falling, or static, government grants. Examples include increasing rental income from the use of Council buildings by third parties and broadening the scope of Council fees and charges.

The funding reforms being brought about by government, and the challenges highlighted above, demonstrate the need and potential for the Council to move towards self-financing. Achieving self-financing will strengthen the Council's ability to make longer-term plans and make future investment decisions.

The charts below shows the savings made, and income generated, for the General Fund and HRA over the last three financial years:



Dacorum has historically focused on careful management of financial resources and on reducing its spend. However, continued financial pressure from the external environment in which local authorities operate, combined with increasing demand for services and more complex and challenging community issues, means this approach will no longer lead to long term sustainability.

As the Council moves forward following the pandemic, we need to adopt a new strategic approach, which will enhance our ability to respond to future challenges and invest in developing our communities.

2.2 National Audit Office

The arena for the commercial development of local authorities is changing due to government policy and perceived unsustainable borrowing and risk levels for commercial ventures by some local authorities. Whilst this does not apply to the Council and our current commercial activities, it still sets the national picture and could create changes in the way local authorities can make commercial investments in the future.

These national drivers provide the big picture context to which our commercial approach must respond.

3.0 WHAT 'COMMERCIAL' MEANS TO US

In response to the issues set out, commercial approaches are being adopted by many local authorities.

However, the focus and definition of what that means is different from one council to the next. It is important therefore, to define what we, at Dacorum, mean by being commercial.

Working commercially is about using our assets and capabilities in the most efficient and effective way to create a net benefit to the Council's finances. It is about identifying and implementing opportunities, which expand the ways the Council, can secure income.

Being commercial is also about being creative and exploring new ideas and activities, which will increase income to the Council. It means that we will need to work in different ways and Council employees will need to develop new skills and behaviours to help make the delivery of the Strategy a success.

Every commercial opportunity will be robustly assessed before it is put forward for formal approval and the Council will develop a range of commercial projects within the programme to balance risks.

There will always be a clear link between any commercial endeavour and the Council delivering better services for residents.

Commercialisation is NOT just about making money. It is as much about avoiding costs, through early intervention and prevention, as it is about developing new projects.

This strategy impacts on all services across the Council. 'Being commercial' is a mind-set that must underpin the way we all do our jobs.

This means 'commercialisation' at Dacorum Borough Council and includes all of the following:

- Preventing costs arising in the first place
- Creating social value to enable delivery of excellence in services to our communities
- Early intervention to prevent a cost escalating
- Redesigning our staff structures and internal processes to be most efficient and effective
- Reviewing service delivery models (e.g. outsourced, shared service, company) to be most efficient and effective
- Effectively procuring and managing our contracts
- Identifying new sources of income
- Commissioning the right outputs/outcomes
- Enhanced financial ownership by service managers
- Maximising existing sources of income
- Eliminating unnecessary demand and work
- Insight and Intelligence to make good choices

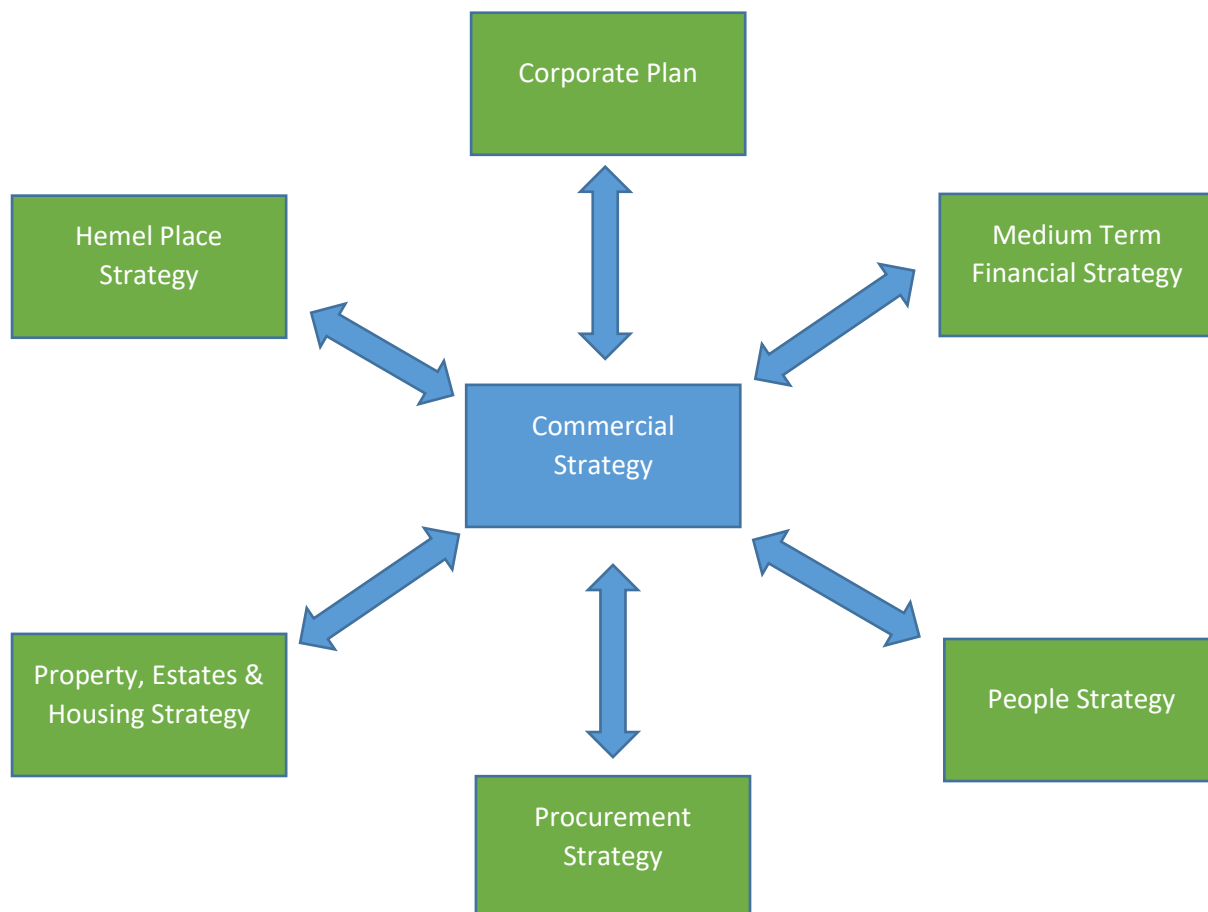
4.0 BENEFITS

The successful delivery of the strategy will achieve multiple benefits including:

- Ensuring our resources are stewarded wisely to deliver outcomes for our residents and businesses.
- Enhancing our ability to provide social, economic and environmental outcomes that can help to deliver against all six of our priorities: 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, Climate and ecological emergency and Ensuring efficient, effective and modern service delivery.
- Developing new incomes streams to support services and rebalance the budget
- Creating a culture where staff think and act differently to deliver new ways of service delivery to serve our residents and businesses
- Inspiring staff by embedding a forward thinking, opportunity focused mind-set that can drive wider culture shift
- Increasing the robustness of the organisation through the creation of a diverse commercial portfolio to ensure long term organisational sustainability

5.0 THIS STRATEGY

This strategy does not operate in isolation and is part of a hierarchy of strategies and plans that work together to ultimately deliver the Council Plan. This diagram shows the interdependencies between the main strategies that link to this commercial strategy:



6.0 OBJECTIVES

PRIMARY OBJECTIVE

The primary objective is to use the Council's resources as effectively and efficiently as possible when delivering the Council Plan.

SECONDARY OBJECTIVES

Achievement of the primary objective will come in part through the following secondary objectives:

- Developing a **commercial culture**
- Putting **sound governance** in place – being clear about responsibilities, authorities, processes, templates and funding
- Ensuring there is appropriate **performance management** in place for commercial initiatives

The overarching aim of this strategy is to deliver a financial return, which contributes to the Council's efficiencies and additional income targets. This will help to safeguard, and develop, frontline services that the Council currently provides and enhance the Council's ability to invest in its place shaping agenda.

This commercial strategy sets the objective of improving the net financial position of the Council by £2.25 million by 2025 through the delivery of commercial projects and improved commercial working across the Council.

Funding and investment will be required for the successful implementation of this strategy. It is important to note that the benefits of pursuing the Commercial Strategy are not purely financial. Becoming a commercially focused organisation means putting the customer at the heart of everything we do. We will actively encourage creative thinking to develop more effective and customer-centric ways to deliver our services.

We will empower our staff to take business-like decisions, to manage risk and seize new opportunities. This will help to improve the quality and speed of decision-making, thereby improving the services we deliver to customers. An empowered workforce means more engagement, higher customer satisfaction, increased productivity and better business intelligence. The result of this is that the Council's ability to attract and retain top talent will be enhanced.

Through growing the commercial activity of the Council, we are looking to benefit the people of Dacorum, ensuring that wealth generated in Dacorum stays in Dacorum. In turn, this will help to attract businesses, professionals, entrepreneurs and investment to the area. It is anticipated that increased prosperity within the borough will positively affect the household income of residents, helping to reduce the barriers to social inclusion.

7.0 CULTURE

Developing a commercial culture is an important part of this strategy. To achieve the ambitious objectives outlined in this strategy, all participants need to fulfil their roles. Whilst large commercial projects will be important, we are looking to develop a commercial culture across all service areas where, thinking in a business-like way and making business like decisions, along with being creative and innovative is the normal way of working at the Council.

An embedded commercial culture will enable all our services to reach their potential and it will unlock new and innovative ways of delivering services to residents and businesses in Dacorum. A commercial culture will encourage us to be creative and entrepreneurial, finding ways to add value to the way we serve residents. This will include behaviours such as challenging current approaches to look for improvements, seeking ways to maximise value for customers and the Council from contracts and looking for growth opportunities.

A culture can be defined as 'the way we do things round here' and the way we operate across our service areas will ambitious and bold, working in new ways to steward the resources we have in the most effective way to deliver the priorities highlighted in the Council Plan.

These competencies and skills will be developed through our new approach to organisational development, which will be set out in the Council's People Strategy.

8.0 DEVELOPING THE PROGRAMME AND OUR PRIORITIES

The Commercial Programme has been developed collaboratively across the Council. It has worked closely across all service areas to review the Council’s assets and capabilities to identify a range of potential opportunities. A portfolio of opportunities has then been selected for further development. This approach should ensure that the Council pursues a diverse range of opportunities - different in their potential scale, complexity and nature – to balance the risks of the overall programme.

In selecting the opportunities, consideration has been given to:

- The need to generate a net financial return to support the pressures identified in the MTF5.
- The creation of large-scale commercial projects that have the potential to create long-term income for the Council.
- Development of a commercial culture across service areas, so that thinking and acting in a commercial manner becomes central to the Council’s thinking and decision-making.

The following table shows the highest commercial priorities to investigate within the commercial programme. Not all of these will necessarily lead to implementation, but all have been progressed to Full Business Case.

Priority Code	Priority Area	Description	Impact
D1	Commercial Waste	Developing the Commercial Waste income streams, building on the existing assumptions that form part of the Waste Transformation Programme	Increase the number of businesses using the council service and improve the level of income generated
Priority Code	Priority Area	Description	Impact
D2	Light Industrial	Develop underused garage sites into light industrial units	Increased revenue generation, servicing demand in the local area and supporting economic development
D3	Smart Parking	Utilising ANPR to increase car parking revenue from major council assets	Increase revenue substantially, provide a better parking experience and support retail in the borough
D4	CCTV	Providing CCTV to businesses in Dacorum and developing a lifeline monitoring centre	Financial impact through income generation and savings
D5	Fees and Charges	Increasing fees and charges that benchmarking has shown to be currently charged at low rates in Dacorum	Increase in income generated
D6	Environmental Enforcement Shared Service	Shared Service managed by the Council	Increased income generated and economies of scale realised.
D7	Property Services	Create a dedicated transactional property function that works across	Cost savings and increased resilience

		the HRA and the General Fund	
--	--	------------------------------	--

This second table shows the group of second level priority commercial projects:

Priority Code	Priority Area	Description	Impact
D8	Fleet EV	Retrofitting the Council's fleet with electric motors	Financial saving and carbon reduction
D9	Developer Account Management	Increasing the size and scope of the existing service	Income generation
D10	Planning Shared Service	Shared service to create efficiencies and economies of scale	Increased income generated and economies of scale realised.
D11	Building and Contents Insurance	There is an opportunity to partner with an insurance firm to provide DBC Home and Contents Insurance to residents.	Financial impact through income generation and savings
D12	Legal Shared Service	Creating a shared legal service with other authorities	Cost reduction and resilience

The expectation is that the further opportunities will be identified and implemented as commercial behaviours become embedded across the Council, and learning from this first phase of projects is captured.

9.0 HOW WE WILL DELIVER THE STRATEGY

The effective delivery of the strategy is overseen by the Commercial Board. Delivery will be the responsibility of many service areas throughout the Council. This is an officer-led group comprising of senior managers from the main commercial initiatives of the Council and managers from support services. It is chaired by the Chief Executive.

The aim of the Board is to oversee commercial investment decisions and the operation of commercial activities in the Council to ensure commercial initiatives are developed and delivered in line with this commercial strategy.

The Terms of Reference for the Board are as follows:

The Commercial Board will provide senior officer level governance for the development of Dacorum's Commercial Strategy, delivery of the associated programme of work, and realisation of associated income. It will also play a key role in overseeing the organisational development required to support the Council's commercial focus, although specific initiatives and projects are likely to form part of the transformation programme and associated governance.

Whilst much of the Board's work will be focused on General Fund activities, it will have a remit across both the General Fund and Housing Revenue Account.

The Board will specifically have officer governance responsibility for:

- Strategic and business planning for new commercial activity, including development and review of the Commercial Strategy.
- Business planning and performance management for services and activities whose primary focus is the generation of revenue surpluses to support General Fund activities;
- Business planning and performance management for services, which are forecast to generate budget surpluses. Whilst this might include services with marginal trading activity, the main focus will be on services forecast to generate surpluses > £50k per annum.
- Review and approval of all commissioning and procurement activity, which involve the Council's capital assets and / or revenue expenditure > £75k¹.
- Review and approval of commissioning and procurement activity for all digital investment.
- Performance management of any direct shareholdings in trading companies.
- Review of any proposed investments in capital assets, which are intended to generate ongoing revenue income.
- Approval and performance management of any activities, which are intended to realise one-off capital, returns to the Council > £75k.

Project Management

All commercial opportunities will be subject to a robust development process. An Initial Business Case will be developed to test an opportunity at an early stage, and demonstrate that there is potential value in further work.

A Full Business Case will then provide a detailed assessment of the opportunity, including its strategic fit, commercial benefits, deliverability and risk profile. Full Business Cases will be subject to review and approval by:

- Commercial Board
- Finance & Resources Scrutiny Committee
- Cabinet
- Full Council (where required in line with the Council's Constitutional and Financial procedures)

The Council's Programme Management Office (PMO) will support management and delivery of the Full Business Cases and commercial opportunities.

Commercial Pipeline

The Board will develop a Commercial Pipeline to actively measure the position and likely value of its current and future commercial priorities. This approach will enable the Board to adopt a flexible approach and focus resources where they are most needed; whether that is at the beginning of the pipeline - the identification of new large-scale commercial opportunities, or later down the pipeline on the implementation of projects and realisation of benefits.

Working Commercially

The Board will also oversee and review the development of a commercial culture and improved commercial working across all services. This will be done by reviewing the outcomes the authority is achieving through improved contract management, procurement, efficient and effective service delivery and business-like decision-making.

10.0 COMMUNICATING THE STRATEGY

Throughout the course of this strategy, it is important the vision and aims are communicated well internally and externally. The Communications Team will develop a plan to mitigate communication risks which:

- Informs our residents about this strategy, and why it is being implemented.
- Informs the elected members, officers and key partners about this strategy and the rationale for its introduction
- Sets out criteria, which can be applied during the planning of a particular commercial project in order to measure the impact on the perception of the Council.
- Includes a communications strategy to highlight any commercial successes to promote achievements both internally and externally.
- Includes a communications strategy to deal with any commercial failures or sudden interest in the Commercialisation Strategy from the press or any other interested party

11.0 MANAGING RISKS

Risk management is embedded in all of the decision-making processes within the Council. Effective risk management requires an informed understanding of relevant risks, an assessment of their relative priority and a rigorous approach to monitoring and controlling them. All risks associated with any commercial activity will be managed through the Council's Risk Management Framework.

A key part of the Council's Risk Management Framework is the Strategic Risk Register, which contains all risks that may have an impact on core services and both strategic and operational objectives. As such, commercialisation has been added to the Strategic Risk Register, which is monitored, by the Corporate Leadership Team and Audit Committee.

In any commercial venture, there will always be an inherent element of risk. The presence of risk is not always entirely negative as it can be a driver of innovation and a motivator to staff. Given the potential risks involved, it would be easy to take a risk adverse approach; however, this approach would hinder potentially highly beneficial opportunities or innovation. We will look to identify risks early in the strategic planning phase and implement approaches to mitigate or manage these risks where possible.

A number of key risks to the commercial programme are:

Risk	Detail	Mitigation
Capital investments don't deliver the forecast return	Some of the commercial priorities require investment to realise the opportunity.	A thorough approach to business planning with robust sensitivity analysis so no investments are made without a good level of confidence.
The organisational culture doesn't change to facilitate commercial thinking and action	Without a culture change it is unlikely services will realise the commercial opportunity that has been identified	A focus on skills development, commercial performance management and culture change to drive a new commercial culture.

Risk	Detail	Mitigation
Reputational damage to the council through commercial priorities that don't deliver	Failures that result in losses could impact on the reputation of the council	A thorough approach to business planning together with a balanced portfolio of commercial priorities.
Business as usual suffers as a result of commercial activity	Resources are stretched so doing more with existing resources could impact core business	Ensure that risk assessments are carried out on a case by case basis to take into consideration any impact on business as usual

Clerk: Trudi Angel (x2224)

Finance and Resources Overview & Scrutiny Committee: Work Programme 2022-23

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

Meeting Date	Report Deadline	Items	Contact Details	Background information
4 October 2022	23 September 2022	Action Points (from previous meeting)	Democratic Services Trudi.angel@dacorum.gov.uk	
		Medium Term Financial Strategy	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	
1 November 2022	21 October 2022	Action Points (from previous meeting)	Democratic Services Trudi.angel@dacorum.gov.uk	
		Budget Monitoring Report	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Finance & Resources Q2 Performance Report	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Corporate & Contracted Services Q2 Performance Report	Assistant Director, Legal and Democratic Services Mark.brookes@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Performance, People & Innovation Q2 Performance	Strategic Director, People and Transformation Aidan.wilkie@dacorum.gov.uk	<i>To review and scrutinise quarterly</i>

		Report		<i>performance</i>
		Leisure Contract (Part 2)	Head of Commerical Development Ben.Hosier@dacorum.gov.uk	<i>To provide an update on the Leisure Contract</i>
30 November 2022	21 November 2022	Action Points (from previous meeting)	Democratic Services Trudi.angel@dacorum.gov.uk	
		Joint Budget ***** <i>Ideally no further items to be added</i>	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	
4 January 2023	22 December 2022	Action Points (from previous meeting)	Democratic Services Trudi.angel@dacorum.gov.uk	
1 February 2023	23 January 2023	Action Points (from previous meeting)	Democratic Services Trudi.angel@dacorum.gov.uk	
		Joint Budget ***** <i>Ideally no further items to be added</i>	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	
7 March 2023	24 February 2023	Action Points (from previous meeting)	Democratic Services Trudi.angel@dacorum.gov.uk	

		Budget Monitoring Report	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Finance & Resources Q3 Performance Report	Chief Finance Officer Nigel.howcutt@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Corporate & Contracted Services Q3 Performance Report	Assistant Director, Corporate & Contracted Services Mark.brookes@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>
		Performance, People & Innovation Q3 Performance Report	Strategic Director, People and Transformation Aidan.wilkie@dacorum.gov.uk	<i>To review and scrutinise quarterly performance</i>

Future reports:

Electric Vehicle Charging Points – Ben Hosier

Digital Strategy – Ben Trueman