

Audit Agenda



Wednesday 9 November 2022 at 7.30 pm

Conference Room 2 - 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 So Mahmood
Councillor Riddick (Chairman)

Councillor Silwal
Councillor Symington
Councillor Townsend

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

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence

2. 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]

3. MINUTES AND ACTIONS (Pages 4 - 8)

To confirm the minutes of the previous meeting and consider the actions.

4. PUBLIC PARTICIPATION

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

5. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) ANNUAL UPDATE
(Pages 9 - 12)

6. INTERNAL AUDIT SICA (Pages 13 - 84)

7. ASSURANCE REVIEW OF PROCUREMENT 2021/22 (Pages 85 - 90)

8. PSAA 2023/24 EXTERNAL AUDIT PROCUREMENT UPDATE

9. EXTERNAL AUDIT UPDATE

10. MEDIUM TERM FINANCIAL STRATEGY (Pages 91 - 107)

11. Q2 STRATEGIC RISK REGISTER UPDATE (Pages 108 - 125)

12. INTERNAL AUDIT RE-PROCUREMENT PROCESS (Pages 126 - 127)

13. WORK PROGRAMME (Page 128)

DACORUM BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

15 SEPTEMBER 2022

Present:

Councillors: Chapman (Chairman)
Riddick
Silwal
Symington
Townsend

Officers: F Jump Head of Financial Services
L Schultz Team Leader, Financial & Regulatory Accounting
K Soley Head of Communications and Engagement
T Angel Corporate & Democratic Support Officer

Others: Philip Lazenby (TIAA)
Paul Cuttle (Grant Thornton)

The meeting began at 7.30 pm

One minutes silence was held for the passing of Her Majesty Queen Elizabeth II.

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES AND ACTIONS

The minutes of the previous meeting were agreed by the members present and then signed by the Chairman.

There were no outstanding action points from the previous meeting.

4. PUBLIC PARTICIPATION

There was no public participation.

5. SUMMARY INTERNAL CONTROLS ASSURANCE (SICA) REPORT

P Lazenby introduced the item and provided a detailed summary of each of the reports.

Councillor Townsend sought clarification on the planning audit brief that was issued on 2nd September.

P Lazenby advised that it was an indication that we have agreed terms for undertaking the audit, that we've agreed to the responsible lead and that we've agreed a time frame for

taking the review. If the audit brief was not issued for whatever reason it would be a warning sign that the audit may be delayed.

Councillor Symington referred to the delays on housing repairs and maintenance. She said this was one of the key areas that residents approach their ward councillors about and asked for more information on the delay.

P Lazenby believed the request to delay was in response to an internal plan that was developed in the organisation in response to an incident. He said the report had been to this committee previously but he couldn't expand on the information due to confidentiality.

Outcome

The report was noted.

6. FINAL OUTTURN REPORT 2021/22

F Jump introduced the report and explained it was the responsibility of the audit committee to look at the final outturn report, provide comments on the position and agree the final reserve movements for the year which are incorporated into the final financial position for the authority. She presented the highlights of the report and welcomed questions from the committee.

Councillor Symington questioned how we were going to manage the increasing pressures going forward.

F Jump agreed we were experiencing rising costs across the country and beyond in terms of all aspects of expenditure. She advised they had a really tight monitoring process for the capital programme so they were constantly reviewing it as more pressures become known. They will be reporting through the committee and when they feel that they need to perhaps look again at the capital programme and the approved financial envelope they will bring decisions to the committee for approval. She summarised it was very much a concern but they will be constantly reviewing the situation and members will be kept up to date as part of the financial monitoring process and decision making.

Councillor Townsend asked for more information on the contribution from the Covid-19 Hardship Reserve, to support the cost of the Council Tax Hardship relief scheme.

F Jump advised they received a grant from central government at the end of the last financial year to support the provision of council tax relief to local residents. There was an understand on that grant at the end of the financial year which under accounting guidelines was carried forward into the current financial year and that was then used to fund that particular scheme into 21/22.

Councillor Townsend questioned if it had been spent or if it's a general reserve.

F Jump responded that the majority has been spent but there was around £100k leftover so a decision will need to be taken as to how that's applied in 2022/23.

Councillor Symington queried if F Jump wished to comment on the difference between the budgeted movement and the net reserve movement that actually occurred.

F Jump explained we were expecting a reserve movement of £1.2m transfer into the council's reserves but what we've actually seen is a transfer of £5.9m. She said at the time the reserve movement budgets were set they wouldn't have known what those funding

equalisation reserve movements were going to be and that's why we're seeing such a large difference.

Councillor Townsend noted two other relatively material moves relating to the saving efficiencies reserve and the Dacorum development reserve and asked for comments on those.

F Jump replied there had been a number of additional reserve movements in year but all of those have been put forward to Cabinet and Council to approve during the year. She said she didn't have a breakdown to hand but members could be assured that any reserve movements had been subject to other committee reports before they've been included in the position.

Outcome

1. The Committee reviewed and noted the final financial outturn position for 2021/22.
2. The Committee approved the following reserve movement for 2021-22:

A draw- down of £11.149m from the Funding Equalisation Reserve to support statutory payments in respect of the business rates deficit on the Collection Fund in 2021-22.

A contribution of £6.856m to the Funding Equalisation Reserve to support statutory payments in respect of the business rates deficit on the Collection Fund in 2022-23.

A contribution of £0.448m from the Covid Hardship Reserve, to support the cost of the Council Tax Hardship relief scheme in 2021-22.

7. STATEMENT OF ACCOUNTS AND LETTER OF REPRESENTATION 2021/22

F Jump highlighted that this item needed to be considered in conjunction with the external audit findings report which was the next item on the agenda.

F Jump presented the statement of accounts and advised that followed the end of the external audit process. She explained the production of accounts was a very long piece of work for the finance team and voiced credit to Lexi Schultz and the wider finance team for their roles in producing these accounts. Members of the committee were asked to comment on the final statement of accounts and also approve the letter of representation. The letter is a statement from the Council to our external auditors which sets out the basis upon which we've prepared the accounts and it's a crucial document for external audit to be able to issue their audit opinion. F Jump noted that they had agreed to a few changes to the accounts in conjunction with Grant Thornton; one related to the valuation of surplus assets and the other related to disclosures around our grant funding.

P Cuttle directed members to the headlines of the report and gave a summary of the external audit findings. He welcomed questions from the committee.

Councillor Townsend asked for more information on the outstanding matters relating to infrastructure assets following CIPFA revised guidance.

P Cuttle explained there was a statutory override expected to be passed through parliament which will provide a solution for councils to be able to make an adjustment to the financial statement based on changes to the code of audit practice and that will allow auditors to issue an unqualified opinion. He advised that Dacorum's infrastructure assets were around

£5-6m, materiality around £3m, so based on the current guidance that wouldn't stop them being able to issue an unqualified audit opinion. He summarised that we were waiting for the guidance which may mean changing the financial statements if the guidance comes out before they finalise the audit but ultimately it wasn't a big issue for this council.

Councillor Townsend advised he had done some reconciliations between what was being signed off in the accounts versus the final outturn report and also done some spot checks. He asked if there was anything else he should have done to check the accounts. He also asked if there were any changes in accounting treatment.

F Jump replied he had done everything she would expect someone in his position to do which is go through both the statement of accounts document and the final outturn report to make sure they're consistent. She asked L Schultz to provide a summary on changes in the 2021/22 accounts.

L Schultz advised it had been a fairly light year in terms of accounting changes, partly because of Covid and all the pressure the councils are under. She said they were expecting a change relating to leases but that has been pushed back to 2024/25.

On behalf of the committee Councillor Townsend thanked all those involved in putting together the accounts.

Outcome

The audit committee carried out and agreed the following recommendations:

1. Review the Statement of Accounts 2021/22 (Appendix A) and raise any matters on which Assurance is sought in order to approve the Statements on behalf of the Council;
2. Subject to consideration of the External Auditor's Audit Findings Report, approve the Letter of Representation (Appendix B) in the capacity of those charged with Governance and;
3. Subject to above, approve the Statement of Accounts for 2021/22.
4. Delegate to the Chair of the Audit Committee to sign the final accounts upon receiving the final audit opinion subject to no material changes.

8. EXTERNAL AUDIT FINDINGS REPORT 2021/22

This report was considered under item 7; Statement of Accounts and Letter of Representation 2021/22.

9. WORK PROGRAMME

There were no changes to the work programme.

Councillor Townsend wanted to put on record his appreciation to all those involved in producing the accounts.

Before the meeting officially ended, Councillor Chapman advised this would be his last meeting chairing this committee but he would remain on the audit committee. He thanked the staff, the internal and external auditors and all others that have been involved, for all their hard work and successes. He advised that Councillor Riddick would be the new Chairman.

Councillor Riddick thanked Councillor Chapman for his time as Chairman and for conducting the meetings so ably. He shared some suggestions of how he would like to conduct the audit committee going forward.

Councillor Townsend also thanked Councillor Chapman for his able chairing of the audit committee for a number of years.

The meeting ended at 8.16 pm.



Report for:	Audit Committee
Title of report:	RIPA – Annual update
Date:	9 th November 2022
Report on behalf of:	Councillor Graeme Elliott, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	None
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)

Nargis Sultan, Legal Governance Team Leader



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Corporate Priorities	<p>A clean, safe and enjoyable environment</p> <p>Building strong and vibrant communities</p> <p>Ensuring economic growth and prosperity</p> <p>Providing good quality affordable homes, in particular for those most in need</p>
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	Ensuring efficient, effective and modern service delivery Climate and ecological emergency
Wards affected	All
Purpose of the report:	To inform the Audit Committee regarding the Council's use of Directed Surveillance and Covert Human Intelligence Sources for the year 2021/22
Recommendation (s) to the decision maker (s):	That Members note the report
Period for post policy/project review:	Annual

Executive Summary:

The Regulation of Investigatory Powers Act (RIPA) came into force in 2000. The Act allowed:

- Councils to carry out covert surveillance of alleged offenders and to instruct individuals to form relationships with the intention of obtaining information for the prevention and detection of crime.
- Compliance with RIPA ensures that the surveillance actions taken by the Council are acceptable interference of qualified rights within the Human Rights Act 1998, in particular the right to privacy and the right to a fair trial, when gathering evidence in preparing cases for Court.

1. Introduction

- 1.1 When undertaking its functions the Council must comply with the Human Rights Act 1998. Article 8 establishes a qualified right to respect for private and family life. In certain circumstances that right may be interfered with.
- 1.2 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a statutory framework under which the Council may seek authorisation to interfere with this right.

1 Background

2.1 Authorisation can only be granted where interference is:

- (a) In accordance with the law
- (b) Necessary
- (c) Proportionate.

2.2 Under RIPA, the Council may seek authorisation to permit directed surveillance, the use of Covert Human Intelligence Sources (CHIS).

2.3 The Council's use of RIPA is tightly controlled. All authorisations are subject to approval by the Magistrates' Court and the use of directed surveillance and acquisition of communication data should only be permitted for :

- (a) The prevention or detection of criminal offences (at least one of which must be punishable by a maximum of at least 6 months imprisonment) or
- (b) Prescribed offences relating to the underage sale of alcohol or tobacco.

2.4 By law, elected members are not permitted to be involved in any individual application/authorisation, however paragraph 3.35 of the Covert Surveillance and Property Interference Code 2018 ('the Code') states that:

"Elected member's of a local authority should review the authority's use of the 2000 Act and set the policy at least once a year. They should also consider internal reports on the use of the 2000 Act on a regular basis to ensure it is being used consistently with the local authority's policy and the policy remains fit for purpose."

3. Oversight of RIPA activities

3.1 RIPA and associated statutory Codes of Practice prescribe the information to be included in an application to carry out surveillance activities and the thresholds to be met before applications can be approved.

3.2 The IPCO carries out scheduled audits of the use of RIPA by Local Authorities to monitor quality of applications and compliance with the Codes.

3.3 In addition all authorisations for surveillance activities carried out by the Council under RIPA must be independently reviewed and approved by a Magistrates' Court.

4. Annual Review of the use of RIPA – 1st April 2021 to 31st March 2022

4.1 During this period there were no applications to use covert human intelligence sources (CHIS), including applications relating to juvenile CHIS.

4.2 During this period there were 4 applications submitted for Directed Surveillance authorisation, all of which were authorised and all of which were granted judicial approval.

4.3 All of these Directed Surveillance operations were concluded during this period.

Activity Authorised	Nature of offence under investigation	Outcome
Directed Surveillance	Flytipping, Markyate (June 2021 – operation reference Kilo 1)	One offender prosecuted and convicted – Fine £1221 plus costs £3,007.71
Directed Surveillance	Flytipping, Markyate, (September 2021 – Operation Reference Lima 1)	No prosecutions
Directed Surveillance	Flytipping, Markyate December 2021 – Mike 1)	No prosecutions.
Directed Surveillance	Flytipping, Markyate March 2022 – November 1)	No prosecutions

5. Conclusions

- 5.1 The Council's RIPA policy is kept under review by the Assistant Director, Legal and Democratic Services and it continues to provide an effective framework and provides assurance that the Council is undertaking such powers in a robust and legally compliant manner.
- 5.2 Officers will provide a further annual report to the Audit Committee in June/July 2023 regarding the Council's use of RIPA for the Committee's further consideration.



Report for:	Audit Committee
Title of report:	Summary Internal Controls Assurance (SICA) report
Date:	9 th November 2022
Report on behalf of:	Councillor Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A- SICA Report Appendix B- Assurance Review of Corporate Health and Safety
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	None.

Report Author / Responsible Officer

Fiona Jump, Head of Financial Services



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Corporate Priorities	Ensuring economic growth and prosperity Ensuring efficient, effective and modern service delivery
Wards affected	All
Purpose of the report:	1. To provide committee with an overview of the SICA Report, attached at Appendix A.
Recommendation to the decision maker:	1. Note the final internal audit reports issued for the following services: <ul style="list-style-type: none"> • Corporate Health and Safety • Commercial Asset Management • Payroll

	<ul style="list-style-type: none"> • Housing Benefit Arrears • Housing Allocation and Homelessness <p>2. Note position on outstanding internal audit recommendations at section 3 below.</p>
Period for post policy/project review:	N/A

1 Background

Attached at Appendix A is the latest SICA report. The report will be presented at Audit Committee by the Council's internal auditors, TIAA. The SICA report provides Audit Committee with an update on governance, risk and internal control arrangements for the Council.

2 Internal audits completed since the last SICA

The following audits have been completed since the last SICA was presented to Audit Committee in September:

- Corporate Health and Safety
- Commercial Asset Management
- Payroll
- Housing Benefit Arrears
- Housing Allocation and Homelessness

Summary reports and associated recommendations for each of the above are included in Appendix A SICA. A full copy of the Corporate Health and Safety report is attached at Appendix B to this report as this review has 'Limited' assurance.

3 Summary of outstanding internal audit recommendations

The SICA provides details of all outstanding recommendations arising from internal audits, including those where the due date has not yet passed.

As at 28th October 2022 there are 47 outstanding priority 1 and 2 recommendations. Of these 21 are implemented, but subject to officer providing supporting evidence to TIAA for review. The remaining 26 recommendations include 22 outstanding and 4 not yet due.

The Follow Up table at the end of the SICA report provides details of all outstanding recommendations (including those marked an implemented but subject to TIAA receiving suitable supporting information).

Implementation of all audit recommendations is monitored on a regular basis. An exercise will be taken to ensure all outstanding recommendations where the due date has passed are implemented as a priority.

4 Conclusion

The SICA presented at Appendix A provides details of all internal audits completed since the September Audit Committee meeting. It also provides a summary of outstanding internal audit recommendations.

Dacorum Borough Council

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Summary Internal Controls Assurance (SICA) Report

2022/23

November 2022

Summary Internal Controls Assurance

Introduction

1. This summary internal controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Dacorum Borough Council as at 1st November 2022.

Audits completed since the last SICA report to the Audit Committee

2. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Corporate Health & Safety	Limited	June 2022	October 2022	November 2022	0	9	2	0
Commercial Asset Management	Reasonable	October 2022	October 2022	October 2022	0	1	2	0
Payroll	Substantial	September 2022	September 2022	September 2022	0	0	0	1
Housing Benefits - Arrears	Reasonable	August 2022	August 2022	September 2022	0	1	2	0
Housing Allocation & Homelessness	Reasonable	July 2022	September 2022	September 2022	0	4	6	0

3. The Executive Summaries and the Management Action Plans for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2022/23 Annual Plan

4. Our progress against the Annual Plan for 2022/23 is set out in Appendix B.

Changes to the Annual Plan 2022/23

5. There a number of areas where internal audit work is recommended to enable an unqualified Head of Audit Opinion to be provided for 2022/23. These are summarised below.

= *COVID assurance review work*

Review	Rationale
Governance Arrangements	This is a crucial area in order to be able to support that assurances are being received and evaluated fully in order to mitigate against risk and support the direction of the Council.
Business Continuity (incl Covid-19)	This is flagged as a high risk area on the risk evaluation and requires specific mitigation in order to provide day to day services.

Progress in actioning priority 1 & 2 recommendations

- 6. We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The Council has undertaken an internal follow up of the outstanding recommendations, during August 2022 to October 2022. As at 28th October 2022, there are 47 recommendations (P1s and P2s) listed on TIAA’s Tracker, comprising of 2 recommendations for 2020/21, 37 recommendations for 2021/22 and 8 recommendations for current year.
- 7. Of these, 21 recommendations have been noted as implemented, relating to 2020/21 and 2021/22, which are currently under review and Auditees have been contacted to provide supporting evidence to confirm this status. The remaining 26 recommendations comprise of 22 as outstanding and 4 not yet due.
- 8. Of the 22 outstanding recommendation, 12 have a revised date, as illustrated in the table below:

Review Area	Recommendations Original and Revised dates
2020/21 GDPR/ Information Governance	1x P2 – 30 Sept 2021 to 31 July 2022
2021/22 Waste Management	2x P1s - 30 Sept 2022 to 31 January 2023
	1x P2 – 30 Sept 2022 to 30 November 2022
2021/22 Housing Rents	1x P2 – 30 Sept 2022 to 30 November 2022
2021/22 Governance and Risk Management	1x P2 – 30 Sept 2022 to 30 November 2022
2021/22 Business Continuity (incl Pandemic Response)	1x P2 – 29 July 2022 to 30 November 2022
	1x P2 – 29 July 2022 to 30 Sept 2022
	1x P2 – 30 June 2022 to 30 Sept 2022
2021/22 Procurement	1x P2 – 30 April 2022 to 30 Sept 2022
2021/22 Enforcement Planning	1x P2 – 31 May 2022 to 31 March 2023
2022/23 Communications	1x P2 – 30 Sept 2022 to 31 October 2022

Frauds/Irregularities

- 9. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Responsibility/Disclaimer

- 10. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Executive Summaries and Management Action Plans

The following Executive Summaries and Management Action Plans are included in this Appendix. Full copies of the reports are available to the Audit Committee on request. Where a review has a 'Limited' or 'No' Assurance assessment the full report has been presented to the Audit Committee and therefore is not included in this Appendix.

Review	Evaluation
Corporate Health & Safety	Limited
Commercial Asset Management	Reasonable
Payroll	Substantial
Housing Benefits - Arrears	Reasonable
Housing Allocation & Homelessness	Reasonable

Corporate Health & Safety - Executive Summary

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OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Corporate Priority 1: A clean, safe and enjoyable environment

KEY STRATEGIC FINDINGS

-  The Council has recently revised its Health and Safety Policy with the introduction of a new Policy and accompanying Strategy. The revised documents improve on the previous Policy, setting out more clearly the respective roles, responsibilities and reporting arrangements with the Strategy setting clear expectations and deliverables.
-  There are currently no risks identified in the Strategic Risk Register in relation to Health & Safety compliance for the Council. Given the significance of Health & Safety requirements across the Council's activities, it would be prudent to record this as a risk alongside the mitigating controls in place.
-  Reporting to the Council's Health, Safety and Resilience Committee should be improved, currently no information is routinely supplied on departmental risk assessments, audit visits undertaken, non-conformities identified, mandatory training compliance and performance indicators.
-  The reports submitted to the Committee in relation to statutory building compliance need to be improved, the current reports provide only high level summary data and lack key details in relation to the management of actions arising from inspections.

GOOD PRACTICE IDENTIFIED

-  Review of the Council's training profiles established that Health & Safety training was included for all profile groups relating to employees, managers and the leadership team. In relation to employees and managers this is set as e-learning whereas the leadership requirement is set for classroom based training.
-  Where audit visits are undertaken by the Corporate Health, Safety and Resilience Team, comprehensive reports are produced for the service area and there is clear tracking of any actions arising from the visits.

SCOPE

The audit reviewed the systems and processes the council has in place to ensure compliance with corporate health and safety and provide assurance that these are designed and operating effectively.

ACTION POINTS

	Urgent	Important	Routine	Operational
	0	9	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Review of the Health, Safety and Resilience Committee's minutes relating to statutory compliance noted that the Committee has not always followed through on identified actions as set out below:</p> <ul style="list-style-type: none"> - the September 2021 meeting minutes refer to 381 properties where there was no access for Electrical Installation Condition Report (EICR) inspections, the minutes show 'RL to provide a narrative around the EIC compliance and the outstanding 381'. However, review of the December 2021 report noted that the report was still in the same format with no additional narrative provided - the December 2021 meeting minutes state 'at the next meeting, RL will discuss the actions coming out of the Fire Risk Assessments and how these are being managed', however review of the April 2022 meeting minutes do not evidence any such discussion. <p>The issue raised in relation to attendance at the Committee may have contributed to this (see recommendation 13).</p>	The Committee to ensure that all actions arising from meetings are appropriately tracked.	2	<p><i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i></p> <p><i>Actions are now tracked as part of this to ensure better oversight and compliance</i></p>	<i>In Place</i>	<i>Deputy Chief Executive (as H&S Board Chair)</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Review of the Corporate Risk Register established that there are no risks identified, at a corporate level, in relation to Health & Safety compliance for the Council. Given the significance of Health & Safety requirements across the Council's activities, it may be prudent to record this as a risk alongside the mitigating controls in place.	The Corporate Risk Register be reviewed to assess whether the wider health & safety risks that the Council is exposed to be assessed and include as appropriate.	2	<i>It is the responsibility of all operational teams to flag risks. This is held on a risk register. The corporate risk register is overseen by the Senior Leadership Team and would be escalated to them through the H&S Board as appropriate.</i>	28 February 2023	<i>Deputy Chief Executive (as H&S Board Chair)</i>
5	Directed	Review established that a work programme was in place for the Health, Safety & Resilience Committee in 2021/22. However, review of this and actual items submitted to the Committee, established that this did not address all items listed in the Committee's Terms of Reference, for instance '.to ensure that key risks are identified..' and 'assist in the formulation of action plans following inspection'. Review of the work programme for 2022/23 identified that it does not currently include items that are listed (in the terms of reference set out in the Health & Safety Strategy) as the responsibility of the Committee, for instance, oversight of strategic and operational health and safety risk registers, oversight on performance indicators and related monitoring.	The work programme of the Health, Safety and Resilience Committee be reviewed to ensure that the Committee fulfils its terms of reference as set out in the Health & Safety Strategy.	2	<i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i>	Done	<i>Deputy Chief Executive (as H&S Board Chair)</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Directed	The existing Policy places a requirement on the Corporate Health, Safety and Resilience Team to undertake health and safety audits across all services, at appropriate intervals (based on risk assessment). Discussions with the Corporate Health, Safety and Resilience Team Leader established that there was no formal plan of audit visits scheduled to be undertaken and it was therefore not possible to compare actual performance against plan. The proposed strategy includes a requirement for the Corporate Health, Safety and Resilience Team to 'schedule and undertake health and safety audits'.	A formal plan of health and safety visits to be undertaken be developed and submitted to the Health, Safety and Resilience Committee for review and approval. Performance against the plan should be reported to each meeting of the Committee.	2	<i>Audits were suspended as part of the Covid pandemic response. Now this has stepped back, a schedule of audits will be developed that fit in with the overall strategy and policy aims</i>	December 2022	CHSR Team
	Directed	Review of audit assessments undertaken established that: - in 2020/21 five audits were completed - in 2021/22 four were completed - in 2022/23 there have been no audits to date. It is accepted that the workload of the team will have been impacted by the pandemic and the need to respond to emerging guidance, revised risk assessments etc.	Audits be undertaken in line with the approved plan of visits (see recommendation 8).	2	<i>As above</i>		

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Delivery	<p>Review of the Health, Safety & Resilience Committee meeting agendas and papers for 2021/22 and 2022/23 to date established that whilst it routinely receives updates across a range of areas, for instance statutory compliance, incidents and accidents, safe staffing etc, it does not receive information on:</p> <ul style="list-style-type: none"> - health and safety related risks identified in service areas/centrally - the results of audit visits/interventions undertaken by the Corporate Health, Safety & Resilience Team - the results of non-conformities with requirements identified by the Corporate Health, Safety & Resilience Team - performance indicators linked to Corporate Health & Safety, for instance the time taken to investigate incidents, RIDDOR reporting timescales - compliance with mandatory and role specific training requirements linked to health and safety. 	Reporting to the Health, Safety & Resilience Committee be enhanced to include the items identified.	2	<i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i>	28 February 2023	<i>Deputy Chief Executive (as H&S Board Chair)</i>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Delivery	<p>Review of reports submitted to the Committee relating to statutory compliance with health and safety requirements for properties (housing and commercial) identified the following:</p> <ul style="list-style-type: none"> - the reports relating to commercial properties submitted to meetings in 2021/22 were very brief, containing 1 table showing headline compliance figures. No details were provided for non-compliant items. The report submitted to the April 2022 meeting did contain more detail in the form of meeting notes from a CAPD FLAGE (Fire, Legionella, Asbestos, Gas and Electricity) meeting, although it was not clear that these notes explained the non-compliant areas or set out actions to address them. - the reports relating to housing properties throughout 2021/22 were again brief, containing summary tables and some brief narrative. - neither of the reports contained any detail on actions arising from the inspections and their associated risk rankings and consequently the Committee has not tracked the implementation of these actions (the minutes for the June 2021 meeting refer to 350 high risk actions arising from fire risk assessments). <p>The brevity of information provided in relation to these two key areas was identified by the Committee in April 22, where the minutes record 'Compliance are to report more detail within their report'.</p>	<p>The content of reports relating to statutory compliance submitted to the Committee be reviewed and an appropriate level of detail, including the tracking of actions arising from inspections undertaken, introduced.</p>	2	<p><i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i></p>	28 February 2023	<p><i>Deputy Chief Executive (as Chair of H&S Board)</i></p>

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Directed	Whilst a number of areas are reported to the Health, Safety and Resilience Committee, e.g. Incidents/accidents, RIDDOR reportable events, building compliance, there are no formal targets set for performance. The new strategy starts to address this with more defined and measurable actions e.g. minimum requirements for statutory compliance audits, enhanced reporting requirements and timescales, but this could still be developed further.	A formal set of key performance indicators for health and safety related activity be developed and monitored, building on the targets set out in the Health and Safety Strategy.	2	<i>This work has started, with key details being provided to directorate meetings, which then will feed into a corporate overview at the H&S Board.</i>	December 2022	CHSR Team
11	Directed	Review of attendance at the Health, Safety and Resilience Committee through 2021/22 established that attendance had not been in accordance with the current terms of reference for the Committee. Attendance by some members was sporadic/minimal and some listed members had not attended any of the meetings. The revised Policy and Strategy aims to address this.	As part of the implementation of the revised Policy and Strategy, the issue of consistent attendance be addressed.	2	<i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i>	28 February 2023	Deputy Chief Executive (as Chair of H&S Board)

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>Review of Operational Risk Registers established that a risk in relation to the delivery of health and safety as a housing landlord was included in the Housing risk register. No other health and safety related risks were identified.</p> <p>The revised Policy and Strategy place a requirement on Heads of Service to undertake an annual self-audit, which includes the requirement to assess risk management, with onward escalation of any significant health & safety issues as required.</p>	Local areas be required to assess the health & safety risks in their respective areas for escalation to operational risk registers as appropriate.	3	<i>H&S Training is currently being sourced to enable CLT members to understand their elements of control and next steps. CHSR attending Directorate meetings to assist. Operational risk registers are in place across the organisation and being reviewed</i>	Q4 2022-24	All
4	Directed	<p>Discussions with the Corporate Health, Safety and Resilience Team Leader established that risk assessments undertaken over work activities and processes are retained locally and are not routinely shared with/accessible by the Corporate Health, Safety and Resilience Team.</p> <p>The revised policy requires for the submission of all risk assessments to the Corporate Team.</p>	Risk assessments undertaken locally be provided to the Corporate Health, Safety and Resilience Team for review.	3	<i>A growth bid has been approved for the implementation of a corporate health & safety database that will allow the collation of this information and proper governance including review dates</i>	<i>Not Determined – feeds into the bigger ICT strategy so currently paused</i>	ICT / CHSR

Commercial Asset Management - Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Funding and income is not sufficient to deliver the Council's Corporate Objectives

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KEY STRATEGIC FINDINGS



A 'Corporate Place Board' (CPB) has been established, in place of the Place Management Board, which no longer exists. The terms of reference for the CPB are not in place as of yet.



Updates to the Asset Management Strategy, dated January 2016, were to be actioned in June 2021 and remain outstanding. The delay has been cited as a result of the Council's re-structure and change in business model. In light of this, a new Strategy will be created in 2023 and be in place for 2023/24.



Proactive management and monitoring of commercial lease agreements is undertaken on a monthly basis, including rent due and aged debt. Legal action for recovering rent arrears was suspended under the Coronavirus Act.



The Council's Commercial Assets portfolio continues to form a stable asset base with no new additions to the properties held or planned, in line with revised aims.

GOOD PRACTICE IDENTIFIED



Examination of the various documents and data confirmed that established processes in place for the management of the Council's Commercial Assets were working well despite the pressures caused by external factors relating to COVID 19 and challenges for the Council and tenants due to rising costs.



In-month KPIs were consistently being met.

SCOPE

The review considered how rental arrangements are being managed and the system to prevent failure to apply a rent rise; the current portfolio of commercially rented properties and how these are managed/verified are accurate; if commercial rents are appropriately recorded with trigger dates for rent reviews in place; whether the database of commercial properties is accurate and up to date; and whether commercial properties rents are paid in accordance with the agreement for a sample of properties selected.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Commercial Asset Management (CAM) used to be reported to the Property Management Board, which is no longer in place and also the Growth & Infrastructure Board, which has temporarily been suspended.</p> <p>CAM will now report to the Corporate Place Board (CPB). It was noted that the CBP terms of reference is being developed.</p>	Terms of Reference for the new Corporate Place Board be agreed.	2	<i>We will request Terms of Reference from our Strategic Director. We are not aware that the TOR have been drawn up as yet.</i>	31/12/22	<i>Richard Le Brun and Richard Rice</i>
1	Directed	<p>Updates to the Asset Management Strategy (the 'Strategy'), dated January 2016, have not been actioned and remain outstanding.</p> <p>The 2020/21 Internal Audit review, reported that that the original review date of the Strategy was planned for June 2020 however this was revised to 2021. As a result of several significant corporate changes and direction within the Council.</p> <p>The Head of Property Services stated that, in light of the re-structure within the Council and change in the overall business model, a new Strategy will be developed in 2023 and is planned to be in place for 2023/24.</p> <p>The scope of the new Asset Management Strategy alongside the Place Strategy will be reviewed by the Head of Property Services and the Director of Place.</p>	Management to ensure that the new Asset Management Strategy is developed and in place for 2023/24, as planned.	3	<i>We will discuss the Asset Management Strategy with our Director and seek a brief for same in order that we may commission an external party to produce same this financial year.</i>	31/03/24	<i>Richard Le Brun and Richard Rice</i>

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>The front sheets of formal rental agreements do not consistently note the rental figures and VAT.</p> <p>It was also noted that this section is not always clearly worded, which may contribute towards confusion and incorrect billing.</p> <p>For example, for Reference 313 it is not stated on the cover page, contents refer to 'Rent: £784 Tenancy at Will per month excl.' The VAT was missed and corrected for in later invoices raised by the Council.</p>	Standardised wording, or screening of formal legal agreements be introduced to ensure clarity and consistency, thereby avoiding any ambiguity.	3	<i>We have issued a request to the Legal Dept that the requested wording is added to the cover page of relevant documentation so action is complete. The message has also been cascaded to the wider Estates Team.</i>	31/12/22	<i>Richard Le Brun and Richard Rice</i>

Payroll - Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Payroll processes align with Strategic Risk 2: The Council is unable to recruit and retain the staff required to progress as a Modern and Efficient Council.

SCOPE

The review provides assurance over the adequacy and effectiveness of current controls over Payroll.

KEY STRATEGIC FINDINGS

-  Sound processes are in place for processing starters leavers, permanent bank account and temporary maternity related changes to the payroll identified no errors or any inaccuracies of data generated.
-  Adequate segregation of duties is in place, which ensures that payroll documentation is processed and checked by independent Payroll Team members and this is evidenced on the payroll forms.
-  A specific authorised signatory list has been developed for Payroll.

GOOD PRACTICE IDENTIFIED

-  Monthly pre-payment reviews consistently take place and are well evidenced.
-  Dual signatory controls are in place over payroll BACS payments and payroll to financial ledger reconciliations.

ACTION POINTS

Urgent	Important	Routine	Operational
0	0	0	1

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Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
No recommendations raised during the audit.							

Housing Benefit (Arrears) - Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Strategic Risk - Funding and income is not sufficient to deliver the Council's Corporate Objectives

SCOPE

The review focused on Housing Benefits Overpayments, namely identification of overpayments, monitoring, reporting, write off and adherence to policy and procedures.

KEY STRATEGIC FINDINGS

- The Housing Benefit (HB) Overpayment Debtors are not actively pursued by Finance, which may lead to debt being written off in the near future.
- Review and testing of a sample of 10 HB overpayments, it was identified that in 2 cases, a suspension letter had not been issued for one Claimant whereas in the other case, a suspension letter had been issued however the account had not been suspended.
- The Benefits Team has two KPIs relating to new applications and change of circumstances processing times. There are no KPIs in place to monitor Overpayments.

GOOD PRACTICE IDENTIFIED

- HB matching services, identified claimants, whose circumstances had significantly changed and were reassessed, and their claims were recalculated accordingly, In addition, decision letters were sent out to inform claimants about the changes.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	2	0

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Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Review and testing of a sample of 9 HB Overpayment debtors, it was identified that, in two instances, the debtors, with an account balance of £10,000 and £14,000 respectively, had not been contacted for the past two years.</p> <p>It was advised that Government restrictions were in place during 2020, due to Covid, which ceased all debt collection activity until the end of 2021. Post the lifting of the restrictions, Finance assigned the task to a part time Finance Officer. At the time of the audit, there were circa 1000 HB debtors with a balance of £1,236,634.</p> <p>The Finance Officer, was not able to give the due attention to the task, as required, due to other work commitments.</p> <p>Finance have acknowledged that debt is not being pursued actively as it should and have cited lack of resources as the underlying cause.</p>	Finance to consider allocating sufficient resources, in order to increase their capacity to pursue HB overpayment debt and recovery.	2	<p><i>Financial Services pursue HB overpayment debt based on a system of prioritisation and the staffing resource available to do so.</i></p> <p><i>The audit findings demonstrate that 78% (7 out of 9) of the sample tested could evidence contact in the past two years. Of the remaining 2, the whereabouts of 1 debtors was unknown and the other known to be abroad. Therefore our ability to contact these debtors was limited. We demonstrated that the accounts are periodically reviewed.</i></p> <p><i>Any local authority debt recovery team will have a finite level of resource and will need to prioritise which debt to pursue based on the resource available.</i></p> <p><i>The auditor's recommendation has been considered. Our view is that reallocation of resource from within Financial Services to HB overpayment potentially places other areas of debt recovery at risk.</i></p> <p><i>Securing additional resource for the Financial Services team is subject to Member approval as part of the 2023-24 budget setting process, which concludes in February 2023. The audit recommendations will be considered as part of this process and an update provided upon its conclusion.</i></p>	28/02/23 (conclusion of 2023/24 budget setting process)	Head of Financial Services

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Review and testing of a sample of 10 Housing Benefit (HB) Review forms, submitted between April 2022 to date, it was identified that:</p> <ul style="list-style-type: none"> in one instance, a suspension letter had not been sent out to the claimant, even though benefit had been suspended on 25th May 2022; and in one instance, a suspension letter was issued to the Claimant on 1st June 2022, however the account had not been suspended. 	Management to iterate and remind staff of the process underpinning suspension of accounts and the issuance of letters to Claimants.	3	<i>Staff will be reminded of guidance around suspending cases.</i>	31/08/22	Matt Kelly
	Delivery	Discussions held with the Benefits Team Leader, it was noted that whilst there are HB Key Performance Indicators (KPIs) in place for new applications and change of circumstances application processing times. However, there are no KPIs in place for HB Overpayments.	Management to consider adopting the Best Value Performance Indicator (BVPI) 79bi-iii, as HB Overpayment KPIs.	3	<p><i>Best Value Performance Indicators were abolished in 2008, making this unsuitable as a KPI.</i></p> <p><i>As debt recovery sits within Finance, it would be more appropriate for any performance indicator to fit within their overall collection figures given the wider range of debts that are collected.</i></p>		

Housing Allocations & Homelessness - Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Corporate Priority - Providing good quality affordable homes, in particular for those most in need.

SCOPE

The review will assess the Council's effectiveness on dealing with Housing Allocations and Homelessness.

KEY STRATEGIC FINDINGS



Sample reviews of both Housing Allocations and Homeless applications identify delays in processing applications and the absence of approval documentation and evidence of ongoing action in some cases. It is acknowledged that the period reviewed as part of the audit covered a period when the services were experiencing staff absences.



The KPI information previously reported to the Housing and Communities Overview and Scrutiny Committee does not include specific measures on the timeliness of processing, for instance with Housing Allocations the total time to let is monitored but not the constituent causes of delays, with Homelessness the total number of actions taken is measured but not the related timeliness. A revised set of KPIs has been developed by the Council and should now be introduced.



Reports to the Housing and Communities Overview and Scrutiny Committee acknowledge delays in the re-letting of properties, however, the risk and impact of this are not currently reflected in the operational risk register.

GOOD PRACTICE IDENTIFIED



The Council has a suite of Policies and associated procedures relating to the areas reviewed. These are considered to be comprehensive and in line with relevant legislation.

ACTION POINTS

Urgent	Important	Routine	Operational
0	4	6	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
7	Delivery	<p>Review and testing of a sample of 15 Housing allocations, made during April and May 2022, identified instances where the data recorded and used for performance monitoring was incorrect, as following:</p> <ul style="list-style-type: none"> In six cases, the incorrect date of approval was recorded which resulted in four cases, where properties had moved from having met the standard to failing. In three cases, the incorrect date relating to the advert end date was recorded, resulting in two cases, where properties had moved from having met the standard to failing. 	Data maintained relating to housing allocations be recorded accurately.	2	<p><i>It is understand that 8 properties were sampled.</i></p> <p><i>In the 3 cases the advert close date did not align with the spreadsheet – 2 of these properties were outside of the team target set and did not meet the standard, the other was within target.</i></p> <p><i>Service identifies 4 cases where the approval date was inconsistent and delays in appending documentation to the system – 1 of these properties was outside of the team target.</i></p> <p><i>Civica Abrisas system does not interface with housing system, this results in risk of service failure due to manual inputting – pressures of workload led to delays in reviewing approvals and return to Officers. This has been addressed and more closely monitored by the Housing Needs Team Leader to ensure consistency of performance.</i></p>	Ongoing monitoring and performance management	Housing Needs Team Leader

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Delivery	<p>Review of the latest Housing Allocation performance report submitted to the Housing and Communities Overview and Scrutiny Committee, noted that it focuses on the number of properties allocated and the number of days taken to allocate. These measures do not show the delays in the different stages involved in allocating a property, for instance, there is no measure on the time taken to allocate once a property is ready and available to be let.</p> <p>Discussions with the Housing Needs Team Leader, however, established that this is now being addressed through the introduction of a revised suite of KPIs that will show performance for different stages of the process.</p>	The proposed move to the revised KPI set is undertaken and performance monitoring focused on areas of poor performance (if applicable).	2	<i>Revised suite of management information and PI's has already been implemented following service plan development.</i>	31/07/22	Housing Needs Team Leader

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
9	Delivery	<p>Review of reporting on homelessness to the Housing and Communities Overview and Scrutiny Committee, established that the standard performance report contains a number of measures relating to homelessness.</p> <p>Review of these targets found that they related to the number of cases prevented/addressed but does not include measures on the timeliness of processing applications.</p>	The reported KPIs in relation to Homelessness be reviewed to include measures, with associated performance, relating to the timeliness of addressing applications.	2	<p><i>The Homeless Code of Guidance set outs the framework for prevention and relief activity in line with the Homeless Reduction Act, guidance of 56 days in each state – which means casework will be open in prevention/relief state for minimum of 112 days. Homeless applications cannot be taken unless applicant is threatened with homelessness within 56 days, intervention cases can therefore be open for some time and therefore timeliness of case handling can be significantly impacted by the nature of the case.</i></p> <p><i>As time taken to handle case is dependent on case circumstances and individual interventions, it is not appropriate to place targets on timeliness. However what is appropriate is to ensure that cases are moved on to the appropriate intervention state in a timely manner and this should be monitored closely by the Lead Officer(s) and Team Leader through H-clic (national data set monitoring and dashboard) rather than local KPI's. Officer sickness, vacancies and caseload volumes as a result of Covid have impacted on timeliness of moving from one case state to another.</i></p>	Ongoing	Homeless Prevention Team Leader

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Delivery	<p>The two services have suffered, as a result of staff absences and the consequential impact on staff workload. This is being addressed through a review of the team and internal processes, together with the increased use of agency staff.</p> <p>Review of the budget outturn for 2021/22 identified an underspend on staff salaries of £8k against an overspend on agency staff of £51k, which would be unsustainable going forwards.</p>	The structure and resourcing of the two services be reviewed to establish if it is possible to reduce the reliance on agency staff and the consequential impact on the annual budget.	2	<i>Structure of the service to be reviewed/considered via HTIP. However it should be noted that agency staff will be essential to cover periods of staff absence to avoid impact on Officer caseloads and customer experience, which could result in further delays to case processing or unnecessary B&B expenditure.</i>	31/10/22	Homeless Prevention Team Leader
1	Directed	The Housing Performance Report submitted to the Housing and Communities Overview and Scrutiny Committee acknowledges delays and poor performance in re-letting properties, however, there is no associated risk recorded in the operational risk register for the service.	The impact of delays in re-letting properties be assessed and, if appropriate, added to the operational risk register.	3	<i>Operational risk register updated during service planning. Strategic Risk Register is currently under review.</i>	31/08/22	AD Housing
3	Directed	Review and testing of a sample of 15 Housing allocations, made during April and May 2022, identified that in one case, there was no 'Allocation Approval' form held on the system.	Allocation approval forms be completed, reviewed and approved for each housing allocation and documentation retained on file for review.	3	<i>Revised performance monitoring and management of Lead Officer to be undertaken. Exploration with systems provider as to whether digital approvals can be undertaken through system workflow to reduce risk of human error.</i>	31/10/22	Housing Needs Team Leader

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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	<p>Review and testing of a sample of 15 recent homelessness applications identified delays in actions taken in three cases.</p> <p>Discussions with the Service Improvement and Projects Team Leader established that there was work ongoing relating to these cases but that this had not been recorded on the system.</p>	Evidence of ongoing work in processing applications and providing solutions be recorded on the system completely and in a timely manner.	3	<p><i>Long term sickness absence & Officer vacancy has impacted effectiveness in respect of case management. Casework standard and review sessions undertaken by Service Improvement and Projects Team Leader, providing guidance and full review of active caseloads. Ongoing monitoring arrangements to be implemented with newly recruited Lead Officer and managed by the Homeless Prevention Team Leader. Additional resource implemented for short time period to ensure that backlog of cases accruing during sickness absence are prioritised.</i></p>	Immediate and ongoing	Homeless prevention Team Leader
5	Directed	<p>A review of the current homelessness caseload, classified as 'Triage,' identified 66 outstanding applications with the oldest dating back to 11th April 2022.</p> <p>A review of a sample of 15 oldest applications, identified delays in actioning applications, in five cases.</p> <p>Discussions with the Service Improvement and Projects Team Leader established that there was work ongoing relating to these cases but that this had not been recorded on the system.</p>	Evidence of ongoing work in progressing items from Triage to Relief/Prevention/Closure be recorded completely and accurately on the system and in a timely manner.	3	<p><i>Officer error in failing to move case from Triage state to casework in system – it is noted however that casework was undertaken and recorded, overall system state had not been amended. This has been addressed with all Officers, Lead Officers and Team Leader – Team Leader to ensure regular monitoring through casework review to ensure that appropriate case management is undertaken.</i></p>	Immediate and ongoing	Homelessness Prevention Team Leader

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Delivery	<p>A review of the Housing Allocation's internal performance monitoring records for April 2022, identified discrepancies between the source data and the performance monitoring data for three of the five team members.</p> <p>In two cases, the actual performance deteriorated in comparison to the reported figures and in the remaining case performance had improved.</p>	Performance monitoring data be calculated and reported accurately based on the source data.	3	<p><i>The performance monitoring data is compiled via a working spreadsheet that is managed by the Lead Officers. The spreadsheet lists each property, when the keys came in, advert closure, date allocation made and if the allocation was completed in target. This is saved in the Needs drive and the data is collected from various sources, due to systems not interfacing; sources include Empty Homes Team, Civica Abritas system and Orchard.</i></p> <p><i>It is acknowledged that some of the data was incorrect which has led to extra days in providing an allocation – it should be noted also that allocations were undertaken within target and there was not an impact on the overall key to key performance.</i></p> <p><i>That being said it is also acknowledged that some errors were: an incorrect advert close date/entered into spreadsheet, date received allocations and the recording date of the allocation. These are human errors, which could be prevented with improved systems functionality and reduced reliance on spreadsheets. Increased performance monitoring has been implemented by the Team Leader and the service improvements required have been raised via the HTIP and Digital Strategy activity.</i></p>	Immediate and ongoing	Homelessness Prevention Team Leader

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
Corporate H&S	1	Fieldwork completed	Final Issues November 2022
Communications	1	Fieldwork completed	Final issued September 2022
Housing Allocations & Homelessness	1	Fieldwork completed	Final Issued September 2022
Insurances	1	Fieldwork completed	Final issued September 2022
Document Management Systems	2	Fieldwork near completion	Review has been stalled due to Head of Service leaving
Payroll	2	Fieldwork completed	Final Issued September 2022
Housing Benefit	2	Fieldwork completed	Final Issued September 2022
Commercial Asset Management	2	Fieldwork completed	Final issued October 2022
Key Financial Controls	3	Fieldwork near completion	
Council Tax	3	Fieldwork completed	Draft being compiled
NNDR	3	Fieldwork completed	Draft being compiled
Planning	3	Fieldwork in progress	
Housing Rents	3 (4)		Deferred to Q4 – Audit Brief to be issued in December 2022
Housing Repairs & Maintenance	2 (4)		Audit Brief issued 10 June 2022 - S151 officer requested review to be moved to Q4
Procurement/ Contract Management	4		Audit Brief to be issued in December 2022
Empty Homes	4		Audit Brief to be issued in December 2022
Governance & Risk Management	4		Audit Brief to be issued in December 2022
Follow Up	3-4	Work in progress	August 2022 updates under review

KEY:

To be commenced	Site work commenced	Draft report issued	Final report issued	Review deferred
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Follow Up Table

The table below lists the six recommendations that have been allocated a revised implementation date which have now passed.

REF	Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Last Update	Latest Response
1	20/21 GDPR/Information Governance	An exercise be undertaken to review e-records and ensure a log of any destruction is appropriately recorded.	2	An on-going objective is to review the Council's e-records across all services to ensure that departments are aware of system records retention and any residual records on network shares. This is part of the Information Security Team Leaders (ISTL) Objectives. This is a major item of work, so the timetable for implementation is adjusted to reflect this.	Information Security Team Leader	30/09/2021	31/07/2022	25/01/2021	Part complete - in respect of retention. Review of business systems and modules still needs to be performed, but have been distracted by increasing volume of other matters and disruption to capacity in my own team.
2	21/22 Business Continuity (inc Pandemic Response)	ICT management to liaise with business following completion of the ongoing work on reviewing the BCP and DR plans to introduce a program of DR drills testing key Council systems and applications.	2	ICT management will liaise with the Resilience Team to develop BCP testing simulating loss of access to key Council systems.	Head of Digital	29/07/2022	30/09/2022	04/05/2022	An initial BCP test. testing simulating loss of access to key Council systems, is now scheduled for October 2022
3	21/22 Business Continuity (inc Pandemic Response)	Disaster recovery arrangements be tested on an annual basis. Test results be documented as part of a formal test report which details test objectives, outcomes, and lessons learned. This can then be used in updating and improving the DR plan and supporting documents.	2	A tabletop DR exercise is scheduled to take place in June. A test restoration of a key line-of-business system will take place in June 2022.	Head of Digital	30/06/2022	30/09/2022	04/05/2022	"The tabletop exercise has now been scheduled for October following consultation with SLT. COMPLETED - test restoration of key line-of-business system was completed in June 2022."

REF	Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Last Update	Latest Response
4	21/22 Procurement	Periodic formal oversight of organisation-wide procurement activity reports be established and presented to Committee/Cabinet, with Leads held to account, where concerns are identified. Reports should include the level and nature of procurement non-compliances, for example, bypassing of procurement process requirements, exceptions, where Procurement Standing Orders (PSOs) were waived.	2	A report is currently presented to the Finance & Resources Overview Scrutiny Committee every quarter and this includes statistics on procurement activities. To comply with this recommendation, it is suggested that the organisation-wide activity report that is reported to this committee, also includes the number of times the PSO's have been set aside and other non-compliance issues. Should members have concerns over the procurement activity, then they can request that the client officer attends the next meeting or provides a written response to the concerns raised by committee. It is also suggested that the non-compliance report is shared with Senior Leadership Team each quarter.	Group Manager Procurement & Contracted Services	01/04/2022	30/09/2022	13/01/2022	The performance report was presented to FROSC in September 2022 and the section on non-compliance was welcomed, it will form part of the performance report on an ongoing basis.
	22/23 Communications	The Performance reports, presented to the Finance and Resources Overview and Scrutiny Committee, be expanded to include progress/performance against the deliverables set out in the Annual Communications Programme.	2	Performance reports for the Finance and Resources Overview and Scrutiny Committee will be reviewed for Q2 2022/23, to report against deliverables in the communications programme.	Kelvin Soley, Head of Communications	30/09/2022	31/10/2022	02/09/2022	Work has commenced on including this information in the next available F&R OSC meeting.

REF	Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Last Update	Latest Response
6	21/22 Waste Management	Action be taken by managers to address the Handbook content and ensure that Drivers complete the required declarations.	2	Alternative wording has been agreed which will be presented to drivers for their understanding and agreement before the Driver Handbook is reproduced. Planned to assess new technology which would allow the vehicle to be locked with the engine running.	Transport Manager/Operations Manager	30/09/2022	01/11/2022	26/01/2022	Awaiting agreement before final sign off

The table below lists the outstanding and implemented recommendations

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Waste Management	It is imperative that Managers ensure that staff are fully aware of and comply with vehicle weights limits, for all vehicles, prior to use and complete defect reports, as required.	1	Any vehicle that significantly exceeds the set weight is issued with a defect number and the vehicle is recalibrate. There will be instances of drivers not following set down procedures but all drivers have been trained on their responsibilities. Drivers have been issue with a written instruction to remind them of the relevant weight limits.	Operations Manager - Waste	31/03/2022	Implemented	26/01/2022	
21/22 Waste Management	It is imperative that Managers develop and put in place a monitoring system, which ensures that medical checks are taken by the Drivers which complies with the License requirements.	1	This is part of an ongoing piece of work to centrally record such matters and ensure reminders are in place. Some matters were overdue due to staff absence but this was addressed. In the meantime, a spreadsheet recording when last done it to be maintained to prevent recurrence. If medical checks are not undertaken by drivers then their licence will be suspended or revoked at which stage the employer will be informed. With regards eye test this was in relation to using display screen in cabs. This will need to be discussed with HR.	Operations Manager – Waste Group Manager	31/01/2022	Outstanding	26/01/2022	Previous management comments apply.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
22/23 Housing Benefit	Finance to consider allocating sufficient resources, in order to increase their capacity to pursue HB overpayment debt and recovery.	2	Financial Services pursue HB overpayment debt based on a system of prioritisation and the staffing resource available to do so. The audit findings demonstrate that 78% (7 out of 9) of the sample tested could evidence contact in the past two years. Of the remaining 2, the whereabouts of 1 debtors was unknown and the other known to be abroad. Therefore our ability to contact these debtors was limited. We demonstrated that the accounts are periodically reviewed. Any local authority debt recovery team will have a finite level of resource and will need to prioritise which debt to pursue based on the resource available. The auditor's recommendation has been considered. Our view is that reallocation of resource from within Financial Services to HB overpayment potentially places other areas of debt recovery at risk. Securing additional resource for the Financial Services team is subject to Member approval as part of the 2023-24 budget setting process, which concludes in February 2023. The audit recommendations will be considered as part of this process and an update provided upon its conclusion.	Head of Financial Services	28/02/2023	Outstanding	27/09/2022	

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Waste Management	The use of digital tachographs be progressed and implemented within a defined timescale. Adequate monitoring systems should be developed and implemented to provide regular assurance on Driver hour's compliance.	2	This forms part of phase 1 of the depot transformation programme that commences January 2022. A decision around the feasibility and cost of implementing digital tachographs will then be possible by end of Q3 2022.	Group Manager - Environment	31/12/2022	Outstanding	26/01/2022	Previous management comments apply. Due date not yet passed.
21/22 Waste Management	Action be taken by managers to ensure that Drivers complete declarations in compliance with the Operational Transport Policy.	2	This forms part of phase 1 of the depot transformation programme that commences January 2022. A decision around the feasibility and cost of implementing digital tachographs will then be possible by end of Q3 2022. Drivers are required as part of their Terms and Conditions to request permission to undertake alternative work. If drivers ask this is refused due to restrictions on their driver's hours.	Group Manager - Environment	31/12/2022	Outstanding	26/01/2022	As per previous actions - built into the depot transformation work
21/22 Empty Homes	Whilst it is acknowledged that the Empty Homes Team is trying to address the delays experienced in the re-let of properties, Management must devise a plan to deal with the delays effectively and/or escalate the matter to Senior Management to address.	2	The senior management within the housing service receiver's reports as part of the recovery plan action agreed between Osbourne's and the client. This includes issues around current performance and increased costs etc. This started on the 29 June 2021 via our weekly progress meeting which I attend. A paper will be going to SLT next week. At an operational level we hold 1 meeting per week on Thursdays covering voids. There are other repair meetings taking place that also pick up voids. There are framework meeting	Head of Property Head of Property Head of Property	31/12/2022	Outstanding	07/07/2022	

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
			<p>that are set out within the TPC contract. We were holding monthly performance meetings which and are now held weekly and these are called progress reports meeting monitoring the action plan. There is also a strategic core group meetings which would normally be held quarterly which is now held weekly and these are called DBC OPSL Weekly Catch Up. The council is also undertaken a review of the sheltered housing accommodation. This is one of the property types that we have difficulties in letting. I will need to liaise with Housing needs for a date of when the review will start etc. The allocation process is divided into functions carried out by 2 teams. Since Covid19 all pre inspections have not been carried out face to face. We are currently reviewing this and will provide the correct levels of PPE moving forward. We are working closely with Housing needs to make reduce delays. We are looking to implement within the next 10 weeks i.e. 19 September 2022.</p>					

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
22/23 Housing Allocation & Homelessness	The structure and resourcing of the two services be reviewed to establish if it is possible to reduce the reliance on agency staff and the consequential impact on the annual budget.	2	Structure of the service to be reviewed/considered via HTIP. However it should be noted that agency staff will be essential to cover periods of staff absence to avoid impact on Officer caseloads and customer experience, which could result in further delays to case processing or unnecessary B&B expenditure.	Homeless Prevention Team Leader	31/10/2022	Outstanding	07/09/2022	The service have reviewed the structure, with the commencement of with proposed changes to start October. Approach to be revised due to increased workloads, sickness absence and resource changes. Focus group session to identify service and case management improvements to be further developed via HTIP include. TA review and process review ongoing via HTIP.
21/22 Waste Management	Action be taken by managers to address the Handbook content and ensure that Drivers complete the required declarations.	2	Alternative wording has been agreed which will be presented to drivers for their understanding and agreement before the Driver Handbook is reproduced. Planned to assess new technology which would allow the vehicle to be locked with the engine running.	Transport Manager/Operations Manager	30/09/2022	Outstanding	26/01/2022	Awaiting agreement before final sign off
21/22 Waste Management	A single central record of all Driver compliance checks (training, license, medical checks) be maintained and kept up to date.	2	This has been reviewed and merged into one Word document.	Operations Manager	30/09/2022	Implemented	26/01/2022	Single document in place

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21/22 Waste Management	It be ensured that operational monitoring checks are completed and actions to prevent re-occurrence are recorded. An assessment of resources to complete expected checks should be undertaken.	2	Reminder gone to all supervisors and spot checks need to take place. Transformation programme that is to take place aims to free up the supervisors time to carry out more checks to ensure drivers following procedure. Additionally, looking at whether an electronic recording of checks can be implemented.	Operations Manager - Waste	30/09/2022	Implemented	26/01/2022	
21/22 Waste Management	Managers to address and take appropriate action of the lack of awareness or understanding of staff, as noted opposite.	2	The Waste Operations Manager is to hold a meeting with all the supervisors to ensure they are all au fait with the procedures and then ensuring in place across the service. Operations Manager has advised that all staff have been advised on the two locations that the risk assessment can be located. All drivers have been made aware of the requirement to complete an accident form. Drivers are paid to clean their vehicles once per week however vehicles need to cleaned as and when required. Drivers licence and CPC cards are checked each morning before keys are issued to drivers.	Operations Manager - Waste	30/09/2022	Implemented	26/01/2022	
21/22 Housing Rents	Old balances be investigated for allocation or be considered for write-off.	2	Review of suspense account to be carried out.	Lead Officer/Senior Debit Control Officer	30/09/2022	Outstanding	11/02/2022	This has taken longer than anticipated due to the large work load that this involves, together with training of new staff and connection issues, but this is still on track to be completed by the "revised Due Date".

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21/22 Governance and Risk Management	Management to address the CRR gaps noted opposite in order to enhance and present a more informative risk register to both Members and staff.	2	The role out of the In Phase system has meant a redevelopment of the reporting style and format, which led to reports in quarter 2 not being fully developed. A return to the previous reporting style will be made which will include; Inherent risk scores, and Reference to Strategic Objectives The quarter on quarter movement in risk scores is detailed in the Quarterly Strategic Risk Covering report but not detailed in the specific appendix. I can see benefits of simplicity of including the quarterly changes in the risk appendix and will implement this reporting change going forward. The Council is midway through undertaking a review of the Core strategic objectives and Strategic Risk Register, during this process a review of risk appetite associated with objectives and risks will be undertaken that will form part of future strategic risk reporting. The creation and inclusion of Target risk levels is also planned to be included after the current review is completed.	Nigel Howcutt - CFO	30/09/2022	Implemented	09/06/2022	The quarter 1 22/23 strategic risk register is being presented to cabinet on October 17th in a revised format. A Qtr1 and Qtr. 2 report will go to the November AC in the revised versions.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Governance and Risk Management	The Directorate/ Department Operational Risk Registers (ORR) to list those Corporate Risks, which may impact on service delivery within their area. This will in turn demonstrate a connection between the Strategic and Operational risks. Furthermore, the ORR should capture the information listed under Recommendation 2, which will enhance the ORR.	2	A more defined link between the operational risks and the Specific Strategic Risk register will be included in future reports.	Hannah Peacock – Head of transformation and Performance Nigel Howcutt - CFO	30/09/2022	Outstanding	09/06/2022	Inphase report formats are being updated to include the recommended in format. The expectation is that these changes will be implemented in time for Q3 strategic and operational risk reporting. The responsibility for this recommendation has now transferred to the Head of Financial services
21/22 Governance and Risk Management	It be ensured that the risk updates are aligned to the mitigating controls listed under 'Controls & Assurances', so that Members are aware and informed of the progress/ position against the risk. Where potential issues may impact on the risk, the risk score must be revised to reflect this. Furthermore, updates be linked to the previous report, so that previous issues are not followed up and reported.	2	A more aligned link between risk updates and mitigating controls will be detailed in future narrative reports. The impact of change that affect the risk score will be better reflected in the narrative. Risk scoring though is subjective and with many variables affecting each risk score, there can often be new risk updates with additional mitigation and controls that lead to no risk score changes.	Nigel Howcutt CFO	30/09/2022	Implemented	09/06/2022	The quarter 1 22/23 strategic risk register is being presented to cabinet on October 17th in a revised format. A Qtr1 and Qtr. 2 report will go to the November AC in the revised versions.

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21/22 Governance and Risk Management	Once the Council has completed its staff and structural change, a risk management training programme be devised along with a timetable. To ensure key postholders are familiar with the Council's risk management process, reporting and monitoring requirements.	2	A new and improved risk management training programme will be rolled out for the Audit Committee, Senior Leadership team and the Corporate Leadership team. This programme will reflect the changing roles and changing strategic direction of the organisation.	Nigel Howcutt CFO	30/09/2022	Implemented	09/06/2022	Initial Training with SLT and AC has already commenced with further training planned.
21/22 Recruitment	It is vital to ensure that all contracts with the Council are kept up-to-date and renewed in a timely manner.	2	The recruitment agency framework has expired. Priorities have now enabled a corporate wide project to assess the Council's approach to hiring agency workers, which commenced in January 2022 and the recommendations will be presented to the Council's Commercial Board. It is anticipated that a suggested recruitment agency framework will be in place in the summer of 2022.	Matt Rawdon (Assistant Director – People)	30/09/2022	Outstanding	10/06/2022	Due date not yet passed. Commercial board approved new agency framework on 26 July. Next stage is implementation which should be around 2 months.
22/23 Communications	The Performance reports, presented to the Finance and Resources Overview and Scrutiny Committee, be expanded to include progress/performance against the deliverables set out in the Annual Communications Programme.	2	Performance reports for the Finance and Resources Overview and Scrutiny Committee will be reviewed for Q2 2022/23, to report against deliverables in the communications programme.	Kelvin Soley, Head of Communications	30/09/2022	Outstanding	02/09/2022	Work has commenced on including this information in the next available F&R OSC meeting.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
22/23 Housing Allocation & Homelessness	Data maintained relating to housing allocations be recorded accurately.	2	It is understand that 8 properties were sampled. In the 3 cases the advert close date did not align with the spreadsheet – 2 of these properties were outside of the team target set and did not meet the standard, the other was within target. Service identifies 4 cases where the approval date was inconsistent and delays in appending documentation to the system – 1 of these properties was outside of the team target. Civica Abrisas system does not interface with housing system, this results in risk of service failure due to manual inputting – pressures of workload led to delays in reviewing approvals and return to Officers. This has been addressed and more closely monitored by the Housing Needs Team Leader to ensure consistency of performance.	Housing Needs Team Leader	07/09/2022	Outstanding	07/09/2022	New tracker has been introduced which has been implemented to review the Lead Officers data collection and feedback is provided monthly for Leads if there are discrepancies. Civica report training has been arranged and booked in for 18.10.22 to further develop enhanced reporting functions on Civica. Increase performance monitoring has been introduced.

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22/23 Housing Allocation & Homelessness	The reported KPIs in relation to Homelessness be reviewed to include measures, with associated performance, relating to the timeliness of addressing applications.	2	The Homeless Code of Guidance set outs the framework for prevention and relief activity in line with the Homeless Reduction Act, guidance of 56 days in each state – which means casework will be open in prevention/relief state for minimum of 112 days. Homeless applications cannot be taken unless applicant is threatened with homelessness within 56 days, intervention cases can therefore be open for some time and therefore timeliness of case handling can be significantly impacted by the nature of the case. As time taken to handle case is dependent on case circumstances and individual interventions, it is not appropriate to place targets on timeliness. However what is appropriate is to ensure that cases are moved on to the appropriate intervention state in a timely manner and this should be monitored closely by the Lead Officer(s) and Team Leader through H-clic (national data set monitoring and dashboard) rather than local KPI's. Officer sickness, vacancies and caseload volumes as a result of Covid have impacted on timeliness of moving from one case state to another.	Homeless Prevention Team Leader	07/09/2022	Outstanding	07/09/2022	<p>KPIs have been reviewed. Case management monitoring to be further developed via HTIP outside of dashboard in H-clic.</p> <p>Team are currently finalising PI's to be added to In-phase, awaiting Civica report training (18-Oct) to ensure PIs data can be pulled from this. This will allow for LOfficers to have better oversight of all staff and performance from monthly basis.</p>

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Safeguarding & Prevention	The Council introduce contractual terms, in line with those in place for tendered contracts, to apply to all procurements where contractors are likely to interact with the public.	2	Safeguarding clauses to be included (generally stated in the agreement where relevant) introduce additional clauses into the agreements where safeguarding is required and not included in the standard agreement. For below threshold agreements (£75k and below) this is more difficult. Procurement in general will not have sight of these and on most occasions the officers will manage this, meaning the Council will sign up to the suppliers Terms and Conditions and it will be governed by the Council's T&Cs on our Purchase Order. T&Cs being reviewed by Legal and add a safeguarding clause which can be referred to on the Council's Purchase Orders. Raise awareness to the clause around the Council so any contract where there is interaction with the public should be included in any new agreements.	Andrew Linden, Procurement, Team Leader Andrew Linden, Procurement Team Leader Andrew Linden	31/08/2022	Outstanding	25/04/2022	Still waiting for Legal to carry out review of the Council's Terms and Conditions which will ensure the Council's contract are up to date with the latest safeguarding clauses. Any tender that goes through a procurement process will however be covered in terms of the current clauses for Safeguarding. Housing (where the majority of safeguarding issues will sit) are carrying out a thorough contract review and one of the issues is ensuring all contractors are complying with safeguarding. This will be completed by January 23. There is still an issue with identifying all safeguarding issues on lower value contracts and there is a reliance on Council officers being sufficiently trained to ensure safeguarding is considered for any new contracts.
22/23 Communications	The Strategy be submitted to the Strategic Leadership Team for formal review and approval as scheduled.	2	The Communications and Engagement strategy will be formally approved by SLT on 31 August 2022.	Kelvin Soley, Head of Communications	31/08/2022	Implemented	02/09/2022	This has been completed.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
22/23 Communications	The Strategy Action Plan, as set out in the Strategy Delivery Plan, be completed and submitted to SLT together with the overarching Strategy.	2	The corresponding action plan has been developed, and has been shared with SLT ahead of the SLT meeting scheduled for 31 August 2022. A copy of the updated communications programme 2022-23 has been shared with SLT.	Kelvin Soley, Head of Communications	31/08/2022	Implemented	02/09/2022	This has been completed.
21/22 Safeguarding & Prevention	The Policy be reviewed and updated in line with the proposed changes and communicated to staff at the earliest opportunity.	2	Policy is in the process of being reviewed and updated following staff changes and changes to the designated safeguarding leads.	Sue Warren, Lead Officer, Safeguarding	31/07/2022	Outstanding	25/04/2022	
21/22 Safeguarding & Prevention	All Staff and Councillors be instructed to complete any outstanding Safeguarding related training.	2	All training is on DORIS and if it is mandatory training then the individual will receive reminder emails to prompt them to book the specific course. Training is also reviewed by line managers who again can prompt individuals to book themselves on courses. Training Team to run a report to see who has completed the safeguarding training and for those outstanding, the training team will send out a reminder email. Report to be run every quarter to monitor.	Priti Gohill, HR & OD Team Leader Priti Gohill, HR & OD Team Leader Priti Gohill, HR & OD Team Leader	31/07/2022	Outstanding	25/04/2022	

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22/23 Housing Allocation & Homelessness	The proposed move to the revised KPI set is undertaken and performance monitoring focused on areas of poor performance (if applicable).	2	Revised suite of management information and PI's has already been implemented following service plan development.	Housing Needs Team Leader	31/07/2022	Outstanding	07/09/2022	<p>KPIs have been reviewed. Case management monitoring to be further developed via HTIP outside of dashboard in H-clic.</p> <p>Team are currently finalising PI's to be added to In-phase, awaiting Civica report training (18-Oct) to ensure PIs data can be pulled from this. This will allow for LOfficers to have better oversight of all staff and performance from monthly basis.</p>

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Business Continuity (inc Pandemic Response)	Management to complete the review and updating of Business Continuity Plan documentation and ensure it is made available to all relevant staff.	2	Corporate BC plan taken to Apr 22 Cttee for yearly consultation and approval to go to SLT 11th May. Following SLT approval, BC plan will be updated on the Doc Centre/Grab bag/RD and communicated. Exercise paper going to 27th April SLT. Proposal to hold July BC exercise. Senior management to ensure all Service Level BC plans and Business Impact Assessments reviewed prior to July CHS&R Cttee and BC exercise.	Corporate Health, Safety and Resilience Team Leader	29/07/2022	Outstanding	04/05/2022	<p>Corporate BC plan updated. All CLT sent email requesting BIAs and BCPs to be updated and was being covered at September 2022 CHSR committee but now to form separate governance led by Deputy Chief Executive. BC exercise being moved to allow plans to be updated and verified. Tablet in place to move EP to digital and move away from grab bag.</p> <p>A conversation has been had with the new Deputy Chief Executive who is moving Emergency Planning and Resilience to a new governance format to be put in place.</p> <p>Operationally, CHSR have carried out the sending of the BCPs etc. so now waiting for DCE return to set up new board which will then set out the timetable for BCPs, exercise etc.</p>

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Business Continuity (inc Pandemic Response)	ICT management to liaise with business following completion of the ongoing work on reviewing the BCP and DR plans to introduce a program of DR drills testing key Council systems and applications.	2	ICT management will liaise with the Resilience Team to develop BCP testing simulating loss of access to key Council systems.	Head of Digital	29/07/2022	Outstanding	04/05/2022	An initial BCP test. testing simulating loss of access to key Council systems, is now scheduled for October 2022
21/22 Housing Rents	Where FTAs are not pursued, the debt may be legally deemed as 'statute barred'. It must be ensured that FTAs are actively pursued and tenant accounts must contain adequate notes to demonstrate debt has been pursued.	2	Further investigation of FT accounts has shown that at times the system is failing to move accounts on to next arrears stage prompt therefore getting 'stuck' in the process. This system error is currently being resolved and in the meantime a review of all former tenant (FT) rent accounts in arrears is being conducted using an age of debt and balance based report Review the former tenant rent arrears recovery procedure to ensure fit for purpose. Bench marking with other organisations. Lead Officer to closely monitor the work carried out on FT accounts to ensure thorough notes are being made and correct procedures carried out to actively pursue arrears.	Team Leader and Lead Officer	30/06/2022	Implemented	11/02/2022	FT accounts are still managed using age of debt and balance based report however a 'loop' has been added to the Orchard system to ensure accounts no longer get stuck, these accounts will loop back to the beginning for review. Report to be presented to the Resident Services Board September 28th 2022 which will propose the use of a debt collection agency to assist in recovering FTA's. FTA procedure to be reviewed and if the above proposal is agreed by RSB it will shorten the current FTA procedure and free up officer time.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Business Continuity (inc Pandemic Response)	Disaster recovery arrangements be tested on an annual basis. Test results be documented as part of a formal test report which details test objectives, outcomes, and lessons learned. This can then be used in updating and improving the DR plan and supporting documents.	2	A tabletop DR exercise is scheduled to take place in June. A test restoration of a key line-of-business system will take place in June 2022.	Head of Digital	30/06/2022	Outstanding	04/05/2022	"The tabletop exercise has now been scheduled for October following consultation with SLT. COMPLETED - test restoration of key line-of-business system was completed in June 2022."
21/22 Planning Enforcement	The risks to delivering an effective and timely planning enforcement service be recorded as a local risk and actions identified to mitigate the risk.	2	The department's risk register does consider the risks associated with staffing shortages, though does not specifically deal with Planning Enforcement. ACTION: The Council's Risk Register to be updated to include the risks to delivering an effective and timely planning enforcement service, and mitigation actions.	Alex Robinson (Group Manager – Planning and Development)	31/05/2022	Outstanding	29/03/2022	The new ATL (starting in December 2022) to work with Head of Service in completing this.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Housing Rents	Upon resolving the resource constraint issue, the Housing Team must ensure that Current Tenant Arrears are reviewed and appropriate actions agreed with the Tenant.	2	During testing there were at least two accounts identified where there was 'no contact' or any evidence of an agreed action in place to reduce arrears and these were identified as accounts managed by an employee where performance issues were identified and rectified. The Covid pandemic has affected tenant's ability to pay rent meaning officers are spending a lot more time offering intense support and this has greatly impacted their workload and ability to reach all accounts and tenants with arrears. Recruitment of two extra income officers will reduce the number of accounts on their 'patch' enabling officers to manage all their rent accounts whilst maintaining support needed for vulnerable tenants. Two Income Officer posts have been successfully recruited to.	Gill SwiftLead Officer Rent and Income	30/04/2022	Implemented	11/02/2022	Whilst the two extra posts were successfully recruited to the team have experienced a high level of long term sickness from March 2022 to date. One officer started maternity leave in July 22 and this post remains vacant. Lead officers review a number of accounts on a monthly basis to check work is carried out to the expected standard giving direct instruction to officers where improvement is required. Geographical working patches have been reduced from approx 1600 accounts down to 1000 per officer which has helped reduce workload, however the ongoing pressures on tenant finances is creating pressures on workload once more.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Planning Enforcement	In line with Recommendations 6 and 7, all open cases be reviewed and if still active, be allocated to current Enforcement Officers for action. Where no further actions are required and/or the time in which to take enforcement action has expired, the cases be closed and recorded as such.	2	The issue is that there are too many open cases (approx. 480) to review at the same time, as well as dealing with all new cases that come in (approx. 520 a year). There also needs to be a distinction between open cases that are new and those that are historic, as it would not be necessary to review new cases. Various measures have already been introduced in an effort to focus on historic open cases. (1) In performance objectives the Enforcement Officers are tasked with reducing open cases for each calendar year. (2) A geographic approach was introduced to allow the team to focus on cases area by area, eventually covering them all (3) The '400 Plan' introduced a case type focus so that within 12 months all cases will have been reviewed. (4) Clear messaging has been provided to the team that the focus must be on closing new cases as soon as it is appropriate to do so to ensure that they do not become the historic cases of the future. ACTION: The '400 Plan Phase 2' will provide the focus for the next 12 months, in particular focusing on closing cases that can be closed.	Philip Stanley (Group Manager)	30/04/2022	Implemented	29/03/2022	It was agreed by Members in the 28.04.22 DMC (Planning Committee) that the Local Enforcement Plan priority for 2022 was to reduce 2012/13 and 2018/19 caseload.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Planning Enforcement	A further focused review be undertaken of the older open cases (focusing on those approaching the 4 year and 10 year passage of time dispensation), to ensure that appropriate action is taken and assurance is provided that cases will not lapse due to the time limits.	2	It is very important that cases do not go beyond the 4 or 10 year periods without action because there is then the potential that harmful breaches of planning control become immune from Enforcement action. ACTION: The 400 Plan Phase 2 will provide particular focus on cases received in 2012/13 and 2018/19, to assess whether formal action is required before these cases 'time out'.	Philip Stanley (Group Manager)	30/04/2022	Implemented	29/03/2022	The reduction of 2012/13 and 2018/19 cases has been the main area of focus of the team in respect of historic caseload. Caseloads from these years have been reduced significantly: 2012 (from 4 to 1), 2013 (from 3 to 0), 2018 (from 31 to 22), 2019 (from 69 to 33)

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Planning Enforcement	An assessment of the reasons as to why the Section has not been able to successfully recruit to the key Assistant Team Leader position, be undertaken and action be taken to address, where possible, the underlying issues. Additional fixed term resource be recruited to support the review and clearance of backlog and unallocated (to current Officers) cases.	2	Progress on The 400 Plan was severely hindered by staffing issues. Both the ATL and an Enforcement Officer left in August 2021, whilst the temporary Enforcement Officer cover recruited via Agency proved unsuccessful and the contractor was let go due to very poor performance. We have attempted to recruit for the ATL position three times, each time receiving no suitable applicants. Salary is a very important factor and this post needs to be regraded. ACTION: Complete review of reasons why recruitment for the ATL Enforcement post has been unsuccessful. ACTION: Complete regarding exercise of ATL Enforcement post with HR to allow for post to be re-advertised at higher salary band. Also, finalise details of any 'golden handshake' that could be offered. ACTION: Advertise for 1-year Enforcement Officer post that has been approved in 2022/23 budget.	Philip Stanley (Group Manager)	14/04/2022	Implemented	29/03/2022	Informal review undertaken in March 2022. The principal reason was an uncompetitive salary. The bandings for the role were altered (and to better reflect the position's responsibilities). On the first round of advertising (the 4th in total) with the new salary range a suitable candidate applied, was successful and will be joining the team in Dec 2022. ATL re-grading exercise undertaken with HR on 14.04.22. The 1-year Enforcement Officer position has been advertised three times in total since March 2022. The first and second rounds secured no appointable candidates. Two suitable applicants applied in the third round when the job title was changed to Planning Compliance Officer, with interviews taking place in September 2022. The successful candidate will be starting on 15.11.22.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Procurement	Periodic formal oversight of organisation-wide procurement activity reports be established and presented to Committee/ Cabinet, with Leads held to account, where concerns are identified. Reports should include the level and nature of procurement non-compliances, for example, bypassing of procurement process requirements, exceptions, where Procurement Standing Orders (PSOs) were waived.	2	A report is currently presented to the Finance & Resources Overview Scrutiny Committee every quarter and this includes statistics on procurement activities. To comply with this recommendation, it is suggested that the organisation-wide activity report that is reported to this committee, also includes the number of times the PSO's have been set aside and other non-compliance issues. Should members have concerns over the procurement activity, then they can request that the client officer attends the next meeting or provides a written response to the concerns raised by committee. It is also suggested that the non-compliance report is shared with Senior Leadership Team each quarter.	Group Manager Procurement & Contracted Services	01/04/2022	Outstanding	13/01/2022	The performance report was presented to FROSC in September 2022 and the section on non-compliance was welcomed, it will form part of the performance report on an ongoing basis.
21/22 Customer Services	All staff with outstanding training requirements be required to complete these as a priority to ensure their training is up to date and current.	2	Training is an ongoing task and there will always be outstanding training as staff leave and new staff start. Training for a full time CSR in all services can take up to 12 months.	Tracy Lancashire – Team Leader Customer Services	31/03/2022	Implemented	25/10/2021	CSU staff are expected to complete all CSU training modules in up to 12 months from their start date with Customer Services. This timescale has been effective from 1 April 2022.

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Freedom of Information	The ISTL to, periodically, request reports from Human Resources, on the number of staff, who have or have not attended the Mandatory GDPR Training, during the year.	2	HR have confirmed that it has been problematical to retrieve the information from the system (DORIS) in respect of the granular categories requested. On 29 April 2019 all staff were moved from EIS on to DORIS, and that would include existing staff and new starters.HR can only get certain data from DORIS, HR cannot get start dates. Only dates they were added to DORIS. Since April 2020, 283 staff have completed GDPR training.225 staff have attended with an added to DORIS date of 2019 (this could include new starters and existing) 80%37 staff have attended with a 2020 start year 13%21 staff have attended with a 2021 start year 7%	HR Team Leader	31/03/2022	Outstanding	10/11/2021	This responsibility should rest with Information Security Team Leader. HR will respond to these data requests when asked.
21/22 Waste Management	It be ensured that the planned service risk register is created and put in place. To record and manage risks raised in the monthly Service Summary report to the Portfolio Holder(s).	2	Work is taking place with the new In Phase system to record the risk register for the service. Additionally, the Neighbourhood Delivery Board now has the risk register for the service as a standing agenda item.	Assistant Director (Neighbourhood Delivery)	31/03/2022	Implemented	26/01/2022	Now part of performance monitoring. Also a live risk register is being kept as part of the depot transformation programme
21/22 Waste Management	The KPIs report to include explanations for those KPIs which are not performing along with a remedial action plan to bring the KPI back on track.	2	KPIs corporately are being reviewed as part of the new service planning process, and will be directly relevant to corporate and service priorities. Narrative is provided to the Portfolio Holder on a monthly basis, and reports also go to the Overview and Scrutiny Committee on a quarterly basis. All show narrative it reasons differ from previous report.	Group Manager (Environment)	31/03/2022	Implemented	26/01/2022	

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Planning Enforcement	Concentrated effort be focused on achieving the 1 day site visit target for reported Priority 1 cases. If appropriate, consideration be given to relaxing the Priority 3 target of 15 days to support this.	2	We receive relatively few priority 1 site visits each quarter (often less than 5) and therefore each site visit missed can make a huge difference to the % visited in time due to the very small sample size. Very few P1 site visits are not visited within the 1-day target. ACTION: The Planning Enforcement team are reminded in writing of the importance of visiting Priority 1 cases within 1 working day. ACTION: Priority 1 cases are flagged immediately to the ATL Planning Enforcement for action and monitoring.	Philip Stanley (Group Manager) (Business Support Assistant Team Leader)	31/03/2022	Implemented	29/03/2022	An e-mail was written to the team on 10.04.22, strongly reiterating the importance and urgency of P1 cases. An e-mail was written to BS ATL to set up procedures so that P1 cases can be flagged to Enforcement as quickly as possible.
21/22 Waste Management	It be ensured that all accident forms are completed in full and approved by the Operations Manager.	2	Discussed at the depot health & safety meeting, and supervisors to complete the accident forms with the relevant person to ensure done correctly and followed up. Forms cannot include costs until accident has been assessed and quotes requested and received. Unable to find any form that has not been signed by the Operations Manager.	Operations Manager - Waste	31/01/2022	Implemented	26/01/2022	

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
21/22 Housing Rents	The Housing team must periodically review tenant accounts in credit; and note reasons, for such balances. Where it is identified that tenants are overpaying rent, the Housing team must take appropriate action.	2	Rent recovery procedures concentrate on accounts in rent arrears and officers have not previously been expected to prioritise accounts in credit. The introduction of Income Analytics (IA) means accounts in credit are easier to monitor as below. Officers are required to check accounts with large credits balances using a 'filter' on Income Analytics. Lead Officers will also check these accounts to ensure large credits are being dealt with in the appropriate way. We recognise that some tenants prefer to have credit on their rent account in case of a change in circumstances, particularly in view of the financial impacts of utility price increases and inflation. We would not want to discourage these good behaviours but propose to review accounts with 6 weeks rent credit and above. Action – Lead Officers to add as a regular discussion point/check at staff supervisions.	Lead Officers Rent and Income	31/01/2022	Implemented	11/02/2022	Rent credit letters have been created, an initial letter and a reminder. These are sent to tenants along with a rent refund form to high credit accounts. Recruitment to the third Debit Control officer (DCO) post has been successful and this will help support the rent credit work. However long term sickness of one officer is creating a backlog of the daily DCO work which means the rent credits cannot be prioritised at this time. Where income officers access an account with high credit they will action this.
21/22 Waste Management	It be ensured that Managers record the root cause of the vehicle accident and note the actions to prevent re-occurrence, on the accident forms. Furthermore, a system to monitor compliance be developed and put in place.	2	Discussed at the depot health & safety meeting, and supervisors to complete the accident forms with the relevant person to ensure done correctly and followed up. Work is also taking place with Corporate H&S and Insurance to understand trends to direct action.	Operations Manager - Waste	26/01/2022	Implemented	26/01/2022	

Job	Recommendation	Priority	Management Comments	Responsible Officer	Original Due Date	Status	Last Update	Latest Response
20/21 GDPR/Information Governance	The record of processing activity be completed following the completion of the ongoing review of records.	2	This work is on-going and needs a lot of dedicated time. Timetable reflects this.	Information Security Team Leader	31/12/2021	Implemented	25/01/2021	ROPA Created
20/21 GDPR/Information Governance	An exercise be undertaken to review e-records and ensure a log of any destruction is appropriately recorded.	2	An on-going objective is to review the Council's e-records across all services to ensure that departments are aware of system records retention and any residual records on network shares. This is part of the Information Security Team Leaders (ISTL) Objectives. This is a major item of work, so the timetable for implementation is adjusted to reflect this.	Information Security Team Leader	30/09/2021	Outstanding	25/01/2021	Part complete - in respect of retention. Review of business systems and modules still needs to be performed, but have been distracted by increasing volume of other matters and disruption to capacity in my own team.



Internal Audit

FINAL

Dacorum Borough Council

Assurance Review of Corporate Health & Safety

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Executive Summary

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OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Corporate Priority 1: A clean, safe and enjoyable environment

SCOPE

The audit reviewed the systems and processes the council has in place to ensure compliance with corporate health and safety and provide assurance that these are designed and operating effectively.

KEY STRATEGIC FINDINGS

- The Council has recently revised its Health and Safety Policy with the introduction of a new Policy and accompanying Strategy. The revised documents improve on the previous Policy, setting out more clearly the respective roles, responsibilities and reporting arrangements with the Strategy setting clear expectations and deliverables.
- There are currently no risks identified in the Strategic Risk Register in relation to Health & Safety compliance for the Council. Given the significance of Health & Safety requirements across the Council's activities, it would be prudent to record this as a risk alongside the mitigating controls in place.
- Reporting to the Council's Health, Safety and Resilience Committee should be improved, currently no information is routinely supplied on departmental risk assessments, audit visits undertaken, non-conformities identified, mandatory training compliance and performance indicators.
- The reports submitted to the Committee in relation to statutory building compliance need to be improved, the current reports provide only high level summary data and lack key details in relation to the management of actions arising from inspections.

GOOD PRACTICE IDENTIFIED

- Review of the Council's training profiles established that Health & Safety training was included for all profile groups relating to employees, managers and the leadership team. In relation to employees and managers this is set as e-learning whereas the leadership requirement is set for classroom based training.
- Where audit visits are undertaken by the Corporate Health, Safety and Resilience Team, comprehensive reports are produced for the service area and there is clear tracking of any actions arising from the visits.

ACTION POINTS

	Urgent	Important	Routine	Operational
	0	9	2	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
3	Directed	<p>Review of the Health, Safety and Resilience Committee's minutes relating to statutory compliance noted that the Committee has not always followed through on identified actions as set out below:</p> <ul style="list-style-type: none"> - the September 2021 meeting minutes refer to 381 properties where there was no access for Electrical Installation Condition Report (EICR) inspections, the minutes show 'RL to provide a narrative around the EIC compliance and the outstanding 381'. However, review of the December 2021 report noted that the report was still in the same format with no additional narrative provided - the December 2021 meeting minutes state 'at the next meeting, RL will discuss the actions coming out of the Fire Risk Assessments and how these are being managed', however review of the April 2022 meeting minutes do not evidence any such discussion. <p>The issue raised in relation to attendance at the Committee may have contributed to this (see recommendation 13).</p>	The Committee to ensure that all actions arising from meetings are appropriately tracked.	2	<p><i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i></p> <p><i>Actions are now tracked as part of this to ensure better oversight and compliance.</i></p>	<i>In Place</i>	<i>Deputy Chief Executive (as H&S Board Chair)</i>

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	Directed	Review of the Corporate Risk Register established that there are no risks identified, at a corporate level, in relation to Health & Safety compliance for the Council. Given the significance of Health & Safety requirements across the Council's activities, it may be prudent to record this as a risk alongside the mitigating controls in place.	The Corporate Risk Register be reviewed to assess whether the wider health & safety risks that the Council is exposed to be assessed and include as appropriate.	2	<i>It is the responsibility of all operational teams to flag risks. This is held on a risk register. The corporate risk register is overseen by the Senior Leadership Team and would be escalated to them through the H&S Board as appropriate.</i>	28/02/23	Deputy Chief Executive (as H&S Board Chair)
7	Directed	Review established that a work programme was in place for the Health, Safety & Resilience Committee in 2021/22. However, review of this and actual items submitted to the Committee, established that this did not address all items listed in the Committee's Terms of Reference, for instance 'to ensure that key risks are identified..' and 'assist in the formulation of action plans following inspection'. Review of the work programme for 2022/23 identified that it does not currently include items that are listed (in the terms of reference set out in the Health & Safety Strategy) as the responsibility of the Committee, for instance, oversight of strategic and operational health and safety risk registers, oversight on performance indicators and related monitoring.	The work programme of the Health, Safety and Resilience Committee be reviewed to ensure that the Committee fulfils its terms of reference as set out in the Health & Safety Strategy.	2	<i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i>	Done	Deputy Chief Executive (as H&S Board Chair)

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PRIORITY GRADINGS

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3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
8	Directed	The existing Policy places a requirement on the Corporate Health, Safety and Resilience Team to undertake health and safety audits across all services, at appropriate intervals (based on risk assessment). Discussions with the Corporate Health, Safety and Resilience Team Leader established that there was no formal plan of audit visits scheduled to be undertaken and it was therefore not possible to compare actual performance against plan. The proposed strategy includes a requirement for the Corporate Health, Safety and Resilience Team to 'schedule and undertake health and safety audits'.	A formal plan of health and safety visits to be undertaken be developed and submitted to the Health, Safety and Resilience Committee for review and approval. Performance against the plan should be reported to each meeting of the Committee.	2	<i>Audits were suspended as part of the Covid pandemic response. Now this has stepped back, a schedule of audits will be developed that fit in with the overall strategy and policy aims.</i>	31/12/22	CHSR Team
9	Directed	Review of audit assessments undertaken established that: - in 2020/21 five audits were completed - in 2021/22 four were completed - in 2022/23 there have been no audits to date. It is accepted that the workload of the team will have been impacted by the pandemic and the need to respond to emerging guidance, revised risk assessments etc.	Audits be undertaken in line with the approved plan of visits (see recommendation 8).	2	<i>As above</i>	31/12/22	CHSR Team

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PRIORITY GRADINGS

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3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
10	Delivery	<p>Review of the Health, Safety & Resilience Committee meeting agendas and papers for 2021/22 and 2022/23 to date established that whilst it routinely receives updates across a range of areas, for instance statutory compliance, incidents and accidents, safe staffing etc, it does not receive information on:</p> <ul style="list-style-type: none"> - health and safety related risks identified in service areas/centrally - the results of audit visits/interventions undertaken by the Corporate Health, Safety & Resilience Team - the results of non-conformities with requirements identified by the Corporate Health, Safety & Resilience Team - performance indicators linked to Corporate Health & Safety, for instance the time taken to investigate incidents, RIDDOR reporting timescales - compliance with mandatory and role specific training requirements linked to health and safety. 	Reporting to the Health, Safety & Resilience Committee be enhanced to include the items identified.	2	<i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i>	28/02/23	<i>Deputy Chief Executive (as H&S Board Chair)</i>

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

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3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
11	Delivery	<p>Review of reports submitted to the Committee relating to statutory compliance with health and safety requirements for properties (housing and commercial) identified the following:</p> <ul style="list-style-type: none"> - the reports relating to commercial properties submitted to meetings in 2021/22 were very brief, containing 1 table showing headline compliance figures. No details were provided for non-compliant items. The report submitted to the April 2022 meeting did contain more detail in the form of meeting notes from a CAPD FLAGE (Fire, Legionella, Asbestos, Gas and Electricity) meeting, although it was not clear that these notes explained the non-compliant areas or set out actions to address them. - the reports relating to housing properties throughout 2021/22 were again brief, containing summary tables and some brief narrative. - neither of the reports contained any detail on actions arising from the inspections and their associated risk rankings and consequently the Committee has not tracked the implementation of these actions (the minutes for the June 2021 meeting refer to 350 high risk actions arising from fire risk assessments). <p>The brevity of information provided in relation to these two key areas was identified by the Committee in April 22, where the minutes record 'Compliance are to report more detail within their report'.</p>	The content of reports relating to statutory compliance submitted to the Committee be reviewed and an appropriate level of detail, including the tracking of actions arising from inspections undertaken, introduced.	2	<i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i>	28/02/23	<i>Deputy Chief Executive (as Chair of H&S Board)</i>

PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
11	Directed	Whilst a number of areas are reported to the Health, Safety and Resilience Committee, e.g. Incidents/accidents, RIDDOR reportable events, building compliance, there are no formal targets set for performance. The new strategy starts to address this with more defined and measurable actions e.g. minimum requirements for statutory compliance audits, enhanced reporting requirements and timescales, but this could still be developed further.	A formal set of key performance indicators for health and safety related activity be developed and monitored, building on the targets set out in the Health and Safety Strategy.	2	<i>This work has started, with key details being provided to directorate meetings, which then will feed into a corporate overview at the H&S Board.</i>	31/12/22	CHSR Team
12	Directed	Review of attendance at the Health, Safety and Resilience Committee through 2021/22 established that attendance had not been in accordance with the current terms of reference for the Committee. Attendance by some members was sporadic/minimal and some listed members had not attended any of the meetings. The revised Policy and Strategy aims to address this.	As part of the implementation of the revised Policy and Strategy, the issue of consistent attendance be addressed.	2	<i>Refresh of the CHSR Committee has now taken place, becoming the H&S Board. This includes a new Terms of Reference and Chair, being the Deputy Chief Executive. In addition, quarterly reports comes from the Board to the Senior Leadership Team to ensure oversight.</i>	28/02/23	Deputy Chief Executive (as Chair of H&S Board)

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>Review of Operational Risk Registers established that a risk in relation to the delivery of health and safety as a housing landlord was included in the Housing risk register. No other health and safety related risks were identified.</p> <p>The revised Policy and Strategy place a requirement on Heads of Service to undertake an annual self-audit, which includes the requirement to assess risk management, with onward escalation of any significant health & safety issues as required.</p>	Local areas be required to assess the health & safety risks in their respective areas for escalation to operational risk registers as appropriate.	3	<i>H&S Training is currently being sourced to enable CLT members to understand their elements of control and next steps. CHSR attending Directorate meetings to assist. Operational risk registers are in place across the organisation and being reviewed.</i>	Q4 2022-24	All
6	Directed	<p>Discussions with the Corporate Health, Safety and Resilience Team Leader established that risk assessments undertaken over work activities and processes are retained locally and are not routinely shared with/accessible by the Corporate Health, Safety and Resilience Team.</p> <p>The revised policy requires for the submission of all risk assessments to the Corporate Team.</p>	Risk assessments undertaken locally be provided to the Corporate Health, Safety and Resilience Team for review.	3	<i>A growth bid has been approved for the implementation of a corporate health & safety database that will allow the collation of this information and proper governance including review dates.</i>	<i>Not Determined – feeds into the bigger ICT strategy so currently paused</i>	ICT / CHSR

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PRIORITY GRADINGS

1 URGENT Fundamental control issue on which action should be taken immediately.

2 IMPORTANT Control issue on which action should be taken at the earliest opportunity.

3 ROUTINE Control issue on which action should be taken.

Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
There are no operational effectiveness matters to report.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

Findings



Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

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c

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	Governance Framework There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1 & 11	-
RM	Risk Mitigation The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Partially in place	2,3 & 4	-
C	Compliance Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Partially in place	5, 6 & 7	-

Other Findings



The Council as a suite of policies in place that are linked to health and safety, for instance manual handling, asbestos, legionella etc.



Review of a sample of five audit visits undertaken established that the reviews were comprehensive and that formal reports had been issued containing recommendations where necessary. There was evidence that the recommendations had been subject to follow up and that intervention/improvement notices had been issued as required.



Delivery Risk:

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation	Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	Performance Monitoring There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	Partially	8.9 & 10	-
FC	Financial Constraint The process operates within the agreed financial budget for the year.	In place	-	-
R	Resilience Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

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Other Findings



The Health, Safety and Resilience Committee meets quarterly. The Committee routinely receives reports relating to statutory compliance, incidents, safe staffing and policy updates. The Committee reports into the Council's Senior Leadership Team.



The specific costs of the Corporate Health & Safety Team are contained within a bespoke cost centre, review established that the controllable element of this budget overspent in 2021/22, in the main due to unbudgeted Agency Staffing costs and a year-end adjustment in relation to Superannuation (linked to the requirements of FRS17), however, this overspend was largely offset by increased recharges and grant income received. The wider costs associated with health and safety in service areas, for instance undertaking risk assessments, working practices and training compliance, sit within the budgets for those areas and are not separately identifiable as health and safety related.



Review of the Council's training profiles established that Health & Safety training was included for all profile groups relating to employees, managers and leadership team. In relation to employees and managers this is set as e-learning whereas the leadership requirement is set for classroom based training.

Scope and Limitations of the Review

1. The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

Disclaimer

2. The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Effectiveness of arrangements

3. The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

In place	The control arrangements in place mitigate the risk from arising.
Partially in place	The control arrangements in place only partially mitigate the risk from arising.
Not in place	The control arrangements in place do not effectively mitigate the risk from arising.

Assurance Assessment

4. The definitions of the assurance assessments are:

Substantial Assurance	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
Reasonable Assurance	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
Limited Assurance	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
No Assurance	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

Acknowledgement

5. We would like to thank staff for their co-operation and assistance during the course of our work.

Release of Report

6. The table below sets out the history of this report.

Stage	Issued	Response Received
Audit Planning Memorandum:	5 th May 2022	6 th May 2022
Draft Report:	30 th June 2022	18 th October 2022
Final Report:	2 nd November 2022	

AUDIT PLANNING MEMORANDUM

Appendix B

Client:	Dacorum Borough Council		
Review:	Corporate Health & Safety		
Type of Review:	Assurance	Audit Lead:	Head of Audit

Outline scope (per Annual Plan):	Ascertain and report on the systems and processes the council has in place to ensure compliance and provide assurance that these are designed and operating effectively in relation to health and safety and building safety compliance.		
Detailed scope will consider:	<p>Directed</p> <p>Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.</p> <p>Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.</p> <p>Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.</p>	<p>Delivery</p> <p>Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.</p> <p>Financial constraint: The process operates with the agreed financial budget for the year.</p> <p>Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.</p>	
Requested additions to scope:	(if required then please provide brief detail)		
Exclusions from scope:			

Planned Start Date:	07/04/2022	Exit Meeting Date:	27/06/2022	Exit Meeting to be held with:	Corporate Health Safety & Resilience Team Leader
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SELF ASSESSMENT RESPONSE

Matters over the previous 12 months relating to activity to be reviewed	Y/N (if Y then please provide brief details separately)
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N



Report for:	Audit Committee
Title of report:	Assurance Review of Procurement 2021/22
Date:	9 November 2022
Report on behalf of:	Councillor Andrew Williams, Leader and Portfolio Holder for Commercial Strategy & Delivery
Part:	I
If Part II, reason:	N/A
Appendices:	None
Background papers:	Assurance Review of Procurement – Internal Audit Report
Glossary of acronyms and any other abbreviations used in this report:	PSO's – Procurement Standing Orders

Report Author / Responsible Officer

Ben Hosier, Head of Commercial Development



Ben.hosier@dacorum.gov.uk

Corporate Priorities	Ensuring efficient, effective and modern service delivery
Wards affected	All Wards
Purpose of the report:	To update committee on the activity against a specific action from the internal audit report
Recommendation (s) to the decision maker (s):	To note the activity against this specific action
Period for post policy/project review:	N/A

1 Introduction/Background

1.1 In January 2022, an internal audit report was presented covering an assurance review of Procurement.

The aim of the review was to determine whether the Council's Standing Orders for Procurement are being adhered to across the organisation.

The review identified a specific action point around the number of times the PSO's were being waived and I have been asked to report to this Committee with an update on this recommendation.

Priority 2 Recommendations

Rec	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Procurement Standing Orders (PSOs) were 'set aside' (waived) 40 times during 2020/21, with a value of £6.861m.</p> <p>Procurement non-compliance reports are issued to Assistant Directors and to Group Managers. However, it was noted that such information/ reports are not presented to a 'designated' Committee or to Cabinet.</p> <p>Furthermore, review and testing of a sample of 10 procurement awards, over £25k, identified that three should have been subject to competitive quotes. However, an exception was raised by the Lead which resulted in a waiver being applied.</p> <p>Procurement staff stated this was a common issue due to time restraints, insufficient planning or input sought for commissioning support from the Procurement Department, and a lot of rollover, making it difficult to demonstrate best value.</p>	<p>Periodic formal oversight of organisation-wide procurement activity reports be established and presented to Committee/ Cabinet, with Leads held to account, where concerns are identified.</p> <p>Reports should include the level and nature of procurement non-compliances, for example, bypassing of procurement process requirements, exceptions, where Procurement Standing Orders (PSOs) were waived.</p>	2	<p><i>A report is currently presented to the Finance & Resources Overview Scrutiny Committee every quarter and this includes statistics on procurement activities.</i></p> <p><i>To comply with this recommendation, it is suggested that the organisation-wide activity report that is reported to this committee, also includes the number of times the PSO's have been set aside and other non-compliance issues.</i></p> <p><i>Should members have concerns over the procurement activity, then they can request that the client officer attends the next meeting or provides a written response to the concerns raised by committee.</i></p> <p><i>It is also suggested that the non-compliance report is shared with Senior Leadership Team each quarter.</i></p>	01/04/22	Group Manager Procurement & Contracted Services

2 Key Issues

- 2.1 The management comment to this recommendation suggested that the number of times the PSO's are set aside to award a contract and other non-compliant procurement issues are reported to the Finance & Resources Overview & Scrutiny Committee (FROSC) as part of the quarterly performance reports, it also suggested that the non-compliant report is shared with the Senior Leadership Team (SLT).
- 2.2 The implementation date was set at April 2022, although data was collected from this period, the performance report for FROSC for Q1 does not get presented until September. The performance report was presented in September 2022 and the section on non-compliance was welcomed, it will form part of the performance report on an ongoing basis, with Q2 being presented to FROSC on 1 November 2022.
- 2.3 The tables below shows the procurement activity that has taken place during the first 6 months of 2022/23 where the PSO's have been set aside and the reasons provided, it also shows other non-compliant procurement activities during this period.

Number of times the PSO's 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 18 months before the remaining contracts ends.</p> <p>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> <p>A contract was subsequently awarded to Gristwood & Toms up to the value of £150k</p>	Craig Thorpe
Interim Housing Contract Management Role	<p>To enable the direct appointment of an interim Commercial Contracts Manager until the recruitment of a permanent position is concluded.</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> <p>Contracts were subsequently awarded to MLC Partners up to</p>	Ben Hosier

	the value of £125k.	
Contract	Justification	Responsible Officer
Community Alarm Monitoring Service	<p>Request to approve an exemption to comply with the Council's Commissioning and Procurement Standing Orders and extend the current Community Alarm Monitoring Service for a 12 months period to allow the Council to:</p> <ul style="list-style-type: none"> To allow the organisation more time to look at commissioning process and other options available. Carry out a pre-procurement market engagement with suppliers on developments within the market and any new innovations and provisional costs; Obtain input from tenants; To consider other models for the delivery of a community alarm monitoring service. <p>This will allow sufficient time for the department to review alternative models for service delivery and future proofing of the service with a view to obtaining best value for money. The current contract was due to expire on 27th June 2022, by extending for twelve months it will now end on 29th June 2023</p> <p>The decision was made to extend the contract for a further 12 months as opposed to a 6 month extension to allow the Council enough time to look at other options available such as bringing the service in house or commissioning to an external agency and making sure the service users safety is not compromised whilst carrying out the process.</p> <p>A contract was subsequently extended with Tunstal Healthcare (UK) Ltd up to the value of £104k</p>	Oliver Jackson

2.4 During 2020/21 the PSO's were set aside on 40 occasions, during the first 6 months of 2022/23 it has happened on 3 occasions.

Non-Compliant expenditure

Contract	Value	Reason	Responsible Officer	Mitigation
Fixed Telecommunications	£65,000	Contract expired	Vacant Post	New tender submissions being evaluated – contract award likely in next few weeks
Banking Services	£26,000	Contract expired	Fiona Jump	Re-commissioning of Banking Service commenced in June 2022
Supply of Sacks for Environmental Services	£40,000	Contract expired	Craig Thorpe	Recommissioning of new supply commenced in June 2022
Temporary Agency Staff	£2,000,000	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	£500,000	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.				
Contract	Value	Reason	Responsible Officer	Mitigation
Nurse-led Absence Management	£35,000	Contract expired	Matt Rawdon	Recommissioning of new service commenced in June 2022
Car Salary Sacrifice Scheme	£48,000	Contract expired	Matt Rawdon	Recommissioning of new service commenced in June 2022
Verge Hardening Programme	£350,000	Contract expired	Karen Proudfoot	There is a need to obtain authority to extend the current agreement
Supply of Bins & Caddies	TBC	No contract in place	Richard Le Brun	Commissioning of new supply to commence
Haulage of Waste from Cupid Green	TBC	No contract in place	Richard Le Brun	Commissioning of new contract to commence
Supply & Fitting of Tyres to Commercial Fleet	TBC	No contract in place	Richard Le Brun	Commissioning of new supply to commence
Supply of Grounds Maintenance Equipment	TBC	No contract in place	Richard Le Brun	Commissioning of new supply to commence

2.5 The above expenditure has either taken place with contractors/suppliers where the existing contract has expired and a new one is not yet in place, or where there is not a contract in place and a new commissioning process has commenced to put a contract in situ.

2.6 It was also suggested in the internal audit report that the procurement data would be shared with SLT on a quarterly basis, however, since this comment was provided, the Council have set up a Commercial Board that oversees all commissioning and procurement activity above £75k and since April 2022, all non-compliant procurement activity has been presented to Commercial Board on a monthly basis (as part of the procurement forward plan) and it has been agreed that rather than present this information to SLT, that the appropriate place for this to be presented is the Commercial Board.

3 Options and alternatives considered

3.1 The management comment against the recommendation was the agreed activity to satisfy the identified action, there were no other options or alternatives considered.

4 Consultation

4.1 Consultation was not required as the recommended action was as a result of an internal audit report

5 Financial and value for money implications

5.1 Reducing the number of times that the PSO's are set aside will play a key role in supporting the Council's Medium Term Financial Strategy and in driving value for money across all areas of the Council.

6 Legal Implications

6.1 Reducing the number of times that the PSO's are set aside will minimise legal implications for the Council.

7 Risk implications:

7.1 Reducing the number of times that the PSO's are set aside will minimise risk implications for the Council.

8 Equalities, Community Impact and Human Rights

8.1 Reducing the number of times that the PSO's are set aside will increase equalities for the supply market.

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

9.1 Reducing the number of times that the PSO's are set aside will improve sustainability implications.

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

10.1 Reducing the number of times that the PSO's are set aside will improve help & safety implications

11 Conclusions:

11.1 The assurance review of Procurement identified that the PSO's were being set aside on a case by case basis, but without the holistic view of this activity being reported to members.

It was recommended that the relevant Scrutiny committee should be informed of this activity.

This activity is now presented to the committee on a quarterly basis.

Since the audit took place, the Council have developed a commercial board who meet every 2 weeks to discuss all commercial activities of the Council, this includes the commissioning and procurement of all third party contracts.

Any request for the PSO's to be set aside for a direct award of a contract must first be presented to Commercial Board for approval, which has resulted in a decrease in the number of times the PSO's have been set aside.



Cabinet

Report for:	Cabinet
Title of report:	Medium Term Financial Strategy 2022/23 – 2026/27
Date:	18 th October 2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – Medium Term Financial Strategy 2022/23 – 2026/27 Appendix B – General Fund Reserves Summary
Background papers:	Budget 2022/23; Cabinet, February 2022 MTFS 2021/22; Cabinet, September 2021 Commercial Strategy update; Cabinet, March 2022, July 2022, September 2022 Customer Services Transformation; Cabinet February 2022
Glossary of acronyms and any other abbreviations used in this report:	DLUHC – Department of Levelling Up Housing and Communities GF – General Fund NHB – New Homes Bonus MTFS – Medium Term Financial Strategy RSG – Revenue Support Grant SFA - Settlement Funding Assessment

Report Author

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Responsible Officer

Nigel Howcutt, Chief Finance Officer



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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 present to Cabinet the revised Medium Term Financial Strategy for ca approval.
Recommendation (s) to the decision maker (s):	<p>It is recommended that Cabinet recommend to Council the approval of the revised Medium Term Financial Strategy for the period 2022/23 – 2026/27, including recommendations;</p> <ol style="list-style-type: none"> 1. To note the financial projections within the 5-year Medium Term Financial Strategy and to approve the Strategy, 2. A General Fund savings target of £1,799k be approved for the 2023/24 budget-setting process; 3. A four-year General Fund savings target of £3.6m be approved for the duration of this Medium Term Financial Strategy; 4. The Chief Finance Officer will work with the Council's Senior Leadership Team and Portfolio Holders to deliver options that will achieve the saving targets identified within the strategy; 5. The Financial Planning Framework is approved to support the budget-setting process for 2023/24; 6. The Chief Finance Officer be requested to revise the Medium Term Financial Strategy and re-present to Cabinet and Council for approval if material changes to forecasts are required following future Government announcements.
Period for post policy/project review:	The Council's financial Medium Term Financial Strategy is reviewed annually.

MEDIUM TERM FINANCIAL STRATEGY

2022/23 – 2026/27

Author	Nigel Howcutt, Chief Finance Officer (S151)
Responsible officer	Nigel Howcutt, Chief Finance Officer (S151)

Date of publication	October 2022	Date of last version	September 2021
Version no.	1	Date of expiry	September 2023
Associated documents: MTFS 2021/22; Cabinet, September 2021			

DACORUM BOROUGH COUNCIL MEDIUM TERM FINANCIAL STRATEGY 2022/23–26/27

September 2022

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Council Infrastructure and Statutory Officer Comments

Appendix B – General Fund Reserves Summary 2022/23 – 2026/27

1 Executive Summary:

- 1.1 This report renews the Council’s Medium-Term Financial Strategy (MTFS), which is the Council’s overarching financial planning document. The MTFS will contain forecasts for the financial position of the Council’s General Fund revenue budget over a five-year period from 2022/23 to 2026/27. It also provides a framework within which the Council undertakes financial planning for its key funds.
- 1.2 This report recommends that Cabinet agree for recommendation to Council the General Fund medium-term revenue budget forecast and the associated strategy to deliver the setting of a balanced budget for 2023/24 and subsequent years, as the basis for consultation on the Council’s budget plans with residents, businesses and other stakeholders.
- 1.3 There continues to be a high level of uncertainty over the medium-term outlook due to the Government’s short-term funding settlements, delays in local government funding reforms, the post pandemic period and the potential impacts of the current cost of living crisis. At this stage, the overall funding envelope for local government is not entirely clear, with 1 year budget settlements by Government being issued since 2019. Some redistribution of central Government funding as part of the Levelling Up agenda is anticipated, and this is likely to have a negative impact on Dacorum and district councils’ funding.
- 1.4 The General Fund budget forecasts will be used to inform final decision-making in setting the revenue budget, capital programme and Council Tax for 2023/24 in the budget report to Cabinet and Council in February 2023. They will also be used as the basis for engagement and consultation with Members, officers, residents, businesses and other stakeholders in reaching budget setting decisions for 2023/24.
- 1.5 The General Fund medium-term revenue budget forecast presented as part of the Budget report in February 2022 had a projected 4 year Medium Term Savings requirement of £2.6m, and a residual budget gap of £1m for 2023/24. The Council has reviewed MTFS assumptions over the first two quarters of 2022-23, and the current Medium Term Financial Strategy now has a savings requirement of £3.6m over the next 4 years.
- 1.6 The Total Savings Requirement for 2023/24 is £1.8m and, at present, there is no residual budget gap for 2023/24. Although there is no residual budget gap for 2023/24, the volume of savings identified and yet to be delivered - £1.8m - exceeds the levels achieved by the Council in any previous year, and the implementation and delivery of strategies to achieve these savings over the next 18 months is paramount.
- 1.7 This report also contains the proposed Capital and Investment Strategy and proposals to re-profile the General Fund capital programme for 2023/24 onwards. As with the revenue budget, engagement and consultation will take place prior to final decision-making over the capital programme for 2023/24 to 2026/27, in the budget report to Overview and Scrutiny Committee and then Cabinet and Council in February 2023.

2 Context of the Medium-Term Financial Strategy

Local Authority Funding.

- 2.1 The last local government medium-term funding settlement provided by government ended in 2019. Since 2019, Local Authorities have been provided with annual settlements, awaiting a government “Fair Funding Review” that would reassess a local authority’s “funding need” and develop a mechanism to fund this requirement on an ongoing sustainable method. This period of uncertainty has made medium term planning extremely difficult.

- 2.2 In February 2022, the government released the white paper on the “Levelling up agenda”, that would form the basis for local government funding, which would replace the Fair Funding Review and would set out the criteria and methodology for apportioning Local Government funding across the country. This paper did not detail the specific mechanics but started a process to develop a methodology for a medium-term Local Authority funding mechanism. The Levelling Up mission aims to challenge perceived issues around over-concentration of economic growth in specific areas, particularly the South East of England, and to spread opportunities and improve public services more equitably.
- 2.3 The Levelling Up agenda is expected to re-allocate funds to Authorities that provide social care, education and public health services in geographical areas with higher levels of deprivation. Dacorum Borough Council does not provide these services directly, and is considered by central government as an area of affluence with pockets of deprivation, a high tax base, and a significant ability to achieve additional income streams. On this basis it is considered unlikely to benefit through the Levelling-Up agenda
- 2.4 In June 2022, DLUHC announced that, although the details of the local authority funding mechanism are still being developed, local authorities would be provided with a 2 year funding settlement for the period 2023- 2025. This will provide more certainty that the Council has had in the last 3 years but this settlement is unlikely to be announced prior to December 2022.
- 2.5 The new prime minister presented a mini budget in September 2022 that outlined support for energy bills, and tax reductions that are expected to require the government to make savings efficiency across government departments. Although the details are pending, this could lead to cuts to Local Authority funding.

3 Economic Climate

- 3.1 In addition to the uncertainty of government funding, the wider economic environment remains very challenging, as it has done since the start of the pandemic in 2019. In a post-Covid environment, the Council’s services are returning to a “new normal” way of working that brings new challenges and opportunities. The behaviours of residents and business changed over the pandemic period and, at present, it is still uncertain how much behaviours may, or may not, return to pre-pandemic habits. This has had a significant impact on income streams such as parking and also key service areas such as waste services.
- 3.2 In addition to this, the current global cost of living crisis, exacerbated as a result of Russia’s invasion of Ukraine, is having a significant Impact. The direct impact on the Council is the requirement to financially support the growing inflationary cost pressures to deliver our services, such as employee supplies and utility cost growth, as well as capital investment growth. Indirectly the impact on residents and businesses is likely to;
 - Increase the demand for Council support services,
 - Decrease the demand for Council’s discretionary fees based services,
 - Reduce the collection rates on Council Tax and Business Rates
 - Increase the need to support those that are financially vulnerable
- 3.3 At present the national debt levels are projected to be the highest seen in peace time and it is not anticipated that central government will provide additional funding to Local Authorities to support them through the cost of living crisis. DLUHC officials have stated on many occasions that local authorities should not be reliant on additional central government funding announcements to balance the books.

4. Financial Planning Framework

The Financial Planning Framework, shown below, demonstrates the process by which the Council ensures that revenue and investment plans are developed in tandem, and that the annual budgets

approved by Council each February are developed within the context of longer-term sustainability. It also demonstrates the consultation the Council undertakes with major stakeholders as part of the budgeting process.

January – June	All key corporate strategies are reviewed or refreshed. This financial year this has included the Commercial Strategy, Transformation Strategy, People Strategy, Investment Strategy, Digital Strategy and Place Strategy.
April – June	Service Leads/Budget Holders develop Service Plans that are in line with the key corporate priorities and strategies, in consultation with SLT and Portfolio Holders, for the following 2 years. These plans include revenue and capital bids and highlight new savings proposals and budgetary pressures.
July	The new financial year financial monitoring begins, and the approved budget is then assessed at Quarter 1 under the in-year budget performance monitoring process.
September	The final 2021/22 audited accounts are provisionally approved by the Audit Committee. Proposed MTFS communicated.
September – October	The revised MTFS position is communicated widely and the finalised savings/growth proposals and budget changes are scrutinised and challenged by the Strategic Leadership Team and the Budget Review Group and presented to Scrutiny. Cabinet approves the revised Medium Term Financial Strategy.
November	Draft budget proposals presented to Joint Overview & Scrutiny Committee, for Members' scrutiny.
November – December	Provisional Local Government Finance Settlement announced by Government, which sets the level of grant the Council will receive over the next year(s). Consultation events held with Town and Parish Clerks and Members, and with members of the public.
January	Feedback from November Joint OSC is considered by the Budget Review Group, and incorporated into final budget proposal presented to members.
February	Final budget report presented to Cabinet for recommendation to Council. Council considers the recommendations of Cabinet for approval. An updated MTFS fiscal plan will be presented alongside the 2023/24 budget.

5. Review of the Council's Primary Funding Streams

Core Baseline Funding

- 5.1 The Council's previous last multi-year funding assessment was issued for the 4 year period 2016 - 2019/20. The government ascertained, at the time, that Dacorum's assessed Level of Need was £2m per annum of government funding.
- 5.2 The Council's Medium Term Financial Strategy modelled that the level of government funding would reduce year on year from that point onwards in line with recent government funding policy. The political changes occurred in 2019, and the pandemic followed, resulting in a series of one year Covid-impacted settlements that the Council utilised to support the pandemic response.

- 5.3 The current economic environment, as set out in section 3, is uncertain. The current cost of living pressures, combined with the expectation that the Government will need to reduce spending, is likely to reduce Local Government funding from Government in real terms year on year. At present, the levels of local authority funding for 2023/24 onwards are extremely uncertain, with no clear understanding of what efficiencies may be required or whether 2021 Spending Review funding projections will be maintained.
- 5.4 As yet, there has been no formal confirmation of government funding arrangements for 2023/24 and beyond. It is prudent to assume, in this version of the MTFS, that base level of funding will match the most recent government assessed Level of Need, with gradual annual reductions in subsequent years to achieve self-sufficiency by 2025/26. If future reductions are not as significant in the medium term then the Council will have a one-off benefit that can be used to fund future one-off expenditure.
- 5.5 Confirmation of the funding allocation for 2023/24 is expected in December 2022. Any additional information given at that time regarding future years' funding will be reported to Members as part of the budget-setting process.

Council Tax

- 5.6 The current government funding model and assessment of need assumes that each authority maximises the revenue it can raise locally each year, and that any grant funding awarded will reflect this assumption. In other words, any Authority that does not increase Council Tax by the maximum permissible amount is likely to be operating below the overall level of funding that Government deems necessary to remain sustainable.
- 5.7 Under current legislation, district councils are permitted to increase Council Tax by the higher of £5 or 1.99% per Band D without triggering a referendum. The current MTFS assumes an annual Council Tax increase of the maximum currently permissible, i.e. £5 per Band D.
- 5.8 In recent years, and given recent changes to the tax system, the Local Government Finance Settlement may grant additional freedoms to increase Council Tax to higher levels, e.g. 2.99%. If additional options were to be offered again, it is recommended that the Council revisits the current assumptions and takes steps to keep pace with Government's underlying assumptions on financial sustainability.

New Homes Bonus

- 5.9 New Homes Bonus (NHB) is an historic scheme paid to Local Authorities as an incentive to stimulate local housing growth, and takes the form of a grant payable to the Council linked to year-on-year growth in the tax base. The first 0.4% of growth attracts no NHB, but for growth above this point, each Band D equivalent attracts an annual payment of £1,671 per annum for a 3-year period. Affordable Housing units attract an additional £350 per unit bonus payment.
- 5.10 Based on information provided in the 2022/23 Settlement, the NHB payment forecast in 2023/24 will be the final one received before Government brings the scheme to an end. The assumed amount is based on housing numbers already delivered in previous years and is not therefore expected to be subject to material amendment. Members will be updated on any information related to the possible future of the NHB scheme following the December Settlement.
- 5.11 The MTFS recommends a continuation of the Council's previous strategy regarding NHB, i.e. that it is allocated to reserves for future one-off expenditure, rather than being built into the baseline budgets and the Council becoming reliant on it for the ongoing delivery of its services. This means that if the NHB scheme is withdrawn or dramatically restricted at short notice, the Council will not immediately face additional revenue savings pressures.

6. Review of MTFS assumptions

Update of General Fund budget assumptions

6.1 The basic principle of the MTFS model is to extrapolate the current year's approved budget, in this case 2022/23, over the next four years. The extrapolation process incorporates assumptions on government grant, inflation, changes in demand for services, changing legislation, and probable risks and opportunities.

Update of MTFS assumptions based on other information

6.2 A range of information sources have been used to inform the updated assumptions shown within the following table. The rationale behind estimates is shown in the notes below. Further sensitivity modelling will be undertaken as new information becomes available.

Table 1: Budget Assumptions.

	Note	2023/24	2024/25	2025/26
Income				
Council Tax	1	3.33%	3.28%	3.28%
Baseline Govt Funding	2	£2m	£0.8m	£0m
Business Rates Growth retained	2	0%	2%	2%
New Homes Bonus	3	£450k		
Fees & Charges	4	5%	2%	2%
CT Collection Rate		99.4%	99.4%	99.4%
Expenditure				
Pay settlement	5a	4%	3%	3%
Pay: contract increments	5b	0.5%	0.5%	0.5%
Pension contributions	6	-1%	0%	0%
Utilities	7	20%	20%	5%
Fuel	8	20%	20%	5%
Supplies & Services	9	5%	5%	5%

Notes:

1. Increase by £5 per Band D plus a 1% increase in tax base
2. Based on the last Government assessment of DBC need set at £2m. Funding reducing going forward as a combination of the reintroduction of a form of negative RSG/LU allocation and the ongoing strategy to achieve self-sufficiency by 2025/26. Government Business Rates Rebase expected in 2023/24.
3. New Homes Bonus not included in the baseline funding and is allocated to reserves.
4. Fees and charges Full Business Case review underway, to be completed by the end of October 22. The present assumption assumes an average increase in fees and charges of circa 4%.
- 5a. An increase to the 22/23 baseline budget of 5.92%. This is 3.42% greater than expected, is in line with the current pay award, and is included in the MTFS. Future 2023/24 projections have been increased given current inflation and wage growth assumptions.
- 5b. Based on actual increments due and historical staff turnover rates.

6. A decrease to the annual pension fund contribution is projected as part of the 2022 triennial review. Any one off contributions uncertain at this point, assumption is that this will be funded through reserves if required.
- 7-9 Increases to the projected costs of fuel, utilities and Supplies and Services have been made in line with assessment of the current contractual arrangements and the impact of current high inflation levels.

Fees and Charges Policy

- 6.3 The fees and charges set by the Council are subject to annual review as part of the budget-setting process. Changes made between years are included within the annual Budget Report, and are subject to Council approval. The key principles behind charging are that:
 - discretionary charges should recover costs unless the strategy is to provide a particular service at a subsidy;
 - discretionary income should be optimised through appropriate commercial charges; and,
 - robust systems of discounts or concessions should be in place for those who would otherwise find that they could not access services, where deemed appropriate.
- 6.4 Provision of many Council services is a statutory requirement and charges for access to these are determined as part of that requirement. The Council therefore has no discretion in setting these fees, although there is an expectation that statutory fees setting will see significant increases in 2023/24.
- 6.5 A thorough review of the true cost and effectiveness of providing statutory services must be undertaken on a regular basis to ensure that the fees charged meet the cost of service provision wherever possible. Where any review indicates an under- recovery of cost, alternative methods of service provision and comparison with other comparable authorities must be undertaken to identify opportunities for minimising the liability to the Council.
- 6.6 The Local Government Act 2003 includes a general power for Councils to charge for discretionary services i.e. services that an authority has the power, but no obligation, to provide. Some discretionary charges are governed by alternative legislation, in which case this general power does not then apply.
- 6.7 Increases for the annual review of fees and charges have been included in the MTFS projections based on the approach of;
 - Continuing full cost recovery policy for services,
 - Achieving income to offset the increase in service delivery costs due to inflationary pressures, or an
 - Increase of circa 5% or more where applicable on discretionary fees and charges,
- 6.8 The full business case review is at present underway and final fees and charges will be approved as part of the budget setting process.

General Fund Working Balances and Earmarked Reserves

- 6.9 The Council's Reserves Strategy is integral to the MTFS because it demonstrates how the Council augments its annual ongoing running costs with plans to finance specific items of one-off expenditure over the medium-term. The Strategy is reviewed annually, and was most recently approved by Council within the 2022/23 Budget Report, in February 2022.
- 6.10 The Council holds two types of reserve. These are:

- a. **Working balances**, which are required as a contingency against unforeseen events and to ensure that the Council has sufficient funds available to meet its cash flow requirements. The Local Government Act 2003 requires the S151 Officer to report on the adequacy of financial reserves when setting the General Fund budget requirement for the year. This requirement was met within Appendix N of the Budget Report to Cabinet in February 2022.
- b. **Earmarked reserves**, which are funds approved by Members to finance specific items of future expenditure. The Council's Financial Regulations dictate that Earmarked Reserves can be created only by Member approval, and that all subsequent transfers to and from those reserves also require Member approval.

6.11 In accordance with best practice, the General Fund Working Balance is maintained at a level between 5% and 15% of Net Service Expenditure.

7. Emerging Risks and Opportunities

7.1 The MTFS assumptions are kept under constant review by officers and Members and will be kept up-to-date on an ongoing basis. The robustness of the assumptions in a constantly changing economic environment requires careful scrutiny to ensure that the MTFS remains sustainable.

7.2 At this point in the annual update this scrutiny process has raised several other areas of change that are proposed in this MTFS. These include:

Car Park Income Pressure

7.3 The car parking income was consistent in a pre-Covid environment but, since 2020, demand for car parking has dropped significantly. While usage is showing signs of recovery in 2022, following the relaxing of COVID restrictions, footfall remains down and there may be a longer lasting impact on income as a result of behavioural changes to work and shopping patterns. In the first quarter of 2022/23, the service is reporting a shortfall in demand and income of circa 15% - £450k. As a result of this reduction in demand, it is assumed that there will be an income shortfall of £450k in 2023/24.

Service Planning

7.4 The annual Service planning process was undertaken by officers in the spring of 2022 and as a result a £200k growth has been applied across the Council to ensure service delivery standards can be maintained.

Treasury Management

7.5 The impact of increasing interest rates and the independent projections for further future increases, will result in a greater return on our treasury management activities, and the Council is already benefitting in the first half of 2022/23. During 2023/24, Link (Dacorum's Independent Treasury Advisers) project the Bank of England (BoE) base rate to increase to 5%, an increase of 4% on the 2021 projections. It is projected that the BoE interest rates will, in part, be reflected in the investment markets and the Council will be able to achieve an additional £250k of investment returns in 2023/24.

8. Corporate Strategy

8.1 The Corporate Plan is the driving mandate that the Council strives to achieve and, in order to do that, the MTFS is one of several key corporate strategies that support the delivery the Corporate Plan objectives. To ensure a sustainable MTFS is achievable, it is essential that Corporate Strategies evolve and develop as an intrinsic part of the wider Council MTFS. During the last year, the Council has been developing several core strategies that form the foundations of the 2022-23 MTFS, in particular the savings identified to date.

- 8.2 There are 3 developing strategies that are fundamental to the delivery of a sustainable MTFS and these are;
- Commercial Strategy
 - Transformation Strategy
 - Place Strategy
- These three strategies are currently at different development stages and either have, or will be, presented to Members in detail, but their role in the MTFS assumptions at this stage is significant.

Commercial Strategy

- 8.3 The Commercial Strategy was approved by Cabinet in September 2022 and is a wide ranging strategy to deliver a change in culture and approach to ensure that the Council embeds a more agile and commercially aware operating model that will leverage maximum value from the Council's assets and resources, to create a financially sustainable organisation that meets the needs and expectations of residents.
- 8.4 At present officers are developing Business Cases for 10 opportunities identified during the initiation of the Commercial Strategy. The Business Cases will be completed over the autumn/ winter of 2022-23 and will form part of an ongoing commercial programme of work to explore opportunities to improve services and their cost effectiveness, whilst also identifying ways of generating additional financial income.
- 8.5 Until the Business Cases are completed, the potential for efficiencies and income generation cannot be confirmed, so the MTFS has assumptions built in that will be reviewed over the coming months, as part of the budget-setting process. The MTFS projects that this programme of work will develop and expand from a savings delivery of £385k in 2023/24 to deliver £1m by 2026/27.

Transformation/Change Strategy

- 8.6 The Council is also developing a wide ranging Transformation/Change agenda to develop and modernise current service delivery. This programme has a strong focus on the customer and the workforce, as outlined in the recent Customer and People strategies.
- 8.7 The newly established Corporate Programme Management Office is supporting Change and Development projects across the Council, and resources are being provided to support this programme.
- 8.8 The 2 largest Change projects included in the current 2022/23 MTFS are;
- Customer Services Strategy. A new focused approach on customer contact and interaction across the council, putting the customer first. In addition to improving customer satisfaction, this project is expected to achieve efficiency savings of circa £200k in 2023/24.
 - Waste Transformation strategy. The Waste service is the largest front line service in the Council and hence has the largest regular customer contact and the largest use of Council resources. This service has been under significant service pressures throughout the pandemic and this transformation project aims to transform the service processes and operational activities. The project is aiming to reduce Council Waste Service costs by over £1.4m over the next 2 years with a budgeted saving of circa £600k in 2023/24 and a further £200k in 2024/25. As part of this process, the project is reviewing all elements of the Waste collection service to achieve operational process improvements; including in areas of route optimisation, asset maximisation, discretionary services and the use of temporary resources.

Place Strategy

- 8.9 The Place Strategy is still under development, with both officers and members involved in the Strategy development. The overall Place Strategy will include large projects such as;
- Hemel Garden communities programme,
 - Hemel Place Strategy, and the
 - Town Centre Strategy and Old Town Place approach

The revised MTFS contains the assumption that, any direct investment required to deliver the Place Strategy, will make a return that covers the costs of that investment. As this Strategy evolves, the financial impact and sustainability of proposals will be assessed and reported to Members.

9. General Fund Medium-Term Savings

- 9.1 Based on the assumptions detailed throughout this strategy, and the need to maintain the desired level of General Fund working balances, the total Savings Requirements over the MTFS is £3.6m.
- 9.2 The Council has a four-year savings plan in recognition that the delivery of savings opportunities has grown increasingly complex in recent years and these opportunities require a longer lead-in time to ensure successful delivery. As a result of this, the Total Savings Requirement comprises two elements which reflect the fact that the Council has a number of initiatives already underway to deliver savings in future years. The table below provides a breakdown of the savings requirement, and is followed by a brief explanation of each element.

Table 2: Medium Term Financial Savings Requirement.

		2023/24	2024/25	2025/26	2026/27
a.	Savings identified, but still to be delivered	£1,800	£840k	£110k	£30
b.	Savings still to be identified	£0k	£700k	£0k	£130k
	Total Savings Requirement	£1,800k	£1,540k	£110k	£160k

- a. **‘Savings identified but still to be delivered’** – refers to those savings initiatives already identified by budget holders as deliverable in future years. These savings, particularly the £1,790k identified for 2023/24, is considered a risk as the size of the savings are significant and the timeline for delivery is limited. Any slippage in delivery for these projects impacts the 23/24 budget.

To mitigate the risk of delayed delivery, the delivery projects are scrutinised as part of the corporate governance boards and budget holders’ progress against these initiatives is tracked. As part of the quarterly financial performance reports, all approved savings efficiencies are scrutinised by Finance and reported to SLT in regards to their delivery. Updates are reported to Members of Overview & Scrutiny Committees and Cabinet as part of the quarterly Budget Monitoring reports.

- b. **‘Savings still to be identified’** – refers to additional initiatives that must be put in place prior to the subsequent budget setting process for the following year, in order to meet the Total Savings Requirement. These initiatives will be identified through the annual service plan and budget-setting process detailed within the Financial Planning Framework.

10. Key Risks

- 10.1 In addition to the funding risks highlighted in earlier sections of this report, the following section outlines some of the emerging risks that have not been incorporated within the MTFS. These risks will be monitored and members will be kept updated on any potential implications.

Discretionary Income Generating Services

- 10.2 The Council collects circa £17m from charges for services and circa 50% of this income is for services that residents impacted by the cost of living crisis could choose to not purchase or purchase less of. This would include garage rental, car parking, planning services and other discretionary services.

Council Tax Collection

- 10.3 The council collects circa £110 million of council tax on behalf of its preceptors, of which we retain circa £14m to fund the baseline budget to fund essential core Council services. As household budgets become more challenging, financially vulnerable residents in Dacorum may need to choose which bills to pay. Council Tax could be perceived as less essential than utilities, food and clothing. If the Council Tax collection rates fall, this will impact the ongoing funding to the Council in the medium term and lead to further future funding pressures.

At present, collection rates are in line with expectations and this will be closely monitored over the autumn and winter periods.

Borrowing Costs

- 10.4 The MTFS, at present, has no requirement to externally borrow in 2023/24. If a need arises to borrow for investment, or to support the strategic objectives, the current interest rate increases have had a significant impact on the current cost of borrowing. At present PWLB 50 year loans have an interest rate of 4.8%, which is more than double the same time last year, and would mean for every £1m the Council borrows it will incur annual interest charges of £48k p.a.

Refuse Service

- 10.5 The Refuse Service is creating a financial pressure of circa £600k in 2022/23 and as detailed in section 8, the transformation project relating to this service is significant. A failure or delay to this project would lead to additional financial pressures in 2023/24.

Recruitment and Retention Issues

- 10.6 In common with other local authorities within Hertfordshire, the Council has, in recent years, faced challenges in the recruitment of staff with professional qualifications e.g. within Finance, Legal, Surveyors, Planning, and Environmental Health. In the short-term, this can cause a revenue pressure as the Council is forced to increase its use of (more costly) agency staff in order to maintain service provision. Council officers continue to work with neighbouring authorities to identify a strategic solution to future recruitment needs.
- 10.7 Any increase in pay levels greater than the inflationary assumptions assumed in this MTFS would result in additional financial pressure on the council. An additional increase of 1% in pay would result in an annual budgetary pressure of c£200k.

11. Housing Revenue Account (HRA)

- 11.1 The HRA Business Plan plans to deliver the Council's housing objectives over a thirty year period. The long-term perspective is necessary to ensure sound investment decisions; both in terms of the Council's new build programme and in maintaining existing stock.
- 11.2 A revised HRA business plan is presently being developed and this will be presented to Members alongside the HRA 2023/24 budget for formal approval.

12. Capital Resources

- 12.1 Capital expenditure is defined as expenditure incurred on the acquisition or creation of assets needed to provide services for a period in excess of one year; such as houses, vehicles, public buildings, play areas, ICT, etc.
- 12.2 Capital grants and borrowing can only be spent on capital items and cannot be used to support revenue budgets. However, it should be noted that revenue funds can be used to support capital expenditure. Under the Local Government Act 2003, each council can determine how much it can borrow within prudential limits. All borrowings must be financed from the total available resources of the Council.

Flexible use of capital receipts

- 12.3 Within the 2016 Settlement, Government provided new flexibility for Local Authorities to use capital receipts from the sale of property, plant and equipment to support upfront revenue expenditure on transformational projects that will deliver ongoing efficiency savings. Councils can only use capital receipts from sales made since the date of this announcement, and cannot use existing capital balances for revenue spending. The Council retains the ability to make use of this facility in future. On completion of the transformation programme, depending on the details, there is likely to be the option to support this programme through flexible use of capital receipts.

Capital Spending Plans 2022/23 to 2026/27

- 12.4 The Council's approved General Fund Capital Programme for the current, and future, years is summarised below:

	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Planned Capital Expenditure	9.0	30.3	29.2	8.1	2.9

- 12.5 The Council's Capital Programme is currently fully funded until 2024, the only borrowing being a loan of £19.4m taken in May 2015. The loan is structured over a portfolio of 23 remaining loans, with one maturing each year. The loan was taken from the Public Works Loan Board (PWLb), at favourable rates, around 60 basis points above gilts, and resulted in an average initial interest rate of 2.98%.
- 12.6 The Council is required to pay off an element of borrowing each year through a revenue charge, the Minimum Revenue Provision (MRP). The Council's Treasury Management Strategy, approved by Cabinet in February 2022, sets out the Council's policy to, at a minimum, pay off the debt over the life of the asset associated with the borrowing. This policy has been applied to the MTFS forecasts.
- 12.7 The full impact of borrowing costs of the current Capital Programme on the Council's revenue budgets is reflected in the forecasts included in this strategy. However, the Council continues to examine the potential for further investment in a number of capital projects. The costs associated with these projects have yet to be finalised, and thus, at this stage, there is no provision for their funding within the MTFS. The implications of further borrowing will be considered as part of any decision to progress with these initiatives.
- 12.8 The financing of the Capital Programme will continue to be supported through the following prioritisation of funds: firstly, appropriate application of grant funding; secondly, use of contributions and capital receipts generated from the sale of Council assets; and, thirdly, through undertaking prudential borrowing.
- 12.9 The approved General Fund Capital Programme is financed as follows:

Table 3: General Fund Capital Funding.

	2022/23	2023/24	2024/25	2025/26	2026/27
	£m	£m	£m	£m	£m
Capital Receipts and Reserves	7.0	29.6	0.1	0	0
Capital 141 Receipts	0.8	0	0	0	0
Borrowing	0	0	28.3	7.4	2.2
Grants and Contributions	1.2	0.7	0.8	0.7	0.7
Total	9.0	30.3	29.2	8.1	2.9

13 Financial and Value for Money implications

Contained within the body of the report

14 Legal Implications

The Council has a statutory responsibility to make arrangements for the proper administration of its financial affairs. This report forms part of these arrangements.

15 Equalities, Community Impact and Human Rights

15.1 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.

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

16 Sustainability implications

The projects summarised in this strategic report will be required to undertake any relevant sustainability assessment and ensure that sustainability implications are assessed accordingly.

17 Council infrastructure

The content of this report sets out the implications of the Council's activities on its medium term financial outlook and sets out the financial strategy for the use of resources.

18 Statutory Comments

Monitoring Officer

The MTFS is an essential strategy to ensure that the Council has appropriate governance and oversight of its financial position and this report provides that overview and financial planning for the medium term.

S151 Officer Comments

This is a S151 Officer report.

APPENDIX A - GENERAL FUND MEDIUM TERM FINANCIAL STRATEGY					
	Approved 2022/23	Estimate 2023/24	Estimate 2024/25	Estimate 2025/26	Estimate 2026/27
	£000	£000	£000	£000	£000
Service Expenditure & Income					
Employees	27,600	32,285	29,909	30,913	31,947
Premises	5,199	5,395	5,570	5,699	5,832
Transport	1,800	1,931	2,003	2,087	2,176
Supplies & Services	8,018	8,281	8,257	8,270	8,436
Third-Parties	987	847	863	881	898
Transfer Payments	47,146	47,146	47,146	47,146	47,146
Capital Charges & Bad Debts	4,916	4,922	4,925	4,927	4,930
Income	(69,167)	(71,514)	(73,806)	(74,941)	(75,544)
Recharge to HRA	(5,084)	(5,777)	(5,951)	(6,129)	(6,313)
Cumulative Savings	0	0	(0)	(708)	(709)
Net Cost Of Services	21,415	23,515	18,916	18,145	18,798
Less:					
Interest Receipts	(300)	(605)	(605)	(605)	(605)
Interest Payments & MRP	1,029	1,083	1,083	1,083	1,083
Reversal of Capital Charges	(4,802)	(4,802)	(4,802)	(4,802)	(4,802)
Revenue Contributions to Capital	0	0	0	0	0
Net movement to/(from) Earmarked Reserves	(1,390)	(2,448)	601	343	343
Budget Requirement General Fund	15,952	16,742	15,192	14,164	14,817
Parish Precepts	1,015	1,069	1,105	1,141	1,178
Budget Requirement Including Parishes	16,967	17,811	16,297	15,305	15,995
Funded by:					
Use of General Fund Balance	0	0	0	0	0
Business Rates Retained	(2,904)	(3,281)	(3,191)	(3,250)	(3,311)
Revenue Support Grant	0	1,514	2,403	3,247	3,247
Pilot Business Rates Funding	0	0	0	0	0
New Homes Bonus	(1,294)	(450)	0	0	0
Other Government Grants	(343)	(346)	0	0	0
Council Tax (Surplus)/Deficit	402	200	0	0	0
Business Rates (Surplus)/Deficit	1,023	(1,111)	0	0	0
Net Expenditure before Council Tax	13,851	14,338	15,509	15,301	15,931
Demand on the Collection Fund	(13,851)	(14,337)	(14,815)	(15,301)	(15,803)
General Fund Balance B/Fwd	(2,502)	(2,502)	(2,502)	(2,502)	(2,502)
In year use	0	0	0	0	0
General Fund Balance C/Fwd	(2,502)	(2,502)	(2,502)	(2,502)	(2,502)
Total Savings Requirement		1,799	1,541	114	160
of which,					
Savings identified, and already delivered		0	0	0	0
Savings identified, but still to be delivered		(1,799)	(847)	(113)	(31)
Savings still to be identified		0	694	1	129

General Fund Reserves Summary	Balance as at 31/03/2022 £'000	Net Reserve Movement 2022/23 £'000	Balance as at 31/03/2023 £'000	Net Reserve Movement 2023/24 £'000	Balance as at 31/03/2024 £'000	Net Reserve Movement 2024/25 £'000	Balance as at 31/03/2025 £'000	Net Reserve Movement 2025/26 £'000	Balance as at 31/03/2026 £'000	Net Reserve Movement 2026/27 £'000	Balance as at 31/03/2027 £'000
Civic Buildings Major Repairs Reserve	60		60		60		60		60		60
Capital Development Reserve	300	(300)	0		0		0		0		0
Earmarked Grants Reserve	44		44		44		44		44		44
Management of Change Reserve	257	182	439		439		439		439		439
Technology Reserve	752	(45)	707		707		707		707		707
Savings Efficiencies Reserve	907	(559)	348	(46)	302		302		302		302
On Street Car Parking Reserve	108	40	148	40	188	40	228	40	268	40	308
Local Development Framework Reserve	477	(150)	327	(405)	(78)	(130)	(208)		(208)		(208)
Dacorum Development Reserve	2,707	212	2,919	124	3,043		3,043		3,043		3,043
Climate Change and Sustainability Reserve	212	(46)	166		166		166		166		166
Litigation Reserve	317		317		317		317		317		317
Vehicle Replacement Reserve	0	350	350	25	375	25	400	25	425	25	450
Invest to Save Reserve	62	(20)	42	(20)	22		22		22		22
Youth Provision Reserve	44		44		44		44		44		44
Election Reserve	80	40	120	(120)	0	40	40	40	80	40	120
Uninsured Loss Reserve	360		360		360		360		360		360
Training & Development Reserve	133	(75)	58		58		58		58		58
Housing Conditions Survey Reserve	76	15	91	15	106	15	121	15	136	15	151
Dacorum Rent Aid - Guarantee Scheme	15	(15)	0		0		0		0		0
Rent Guarantee Scheme Reserve	15	(15)	0		0		0		0		0
Funding Equalisation Reserve	10,048	(8,082)	1,966	1,111	3,077		3,077		3,077		3,077
Pensions Reserves	2,573	200	2,773	(2,300)	473	200	673	200	873	200	1,073
Maylands Plus Reserve	46	23	69	23	92	23	115	23	138	23	161
Covid 19 Hardship Fund	133		133		133		133		133		133
Economic Recovery Reserve	2,807	(1,725)	1,082	(895)	187	388	575		575		575
Inflationary Pressures Reserve	565		565		565		565		565		565
Total Earmarked Reserves	23,098	(9,970)	13,128	(2,448)	10,680	601	11,281	343	11,624	343	11,967
Working Balance	2,502	0	2,502		2,502		2,502		2,502		2,502
Total General Fund Reserves	25,600	(9,970)	15,630	(2,448)	13,182	601	13,783	343	14,126	343	14,469



Audit Committee

Report for:	Audit Committee
Title of report:	Strategic Risk Register Update 2022-23
Date:	9 November 2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder Finance & Resources
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A Strategic Risk Register Q2 2022-23
Background papers:	None.
Glossary of acronyms and any other abbreviations used in this report:	SRR –Strategic Risk Register

Report Author / Responsible Officer

Nigel Howcutt , Chief Finance Officer



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Corporate Priorities	<p>A clean, safe and enjoyable environment</p> <p>Building strong and vibrant communities</p> <p>Ensuring economic growth and prosperity</p> <p>Providing good quality affordable homes, in particular for those most in need</p> <p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
Wards affected	All
Purpose of the report:	<p>1. To provide the quarter 2 update on the Strategic Risk Register for 2022-23.</p>

Recommendation (s) to the decision maker (s):	<ol style="list-style-type: none"> 1. That the content of the report is noted. 2. That Committee seek further assurance where required. 3. That Committee provide comments and feedback on the report for Cabinet to consider.
Period for post policy/project review:	Not applicable.

1 Background:

The purpose of this report is to present the Strategic Risk Register (SRR) as at quarter 2, 2022-23. This is the most up to date version of the SRR for 2022-23, as at 30 September 2022. The revised SRR showing the position at the end of Q2 2022-23 is attached at Appendix A.

2 Changes to the Strategic Risk Register since the last update

SRR Q2 update (as at 30 September 2022)

Risk scores against the following strategic risks have changed since the SRR Q1 2022-23 was presented to Audit Committee in October 2022. The risk score as at Q2 2022-23 is presented below in **bold**; the risk score as at Q1 2022-23 in *italics*:

- Social Media risk **4** (*9*)

The Q2 update of the SRR will be reported to Cabinet, and will include comments and suggestions as requested by the Audit Committee.

3 Financial and value for money implications:

Where relevant, financial and value for money implications associated with strategic risks are set out within the SRR at Appendix A

4 Legal Implications

Where relevant, legal implications associated with strategic risks are set out within the SRR at Appendix A .

5 Risk implications:

These are set out within the SRR at Appendix A.

6 Equalities, Community Impact and Human Rights

A Community Impact Assessment is not required for this report.

There are no Human Rights Implications arising from this report.

7 Conclusions

The SRR identifies key strategic risks for the Council and assigns a risk score to each of these risks based on consequences and likelihood of occurrence. The SRR at Q2 2022-23 shows a decrease in the social media risk score.

Risk Register Summary Table

Risk Name	Risk Owner	30 Sep 2022			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Cyber Attack	Aidan Wilkie	3	3	9	This risk remains high across the Public Sector. Our controls remain strong and we are linked in to the national cyber security council. In addition we are looking at additional tests and security e.g. we have purchased a tape back up system which would allow us to respond quickly if we were attacked. We have a new head of digital arriving in early Nov who will undertake a review of our current position.
Failure to secure sufficient investment in essential infrastructure required	James Doe	3	4	12	No change to risk rating this quarter which remains high at a combined score of 12. As reported elsewhere, good progress has been made in Q2 on work to effect a partial lifting of the planning moratorium and it is proposed to seek Cabinet approval for this in November 2022. Similarly the combined effects of inflation, recent reduction in the value of Sterling and expected higher interest rates for the remainder of 2022 and into 2023 will add to an already very substantial cost of delivering needed infrastructure against expected growth which stands in the region of £1bn according to our draft Infrastructure Delivery Plan. Work has been carried out in Q2 to develop alternatives to the Council's current CIL policy with a view to a limited use of core funds currently held (c £15m) to help deliver projects and unlock developments in the short term. This work will continue into Q3. Good progress continues to be made on key strategies for new development in the Borough, particularly the new Hemel Place Strategy and new Town Centre Strategy which are planned for approval by Members in March 2023. Similarly the first stages of the Hemel Garden Communities Framework Plan are nearing completion, as is a draft version of the Hemel Integrated Transport Plan ready for discussion with Members of the three partner authorities including DBC. An Infrastructure Delivery Plan for HGC is yet to be advanced though under discussion between the partner authorities as to the most effective way of producing it.
Funding and income is not sufficient to deliver the Council's Corporate Objectives	Catherine SilvaDonayre	4	3	12	Progress made during Q2 on the MTFS update, with movement in a positive direction for addressing budget issues for the 2023-24 budget. In year budget pressures for 2022-23 remain.
Social media risk	Aidan Wilkie	2	2	4	Nothing new to report. However, given the controls in place, this risk seems overstated.

Risk Name		30 Sep 2022				
		RM01 Risk Consequence	RM02 Risk Likelihood	Status		
		Actual	Actual	Actual	Update	
The Council is unable to recruit and retain the staff required		Aidan Wilkie	3	2	6	This risk is still present across the Public sector and is manifested particularly in more specialist roles at the Council. We have now agreed a new People Strategy for the organisation. A strand of this is to review and improve our 'offer', with an early deliverable being a new market supplement policy (backed an additional pot of money). In addition we are looking at how we advertise our roles and using our increased understanding of how job-seekers approach the market, ensuring we market ourselves effectively.
The Council will be unable to ensure that sufficient quality & affordable homes can be delivered		James Doe	4	3	12	No change to risk rating from Q1, this remains a significant risk for the Council. Cost-price inflation remains high and is forecast to continue rising through 2022 and 2023, thereby suppressing the financial ability of the Council to deliver new Council homes and the level of quality we would ideally like to see. The planning moratorium remains in force though very good progress on the mitigation strategy has been made during Q2 and a worked up solution has been created and there is, as of October 2022 agreement with the other affected local authorities, especially on the issue of developer tariffs. At the time of writing it is anticipated to seek Cabinet's agreement to the mitigation strategy in November 2022 which will, if agreed, give rise to a partial lifting of the moratorium. On a positive note, the planning and housing teams have progressed work on a new affordable housing policy aimed to improve the deliverability of affordable rented property as part of new developments (via s106 agreements) with a view to achieving lower affordable rents than have been achieved to date. This new approach will need incorporating in the new Local Plan (due for public consultation June 2023) and a new Supplementary Planning Document. This strategic risk will be re-assessed at the end of 2022 and it is hoped the rating will come down, other matters being equal.
Uncertainty around Brexit negotiations could result additional demand for council services.		Catherine SilvaDonayre	2	2	4	This strategic risk is no longer relevant – the Brexit negotiations are completed and the impacts understood. The Strategic Risks are currently being reviewed and this risk will be removed as part of this process

Risk Name	Detail	30 Sep 2022 Status
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Risk Name	Detail	30 Sep 2022 Status
Cyber Attack	Risk Owner	Aidan Wilkie
	Portfolio	Community & Regulatory Services
	Risk Description	Risk of cyber attack or ransomware.
	Inherent Score	12 ▲
	Mitigated Score	9 ●
	Target	
	Comments	This risk remains high across the Public Sector. Our controls remain strong and we are linked in to the national cyber security council. In addition we are looking at additional tests and security e.g. we have purchased a tape back up system which would allow us to respond quickly if we were attacked. We have a new head of digital arriving in early Nov who will undertake a review of our current position.
	Controls & Assurances	The Council monitors and protects against threats with particular attention to the following, in line with the Government's Cyber Essentials direction: <ul style="list-style-type: none"> • Boundary firewalls and internet gateways • Secure configuration • Access control • Malware protection • Patch management <p>The Council also ensures that system and operational data is backed up securely and regularly, and the process of restoring from those back-ups is tested regularly.</p>
	Evidence Risk is being managed	Adherence to National Cyber Security Centre (NCSC) Cyber Essentials (formally audited 2017); Public Sector Network (PSN) Compliance (including annual vulnerabilities assessment by approved cyber security consultancy)
Consequences / Impacts	At least 263 million cyber-attacks were carried out on UK local authorities in the first half of 2019 alone. Nearly half of all local authorities had experienced an attempted cyber-attack on their IT systems since 2017 and 37% of them had experienced cyber-attacks in the first half of 2019. The Council's ICT team is aware that its network is the subject of attempted cyber-attacks on a daily basis from a range of sources, likely to include organised crime and state operators. The potential consequences of a successful cyber-attack are extremely damaging to any organisation. In the public sector, cyber-attacks on NHS trusts have led to cancelled operations, including the WannaCry attack in 2017 that affected 45 NHS organisations. In 2016 Lincolnshire County Council were hit with a £1M demand following a ransomware infection and in 2020 Hackney Council was profoundly affected by a similar ransomware attack. Within Dacorum, a successful and extensive cyber-attack has the potential to impair the delivery of all services to its residents as well as the potential publication of sensitive and personal data. Any successful Cyber Attack could significantly impact the Council's reputation, as residents may lose confidence in the management of electronic records.	

Risk Name	Detail	30 Sep 2022
		Status
Failure to secure sufficient investment in essential infrastructure required	Risk Owner	James Doe
	Portfolio	Planning & Infrastructure
	Risk Description	That the Borough does not secure sufficient investment in essential infrastructure that is required for continued and improved economic performance and housing delivery that is sustainable and fit for the future
	Inherent Score	16 ▲
	Mitigated Score	12 ▲
	Target	
	Comments	<p>No change to risk rating this quarter which remains high at a combined score of 12.</p> <p>As reported elsewhere, good progress has been made in Q2 on work to effect a partial lifting of the planning moratorium and it is proposed to seek Cabinet approval for this in November 2022.</p> <p>Similarly the combined effects of inflation, recent reduction in the value of Sterling and expected higher interest rates for the remainder of 2022 and into 2023 will add to an already very substantial cost of delivering needed infrastructure against expected growth which stands in the region of £1bn according to our draft Infrastructure Delivery Plan.</p> <p>Work has been carried out in Q2 to develop alternatives to the Council's current CIL policy with a view to a limited use of core funds currently held (c£15m) to help deliver projects and unlock developments in the short term. This work will continue into Q3.</p> <p>Good progress continues to be made on key strategies for new development in the Borough, particularly the new Hemel Place Strategy and new Town Centre Strategy which are planned for approval by Members in March 2023. Similarly the first stages of the Hemel Garden Communities Framework Plan are nearing completion, as is a draft version of the Hemel Integrated Transport Plan ready for discussion with Members of the three partner authorities including DBC. An Infrastructure Delivery Plan for HGC is yet to be advanced though under discussion between the partner authorities as to the most effective way of producing it.</p>

Risk Name	Detail	30 Sep 2022 Status
	Controls & Assurances	<p>Infrastructure is provided through the development process (s106 and Community Infrastructure Levy) and elements of funding which comes from central government (increasingly through the LEP, bidding and HCC). The responsibility for some infrastructure elements is through privatised arrangements (utilities) or arms-length government agencies such as Network Rail. The ability of the Council to control these processes is limited.</p> <p>The Council is able to promote the quantum, nature and timing of growth making it more likely that the infrastructure will be delivered. It is also able to promote partnerships and use its asset base and influence to stimulate desired development. Current controls include:</p> <ul style="list-style-type: none"> • Ensuring that the Local Plan (and its component elements such as site allocations, supporting policies and so on) is up to date and sets out very clearly the requirements of proposed development. This promotes sustainable development by design, access and movement, materials. • Working with other South West Herts councils and HCC to make a case at national level for strategically important infrastructure • Bidding into government funding pots such as the Housing Infrastructure Fund where possible. • Use of masterplanning which supports what is required to be delivered to produce sustainability on larger sites and formalising as a Special Planning Document where appropriate to give it more 'teeth'. • The approved Council's Community Infrastructure Levy Policy and schedule (CIL) provides for the levels of contributions that must be made by developers and the purpose for which they will be spent. This also includes an element of CIL which can be spent by local communities and act to link growth directly with infrastructure provision that local people want. • Operating an 'open for business' approach to how the Council deals with potential development with a presumption of making acceptable development easier to deliver by proactive advice through the planning process. Allied to this is ensuring that the development management service is capable of achieving decision making within required time limits. • Stimulating required growth through the Council's own regeneration activity, including the Enterprise Zone making inward investment being more likely. • Increasing inward investment through initiatives such as Dacorum Look no Further, Ambassadors, direct provision of business advice and a supportive approach to new development. • Good market intelligence through regular liaison with local employers, landowners, developers, institutional investors and land agents regarding demand and expected assistance. • Partnership with the LEP as the main route for additional funding for infrastructure through influencing the Strategic Growth Plan (in which Hemel Hempstead and the M1 corridor is a priority) and bidding for resources for infrastructure (such as the £5M achieved for West Herts College) • Working to create key partnerships to bring forward development capable of funding major infrastructure such as Hemel Garden Communities with the Crown Estate, St Albans and City Council, HCC, the LEP and the Enterprise Zone. <p>Risk rating remains unchanged at August 2022.</p>
	Evidence Risk is being managed	<p>These controls are exercised and reported within the following:</p> <ul style="list-style-type: none"> • Regular reporting to the Growth and Infrastructure Group, SLT, Cabinet and Overview and Scrutiny Committee • Fortnightly reporting on key projects to SLT • Reporting to Performance Board before each Cabinet Meeting • A clear programme for the Local Development Framework and CIL Quarterly reporting to Overview and Scrutiny • Regular reporting to Cabinet • Adherence to the agreed performance and project management processes <p>The process for setting out development delivered is through the Authority Monitoring Report. The agreed process for CIL will see an annual report setting out income due, income achieved and expenditure made on agreed infrastructure. Regular reports are made as set out above.</p>

Risk Name	Detail	30 Sep 2022 Status
	Consequences / Impacts	<p>The provision of infrastructure such as schools, health, transport and other facilities is crucial to sustainability of the local community and economy. Its funding, however, is increasingly complex and difficult as central government moves away from direct provision and expects the development process and local partnerships to deliver it. The risk is, therefore, that new development at a scale not experienced in Dacorum since the New Town development will not be matched with the infrastructure that a healthy and thriving community depends upon.</p> <p>Failure to provide this infrastructure will have a number of damaging consequences:</p> <ul style="list-style-type: none"> • a reduction in the quality of life and opportunities for people in the Borough • a serious constraint to economic growth with the impact on the prosperity of local people • reduced financial contribution to service provision through Business Rates growth • increased community opposition to new developments, particularly housing, on the grounds that existing infrastructure will not cope • damage to the image of the area, worsening of community pride and social cohesion and reputational damage to the Council. <p>The provision of infrastructure such as schools, health, transport and other facilities is crucial to sustainability of the local community and economy. Its funding, however, is increasingly complex and difficult as central government moves away from direct provision and expects the development process and local partnerships to deliver it.</p>
Funding and income is not sufficient to deliver the Council's Corporate Objectives	Risk Owner	Catherine SilvaDonayre
	Portfolio	Finance & Resources
	Risk Description	Funding and income is not sufficient to deliver the Council's Corporate Objectives
	Inherent Score	16 ▲
	Mitigated Score	12 ▲
	Target	
	Comments	Progress made during Q2 on the MTFS update, with movement in a positive direction for addressing budget issues for the 2023-24 budget. In year budget pressures for 2022-23 remain.

Risk Name	Detail	30 Sep 2022 Status
	Controls & Assurances	<p>The Council's Medium Term Financial Strategy (MTFS) and the HRA Business Plan are controls that mitigate the likelihood of this risk crystallizing through the effective modelling of the future financial environment. Sound financial planning maximizes the opportunity for the Council to identify funding risks in advance, and therefore grants more time for it to plan to provide its services differently in order to continue delivering its corporate priorities.</p> <p>The Council's sound financial planning processes, detailed below, have resulted in a residual probability score of '3', Likely; given current macro-economic factors that contribute to financial pressures, despite the sound financial control framework in place. The consequence score is '4', given the significant potential impact to services and residents if the Council were not able to achieve its Corporate objectives.</p> <p>The MTFS details the financial implications of the Corporate Plan over a five-year period. It ensures that the Council is able to forecast likely income pressures in the medium-term, and optimise the balance between its financial resources and the delivery of its priorities. The MTFS is reviewed at least annually and is approved by Full Council, thereby providing the opportunity for Members to make informed amendments to the Corporate Plan on the basis of likely funding constraints.</p> <p>The 2022 MTFS outlines the continuation of the ongoing two-pronged approach to combine the Council's need to 1) continue driving the efficiencies required to ensure underlying sustainability; and, 2) to protect frontline services in the face of the time-bound Covid pressures.</p> <p>The updated 2022 MTFS can be viewed on the October 2022 Cabinet Agenda, at www.dacorum.gov.uk.</p> <p>In addition to the MTFS, forecasts are kept under constant review and any updated forecasts that threaten the viability of the approved MTFS will be reported back to Members together with updated recommendations.</p> <p>As part of its Transformation Programme, the Council introduced measures to deliver its Service Plans differently from 2021 – using a more cross-directorate approach and covering a longer period than the traditional one year. The closer alignment of the MTFS and Service Plans over a multi-year period should strengthen the Council's financial planning, and the cross-directorate approach to unlock corporate opportunities that would be less clear under an individual approach to service planning.</p> <p>The Council's Housing Revenue Account (HRA) Business Plan maps planned income and expenditure over a thirty-year period. Government legislation that can affect the Council's delivery of social housing is incorporated within the plan and forms the basis for informed strategic decision-making.</p>
	Evidence Risk is being managed	<p>Internal Audit</p> <p>In recent years, the Council has received independent, third-party audit reviews of the financial processes that contribute to the management of this risk:</p> <p>The 'Budgetary Control' process is audited by the Council's Internal Auditors annually and in 2020, and 2021 has received the highest level of assurance.</p> <p>The 'Core Financial Systems and Budgetary Control' which have also achieved the highest level of assurance with no recommendations or action points.</p> <p>External Audit</p> <p>The 'Value for Money' opinion issued in Grant Thornton's 'Audit Findings' report in September 2020, was based on evaluation of the MTFS; the budget-setting process; the reserves policy and use; and, the Council's forecasting of the Covid threat and plans to deal with it. Grant Thornton's conclusion was:</p> <p>'Based on the work we performed to address the significant risks, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.'</p> <p>Internal validation</p> <p>The fact that the Council was in a position to approve an MTFS which is capable of funding forecast Covid pressures from reserves, is practical validation of its approach to managing the MTFS and reserves over recent years. Although the planned use of reserves will inevitably reduce the amount available for future investment in the borough, it has meant that the Council is able to protect the delivery of its frontline services into the medium-term.</p>

Risk Name	Detail	30 Sep 2022 Status
	Consequences / Impacts	<p>The Council is currently facing two fronts of significant financial uncertainty that both hamper planning and risk deliverability of the objectives within the Corporate Plan into the medium-term: 1) the ongoing uncertainty around future Government funding of local authorities, and 2) the financial implications of Covid.</p> <p>Government Funding</p> <p>The Council is currently operating on a one-year Finance Settlement from Government, the third in succession, following the conclusion of the 4-year deal in April 2019. One-year Settlements, and the planning challenges that accompany them, are expected to continue until Government implements its new funding allocation model following the completion of its Fair Funding Review. As yet there is no certainty over the level of funding that Dacorum or any other authority can expect in the future, post-review.</p> <p>However, there is a strong belief across the sector that the new model will divert funding away from lower tier authorities in favour of those authorities with responsibility for the provision of social care. The Council must ensure that it's in a position to adapt to significant funding reductions at potentially short notice when the new model is announced.</p> <p>Covid Implications</p> <p>The Council faces significant expenditure and income pressures as a result of Covid. The pattern of expenditure pressures have thus far tended to be more-directly lock-down related and, therefore, are not expected to continue in the medium term. Income pressures on the other hand, have a short-term element, e.g. dramatic loss of car parking income during lock-down, but also potentially an even more significant long-term effect through a recessionary impact on the Council's primary income generating services, e.g. commercial property.</p> <p>The magnitude of the potential ongoing Covid-related losses, combined with uncertainty around the duration of the pandemic and the unknown timing and severity of the economic recovery period creates a significant financial threat to the Council's in-year and medium term budget. In addition it adds further complexity and risk to the already challenging medium-term planning environment arising from one-year Government funding settlements.</p>

Risk Name		30 Sep 2022
Detail		Status
Social media risk	Risk Owner	Aidan Wilkie
	Portfolio	Corporate & Contracted Services
	Risk Description	Confidentiality and reputational issues
	Inherent Score	9 ▲
	Mitigated Score	4 ★
	Target	
	Comments	Nothing new to report. However, given the controls in place, this risk seems overstated.
	Controls & Assurances	<p>The Council monitors and protects its social media presence through a Social Media Management Platform (Orlo). Orlo provides management options for automatic moderation of abusive messages and other risk mitigation tools.</p> <p>All staff are required to read and sign up to a range of policies including:</p> <ul style="list-style-type: none"> • Corporate Information Security Management Policy • Corporate Information Technology Security Policy • Data Protection Act Policy • Freedom of Information Policy • PSN/Government Connect (GSx) Acceptable Usage Policy • Information Security Incident Procedure
	Evidence Risk is being managed	<p>An audit of DBC's internal controls in strategy and governance, training and awareness, processes and technology, found that there is a sound system of internal control designed to achieve the system objectives.</p> <p>The communications team carry out training for new staff members and refresher training when needed.</p> <p>Social Media remains a key role in sending information and engaging with our residents/customers. This remains controlled and well manage as we experience very few instances where this causes issues for the Council.</p>
	Consequences / Impacts	<p>"Almost nine in ten (86%) of UK adults now have internet access at home, and this is highest among those aged under 55. Facebook continues to be the largest social network service in the UK. In April 2016, it attracted a digital audience of 38.9 million (more than three-quarters of active internet users).</p> <p>This was larger than that of LinkedIn (21.8 million) and Twitter (20.9 million)" (Ofcom report 2016).</p> <p>By design, social media is widely accessible and offers users easy electronic communication of personal information and other content, such as news, videos and photos. With public participation and exchange of content so readily available, this introduces a certain level of risk.</p> <p>The consequences of using social media include members of the public, pressure groups or employees using DBC social media accounts to raise negative, confidential, incorrect or abusive statements/campaigns aimed at damaging the reputation of DBC. Similarly, the risk of DBC not using social media will exclude a large proportion of residents and key demographic groups including younger residents and businesses.</p>

Risk Name		30 Sep 2022	
Detail		Status	
The Council is unable to recruit and retain the staff required	Risk Owner	Aidan Wilkie	
	Portfolio	Community & Regulatory Services	
	Risk Description	The Council is unable to recruit and retain the staff required to progress as a Modern and Efficient Council	
	Inherent Score	9 ▲	
	Mitigated Score	6 ●	
	Target		
	Comments	This risk is still present across the Public sector and is manifested particularly in more specialist roles at the Council. We have now agreed a new People Strategy for the organisation. A strand of this is to review and improve our 'offer', with an early deliverable being a new market supplement policy (backed an additional pot of money). In addition we are looking at how we advertise our roles and using our increased understanding of how job-seekers approach the market, ensuring we market ourselves effectively.	

Risk Name	Detail	30 Sep 2022 Status
	<p>Controls & Assurances</p>	<p>A programme of work has been developed to enhance our ability to recruit and retain staff:</p> <ul style="list-style-type: none"> • Flexible working arrangements are in place to ensure staff achieve a good work/life balance, whilst maintaining excellent customer service. • A planned approach to utilising the Council's apprenticeship levy to support some staff professional training. • Three graduates appointed from the National Graduate Development Programme (hosted by the Local Government Association). • Succession planning approach embedded into appraisals and service plans with supported by the career development plans. • Implementation of more robust management information within the HR to assist with understanding training needs. • Streaming of recruitment campaigns and modernisation of recruitment web pages. • Participating in recruitment fayres to attract school/college leavers to the Council • Re-Introducing work experience placements to students and working with partners to offer work experience placements to people who have been out of work. • Appointed 8 kick start employees as part of the Government's scheme to help people back to work. • As with many other organisations the Council is suffering from a lack of HGV driver availability. Current HGV drivers, in particular Waste Service drivers, are being approached by external organisations with significant increased pay offers. The Council has sought to mitigate this by training more staff to be HGV drivers and offering a retention bonus with appropriate clauses of an annual £5k per driver. <p>Staff turnover remains healthy but there are pockets of hard to fill posts, where agency spend is higher than previous. The Council is currently finding it challenging to recruit and retain staff with the appropriate skills to deliver all of its services, particularly within professional areas such as Legal, Finance, Surveyors, Environmental Health and Planning etc.</p> <p>This challenge has grown significantly over recent years – as the economy has emerged from the worst of the recession, the private sector employment market has become relatively more buoyant due to the continued constraints on public sector funding. General competition with the private sector for skilled employees is exacerbated for Dacorum by its close proximity to the higher salaries of the London market.</p> <p>This has resulted in the appointment of some agency staff across the Council in order to maintain service delivery. A reliance on agency staff brings a number of specific risks:</p> <ul style="list-style-type: none"> • Statutory – staff shortages can put delivery of the Council's statutory services at risk, e.g. Environmental Health, Housing repairs and Fire safety, and Building Control; • Resilience – any need for agency staff leaves the Council vulnerable to potential higher turnover and loss of knowledge which can affect continuity of service provision; • Financial – the cost of agency staff is higher than for permanent staff, which can pressurise budgets in several areas across the Council. • Staff Morale - could be affected in areas which are carrying vacancies, due to increased workload pressure and as a result of lack of team rapport. <p>A recent study looked at the high agency spend areas and work is underway to reduce this spend, such as agency approval process, having the right agency framework in place that is effective whilst offering good value for money and re-introducing market forces payments for specific roles.</p> <p>This challenge affects all public sector organisations within the region, and a solution is high on the agenda for county-wide working groups of which DBC is a member.</p>
	<p>Evidence Risk is being managed</p>	<p>Turnover remains reasonably low and it is infrequent that posts are re-advertised.</p> <p>Graduates have been appointed and we are working for LGA to appoint the next batch of three. HR will be working with services with recruitment challenges to ensure the graduates to support these areas in the first instance.</p>

Risk Name	Detail	30 Sep 2022 Status
	Consequences / Impacts	<p>The Council is currently finding it challenging to recruit and retain staff with the appropriate skills to deliver all of its services, particularly within professional areas such as Legal, Finance, Surveyors, Environmental Health and Planning etc.</p> <p>This challenge has grown significantly over recent years – as the economy has emerged from the worst of the recession, the private sector employment market has become relatively more buoyant due to the continued constraints on public sector funding. General competition with the private sector for skilled employees is exacerbated for Dacorum by its close proximity to the higher salaries of the London market.</p> <p>This has resulted in the appointment of some agency staff across the Council in order to maintain service delivery. A reliance on agency staff brings a number of specific risks:</p> <ul style="list-style-type: none"> • Statutory – staff shortages can put delivery of the Council’s statutory services at risk, e.g. Environmental Health, Housing repairs and Fire safety, and Building Control; • Resilience – any need for agency staff leaves the Council vulnerable to potential higher turnover and loss of knowledge which can affect continuity of service provision; • Financial – the cost of agency staff is higher than for permanent staff, which can pressurise budgets in several areas across the Council. • Staff Morale - could be affected in areas which are carrying vacancies, due to increased workload pressure and as a result of lack of team rapport <p>This challenge affects all public sector organisations within the region, and a solution is high on the agenda for county-wide working groups of which DBC is a member</p>
The Council will be unable to ensure that sufficient quality & affordable homes can be delivered	Risk Owner	James Doe
	Portfolio	Housing
	Risk Description	The Council will be unable to ensure that sufficient good quality and affordable homes can be delivered, particularly for those most in need
	Inherent Score	12 ▲
	Mitigated Score	12 ▲
	Target	6
	Comments	<p>No change to risk rating from Q1, this remains a significant risk for the Council.</p> <p>Cost-price inflation remains high and is forecast to continue rising through 2022 and 2023, thereby suppressing the financial ability of the Council to deliver new Council homes and the level of quality we would ideally like to see.</p> <p>The planning moratorium remains in force though very good progress on the mitigation strategy has been made during Q2 and a worked up solution has been created and there is, as of October 2022 agreement with the other affected local authorities, especially on the issue of developer tariffs. At the time of writing it is anticipated to seek Cabinet's agreement to the mitigation strategy in November 2022 which will, if agreed, give rise to a partial lifting of the moratorium.</p> <p>On a positive note, the planning and housing teams have progressed work on a new affordable housing policy aimed to improve the deliverability of affordable rented property as part of new developments (via s106 agreements) with a view to achieving lower affordable rents than have been achieved to date. This new approach will need incorporating in the new Local Plan (due for public consultation June 2023) and a new Supplementary Planning Document.</p> <p>This strategic risk will be re-assessed at the end of 2022 and it is hoped the rating will come down, other matters being equal.</p>

Risk Name	Detail	30 Sep 2022 Status
	Controls & Assurances	<p>The Local Plan is currently under development and the next consultation point with the public and stakeholders is scheduled for mid-2023, following the Regulation 18 consultation over the winter of 2020/21.</p> <p>The new Plan will incorporate a very high level of housing growth and the plan needs to ensure that the sites are identified and are likely to be delivered in the timescales identified. There will be a strong affordable housing policy, building on the current one, which will require at least 35% affordable homes on every scheme above 10 units. The council is strengthening its expertise in Planning on robustly testing developers viability submissions. This will include no longer accepting developer arguments that the cost of land prevents or reduces the amount of affordable they can deliver – they should take account of the council’s policy when agreeing the price.</p> <p>Ensuring good masterplanning of the larger sites emerging from the Local Plan will mean that they are more likely to be built out as planned and will be more attractive for potential buyers.</p> <p>The Private Housing Service in Housing, which includes Private Renting, has been reshaped and is geared up to the licensing of up to 900 Houses in Multiple Occupation and addressing issue of disrepair and harassment in the sector. It will work with and support landlords who are prepared to grant longer tenancies which will allow families more security and stability.</p> <p>There is already a new build council home programme of 370 new homes by 2022 that is just starting. The government has announced that the cap on the HRA borrowing will be ended in April 2019 and the programme will be further expanded. A full assessment of the capacity of the HRA to move to an output of around 100-200 new homes per year will be made in the very near future and will gear up for that level of delivery. This will help, though not solve, the shortage of affordable homes for rent. Housing Associations will be encouraged to include social rented homes at lower rent levels than affordable to be built as grant is now available from Homes England for this aim.</p> <p>The introduction of the Homeless Reduction Act has allowed the Council to be geared up to dealing with an increased number of homeless households with the initial aim of preventing the homelessness from happening. One important route will be working with those private landlords that have a desire to help those in housing need, and there are many, to be able to continue renting without losing income.</p> <p>The Planning Moratorium of 2022 (as a result of ecological impacts on the Chiltern Beechwoods Special Areas of Conservation) for the HRA new build programme presents some new risks over timing and cost of the delivery of sites which are yet to receive all full planning consents.</p> <p>Annual cost price inflation for materials and labour is running in the region of 20% and as of June 2022 looks set to continue. It is possible that a prolonged moratorium may put at risk recently-awarded Homes England funding. Together, these factors could add significant financial pressure to the cost of the programme under the HRA Business Plan.</p> <p>The Council's planning service is working on a mitigation strategy with appointed consultants and partner organisations. The first draft of this has been received as of early June 2022. If acceptable it could lead to the lifting of the moratorium later in 2022, but this is not certain at the current time. As such the risk rating has been raised from 9 to 12 at this stage.</p> <p>At August 2022 very good progress has been made with Natural England, the National Trust and adjacent Local Authorities on agreeing a mitigation strategy for the Beechwoods and a SAMP tariff, with plans for SANG development on two parks owned by DBC. This work should be completed by early September and provided the outcome is positive, it should lead to a partial lifting of the moratorium for the Hemel Hempstead area. For now, the risk rating is unchanged.</p>
	Evidence Risk is being managed	<p>The process for setting out development delivered is through the Authority Monitoring Report. The agreed process for CIL will see an annual report setting out income due, achieved and expenditure made on agreed infrastructure. Regular reports are made as set out above in controls.</p> <p>Regular reports will also made to the Housing and Community Overview and Scrutiny Committee on new build council homes, homeliness performance, and Private Renting sector performance.</p>

Risk Name	Detail	30 Sep 2022 Status
Page 123 Uncertainty around Brexit negotiations could result in additional demand for council services.	Consequences / Impacts	<p>Housing costs in Dacorum are already extremely high and among the highest in the country outside of London. The impact of this is that local people (and potential new residents) face considerable difficulties accessing decent and affordable homes. This has potential risks in increased homelessness, difficulties in attracting new business and inward investment and breakdown of family support networks if people have to move away or have to stay longer in parental homes than is desirable.</p> <p>The causes for this are complex and varied, and some are outside of the Council's control, but include:</p> <ul style="list-style-type: none"> • The high cost of owner occupation due to location, local income levels, market shortage and increasing demand from people moving out from London. <p>This can mean owner occupation is well beyond the reach of a large number of local people.</p> <ul style="list-style-type: none"> • The Private Rented Sector is not focused on providing homes of quality to those on low incomes with short 6 months tenancies and often in poor condition. • The planning system does not have the levers to require new homes to be built and with respect of providing affordable homes the rented product – usually affordable rent at 80% of market rent - they are too expensive for those on low incomes. • There are still cuts being made to the benefits systems and Universal Credit has seen a dramatic increase in the levels of rent arrears in those areas that have already had the full roll out. This will cause further difficulty for low income households to afford rent and would lead to still further homelessness. • the impact of the First Homes Policy from Government putting further pressure on the Council's ability to provide genuinely affordable homes to people most in need through the planning process. <p>The key risks this raises for the Council are:</p> <ul style="list-style-type: none"> • The supply of homes is unable to match demand • An increase in the levels of homelessness resulting from landlords in private renting seeking to maximise their rents • The impact of Universal Credit roll out leading to increased arrears, debt and homelessness • A general risk that the construction industry may not have the capacity to meet the level of demand for development • The HRA will not be able to access sufficient funds to fulfil the Council's programme of social rented housing
	Risk Owner	Catherine SilvaDonayre
	Portfolio	Corporate & Contracted Services
	Risk Description	Uncertainty around Brexit negotiations could result in the Council facing additional demand for its services in the short to medium-term
	Inherent Score	16 ▲
	Mitigated Score	4 ★
	Target	
Comments	This strategic risk is no longer relevant – the Brexit negotiations are completed and the impacts understood. The Strategic Risks are currently being reviewed and this risk will be removed as part of this process	

Risk Name	Detail	30 Sep 2022 Status
Page 124	Controls & Assurances	<p>The Chief Executive prepared a report to Members outlining the sector's view on where the key Brexit risks currently lie.</p> <p>The Senior Leadership Team (SLT) has received a report from the Assistant Director (Corporate and Contracted Services), who is leading on Brexit risk, highlighting key risk areas for the Council which continue to be monitored with the wide Corporate Leadership Team. All service areas are represented at SLT, and the majority of SLT members operate within county- and nation-wide professional groups. This means that the knowledge reach of the group is wide and varied, meaning that emerging issues are likely to be raised for discussion around impact as they arise.</p> <p>The Assistant Director, Corporate and Contracted Services also sits on a multi-agency county wide Tactical Coordination Group which monitors the EU Transition period although as the risk has reduced in early 2021 and this group was stood down in February 2021.</p> <p>SLT has also ensured that all service areas revisit their Business Continuity plans to ensure that they remain up-to-date and capable of mitigating known and emerging risks.</p> <p>SLT also review and update the Corporate Brexit risk register.</p> <p>The Leader of the Council and the Chief Executive have taken part in webinars hosted by MHCLG with various Government departments in preparation for Brexit.</p>
	Evidence Risk is being managed	<p>The subject of Brexit is reviewed by SLT if there are any specific issues or impacts for discussion. Members will be kept advised as more information becomes available.</p>
	Consequences / Impacts	<p>On 23rd June 2016, the UK voted in a referendum to leave the European Union (EU). Article 50 was triggered on 27th March 2017 starting a two year formal process for leaving the EU. The UK left the EU on 31 January 2020 with a withdrawal agreement which is subject to a transition period ending on 31st December 2020. The UK have now reached agreement on how the future relationship will work, including trade, energy, transport, social security, law enforcement, health and scientific collaboration and dispute settlement.</p> <p>The agreement now reached gives the Council greater certainty and there has been no noticeable increased demand for its services in 2021 as a direct result of Brexit.</p> <p>Brexit does still pose a strategic threat to the Council primarily because there is lack of clarity over how or to what extent the outcome may threaten achievement of its corporate priorities. In the absence of more detail, the Council is, in general terms, planning to 'be prepared'.</p> <p>In addition, there is the possibility that the Council may be required to carry out functions under its Civil Contingencies responsibilities, although in early 2021 this threat has not come to fruition to date.</p>

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

Document is Restricted

MEETING DATE	DEADLINE TO MEMBER SUPPORT	STANDING ITEMS	ADDITIONAL ITEMS:
08/02/23	31/01/23	Apologies for absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit Work Programme	
22/03/23	13/03/23	Apologies for absence Declarations of Interest Minutes Actions Public Participation External Audit Internal Audit Work Programme	