



# CABINET AGENDA

**TUESDAY 27 SEPTEMBER 2022 AT 7.30 PM  
CONFERENCE ROOM 1 - 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 Williams (Leader)  
Councillor Griffiths (Deputy Leader)  
Councillor Elliot

Councillor Anderson  
Councillor Banks  
Councillor Barrett

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

## AGENDA

### 1. MINUTES (Pages 3 - 19)

To confirm the minutes of the meeting held on 12<sup>th</sup> July 2022

### 2. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

### 3. DECLARATIONS OF INTEREST

To receive any declarations of interest

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

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent
  - and, if the interest is a disclosable pecuniary interest, or a personal interest which is also prejudicial
- (ii) may not participate in any discussion or vote on the matter (and must withdraw to the public seating area) unless they have been granted a dispensation.

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

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

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

#### **4. PUBLIC PARTICIPATION**

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

#### **5. REFERRALS TO CABINET**

There were no referrals to Cabinet

#### **6. CABINET FORWARD PLAN (Page 20)**

#### **7. COMMERCIAL STRATEGY (Pages 21 - 39)**

#### **8. HOUSING TRANSFORMATION AND IMPROVEMENT PROGRAMME BUSINESS CASE (Pages 40 - 58)**

#### **9. FINANCIAL MONITORING REPORT Q1 (Pages 59 - 71)**

#### **10. COST OF LIVING (Pages 72 - 77)**

#### **11. HEMEL HEMPSTEAD BUSINESS IMPROVEMENT DISTRICT - BUSINESS PLAN AND BALLOT ARRANGEMENT (Pages 78 - 92)**

#### **12. APPOINTMENT OF THE PRINCIPLE CONTRACTOR FOR THE ST MARGARETS WAY PROJECT (Pages 93 - 143)**

#### **13. EXCLUSION OF THE PUBLIC**

To consider passing a resolution in the following terms:

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

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

# Agenda Item 1

## MINUTES

## CABINET

12 JULY 2022

**Present:**

**Members:**

**Councillors:** Williams (Leader)  
Griffiths (Deputy Leader)  
Banks  
Barrett

**Officers:** James Doe Strategic Director - Place  
Ben Hosier Head of Commercial Development  
Nigel Howcutt Chief Finance Officer (S151)  
Farida Hussain Head of Legal and Democratic Services  
Aidan Wilkie Strategic Director People and Transformation  
Alex Robinson Assistant Director Planning

**Also Attendance:**

The meeting began at 7.30 pm

**CA/38/21      MINUTES**

The minutes of the meeting held on 24<sup>th</sup> May were agreed by Members present and signed by the Chair.

**CA/39/21      APOLOGIES FOR ABSENCE**

Apologies were received from Cllr Anderson, Cllr Elliot, Claire Hamilton and Richard LeBrun

**CA/40/21      DECLARATIONS OF INTEREST**

None

**CA/41/21      PUBLIC PARTICIPATION**

None

**CA/42/21      REFERRALS TO CABINET**

None

**CA/43/21     CABINET FORWARD PLAN**

Cabinet Agreed

**CA/44/21     SOUTH WEST HERTS JOINT STRATEGIC PLAN**

**Decision**

1. That Cabinet approves the Statement of Community Involvement for adoption.
2. That Cabinet approves the Joint Strategic Plan 'Realising our Potential' Regulation 18 and associated Sustainability Scoping Report for consultation

**Corporate Objectives**

Building strong and vibrant communities Ensuring economic growth and prosperity  
Climate and ecological emergency

**Statutory Officer Comments:**

**Deputy Monitoring Officer:**

The Council is required by the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2017 (as amended) to review its Statement of Community Involvement every five years.

**S151 Officer:**

There are no expected financial implications for the Council in the development and implementation of this strategy.

**Advice**

ARobinson introduced the report and said that the report was in 2 parts, the first related to the state of community involvement which set up how they were to engage with the community on the preparation of the JSP. The second related to the approval of the regulation 18 document itself.

The council had been working with St Albans, Watford, Hertsmere and Three Rivers with the support of the County Council to produce the South West joint plan that would provide an integrated strategic planning framework to support sustainable growth up to 2050. Once adopted the JSP would be a statutory plan and would identify the overall quantum of growth across the Southwest Herts area as well as providing a strategic basis for infrastructure delivery.

The document before cabinet this evening was the first step in a very long process to preparing the JSP. The proposed consultation was badged as an issue and options

but would be focusing on establishing a clear vision and set of objectives to Southwest Herts and would not be dealing with specific proposals at this stage. It is also important to note that the JSP would not affect the current round of the Local Plan making.

The documents attached were also making their way through all the other authorities committee processes ready to be approved for consultation.

The final point was that the documents had already been through the Strategic Planning committee and the following observations were made: SPAE informs Cabinet of its support for the adoption of the statement of community involvement and for the Joint Strategic Plan. Realising out potential regulation 18 consultation to be published for consultation by us. They also noted that they would like to ensure that the consultation would be presented in an accessible format, that the appropriate methods would be adopted to maximise the reach of the consultation, particularly in schools and on social media.

### **Recommendation agreed**

#### **CA/45/21      PROVISIONAL OUTTURN REPORT**

##### **Decision**

1. That Cabinet notes the provisional financial outturn position for 2021-22.
2. That Cabinet recommends to Council to approve the following General Fund reserve movements in respect of 2021-22:
  - £0.009m surplus Filming income to be transferred to the Dacorum Development Reserve, to be drawn down in 2022-23 for work on town centre improvements.
  - £0.216m surplus CIL admin income to be transferred to the Dacorum Development Reserve to support the costs of CIL administration in future years.
  - £0.565m overall General Fund surplus to be transferred to a new reserve-Inflationary Pressures- in order to meet unexpected inflationary pressures brought about by fluctuations in the current economy.
3. That Cabinet recommends to Council to approve the following General Fund reserve movements in respect of 2022-23:
  - £0.022m draw down from the Dacorum Development reserve to support the cost of the Armed Forces event in 2022-23.
  - £0.020m draw down from the Dacorum Development reserve to support the cost of the Queen's Baton relay event in 2022-23.
  - £0.150m reserve draw down from the Dacorum Development reserve for Berkhamsted Leisure Centre redevelopment planning.
4. That Cabinet recommends to Council to approve an HRA transfer of £0.020m to the HRA Lift sinking fund reserve.
5. That Cabinet recommends to Council to approve the following slippage on the capital programme:

- £2.777m to be slipped to 2022-23 in respect of General Fund capital schemes.
- £0.595m to be slipped to 2022-23 in respect of Housing Revenue Account capital schemes.

### **Corporate Objectives**

A clean, safe and enjoyable environment Building strong and vibrant communities Cabinet www.dacorum.gov.uk 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

### **Statutory Officer Comments:**

#### **Deputy Monitoring Officer:**

No comments to add to the report.

#### **Deputy S151 Officer:**

.This is a Deputy s151 Officer report.

### **Advice**

NHowcutt introduced the report and said that it had been through the Finance & Resource OSC last week and now had been added to the report. It would also be going to the various other Scrutiny committee in terms of various sections for housing and SPAE.

In summery the year-end position for 21-22 the council had a surplus of 56500k, primarily in relation to the changes at year-end in a split between the HRA and general fund costs, which meant that the general fund had a surplus at year-end. At that moment in time the paper recommended that the money be placed in to an inflation reserve, for 22-22, that was taking place feedback from Cabinet, Scrutiny group around what the council was putting in place to provide for that potential pressure as it comes about. Other recommendations in the report and one that seemed to stand out was the fact that surplus filming income was being put into a specific reserve to be drawn down in 22-23, to invest in the local community and give back to those residents that would have been impacted by some of the filming, showing that some of the commercial benches they're doing will give back to local communities and the local high-street. A positive from that perspective.

There was still some surplus in the CIL admin, so that is just about smoothing out the costs of CIL over multiple years, its a technical adjustment more than anything else.

In terms of capital they did have slippage in 21-22, they were slipping 2.8 million in the general fund and 0.6 million in the HRA. The capital programme was not proposed to change as it was approved previously at Council. This was around delivering it in a different financial year.

He was happy to take questions.

Cllr Barratt referred to the filming surplus was only £9000 which he said was disappointing.

NHowcutt said that that was the surplus compared to budget so it was not necessarily the problem and that there was a lot of income around parking and other areas that had been in the baseline budget for several years. This was the surplus achieved rather than just the bottom line profit. There were several 100's thousand pounds of income but also £100,000 of expenses incurred in setting that up and arranging them.

Cllr Barratt asked what the profit was.

NHowcutt said not off the top of his head but would get back to him on that. He said that one of the big things to realise with filming was that residents and businesses also make a lot of money out of it, they are paid directly for inconvenience or indirectly through the increase in terms of GDP in the local area, the attraction that comes about and the positivity created when you see Dacorum in many guises on the TV. It is about self-promotion more than anything else.

Cllr Barratt said that he thought it was fantastic which was why he was disappointed to only see £9000.

Cllr Williams said that other committee also had got quite fixated on this, as Nigel said there was a lot more to this and now they had employed an officer to look after it. He also said that people often think that you can charge a lot for using the street and things however its counties policy to encourage filing that we do not charge for using the highways so there are charges around the peripheries of blocking roads etc. He said that through the parking service he was always consulted on each of the filing requests they always make sure that as a minimum they were making up for any lost revenue and covering any costs being cut so they are not out of pocket.

NHowcutt said that as the council becomes more filming positive they would make use of the money when they use one of their assets. If they were to use the Old Town Hall or a week, that is where they would make a considerable amount of income. When you block of roads that is not where they make the money but if they become more filming positive and were more open to filming, that is when they will come back and might want the Forum for example, or a cemetery site, that sort of promotion will lead too bigger revenue streams. If Parish councils are making money out of filming then that was only a positive for the local community.

Cllr Barratt understood that the filming officer was compiling a register of assets such as the memorial hall and they would be on the register that the filing companies have access too, if they could do that across the borough then that would be a useful thing.

Cllr Williams said that he discussed in another meeting that a film crew wanted a hall; they were only filming 2 hours across lunch and were paying £200 for the whole day.

NHowcutt said they they did have assets that they want to maximise the use of, such as Queen Victoria Hall, which is well located but underused at the moment, if they could find other ways of using those sites where they can potentially make more

money. He said it was in its infancy and they were developing it and will see how it goes. As part of that, they were looking at the fees.

**CA/46/21      CHIEF HOUSING OFFICER**

**Decision**

That Cabinet recommends:

- 1 That Council approves an additional post of Chief Housing Officer to be added to the establishment which will sit at Tier 3 within the Corporate Leadership Team
- 2 That Council approves a total budget for the post of up to £130,000 per annum.

**Corporate Objectives**

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

**Statutory Officer Comments:**

**Monitoring Officer**

The addition of a Chief Housing Officer post will provide a clear line of accountability and help to ensure that the Council meets all of its statutory requirements.

**S151 Officer:**

The addition of a new Chief Housing Officer Post will require additional growth to the HRA housing management and supervision budget of up to £130k. In 2022/23 this will need to be taken from the Revenue contribution to capital as the HRA has a statutory requirement to show a self financing budget.

The impact of this role on other roles and structures in the Council will need to be carefully reviewed to ensure that this does not have an impact on general fund recharges and budgets, at this point in time this is not expected to impact on the general fund, if that changes further funding reports and decisions will be brought back to members.

The further reduction of the HRA revenue contribution to capital in 22/23 reduces the HRA's funds that are available to invest in future capital works. The ongoing baseline pressure this creates in the HRA going forward will have to be carefully assessed as part of the HRA 2023/24 budget setting and longer term 30 year HRA business plan.

**Advice**

Cllr Williams introduced the report and said that this was a change in the establishment looking at ongoing work with the structure of the organisation and the discussion with the service and chief exec have a view that an additional manager

that would support the housing service would be desirable. As this was outside the existing budget, it has come to Cabinet for approval.

Cllr Griffiths said that this was very much needed in the housing team, the transformation they need in housing requires that lead, someone that will focus solely on housing.

Cllr Barratt agreed that with the size of the housing stock he felt it was needed.

### **Recommendation Agreed**

#### **CA/47/21     PUBLIC SPACE PROTECTION ORDERS - TOWN CENTRE**

##### **Decision**

1. Consider and approve the proposed Public Spaces Protection Order (Hemel Town Centre) (Dacorum Borough Council) 2022

##### **Corporate Objectives:**

A clean, safe and enjoyable environment

##### **Statutory Officer Comments**

##### **Deputy Monitoring Officer:**

Further to section 60 of the Anti-social Behaviour Crime and Policing Act 2014, a public space protection order cannot be in force for more than three years unless it is extended before its expiry. The requirement to undertake the necessary consultation in relation of the proposed extension of the Town Centre PSPO has been met and will not therefore pose a risk of legal challenge.

##### **Deputy S151 Officer:**

The financial implications of this decision are detailed at section 5 to this report. No further comments to add to the content of the report.

##### **Advice**

Cllr Banks introduced the report and said that this had been drafted to extend the current arrangements in place at the moment in the town centre PSPO and looked to extend this in prohibiting spitting, urinating and defecating, along with the prohibiting of cycling, skateboarding and the introduction of the new power to prohibit electric scooters in the town centre. Consultations with the public have been carried out and received significant support. It has been to SPAE and the report was noted.

She said they should also be aware that this order would be enforced by district enforcement as part of the pilot that is currently running.

Cllr Banks added that this was to combat the antisocial behaviours and hopefully improve the public spaces.

**Recommendation agreed**

**CA/48/21     PUBLIC SPACE PROTECTION ORDER - DOG**

**Decision**

1. That Cabinet approves the extension of the Dog Control Public Space Protection Order

**Corporate Objectives:**

A clean, safe and enjoyable environment Building strong and vibrant communities  
Ensuring efficient, effective and modern service delivery

**Statutory Officer Comments**

**Deputy Monitoring Officer:**

Further to section 60 of the Anti-social Behaviour Crime and Policing Act 2014, a public space protection order cannot be in force for more than three years unless it is extended before its expiry. The requirement to undertake the necessary consultation in relation of the proposed extension of the Dog Control PSPO has been met and will not, therefore, pose a risk of legal challenge.

**Deputy S151 Officer:**

Enforcement of the current PSPO is carried out by a third party under a pilot scheme, who retain a proportion of income generated from fines issued. Should this arrangement cease after the pilot period has ended, any costs associated with enforcement of the PSPO would be expected to be met within the current approved resource for the service.

**Advice**

Cllr Banks introduced the report and said this was drafted to extend the current arrangement they had in place and looked to extend the borough wide dog control PSPO. They had consulted with members of the public and it had been well supported, it had been to SPAE and they had noted the report.

This would be enforced by the district enforcement officers as part of the pilots running to combat anti-social behaviour carried out by the few that make our public spaces difficult on occasions and to make the public spaces safe.

**Recommendation agreed**

**CA/49/21     PMO RESERVE**

## **Decision**

1. To note the update on PMO resource
2. That Cabinet recommends that Council approves the funding of £170,000 to temporarily fund the Cabinet www.dacorum.gov.uk General Fund PMO while permanent resource is planned and implemented.
3. That Cabinet approves a one off 22/23 reallocation of £80k of funding HRA budget from the Revenue contribution to capital to the HRA HTIP programme.
4. That Cabinet retrospectively agrees to set aside the commissioning and procurement standing orders to approve the award of the temporary PMO contracts each valued above £75,000.

## **Corporate Objectives**

Ensuring efficient, effective and modern service delivery

## **Statutory Officer Comments:**

No comments to add to the report.

## **Monitoring Officer**

### **Deputy s151 Officer:**

The request for £170k General Fund, funding is a short-term solution, whilst a medium to long term sustainable PMO structure is created. Given the short-term nature of this resource requirement, the use of general fund reserves and, in particular, the Management of Change reserve is in line with the rationale for utilising this reserve up. The commitment of this £170k from the management of change reserve will result in the Management of Change reserve being almost entirely committed in 2022/23.

The reallocation of £80k of HRA budget from the revenue contribution to capital to fund the PMO resources, reduces the funds put aside for future capital developments.

## **Advice**

Aiden Wilkie introduced the report and said that the PMO is key to their renewed approach to project delivery across the council. They had spoken about the housing transformation improvement is one example of it. There had been a lot of work over the last few months to set this project up and they were in a position where in order to make rapid progress on the housing transformation programme and the waste transformation programme they had secured temporary resource to make that happen. It was fair to say that they had seen the benefits of that resource coming through the organisation while they looked for a more permanent approach.

The recommendations were laid out in the paper, 4 total but 3 substantive.

Cllr Griffiths said that certainly from the housing perspective she had spent a lot of time, not just to finance but staff time etc in getting the H-tip to where they were now and they need help to start implementing what was in it so it could become a living working document rather than a strategy that was sitting on the shelf. She supported this and the sooner they could get on with this, the better.

### **Recommendation Agreed**

#### **CA/50/21      PARADISE DESIGN CODE**

##### **Decision**

1. That Cabinet notes the views of Strategic Planning and Environment Overview and Scrutiny Committee.
2. That Cabinet approves the Paradise Design Code draft Supplementary Planning Document for public consultation.
3. That Cabinet delegates authority to the Strategic Director (Place) following consultation with the Portfolio Holder for Place, to agree the timing of the public consultation on the Paradise Design Code – draft Supplementary Planning Document.

##### **Corporate Objectives**

The Draft Paradise Design Code SPD promotes the achievement of all the corporate priorities as set out below:

- 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

##### **Statutory Officer Comments:**

##### **Monitoring Officer**

The Town and Country Planning (Local Planning)(England) Regulations 2012 is the relevant statutory framework that governs the form and content of supplementary planning documents which includes the requirement for a twostage public consultation process. The recommendations in this report will ensure that the consultation requirements of the 2012 Regulations are met.

##### **S151 Officer:**

There are no financial implication of the implementation of the proposed design code, and government funding is expected to fund the remainder of this project through the consultation phase

### **Advice**

Alex Robinson introduced the report and said, the government were moving towards the greater use of design codes as part of changes to the planning system, in response to that this council had prepared a design code for Paradise, to try out some of the guidance expected to come forward in the next few years, this would become a supplementary planning document.

The code itself would be made up of both mandatory and discretionary requirements across 4 themes, Movement, Built Form, identity and use. The document was presented to SPAE in May and they made the following recommendations. SPAE informs cabinet of its support for the design code and recommend it be published for consultation. The next step in preparation for the design code was public consultation following which the council will review comments made before finalising the design code and bringing it back to Cabinet for adoption.

The recommendation in the report was to seek Cabinet approval to consult on the design code, on a date, which is to be confirmed, most likely late summer.

Cllr Griffiths said she could remember last year looking around paradise and councillors giving their opinions on this which was an interesting exercise. It was now interesting to see that come full circle and would be interesting to see what the public would make of what councillors thought, officer and internal.

Cllr Williams said it would be interesting to see how much public engagement it generates as it was not in a prominent area or a major employment area and has a modest amount of residential in that area.

### **Recommendation Agreed**

## **CA/51/21 CONSTITUTION AND FINANCIAL REGULATIONS**

### **Decision**

1. That Cabinet recommend Council agrees the amendments to Part 3 of the Constitution as highlighted in the report and shown in tracked changes on the attached document entitled "Constitution – Part 3 – Responsibility for Functions"
2. That Cabinet recommend Council agrees the amendments to Part 4 of the Constitution as highlighted in the report and shown in tracked changes on the attached document entitled "Constitution – Part 4 – Rules of Procedure"
3. That Cabinet recommend Council agrees the amendments to the Council's Financial Regulations as highlighted in the report and shown in tracked changes on the attached document entitled "Financial Regulations v.1.1"

4. That Cabinet recommend Council approves the proposed amendment to Commissioning and Procurement Standing Orders as set out in section 4.5 to the report.

### **Corporate Objectives**

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

### **Statutory Officer Comments:**

#### **Monitoring Officer**

The scheme of delegation in Part 3 of the Constitution provides a framework for effective decision making and should ensure that officers act within their appointed delegations and therefore minimise legal challenge

#### **Deputy s151 Officer:**

The majority of minor changes made to the constitution reflect the approved Council restructure that has been undertaken at Tier 2 and Tier 3 levels in the organisation. This includes the financial regulation changes proposed at para 3.4 and 3.5, which have been proposed to bring approval limits in line with officer seniority.

The additional proposed delegations to the Chief Executive will be monitored and reported to members accordingly in line with current financial regulations.

A change in the financial assessment of proposed redundancies and retirements to a Best Value assessment from a rigid 3 year pay back criteria allows for a more analytical view of these complex decisions from a value for money perspective. As detailed in the constitution, and in line with good practice guidelines, the Chief Executive would seek advice from both the S151 and Monitoring officer's prior to making these decisions.

### **Advice**

Farida Hussain introduced the report and said it outlined the changes that were required to the constitution following changes to the leadership team and realignment of portfolio holder areas. A more general review had also been carried out to update the constitution to reflect changes in legislation, this included special severance payments. Changes were also required to the financial standing orders and procurement standing orders, one of those changes were that officers at tier 3 could authorise payments up to £250k, there were also some extra delegations regarding interim appointments. This was all to ensure there were no delays when those things were required.

### **Recommendation Agreed**

**CA/52/21      CREMATORIUM GOVERNANCE**

## **Decision**

1. That Cabinet notes that the West Herts Crematorium Joint Committee has resolved to agree to the adoption of a Lead Authority model for the future operation of the Joint Committee
2. That Cabinet agrees that the Lead Authority model be adopted and that Three Rivers District Council be the Lead Authority.
3. That Cabinet agrees that a new Joint Committee Agreement be developed along with any other legal documents required to facilitate the new governance structure and delegates authority to the Strategic Director (Corporate and Commercial Services) in consultation with the Assistant Director, Legal and Democratic Services and the Council's nominated member of the Joint Committee to finalise and complete the new Joint Committee Agreement and any other legal documents required.

## **Corporate Objectives**

Building strong and vibrant communities Ensuring economic growth and prosperity  
Ensuring efficient, effective and modern service delivery

## **Statutory Officer Comments:**

### **Monitoring Officer**

The proposed governance framework is appropriate to ensure that the two crematoria can operate efficiently within a sound legal structure. The Joint Committee Agreement will be developed to ensure that each authority's obligations, liabilities and share of any surplus are clearly defined and agreed. This will be developed with support from external solicitors who will help to ensure that a balanced approach is agreed across the partnership.

### **Deputy s151 Officer:**

The single lead authority structure should provide a clear transparent approach to operations reporting and governance, with the board overseeing key decisions making. The Joint Committee Agreement that will be developed, by the partnership, will provide greater detail of the shared financial risks and rewards and will also set out a clear reporting and performance monitoring framework.

### **Advice**

Farida introduced the report and said that it set out different options for governing the West Herts Crematorium and approval was sought for the preferred option, which was to have a lead authority model, that lead authority would be Three Rivers Council. They had volunteered for the role so advise was sought from Anthony Collins solicitors and they did propose different options on how the West Herts Crematorium could be governed however they advised that the proposed model was the most efficient and most economically viable.

Delegation was also sought to set up a new joint committee agreement, which would be more formal than the working arrangements that they currently had, especially with the new crematorium being built at Bunkers Park this would be needed.

Cllr Williams asked if this would be on similar lines to the 5 members from the 5 councils and the appropriate support for that.

Farida said it would.

Cllr Williams asked Nigel Howcutt if anything from a financial perspective now that the new crematorium was on our land.

Nigel Howcutt said that this paper was outlining the decision for Three Rivers to be the lead authority, which made sense as they were already operating one of the 2 sites involved in the committee, this seemed logical and sensible rather than setting up a new entity in another local authority names. The next step was around those detailed legal agreements of how the new committee agreement will set out, that would require a lot more work and approval, going back to the member sites on the committee, Terry Douris and making sure that they were happy as an organisation with the new terms agreed. They do not see them being vastly different in terms of benefits, risks and liabilities but they will be nuanced in there, bringing them up to date with current legislation, legalities as well as issues around the pension schemes for the risk and liabilities. On the basis of 5 partners, equal partnership, equal involvement, equal risk and equal profit share. In terms of exactly how it would work has yet to be decided. From there perspective they were not perceiving any significant change going forward but the details were yet to be formalised or even proposed at that point in time.

Cllr Barratt asked if it would be like a business that they were 20% share of.

Nigel explained that that was essentially how it was set up at the moment and when they were having difficulties some years ago all 5 partners put money on, equal partners, equal share and equally now at the moment they all gain equal payment from the dividend from that site. What would work slightly differently would be that they would now be a land owner and Three Rivers were land owners they would get additional payments from the use of the land, which means partners will have a slightly different arrangement but reflects what they will have invested in it. Now they would have the land that the new crematorium sits on so they will get a rental income for that and some peripheral services will be used at the cemetery next door.

Cllr Barrett asked if Three Rivers would get an income from the additional crematorium site.

Nigel Howcutt said that they would get exactly the same rental agreement they Dacorum would get for ours. From that perspective there was a parity in terms of what they would put in they would get a similar return.

Cllr Barratt asked if there was a lease from the authority to the consortium as it were.

Nigel Howcutt explained that as part of the agreement they would arrange a lease, currently they have a license to build on the site and the idea was that they would

offer that up until the point there was a crematorium built on that site, then there would be a lease and they could talk about ownership, the risk of liabilities, insurance etc. That would all be dovetailed into the new agreement that will be set up. Members, via the lead member for the crematorium would be involved in those discussions and the final approvals. The West Herts Crematorium Joint Committee would then approve it but after the members from each authority have had a chance to feed into that.

Cllr Barratt asked if any surplus was to arise would that be a taxable surplus.

Nigel Howcutt responded that at this moment they were set up in a strange situation with historical nuances, their profit is put into a reserve on the bottom line, it seemed that it was a community interest, which is part of the reason having to look at this agreement and the legalities behind it. Part of the reason they have a licence on the site was because they need to have an agreement in place and the legal basis of the new agreement before they do a long-term lease. It around tidying ups some of the governance arrangements that have been in place for many years, bringing it up to speed and where they want it to be with the other 4 partners also.

Cllr Williams said that now they have the facility on their own land and more stake in game it was appropriate that they have an arrangement in place.

Nigel Howcutt agreed and said that this group previously made the decision that they were going to have a partnership in the delivery of the crematorium, which meant that they have the expertise of Three Rivers, they're bringing reduced risk as they have got their partners that are sharing that risk but they were delivering a new community service to the residents of Dacorum, from that perspective they get a lot out of it. They get a lot of support and equally will have a very transparent arrangement for future profit shares. If the entity grows like they expect it too in the business case it would make profit in future years, at which point they would get a share of that profit as well as delivering an additional service to the residents. They could argue they would get slightly more out of it than other partners that do not have the crematorium on their land.

#### **Recommendation Agreed**

**CA/53/21      EXCLUSION OF THE PUBLIC**

**CA/54/21      COMMERCIAL PROGRAMME UPDATE**

Minutes can be found in Part 2

**CA/55/21      HBC CONTRACT EXTENSION**

#### **Decision**

1. Extend the current Services Agreement with Hertfordshire Building Control until 31st March 2023 and delegate authority to the Chief Executive in consultation with Assistant Director, Legal and Democratic Services and Chief Financial Officer to agree future extensions.

2. Delegate authority to the Chief Executive in consultation with the Assistant Director, Legal and Democratic Services and Chief Financial Officer to agree any final and outstanding legal, technical, financial and operational matters to be concluded in effecting the proposed extension of contract noted in recommendation 1 or the LA1 function.
3. Continue the appointment of Three Rivers District Council to perform the LA1 contract management function and the audit and issue of statutory notices as per the current arrangements.
4. Appoint East Hertfordshire District Council to perform the statutory notice LA1 function until 31st March 2023
5. Delegate authority to the Chief Executive, following consultation with the Portfolio Holder for Commercial Strategy and Delivery, Assistant Director, Strategic Director (Corporate and Commercial Services), Assistant Director, Legal and Democratic Services and Chief Financial Officer, to agree and finalise any future arrangements for statutory building control including the LA1 function beyond 31st March 2023.

### **Corporate Objectives**

A clean, safe and enjoyable environment Ensuring efficient, effective and modern service delivery

### **Statutory Officer Comments:**

#### **Monitoring Officer**

A resolution was passed on 18th September 2019 to delegate statutory Building Control functions to one of the Building Control authorities. This delegation remains in place but, for completeness, as part of the LA1 function is being changed to a different authority this report brought to Cabinet for approval. Further delegations are being proposed so that future commercial decisions on the LA1 function can be agreed by officers. To extend the current Services Agreement, a deed of variation will need to be completed to give effect of the contract extension and also to formalise any changes to the role of LA1. This report was not on the Forward Plan and is reported to Cabinet as an urgent decision without giving the usual 28 days' notice of an Executive Decision. The decision is urgent because the current Service Level Agreement ends in August and needs to be extended to ensure that the Building Control service can continue to operate. The Chairman of the Finance and Resources Overview and Scrutiny Committee has been consulted and has agreed that this report be treated as an urgent decision as it cannot reasonably be deferred to the next Cabinet meeting in September

#### **Deputy s151 Officer:**

The 22/23 budget is sufficient to fund the current LA1 service agreement. Following further negotiations if additional costs are agreed and there is not sufficient budget available in existing approved budgets the service will be required to seek member approval for growth, in line with the current Financial Regulations.

### **Advice**

Farida Hussain explained that the current contract under which eight local authorities instruct Hertfordshire Building Control services was due to expire in August this year. Approval was sought to extend that contract to the end of the financial year and to provide delegation to the Chief Exec in consultation with various officers to agree any further extension as they were still working through some detail. Authorisation was sought to delegate the statutory sign off to East Hertfordshire Council. Up until now, Three Rivers Council had performed the role, it was not something that the Hertfordshire Building Control can do, as it was statutory, and only a local authority could perform that function.

If approval was given, any future extensions could be agreed by the Chief Exec in consultation with the portfolio holder to speed things up so that it does not have to come back through Cabinet.

Cllr Williams said that this was coming to Cabinet, as they need to have the arrangement in place for August otherwise, they would find themselves with no one administering the process.

Farida Hussain said that it would mean that the service would need to come back in house and they do not have the resource to provide this function.

Cllr Williams commented that the process of going to Hertfordshire Building Control has been successful so they do not wish to reverse that function.

### **Recommendation Agreed**

The Meeting ended at 8.17 pm

# Agenda Item 8

Last updated: 01/09/2022

## CABINET FORWARD PLAN



## Cabinet

<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Commercial Strategy
<b>Date:</b>	27 September 2022
<b>Report on behalf of:</b>	Councillor Andrew Williams, Leader and Portfolio Holder for Commercial Strategy & Delivery
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Commercial Strategy
<b>Background papers:</b>	Finance and Resources Overview and Scrutiny Committee, 5 <sup>th</sup> July 2022, Commercial Strategy Update. Cabinet, 15 <sup>th</sup> March 2022, Commercial Strategy Update.
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	

**Report Author / Responsible Officer**

Ben Hosier, Head of Commercial Development



Ben.hosier@dacorum.gov.uk

<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Ensuring efficient, effective and modern service delivery Climate and Ecological Emergency – working to deliver net zero carbon
<b>Wards affected</b>	All Wards

<b>Purpose of the report:</b>	1. To approve the Commercial Strategy
<b>Recommendation (s) to the decision maker (s):</b>	1. To approve the Commercial Strategy 2. To note the Commercial Principles set out in the Strategy
<b>Period for post policy/project review:</b>	Full Business Cases for identified opportunities will be presented for approval over the coming months. Regular performance reports will be presented, once approval has been given to commence implementation of opportunities.

## 1 Introduction/Background

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

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

## 2 Key Issues

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

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

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

The Strategy has four primary objectives:

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

## **Key Considerations**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## Governance

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

## Timelines

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

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

Project	Lead Officer	Project Sponsor(s)	Directorate	Additional Comments
<b>Phase 1 – FBC development by 30 September</b>				
Smart Parking	Head of Commercial Development	Strategic Director Corporate & Commercial Services	Corporate & Commercial Services	
Light Industrial Units	Head of Development Head of Property Services	Deputy Chief Executive Strategic Director Place	Place	
Commercial Waste	Assistant Director Neighbourhood Delivery	Deputy Chief Executive	Resident Services	Project pending the Waste Transformation Programme being fully mobilised
CCTV	Head Community Safety	Assistant Director Neighbourhood Delivery	Resident Services	
Fees and Charges	Head Financial Services	Chief Finance Officer	Corporate & Commercial Services	
Environmental Shared Service	Head Regulatory Services	Assistant Director Neighbourhood Delivery	Resident Services	

Property Services	Assistant Director Compliance Head of Property Services	Deputy Executive Strategic Director Place	Chief Resident Services Place	
<b>Phase 2 – FBC development by 31 October</b>				
Fleet EV	Head of Environmental Services	Assistant Director Neighbourhood Delivery	Resident Services	Project pending the Waste Transformation Programme being fully mobilised
Developer Account	Assistant Director Planning	Strategic Director Place	Place	
Planning Enforcement Shared Service	Assistant Director Planning	Strategic Director Place	Place	
Legal Shared Service	Assistant Director Legal & Democratic Services	Strategic Director Corporate & Commercial Services	Corporate & Commercial Services	
Homes & Contents Insurance Service	Head of Financial Services	Chief Finance Officer	Corporate & Commercial Services	

### 3 Options and alternatives considered

The primary alternative to adopting and progressing with the objectives and principles set out in the Commercial Strategy would be further – and significant – reductions in resident services. It would also mean that fewer Corporate Plan priorities would be achieved.

The pursuit of a more commercial focus has been an agreed strategic approach for some time and has informed the new Tier 2 structure of Strategic Directors.

Options will need to be considered within individual commercial opportunities, and these will form part of the Business Case and associated approvals.

### 4 Consultation

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

### 5 Financial and value for money implications

The Commercial Strategy 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. Individual Business Cases will require investment to secure the identified benefits, and these will be presented as part of the approval of these following the timelines set out above.

## **6 Legal Implications**

There are not considered to be any specific legal implications arising from the Commercial Strategy itself. There will be legal considerations arising from individual commercial opportunities. These will be evaluated as part of the Business Case and the associated formal approval process. The Council's Monitoring Officer is a member of the Commercial Board to make sure that any legal implications are identified at an early stage.

## **7 Risk implications:**

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

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

## **8 Equalities, Community Impact and Human Rights**

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

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

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

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

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

## **11 Statutory Comments**

### **Monitoring Officer:**

There are no specific issues to identify at this stage and all legal implications will continue to be reviewed as the individual business projects are developed.

### **S151:**

The Council's 2022 Medium Term Financial Strategy is currently under development and the commercial programme is expected to deliver significant income generation and financial efficiencies to support the wider Council's financial sustainability in the medium term.

## **12 Conclusions:**

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

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

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

# Dacorum Borough Council

## Commercial Strategy

### 1. INTRODUCTION

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

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

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

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

- We will continually identify and develop opportunities to commercialise existing and new services;
- Our partnerships (private and public) will be efficient and deliver best value;
- We will have a strategic commissioning and procurement approach that derives the maximum value from every pound spent;
- We will adopt the most effective delivery models to deliver best value services;
- When we need to charge for our services, we will price commercially, ensuring that this covers the full cost of the service unless we have made a conscious and evidenced decision to subsidise;

- We will be commercially astute – we will understand the market for our services, and know how to make it work for us;
- We will all understand and recognise where we have a role to play in maximising the impact of the Council's assets for the benefit of residents and communities.

This Commercial Strategy explores:

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

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

## **2. NATIONAL DRIVERS**

### **2.1 Local Authority Funding Gap**

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

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

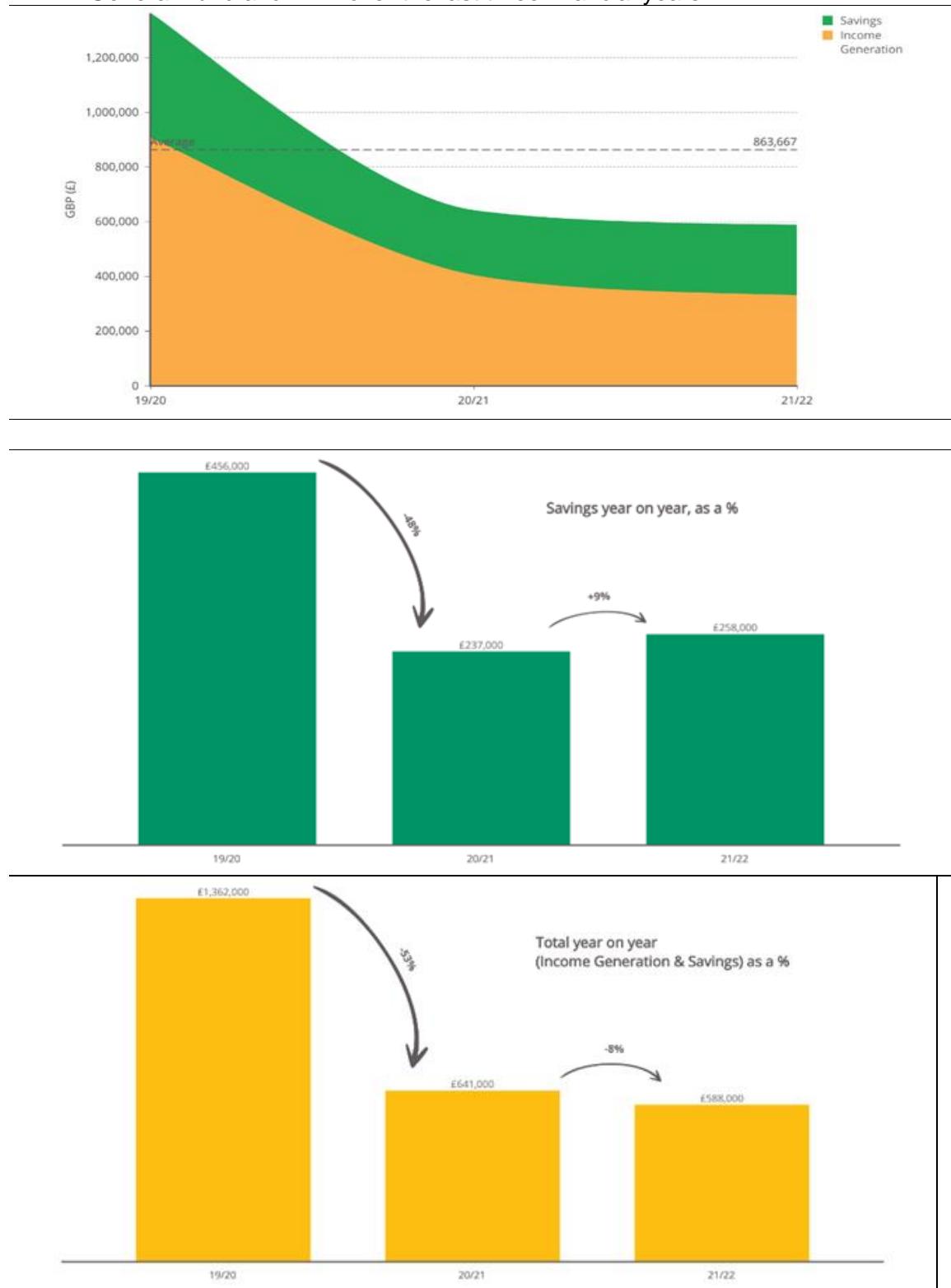
The 22/23 Local Government Finance Settlement provided a potential increase in councils' core spending power in cash terms. However, to realise this, the government assumption is that councils will raise council tax by the maximum amount permitted without requiring a referendum. The New Homes Bonus also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

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

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

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

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



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

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

## **2.2 National Audit Office**

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

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

## **3. WHAT ‘COMMERCIAL’ MEANS TO US**

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

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

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

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

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

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

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

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

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

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

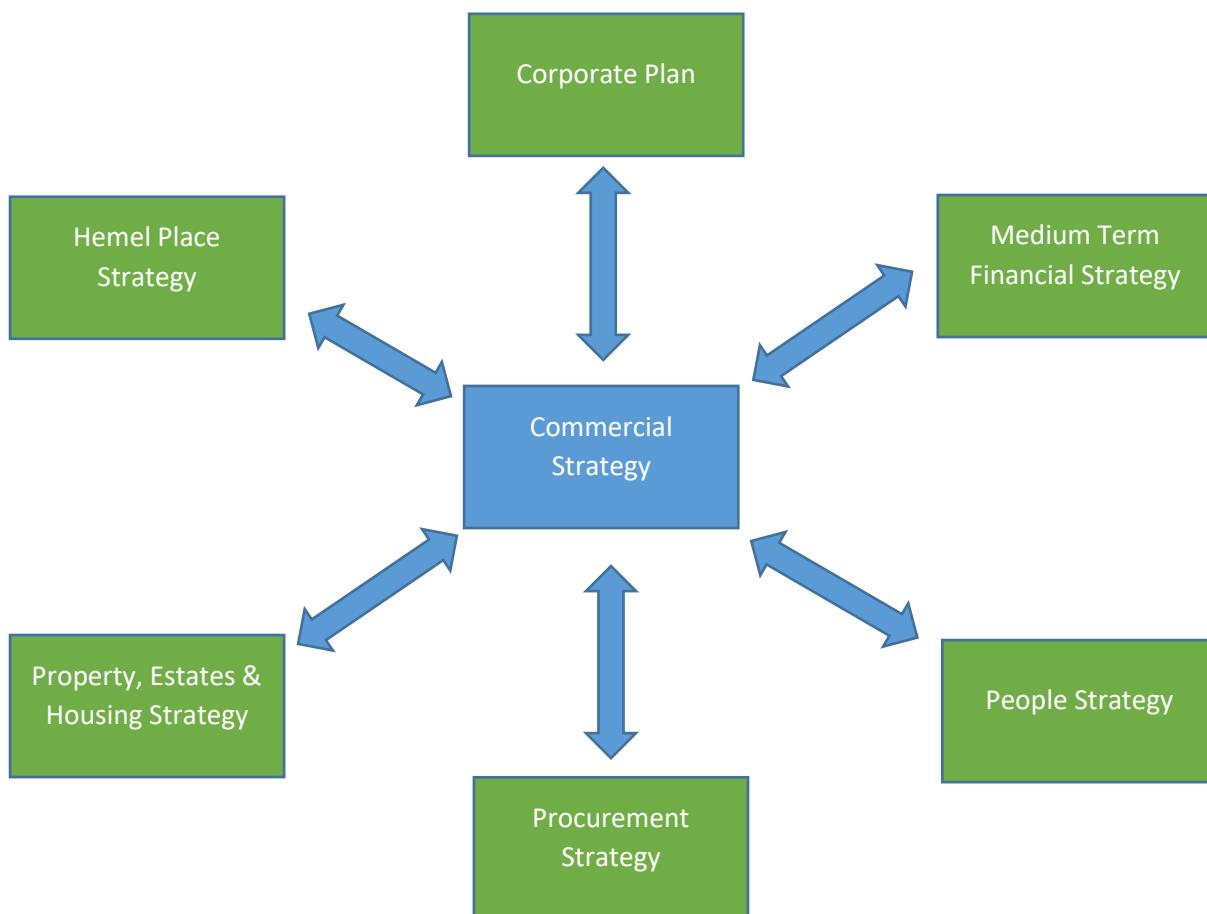
#### **4. BENEFITS**

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

- Ensuring our resources are stewarded wisely to deliver outcomes for our residents and businesses.
- Enhancing our ability to provide social, economic and environmental outcomes that can help to deliver against all six of our priorities: A clean, safe and enjoyable environment, Building strong and vibrant communities, Ensuring economic growth and prosperity, Providing good quality affordable homes in particular for those most in need, Climate and ecological emergency and Ensuring efficient, effective and modern service delivery.
- Developing new incomes streams to support services and rebalance the budget
- Creating a culture where staff think and act differently to deliver new ways of service delivery to serve our residents and businesses
- Inspiring staff by embedding a forward thinking, opportunity focused mind-set that can drive wider culture shift
- Increasing the robustness of the organisation through the creation of a diverse commercial portfolio to ensure long term organisational sustainability

## 5. THIS STRATEGY

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



## 6. OBJECTIVES

### PRIMARY OBJECTIVE

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

### SECONDARY OBJECTIVES

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

- Developing a **commercial culture**
- Putting **sound governance** in place – being clear about responsibilities, authorities, processes, templates and funding

- Ensuring there is appropriate **performance management** in place for commercial initiatives

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

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

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

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

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

## 7. CULTURE

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

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

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

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

## **8. DEVELOPING THE PROGRAMME AND OUR PRIORITIES**

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

In selecting the opportunities, consideration has been given to:

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

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

<b>Priority Code</b>	<b>Priority Area</b>	<b>Description</b>	<b>Impact</b>
D1	Commercial Waste	Developing the Commercial Waste income streams, building on the existing assumptions that form part of the Waste Transformation Programme	Increase the number of businesses using the council service and improve the level of income generated
D2	Light Industrial	Develop underused garage sites into light industrial units	Increased revenue generation, servicing demand in the local area and supporting economic development
D3	Smart Parking	Utilising ANPR to increase car parking revenue from major council assets	Increase revenue substantially, provide a better parking experience and support retail in the borough
D4	CCTV	Providing CCTV to businesses in Dacorum and developing a lifeline monitoring centre	Financial impact through income generation and savings
D5	Fees and Charges	Increasing fees and charges that benchmarking has shown to be currently charged at low rates in Dacorum	Increase in income generated

<b>Priority Code</b>	<b>Priority Area</b>	<b>Description</b>	<b>Impact</b>
D6	Environmental Enforcement Shared Service	Shared Service managed by the Council	Increased income generated and economies of scale realised.
D7	Property Services	Create a dedicated transactional property function that works across the HRA and the General Fund	Cost savings and increased resilience

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

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

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

## **9. HOW WE WILL DELIVER THE STRATEGY**

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

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

The Terms of Reference for the Board are as follows:

The Commercial Board will provide senior officer level governance for the development of Dacorum's Commercial Strategy, delivery of the associated programme of work,

and realisation of associated income. It will also play a key role in overseeing the organisational development required to support the Council's commercial focus, although specific initiatives and projects are likely to form part of the transformation programme and associated governance.

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

The Board will specifically have officer governance responsibility for:

- Strategic and business planning for new commercial activity, including development and review of the Commercial Strategy.
- Business planning and performance management for services and activities whose primary focus is the generation of revenue surpluses to support General Fund activities;
- Business planning and performance management for services, which are forecast to generate budget surpluses. Whilst this might include services with marginal trading activity, the main focus will be on services forecast to generate surpluses > £50k per annum.
- Review and approval of all commissioning and procurement activity, which involve the Council's capital assets and / or revenue expenditure > £75k<sup>1</sup>.
- Review and approval of commissioning and procurement activity for all digital investment.
- Performance management of any direct shareholdings in trading companies.
- Review of any proposed investments in capital assets, which are intended to generate ongoing revenue income.
- Approval and performance management of any activities, which are intended to realise one-off capital, returns to the Council > £75k.

## **Project Management**

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

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

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

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

### ***Commercial Pipeline***

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

### ***Working Commercially***

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

## **10. COMMUNICATING THE STRATEGY**

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

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

## **11. MANAGING RISKS**

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

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

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

<b>Risk</b>	<b>Detail</b>	<b>Mitigation</b>
Capital investments don't deliver the forecast return	Some of the commercial priorities require investment to realise the opportunity.	A thorough approach to business planning with robust sensitivity analysis so no investments are made without a good level of confidence.
The organisational culture doesn't change to facilitate commercial thinking and action	Without a culture change it is unlikely services will realise the commercial opportunity that has been identified	A focus on skills development, commercial performance management and culture change to drive a new commercial culture.
Reputational damage to the council through commercial priorities that don't deliver	Failures that result in losses could impact on the reputation of the council	A thorough approach to business planning together with a balanced portfolio of commercial priorities.
Business as usual suffers as a result of commercial activity	Resources are stretched so doing more with existing resources could impact core business	Ensure that risk assessments are carried out on a case by case basis to take into consideration any impact on business as usual

# Agenda Item 8



## Cabinet

<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Housing Transformation and Improvement Programme (HTIP) – Programme Mandate
<b>Date:</b>	27 <sup>th</sup> September 2022
<b>Report on behalf of:</b>	Councillor Margaret Griffiths, Portfolio Holder for Housing
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix 1: Housing Transformation and Improvement Programme Mandate
<b>Background papers:</b>	None
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	HTiP – Housing Transformation and Improvement Programme TOM – Target Operating Model SRO – Senior Responsible Officer SME – Subject Matter Expert

### Report Author / Responsible Officer

Report Author – Martyn Cockram, Interim Programme Lead HTIP

Responsible Officer – Sarah Pemberton, Deputy Chief Executive (Resident Services)



[Sarah.Pemberton@dacorum.gov.uk](mailto:Sarah.Pemberton@dacorum.gov.uk)

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
<b>Wards affected</b>	ALL
<b>Purpose of the report:</b>	<ol style="list-style-type: none"> <li>1. To provide an overview of the HTIP Housing Asset Management and Compliance work stream.</li> </ol>
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"> <li>1. To note the actions associated with the HTIP Housing Asset Management and Compliance work stream, expected outcomes and progress to date.</li> </ol>
<b>Period for post policy/project review:</b>	

## 1 Introduction/Background:

### Background

Our tenants and leaseholders are at the heart of the Housing Transformation and Improvement Programme (HTIP). The Council is seeking to improve their lives through the provision of excellent housing and homes that residents are proud to live in and which foster communities they can thrive in with their families and friends. This is a long-term piece of work linked, not only to improvement, but also to transformation through the enabling element of the Target Operating Model (TOM), which initially focuses upon structure and function.

## 2 Key Issues:

The following five key areas fall under the HTIP:

- Strategic Housing.
- Housing Operations including resident, tenants, and leaseholder services
- Finance, Technology and Performance
- Commissioning and Contracting
- People and Culture (including the Target Operating Model- TOM)

**Strategic Housing** delivers a service that looks forward and which sets the tone for the Housing service in terms of home creation and the provision of homes and environments in which people want to live. It also drives the supply of new homes and influences developers to create appropriate homes and neighbourhoods.

**Housing Operations including Residents, Tenants and Leaseholder Services** has a range of projects which will ensure that our tenants and leaseholders live in the best possible environment possible. A key element in this area is the Council's ability to deliver improvements in its operations, for example, a repairs and maintenance service that delivers value for tenants, where value does not just relate to money. Additionally, there is a workstream focused upon ensuring that residents, tenant, and leaseholders live in safer homes, enabled through a Housing Compliance and Asset Management workstream. The Council will also have an approach whereby its staff will be much more visible in communities and will be empowered to make decisions which resolve residents' issues and challenges, whatever these may be. This approach will enable much faster solutions to be provided and should reduce the level of complaints received.

**Finance, Technology and Performance** are all key areas to help deliver HTIP. This element of the programme will ensure that the Council is able to deliver the digital capability needed for its tenants and leaseholders to be able to interact with Housing in a much more effective manner, where this is the best way for them to do so. If they prefer to still meet face to face, make a phone call or write a letter, that will of course still be available to them. In terms of Performance, the Council will consider how the service measures what gets done and needs to get done. This applies not only to statutory areas, but also to wider indicators that the service considers will help it maintain its focus upon delivery and which will be meaningful to gauge the impact of its service delivery on residents, tenants, and leaseholders.

**Commissioning and Contracting** is the way in which the Council buys services and products that impact on the lives of tenants and leaseholders. It is about the choice there is for provision of services and products in the market and the value that can be derived from them. This work stream seeks to improve the way in which the Council contracts and then manages its housing services.

**People and Culture** is important, as the Council is reliant on its people, and the way they work, to help ensure that HTIP can be delivered in a way that is safe, legal and sustainable. There will be some key areas within the HTIP programme where Officers need to be developed through advanced skills and training, for example in building safety and contract management. Additionally, this work stream owns the Target Operating Model (TOM), is responsible for its development, with Housing Operations, Strategic Housing, Housing Asset Management and Compliance service areas accountable for its delivery.

### **Housing Transformation and Improvement Programme (HTIP)- Mandate**

The associated HTIP Programme Mandate includes all of the key activity required to deliver the programme of work and contains the case for change within it. The document also explains how the programme of work helps to deliver the vision for Housing, as well as how it addresses some of the key improvement areas we want to develop across the programme, also linking these to the vision and case for change.

The Mandate also considers benefits, programme costs and the development of the new TOM. In order to provide Member and Officer confidence, the Mandate also takes into account the programme governance and methodology to ensure delivery and it also sets out how the programme will become sustainable by embedding change into business as usual processes.

The HTIP programme will continue to develop and deliver all outputs and outcomes in support of the Council's housing vision and case for change. It will ensure that all identified benefits are realised and that all risk and issues are mitigated in line with agreed outcomes and actions. It will also ensure, through the programme's governance approach, that all deliverables are achieved to plan and within all financial parameters. It will also, as elements of the programme are delivered, ensure that these transfer into business as usual in a controlled and agreed manner via the HTIP Programme Board, its SROs, SMEs, and Dacorum's Executive Sponsor (CEO).

In terms of next steps, once approved, the Mandate will become the formal driver of the HTIP programme. It will be the document by which the programme itself will be judged as successful and it will be used to determine the progress that is made, and it will also enable the Council to determine how well the outputs embed into a new business as usual as the change embeds and outcomes are delivered.

### **3 Options and alternatives considered**

There are no alternatives to the mandate presented in the paper. The appendix to the report identifies 5 key strands of improvement and transformational work being carried out and is based on recognised project methodology. It is considered that this programme is essential to deliver the change required for the Council's housing service.

### **4 Consultation**

Consultation to the programme has been across the organisation with all key stakeholders engaged. External interim consultancy brings transformational and project management and a specialised skill set to ensure the effective shaping and delivery of the programme. The HTIP mandate has been considered at the Housing & Communities Overview and Scrutiny Committee on 7<sup>th</sup> September 2022.

## **5 Financial and value for money implications:**

There is a costed HTIP programme of activity and a budget has been approved and set and is monitored on a regular basis and reported to the HTIP Board monthly.

## **6 Legal Implications**

The HTIP programme includes a work stream which will ensure that the Council manages its housing as assets in full compliance with its statutory and regulatory requirements.

## **7 Risk implications:**

There are a number of key risks which have been identified as part of delivering the HTIP including:

- Resourcing - adequate staffing levels and ensuring training needs are met
- The continued development of the TOM and that its implementation progresses.
- IT Systems – ensuring that they are integrated and fit for purpose.
- Finance – Approved budget for HTiP is monitored and adhered to.
- A collaborative approach is required across departments and work streams
- Health, Safety and Risk culture to be visible and consistent
- Understanding and agreeing on what ‘good’ service delivery looks like
- Being able to maintain the pace of change and its impact

The nature of the HTIP programme and its individual work stream discipline, is one of continuous risk review and mitigation. The HTIP programme has an Executive Sponsor (CEO), each workstream has a Senior Responsible Officer (SRO) and a Lead Officer (SME) is also in place to ensure ownership and oversight of current and emerging risk.

## **8 Equalities, Community Impact and Human Rights:**

All work streams of the HTIP programme have been developed to ensure that there are no adverse impacts on any parts of the community.

Human Rights – there are no Human Rights Implications arising from this report.

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

This is not applicable to this paper as sustainability implications will be addressed as they arise during the design and implementation phases of the HTIP project.

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

This is not applicable to this paper. However, the TOM once completed will outline, and evidence in detail, the new service structure which is being co-designed through extensive officer and stakeholder engagement. At this stage, this continues to be a work in progress.

## **11 Statutory Comments**

**Monitoring Officer:**

The HTIP programme will provide a framework to ensure that the Council is compliant with all of its statutory requirements and this will continue to be reviewed as the programme is developed.

**S151:**

The HTIP programme has an approved budget and this is monitored as part of the wider financial monitoring cycle, and is reported to members quarterly.

**12 Conclusions:**

The HTiP project is a long-term piece of work to revitalise and re-purpose all functions of the current DBC Housing Service. It will link not only to improvement, but also to transformation through the enabling element of the Target Operating Model (TOM) which initially focuses upon structure and function.

Each workstream within HTIP has its own detailed plan and these are living documents which will evolve, develop and change over the lifetime of the programme. Plans have owners, key actions and interdependencies identified in every instance, with an overall approved budget and strong governance.



## **Housing Transformation and Improvement Programme**

### **Programme Mandate**

## Document Control

<b>Document Title:</b>	Housing Transformation and Improvement Programme (HTIP)
<b>Document Subject:</b>	HTIP Transformation and Improvement programme
<b>Document Location:</b>	Housing Transformation and Improvement Programme – Teams site
<b>Author:</b>	Martyn Cockram
<b>Owner:</b>	Claire Hamilton
<b>Authorised By:</b>	HTIP Programme Board
<b>Version:</b>	0.7
<b>Status:</b>	Draft

### Version History

Version No.	Release Date	Author(s)	Summary of changes
0.1	06/07/2022	Martyn Cockram	Initial Draft of Programme Mandate
0.2	07/07/2022	Jody Nason	Draft Development
0.3	25/07/2022	Martyn Cockram	Draft changes after feedback from Claire Hamilton
0.4	03/08/2022	Martyn Cockram	Draft changes after feedback from Jon Maxwell, Mark Pinnell, Richard LeBrun, Natasha Beresford, Kelvin Soley
0.5	04/08/2022	Martyn Cockram	Draft changes after feedback from Jody Nason, Robin Barton
0.6	23/08/2022	Martyn Cockram	Feedback from Claire Hamilton and Sarah Pemberton – condensed version of mandate
0.7	30/08/2022	Sarah Pemberton	Further development, changes and condensing to v.0.6

### Contributors

Reviewer	Title	Date contributed
Sarah Pemberton	SRO and Deputy Chief Executive (Reside Services)	

### Reviewers

Reviewer	Title	Date Reviewed
Catherine Silva Donayre	SRO and Strategic Director Corporate & Commercial	
Aidan Wilkie	SRO and HR/OD Director, Transformation Direc	
James Doe	Programme Assurance and Director of Place	

### Sign-off and Approval

Name	Title	Date
Claire Hamilton	Executive Sponsor and Chief Executive	

## **1.Purpose of the Mandate**

The Programme Mandate defines the Housing Transformation and Improvement Programme (HTIP) in terms of why it is needed, what it must achieve, its governance arrangements and how it will be managed. It describes how the Programme will design and deliver the Target Operating Model, the actions arising from various audit work undertaken by Ernst Young (EY), and when the benefits deriving from these actions will begin to be realised. It provides the basis for monitoring progress towards these goals and for tracking the impact of each component / project on the programme's overall goals, benefits, risks, and costs. It helps to define, for the Programme Board and Key stakeholders the pathway for change and how the outputs and outcomes will move into a "new" business as usual. It should be noted that the planning process continues throughout the duration of the programme. The amount of information available and the level of detail in the document will develop as programme definition and execution progress.

### **1.1. Brief Description**

The HTIP Mandate is a collection of structural and planning requirements that will evolve throughout the Programme. It brings together all the best available information at any point in time about the Programme's rationale, objectives, costs, benefits, resource requirements, timescales, risks, issues, and governance.

It is the Programme Board's guide and reminder as to why the programme is being undertaken and should be updated and reviewed by the Board at regular intervals.

At the outset of the Programme, it will be difficult to define *all* the relevant parameters in detail. However, at the very least the Programme Mandate and then Programme Initiation Document should describe the overall costs and benefits of the Programme as a whole, plus the plans for the immediate phase of the Programme in detail, and subsequent phases in outline.

## **2. Priorities and vision of Housing Services in Dacorum Council**

### **2.1. Corporate Plan Priorities**

Council and corporate priorities inform and allow teams to focus on targeted areas and specifics when they are designing and delivering services.

The Corporate Plan, usually spanning an administrative term, is set and agreed by Full Council, taking into account the Council vision and what is most important to deliver for residents, tenants and leaseholders. Currently, Dacorum Council's corporate plan has the following key priorities and focus areas:

- 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

## 2.2. The Vision for Housing Service

The vision for the Housing Service in the Corporate Plan states the Council will focus on:

***"Providing good quality affordable homes, in particular for those in most need"***

And the vision will be delivered by:

- Building over 400 new Council homes and continuing to provide support to Housing Associations where viable
- Supporting the broader development of over 5,000 new homes
- Commissioning a stock condition survey of Council housing and the private rented sector and reviewing the provision of homes for older residents, tenants and leaseholders.
- Investing in improvements to make our existing homes more energy efficient
- Investing £88m in our housing stock through our capital investment programme
- Continuing to support tenants to sustain their tenancies
- Continuing to consult on proposed developments and policy changes
- Supporting residents, tenants, and leaseholders to access good quality and affordable homes in the private rented sector
- Continuing to focus on preventing homelessness through proactive advice and assistance
- Obtaining grant funding, where possible, to support the delivery of all areas of the service

HTIP presents an appropriate opportunity to develop and deliver upon a specific vision for the Council's housing services in line with the Council's Corporate plan priorities.

## 3. Housing Transformation and Improvement Programme – (the “Case for Change”)

As the Council emerged from the recent Covid pandemic, the opportunities that were presented allowed the Council to consider how it revitalised and re-engineered the services it provided to its residents, tenants and leaseholders, customers, and businesses, putting them firmly at the centre of DBC thinking and focus in a customer-centric way.

In the spring of 2021, DBC commenced work on a Housing Action Plan (HAP) through which the Council refreshed and built upon its focus in delivering the best possible services for its residents, tenants, and leaseholders (collectively referred to as ‘customers’). The approach to continually improve the services and outcomes provided was underpinned by the development of a range of key activities across the Housing Service which ensured that customers would see real and sustainable improvements and benefits starting to be delivered.

Giving customers a key role in the way in which services are delivered and developed has been a key factor in the approach to improving services and DBC has already embarked on a range of activities to ensure that services develop at a rate of change and the right services are delivered in the right place and at the right time.

A whole service review has included the interdependencies and relationship services which enable and enhance the service in an holistic and continuous improvement way. Technology is being incorporated for a more effective and streamlined operational approach of internal operations and also as a digitally enhanced improved offering to customers.

Through the development of our HAP, a “front door to back door” approach is being adopted. This essentially means that that we improve and transform the whole housing system from the first point of contact (by whichever channel) to the receipt of service and a satisfied customer. The customer should be fully informed through all stages of the service request, and means fewer ‘hand offs’ internally within the Council and crucially, the customer only needs to tell their story once and be confident this will be acknowledged/responded to, progressed, tracked and resolved in a timely manner. Finally, it will be important for a continuous loop of improvement to the system that the customer has the opportunity, and will be encouraged to provide feedback.

In October 2021 DBC began to consider how well the primary repairs and maintenance contract was performing. EY were commissioned in January 2022 to undertake this piece of work and to provide recommendations for the short-term management and oversight of this service. Based upon their early findings, from March 2022 a follow up commission was scoped with EY which led to a recalibration of the Housing Action Plan with a wider focus and more detailed actions and milestones that are cross Council, and which include recommendations from the EY work alongside ideas from the service.

The drive for change will ensure any work undertaken is community focused. This means a Housing Service training and culture shift to cement a customer centric approach by having empathetic and empowered officers who are not role orientated but have customers' needs and requirements as their first priority.

### **3.1. Housing Transformation and Improvement Plan (HTIP)**

Outcome of discussions and wider stakeholder engagement has identified five key areas that we will focus on for, and with, our customers:

- Strategic Housing
- Housing Operations including resident services
- Finance, Technology and Performance
- Commissioning and Contracting
- People and Culture (including the Target Operating Model- TOM)

**Strategic Housing** delivers a service that is able to look forward and be able to set the tone for the Housing service in terms of home creation, development of environments in which people want to live, influencing developers as well as making sure that all homes and communities are safe for everyone. Additionally, with a view to Government legislation this area will ensure that it has the capacity and capability to help the wider housing service develop the outcomes required for customers in a manner that is both safe and legal.

**Housing Operations and Services** has a range of projects which will ensure that our tenants and leaseholders live in the best environment possible, and will also improve the way DBC provides services across its sheltered housing provision.

Another key element in this area is the ability to undertake repairs and maintenance that deliver value for tenants, where value does not just relate to money. This area of the programme will develop the way in which tenants are able to contact DBC, how they tell their story once and how through the transformation approach we bring operations closer to communities.

DBC customers are at the heart of HTIP, seeking to improve their lives through the provision of excellent housing and homes in communities where they can thrive.

DBC will have a range of engagement opportunities across a multitude of topics, for example, repairs and maintenance, home improvements and the types of homes they wish to see DBC develop for the future, linking into our green agenda. Engagement will be varied and inclusive; the approach DBC are adopting is “*you said, we did*” which means customers will have the opportunity to influence outcomes in all five key work areas.

**Finance, Technology and Performance** are all key areas to help deliver HTIP. This element of the programme will ensure that we are able to deliver the digital capability needed for DBC customers to be able to interact with the Housing Service in a much more effective manner and which aligns to their personal preference of communication e.g. digitally, email, telephone, in-person etc.

Envisaged changes in technology will enable enquiries to be made more quickly, book repairs (with a completion date), request adaptations in their homes etc. This is a piece of work linked not only to improvement but also transformation through the enabling element of the Target Operating Model (TOM).

Meaningful and timely performance indicators will be the measure of Housing Service success. This applies not only to statutory areas, but also operational, administrative and delivery areas which will maintain its focus upon a customer centric service and satisfaction. This means that there will be a small number of key performance indicators, supported by a range of management information data which provide the necessary evidence and assurance of progress. As a part of the TOM development, a performance management framework will be developed for Housing along with an approach to management controls.

**Commissioning and Contracting** is about the way DBC scope, purchase and performance measure the provision of services and products in the market and the derived value. This workstream will improve the way in which DBC contract and performance manage services, suppliers and contracts. It also looks at how the Housing Service remains compliant across its contracts, develops improvements with customer satisfaction and will identify and specify the enhanced skills training required for officers to be able to deliver the improvements identified.

**People and Culture** is fundamental to ensure that HTIP can be delivered in a way that is safe, legal and sustainable. Key areas will be identified for accelerated training, for example in Fire Safety and contract management. There will be key activity around training needs analysis (TNA), around an assessment of the culture within the service and development to embed the values and behaviours required within the service. This workstream will develop the change approach and plan, including ways by which the outcomes of the programme will become sustainable.

Additionally, this workstream owns the TOM, is responsible for its development, with Housing Operations, Strategic Housing, Housing Asset Management and Compliance being accountable for its delivery. Development of the TOM will see a range of transformation activity be undertaken, mapping the “As is” i.e. baseline in terms of current business processes/ways of working to the “to be” by which the services area strategic and operational functions will be developed and underpinned by the enabling elements of technology (digital), performance, people, and culture.

### **3.2. Programme Goals and Objectives**

The HTIP Programme is designed to support the ambitions and objectives of Dacorum Council, per its published Corporate Plan. The Programme is focused upon improving the outcomes and lives of customers when they contact the Council’s Housing Service; the theme “Front Door to back door in a place-based setting” underpins the approach the HTIP programme is taking and this essentially means that the programme is seeking to improve outcomes when they:

- Contact the Council in person, by letter, phone or digitally
- When they seek to interact digitally to arrange a service, for example a repair
- When they simply seek information – signposting them to the right service and function
- Complain – the approach will be to resolve the issues as quickly and effectively as possible – it will not be transferred through silo-working.

It also means that as a Housing Service:

- The service will operate both safely and legally and report in real time.
- Processes and data will drive performance and indicate change requirements
- Uses data to predict and forward plan for potential areas of concern, putting in place corrective action in a high-performance environment.
- Business processes will be owned within Housing.
- Technologies will be developed and improved
- Integrated systems operate in a safe cloud-based environment
- Integrity of data used as a data controller, enveloped by robust governance
- Triaging of initial real-time information for SLA agreed responses.
- Skills gap will be closed and bespoke training development delivered for Housing staff; training programmes will be adapted to in-house delivery for sustainability, resilience and succession planning of officers.
- The service will make sound operational and strategic decisions underpinned by informed, reliable and accurate performance data.

The above outputs will deliver the following outcomes:

- Faster turnaround to provide customer responses, improvements and repairs.
  - Fewer ‘touch points’ for customers in the system, enhancing experience and delivering confidence and trust of a high performing Housing Service.
  - Ensure a service which is place and community based. Officers will be visible and engaged with our customers and become trusted points of contact to deliver and respond.
  - Clear signposting when customers need Council help and the need only to tell their story once.
  - Develop and deliver green open spaces and a clean environment on an inter-departmental agreed standard of contractual operation.
- Deliver better value for money, where value is not just financial. This means the developments and improvement delivered through HTIP will be sustainable and a strong basis for continuous improvement.
- Take action which is commercially focused and provides optimum customer solutions and resolution through enhanced delivery options.

Key deliverables	Delivers by
Customers are safe in their homes	Ensuring that across all areas of Statutory Compliance the service has the data, information, systems, and processes in place to provider safer homes.

DBC staff will be visible in communities which will enable customers to feel engaged, listened to and that positive action will be taken – they tell their story just once and issues will be resolved effectively and efficiently.	DBC Housing officers have appropriate skills training and use of integrated systems to engage effectively. They will be visible within communities and will be empowered to take action to resolve issues. They will be action orientated and have a high profile across our estates, helping people within their homes to achieve the outcomes they require. The Customer Strategy Transformation Programme ensures appropriate triage, signposting, tracking, action, resolution and feedback.
Improve systems and processes used within the Housing Service.	The Improvement element of the programme stabilises and improves outcomes and outputs in the short term. The TOM and ETOM development will enable transformation in line with existing corporate programmes – Digital, Customer and People for example. It will also identify improvements and deliver new or update processes and systems (people and technical) specific to the Housing Service
Housing Service officers are well trained, mentored for development and coached for performance	The HTIP programme will allow officers be well trained which enables them to keep their services safe and legal. Working with HR/OD, officers will be coached and mentored to identify future talent, improve performance, positively retain talent and build resilience in the service.
Customers experience (and have the option) of positive channel shift and a multi-strand communication offering.	The programme will work across Council to enable online requests for services such as repairs. A systematic approach to IT integration (internal and external) will facilitate a joined up approach to data and channels to drive performance and enhance experience.

#### **4. DBC delivery of outcomes for residents, tenants, and leaseholders**

A range of outcomes and outputs will be delivered through the developing transformation and improvement programme via shaping and redesigning services as follows:

- Developing services offered to Residents, tenants, and leaseholders (customers)
- Improving Housing Operations with efficiency and effectiveness, including Asset Management and compliance
- Strategic Housing will focus upon developed criteria, resident needs and increasing capacity of DBC housing stock to provide more homes and in a managed environment across all areas of the Borough.

- Delivery of neighbourhood services will be improved and empowered to be responsive and attentive of resident/tenant areas with a positive and proactive officer approach which will incorporate a holistic and caring culture.
- Performance measures and management (key controls) will be adhered to and focused upon delivery and outcomes.
- DBC HR & OD Service will have the tools to drive, facilitate and embed change
- Develop the Target Operating Model to ensure that the optimal structure and functional areas are in place, underpinned by appropriate processes, procedures and policies.
- DBC Enabling Services will both operationally support and provide advice to Housing Services when, how and where they need it.
- DBC will ensure that improvements and change transformation incorporates all interdependencies and is clearly shared and embedded across the Housing service.

The detail contained within the table below (it is not exhaustive) seeks to provide an overview of the types of issues likely to be raised by customers, when they contact the council. The transformation programme recognises other key areas and dependencies within DBC, e.g. the Customer and Digital programmes, and will be shaped and enabled through the delivery of these programmes.

<b>Residents, tenants, and leaseholders, tenants and leaseholders</b>	<b>Programme Areas of work</b>	<b>Enablers</b>	<b>Related Programmes</b>
I want help/support when requested	Residents, tenants, and leaseholders, Housing Operations Compliance Strategic Housing	TOM “As is” to “To Be” mapping Performance Technology development People and Culture	Customer Digital People Neighbourhoods TAM Property Review
I want to inform DBC once	Residents, tenants, and leaseholders, Operations Compliance	People and Culture Technology Performance TOM “to be” processes	Customer Digital People Neighbourhoods Property Review
The right to a safe home	Compliance Operations Commissioning and Contracts	Performance Technology People and Culture TOM	Customer Digital People Property Review
A service request - repair, adaptation, move home, acquire a home etc.	Residents, tenants, and leaseholders, Operations Compliance Commissioning and Contracts Strategic Housing	Strategic Housing Technology Performance People and Culture TOM	Customer Digital People Neighbourhoods TAM Property Review
Emergency help request	Operations Compliance	Technology Performance	Customer Digital

	Residents, tenants, and leaseholders,	People and Culture TOM	People Neighbourhoods Property Review
Information to inform when my home needs to be accessed or when cyclical or planned maintenance	Resident Compliance Operations Commissioning and Contracts	Technology Performance People and Culture TOM	Customer Digital People Neighbourhoods TAM Property Review

In addition, there are some external reports which feature within the shaping of the Mandate, namely from EY – all shaping across the HTIP programme.

#### **4.1. Guiding Principles to shape Housing services for the future**

The development of the Target Operating Model (the way services will be delivered in the future) plays a key role within the delivery of the programme of work. There are 12 guiding principles which allow this to happen in a controlled way, allows focus on required outcomes and to test designed plans against.

Initially concentrating on developing structures further and simultaneously considering what the functions will deliver and be accountable for. Follow on will be to ensure the development of systems and processes which are fit for purpose and integrated into operational delivery. This means a significant link into the Customer and Digital Programmes of work. Twelve key principles are:

KP1	The Target Operating Model (TOM) will help officers define future housing service needs by working closely with DBC customers and other key stakeholders to ensure outcomes are delivered that will have a significant positive impact.
KP2	The TOM will ensure DBC current customers (in receipt of housing services) will be involved in the future planning, design, and evaluation of services.
KP3	TOM will design in a digital enhanced experience and channel shift where appropriate and possible.
KP4	The services and products provided to Dacorum housing customers will be commissioned to provide benefits to the community beyond the actual service provided
KP5	The TOM will enable officers to work with service providers/suppliers in a partnership and collaborative customer-centric approach, and will encourage them to be flexible and innovative in order to meet the outputs required.
KP6	The TOM will ensure that DBC workforce has a “customer first” culture and skilled/trained officers.
KP7	Services will be monitored, evaluated, and reshaped to maximise performance outcomes
KP8	The TOM will ensure ethical, VFM and quality suppliers/contractors are engaged.
KP9	Housing services and products will evolve, grow and be modernised to meet current and evaluated future aspirations and demands.
KP10	The TOM will enable officers to work with other local and regional bodies achieving quality and “best value” – this also includes Partner, Provider, and supplier organisations, including communities and the charitable sector.

KP11	The TOM will ensure officers meet their Statutory duties in every instance and ensure all stakeholders are aware of their resulting obligations
KP12	The Target Operating Model will create the conditions internally which enable the council of the future through the creation of appropriate business models

## 5. Programme Methodology

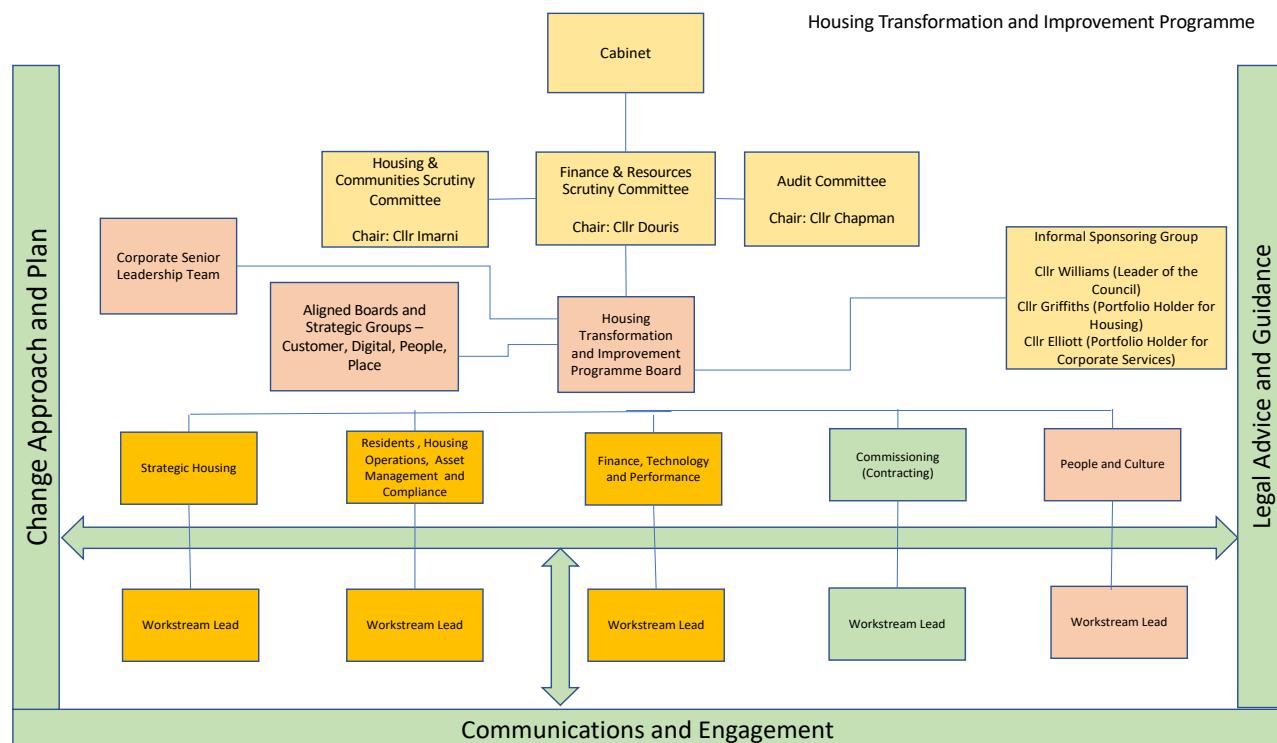
HTIP is developed using recognised transformational programme methodology in terms of its design and mobilisation. It is ultimately delivered for Members and to the CEO as Executive Sponsor.

The programme makes initial use of external resource to assist the shape and mobilise the HTIP programme of activity; there will be a transition phase to internal Dacorum Council resource.

The Programme has:

- A Programme Board
- Workstream Groups (Task and Finish)
- A Programme Mandate
- Defined workstreams and programmes of work
- Programme Plans
- Project Initiation Documents (PIDs)
- Individual workstream plans
- Risk Logs and Risk management
- Highlight and Progress Reports

The diagram below outlines the governance structure of the HTIP programme.



## **6. HTiP Delivering Benefits**

A core element of the HTIP programme is to deliver benefit to both the Council and its customers. The benefits of the HTIP programme need to be developed and agreed. However, they are likely to be across tangible and intangible benefits, so for example people and cost benefit.

The HTIP programme will deliver the following benefits through the improvement programme:

- Process – Improving the way in which Housing services are delivered building in efficiency effectiveness and ownership.
- Governance and assurance in relation to compliance and regulatory requirements
- Officers will be well trained and skilled in the way they deliver services for customers
- Operating cost reductions through new ways of working and efficiency gains
- Improved technology allowing tasks to be undertaken/delivered in real time and which will remove duplicity of data input
- Increased choice and preferences for customers to contact and deal with the Council
- Proactive and responsiveness to customer needs and requirements
- Meaningful, timely and accurate performance monitoring of contracts
- Increased efficiency and improvements to customer complaint handling and resolution
- A customer-centric approach and culture across the entire Council
- Increased satisfaction rates of all customers having contact with the Council

## **7. Finance**

The approved programme budget is £1.58 million; key elements being operational delivery and the HTIP programme team (scheduled to be in place until December 2022). There will be handover and transition of the HTiP to DBC housing leads who will assume the delivery and ownership along with some continued project support.

## **8. Assumptions**

There are several assumptions associated with the HTIP programme, these are:

- The programme and its mandate has full Member support
- The structural changes can be developed and implemented at pace in line with the TOM development and in line with organisational need.
- New processes which enable the delivery of the new structure and functions to embed and be sustainable.
- There is sufficient resource and capacity available to ensure delivery of the programme.
- There is sufficient budget available to continue to deliver in accordance with programme timelines across all key areas.
- That the dependencies of the HTIP programme, The Customer and Digital programmes develop in parallel to enable HTIP and underpin its successful outcomes
- That culture development identified and built into change planning is openly adopted and successfully embedded.

## **9. Risks**

There are several key risks which have been identified. In summary these are:

- Sufficient staffing levels and identified training needs
- Continued development and implementation of the TOM
- IT Systems – ensuring that they are fit for purpose and can integrate
- Finance – ability to continue financing of the proposed and accepted budget.
- Reputational damage in the event of any non-compliance and poor service performance

- Lack of a coherent and collaborative approach across all depts.
- Health, Safety and Risk culture to be visible and consistent
- Not being clear of what ‘good’ looks like and being able to consistently articulate and embed
- Ability to maintain the pace of change and its impact – particularly relevant with the consistency of external input

The nature of the HTIP programme and its individual workstream discipline, is one of monitored risk review and mitigation. The HTIP programme has an Executive Sponsor, each workstream has a Senior Responsible Officer (SRO) and a Lead Officer in place to ensure ownership and oversight of current and emerging risk.

## **10. The Key Deliverables**

The HTIP programme has the following key lead deliverables and priorities at its core:

- The Housing Asset Management and Compliance workstream looks to resolve some key process issues and enhance staff training gaps
- The Commissioning and Contracting Workstream will deliver improved training, contract management and adherence to contracting regulation and procedures
- The Residents, tenants, and leaseholders (customers) workstream will be delivered through enabling dependencies across the Customer and Digital programme
- Development of technical opportunities through delivery of the Digital Programme
- Development of new processes which support structural and functional changes
- A benefits recognition and delivery plan
- A People and culture change plan and delivery underpinning the sustainability element of HTIP
- Service plans – protecting on-going business as usual (BAU) throughout HTiP implementation and development changes
- Financial monitoring - ensuring that the programme does not exceed its financial approvals

## **11. The Programme Plan**

Each workstream within HTIP has its own detailed plan and these are living documents which will evolve, develop, and change over the lifetime of the programme. Plans have owners, key actions and interdependencies identified in every instance.

Some plans, due to the nature of their delivery are developing and changing rapidly, however the core areas of the programme: Housing Asset Management and Compliance, Commissioning and Contracting have emerging detailed plans for delivery.





## Cabinet

<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Financial Performance Quarter 1 2022-23
<b>Date:</b>	27th September 2022
<b>Report on behalf of:</b>	Cllr Graeme Elliot, Portfolio Holder for Corporate Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	Appendix A – General Fund Forecast Outturn Position Q1 2022-23 Appendix B – HRA Forecast Outturn Position Q1 2022-23 Appendix C – Projected Capital Outturn Q1 2022-23
<b>Background papers:</b>	None.
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	GF – General Fund HRA – Housing Revenue Account

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<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity
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	<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>
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	<p>1. To provide details of the projected outturn 2022-23 as at quarter 1 for the:</p> <ul style="list-style-type: none"> <li>• General Fund</li> <li>• Housing Revenue Account</li> <li>• Capital Programme</li> </ul>
<b>Recommendation (s) to the decision maker (s):</b>	<p>1. That Cabinet notes the financial position for 2022-23 as at Quarter 1.</p> <p>2. That Cabinet recommends to Council approval of the revised capital programme to move £13.740m slippage identified at Quarter 1 into financial year 2023/24 as detailed in Appendix C.</p> <p>3. That Cabinet recommends to Council approval of a supplementary Capital budget of £1.000m for the HRA for the re-purchasing of Right To Buy properties.</p>
<b>Period for post policy/project review:</b>	The Council's financial position is reported to committee on an ongoing, quarterly basis.

## 1      **Introduction:**

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

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

## 2      **General Fund Position – all Scrutiny Committee Areas**

- 2.1**    Appendix A provides an overview of the General Fund forecast outturn position.
- 2.2**    The table below provides an overview by Scrutiny area of the provisional outturn for controllable budgets within the General Fund.

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

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

### **3 General Fund Position- Finance and Resources and Core Funding**

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

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

#### **3.2 Place- net additional income of £0.051m**

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

#### **3.3 Corporate and Commercial- net pressure of £0.435m**

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

### **3.4 Core Funding- additional income of £0.417m**

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

#### **4 General Fund Position- Strategic Planning and Environment**

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

#### **Resident Services – pressure of £0.729m**

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

#### **5 General Fund Position- Housing and Community**

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

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

#### **6 Housing Revenue Account Position**

- 6.1** The HRA is a ring-fenced account relating to the Council's Landlord functions. A guiding principle of the HRA is that revenue raised from rents and service charges must be sufficient to fund expenditure incurred. The provisional outturn position for the HRA is shown at Appendix B.
- 6.2** The projected HRA balance at the end of 2022-23 is a pressure of £1.040m. Work relating to the Council's Housing Transformation Improvement Programme (HTIP) is driving this pressure. Mitigation for this pressure has since been agreed via a reduction in expected

expenditure against other approved HRA budgets, notably Repairs and Maintenance and the Revenue Contribution to Capital. This mitigating arrangement will be reflected in future financial reports.

### **6.3 Supervision and Management - £1.254m pressure against budget**

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

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

There is growth with Supervision and Management of £0.050m for the addition of tenancy sustainment officers. This will be funded via a reduction in the budget for HRA revenue contribution to capital.

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

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

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

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

## **8 Capital Programme**

### **8.1 Appendix C shows the projected capital provisional outturn in detail by scheme.**

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

The current budget is the original budget approved by Cabinet in February 2022, plus approved amendments.

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

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

<b>Table 5- Capital Outturn 2022- 23</b>	<b>Current Budget £m</b>	<b>Re-phasing (To)/from future years £m</b>	<b>Revised Budget £0m</b>	<b>Forecast Outturn £m</b>	<b>Variance £m %</b>
Finance and Resources	17.287	(13.700)	3.586	3.586	0 0.9%
Strategic Planning and Environment	4.520	0.000	4.520	4.520	0 0.0%

Housing & Community	3.960	(0.039)	3.920	3.920	0	0.0%
<b>GF Total</b>	<b>25.767</b>	<b>(13.740)</b>	<b>12.027</b>	<b>12.027</b>	<b>0</b>	<b>0.0%</b>
<b>HRA Total</b>	<b>68.514</b>	<b>0.000</b>	<b>68.514</b>	<b>68.514</b>	<b>0</b>	<b>0.0%</b>
<b>Grand Total</b>	<b>94.281</b>	<b>(13.740)</b>	<b>80.541</b>	<b>80.541</b>	<b>0</b>	<b>0.0%</b>

## 8.2 General Fund Capital Programme Major Variances

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

- Line 65: Slippage of £13.700m against Berkhamsted Leisure Centre redevelopment. Options for this project are still being finalised and hence the project and budget has been deferred to 2023/24. If the project is initiated earlier, the budget can be re-evaluated.
- Line 130 Alarm Receiving Centre £0.034m – work is being undertaken on programme and specification. This is expected to slip to future financial years.

## 8.3 Housing Revenue Account Major Variances

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

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

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

## 8.4 Supplementary Capital Budget Request

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

## 9 Financial and Value for Money Implications

Contained within the body of the report

## 10 Legal Implications

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

## 11 Equalities, Community Impact and Human Rights

- 11.1 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.
- 11.2 There are no Human Rights Implications arising from this report.

## 12 Sustainability implications

There are no specific sustainability implications arising from this report.

## **13 Council infrastructure**

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

## **14 Statutory Comments**

### **Monitoring Officer**

No comments to add to the report.

### **Deputy S151 Officer**

This is a Deputy S151 report.

## **15 Conclusions**

- 15.1** A forecasted outturn for 2022-23 at quarter 1, there is a pressure of £0.870m against Council General Fund budgets. Housing Revenue Account budgets are reporting a pressure of £1.040m.
- 15.2** A forecasted outturn 2021-22 at Quarter 1, General Fund capital budgets are reporting slippage of £13.740m with a balanced budget for the Housing Revenue Account capital schemes.



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

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



**Housing Revenue Account**  
**2022/23 Outturn Revenue Budget Monitoring Report**

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

**CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR JUNE 2022**

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

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

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

Scheme	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
195 Paradise Depot	1,031,000	1,578,483	0	0	0	2,609,483	38,601	2,609,483	0	0
196 Cherry Bounce	(127,690)	367,643	0	0	0	239,953	5,843	239,953	0	0
197 Stoneycroft and Great Sturgess	0	0	0	0	0	0	13,035	0	0	0
198 Garage Sites B	0	0	0	0	0	0	21,787	0	0	0
	<b>28,426,409</b>	<b>16,850,753</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>45,277,162</b>	<b>1,432,131</b>	<b>45,277,162</b>	<b>0</b>	<b>0</b>
<b>Totals: Housing and Community</b>	<b>46,492,409</b>	<b>22,021,982</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68,514,391</b>	<b>3,935,512</b>	<b>68,514,391</b>	<b>0</b>	<b>0</b>
<b>Totals - Fund: Housing Revenue Account</b>	<b>46,492,409</b>	<b>22,021,982</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>68,514,391</b>	<b>3,935,512</b>	<b>68,514,391</b>	<b>0</b>	<b>0</b>
<b>Totals</b>	<b>66,559,397</b>	<b>27,586,793</b>	<b>135,000</b>	<b>0</b>	<b>135,000</b>	<b>94,281,190</b>	<b>5,003,631</b>	<b>80,541,417</b>	<b>(13,739,773)</b>	<b>0</b>

# Agenda Item 10



## Cabinet

<b>Report for:</b>	Cabinet
<b>Title of report:</b>	Cost of Living
<b>Date:</b>	27 <sup>th</sup> September 2022
<b>Report on behalf of:</b>	Cllr Graeme Elliot, Portfolio Holder for Corporate Services
<b>Part:</b>	I
<b>If Part II, reason:</b>	N/A
<b>Appendices:</b>	
<b>Background papers:</b>	None.
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	GF – General Fund HRA – Housing Revenue Account

### Report Author

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### Responsible Officer

Nigel Howcutt, Chief Finance Officer



[Nigel.Howcutt@dacorum.gov.uk](mailto:Nigel.Howcutt@dacorum.gov.uk) / 01442 228662 (ext. 2662)

<b>Corporate Priorities</b>	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity
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	<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>
<b>Wards affected</b>	All
<b>Purpose of the report:</b>	<ol style="list-style-type: none"> <li>1. To update members on the current and future pressures the Council is under due to current inflationary pressures.</li> </ol>
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"> <li>1. That Cabinet notes the ongoing pressures to the Council as a result of the wider macro-economic uncertainty and the potential upcoming recession.</li> </ol>
<b>Period for post policy/project review:</b>	The Council will monitor these pressures on an ongoing basis, and they will be reflected in the Corporate Revenue Monitoring reports and Medium Term Financial Strategy.

## **1. Background**

The current levels of inflation are impacting on the services that the Council delivers to its residents and businesses. At this point in the financial year, and with key economic decisions still to be made, it is very hard to assess the specific levels of impact across the Council.

The impact of the current inflationary levels on service delivery are being closely monitored.

## **2. Council Financial Impact**

- 2.1 The Council expects that there are 4 key areas that will be directly financially impacted as a result of rising inflation, the pressure on household finances and a potential slowing of the local economy.

### **A. Funding/Tax Collection.**

The Council collects circa £110 million of Council Tax on behalf of its preceptors of which circa £14m is retained by the Council to fund the baseline budget for the delivery of essential core Council services. As household budgets become more challenging, the financially vulnerable in Dacorum may need to choose which bills to pay, and Council Tax may be perceived as less essential than utilities, food and clothing. If 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.

As at quarter 1, the Council Tax collection rates are in line with the budgeted expectations. There are, however, concerns that current collection rates have been supported by central government policies such as the energy rebate payments, as £1m of these payments were credited against Council Tax accounts. There is also a concern that the collection rate could deteriorate as the year progresses and household budgets become increasingly stretched in the autumn and winter.

Another government led funding stream is business rates. The Council retains circa £2m of the £66m in business rates collected by the Council. Although the impact on local business and economic development is unclear at this point in time, if the wider population are spending less and businesses are facing increased energy costs, this could impact on trade and potentially business rates values and collection.

### **B. Supplies and Services/Third Party Delivery.**

Councils are not immune from macro-economic pressures and supply chain costs are increasing. The Council has a well-developed supply chain with contracts in place for all significant suppliers so the impact in 2022/23 is limited. However there are likely to be significant inflationary increases in certain contracts in 2023/24 and beyond.

Utility costs are increasing significantly in 22/23. The procurement of the majority of gas and electricity supplies for the Council takes place annually in October, so utility costs are being monitored closely.

A full year pressure of circa £200k in relation to the cost of fuel purchased to support the in-house fleet is being projected at quarter 1 of the current financial year. With fuel prices having increased by over 50% this year compared to the previous year, these costs are expected to remain at a higher level in the medium term.

The impact on the procurement for future capital build/works is an area of significant concern, with construction projects reporting an average sector-wide increase in excess of 27% in the year to date.

### C. Employee Inflationary Pay Awards

The 2022/23 national pay awards are currently being negotiated, with an employer offer of circa 6% for the Council. This award outstrips the expectations of most Local Authorities and will cost the Council circa £850k and will be an additional ongoing baseline pressure.

The 2023/24 pay award is still very unclear, with the present MTFS assuming 4% inflationary growth.

### D. Income Reductions

The Council collects circa £17m of income from fees and charges, including £6m for commercial property, £3m for garages, £3m for parking and £1.5m for Planning services.

As household resources are stretched and residents have less disposable income, there is a risk that residents will reduce the discretionary/non- essential purchases. This could lead to less demand for parking, leisure activities and use of Council garages, and create an additional financial pressure.

In addition, if public spending levels decline, and there is a slow-down in the economy, this is likely to have an impact on local commercial property and development aspirations that drive commercial property and Planning income.

## 2.2 Scenario planning

The table below sets out some high-level scenarios for the potential financial impact to the Council if income collection reduces and if inflation levels are higher than forecast in the MTFS. It also demonstrates the impact if the present cost of living crisis leads to a reduction in wider income for the Council.

Description	Budget	Percentage above Budget Assumptions		
		2%	3.5%	5%
Income Collection - CT & NNDR	£16m retained	£0.32m	£0.56m	£0.8m
Expenditure - Inflationary Pressures	£26m	£0.52m	£0.91m	£1.3m
Income Reductions	£17m	£0.33m	£0.6m	£0.82m
<b>Total budget or budget pressure</b>	<b>£59m</b>	<b>£1.17m</b>	<b>£2.07m</b>	<b>£2.92m</b>

If inflation levels remain high, without additional government support, the ongoing medium-term impact will be significant and will create significant pressure on Council budgets, which could impact on future Council service provision.

## 3. Dacorum's response to Residents and Businesses.

### **3.1 Support to Residents.**

The Council is working in partnership with the voluntary and community sectors through Community Action Dacorum to coordinate support for residents during these challenging economic times.

Part of this work will be to raise the profile of those organisations, who can provide various means of support to the most vulnerable residents. The Council is also mindful that the voluntary and community sectors will be operating under more challenging circumstances and is therefore keen to ensure that there is a high degree of collaboration to ensure residents get the right support from the most appropriate organisation.

A Cost of Living Symposium is scheduled to take place at the Council's offices in October. The purpose of this event is to bring together Council Officers and Members with partners from Hertfordshire County Council and the voluntary sector to raise awareness and act as a call to action to support residents and businesses. An action plan will be developed and feedback on this plan will be provided to key stakeholders at a follow up session in November.

### **3.2 Response to Local Businesses.**

The Council has worked in close partnership with local businesses, partners and other agencies since the pandemic. This includes West Herts College the Chamber of Commerce and the Local Enterprise Partnership. The Dacorum Economic Recovery Board has been established, which oversees the development of key workstreams to support economic recovery in the Borough. It has developed a robust detailed economic recovery plan which is currently being implemented.

To date, in 2022/23, the Council has implemented the 22/23 business rates relief which is reducing rates bills for about 650 businesses, and it has also applied £2.9m of retrospective 21/22 Covid Additional Relief Fund support to about 200 business rate accounts for companies that received no previous support for the impact they suffered during the pandemic.

## **4. Conclusion/Next Steps**

The Council is at present finalising the 2022 – 2026/27 Medium Term Financial Strategy. It is clear that the effect of the pressures detailed above, and the general uncertainty around government policy and economic outlook, are creating a very challenging fiscal environment which will undoubtedly raise significant challenges for the Council's financial position, as well as those of its residents and businesses.

## **5. Financial and Value for Money implications**

These are contained within the body of the report.

## **6. 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.

## **7. Equalities, Community Impact and Human Rights**

Community Impact Assessments for 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.

There are no Human Rights Implications arising from this report.

## **8. Sustainability implications**

There are no specific sustainability implications arising from this report.

## **9. Council infrastructure**

The content of this report sets out the implications to the Council of the wider macro-economic financial position 2022 and beyond.

## **10. Statutory Comments**

### **Monitoring Officer**

No comments to add to the report.

### **S151 Officer**

This is a S151 Officer report and comments are included in the body of the report.

# Agenda Item 11



## Cabinet

<b>Report for:</b>	Cabinet
<b>Title of report:</b>	<b>Hemel Hempstead Town Centre Business Improvement District – Ballot arrangements and Business Plan</b>
<b>Date:</b>	27 <sup>th</sup> September 2022
<b>Report on behalf of:</b>	Councillor Alan Anderson, Portfolio Holder for Place
<b>Part:</b>	I
<b>If Part II, reason:</b>	
<b>Appendices:</b>	1 – Proposed BID Business Plan 2 – Map of BID Area 3 – Letter to Secretary of State 8 July 2022
<b>Background papers:</b>	
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	BID – Hemel Hempstead Town Centre Business Improvement District RV – Rateable Value of properties

### Report Author / Responsible Officer

James Doe, Strategic Director - Place  
James.doe@dacorum.gov.uk

<b>Corporate Priorities</b>	<ul style="list-style-type: none"><li>• A clean, safe and enjoyable environment</li><li>• Building strong and vibrant communities</li><li>• Ensuring economic growth and prosperity</li><li>• Ensuring efficient, effective and modern service delivery</li></ul>
<b>Wards affected</b>	All Hemel Hempstead Wards, but especially Hemel Hempstead Town Ward.
<b>Purpose of the report:</b>	To set out for Cabinet's consideration, approval of the new Business Plan for the next phase of Hemel Town Centre BID along with the arrangements for a ballot of businesses within the defined levy area.
<b>Recommendation (s) to the decision maker (s):</b>	<ol style="list-style-type: none"><li>1. That Cabinet approves the Business Plan for the next phase of the Hemel Hempstead Town Centre BID as attached at Appendix 3 to this report</li><li>2. That Cabinet confirms arrangements, as set out in this report, for a ballot of businesses within the defined BID levy area for</li></ol>

	Thursday 24 November 2022 with the Count to take place on Friday 25 November 2022.
<b>Period for post policy/project review:</b>	It is proposed that an annual review of the BID's performance is carried out annually.

## 1 Introduction/Background

Hemel Town Centre BID has been running now for nearly five years following a successful and positive ballot of businesses and landowners at the time. Dacorum Borough Council is a key partner within the BID and indeed a levy payer for the properties it owns within the levy area. It has permanent representation on the BID Board and currently the Strategic Director for Place occupies this position as a Director of the BID.

BIDs can only run for a five year period and must seek re-election if they are to continue. Hemel Town Centre BID wishes to seek a further five year term and the purpose of this report is to present to Cabinet both the future Business Plan and outline ballot arrangements, for which the Council is responsible for.

Hemel Town Centre BID has been effective over the past five years and a number of its achievements are summarised in the Business Plan which is appended to this report. It adds value through the financial resource obtained from the payment of the BID levy by businesses. Importantly for the Council, a further BID term can help to support the efforts it is currently making to put in place a new strategy for the future of Hemel Town Centre.

## 2 Key Issues and proposals

### Proposed Business Plan

A 'text-only' version of the latest draft is at Appendix 1. The BID will prepare a final version with photos, illustrations etc.

Members will note that Hemel BID has been running successfully for nearly five years. BIDs run on a five-yearly term and, to enable them to continue beyond this period, they must seek re-election on the basis of a proposed levy area, levy arrangements and intended activities set out in a Business Plan covering the next five year period.

For Hemel Town Centre, no changes are proposed to the levy area, nor the levy rate of 1.5% of the rateable value (RV) of property.

The proposed levy area is shown on the map at Appendix 2. The area extends northwards from, and including, the Riverside Shopping Centre, the whole of the Marlowes pedestrianised area, the indoor Marlowes Shopping Centre, Bridge Street (south side only), Waterhouse Street as far north as Combe Street, and the Council's car parks at Moor End Road and Water Gardens South and North.

The BID hopes to raise in the order of £750k over next five years starting in early 2023 with the majority of this coming from levy payments.

The Business Plan is based on three key themes for the levy area within Hemel Town Centre: 1 – **Experience** – place marketing; 2 – **Caring** – looking at the presentation and perception of the town centre; and 3 – **Safety** – to provide a friendly and welcoming environment.

Proposed actions, which are broad in nature, are set out in the business plan. Its content is based on feedback from levy payers and users of the town centre and reflects the priorities they consider the BID should be focusing on. Detailed actions, targets and performance and success indicators will be developed by the BID on the basis of a successful ballot outcome.

## **Ballot Arrangements**

Dacorum Borough Council is responsible for holding ballot arrangements and managing the electoral process. The Council's elections team has been involved in arrangements and is geared up to support them.

Around 180 properties, or hereditaments, are eligible to vote in the BID ballot. For the BID to be confirmed, there must be a majority on the following two counts: firstly, a simple numerical majority of votes cast, and secondly, a majority according to rateable value (RV) of the businesses that cast ballots. To be clear, these majorities are determined on ballots cast only, and not on the total number of hereditaments – and the total RV – of the levy area, whether they voted or not.

If confirmed by the Borough Council, the ballot will take place from 25 October and run to Thursday 24 November when it will close. The count is scheduled to take place within office hours for Friday 25 November.

The Council's Chief Executive will be the Returning Officer for the ballot.

Ballots can be returned by post, and it is expected that most will take place in this way. Arrangements will also be put in place for ballot boxes in locations to be agreed. Presently it is expected that one will be available at The Forum, and another at a location within the levy area, for the duration of the ballot period.

Following a positive vote, the new BID arrangements will come into effect on 1 February 2023.

A letter notifying the Secretary of State for Levelling Up, Housing and Communities of the BID's intention to seek a new ballot was sent by the BID Chair, Humphrey Mwanza on 8 July 2022 and this is attached at Appendix 3 to this report.

### **3 Consultation:**

A list of consultees for this decision are as follows:

- Councillor Alan Anderson, Portfolio Holder for Place
- Strategic Leadership Team
- Hemel Place Strategy Programme Manager
- The Council's Elections Manager
- Chris Turner, CEO – British BIDs
- Humphrey Mwanza – Chair, Hemel Town Centre BID

### **4 Financial and value for money implications:**

The proposals for a second BID phase for Hemel Town Centre offer the opportunity to continue to levy businesses within the defined area to provide additional resources to support and promote activity within the area. On this basis it provides very good value for money.

The Borough Council is a landowner within the levy area and, as such, levy payments will continue to apply to affected property which is essentially the three public car parks at Moor End Road and Water Gardens South and North. The levy rate remains unchanged and payments are built into current budgets.

### **5 Legal Implications:**

None directly arising from this report. Arrangement for the BID ballot, for which the Council has responsibility, are set out in the report above.

### **6 Risk implications:**

Hemel BID has been operating successfully for nearly five years and the resources it has brought in through levy payments have enabled a number of successful interventions, activities and improvements to take place, as summarised in the Business Plan. There is likely to be a public expectation that these will continue. Should support not be given to the new proposals for a second phase of the BID, or should the ballot fail, there will be a resourcing gap. As noted in the report, the Council's plans for the next stages of regeneration of Hemel Town Centre in the light of changing circumstances, retailing patterns and the risk of town centre decline, could be put at some risk by the absence of resources to encourage footfall, activity and business growth.

**7 Equalities, Community Impact and Human Rights:**

A Community Impact assessment is being prepared. Members should note that the implementation of the Business Plan is the responsibility of the Hemel BID rather than the Council, although the Council is a key partner. The proposals in the Business Plan are broad and their aim is to encourage activity for all sections of the community in the town centre. It is not expected that any equalities or community impacts will arise, though the Community Impact Assessment will address any issues.

There are no Human Rights implications arising from this report.

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

None at this stage.

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

As noted above, the main Council property within the levy area includes its three main car parks adjacent to Waterhouse Street and the Water Gardens. The Business Plan proposals do not affect them. The Council owns other assets within the levy area such as the play areas, rainbow stage, waterplay feature and the big screen, and is the freeholder for other assets such as the food court, travel office/toilets and the Roundhouse which are let to other organisations.

**11 Statutory Comments**

**Monitoring Officer:**

The formal ballot will follow the procedures as set out in the Business Improvement Districts (England) Regulations 2004. The Council's electoral services team will be running the ballot to ensure that it is compliant with the regulations.

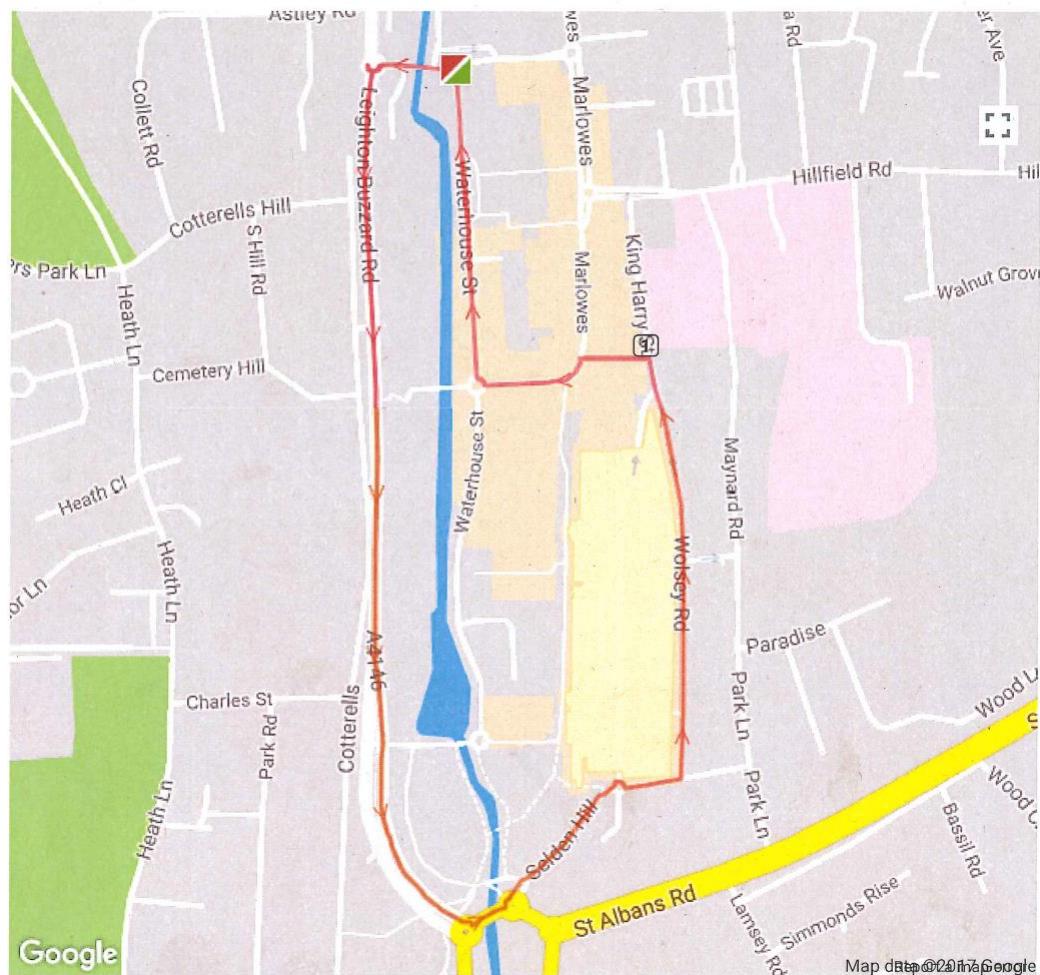
**S151:**

No further comments to the report.

**12 Conclusions**

At a time of considerable change in Hemel Town Centre, where retailing patterns have changed substantially over the past few years, and as the Council brings forward new plans for its future, it is considered that an active and vibrant BID is essential. The proposals set out in this report and the proposed BID Business Plan will enable the positive work carried out by Hemel Town Centre BID to date to continue for a further five year term.

## Appendix 1 – BID Area



**Appendix 2 – Letter to Secretary of State**



## HEMEL HEMPSTEAD BUSINESS PLAN COPY V1

### PAGE 1 - FC

Hemel Hempstead BID  
Business Improvement District Plan  
2023-2028  
[www.hemelhempsteadbid.com](http://www.hemelhempsteadbid.com)

### PAGE 2

An introduction from the BID Chair

It gives me enormous pleasure to Chair the Hemel Hempstead Business Improvement District (BID). As we approach the end of our first five-year term, I am proud to look back at the various projects and services that have made a difference to our businesses and many visitors.

We have consulted with the Hemel business community to shape this business plan for the next five-year term. Thank you to those of you who have helped inform our plans which will provide businesses with crucial support. The BID will generate almost £1million in investment over its term, with success measured against KPIs.

However, without your support at the upcoming ballot, this will not be possible. This is why I ask you to back the Hemel BID for another five years by voting yes again. Providing the mandate for the BID to deliver the range of projects detailed within this business plan as identified by businesses.

Humphrey Mwanza  
BID Chair and Marlowes Shopping Centre Manager

### PAGE 3

BID Zone map (to be added)

### PAGES 4 & 5

Background to BIDs and successes of the BID

A Business Improvement District (BID) is a business-led and business-funded body formed to improve a defined commercial area. BIDs charge a levy to local businesses in return for providing services over and above the usual council provision.

The BID focuses on a defined commercial area. There are now over 330 BIDs in the UK and the BID concept has become a well-established model for town and city centre regeneration. A BID can only be formed following consultation and a ballot in which businesses vote on a proposal or business plan for the area.

BIDs must go through a renewal ballot process to secure another term of up to five years.

Selling the Hemel Experience

Development of LoyalFree app, promoting town centre businesses discounts and offers. Utilising app's trial feature, very successful trials include The Big Hoot Hemel, Dino Trial, Coffee Trial and Elf on the shelf resulting in 45,739 trial interactions

Stats

125 Hemel Hempstead Businesses promoted

2514 users engaged

53,000 interactions with Hemel Town Centre



Summer Programme, Markets, Seasonal Events such as the popular Christmas Light Events all of which saw an increase in visitor to the town centre.

Summer programme Quote: 'Amazing programme of events for summer, we should be so proud our town offered this free for all our children, thank you Hemel BID'

In partnership with Dacorum Borough Council and The Marlowe's Shopping Centre opened the free Ping Pong Parlour which has been very successful

Dedicated customer facing website which works alongside the growing social media platforms. With over 8000 pages views on our website and an engaging Instagram page that reaches a wide audience with over 1500 followers.

#### Caring for our Town

The BID funded additional cleaning of public spaces within the town such as the outdoor Play Area and funded additional street cleaning operations strip of stone paving on both sides of the street, directly outside shops and businesses in the Town Centre

Worked in partnership with DBC to ensure the Town Centre has additional cleaning at targeted times when it is most needed, such as key shopping times and event weekends.

A strategic partner and influencer of town centre developments working with DBC and other stakeholder groups across the borough.

Worked with local artist to paint a number of benches in the town centre to provide vibrancy for visitors and the local community visiting the town centre.

'Great work, the benches have made the town centre brighter, thank you for giving Hemel some colour'

#### Creating a safe, welcoming environment

Provided town centre Ambassador who engages with businesses, are the eyes and ears of the town and report cleansing or maintenance concerns.

Part-funded a dedicated Town Centre PCSO who provides a friendly, informative presence to the town centre. Building working relationships with business owners, managers and staff across the town centre to bridge the gap between businesses and the police. The PCSO presences has been welcomed by businesses and visitors who feel the town is safer when they are visible.

Run the Hemel Shop Safe Scheme which works in partnership with the police and CCTV to provide instant communication between shops and CCTV control room. The BID offered half price subscription to all BID businesses and a free one-month trial.

Beat surgeries with local officer, providing essential crime prevention information and discussing any issues you may want to share with the police about crime or anti-social behaviour.

'We have had great success with the beat surgeries by being visible in the town centre on a regular basis we feel the community are able to talk to us and we can tackle any concerns they have which in turn supports the businesses which reduction of crime, ASB and theft'

Stats

25 business signed up the shop safe scheme

Page 85

Ambassador solved over 50 issues for business since start of 2021



BID has had over 800 interactions with BID Business

1036 engagements between business and PCSO since 2020

### **Sharing Information**

COVID-19 Support

The pandemic was a challenging time for many of the Hemel businesses, throughout the lockdown measures the BID worked to ensure that when we were able to go back to the new normal that the town centre was safe and businesses could feel confident welcoming visitors back in.

In partnership with the Marlowes, Riverside shopping Centre, Dacorum Borough Council and Saunders market we launched the 'Hemel Together' Campaign. Hand sanitiser stations were installed in the Marlowes Shopping Centre and Riverside Shopping Centre. In addition, lamp post signage, followed by floor signage installed across the town centre and implemented a one-way pedestrian system through the town to 'keep right'.

### **STATS AND PICS INCLUDING COVID SUPPORT**

#### **PAGE 6**

Research

Following consultation with businesses you would like the BID to continue to deliver the following initiatives;

- \*Crime and anti-social behaviour initiatives
- \*Management of the Shop Safe Security Scheme
- \*Provision of Police presence
- \*Events calendar
- \*Social media campaigns
- \*Dedicated consumer website
- \*Street Ambassador
- \*Vacant unit projects
- \*Festive lighting
- \*Seasonal promotion campaigns
- \*Customer Loyalty scheme
- \*Enhanced cleaning

In addition to these projects, it is clear that businesses have a desire for the BID to work to strong sustainability principles.

The BID will continue to work under three project themes. Focusing on **place marketing, presentation and perception** of Hemel and **safety**.

#### **PAGE 7**

EXPERIENCE – Place Marketing

Social Media

The BID will promote Hemel through a range of social media channels growing engagement and building a Hemel Community through social media platforms

All BID business will be able to supply content and messages, which the BID will amplify via these channels to ensure we reach our target demographic.



#### Website

The BID will develop a new consumer-facing website, which will work alongside the social media channels. It will provide a strong platform for promoting what Hemel and local businesses have to offer, from markets and events to news and special offers.

#### Events

The BID will provide a series of events to encourage families to come and spend more time in the town. These will be focused around seasonal and school holiday campaigns.

#### Promotion

The BID will deliver targeted marketing campaigns using social media, local press and online channels for key events to drive footfall into the town and promoting Hemel Town Centre as a destination.

#### Loyalty

The BID will provide a platform for businesses to share offers and trails to encourage people to use the entirety of the trading area.

#### Festive lighting

The BID will continue to fund the festive lighting for Christmas as well as fund installations across the BID area to draw in visitors over the Christmas period. As well as improving the appearance and vibrancy of the town.

### **PAGE 8**

#### CARING – Presentation and perception

##### Monitoring

Improving the presentation of the town's public spaces is a major part of creating a brilliant experience for residents, visitors and local workers. The BID will monitor and report any issues to the appropriate stakeholders.

##### Cleaning

The BID will fund additional cleaning of public spaces within the town, enhancing not replacing the work already carried out by the local authority. This will ensure that the town looks its very best, particularly at key times of the year.

##### Street cleaning

Working in partnership with the local authority, the BID will ensure that businesses across the town are satisfied with the current street cleaning schedule. Our aim will be to ensure that cleaning is targeted at times when it is most needed, such as key shopping weekends.

##### Vacant Units

The BID will work with landlords and agents to ensure that vacant premises or derelict plots of land are maintained and presented in a smart and tidy appearance and do not detract from appeal of the immediate environment.

##### Partnerships

The BID will seek new partnership opportunities with local organisations and stakeholders recognising the benefits in wider collaboration with Hemel's community. This includes continuing to build our partnership with Dacorum Borough Council. Engaging with Dacorum on the new emerging and ambitious town strategy, representing and being a voice for the town centre businesses.

### **PAGE 9**

#### SAFETY – Friendly and welcoming



Our Street Ambassador will welcome visitors, providing information about what events are taking place and answering any questions they may have. The Ambassador will also liaise with businesses to ensure that any concerns can be resolved as quickly as possible, with a focus on the reduction of anti-social behaviour and cleaning issues.

#### Sharing information

The BID will continue to manage the Shop Safe Scheme. Giving businesses intelligence sharing opportunities. Including utilising Shop Safe's information sharing system to allow businesses to report and share information. Support businesses by providing training and guidance on reporting crime and anti-social behaviour.

#### Crime and anti-social behaviour initiatives

Work with the Hertfordshire Constabulary, the Local Authority and other stakeholders to develop initiatives throughout the year.

#### **PAGES 10 & 11**

##### Levy rules

1. The levy rate to be paid by each property or hereditament is to be calculated at 1.5% of its rateable value as at the 'chargeable day' (notionally 1st February each year).
2. Only properties or hereditaments with a rateable value of £10,000 or more will be liable for the levy.
3. The number of properties or hereditaments liable for the levy is estimated at 180.
4. The levy rate will be increased by the fixed rate of inflation of 2% per annum.
5. The levy will be charged annually in full for each chargeable period to be February to January each year, first payable in February 2023, and then annually each February (until 30 January 2027). No refunds will be available on the levy charged. The levy must be paid in one payment.
6. The owners of unoccupied properties or hereditaments will be liable for payment of the levy.
7. Occupiers within managed shopping centres that are subject to a service charge for management and marketing services will pay 75% of the levy that would otherwise apply.
8. If, during the term, the rateable value assigned to a property or hereditament falls below £10,000 for whatever reason (either through physical change, change of use, or revaluation) the property or hereditament will be exempt from the next chargeable period.
9. No account will be taken of any revaluation scheduled during the BID's term, unless a property is shown in that list for the first time, in which event the rateable value shown in that list will be used.



10. If, during the term, a property or hereditament with a rateable value which had previously been below the £10,000 threshold is assigned a new rateable value which is above £10,000, the property will not be liable for the levy unless the increase results from a change of use or physical change, as previously described.
11. Dacorum Borough Council will be responsible for collection of the levy and will charge an annual fee not in excess of £35 per hereditament to do so.
12. Revaluation will be defined as the rateable value within the current ratings list on the day prior to the revaluation.
13. If successful at ballot, the BID will commence 1st February 2023 and will have a five-year term

#### Accountability

1. The number of Directors (the Board) will not exceed 5. This may include some non-levy payers, although always in a minority. The Board will be subject to annual re-election.
2. The Directors of the BID (the Board) shall continue to be representative of levy-paying businesses. The Board will continue to meet monthly, with responsibility for governance matters such as financial arrangements, contractual obligations, human resources, standards, performance and compliance. The Board of the BID may nominate and appoint Directors.
3. The Board shall appoint a Chair, with the current Chair continuing into the new BID term. The Chair will also Chair the BID Committee and shall always be from the private sector.
4. The BID has an Advisory Group which will continue to advise on operational and service delivery, oversee performance measurement, and more generally act as the primary consultative and advisory body on BID services. It will meet quarterly, prior to Board meetings. Minutes from each BID advisory group meeting will form part of the information provided to the Board ahead of their meetings. In turn, minutes of Board meetings will be circulated to the BID advisory group.
5. Provided that the BID is meeting its overall objectives and subject to full consultation with the BID advisory group, it shall have the ability to vary service delivery and expenditure allocation according to the changing demands of levy payers. However, any change to the BID boundary or to the headline levy rate would require an alteration ballot.
6. The BID advisory group will be made up of representatives of levy paying businesses and non-levy payers and will be elected periodically. Additional members may be co-opted, including representatives from partner organisations. The nominated representatives of Dacorum Borough Council will not be subject to re-election processes.
7. Amongst the BID advisory group will be the Directors of the BID Company. Between BID advisory group meetings, they will act as a 'management group' and take specific responsibility for governance matters such as financial arrangements, contractual obligations, human resources, standards and compliance. The Board will be required to report activities and decisions to the advisory group, who act as representatives of half of levy payers.
8. Levy paying businesses will be eligible to become members of the BID advisory group and the board as spaces become available.



9. The BID will file annual accounts compiled by independent accountants, audited as necessary, with Companies House. The accounts will be available to all levy payers. An annual report on activities, including finances, will be published. An Annual Meeting for members and levy payers will be held.
10. An Operating Agreement, which includes the Council's Baseline service commitments, has been agreed with Dacorum Borough Council. A copy can be found at: [www.hemelhempsteadbid.com](http://www.hemelhempsteadbid.com)
11. Notification of the intention to hold a ballot was sent to the Secretary of State on 8<sup>th</sup> July 2022.
12. Notice of ballot sent to levy payers on \*\*\*\*\*.

## Budget

<b>Income</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BID Levy	125,504	128,014	130,666	133,279	135,944	653,407
Additional Income	10,000	10,000	10,000	15,000	15,0000	
Total income	135,504	138,014	140,666	148,279	150,944	713,407
<b>Expenditure</b>						
Operating cost	£30,854	£31,779	£32,733	£33,714	£34,726	£131,073
Selling Hemel Experience	£33,200	£34,196	£35,222	£36,278	£37,366	£176,262
Caring for our town	£21,060	£21,692	£22,342	£23,012	£23,703	£111,809
Safe, Welcome environment	£35,700	£36,771	£37,874	£39,010	£40,180	£189,535
Total expenditure	£120,814	£124.438	£128,171	£132,014	£135,975	£641,412

## PAGE 12

### How to vote

The BID is an opportunity to help transform and revitalise Hemel Hempstead over the next five years. The vote will be via a postal ballot which will take place between 28<sup>th</sup> October and 24<sup>th</sup> November.

Each ratepayer will be entitled to one vote per hereditament on which a BID levy would be paid. It will be possible to appoint a proxy to vote on your behalf and information on how to do so will be included with the ballot information sent to you.

The ballot will be a confidential postal ballot managed by Dacorum Borough Council. Look out for the ballot papers coming through your door with the Hemel BID Logo on the envelope and make sure you place your vote to be certain that your voice is heard.



## Testimonials

'The past few years have been challenging and now more than ever we need the work of the BID to make Hemel a better place in which to live and work and for people to come and visit'

Yugen

'The BID has always given us an opportunity to get involved and promote our business, we look forward to working with them in the future'

Pure Gym

'We have been really impressed with the work Hemel BID does and it's making a big difference to the town centre and people perceptions of the town as well'

Dacorum Creative Arts Hub

'The BIDs work has been excellent over the last 5 years especially the community engagement and events have been invaluable for our business'

Specsavers

'We have really noticed how much the BID brings people together and we are excited to see what the next 5 years has in store for the town centre'

Holland and Barret

'The BID continues to keep engagement with consumers at a time that the town can't rely on its retail offering alone. The BID keeps the town centre a community place for its visitors, it is an extra layer of glue that is cohesively holding everything together'

Tony and Guy



Secretary of State  
C/O Edward Stanislas  
Department for Levelling Up, Housing & Communities  
Fry Block, South East 2nd Floor  
2 Marsham Street  
London SW1P 4DF

8 July 2022

Dear Minister,

**Hemel Hempstead BID – Intention to hold a ballot**

As per the BID Regulations (2004) please accept this letter as being more than the 84 days notification required of the intention of requesting the billing authority to put the BID renewal proposal to ballot:

**Name of BID:** Hemel Hempstead BID

**Name of Billing Authority:** Dacorum Borough Council

**Contact Details:** The Forum, Marlowes, Hemel Hempstead, HP1 1DN

**Timeline:** Proposed day of ballot 24<sup>th</sup> November 2022 with proposed term start date of 1<sup>st</sup> February 2023.

If you have any questions, please contact me at the above address. In the meantime, I look forward to receiving your confirmation that you have been properly notified, as required by the Regulations.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Humphrey Mwanza'.

Humphrey Mwanza

Chair, Hemel Hempstead BID

cc: James Doe, Strategic Director – Place, Dacorum Borough Council



## Cabinet

<b>Report for:</b>	Cabinet
<b>Title of report:</b>	<b>Appointment of Principal Contractor for the construction of 46 dwellings at St. Margaret's Way</b>
<b>Date:</b>	27 <sup>th</sup> September 2022
<b>Report on behalf of:</b>	Councillor Alan Anderson, Portfolio Holder for Place
<b>Part:</b>	Part I with Part II procurement report annexed
<b>If Part II, reason:</b>	
<b>Appendices:</b>	
<b>Background papers:</b>	Appendix A - Consultant's Tender Report dated July 2022 Appendix B – Proposed Development Plan
<b>Glossary of acronyms and any other abbreviations used in this report:</b>	ASHPs – Air Source Heat Pumps DMC – Development Management Committee GF – General Fund HRA – Housing Revenue Account ITT – Invitation to Tender JCT – Joint Contracts Tribunal

### Report Author / Responsible Officer

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<b>Corporate Priorities</b>	<ul style="list-style-type: none"> <li>• A clean, safe and enjoyable environment</li> <li>• Building strong and vibrant communities</li> <li>• Ensuring economic growth and prosperity</li> <li>• Providing good quality affordable homes, in particular, for those most in need</li> <li>• Ensuring efficient, effective and modern service delivery</li> <li>• Climate and ecological emergency</li> <li>• </li> </ul>
<b>Wards affected</b>	Leverstock Green
<b>Purpose of the report:</b>	<p>To be read in conjunction with Part II.</p> <ol style="list-style-type: none"> <li>1. To seek approval to award the main contract and appoint a Principal Contractor to construct houses and flats at St.</li> </ol>

	<p>Margaret's Way, totalling 46 new homes for social rent, including new access road, parking and amenity areas.</p> <p>2. To provide delegated authority to the Council's Assistant Director (Legal &amp; Democratic Services) to execute and complete all legal agreements ancillary to the JCT Design &amp; Build Contract 2016 and/or reasonably required to complete the Project, including (but not limited to):</p> <ul style="list-style-type: none"> <li>a. all professional appointments;</li> <li>b. collateral warranties; and</li> <li>c. Agreements under S.38, &amp; S.278, of the Highways Act 1980; S.247, Part III of the Town and Country Planning Act 1990; S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1991.</li> </ul>
<b>Recommendation (s) to the decision maker (s):</b>	<p>That Cabinet:</p> <ol style="list-style-type: none"> <li>1. Awards the main contract to construct 46 social rented homes to Helix Construction Ltd., subject to the project achieving formal planning approval.</li> <li>2. Delegates authority to the Strategic Director – Place and the Chief Finance Officer to finalise the contract value with the approved contractor; and</li> <li>3. Delegates authority to the Assistant Director (Legal &amp; Democratic Services) to execute and complete all legal agreements ancillary to the JCT Design &amp; Build Contract 2016 and/or reasonably required to complete the Project, including (but not limited to):</li> </ol> <ul style="list-style-type: none"> <li>a. all professional appointments;</li> <li>b. collateral warranties; and</li> <li>c. Agreements under S.38, &amp; S.278, of the Highways Act 1980; S.247, Part III of the Town and Country Planning Act 1990; S.104 of the Water Industry Act 1991, and S.50 of the New Roads and Street Works Act 1991.</li> </ul>
<b>Period for post policy/project review:</b>	<p>There will be a 12-month defect liability period after practical completion. A 2-year review period is therefore recommended for this project.</p>

## 1 Introduction/Background:

Since 2013, the Council has delivered 356 new Council homes in the Borough, providing a good record of delivering new homes for social rent.

This report seeks approval for the appointment of the Principal Contractor for the Council's next project at St. Margaret's Way.

The proposals include the delivery of 46 new, two and three bed homes, which are a mix of flats and houses on land owned by the Housing Revenue Account and land to be appropriated from the general fund. The proposal will provide an ongoing revenue stream for rental income.

Following a public consultation, a planning application was submitted in August 2021. The proposed development includes communal areas and adequate parking spaces to meet Dacorum Borough Council's Parking Standards. Planning permission was granted at DMC on the 16<sup>th</sup> December 2021 - 21/03089/MFA.

Due to the Chilterns Beachwood's Special Area of Conservation moratorium, formal consent has not yet been received. Therefore, Cabinet agreement is conditional on receiving a full planning approval for the project.

The design of St. Margaret's Way will maximise the energy efficiency performance of the building fabric, reducing the energy demand for space heating. The new homes have been designed to utilise offsite timber frame manufacturing supporting the Hertfordshire Offsite Manufacturing Consortium.

See Appendix B for a proposed site layout of the scheme.

In February 2022, an ITT was advertised on the Supply Hertfordshire Portal, Find a Tender Service and Contracts Finder. The tender submissions were evaluated in line with the methodology set out in the tender documentation. The scoring was completed by the Housing Development Team and the Council's Employers Agent, Philip Pank Partnership.

Clarification responses were received from all bidders and, following a robust scoring process of the qualitative responses, it was recommended that two of the three bidders would be invited for a final tender clarification interview. The submission from the bidder not invited to interview was deemed non-compliant against quantitative criteria. After interview, and further clarifications, a second tender bid was deemed to be non-compliant.

The highest scoring bid was from Helix Construction Ltd. who submitted a compliant submission subject to negotiation of the contract amendments.

The scoring methodology to adjudicate tenders relate to quality and technical merit (equating to 60% of the overall marks available) and the pricing element (equating to 40% of the overall marks available).

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

After an open tender procurement process, tenders were returned and evaluated on both price and quality. The process included and assessment of the contractors' experience, knowledge and compliance.

The highest scoring tender after interview was returned by Helix Construction Ltd – See Appendix A.

## **3 Consultation:**

A list of consultees for this decision are as follows:

- Councillor Alan Anderson, Portfolio Holder for Place
- James Doe, Strategic Director (Place)
- Nigel Howcutt, Chief Finance Officer
- David Barrett, Head of Development
- Farida Hussain, Head of Legal and Democratic Services
- Sue Foster, Procurement Lead Officer, Commissioning, Procurement & Compliance
- Ben Hosier, Head of Commercial Development

## **4 Financial and value for money implications:**

The overall development budget is reviewed strategically as part of the annual review of the Housing Revenue Account Business Plan. Each individual scheme, following contract award, is subject to close financial monitoring with any variances agreed formally through a change control methodology.

The lifting of HRA borrowing cap has provided the opportunity to take out additional borrowing, through Public Works Loan Board, at what are still historically low rates of interest, enabling the expansion of the new build programme in a sustainable and affordable way.

This has been achieved through a successful procurement programme involving a tender process using an existing Framework managed by the Council's Procurement Team.

A financial assessment was carried out by the Council's Finance Department based on the bidders' set of accounts (last 3 financial years) and a credit reference report. The recommended successful bidder passed this financial evaluation.

## **5 Legal Implications:**

The purpose for which the local authority is appropriating the land must be authorised by statute. Further to section 17(1)(a) of the Housing Act 1985, a local housing authority may acquire land for development purposes.

Section 203 of the Housing and Planning Act 2016 provides that, where land has been appropriated for planning purposes, then existing rights, which could prevent the development from being carried out in accordance with the planning permission, can be overridden, subject to payment of compensation to the affected parties. By virtue of appropriating under section 122 LGA, section 203 will be enabled.

The appropriation of the land has been authorised by a previous Cabinet Report.

## **6 Risk implications:**

A risk assessment has been completed for this project by the Project Manager/ Employers Agent and reviewed monthly from the award of contract.

## **7 Equalities, Community Impact and Human Rights:**

A Community Impact assessment is not required. Homes are developed and allocated in line with the demand for social housing and to replicate the criteria for assessment, as set out in the Council's Allocation Policy, which has had a full appraisal.

There are no Human Rights implications arising from this report.

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

The new housing scheme has been designed with consideration to energy efficiency and sustainability.

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

Each new build scheme has in place a Principal Designer and Construction Design and Management Regulations (CDM) Advisor. Contractors are required to comply with the Council's Health and Safety (H&S) Policy along with Considerate Constructors requirements. Health & Safety is identified as a key risk of the Housing Service and is reported to the Council's Housing and Communities Overview and Scrutiny Committee on a quarterly basis. To ensure compliance monthly site checks are carried out on behalf of DBC as the client to ensure adherence to H&S procedures.

## **11 Statutory Comments**

**Monitoring Officer:**

The proposed award of contract has followed a compliant procurement process and will be secured by an appropriate form of building contract prior to commencement of the works.

**S151:**

The proposed award of the principal contractor is the conclusion of an open and transparent procurement process and the winning contractor provides the best value for money to the Council. The St Margaret's project is part of the current 2022 HRA 30-year business plan, and hence the costs of this project are included in the medium-term financial plan. The costs of new build developments are increasing significantly at present which is likely to provide an increasing fiscal challenge for the HRA in the current climate.

**12**

**Conclusions:**

After an open tender procurement process, three tenders were returned, of which after detailed evaluation and analysis, only one compliant tender was validated on both price and quality. The process included and assessment of the contractors' experience, knowledge and compliance.

The highest scoring tender was returned by Helix Construction Ltd.

The report seeks to recommend the award of the main contract to construct 46 No. social rented homes at St. Margaret's Way to Helix Construction Ltd all subject to achieving a planning approval.

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

Document is Restricted



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