

CABINET AGENDA



**TUESDAY 18 OCTOBER 2022 AT 7.30 PM
COUNCIL CHAMBER, THE FORUM**

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

Membership

Councillor Williams (Leader)	Councillor Anderson
Councillor Griffiths (Deputy Leader)	Councillor Banks
Councillor Elliot	Councillor Barrett

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

AGENDA

1. MINUTES (Pages 3 - 13)

To confirm the minutes of the meeting held on 27 September 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 (Pages 14 - 15)

7. MFTS REFRESH (Pages 16 - 32)

8. ANNUAL TREASURY REPORT (Pages 33 - 39)

9. ELECTRIC VEHICLE STRATEGY (Pages 40 - 68)

10. QUARTERLY STRATEGIC RISK REGISTER (Pages 69 - 88)

MINUTES

CABINET

27 SEPTEMBER 2022

Present:

Members:

Councillors: Williams (Leader)
Griffiths (Deputy
Leader)
Elliot
Anderson
Banks
Barrett

Officers:	Claire Hamilton	Chief Executive
	Mark Brookes	Assistant Director - Legal and Democratic Services
	Catherine Silva	Strategic Director – Corporate and Commercial
	Donayre	Strategic Director – Place
	James Doe	Chief Finance officer
	Nigel Howcutt	Head of Commercial Development
	Ben Hosier	Head of Development
	David Barratt	

Also Attendance:

Cllr Tindall

The meeting began at 7.30 pm

CA/66/21 **MINUTES**

The minutes of the meeting held on 12th July 2022 were agreed.

CA/67/21 **APOLOGIES FOR ABSENCE**

There were no apologies.

CA/68/21 **DECLARATIONS OF INTEREST**

None

CA/69/21 **PUBLIC PARTICIPATION**

None

CA/70/21 REFERRALS TO CABINET

None

CA/71/21 CABINET FORWARD PLAN

Cllr Anderson requested the following changes;

1. That the Chiltern Beechwood Moratorium Mitigation Strategy be added to the October meeting.
2. That Outcome to Levelling up Fund report be pushed back to November as unlikely to have any update by October.

The changes were agreed and the forward plan was noted.

CA/72/21 COMMERCIAL STRATEGY

Decision

1. Cabinet approved the Commercial Strategy
2. Cabinet noted the Commercial Principles set out in the Strategy

Corporate Priorities

A clean, safe and enjoyable environment ; Building strong and vibrant communities; Ensuring economic growth and prosperity; Ensuring efficient, effective and modern service delivery; Climate and Ecological Emergency – working to deliver net zero carbon

Statutory Officer 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 Officer:

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.

Advice

Cllr Williams introduced the report, advising this has been before the committee on a couple of prior occasions.

Recommendation agreed

**CA/73/21 HOUSING TRANSFORMATION AND IMPROVEMENT PROGRAMME
BUSINESS CASE**

Decision

Cabinet noted the actions associated with the HTIP Housing Asset Management and Compliance work stream, expected outcomes and progress to date.

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

Statutory Officer 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 continued to be reviewed as the programme is developed.

S151 Officer:

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.

Advice

Cllr Griffiths introduced the report, advising it was considered by Overview & Scrutiny earlier this month who are content with the strategy.

Cllr Griffiths expressed her thanks to staff for all the work that has gone on behind the scenes working all six strands of this programme.

Recommendations agreed

CA/74/21 FINANCIAL MONITORING REPORT Q1

Decision

1. Cabinet noted the financial position for 2022-23 as at Quarter 1, and;

RESOLVED TO RECOMMEND;

2. **That Council approve the revised capital programme to move £13.740m slippage identified at Quarter 1 into financial year 2023/24 as detailed in Appendix C.**
3. **That Council approves a supplementary Capital budget of £1.000m for the HRA for the re-purchasing of Right To Buy properties.**

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

Statutory Officer Comments:

Monitoring Officer:

No comments to add to the report.

Deputy S151 Officer:

This is a Deputy S151 report

Advice

Cllr Elliott introduced the report, advising this has been through Overview & Scrutiny. Figures are no surprise, there is an overall pressure on the general fund.

NHowcutt added that since report was written the fiscal environment is changing on a daily basis.

Cllr Tindall referred to Council Tax liability for empty homes falling to Council, noting the concern around empty homes in such times of need and asked; can that be confirmed.

NHowcutt confirmed it is a small number of homes, the liability is following the changes to our Council Tax policy; that when properties are vacant for over 30 days we place charges on that home. There are a small number of homes requiring a large volume of work to be carried out to make them fit to re-let, so may go over the 30 days.

Cllr Griffiths commented that one empty home is a property that a family needs, adding that it is agreed that it is of priority to ensure those homes are made available as quickly as they can be to those that need them.

Recommendations agreed

CA/75/21 **COST OF LIVING**

Decision

Cabinet noted the ongoing pressures to the Council as a result of the wider macro-economic uncertainty and the potential upcoming recession.

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

Statutory Officer 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.

Advice

Cllr Elliott introduced the report and highlighted the issues of inflation that will impact on fuel prices as well as many other aspects of people's lives. A key concern is Commercial Assets; the energy costs of shops, particularly high energy consumers such as fish & chip shops & restaurants. Will need to monitor closes and look at what support we can give.

Cllr Griffiths advised the Cost of Living Symposium had to be cancelled and moved to 10th October due to events at the time. Noting it will be an important piece of work for our community partners to work together; ensuring we are not going off on different tangents.

NHowcutt noted it is quite a daunting report in terms of outcomes, advising that we monitor all significant income and expenditure streams and report back on a quarterly basis, if things do come up we have arrangements in place to deal with those issues as they arise.

Recommendations agreed

CA/76/21 **HEMEL HEMPSTEAD BUSINESS IMPROVEMENT DISTRICT -
BUSINESS PLAN AND BALLOT ARRANGEMENT**

Decision

1. Cabinet approved the Business Plan for the next phase of the Hemel Hempstead Town Centre BID as attached at Appendix 3 to this report
2. Confirmed arrangements, as set out in this report, for a ballot of businesses within the defined BID levy area for Cabinet www.dacorum.gov.uk Thursday 24 November 2022 with the Count to take place on Friday 25 November 2022

Corporate Priorities

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

Statutory Officer 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 Officer:

No further comments to the report.

Advice

Cllr Anderson introduced the report and his hope that the Council can support the Chair of BID to get the right result from this ballot.

JDoe advised work is going on in the back ground to move this forward and get the administration arrangements in place to support the ballot process.

Cllr Williams asked; will this be a postal ballot for businesses?

JDoe advised there will be postal, commenting that there is not a huge number of ballots to be collected but adding that we will make voting in person available. Expect the majority to be returned by post.

Cllr Tindall commented that he feels this is a good initiative but asked, can anyone explain why part of the centre is left out? It appears the part of the Marlowes where the buses stop isn't included and there are businesses on those sides so wondered why not part of BID?

JDoe advised this goes back 5 years when this was setup; we can make the bid as big or otherwise as we want but there needs to be a consideration to not make the BID area too expansive as there is a risk that the ballot may go against you.

Cllr Tindall wondered if this may cause resentment within those businesses not included.

Cllr Williams advised there has been no feedback from those businesses to suggest that. The consultants did a lot of canvassing of businesses before the boundary was fixed 5 years ago and where the interest wasn't as strong, those areas didn't tend to be included.

JDoe advised that some of the smaller businesses more north of the town, they may not be able to afford the levy costs whereas the larger business tend to cost that into their business expenses.

Cllr Griffiths referred to car parks and asked, do we have to pay into the levy because they are within the boundary? Have those costs been factored in to coming 5 years?

JDoe confirmed yes we do, and it has been costed in to the MTFs.

Recommendations agreed

CA/77/21 APPOINTMENT OF THE PRINCIPLE CONTRACTOR FOR THE ST MARGARETS WAY PROJECT

Cabinet agreed;

1. Subject to a satisfactory financial assessment and agreement on contract price in accordance with recommendation 2, and the project achieving formal planning approval, awards the main contract to construct 46 social rented homes to Helix Construct Ltd.
2. Delegates authority to the Strategic Director (Place) and the Chief Finance Officer in consultation with the Portfolio Holder (Place) to carry out a further financial assessment of Helix Construct Ltd and to finalise the contract value with the approved contractor; and
3. Delegated authority to the Assistant Director (Legal & Democratic Services) to execute and complete all legal agreements ancillary to the JCT Design & Build Contract 2016 and/or reasonably required to complete the Project, including (but not limited to):
 - a. all professional appointments;
 - b. collateral warranties; and
 - c. Agreements under;
 - S.38, & 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

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

Statutory Officer 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 Officer:

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.

Advice

Cllr Williams introduced the report, advising that there are Part I and Part II reports and attachments, recommending the meeting therefore move into Part II to allow open discussion.

Please see Part II minutes for record of discussion.

CA/78/21 EXCLUSION OF THE PUBLIC

The Meeting ended at 8.09 pm

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

Document is Restricted

CABINET FORWARD PLAN

DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
18/10/22	MTFS Refresh		29/09/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To be Provided
18/10/22	Annual Treasury Report		29/09/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To Be Provided
18/10/22	Electric Vehicle Strategy		29/09/22	Melanie Parr Melanie.parr@dacorum.gov.uk	To Be Provided
18/10/22	Quarterly Strategic Risk Register		29/09/22	(F Jump/N Howcutt) Fiona.jump@dacorum.gov.uk	To be Provided
15/11/22	Hemel Place Strategy		27/10/22	James Doe – Strategic Director Place James.doe@dacorum.gov.uk	To Be Provided
15/11/22	PSPO annual review		27/10/22	Emma Walker , Head of Environmental Protection emma.walker@dacorum.gov.uk	To be Provided
15/11/22	Infrastructure Funding Statement		27/10/22	Shalini Jayasinghe Strategic planning & regeneration team leader Shalini.jayasinghe@dacorum.gov.uk	To Be Provided
15/11/22	Levelling Up Fund 2 proposals – Hemel Hempstead Town Centre		27/10/22	James Doe – Strategic Director – Place James.doe@dacorum.gov.uk	to provide an update on the proposals submitted to Government and any necessary decisions to be taken
15/11/22	Electric Vehicle Charging Point		27/10/22	Ben Hosier Ben.hosier@dacorum.gov.uk	To Be Provided
15/11/22	21/22 Treasury Management Performance Report		27/10/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To Be Provided
15/11/22	Depot Transformation programme including route optimisation		27/10/22	Richard LeBrun Richard.LeBrun@dacorum.gov.uk	To be Provided
15/11/22	Quarter 2 financial Monitoring report		27/10/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To Be Provided
15/11/22	Housing Services Management Structure		27/10/22	Claire Hamilton, Chief Executive Claire.hamilton@dacorum.gov.uk	To be Provided
TBC	SAC Mitigation Strategy		TBC	Alex Robinson Alex.robinson@dacorum.gov.uk	Sets out proposals to lift the current housing moratorium in Dacorum. The Strategy set out the tariff, the SANG sites and all of the administrative arrangements needed.
15/11/22	Customer Strategy- Complaints Policy		27/10/22	Hannah Peacock – Head of Transformation Hannah.peacock@dacorum.gov.uk	To Be Provided
13/12/22	22/23 Mid-Year Treasury Management		1/12/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To Be Provided

	DATE	MATTERS FOR CONSIDERATION	Decision Making Process	Reports to Monitoring Officer/ S.151 Officer	CONTACT DETAILS	BACKGROUND INFORMATION
		Report				
	13/12/22	Council Tax Base report		1/12/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To Be Provided
	13/12/22	Quarter 2 Strategic risk report		1/12/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To Be Provided
	13/12/22	Budget		1/12/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	To Be Provided
	13/12/22	Transformation Update		1/12/22	Aidan Wilkie Aidan.wilkie@dacorum.gov.uk	Digital Strategy, People Strategy & Communications Strategy
	13/12/22	Covid Recovery paper		1/12/22	Emma Walker , Head of Environmental Protection emma.walker@dacorum.gov.uk	To Be Provided
	13/12/22	Brownfield Land Register Review		1/12/22	Stephen Mendham – Strategic Planning Officer Stephen.mendham@dacorum.gov.uk	To Be Provided
	24/01/22			26/12/22		
	14/02/22	Quarter 3 Strategic risk report		02/02/22	Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	
	14/02/22	Quarter 3 financial performance			Nigel Howcutt, Chief Finance Officer 01442 228662 Nigel.howcutt@dacorum.gov.uk	



Cabinet

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

Report Author

Nigel Howcutt, Chief Finance Officer (CFO)



Nigel.Howcutt@dacorum.gov.uk / 01442 228662 (ext. 2662)

Responsible Officer

Nigel Howcutt, Chief Finance Officer



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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
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Wards affected	All
Purpose of the report:	To present to Cabinet the revised Medium Term Financial Strategy for ca approval.
Recommendation (s) to the decision maker (s):	<p>It is recommended that Cabinet recommend to Council the approval of the revised Medium Term Financial Strategy for the period 2022/23 – 2026/27, including recommendations;</p> <ol style="list-style-type: none"> 1. To note the financial projections within the 5-year Medium Term Financial Strategy and to approve the Strategy, 2. A General Fund savings target of £1,799k be approved for the 2023/24 budget-setting process; 3. A four-year General Fund savings target of £3.6m be approved for the duration of this Medium Term Financial Strategy; 4. The Chief Finance Officer will work with the Council's Senior Leadership Team and Portfolio Holders to deliver options that will achieve the saving targets identified within the strategy; 5. The Financial Planning Framework is approved to support the budget-setting process for 2023/24; 6. The Chief Finance Officer be requested to revise the Medium Term Financial Strategy and re-present to Cabinet and Council for approval if material changes to forecasts are required following future Government announcements.
Period for post policy/project review:	The Council's financial Medium Term Financial Strategy is reviewed annually.

MEDIUM TERM FINANCIAL STRATEGY

2022/23 – 2026/27

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

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

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

September 2022

CONTENTS

1. Executive Summary
 2. Context
 3. Economic Climate
 4. Financial Planning Framework
 5. Review of the Council's Primary Funding Streams (General Fund)
 6. Review of MTFS Assumptions & Policy
 7. Emerging Risks and Opportunities (General Fund)
 8. Corporate Strategy
 9. General Fund Medium Term Savings Target
 10. Key Risks
 11. Housing Revenue Account
 12. Capital Resources
- VFM / Legal Implications / Equalities Implications / Sustainability /
Council Infrastructure and Statutory Officer Comments

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

1 Executive Summary:

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

2 Context of the Medium-Term Financial Strategy

Local Authority Funding.

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

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

3 Economic Climate

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

4. Financial Planning Framework

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

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

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

5. Review of the Council's Primary Funding Streams

Core Baseline Funding

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

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

Council Tax

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

New Homes Bonus

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

6. Review of MTFS assumptions

Update of General Fund budget assumptions

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

Update of MTFS assumptions based on other information

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

Table 1: Budget Assumptions.

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

Notes:

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

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

Fees and Charges Policy

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

General Fund Working Balances and Earmarked Reserves

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

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

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

7. Emerging Risks and Opportunities

- 7.1 The MTFS assumptions are kept under constant review by officers and Members and will be kept up-to-date on an ongoing basis. The robustness of the assumptions in a constantly changing economic environment requires careful scrutiny to ensure that the MTFS remains sustainable.
- 7.2 At this point in the annual update this scrutiny process has raised several other areas of change that are proposed in this MTFS. These include:

Car Park Income Pressure

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

Service Planning

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

Treasury Management

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

8. Corporate Strategy

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

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

Commercial Strategy

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

Transformation/Change Strategy

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

Place Strategy

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

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

9. General Fund Medium-Term Savings

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

Table 2: Medium Term Financial Savings Requirement.

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

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

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

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

10. Key Risks

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

Discretionary Income Generating Services

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

Council Tax Collection

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

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

Borrowing Costs

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

Refuse Service

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

Recruitment and Retention Issues

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

11. Housing Revenue Account (HRA)

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

12. Capital Resources

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

Flexible use of capital receipts

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

Capital Spending Plans 2022/23 to 2026/27

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

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

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

Table 3: General Fund Capital Funding.

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

13 Financial and Value for Money implications

Contained within the body of the report

14 Legal Implications

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

15 Equalities, Community Impact and Human Rights

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

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

16 Sustainability implications

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

17 Council infrastructure

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

18 Statutory Comments

Monitoring Officer

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

S151 Officer Comments

This is a S151 Officer report.

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

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



Cabinet

Report for:	Cabinet
Title of report:	Treasury Management Outturn and Performance Indicators 2021/22
Date:	18/10/2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	
Background papers:	Cabinet 9 February 2021 – Treasury Management Strategy (Appendix K to Budget 2021/22 Report)
Glossary of acronyms and any other abbreviations used in this report:	CIPFA-The Chartered Institute of Public Finance and Accountancy MPC- Bank of England Monetary Policy Committee CFR- Capital Financing Requirement

<p>Report Author / Responsible Officer</p> <p>Report Author: Daniel Powell, Accountant (Financial Services)</p> <p> </p> <p>Daniel.Powell@dacorum.gov.uk / 01442 228553 (ext. 2553)</p> <p>Responsible Officer: Fiona Jump, Head of Financial Services (Financial Services)</p> <p> </p> <p>Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)</p>

Corporate Priorities	<p>A clean, safe and enjoyable environment</p> <p>Building strong and vibrant communities</p> <p>Ensuring economic growth and prosperity</p> <p>Providing good quality affordable homes, in particular for those most in need</p>
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	Ensuring efficient, effective and modern service delivery Climate and ecological emergency
Wards affected	All
Purpose of the report:	1. To report upon the outturn performance for treasury management in 2021/22.
Recommendation (s) to the decision maker (s):	1. That Cabinet recommends to Council acceptance of the report on Treasury Management performance in 2021/22 and the Prudential Indicators for 2021/22.
Period for post policy/project review:	Period post policy review not applicable.

1 Introduction/Background:

The Council is required, by regulations issued under the Local Government Act 2003, to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2021/22. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management in the Public Services (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities.

For 2021/22, the minimum reporting requirements were that Full Council should receive the following reports:

- an annual Treasury Management Strategy Statement in advance of the year;
- a mid-year Treasury Management update report;
- an annual review following the end of the year describing the activity compared to the strategy (this report).

This report provides the outturn position for the Council's treasury activities and highlights compliance with policies previously approved by Members.

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

The Economy and Interest Rates

2.1 Over the last two years, the coronavirus outbreak has caused significant economic damage to the UK and to economies around the world. After the Bank of England monetary policy (MPC) took emergency action in March 2020 to cut the Bank Rate to 0.10%, it remained unchanged until December 2021 when it was raised to 0.25%, then to 0.50% in February 2022, and to 0.75% in March 2022. The UK economy has now opened up and the MPC is focussed on tackling inflation caused by utility prices, labour and supply shortages and the impact of Russia's invasion of Ukraine.

2.2 To help businesses recover from the pandemic, the Bank of England and the Government maintained various monetary and fiscal measures. The Government also provided financial support to local authorities to pass on to businesses. This meant that, for most of the year, there was much more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates remained low until towards the end of 2021/22 when inflation concerns led the Bank of England and central banks around the world to increase interest rates.

Treasury Position as at 31 March 2022

- 2.3 The Council's underlying need to borrow to finance capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend.
- 2.4 The Council's CFR was £345.1m at the end of the year. This includes the borrowing from the Public Works Loan Board following the introduction of HRA Self-Financing and borrowing taken in 2015/16 for General Fund capital expenditure. HRA self-financing involved the transfer of national housing debt from central government to local authorities with HRA responsibilities. No rescheduling of debt or new loans were undertaken during the year.
- 2.5 The table below shows an increase in balances available for investment as at 31 March 2022 compared to as at 31 March 2021 due to the Government providing significant levels of grant payments to the Council during 2021/22 relating to the Covid pandemic.

	31-Mar-21	Rate/ Return	Average Life	31- Mar-22	Rate/ Return	Average Life
<u>HRA and GF COMBINED</u>	£m	%	Years	£m	%	Years
Capital Financing Requirement	348.9			345.1		
Total external debt*	353.7			349.9		
Total investments	112.5	0.25	0.29	139.1	0.11	0.41
Net external debt	241.2			210.8		

*including finance lease obligations

General Fund

- 2.6 The General Fund CFR (its need to borrow) was £12.6m at 31 March 2022. The General Fund has borrowed in advance of need £4.8m. This borrowing has utilised the lower interest rates that have been available in recent years and will be used to fund the ongoing capital programme expenditure.

	31-Mar-21	Rate/ Return	Average Life	31- Mar-22	Rate/ Return	Average Life
<u>GENERAL FUND (GF)</u>	£m	%	Years	£m	%	Years
Total external debt	17.6	3.15%	20	17.2	3.16%	19
Finance leases	0.2			0.2		
Capital Financing Requirement	12.9			12.6		
Over / (under) borrowing	4.8			4.8		

Housing Revenue Account

- 2.7 The HRA's CFR and external borrowing is £332.4m at 31 March 2022. During 2021/22 £3.5m of external borrowing was repaid in year.

<u>HOUSING REVENUE ACCOUNT (HRA)</u>	31-Mar- 21	Rate/ Return	Average Life	31- Mar-22	Rate/ Return	Average Life
	£m	%	Years	£m	%	Years
Total external debt	335.9	3.39%	16	332.4	3.40%	15

Capital Financing Requirement	335.9			332.4		
Over / (under) borrowing	0.0			0		

Investment Outturn

- 2.8 The Council's 2021/22 investment policy is governed by DLUHC investment guidance, and is contained in its Treasury Management Strategy approved by Council in February 2021, which sets out the approach for choosing investment counterparties. It is based on a system of credit ratings provided by the three main credit rating agencies, and supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc) provided by Link Asset Services, the Council's treasury management advisors.
- 2.9 The Council maintained an average balance of £141.8m of internally managed funds throughout 2021/22, earning an average rate of return of 0.11% compared with the previous year of 0.25%. The reduction in return between years is attributable to interest rate reductions described in 2.2.
- 2.10 The weighted average maturity for investments held by the Council at 31 March 2022 was 79 days. (81 days at 31st March 2021).
- 2.11 Investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

Prudential and Treasury Indicators

- 2.12 During 2021/22, the Council complied with its legislative and regulatory requirements set out in the Treasury Management Strategy. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

Actual prudential and treasury indicators	2020/21	2021/22	2021/22
	Actual	Original Budget Estimate	Actual
	£'000	£'000	£'000
<u>Capital expenditure</u>			
· General Fund	9,373	9,490	8,248
· HRA	17,027	41,360	17,400
· Total	26,400	50,850	25,648
<u>Capital Financing Requirement:</u>			
· General Fund	12,945	18,571	12,603
· HRA	335,928	332,448	332,448
· Total	348,873	351,019	345,051
External debt excluding finance leases	353,502	349,680	349,680
<u>Investments- balance at year end</u>			
· Longer than 1 year	0	0	0
· Under 1 year	112,467	72,191	139,090
· Total	112,467	72,191	139,090

- 2.13 In order to ensure borrowing levels are prudent over the medium term, Local Authority external borrowing can only be for capital purposes, i.e. it cannot be used to support revenue expenditure. Gross borrowing should not, except in the short term, exceed its CFR i.e. the Council's need to borrow. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs. As explained in 2.6, the advance borrowing on the General Fund is due to taking advantage of historically low interest rates and the impact of slippage in the capital programme.
- 2.14 The **Authorised Limit** - the authorised limit is the "affordable borrowing limit" required by Section 3 of the Local Government Act 2003. The Council does not have the power to borrow above this level. During 2021/22, the Council has maintained gross borrowing within its authorised limit.
- 2.15 The **Operational Boundary** – the operational boundary reflects the current borrowing position with an allowance for additional borrowing for cash flow purposes during the year. Periods where the actual position is either below or over the boundary is acceptable subject to the authorised limit not being breached.

	2021/22
Authorised limit	£410.00m
Operational boundary	£353.69m

- 2.16 **Actual financing costs as a proportion of net revenue stream** - this indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

Ratio of financing costs to net revenue stream	31-Mar-21 Actual	2021/22 Original Limits	31-Mar-22 Actual
General Fund	1.11%	0.84%	0.83%
HRA	20.78%	20.20%	19.32%

- 2.17 The decrease on HRA and General Fund ratio since the original estimate reflects higher interest rates than assumed in the original estimate, and therefore higher interest received.
- 2.18 The following table shows the **net debt position for the Council**. There has been no material change in debt year on year but the net debt has decreased by £30m due to an increase in investments held as at 31 March 2022. Cash balances were higher at this date than at 31 March 2021 due to additional Government grant funding received during 2021/22.

	31 March 2021	Rate/ Return	Average Life	31 March 2022	Rate/ Return	Average Life
Fixed rate funding:	£m	%	Years	£m	%	Years
PWLB and Finance Leases	353.7	3.38%	16	349.9	3.39%	15
Total external debt	353.7	3.38%	16	349.9	3.39%	15
CFR	348.9			345.1		
Over/ (under) borrowing	4.8			4.8		
Total investments	112.5	0.25	0.29	139.1	0.11	0.41
Net debt	241.2			210.8		

2.19 The following table shows the **maturity structure of the debt portfolio**:

	31-Mar-21 actual	31-Mar-22 actual
Under 12 months	£3.9m	£1.8m
12 months and within 24 months	£1.7m	£2.6m
24 months and within 5 years	£11.1m	£14.4m
5 years and within 10 years	£35.7m	£40.7m
10 years and above	£301.2m	£290.2m

3 Options and alternatives considered

None. An annual treasury management review is a statutory requirement.

4 Consultation

The Council has liaised with Link Asset Services, its Treasury advisors.

5 Financial and value for money implications:

In accordance with the CIPFA Treasury Management in the Public Services Code of Practice, the order of the Council's investment priorities is 1. Security; 2. Liquidity; and, 3. Return. This may result in the Council achieving a lower rate of return than an organisation operating a more aggressive investment strategy in a less regulated sector.

6 Legal Implications:

There are no direct legal implications arising from this report.

7 Risk implications:

A prudent approach to investment is required to minimise the risk to the Council of investment losses, as outlined in the Council's Treasury Management Strategy 2021/22. This report provides an update on the delivery of that strategy.

8 Equalities, Community Impact and Human Rights:

A Community Impact Assessment is not required. There are no Human Rights Implications.

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

Not applicable

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

Not applicable

11 Statutory Comments

Monitoring Officer:

No comments to add to the report.

Deputy S151 Officer:

This is a Deputy S151 Officer report. Comments are contained within the body of the report.

12 Conclusion:

The Annual Treasury Management Outturn Report for 2021-22 provides the outturn position for the Council's 2021-22 treasury activities and highlights compliance with policies previously approved by Members. Its approval is required for the Council to meet its statutory obligations in respect of Treasury Management activities.



Report for:	Cabinet
Title of report:	Electric Vehicle Strategy
Date:	18 October 2022
Report on behalf of:	
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix 1 – Electric Vehicle Strategy
Background papers:	N/A
Glossary of acronyms and any other abbreviations used in this report:	CEE - Climate and Ecological Emergency EV – Electric Vehicle

Report Author / Responsible Officer

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Corporate Priorities	<ul style="list-style-type: none"> - Building strong and vibrant communities - Ensuring economic growth and prosperity - Climate and ecological emergency
Wards affected	All
Purpose of the report:	To introduce and seek approval for the Electric Vehicle Strategy draft
Recommendation (s) to the decision maker (s):	1. To review and approve the Electric Vehicle Strategy

	2. To delegate responsibility to the Strategic Director for People and Transformation to make any final changes prior to publication.
Period for post policy/project review:	N/A

1 Background:

In Dacorum, transport is responsible for around 45% of the borough’s total greenhouse gas emissions, with cars being responsible for a third of these emissions. As such, ‘Sustainable Transport’ is one of the four key strands of the Council’s Climate and Ecological Emergency (CEE) Strategy.

There are two main focuses to this theme;

- Encouraging and enabling an increase in active travel
- Encouraging and enabling the uptake of electric vehicles (EV)

The production of an EV Strategy was referred to as one of the actions in the CEE Strategy.

Within the Council’s Corporate Plan 2020-2025 this EV work is summarised by a commitment to:

“Install more publicly accessible electric vehicle charge points, and work to encourage more organisations to install these throughout the borough.”

The government has introduced legislation banning the sale of new petrol and diesel vehicles by 2030. It has been estimated that, by 2030, there will be at least 30,000 EVs in Dacorum. At least a third of Dacorum’s residents will be unable to charge at home and will rely on public charging infrastructure.

Due to EVs being a new and developing field of technology, it has become necessary to create an EV strategy in order to research and understand the direct and indirect actions required by the Council. Additionally, the Council receives a high level of queries from residents, local organisations, colleagues and Members, regarding EVs, and what the Council is planning to do. To address the above commitments and queries, as well as meet the current and future needs of our residents in light of upcoming industry changes, it was decided to develop a public-facing EV Strategy that could be signposted and referred to.

The intention of the document is to:

- Provide a background to EVs and their importance environmentally
- Provide key background knowledge, including national and local policy and legislation
- Explain EV terms and technology
- Provide an insight into the work that the Council has done and the information that has been gathered
- Provide a high level overview into the local work the Council intends deliver and outline the proposed approach and objectives to encourage and enable the transition to EVs locally.

2 Proposal:

The proposal is for the EV Strategy to be reviewed and approved so that it can be published on the Council website.

In terms of delivery of the EV strategy, actions have been captured in an EV Work Programme, which forms part of the overall CEE Work Programme. There are CEE sub-groups to support with the delivery of this work programme, which includes a dedicated EV sub-group, although various actions will fall under other CEE sub-groups, which are ultimately monitored by the CEE Board.

3 Options and alternatives considered

There are three potential options:

1. Do not approve the EV Strategy
2. Amend the EV Strategy in line with any key feedback
3. Approve the EV Strategy in its current format.

4 Consultation

The EV work was agreed as part of the Climate and Ecological Emergency draft strategy that was approved by Cabinet in November 2021. This has been subject to all necessary consultation.

The draft EV Strategy has been reviewed by officers spanning a range of departments for comments and feedback, which have all been incorporated into this final draft.

5 Financial and value for money implications:

The EV Strategy does not have any financial implications itself.

The work programme that will be shaped and delivered ultimately will have financial implications, but the EV Strategy, itself, does not commit the Council to any spending.

6 Legal Implications

The EV Strategy has been reviewed by the Council's Legal department, which has commented that the strategy document has identified the relevant legislation and Government targets in relation to electric vehicles to 2030 and 2035. There are no direct legal implications on the Council.

7 Risk implications:

Failure to implement the EV Strategy could have serious consequences for not reaching the Council's climate and ecological emergency net zero emissions targets – which in itself carries a high level of risk due to the nature of the issue.

Not publishing the EV strategy carries a risk of not showing a clear intention for improving, and achieving commitments to the Climate Emergency work and Corporate Plan.

8 Equalities, Community Impact and Human Rights:

Community Impact Assessment – a CIA has not been carried out for the EV strategy itself as the projects which are progressed in the future would need these on an individual basis as and when approvals to proceed are sought.

There are no Human Rights Implications arising from this report.

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

The sustainability implications are high. As aforementioned, transport is responsible for around 45% of the borough's total greenhouse gas emissions. As such, transport is a major contributor to both the climate emergency problem and future solutions. EVs symbolise this solution and this strategy outlines all of the direct and indirect ways that the Council can support with this transition and support our climate and ecological emergency targets.

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

It has been estimated that, by 2030, there will be at least 30,000 EVs in Dacorum. At least a third of Dacorum's residents will be unable to charge at home and will be reliant on the public charging infrastructure.

The EV strategy outlines the importance for implementing and supporting sufficient EV charging infrastructure throughout the borough in order to meet future demand of residents.

11 Statutory Comments

Monitoring Officer:

The strategy itself does not raise any legal issues but various contractual and land issues will arise as the strategy is delivered and continued liaison with the legal team will be required.

S151 Officer:

The strategy itself does not require financial approval. The development of an action plan, and delivery of the action plan, may require financial support or the commitment of Dacorum land and assets at which point continued liaison with the finance team will be required.

12 Conclusions:

EVs are a fast-moving new technology solution, which will help to drastically lower carbon emissions. This is crucial in order to address the climate emergency and achieve net zero targets.

The EV Strategy provides a high-level overview of the direct and indirect actions that the Council is able to take in order to support the transition to EVs locally.

By approving and publishing this EV Strategy, the Council will be showing its clear intention to support this important work, which aligns with the Council's CEE objectives, as well as commitments made in the Corporate Plan.



Dacorum Borough Council's **ELECTRIC VEHICLE STRATEGY**



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Background Information

Corporate Priority - Climate and Ecological Emergency

Tackling the Climate and Ecological Emergency (CEE) is one of Dacorum Borough Council's six Corporate Priorities. One of the key pledges and objectives from this work is that the Council will: *"Support the borough in reducing its emissions and reaching net-zero as quickly as possible."*

In Dacorum, transport is responsible for around 45% of the borough's total greenhouse gas emissions (Figure 1), with cars being responsible for a third of these emissions. As such, 'Sustainable Transport' is one of the four key strands of [Dacorum's Climate and Ecological Emergency Strategy](#) and within this document we outline a number of commitments.

There are two main focuses of this theme;

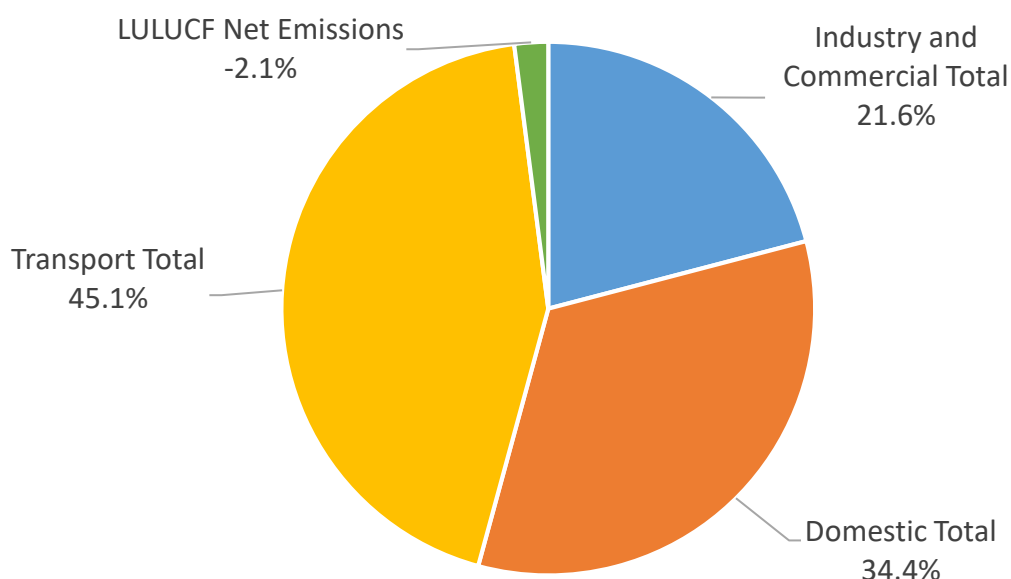
- Encouraging and enabling an increase in active travel
- Encouraging and enabling the uptake of EVs

The 'Comparing Carbon Emissions of Travel Methods' graph (Figure 2) shows the significant difference in CO₂e emissions between using EVs compared to other forms of transport.

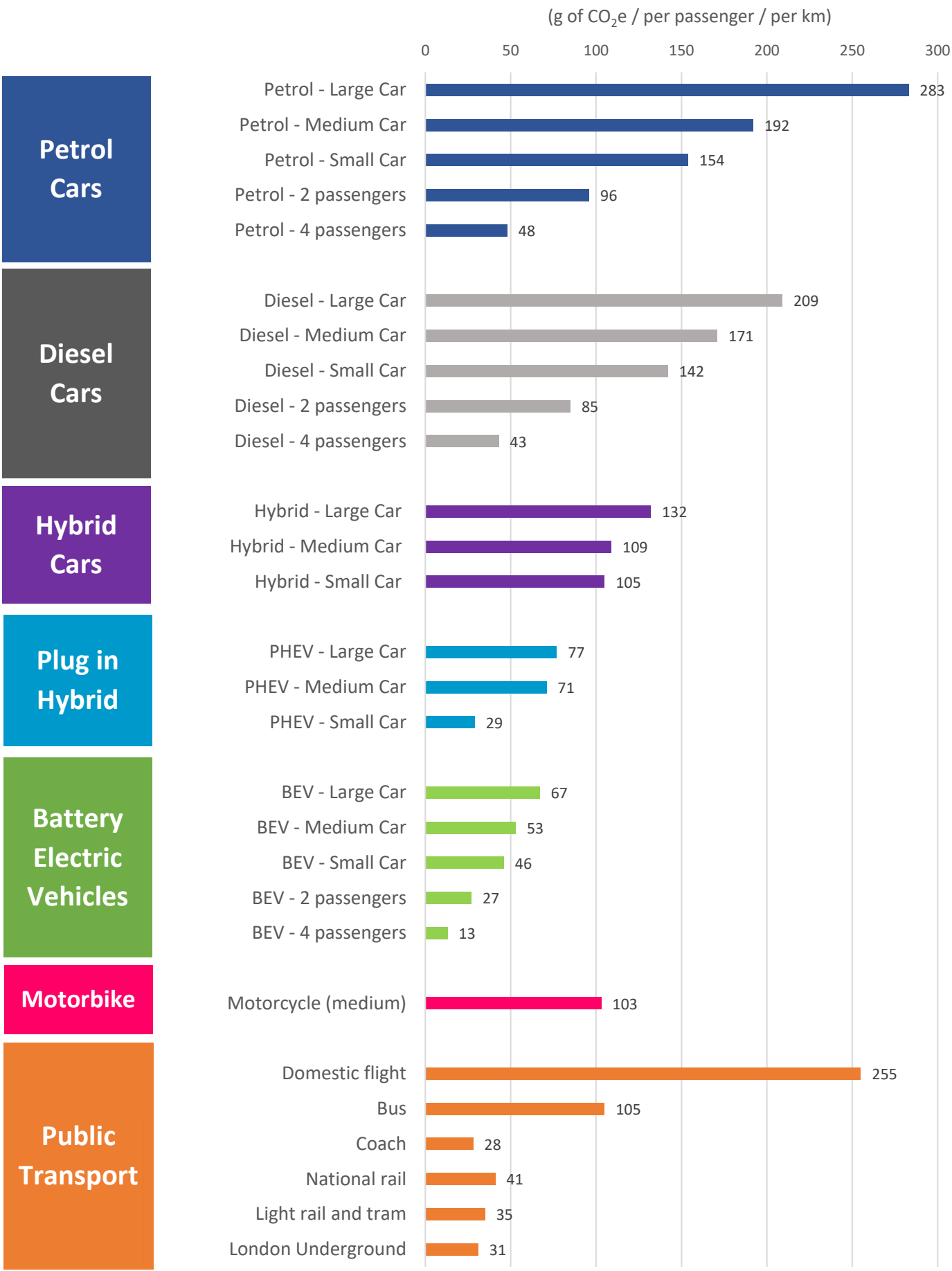
Within Dacorum's [Corporate Plan 2020-2025](#) this EV work is summarised by our commitment to: *"Install more publicly accessible electric vehicle chargepoints, and work to encourage more organisations to install these throughout the borough."*

To address the above commitments, as well as meet the current and future needs of our residents in light of upcoming industry changes, the Council has developed an EV Work Programme (EVWP); the aims and objectives of which are outlined and explained within this strategy, along with background and industry knowledge.

**Figure 1 - Dacorum Borough Council
CO₂ Emissions - 2019**



Comparing Carbon Emissions of Travel Methods per passenger, per kilometre (2018)



Page 47
 Figure 2 – [Comparing Transport Method Emissions](#)

National Policy and Changes

Transport is the UK's largest emitting domestic sector and 91% of UK transport emissions come from road transport. The government has pledged to achieve net zero emissions in the UK by 2050, to achieve this, it has to decarbonise road transport.

At a national level, the UK's commitment to decarbonise transport is outlined through a series of published acts, strategies and guidance.

The introduction of the [Climate Change Act 2008](#) saw carbon emissions from the UK energy sector more than halve, yet transport emissions did not decrease.

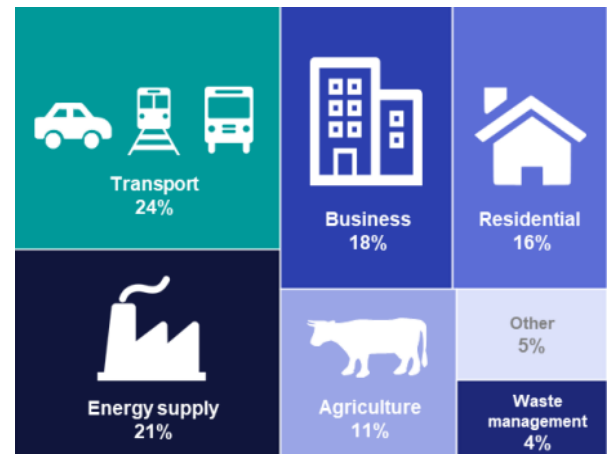


Figure 3 - [2020 UK greenhouse gas emissions](#) by sector

In 2017 the Transport sector became the UK's biggest source of greenhouse gases – accounting for around a quarter of all domestic emissions. The most recent 2020 [emissions data](#) (Figure 3) shows a slight decrease, but this decline is widely attributed to the COVID pandemic travel restrictions.

Ultra-Low Emission Vehicles (ULEVs) have a significant role to play in meeting targets to reduce greenhouse gases and improve local air quality – especially electric vehicles (EVs). To address this, the UK Government released the 'Road to Zero' strategy in 2018, pledging to end the sale of new petrol and diesel vehicles by 2040 and implementing [The Automated and Electric Vehicle Act 2018](#). This was adopted into the UK's wider Industrial Strategy, emphasising the importance of zero-carbon mobility not just to the environment but to the long-term economic prosperity of the UK. This was later reinforced by the [Future of Mobility: Urban Strategy](#) in 2019.

In 2019, the Climate Change Act was amended to commit the UK to becoming net-zero carbon by 2050. To address this, the UK Government announced in its 'Ten Point Plan for a Green Industrial Revolution' that the sale of new petrol and diesel vehicles would be banned by 2030, with hybrids permitted until 2035. In 2020, the [Transport Decarbonisation Plan](#) was released alongside the [2035 Delivery Plan](#) which provided a roadmap for how the transport sector will decarbonise (Figure 4). A £2.8 billion package of funding was pledged to support this transition.

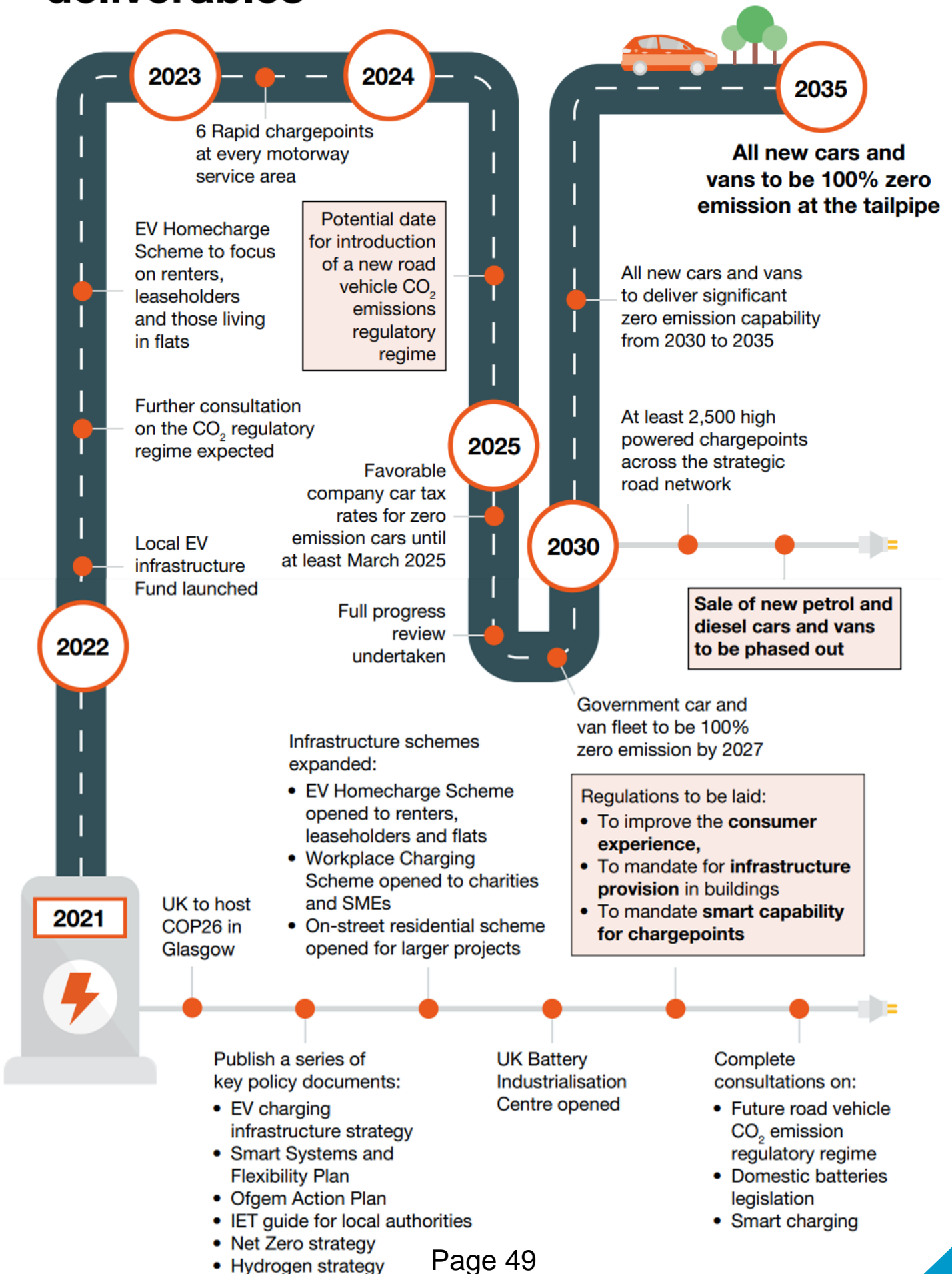
In March 2022, the government released the [UK electric vehicle infrastructure strategy](#), which set out the vision, commitments and action plan for the rollout of EV charging infrastructure in the UK, ahead of the planned phase out dates.

From June 2022, new legislation was brought in stating that all new developments, including homes, workplaces and supermarkets, as well as existing buildings undergoing large scale renovations, will all be required to install EV chargepoints (EVCPs).

As a result of these and other steps (e.g. congestion and ULEZ exemption, parking) EV sales are rapidly growing.

Figure 4

Road to 2035: Timeline of key deliverables



Hertfordshire County Council

Hertfordshire County Council (HCC) is the Local Transport Authority and as such has responsibility for the development of the [Local Transport Plan 2018-2031](#). It has also produced a [Sustainability Strategy](#). Within these documents, there are a range of objectives which are outlined in Table 1 below.

HCC Strategy	Objectives
Local Transport Plan 4	Improve access to international gateways and regional centres outside Hertfordshire
	Enhance connectivity between urban centres in Hertfordshire
	improve accessibility between employers and their labour markets
	Enhance journey reliability and network resilience across Hertfordshire
	Enhance the quality and viability of town centres
	Preserve the character and quality of the Hertfordshire environment
	Reduce carbon emissions
	Make journeys and their impact safer and healthier
	Improve the access and enable participation in everyday life through transport
Sustainability Strategy The Hertfordshire Climate Change and Sustainability Partnership has set out a range of transport objectives which are being used as a basis for the development of HCCs positions on EV charging infrastructure	Deliver net zero carbon emissions for local authority transport operations by 2030
	Work towards zero carbon emissions for Hertfordshire's transport network by 2050
	Embed sustainable transport policies in Local Plans and prioritise the needs of sustainable travel within every planning decision
	Only support new developments where they will have full sustainable transport access
	Systematically pursue opportunities for active travel in everything we do
	Look to reduce air pollution arising from local transport sources
	Promote a shift to active travel and public transport through behaviour change campaigns and infrastructure improvements
	Facilitate a move to BEV for taxis across the county
Facilitate appropriate EV charging networks across Hertfordshire and complement what is already there.	

Table 1 – HCC Policy Context

HCC is in the process of developing its own EV Strategy. In the meantime, the [HCC EV webpage](#) provides the latest information on its position. Currently, HCC is not planning a large scale roll-out of on-street EVCPs, but will, instead, consider the potential installation of fast chargepoints under a limited number of circumstances. A full table of rules and criteria have been drafted for consideration, some of which include:

- If residents do not have their own off-street parking and are not within reasonable walking distance of a current or planned public chargepoint.
- If residents only have allocated on-street parking spaces
- If residents have specific accessibility needs
- For public transport and taxis in destinations without off-street chargepoints.

HCC is undertaking work, using its newly developed EV mapping tool, to identify locations which might meet these criteria and plan to work with boroughs and districts to develop a process to enable the deployment of chargers in suitable locations. HCC will also be looking at suitable land for off-street charging hubs. Provision for specialist zero-emission buses is being investigated through other HCC programmes of work.

HCC is currently not allowing residents to trail cables across pavements, use cable covers or install cable gullies. The majority of lamp posts in Dacorum that are situated by roads are owned by HCC and HCC does not currently have any existing plans to convert these into chargepoints.

Funding

Government grants and private investment from a range of specialist companies are funding the majority of EV infrastructure being implemented throughout the UK. Forming commercial partnerships to support the roll out of sufficient EVCP infrastructure locally within Dacorum will be key, as well as accessing and promoting available funding such as:

- The [On-street Residential Chargepoint Scheme](#) (ORCS) provides funding for local authorities to install residential EVCPs. Dacorum will plan to utilise this funding where possible throughout the borough. One key barrier to using this funding is land ownership – as a Council, Dacorum does not own a large amount of land.
- The [Workplace Charging Scheme](#) (WCS) is a voucher-based scheme that provides support towards the up-front costs of the purchase and installation of electric vehicle chargepoints. Businesses, charities and public sector organisations are all eligible for this funding.
- The [Electric Vehicle Homecharge Scheme](#) (EVHS) historically provided residents with support in installing EVCPs at home. From April 2022, the EVHS closed to homeowners who live in single-unit properties (such as bungalows and detached, semi-detached or terraced housing). The scheme will remain open to those who live in flats; and people in rental accommodation. The grant covers up to 75% of the cost to buy and install a chargepoint socket, up to £350 per grant.
- The [Local EV Infrastructure Fund](#) (LEVI Fund) is a £450 million scheme currently being trialled throughout 2022-2023. After the trial, the fund will be launched more widely to help local authorities leverage private sector investment into their local charging networks and put in place long-term, sustainable charging infrastructure.
- The [Rapid Charging Fund](#) (RCF) is a £950 million fund to future-proof electrical capacity at motorway and major A road service areas to prepare the network for 100% electric vehicles.
- The [Plug-in Vehicle Grant](#) - this is a discount which is automatically applied by the supplier. The grant for cars ended in June 2022, but other vehicles such as motorbikes, taxis and vans are still eligible.

Guidance

The [Local Government Support Programme](#) helps local authorities decarbonise transport, improve air quality and increase electric vehicle adoption. The programme is fully funded by the Department for Transport and available to all local authorities across England.

Energy Saving Trust has several [resources and best practice guides](#), such as [procurement guides](#), [design guides](#), etc. These contain practical advice and informative case studies, providing a useful reference for local authorities on different aspects of planning, delivering and operating public EV charging infrastructure.

The government released several [Local Authority transport decarbonisation toolkits](#) in 2022 providing guidance on a range of areas. There is also a government [EV local authority support page](#) with specific information which is kept up to date with useful industry information. The WWF provides specific guidance for how to [charge EVs with renewable energy](#).

Electric Vehicles Explained

What are Electric Vehicles (EVs)

Ultra Low Emission Vehicles (ULEVs) is a term used to describe any vehicle that uses low carbon technologies; and emits less than 50g of CO₂/km from the tailpipe.

Electric vehicles (EVs) are the primary type of ULEV. There are two main types of EV available:

Battery (BEVs) - A vehicle powered only by electricity, also known as a 'pure' or 100% electric car. The vehicle is charged by an external power source, such as a chargepoint. These vehicles do not produce any tailpipe emissions. Almost all manufacturers offer pure electric cars. Most BEVs have a real-world range of 100-300 miles on a single charge – though this is improving as newer models come onto the market with some reaching over 500 miles.

Plug-in Hybrid (PHEVs) - This is a vehicle that has a battery, electric drive motor and an internal combustion engine (ICE). It can be driven using the ICE, the electric drive motor, or both, and can be recharged from an external power source. Typical PHEVs will have a pure-electric range of up to 50 miles. Once the electric battery is depleted, journeys can continue in hybrid mode.

As BEVs have zero tailpipe emissions, this makes them better not only for drastically helping to reduce emissions in comparison to fossil-fuel powered cars, but they have a number of additional benefits:

- Lower running costs; which often can offset the initial cost of the vehicle
- Zero rate of vehicle excise duty
- Qualify for various ULEZ and Congestion Charge discounts
- Improvement in local air quality and pollution, through reductions in the emission of nitrogen dioxide and particulate matter as a result of fewer exhaust pipe emissions.

Electric Vehicle Uptake

The uptake of EVs is accelerating rapidly. For the first time, more battery EV cars (64,000) were registered in the UK during 2022 Quarter 1 than diesel cars (34,000), following a 102% increase in BEV cars compared to 2021 Quarter 1. By contrast, over the same period there were falls of 11% and 52% for petrol and diesel cars respectively.

It is anticipated that, by 2030, there will be up to 10 million EVs on the road, requiring a minimum of 300,000 public chargepoints.

Electric Vehicle Chargepoints (EVCPs)

One of the key challenges for transitioning to EVs is the availability of charging infrastructure.

EV charging points (EVCPs) are primarily defined by the power (in kW) they can produce and therefore what speed they are capable of charging an EV.

There are three main categories of EVCPs - each have varying pros and cons and charging connections, as outlined in Table 2.

Type	Capacity (kW)	Charge Time <i>(From empty to 80% charge of a 60kWh battery).</i>	Suitable Dwell Time	Estimated range added in 15 minutes	Suitable at...
Slow	3	16 hours	7 hours +	3 miles	Residential
Fast	7 – 22	2 - 7 hours	1 – 7 hours	7 - 20 miles	Residential, destinations, charging hubs or workplaces and en route charging.
Rapid / Ultra Rapid	50 – 350	Up to 1 hour	Less than 1 hour	45 – 325 miles	Destinations, charging hubs, taxi ranks, en route charging, and fleet/commercial use.

Table 2 – Comparison of charger speeds

The estimated time to achieve a full charge is shown in the below formula. For example, a 40kWh battery on a 7kW EVCP would take between 5-6 hours to fully charge.

$$\text{Battery Size / Charging Speed} = \text{Time to full charge.}$$

Slow and Fast chargers are best suited for overnight charging, which is good for the longevity of the EV battery, more cost-effective for the user, as well as being beneficial for the National Grid too.

Rapid EVCPs speeds are often more convenient, but also are more expensive to install and use, they require lots of electrical capacity from local sub-stations, often requiring costly upgrades and, when used long-term, are likely to reduce the longevity of the EV battery.

Currently, not all EVs on the market are able to rapid charge, but this technology rapidly evolving.

Electric Vehicle Connectors

There are a range of different EV connector types, depending on the model – as shown in Table 3. Most EVs will either be Type 1 or Type 2.






				
3 Pin	Type 1	Type 2	CHAdeMO	CCS
AC	AC	AC/DC	DC	DC
2.3 - 3kW	3 - 7kW	7 – 43kW	25-100kW	50 - 350kW

Table 3 – Comparison of charger types

Electric Vehicle Charging Hierarchy

EVCP access follows a hierarchy (Figure 5) that is based on both behaviour, infrastructure and ownership.

Public chargepoints will be essential for those who do not have the private options available to them. How and when people charge matters for both individual drivers and the management of the National Grid.

Smart charging allows EVs to be charged when it is most efficient for the balance of supply and demand across the National Grid. This means shifting charging to periods of lower overall demand for electricity (for example, overnight) or high renewable generation (for example, particularly windy or sunny weather).

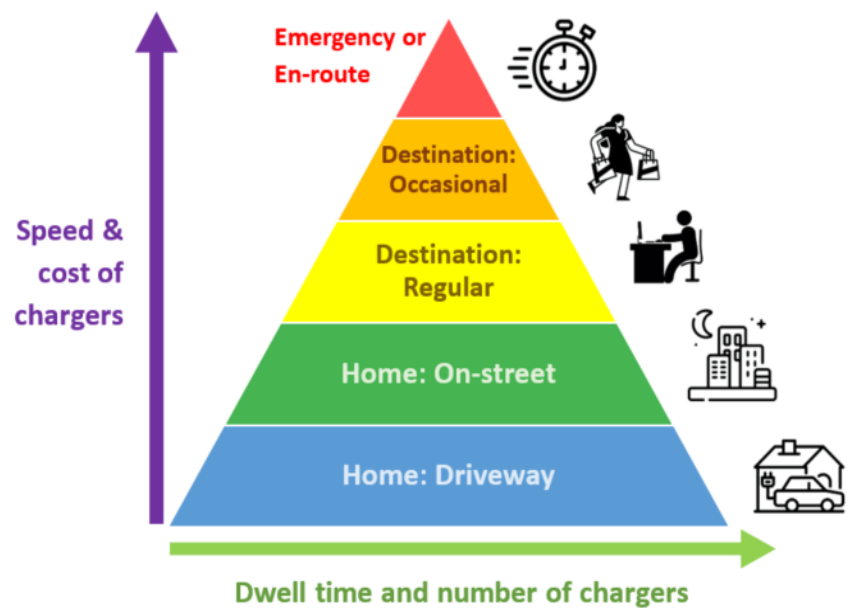


Figure 5 – EV Charging Hierarchy

This hierarchy will be considered when developing our aims and objectives to ensure that we are planning actions that can support all of these charging methods.

- **Home – driveway (*private*):** Around two-thirds of residents will have the ability to charge their EVs at home either at home or on a driveway – this will be preferred as it is cheaper and more convenient. These will suit slow - fast EVCPs and will make up the majority of EVCPs.
- **Home – on-street (*private / public*):** Where feasible, on-street chargepoints will allow those without driveways to charge their vehicles overnight and benefit from convenience and cheaper energy tariffs. These will suit fast EVCPs and there will need to be a sufficient amount for meeting residents' needs depending on the population density and nearby parking pressures.
- **Destination – regular (*private*):** This will typically be provided by workplaces. Businesses and organisations will play an important role for providing chargepoints for their staff who may not be able to access convenient chargepoints otherwise. These will suit fast-rapid EVCPs. It would be highly beneficial for all workplaces with staff car parks to consider installing these.
- **Destination – occasional (*public*):** Locations such as supermarkets, shopping centres and other visitor locations are ideal for providing quick and convenient top-up charges for users. These will suit rapid – ultra-rapid.
- **Emergency or en-route (*public*):** It will be important to ensure that residents are able to get a guaranteed charge quickly when needed – e.g. in busy areas, on motorways and A-roads. Rapid – Ultra-rapid EVCP hubs with numerous connections will be established along or nearby to key roads.

Using a Public EVCP in the UK

There are currently over 32,000 public EVCPs available in the UK and the network is constantly growing.

Websites such as [Zap_Map](#) provide EV users with a quick, easy and free map to find the nearest chargepoints.

When using a public charger, payment and access will depend on who the provider is, as there is a growing range of UK-wide networks and regional operators. Some will be pay-as-you go, others will require users to have their own cable or RFID card, or require an app.

Public EVCP numbers rose by 82% between 2019 and 2021, but the number of electric cars during the same period rose 600%. Industry experts are highlighting that this rate of growth is not fast enough.

Figure 6 of the [UK national EVCP league table](#) shows a snapshot of the total number of devices per 100,000 people throughout the UK, broken down into local authorities and ranked into the best performing percentiles. The map shows that there are inconsistencies throughout the UK. Dacorum is currently in the bottom 20%.

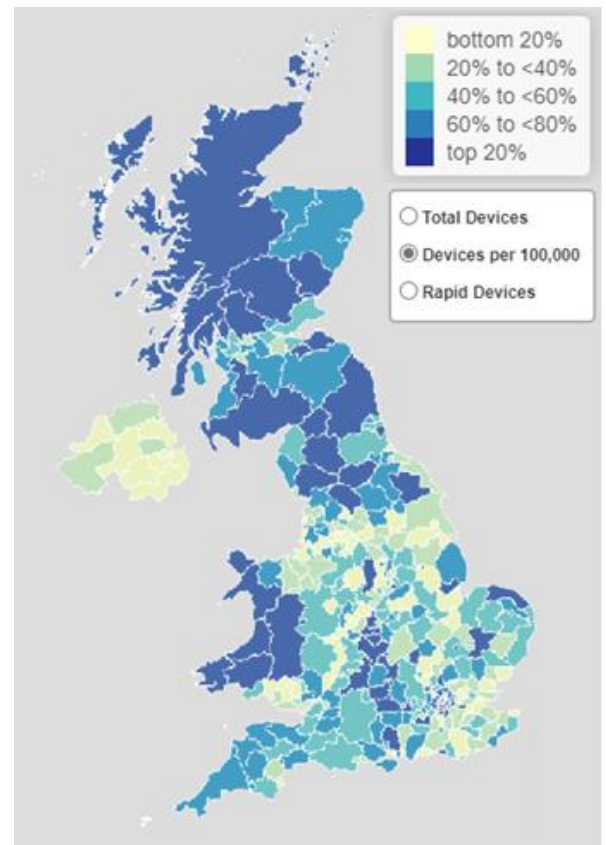


Figure 6 – EVCPs by local authority, per 100,000

Understanding the Scale of the Challenge

As the world of EVs is a new and fast-developing technology, it has been necessary to spend time gathering data to help understand the scale of the challenge and guide the development of Dacorum’s aims, objectives and work programme.

Overview of Current EV Charging Infrastructure

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

This heat-map (Figure 7) shows a [National Ranking of EV Charge Point Coverage](#). It was created by Field Dynamics using Zap-map data, and provides useful information and a straightforward demonstration of public EVCP coverage by local authority in terms of how many devices are within a 5 minute walk of households with no off-street parking. As shown, EVCP coverage is exceptionally high in London, with vast improvement required across much of England.

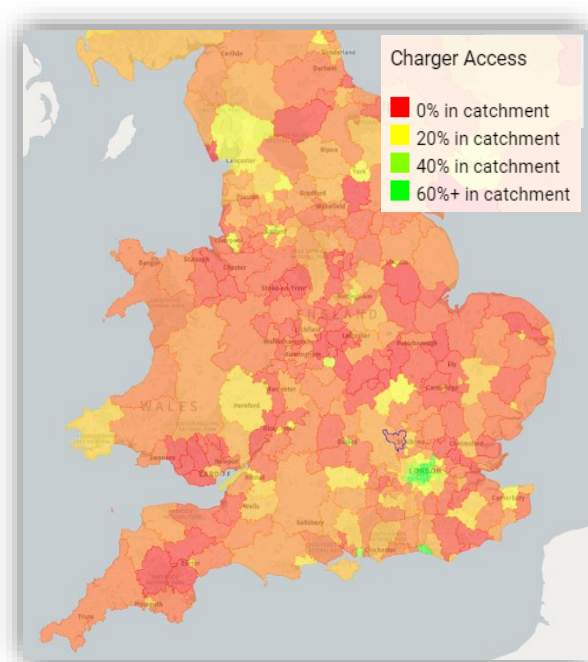


Figure 7 – EVCPs by local authority, within 5 min walking distance

Table 4 below shows a comparison of Hertfordshire local authorities and their current EV infrastructure and how this relates to their resident populations and needs.

The Dacorum data shows that 6.7% (1,671) of the households who do not have access to a driveway or garage to park their car are within a 5 minute walking distance from a publicly available EVCP. This is slightly below the Hertfordshire average of 9%.

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

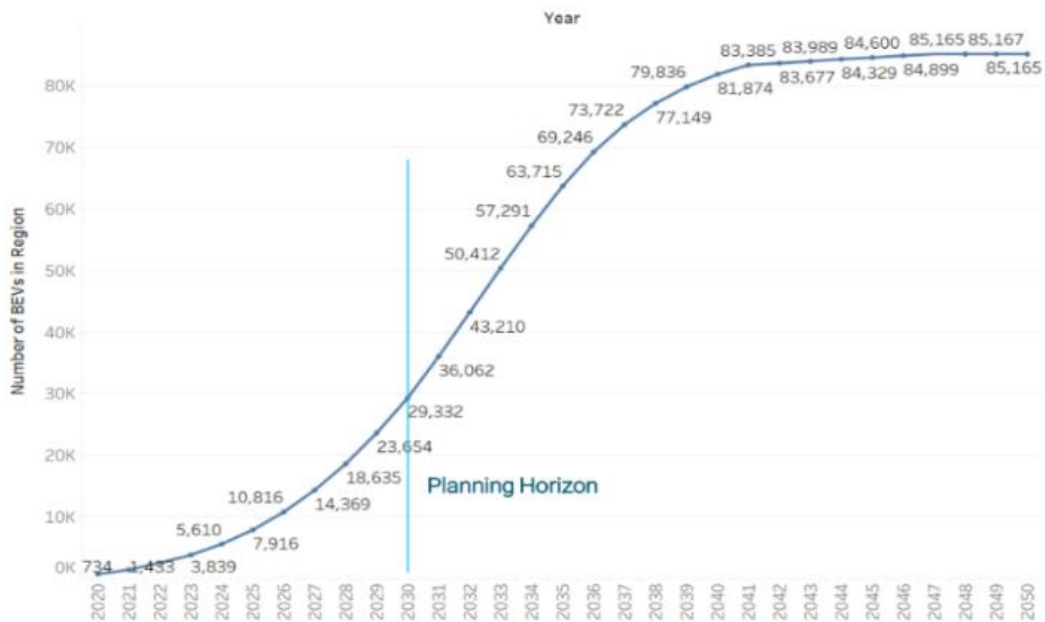
Table 4 – Comparison of [public EVCPs and their walking distance](#) in Hertfordshire local authorities

Modelling EVCP Demand in Dacorum

As a borough, Dacorum has a variety of differing urban and rural areas, as well as demographics. We invited Field Dynamics, as specialist EV consultants, to create a report specifically for Dacorum to model our future EVCP demand. Dacorum was one of the first authorities in the UK to benefit from their new 'Jumpstart' programme which provides support around this type of modelling.

An uptake curve (Figure 8) developed by Department for Transport 'National Grid: Future Energy Scenarios – Consumer Transformation' was applied to understand the number of EVs that there will be in the borough by our selected year of 2030.

Figure 8 – EV Uptake Curve Model



The borough was then modelled and split into zones to help us further understand the demand (Figure 9):

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

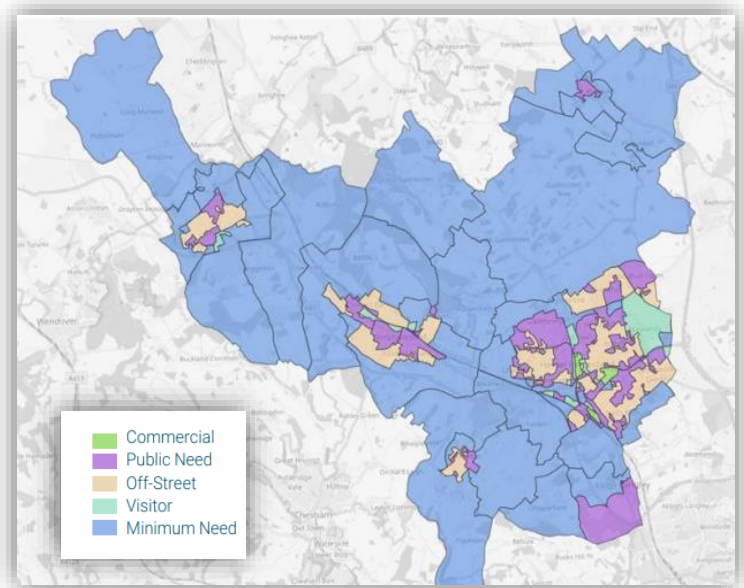


Figure 9 – Map of Dacorum with EVCP zoning

The key outcomes of this work are that:

- **By 2030, we are likely to have over approximately 30,000 Battery Electric Vehicles (BEVs) in Dacorum.**
This does not take into account Plug in Hybrid Electric Vehicles (PHEVs), which will also be using charging infrastructure.
- **Approximately 2 in 5 households, (equivalent to about 25,000 households) do not have a driveway or garage to install home chargepoints.** These are symbolised by blue dots on the map (Figure 10).
- **The borough is estimated to need around 700 publicly available Electric Vehicle Chargepoints (EVCPs) by 2030 to meet demand.** Achieving this will need a collaborative effort between all land-owners, businesses and organisations.

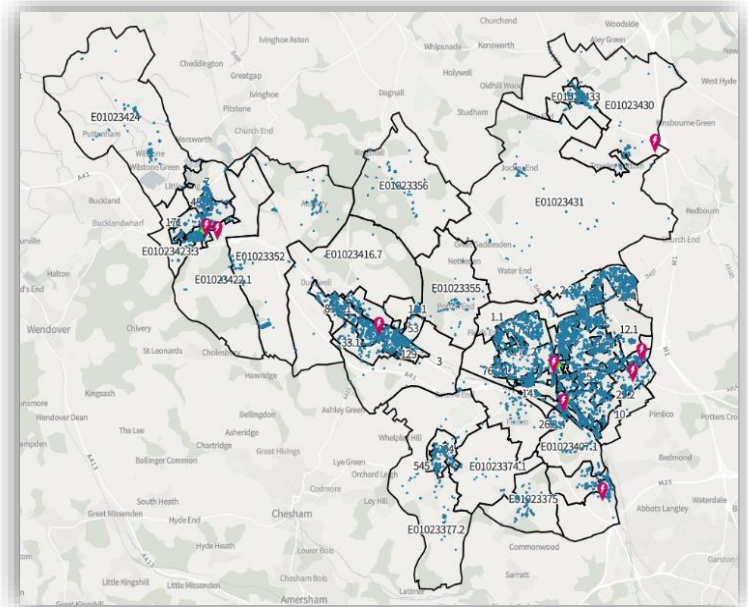


Figure 10 – Map of Dacorum showing the households (blue dots) which cannot charge at home.

Using specialist software, it is possible to calculate approximately how many households would be within a 5 minute walk of a potential EVCP location – as demonstrated in Figure 11. Dacorum will use this, and other similar, software and technology when planning where to install EVCPs.

Figure 12 shows the catchment achieved in Hemel Hempstead by putting EVCPs into all of our council-owned car parks. As demonstrated by the map, implementing EVCPs in these areas will not be sufficient on their own to meet the future needs of the borough. As such we will need to explore a range of additional options to work alongside our car parks to ensure that demands will be met.

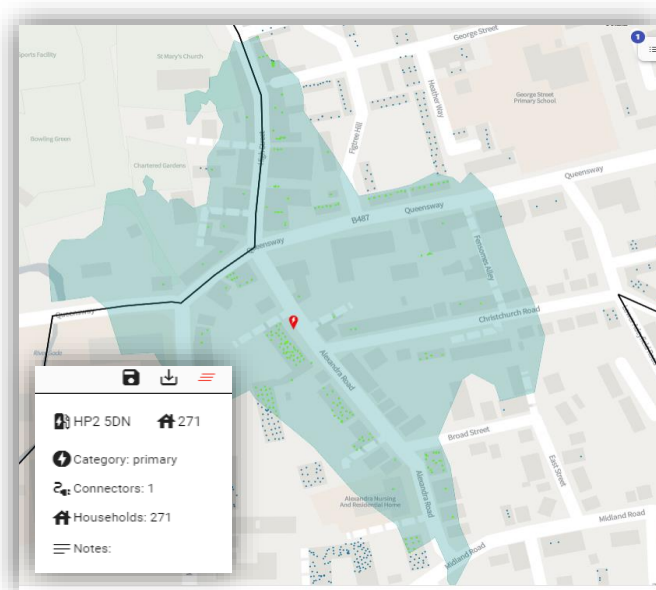


Figure 11 – 5 minute walk catchment area from EVCP

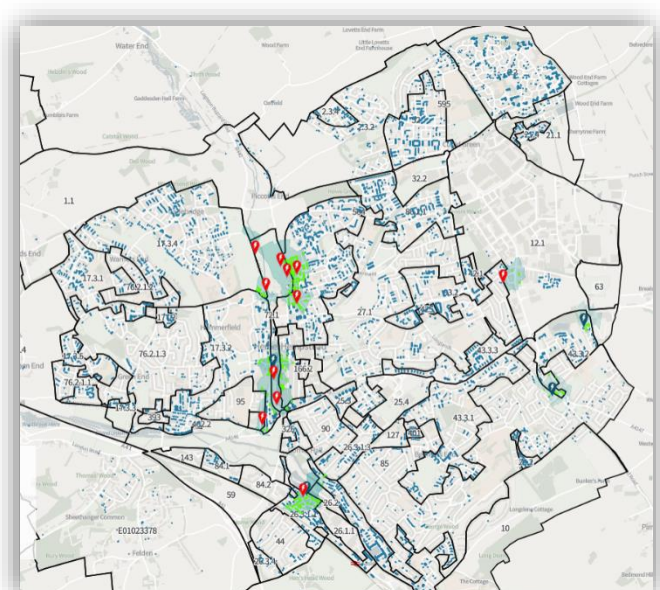


Figure 12 – 5 minute walk catchment area from EVCP

Public EVCPs in Hertfordshire

Table 5 below compares the total number of public EVCPs throughout Hertfordshire and the percentage that they have increased by from July 2020 to 2022.

The data shows that the average number of public EVCPs per 100,000 population is 40.7, with a minimum of 11.6 (Dacorum) and a maximum of 83.9 – this highlights that there is a great deal of inconsistency between Hertfordshire’s boroughs, and that Dacorum is currently the lowest performing borough. As aforementioned, this inconsistency is a national issue.

To address this, and using the information from the Field Dynamics research, we are currently progressing a large-scale EVCP roll out within Dacorum’s car parks, over 100 EVCPs are expected to be installed (both fast and rapid) in the first phase – this will be over a 500% increase in EVCPs. Additional phases will follow, which will be dependent on the uptake and usage from the first phase.

Once the first phase of this project is completed in early 2023, Dacorum will become the borough with the highest number of chargepoints in Hertfordshire and Dacorum will also move into the top 20% of the national table. However, as highlighted from our data modelling work, a lot more work will still be required throughout the borough in order to meet future infrastructure demand.

Table 5 – EV Charging Device Statistics: July 2022

Local Authority / Region Name	Jul-20		Jul-22		# Increase	% Increase
	Total public EVCP devices	per 100,000 population	Total public EVCP devices	per 100,000 population		
Hertfordshire	230	19.3	477	39.9	247	107%
Broxbourne	6	6.2	30	30.7	24	400%
Dacorum	16	10.3	18	11.6	2	13%
East Hertfordshire	15	10.0	71	46.8	56	373%
Hertsmere	25	23.8	40	37.9	15	60%
North Hertfordshire	18	13.5	36	27.0	18	100%
St Albans	31	20.9	48	32.1	17	55%
Stevenage	6	6.8	15	17.0	9	150%
Three Rivers	57	61.1	61	64.9	4	7%
Watford	38	39.3	54	55.9	16	42%
Welwyn Hatfield	18	14.6	104	83.9	86	478%

Dacorum's EV Resident Survey

An ongoing [Electric Vehicle Residents Survey](#) was launched in February 2020 to help us to obtain and collate local EV information from our residents regarding charging infrastructure demand, likely speed of uptake; and to help us predict future need.

Thousands of residents have already taken part in this short survey, which takes less than five minutes to complete. The information provided will help to support future funding applications, such as ORCS, and aid conversations with commercial partners.

Key insights so far:

- Over 63% of respondents plan on buying an EV within the next five years, or already own one.
- The two main motives for people switching to electric vehicles are; to help mitigate the climate emergency; and to help improve air quality.
- Availability of charging points is the primary concern for switching to EVs.
- 65% of respondents would be encouraged to buy an EV sooner if more chargepoints were installed in their local area.
- 58% of respondents would only want to walk 1 - 3 minutes to a chargepoint.
28% would be happy with a 4 – 6 minute walk.
Only 14% said they would be happy with over a 7 minute walk.

This data will be used to help support us in meeting resident needs.

Current EV Ownership in Dacorum

Using 2022 [Department for Transport \(DfT\) statistics](#) and [data tables](#), we are able to see that EV ownership within Dacorum is rising rapidly – with nearly 1,900 EVs in Dacorum registered by the end of March 2022 (Figure 13).

This trend is in line with the predicted 'S-curve' uptake model which the DfT forecasts (Figure 14)

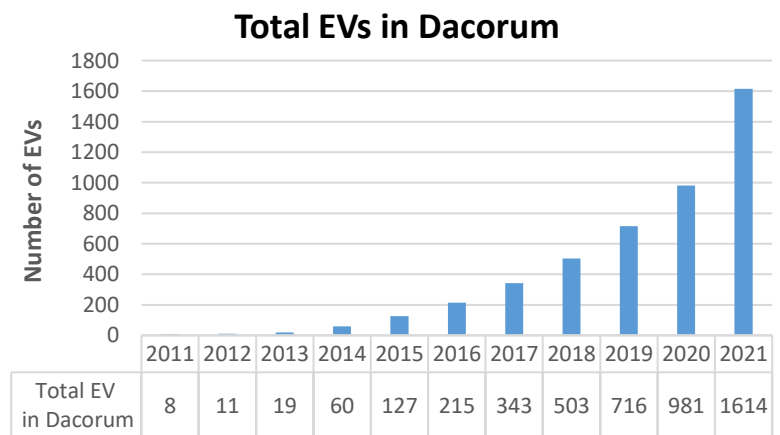
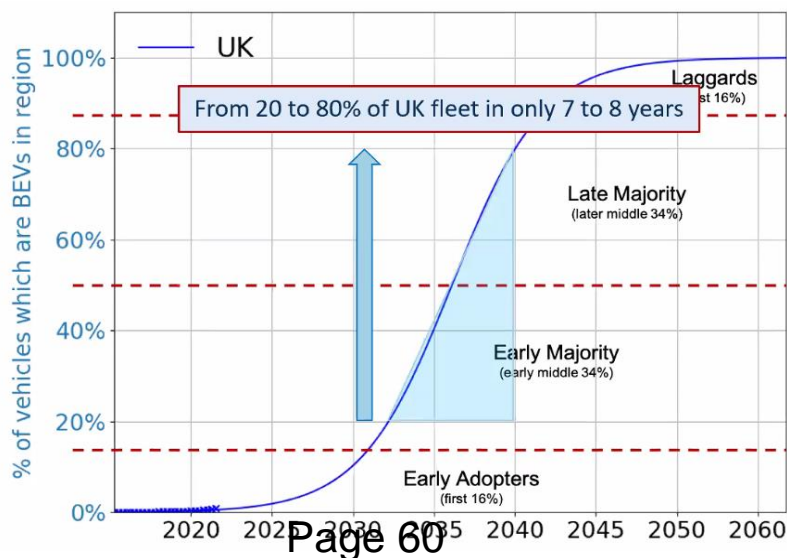


Figure 13 – EV Ownership in Dacorum

Figure 14 – DfT Predicted EV Uptake Curve Model



Developing the EV Work Programme (EVWP)

Spheres of Influence

Dacorum is able to have a larger, more meaningful impact on reaching net-zero targets, by utilising our ‘Spheres of Influence’ and working throughout a range of other areas.

Whilst shaping our aims and objectives we have considered how we can use our spheres of influence to engage, enable, encourage and educate wherever possible through:

- Direct Influence
- Indirect local and national influence through funding, policy, partnerships, initiatives, advice, lobbying and leadership

These will consistently be reflected by the actions which are added into our EV Work Programme (EVWP).

National Influence

When planning and implementing the EVWP it is important to note that the EV industry is evolving quickly. Due to national influence such as new government policy or funding, EV manufacturers and EVCP providers, etc, actions may be added or removed in to the EVWP at any time.

Partnership Working and Local Influence

In order to successfully support the transition to EVs locally, it will be necessary to work with a wide range of partners and key stakeholders – especially local businesses and organisations. Forming good relationships with commercial EVCP providers will be essential to the viability of rolling out EVCPs.

In November 2020, Dacorum adopted a [Parking Standards Supplementary Planning Document \(SPD\)](#), which provides information regarding the number of EV charge points that should be installed per development, alongside future cabling provision to allow for an increase in future demand. The [New Dacorum Local Plan](#) will support the delivery of EVCP infrastructure. Work is also taking place to address [air quality](#) issues locally, which also has synergies with the EVWP.

One of our main partners is HCC and we are currently supporting the County Council in the development of its own EV strategy and work programme. The outcome of this will have a local influence on the actions we are able to take. HCC can also have additional influence through Green Travel Plans, which are a routine planning requirement for developments of sufficient scale.

The [Hertfordshire Climate Change and Sustainability Partnership \(HCCSP\)](#) is a group that can be used to support the sharing of best practice and guidance between Hertfordshire local authorities. Transport is one of its main priorities.

We will support Local Town and Parish councils in the installation of EVCPs on their own land and we also plan to feed into the development of the [Hemel Garden Communities](#) project.

Timeframes

The actions from the EVWP will be broken down into deliverable time-frames:

Short (2022 – 2024)

Medium (2025 – 2027)

Long-term (2028 – 2030)

Ongoing

Aim and Objectives

Our strategic aim is to: **‘Support the uptake of electric vehicles and the implementation of appropriate charging infrastructure throughout Dacorum.’**

Based upon the information outlined in this strategy, we have developed ten key objectives to help meet our strategic aim. These have been developed primarily with the EV charging hierarchy in mind.

EV-1: Data Gathering

Gather data from various sources to guide best practice and ensure evidence-based decision making when designing the EV work programme.

EV-2: Rapid Charging Hubs

Support the development of dedicated rapid charging hubs within the borough.

EV-3: Destination Charging

Enable and encourage destination charging throughout the borough.

EV-4: Workplace Charging

Work alongside local businesses and organisations to enable and encourage workplace charging throughout the borough.

EV-5: On-Street Charging

Enable and encourage on-street charging for residents who are unable to charge at home.

EV-6: Home Charging

Support the uptake of home charging throughout the borough.

EV-7: EV Car Clubs

Support the development of a range of EV car clubs throughout the borough.

EV-8: EV Fleet

Lead by example by transitioning to an EV fleet

EV-9: Communication, Engagement and Guidance

Communicate and engage with local residents and organisations to provide guidance, advice and support on all areas of the transition to EV.

EV-10: Policies and Key Documents

Ensure that the work is supported by and referred to in relevant documents and policies.

Under each of these objectives, a number of potential actions will be proposed and captured in the EVWP. Some of these actions are already underway, or have been completed – such as data gathering. The EVWP will remain a ‘live’ document – meaning that it will be under constant review and development and be updated regularly to reflect the progression of projects and initiatives, as well as national and local influence.

Potential actions will all be explored and implemented wherever possible, however depending on feasibility, evolving technology and best practice, and other external factors – after initial exploration some proposed actions may not become viable.

From a legal perspective, this strategy has identified the relevant legislation and Government targets in relation to EVs to 2035. There are no direct legal implications for Dacorum Borough Council. Full legal title reports would be carried out before installing any EVCPs on Council-owned land.

EV 1: Data Gathering

EVs and all of their associated infrastructure make up a complex new industry, which in turn will lead to a range of new societal behaviours. Supporting this paradigm shift will be crucial to reduce greenhouse gas emissions and, in addition to this, there is a relatively small timeframe to make meaningful changes. As such, it is essential that the decisions we make are the right ones and will be successful in driving the transition to EVs, not obstructing progress.

Good progress has already been made in this area with the information that has been collected and this has shaped this strategy so far. To ensure that we continue to make appropriate, evidence-based decisions, it is necessary to have an ongoing objective of data gathering. This will ensure that we will be well-informed on the latest industry information, which will help guide best practice and shape the actions which continue to be added into the EVWP.

Ensuring that we share this information and engage with key stakeholders will also be a key component – this feeds into Objective EV 9 – ‘Communication, Engagement and Guidance’.

EV 2: Rapid Charging Hubs

Rapid charging hubs will be the part of the EV charging hierarchy that is most similar to fuel stations. The provision and roll out of these rapid charging hubs is a very new field. The first replacement of a petrol station with a rapid charging hub in the UK took place in January 2022 – symbolising an important milestone for the transition to EVs.

These hubs will be a crucial part of the charging hierarchy as they will provide the confidence and reassurance that many will need to encourage them to purchase an EV. The hubs will enable emergency en-route charging; charging for those who have a high-mileage lifestyle (e.g. a delivery driver); and provide an EVCP option for those who do not yet have them conveniently located nearby. However, out of all EVCPs, these hubs will be the most expensive to install and use and therefore will not be suitable as a primary charging source.

For rapid/ultra-rapid chargepoints, capacity issues and costs can be mitigated by placing in close proximity to existing substations (with enough capacity). HCC have liaised with UK Power Networks (UKPN) to overlay substation location data onto their EV mapping tool which will enable Dacorum to make more informed decisions about the placement of future rapid/ultra-rapid charge-points in the future.

These hubs will need to be installed in specific locations – in urban areas of high population, next to destination facilities and close to main arterial roads (M1, A41 and A414). We will need to rely on commercial partners installing these and, as such, their implementation will be driven by the speed of EV ownership locally.

We aim to have our first rapid charging hub up and running in Dacorum in 2023.

EV 3: Destination Charging

The primary focus of our short-term actions will be on fast and rapid destination charging. Whilst EV ownership is still in its early stages, these types of EVCPs will provide firm foundations for local charging infrastructure, allowing us to build on this as ownership levels increase.

We plan to install EVCPs in Council-owned car parks and other destination areas where we own land. However, there will also be a reliance on other key destination organisations to install EVCPs. We will need to engage with key stakeholders (e.g. supermarkets, visitor destinations, shopping centres, car parks) to encourage them to install these.

Potential locations will need to undergo feasibility studies to ensure they are fit for purpose, have sufficient grid capacity, meet current and future demand from residents, businesses, and visitors, fill in gaps in the charging network, and have good access.

Dacorum Borough Council will need to rely on commercial partners and/or government funding to install EVCPs on council-owned land. This programme of work will need to be developed and delivered over several phases. The aim would be for every urban area in Dacorum with a population over 10,000 to have at least three Rapid public EVCPs by the end of 2023.

EV 4: Workplace Charging

A fundamental aspect of the charging hierarchy will be the provision of EVCPs in workplaces. This objective carries a range of benefits for organisations throughout Dacorum:

- Supports staff who do not have convenient access to an EVCP at home
- Provides an attractive incentive for new and existing customers and visitors
- Can allow a company to transition to an EV fleet – where feasible.
 - This ties in specifically with Objective EV 8 ‘EV Fleet’.
- Can provide an additional income by making EVCPs available to the public outside of core hours – where feasible.

Dacorum Borough Council will carry out feasibility studies to understand which of its existing work places it can install EVCPs into for staff, and potentially public use.

Research from Zap-Map suggests 30% of businesses are willing to share their work charge points with the public. Promoting this type of action (e.g. [Zap-Work](#)) could significantly increase the public charge point network.

Although Dacorum will have limited direct influence, besides within our own organisation, there are several actions we will be able to take to encourage businesses and organisations to install EVCPs. A two year [ULEV Experience](#) project identified this as one of its key lessons learned. This feeds into Objective EV 9 – ‘Communication, Engagement and Guidance’.

EV 5: On-Street Charging

With over a third of our residents in the borough not having the ability to charge at home, there will be a need to provide on-street charging for pockets of high population density of households who need support and have no sufficient EVCP infrastructure nearby. This will be especially important near large blocks of flats where parking pressures may already be an existing issue.

Areas will need to be assessed on a case-by-case basis to determine what infrastructure is suitable.

As HCC typically owns the majority of the highways land, it will be necessary to collaborate with the County Council in instances where Dacorum Borough Council is not the landowner.

The Council already has a road-verge hardening project in progress which we aim to be able to tie together with EVCP installation on Dacorum-owned land.

As this type of charging infrastructure is more specifically tailored, and will be dependent on a rise in EV ownership to make it viable, installing on-street charging will be more of a medium-term priority. However, in the short-term we will need to be gathering initial area information for where there is likely to be a need and what infrastructure is feasible in each location. This feeds into Objective EV 1 – ‘Data Gathering’.

EV 6: Home Charging

Home-chargers will form the most essential part of the EV charging hierarchy and are the cheapest and most convenient method of charging EVs.

Approximately two thirds of households in Dacorum will be able to install an EVCP at home. By doing so, there will be less pressure on both public chargepoints and the National Grid as home chargers will enable users to charge at off-peak times such as overnight by using Smart Charging.

Research from ZapMap suggests 50% of EV drivers are willing to share their home charge point with others. There are several peer-to-peer platforms that now encourage this (e.g. [Zap-Home](#)), and promoting this type of action could significantly increase the public charge point network.

Future policy will need to be agreed regarding the use of cables crossing footpaths – e.g. specialised cable gullies, as this would enable more residents to install wall-mounted EVCPs, reducing the demand for public EVCPs. This could be managed in a similar way to residents applying for dropped kerbs. Permission would need to be provided by HCC, who are currently opposed to this, but the County Council is monitoring trials in other parts of the UK and may change its stance on this as technology evolves.

New development provides the best opportunity to accelerate the scale of provision for EVs and should include charging provision for EV use as standard, as outlined in Dacorum’s aforementioned newly adopted parking standards SPD. From June 2022, new government legislation came into force requiring all new-build and retrofit homes and commercial buildings in England to be installed with EVCPs. Dacorum’s Housing Development team was already making progress with this before legislation was brought in.

As a Council, Dacorum owns over 10,000 homes – a percentage of these will be suitable for the installation of home-chargers. As such, work will need to be carried out to decide how best to roll this out to eligible properties.

Dacorum will also play an important role in encouraging home owners and landlords to install EVCPs and utilise available funding such as the EVHS – this will feed heavily into Objective EV 9 – ‘Communication, Engagement and Guidance’.

EV 7: EV Car Club

EV car clubs are a [government recommended measure](#), which allow users to access an EV without owning one and can offer a flexible, convenient alternative to private car ownership or leasing. Providing EV car clubs allows users to hire EVs for as little as an hour at a time. This method of short-term hiring can help overcome a range of barriers and encourage more people to use EVs.

By providing an alternative to driving a private car, car clubs reduce carbon emissions, air pollution, parking pressure and congestion, while supporting the shift to lower carbon forms of travel.

Local authorities have an essential role to play in this area as they are able to provide access to parking. In Dacorum, we already have provision for an electric car club in our off-street road Traffic Regulation Order, which means that car clubs are permitted to be sited in our council car parks.

Our EV Residents survey showed that 70% of respondents would use an EV car club if it were available, with over 15% telling us that they would use it frequently.

Currently the cost of EVs are relatively high; a cost which will fall over the coming years once more are being manufactured and technology around production improves. The high cost of living is currently a limiting factor for people considering purchasing an EV – with over 90% of respondents to our EV Residents Survey telling us that this was an important concern (it is worth noting that many of these responses were collected *before* the cost of living crisis).

Furthermore, a key ethos of sustainability is sharing resources. People have a natural tendency to have a ‘fear of the unknown’ and, as such, early actions to help encourage the use of new technology will also encourage uptake.

EV car clubs address all of these barriers and Dacorum will play a role in establishing one of these for both staff and public use.

EV car clubs can be procured for use by council staff as an alternative to grey fleet mileage (personal cars used for work purposes) and to complement pool cars. These vehicles may be for the sole use of council employees or shared with the public at specific times or days. Sharing use can increase vehicle utilisation rates and improve the financial viability for operators.

Several Hertfordshire local authorities have adopted an early model which allows an EV car club to be used by staff during office hours and then be available to the public during evenings and weekends. Once demand increases, the pool can increase and hours of availability and locations can be adapted accordingly.

Making e-bikes available for staff and public can also help support a transition to alternative electric travel methods. Hire schemes can support residents who want to trial an e-bike before investing in one.

Dacorum can explore making use of section 106 obligations to [require developers to establish a car club](#), either as a direct contribution towards car club set-up and operating costs, via a contribution to the local authority for sustainable transport initiatives. This may include car club provision, or to directly cover the costs of a TRO for a car club bay. Community Infrastructure Levy funds can also be used.

Dacorum can also work with local businesses and organisations to encourage the uptake of additional EV car pools throughout the borough - this will feed into Objective EV 9 – ‘Communication, Engagement and Guidance’.

EV 8: Fleet

The early adoption by businesses and organisations of having their own fleet of EV vehicles will be important for driving the EV market forward. As these groups often purchase new vehicles ordinarily, not only are they in a situation to typically be able to afford this whilst EV prices are relatively higher, but by doing so they will ultimately help to provide more affordable second-hand EVs for the public.

Dacorum Borough Council will work to lead by example and transition its own fleet to EV. The current fleet is made up of around 100 vehicles, with approximately 60% light vehicles, and 40% heavy vehicles. There are also a number of ride-on mowers and other plant machinery.

The heavy vehicles (typically waste collection trucks) and specialised grounds maintenance mowers will take longer to replace due to technology still evolving in these industries, making this a more complicated challenge. It is anticipated that technologies such as hydrogen may develop further in this area, but the pathway to this is still unclear.

As the majority of the waste trucks still have a useful life span of around 5 years, procurement for these vehicles will be explored as a medium-term action, to allow technology the opportunity to develop. In the meantime we will initially focus on installing charge points in our work places, replacing our light vehicles where this will be more straightforward as the necessary technology already exists and carrying out trials of EV waste trucks. Dacorum will also be working to optimise the routes taken by our fleet in order to further reduce the emissions from our vehicles.

Guidance will be provided to local businesses and organisations to encourage them to also make this transition and to make the most of free support, e.g. the Energy Saving Trust's free [Fleet Advice](#) scheme and [Fleet Management Toolkit](#). 'Try before you buy' hire schemes and other similar initiatives can support local orgs purchasing EVs – taxis especially (e.g. [Nottinghamshire's wireless charging taxi trial](#)). These types of actions will feed into Objective EV 9.

EV 9: Communication, Engagement and Guidance

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

Dacorum is able to support other organisations transition to EVs in various ways. The government suggests that [local authorities provide support to organisations](#) through methods such as engagement events, 'try before you buy' schemes, charging infrastructure, supporting last mile delivery for organisations and raising awareness of funding such as the Workplace Charging Scheme.

All of the aforementioned objectives EV1-8 will require communication, engagement and guidance to some extent – whether it is through large-scale initiatives, informative social media campaigns, website content, guidance documents, community talks, and so on. Demystifying EVs will help to encourage people to transition more quickly. Information will need to be provided around EV benefits, where people can charge conveniently and the various funding streams and incentives available.

Dacorum will be working with other local authorities in Hertfordshire through the HCCSP on joint initiatives to encourage residents and organisations to transition to EVs. One element currently being explored is a Taxi Vehicle Licensing Policy to support the accelerated uptake of EV taxis.

EV 10: Policies and Key Documents

We will ensure that all related EV work is sufficiently supported by, and incorporated into relevant policies and key documents, such as the Local Plan, Transport Plans and other emerging documents.

Glossary

- AC – alternating current
- BEIS – Business, energy and industrial strategy – UK government department
- BEV – battery electric vehicle
- CEE – climate and ecological emergency
- CHAdeMO – charge for moving
- CO₂ – carbon dioxide
- CO₂e – carbon dioxide equivalent
- COP26 – most recent climate change conference of parties
- CCS – Combined Charging System
- DC – direct current
- DfT – Department for Transport
- EV – electric vehicle
- EVCP – electric vehicle chargepoint
- EVHS – electric vehicle home-charge scheme
- HCC – Hertfordshire County Council
- HCCSP - Hertfordshire Climate Change and Sustainability Partnership
- ICE – internal combustion engine
- kW – kilowatt
- ORCS – on-street residential chargepoint scheme
- PHEV – plug-in hybrid vehicle
- TDP - Transport Decarbonisation Plan
- UKPN – UK Power Networks
- ULEV - ultra-low emission vehicles
- WCS – workplace charging scheme

Useful Links

- [2020 UK Greenhouse Gas Emissions – BEIS](#)
- [Road to Zero - BEIS](#)
- [Zap-map](#)
- [Transport Decarbonisation Plan - BEIS](#)
- [Transitioning to zero emission cars and vans: 2035 delivery plan - BEIS](#)
- [On-street Residential Chargepoint Scheme](#)
- [Workplace Charging Scheme](#)
- [Electric Vehicle Homecharge Scheme](#)
- [On Street Charging \(acceleratedinsightplatform.com\)](#)
- [Hertfordshire County Council – EV info](#)
- [Hertfordshire Climate Change and Sustainability Partnership \(HCCSP\)](#)
- [Dacorum - EV Residents Survey](#)
- [Dacorum - Climate and Ecological Emergency Strategy](#)
- [Carbon footprint of travel per kilometre](#)
- [Energy Saving Trust – EV advice](#)
- [Energy Saving Trust – EV Fleet Advice](#)
- [ULEV Experience Lessons Learned](#)



Cabinet

Report for:	Cabinet
Title of report:	Strategic Risk Report Quarter 1 2022-23
Date:	18 October 2022
Report on behalf of:	Cllr Graeme Elliot, Portfolio Holder for Corporate Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – Strategic Risk Report as at Q1 2022-23 Appendix B – Risk Scoring Methodology
Background papers:	Report to SLT 28 September 2022
Glossary of acronyms and any other abbreviations used in this report:	Strategic Risk Register (SRR)

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Corporate Priorities

- A clean, safe and enjoyable environment
- Building strong and vibrant communities
- Ensuring economic growth and prosperity
- Providing good quality affordable homes, in particular for those most in need
- Ensuring efficient, effective and modern service delivery
- Climate and ecological emergency

Wards affected	All
Purpose of the report:	To present to Cabinet the Quarter 1 Strategic Risk Report for approval.
Recommendation (s) to the decision maker (s):	That the content of the Strategic Risk Report is noted
Period for post policy/project review:	The Council's Strategic Risks are reviewed quarterly.

1 Report Summary:

1.1 The purpose of this report is to present the Strategic Risk Register (SRR) as at quarter 1, 2022-23. The revised SRR showing the position at the end of Q1 2022-23 is attached at Appendix A. The risk scoring methodology is attached at Appendix B.

The risk score against the following strategic risk has changed since the update of the SRR Q4 2021-22. The risk score as at Q1 2022-23 is presented below in **bold**; the risk score as at Q4 2021-22 in *italics*.

- Funding and income is not sufficient to deliver the Council's Corporate Objectives **12** (*9*)

The SRR currently has a key risk that uncertainty over Brexit negotiations could result in additional demand for Council services. At Q1 2022-23, this strategic risk is considered to be no longer relevant, as negotiations are completed and the impacts understood. Accordingly, no score has been assigned to this risk at Q1 2022-23.

2 Financial and Value for Money implications

Contained within the body of the report

3 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.

4 Equalities, Community Impact and Human Rights

4.1 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.

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

5 Sustainability implications

There are no sustainability implications arising from this report

6 Council infrastructure

The content of this report provides an update on the Council's management of its Strategic Risks for quarter 1 2022-23.

7 Statutory Comments

Deputy Monitoring Officer

No comments to add to the report.

S151 Officer Comments

This is a S151 Officer report.

Risk Register Summary Table

Risk Name	Risk Owner	30 Jun 2022			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Cyber Attack	Aidan Wilkie	3	3	9	The Council continues to prioritise Cyber Security and works closely with the Information Security Team Leader (within the Legal and Corporate Services Service) to ensure that our data is secure and the Council is compliant. April 2022 saw the ICT team perform a phishing simulated attack, which involved sending simulated malicious emails to all staff members to test their awareness. Overall approximately 10% of the recipients were compromised. We have started a procurement exercise to replace our firewall infrastructure as the existing devices are in excess of 5 years old. Procurement and installation projected to be completed by the end of September 2022.
Failure to secure sufficient investment in essential infrastructure required	James Doe	3	4	12	Infrastructure is provided through the development process (s106 and Community Infrastructure Levy) and elements of funding which comes from central government (increasingly through the LEP, bidding and HCC). The responsibility for some infrastructure elements is through privatised arrangements (utilities) or arms-length government agencies such as Network Rail. The ability of the Council to control these processes is limited. The Council is able to promote the quantum, nature and timing of growth making it more likely that the infrastructure will be delivered. It is also able to promote partnerships and use its asset base and influence to stimulate desired development, given current economic conditions this process is more challenging than in a buoyant economy.
Funding and income is not sufficient to deliver the Council's Corporate Objectives	Robin Barton	3	4	12	There are increasing pressures on the Council's emerging MTFS position. An update on this will be provided to Cabinet in September. In particular, the anticipated pay award will place significant additional pressures on the Council's financial position, with no additional funding from central government. Inflationary pressures are also likely to place a significant additional pressure on the HRA, with significant inflationary effects being seen in the Repairs and Maintenance sector. Significant and challenging decisions will be required as the MTFS is finalised and through the 2023/24 budget setting process to secure a balanced budget position, which continues to support all priority areas as set out in the Corporate Plan.
Social media risk	Aidan Wilkie	3	3	9	The Council monitors and protects its social media presence through a Social Media Management Platform (Orlo). This platform provides management options for automatic moderation of abusive and/or vexatious messages and other risk mitigation tools. Social Media remains a primary channel in communicating and engaging with our residents/customers. This remains tightly controlled and well managed on a daily basis, and experience few instances where this may cause issues or potential risk to the Council.

Risk Name		Risk Owner		30 Jun 2022			
				RM01 Risk Consequence	RM02 Risk Likelihood	Status	
				Actual	Actual	Actual	Update
The Council is unable to recruit and retain the staff required		Aidan Wilkie	3	2	6	Overall staff turnover is healthy, but there are some pockets where we are finding it difficult to recruit staff, mainly around professional roles such as planning officers, homelessness and surveyors. As per comments below, the Council has a programme in place to overcome these challenges. Agency workers are being utilised to cover these vacancies in the short term and work is underway to ensure our approach to employing agency workers is effective and provides good value for money. Other work is focussing on whether market forces payments are appropriate for specific posts to alleviate some of permanent recruitment issues.	
The Council will be unable to ensure that sufficient quality & affordable homes can be delivered		James Doe	4	3	12	The Council's planning service is working on a mitigation strategy to the planning Moratorium with appointed consultants and partner organisations. The first draft of this has been received as of early June 2022. If acceptable it could lead to the lifting of the moratorium later in 2022, but this is not certain at the current time. As such the risk rating has been raised from 9 to 12 at this stage. At August 2022 very good progress has been made with Natural England, the National Trust and adjacent Local Authorities on agreeing a mitigation strategy for the Beechwoods and a SAMM tariff, with plans for SANG development on two parks owned by DBC. This work should be completed in September/October and provided the outcome is positive, it should lead to a partial lifting of the moratorium for the Hemel Hempstead area. For now, the risk rating is unchanged.	
Uncertainty around Brexit negotiations could result additional demand for council services.		Robin Barton				This strategic risk is no longer relevant – the Brexit negotiations are completed and the impacts understood. The Strategic Risks are currently being reviewed and this risk will be removed as part of this process	

Risk Name	Detail	30 Jun 2022 Status
Cyber Attack	Risk Owner	Aidan Wilkie
	Portfolio	Community & Regulatory Services
	Risk Description	Risk of cyber attack or ransomware.
	Inherent Score	12 ▲
	Mitigated Score	9 ●
	Target	
	Comments	The Council continues to prioritise Cyber Security and works closely with the Information Security Team Leader (within the Legal and Corporate Services Service) to ensure that our data is secure and the Council is compliant. April 2022 saw the ICT team perform a phishing simulated attack, which involved sending simulated malicious emails to all staff members to test their awareness. Overall approximately 10% of the recipients were compromised. We have started a procurement exercise to replace our firewall infrastructure as the existing devices are in excess of 5 years old. Procurement and installation projected to be completed by the end of September 2022.
	Controls & Assurances	The Council monitors and protects against threats with particular attention to the following, in line with the Government's Cyber Essentials direction: <ul style="list-style-type: none"> • Boundary firewalls and internet gateways • Secure configuration • Access control • Malware protection • Patch management <p>The Council also ensures that system and operational data is backed up securely and regularly, and the process of restoring from those back-ups is tested regularly.</p>
	Evidence Risk is being managed	Adherence to National Cyber Security Centre (NCSC) Cyber Essentials (formally audited 2017); Public Sector Network (PSN) Compliance (including annual vulnerabilities assessment by approved cyber security consultancy)

Risk Name	Detail	30 Jun 2022 Status
	Consequences / Impacts	<p>At least 263 million cyber-attacks were carried out on UK local authorities in the first half of 2019 alone. Nearly half of all local authorities had experienced an attempted cyber-attack on their IT systems since 2017 and 37% of them had experienced cyber-attacks in the first half of 2019.</p> <p>The Council's ICT team is aware that its network is the subject of attempted cyber-attacks on a daily basis from a range of sources, likely to include organised crime and state operators.</p> <p>The potential consequences of a successful cyber-attack are extremely damaging to any organisation. In the public sector, cyber-attacks on NHS trusts have led to cancelled operations, including the WannaCry attack in 2017 that affected 45 NHS organisations. In 2016 Lincolnshire County Council were hit with a £1M demand following a ransomware infection and in 2020 Hackney Council was profoundly affected by a similar ransomware attack.</p> <p>Within Dacorum, a successful and extensive cyber-attack has the potential to impair the delivery of all services to its residents as well as the potential publication of sensitive and personal data. Any successful Cyber Attack could significantly impact the Council's reputation, as residents may lose confidence in the management of electronic records.</p>
Failure to secure sufficient investment in essential infrastructure required	Risk Owner	James Doe
	Portfolio	Planning & Infrastructure
	Risk Description	That the Borough does not secure sufficient investment in essential infrastructure that is required for continued and improved economic performance and housing delivery that is sustainable and fit for the future
	Inherent Score	16 ▲
	Mitigated Score	12 ▲
	Target	
	Comments	<p>Infrastructure is provided through the development process (s106 and Community Infrastructure Levy) and elements of funding which comes from central government (increasingly through the LEP, bidding and HCC). The responsibility for some infrastructure elements is through privatised arrangements (utilities) or arms-length government agencies such as Network Rail. The ability of the Council to control these processes is limited.</p> <p>The Council is able to promote the quantum, nature and timing of growth making it more likely that the infrastructure will be delivered. It is also able to promote partnerships and use its asset base and influence to stimulate desired development, given current economic conditions this process is more challenging than in a buoyant economy.</p>

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

Risk Name	Detail	30 Jun 2022 Status
	Consequences / Impacts	<p>The provision of infrastructure such as schools, health, transport and other facilities is crucial to sustainability of the local community and economy. Its funding, however, is increasingly complex and difficult as central government moves away from direct provision and expects the development process and local partnerships to deliver it. The risk is, therefore, that new development at a scale not experienced in Dacorum since the New Town development will not be matched with the infrastructure that a healthy and thriving community depends upon.</p> <p>Failure to provide this infrastructure will have a number of damaging consequences:</p> <ul style="list-style-type: none"> • a reduction in the quality of life and opportunities for people in the Borough • a serious constraint to economic growth with the impact on the prosperity of local people • reduced financial contribution to service provision through Business Rates growth • increased community opposition to new developments, particularly housing, on the grounds that existing infrastructure will not cope • damage to the image of the area, worsening of community pride and social cohesion and reputational damage to the Council. <p>The provision of infrastructure such as schools, health, transport and other facilities is crucial to sustainability of the local community and economy. Its funding, however, is increasingly complex and difficult as central government moves away from direct provision and expects the development process and local partnerships to deliver it.</p>
Funding and income is not sufficient to deliver the Council's Corporate Objectives	Risk Owner	Robin Barton
	Portfolio	Finance & Resources
	Risk Description	Funding and income is not sufficient to deliver the Council's Corporate Objectives
	Inherent Score	16 ▲
	Mitigated Score	12 ▲
	Target	
	Comments	There are increasing pressures on the Council's emerging MTFS position. An update on this will be provided to Cabinet in September. In particular, the anticipated pay award will place significant additional pressures on the Council's financial position, with no additional funding from central government. Inflationary pressures are also likely to place a significant additional pressure on the HRA, with significant inflationary effects being seen in the Repairs and Maintenance sector. Significant and challenging decisions will be required as the MTFS is finalised and through the 2023/24 budget setting process to secure a balanced budget position, which continues to support all priority areas as set out in the Corporate Plan.

Risk Name	Detail	30 Jun 2022 Status
	Controls & Assurances	<p>The Council's Medium Term Financial Strategy (MTFS) and the HRA Business Plan are controls that mitigate the likelihood of this risk crystallizing through the effective modelling of the future financial environment. Sound financial planning maximizes the opportunity for the Council to identify funding risks in advance, and therefore grants more time for it to plan to provide its services differently in order to continue delivering its corporate priorities. The Council's sound financial planning processes, detailed below, have resulted in my reducing the inherent probability score from '4', Very Likely, to a residual probability score of '3', Likely.</p> <p>The MTFS details the financial implications of the Corporate Plan over a five-year period. It ensures that the Council is able to forecast likely income pressures in the medium-term, and optimise the balance between its financial resources and the delivery of its priorities. The MTFS is reviewed at least annually and is approved by Full Council, thereby providing the opportunity for Members to make informed amendments to the Corporate Plan on the basis of likely funding constraints.</p> <p>The 2021 MTFS outlines the continuation of the ongoing two-pronged approach to combine the Council's need to 1) continue driving the efficiencies required to ensure underlying sustainability; and, 2) to protect frontline services in the face of the time-bound Covid pressures.</p> <p>The approved MTFS can be viewed on the September 2021 Cabinet Agenda, Item 9: (Public Pack)Agenda Document for Cabinet, 21/09/2021 19:30 (dacorum.gov.uk)</p> <p>In addition to the MTFS, quarterly Covid Updates have been reported to Cabinet throughout the 20/21 and 21/22 financial years outlining the constantly evolving financial implications of the pandemic. The forecasts are kept under constant review and any updated forecasts that threaten the viability of the approved MTFS will be reported back to Members together with updated recommendations.</p> <p>As part of its Transformation Programme, the Council is seeking to deliver its Service Plans differently from 2021 – using a more cross-directorate approach and covering a longer period than the traditional one year. The closer alignment of the MTFS and Service Plans over a multi-year period should strengthen the Council's financial planning, and the cross-directorate approach to unlock corporate opportunities that would be less clear under an individual approach to service planning.</p> <p>The Council's Housing Revenue Account (HRA) Business Plan maps planned income and expenditure over a thirty-year period. Government legislation that can affect the Council's delivery of social housing is incorporated within the plan and forms the basis for informed strategic decision-making.</p> <p>By keeping the Corporate Plan and Communications Strategy under review the Council is able to mitigate the impact of this risk, should it occur, by keeping residents informed of the pressures faced by the Council, and consequently by managing aspiration and expectation (detail below). On this basis, I have maintained the Impact score of 3, 'High'.</p>

Risk Name	Detail	30 Jun 2022 Status
Page 78	Evidence Risk is being managed	<p>Internal Audit</p> <p>In recent years, the Council has received independent, third-party audit reviews of the financial processes that contribute to the management of this risk:</p> <p>The 'Budgetary Control' process is audited by the Council's Internal Auditors annually and in 2020, and 2021 has received the highest level of assurance.</p> <p>The 'Core Financial Systems and Budgetary Control' which have also achieved the highest level of assurance with no recommendations or action points.</p> <p>External Audit</p> <p>The 'Value for Money' opinion issued in Grant Thornton's 'Audit Findings' report in September 2020, was based on evaluation of the MTFS; the budget-setting process; the reserves policy and use; and, the Council's forecasting of the Covid threat and plans to deal with it. Grant Thornton's conclusion was:</p> <p>'Based on the work we performed to address the significant risks, we are satisfied that the Council had proper arrangements for securing economy, efficiency and effectiveness in its use of resources.'</p> <p>Internal validation</p> <p>The fact that the Council was in a position to approve an MTFS which is capable of funding forecast Covid pressures from reserves, is practical validation of its approach to managing the MTFS and reserves over recent years. Although the planned use of reserves will inevitably reduce the amount available for future investment in the borough, it has meant that the Council is able to protect the delivery of its frontline services into the medium-term.</p>
	Consequences / Impacts	<p>The Council is currently facing two fronts of significant financial uncertainty that both hamper planning and risk deliverability of the objectives within the Corporate Plan into the medium-term: 1) the ongoing uncertainty around future Government funding of local authorities, and 2) the financial implications of Covid.</p> <p>Government Funding</p> <p>The Council is currently operating on a one-year Finance Settlement from Government, the third in succession, following the conclusion of the 4-year deal in April 2019. One-year Settlements, and the planning challenges that accompany them, are expected to continue until Government implements its new funding allocation model following the completion of its Fair Funding Review As yet there is no certainty over the level of funding that Dacorum or any other authority can expect in the future, post-review.</p> <p>However, there is a strong belief across the sector that the new model will divert funding away from lower tier authorities in favour of those authorities with responsibility for the provision of social care. The Council must ensure that it's in a position to adapt to significant funding reductions at potentially short notice when the new model is announced.</p> <p>Covid Implications</p> <p>The Council faces significant expenditure and income pressures as a result of Covid. The pattern of expenditure pressures have thus far tended to be more-directly lock-down related and, therefore, are not expected to continue in the medium term. Income pressures on the other hand, have a short-term element, e.g. dramatic loss of car parking income during lock-down, but also potentially an even more significant long-term effect through a recessionary impact on the Council's primary income generating services, e.g. commercial property.</p> <p>The magnitude of the potential ongoing Covid-related losses, combined with uncertainty around the duration of the pandemic and the unknown timing and severity of the economic recovery period creates a significant financial threat to the Council's in-year and medium term budget. In addition it adds further complexity and risk to the already challenging medium-term planning environment arising from one-year Government funding settlements.</p>
Social media risk	Risk Owner	Aidan Wilkie

Risk Name	Detail	30 Jun 2022 Status
	Portfolio	Corporate & Contracted Services
	Risk Description	Confidentiality and reputational issues
	Inherent Score	9 ▲
	Mitigated Score	9 ●
	Target	
	Comments	The Council monitors and protects its social media presence through a Social Media Management Platform (Orlo). This platform provides management options for automatic moderation of abusive and/or vexatious messages and other risk mitigation tools. Social Media remains a primary channel in communicating and engaging with our residents/customers. This remains tightly controlled and well managed on a daily basis, and experience few instances where this may cause issues or potential risk to the Council.
	Controls & Assurances	<p>The Council monitors and protects its social media presence through a Social Media Management Platform (Orlo). Orlo provides management options for automatic moderation of abusive messages and other risk mitigation tools.</p> <p>All staff are required to read and sign up to a range of policies including:</p> <ul style="list-style-type: none"> • Corporate Information Security Management Policy • Corporate Information Technology Security Policy • Data Protection Act Policy • Freedom of Information Policy • PSN/Government Connect (GSx) Acceptable Usage Policy • Information Security Incident Procedure
	Evidence Risk is being managed	<p>An audit of DBC's internal controls in strategy and governance, training and awareness, processes and technology, found that there is a sound system of internal control designed to achieve the system objectives.</p> <p>The communications team carry out training for new staff members and refresher training when needed.</p> <p>Social Media remains a key role in sending information and engaging with our residents/customers. This remains controlled and well managed as we experience very few instances where this causes issues for the Council.</p>
	Consequences / Impacts	<p>"Almost nine in ten (86%) of UK adults now have internet access at home, and this is highest among those aged under 55. Facebook continues to be the largest social network service in the UK. In April 2016, it attracted a digital audience of 38.9 million (more than three-quarters of active internet users).</p> <p>This was larger than that of LinkedIn (21.8 million) and Twitter (20.9 million)" (Ofcom report 2016).</p> <p>By design, social media is widely accessible and offers users easy electronic communication of personal information and other content, such as news, videos and photos. With public participation and exchange of content so readily available, this introduces a certain level of risk.</p> <p>The consequences of using social media include members of the public, pressure groups or employees using DBC social media accounts to raise negative, confidential, incorrect or abusive statements/campaigns aimed at damaging the reputation of DBC. Similarly, the risk of DBC not using social media will exclude a large proportion of residents and key demographic groups including younger residents and businesses.</p>

Risk Name		30 Jun 2022	
Detail		Status	
The Council is unable to recruit and retain the staff required	Risk Owner	Aidan Wilkie	
	Portfolio	Community & Regulatory Services	
	Risk Description	The Council is unable to recruit and retain the staff required to progress as a Modern and Efficient Council	
	Inherent Score	9 ▲	
	Mitigated Score	6 ●	
	Target		
	Comments	Overall staff turnover is healthy, but there are some pockets where we are finding it difficult to recruit staff, mainly around professional roles such as planning officers, homelessness and surveyors. As per comments below, the Council has a programme in place to overcome these challenges. Agency workers are being utilised to cover these vacancies in the short term and work in underway to ensure our approach to employing agency workers to effective and provides good value for money. Other work is focussing on whether market forces payments are appropriate for specific posts to alleviate some of permanent recruitment issues.	

Risk Name	Detail	30 Jun 2022 Status
Page 81	Controls & Assurances	<p>A programme of work has been developed to enhance our ability to recruit and retain staff:</p> <ul style="list-style-type: none"> • Flexible working arrangements are in place to ensure staff achieve a good work/life balance, whilst maintaining excellent customer service. • A planned approach to utilising the Council's apprenticeship levy to support some staff professional training. • Three graduates appointed from the National Graduate Development Programme (hosted by the Local Government Association). • Succession planning approach embedded into appraisals and service plans with supported by the career development plans. • Implementation of more robust management information within the HR to assist with understanding training needs. • Streaming of recruitment campaigns and modernisation of recruitment web pages. • Participating in recruitment fayres to attract school/college leavers to the Council • Re-Introducing work experience placements to students and working with partners to offer work experience placements to people who have been out of work. • Appointed 8 kick start employees as part of the Government's scheme to help people back to work. • As with many other organisations the Council is suffering from a lack of HGV driver availability. Current HGV drivers, in particular Waste Service drivers, are being approached by external organisations with significant increased pay offers. The Council has sought to mitigate this by training more staff to be HGV drivers and offering a retention bonus with appropriate clauses of an annual £5k per driver. <p>Staff turnover remains healthy but there are pockets of hard to fill posts, where agency spend is higher than previous. The Council is currently finding it challenging to recruit and retain staff with the appropriate skills to deliver all of its services, particularly within professional areas such as Legal, Finance, Surveyors, Environmental Health and Planning etc.</p> <p>This challenge has grown significantly over recent years – as the economy has emerged from the worst of the recession, the private sector employment market has become relatively more buoyant due to the continued constraints on public sector funding. General competition with the private sector for skilled employees is exacerbated for Dacorum by its close proximity to the higher salaries of the London market.</p> <p>This has resulted in the appointment of some agency staff across the Council in order to maintain service delivery. A reliance on agency staff brings a number of specific risks:</p> <ul style="list-style-type: none"> • Statutory – staff shortages can put delivery of the Council's statutory services at risk, e.g. Environmental Health, Housing repairs and Fire safety, and Building Control; • Resilience – any need for agency staff leaves the Council vulnerable to potential higher turnover and loss of knowledge which can affect continuity of service provision; • Financial – the cost of agency staff is higher than for permanent staff, which can pressurise budgets in several areas across the Council. • Staff Morale - could be affected in areas which are carrying vacancies, due to increased workload pressure and as a result of lack of team rapport. <p>A recent study looked at the high agency spend areas and work is underway to reduce this spend, such as agency approval process, having the right agency framework in place that is effective whilst offering good value for money and re-introducing market forces payments for specific roles.</p> <p>This challenge affects all public sector organisations within the region, and a solution is high on the agenda for county-wide working groups of which DBC is a member.</p>
	Evidence Risk is being managed	<p>Turnover remains reasonably low and it is infrequent that posts are re-advertised.</p> <p>Graduates have been appointed and we are working for LGA to appoint the next batch of three. HR will be working with services with recruitment challenges to ensure the graduates to support these areas in the first instance.</p>

Risk Name	Detail	30 Jun 2022 Status
	Consequences / Impacts	<p>The Council is currently finding it challenging to recruit and retain staff with the appropriate skills to deliver all of its services, particularly within professional areas such as Legal, Finance, Surveyors, Environmental Health and Planning etc.</p> <p>This challenge has grown significantly over recent years – as the economy has emerged from the worst of the recession, the private sector employment market has become relatively more buoyant due to the continued constraints on public sector funding. General competition with the private sector for skilled employees is exacerbated for Dacorum by its close proximity to the higher salaries of the London market.</p> <p>This has resulted in the appointment of some agency staff across the Council in order to maintain service delivery. A reliance on agency staff brings a number of specific risks:</p> <ul style="list-style-type: none"> • Statutory – staff shortages can put delivery of the Council’s statutory services at risk, e.g. Environmental Health, Housing repairs and Fire safety, and Building Control; • Resilience – any need for agency staff leaves the Council vulnerable to potential higher turnover and loss of knowledge which can affect continuity of service provision; • Financial – the cost of agency staff is higher than for permanent staff, which can pressurise budgets in several areas across the Council. • Staff Morale - could be affected in areas which are carrying vacancies, due to increased workload pressure and as a result of lack of team rapport <p>This challenge affects all public sector organisations within the region, and a solution is high on the agenda for county-wide working groups of which DBC is a member</p>
The Council will be unable to ensure that sufficient quality & affordable homes can be delivered	Risk Owner	James Doe
	Portfolio	Housing
	Risk Description	The Council will be unable to ensure that sufficient good quality and affordable homes can be delivered, particularly for those most in need
	Inherent Score	12 ▲
	Mitigated Score	12 ▲
	Target	
	Comments	<p>The Council's planning service is working on a mitigation strategy to the planning Moratorium with appointed consultants and partner organisations. The first draft of this has been received as of early June 2022. If acceptable it could lead to the lifting of the moratorium later in 2022, but this is not certain at the current time. As such the risk rating has been raised from 9 to 12 at this stage.</p> <p>At August 2022 very good progress has been made with Natural England, the National Trust and adjacent Local Authorities on agreeing a mitigation strategy for the Beechwoods and a SAMM tariff, with plans for SANG development on two parks owned by DBC. This work should be completed in September/October and provided the outcome is positive, it should lead to a partial lifting of the moratorium for the Hemel Hempstead area. For now, the risk rating is unchanged.</p>

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

Risk Name	Detail	30 Jun 2022 Status
Page 84	Consequences / Impacts	<p>Housing costs in Dacorum are already extremely high and among the highest in the country outside of London. The impact of this is that local people (and potential new residents) face considerable difficulties accessing decent and affordable homes. This has potential risks in increased homelessness, difficulties in attracting new business and inward investment and breakdown of family support networks if people have to move away or have to stay longer in parental homes than is desirable.</p> <p>The causes for this are complex and varied, and some are outside of the Council's control, but include:</p> <ul style="list-style-type: none"> • The high cost of owner occupation due to location, local income levels, market shortage and increasing demand from people moving out from London. <p>This can mean owner occupation is well beyond the reach of a large number of local people.</p> <ul style="list-style-type: none"> • The Private Rented Sector is not focused on providing homes of quality to those on low incomes with short 6 months tenancies and often in poor condition. • The planning system does not have the levers to require new homes to be built and with respect of providing affordable homes the rented product – usually affordable rent at 80% of market rent - they are too expensive for those on low incomes. • There are still cuts being made to the benefits systems and Universal Credit has seen a dramatic increase in the levels of rent arrears in those areas that have already had the full roll out. This will cause further difficulty for low income households to afford rent and would lead to still further homelessness. • the impact of the First Homes Policy from Government putting further pressure on the Council's ability to provide genuinely affordable homes to people most in need through the planning process. <p>The key risks this raises for the Council are:</p> <ul style="list-style-type: none"> • The supply of homes is unable to match demand • An increase in the levels of homelessness resulting from landlords in private renting seeking to maximise their rents • The impact of Universal Credit roll out leading to increased arrears, debt and homelessness • A general risk that the construction industry may not have the capacity to meet the level of demand for development • The HRA will not be able to access sufficient funds to fulfil the Council's programme of social rented housing
Uncertainty around Brexit negotiations could result additional demand for council services.	Risk Owner	Robin Barton
	Portfolio	Corporate & Contracted Services
	Risk Description	Uncertainty around Brexit negotiations could result in the Council facing additional demand for its services in the short to medium-term
	Inherent Score	16 ▲
	Mitigated Score	
	Target	
	Comments	This strategic risk is no longer relevant – the Brexit negotiations are completed and the impacts understood. The Strategic Risks are currently being reviewed and this risk will be removed as part of this process

Risk Name	Detail	30 Jun 2022 Status
Page 85	Controls & Assurances	<p>The Chief Executive prepared a report to Members outlining the sector's view on where the key Brexit risks currently lie.</p> <p>The Senior Leadership Team (SLT) has received a report from the Assistant Director (Corporate and Contracted Services), who is leading on Brexit risk, highlighting key risk areas for the Council which continue to be monitored with the wide Corporate Leadership Team. All service areas are represented at SLT, and the majority of SLT members operate within county- and nation-wide professional groups. This means that the knowledge reach of the group is wide and varied, meaning that emerging issues are likely to be raised for discussion around impact as they arise.</p> <p>The Assistant Director, Corporate and Contracted Services also sits on a multi-agency county wide Tactical Coordination Group which monitors the EU Transition period although as the risk has reduced in early 2021 and this group was stood down in February 2021.</p> <p>SLT has also ensured that all service areas revisit their Business Continuity plans to ensure that they remain up-to-date and capable of mitigating known and emerging risks.</p> <p>SLT also review and update the Corporate Brexit risk register.</p> <p>The Leader of the Council and the Chief Executive have taken part in webinars hosted by MHCLG with various Government departments in preparation for Brexit.</p>
	Evidence Risk is being managed	<p>The subject of Brexit is reviewed by SLT if there are any specific issues or impacts for discussion. Members will be kept advised as more information becomes available.</p>
	Consequences / Impacts	<p>On 23rd June 2016, the UK voted in a referendum to leave the European Union (EU). Article 50 was triggered on 27th March 2017 starting a two year formal process for leaving the EU. The UK left the EU on 31 January 2020 with a withdrawal agreement which is subject to a transition period ending on 31st December 2020. The UK have now reached agreement on how the future relationship will work, including trade, energy, transport, social security, law enforcement, health and scientific collaboration and dispute settlement.</p> <p>The agreement now reached gives the Council greater certainty and there has been no noticeable increased demand for its services in 2021 as a direct result of Brexit.</p> <p>Brexit does still pose a strategic threat to the Council primarily because there is lack of clarity over how or to what extent the outcome may threaten achievement of its corporate priorities. In the absence of more detail, the Council is, in general terms, planning to 'be prepared'.</p> <p>In addition, there is the possibility that the Council may be required to carry out functions under its Civil Contingencies responsibilities, although in early 2021 this threat has not come to fruition to date.</p>

Risk Scoring Methodology

Impact Score

The following descriptions and definitions of impact are indicative and not exhaustive. They are a guide to assist you in assessing the impact of the risk **should** it occur.

Description	Factor	Score
<ul style="list-style-type: none"> • Brief disruption of service area – up to 1 day • No or insignificant environmental damage • Financial loss < £5,000 • Minor injury (first aid treatment) to an individual or several people • Complaint from member of public • Litigation/claims/fines up to £5,000 • No reputational damage – little or no local press interest 	Minor	1
<ul style="list-style-type: none"> • Service disruption 2-3 days • Adverse effect on services in one or more areas for a period of several weeks • Financial loss < £25,000 • Adverse local publicity • Significant injury to an individual or several people – medical treatment required • Litigation/claims/fines up to £25,000 	Significant	2
<ul style="list-style-type: none"> • Service disruption 3-5 days • Complete loss of service area for 3-5 days • Financial loss up to £50,000 • Adverse publicity in professional/municipal press • Adverse local publicity of a persistent nature • Major injury to an individual or several people • Litigation/claims/fines up to £50,000 	Serious	3
<ul style="list-style-type: none"> • Service disruption 5+ days • Major loss of service, including several important areas, and/or for a protracted period • Financial loss >£50,000 • Adverse and persistent national media coverage • Adverse central government response, involving (threat of) removal of delegated powers • Officers and/or Members forced to resign • Loss of life • Litigation/claims/fines >£50,000 	Major	4

Likelihood Score

The following descriptions and definitions of likelihood of the risk occurring are intended as a guide to assist you in arriving at your risk score.

Description	Indicators	Factor	Score
Less than 10% chance of occurrence	Has happened rarely/never before	Very unlikely	1
10 – 40% chance of occurrence	Only likely to happen every 3 or more years	Unlikely	2
40-75% chance of occurrence	Likely to happen at some point within the next 1–2 years. Circumstances occasionally encountered – few times a year	Likely	3
More than 75% chance of occurrence	Regular occurrence Circumstances frequently encountered – daily, weekly, monthly	Very likely	4

Scoring the risk

The charts above are designed to help you score the risks in terms of likelihood and impact.

This is carried out in two stages:

- Multiply the likelihood and impact scores together, as if there were **no** controls in place. This will give you an inherent risk score.
- With the list of controls that are currently in place, re-score the risk, taking into account the effect of these controls.

These final scores will give you a risk profile of those risks that may need more immediate attention.

Risk Score	Overall Rating
12 - 16	HIGH
6 - 10	MEDIUM
1 - 4	LOW

Level of Risk / (Inherent Risk Score)	Managing the risk
High Risk (12-16)	<p>Requires active management High impact / High likelihood: risk requires active management to manage down and maintain exposure at an acceptable level</p> <p>Contingency Plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile</p>
Medium Risk (6-10)	<p>Good Housekeeping May require some risk mitigation to reduce likelihood if this can be done cost effectively, but good housekeeping to ensure the impact remains low should be adequate. Reassess frequently to ensure conditions remain same</p> <p>Contingency Plans A robust contingency plan may suffice together with early warning mechanisms to detect any deviation from profile</p>
Low Risk (1-4)	<p>Review Periodically Only put mitigations in place if it's cost effective to do so</p>