

Audit Agenda



Wednesday 22 November 2023 at 7.30 pm

Conference Room 2 - The Forum

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

Membership

Councillor Birnie
Councillor Douris
Councillor Elliot

Councillor S Hobson
Councillor Reynolds (Vice-Chair)
Councillor Stewart (Chair)

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

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence

2. DECLARATIONS OF INTEREST

To receive any declarations of interest

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

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

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

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

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

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

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

3. MINUTES AND ACTIONS (Pages 3 - 12)

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

4. PUBLIC PARTICIPATION

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

5. SUMMARY INTERNAL CONTROLS ASSURANCE (SICA) REPORT (Pages 13 - 41)

6. STRATEGIC RISK REGISTER Q1 AND Q2 2023-24 (Pages 42 - 82)

7. TREASURY MANAGEMENT 2023/24 MID-YEAR PERFORMANCE REPORT (Pages 83 - 94)

8. WORK PROGRAMME (Page 95)

9. ANY OTHER BUSINESS (AOB)

DACORUM BOROUGH COUNCIL

AUDIT COMMITTEE MINUTES

20 SEPTEMBER 2023

Present:

Councillors: Stewart (Chair)

Guest

Birnie

S Hobson

Reynolds (Vice-Chair)

Symington (Portfolio Holder, Corporate & Commercial)

Officers:

F Jump

Head of Financial Services

N Howcutt

Chief Finance Officer (S151)

C Silva Donayre

Strategic Director (Corporate & Commercial)

C Dempsey

Financial Planning & Analysis Manager

L Schultz

Financial & Regulatory Accounting Manager

A Livingstone

Valuation & Estates Manager

T Angel

Democratic Support Officer

Others:

Philip Lazenby (TIAA)

Paul Cuttle (Grant Thornton)

The meeting began at 7.30 pm

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Douris and Elliot.

Councillor Guest substituted for Councillor Douris.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES AND ACTIONS

Cllr Birnie noted an error on page 12, paragraph 7, where 'councillors auditors' should read 'councils auditors'. TA advised she would amend the minutes.

The Chair ran through the action point responses and asked members if they had any questions.

Cllr Birnie raised an issue with the response regarding the percentage of tenants in arrears. A Livingstone clarified that the aged debt included all types of payment plan for commercial properties, with payments monthly instead of quarterly up-front being classed as a payment plan, with Cllr Birnie highlighting that the overall figure of 41% presented in the report was

not helpful in identifying the seriousness of indebtedness without the more detailed breakdowns. N Howcutt suggested it could be broken down further in future if required.

4. PUBLIC PARTICIPATION

There was no public participation.

5. SUMMARY INTERNAL CONTROLS ASSURANCE (SICA) REPORT

P Lazenby explained that three audits had taken place to date, with Housing and Repairs and Maintenance, and ICT Document Management System both provided with reasonable assurance, and Commercial Rents, which was provided with substantial assurance, and that he had no overriding level of concern in any of those areas. He highlighted the priority two recommendation for Housing which had been disagreed by management, where the risks on the register had been identified as a little light, pointing out the new council directorate for Housing and Properties Services and the emphasis placed on the safety of housing, but acknowledging that the management response regarding the strategic risk was entirely valid. He suggested that it was something to remain aware of. P Lazenby noted that all actions for ICT following their audit had been completed in January 2023, and any annual actions would be re-checked in January 2024 and reported back if not completed. The Commercial Rent audit was taken as read, with P Lazenby praising the council for its handle on commercial rents and effective operation of controls. P Lazenby explained that progress in the annual plan was as expected due to the time of year, and that there would likely be a large number of reports presented at the next committee meeting. In regard to page 16, he highlighted that a small number of recommendations had been made that were 'sticky' but that he was hopeful progress would have been made towards completing and evaluating the related actions.

Cllr Guest referred to page 23, the ICT Document Management System, asking whether leaver accounts were disabled the day after leaving the council. N Howcutt noted that in the absence of a representative from the service, the question would need to be taken away for an answer, which would then be emailed to all committee members. Cllr Guest further asked whether cyber-attacks were on the risk register, and what mitigations there were. N Howcutt explained that cyber-attacks were a strategic risk that had been reported to the group in the previous month, with the next quarterly report expected in November. P Lazenby added that it was an audit that had been carried out in the past, and that he would expect to carry out again in the future.

Cllr Birnie referred to page 19, item 6, and wondered if the building safety audit included all housing stock. It was confirmed that it did.

Cllr Birnie referred to page 22, and asked whether the audit only looked at the council plan for maintenance, or also its implementation and outcomes. P Lazenby confirmed that implementation was looked at within the timeframe as contracted, including the regularity of reporting, timeliness of reviews, and escalation. It was noted that safety concerns formed part of the reason for the audit, so had been in consideration at all stages.

Cllr Birnie referred to page 34, in relation to Hemel Place, and the phrase 'action taken to date and any extant risk exposure', noting that the MOU (Memorandum of Understanding)

was under consideration by all parties in Hemel Garden Communities. P Lazenby clarified that the risk had been identified, leading to the recommendation, with no satisfactory assurance yet received from management regarding the resolution of the underlying risk or completion of the action, and confirmed that it would be brought to committee until resolved.

Cllr Reynolds referred to page 36 and the e-records, wondering whether the log of destruction had been set up and it was just the review that was outstanding. P Lazenby clarified that management had indicated the action was completed, but the efficacy needed to be reviewed before the recommendation was removed, which was scheduled for November, and that the issue would be raised at the subsequent committee meeting if the resolution was not found to be suitable.

Cllr Birnie questioned when the internal audit might be expected to be complete. P Lazenby explained that in a good year, the majority of audits would be expected to be complete in February in order to form the Head of Internal Audit opinion, which wasn't always possible, but that 90% to 95% of audits, including all risky areas, would be complete by then, with any significant movement updated to the audit committee in March. P Lazenby agreed that the audit plans degree of completion was something the committee should be keeping an eye on and challenging him on. Cllr Birnie wondered how the timeline fitted with the Officers' timetable. N Howcutt stated that the internal audit programme was generally approved by the committee in February or March, after recommendations from TIAA and officers in terms of workload, and it was usually possible to complete the whole programme as set out. P Lazenby added that issuing limited or no assurance reviews prior to year-end gave a chance for rectification actions before year end, although he emphasised that these were rare for Dacorum.

The Chair referred to page 22, recommendation 2, and wondered what risks had been identified in relation to housing repairs and maintenance. F Jump noted that there was no representative present, but the question could be taken back to them and the answer circulated to committee members, adding that TIAA had provided an indication of the kind of risks involved as part of a response to pre-meeting questions. The Chair stated that he would like to see the risk register and to know there was a governance wrap around ensuring mitigation measures were put in place and were effective. P Lazenby identified that there could also be an impact in relation to areas like mould. F Jump confirmed that capturing the risks in question was a requirement of the service's planning process, and that a list of these could be circulated. A Livingstone highlighted that there had been a statement put on the council's FOI (freedom of information) common questions regarding RAAC (reinforced autoclaved aerated concrete), with the commercial estate clear, and three identified within the housing estate where mitigation measures had been taken.

The Chair referred to page 30 regarding the identification of asset owners, with A Livingstone confirming that the statement needed clarification, and that all assets were on the mapping register with types identified, although there were not separate registers for each. She added that a strategic asset review was being commissioned and had been out to tender, with the order currently being placed. P Lazenby noted that the reference was primarily to highlight the age of the document. N Howcutt emphasised that the asset review was also in relation to maximising their use and looking for opportunities or areas needing investment. Cllr Birnie wondered how accessible the review would be to all parties. N Howcutt explained that there

were a number of work streams involved that would complete at different times, leading to proposals as part of an overall asset strategy that would go through the usual council mechanics, starting with scrutiny and cabinet. A Livingstone clarified that some commercial assets would be confidential, so commercially sensitive aspects would be within the confines of the council.

The Chair referred to page 31, and queried why the health and safety audit for site works commenced had been postponed based on the work plan. P Lazenby explained that there had been some safety work going on at the time that was considered to be a priority stream as a predicated requirement for some other work streams, and the delay had been relatively low impact overall. It was confirmed that the delay would not affect the ability to complete.

The Chair noted that most actions were listed as having a due date of 31st December, and asked why this was the case. P Lazenby acknowledged the concern, but noted that there were a lot of recommendations that were actioned and completed which were not visible, with the focus on things that were going wrong to keep documents concise and relevant. N Howcutt explained it can be a long winded process, and that three of the five outstanding recommendations were related to Hemel Garden Communities, and this was due to the timescales of partnership working. C Silva Donayre added that the strategic leadership team also received periodic reports to oversee and ask the questions if needed.

Cllr Birnie asked what the nature of the delay in signing the MOU was. N Howcutt confirmed that it was predominantly understanding the future to ensure the MOU would still be relevant in five or ten years' time for all parties involved. P Lazenby added that the important part was the committee being aware of the situation in order to consider risks and exposure as a result. N Howcutt noted that currently the risk was limited, and worthwhile if the outcome was then sufficient to manage an increased level of risk in the future.

The Chair said he would like to see a consolidated list of actions from the current financial year just to ensure there wasn't a trend of dates being pushed back. P Lazenby agreed that this could be provided, although it was noted that the audits and recommendations being discussed would not be included in that list.

Actions

- ICT service to confirm email whether leaver accounts are disabled the day after leaving the council.
- T Angel to forward a copy of the report from the previous committee meeting regarding cyber-attacks to Cllr Guest.
- F Jump/Housing service to circulate a copy of risks identified in relation to housing repairs and maintenance.
- P Lazenby to provide committee members with a consolidated list of actions completed and outstanding from audits in the current financial year.

6. FINAL OUTTURN 2022-23

F Jump explained that the report consisted of the three reports relating to the last financial year and its closure, showing a summary of the financial performance of the council across

revenue and capital for 2022-23. She said this was produced as part of the management accounts, providing more discretion over presentation compared to the statement of accounts, which had to be produced in line with accounting standards. She explained that the audit committee had delegated authority for any final movements to and from council reserves that were required to close accounts, and that was the purpose of the report being presented. F Jump highlighted recommendations relating to the general fund, with a request being made for the surplus to be moved to the council's reserves, and relating to housing revenue, with a small movement to reserves in relation to lift replacement. She also explained that a drawdown of £1.5 million had been requested relating to the HRA (Housing Revenue Account), based on increased demand and inflation, noting that a similar request had been made and approved earlier in the year, but that the end of year position was such that the additional request was being made. The rest of the report was taken as read.

Cllr Birnie referred to page 40, paragraph 1.2, bullet point 2, regarding the HRA reserve, and wondered how much would be left in the reserve after the second drawdown. F Jump confirmed that there would be around £150,000 left, from the original figure of around £2.5 million. In regard to bullet point 4 of the same table, Cllr Birnie asked how much had so far been spent on HGC capital projects. F Jump stated that at the end of 2022-23 around £117,000 had been spent, primarily relating to improvements to the Nickey Line.

Cllr Guest followed up with a question regarding measures that had been taken to prevent such drawdowns recurring. F Jump identified that forecasts for the current year were being made in close collaboration with the housing service to try and avoid it becoming a recurring issue, although demand and rising costs were still there, adding that the quarter one financial report had been taken to scrutiny and cabinet with pressure still expected, but work ongoing to bring the situation in line.

Cllr Reynolds asked how the reserve was replenished, and F Jump explained that it had been through surpluses on the housing revenue account in previous financial years, which seemed unlikely to occur in the current climate.

Following on from Cllr Reynolds question, Cllr Birnie wondered how the situation was going to be managed. F Jump noted that the housing revenue account maintained a working balance of around £2.9 million which was not touched except in emergency situations, and that reserves being referred to were separate to this. Cllr Birnie stated that it would be nice to have a list of actual reserves and expected calls on them, with F Jump highlighting that a list of all general fund revenue reserves was appended to the report, including information on the HRA reserves, although acknowledging that it could be made clearer. N Howcutt agreed the HRA was the biggest financial risk, and that there was no simple solution due to rent being capped by government, so mitigations such as methods of lowering maintenance demand were being explored, with the HRA business plan due to be published in January/February.

Cllr Reynolds queried what would happen in the event of a similar situation this year with less reserve funds than were required, with F Jump explaining that action would be taken before the point where the working balance would need to be touched. N Howcutt added that HRA was a growing, national issue.

Cllr Birnie referred to page 42, 2.6, paragraph 4, regarding a payment of £8 million on the collection fund, and wondered if the government refund of it was automatic, with F Jump briefly explaining the circumstances and concluding that the refund was automatic, but it was via a slightly convoluted mechanism of payments and grants.

Cllr Birnie referred to page 43, 4.2, and asked whether the additional depreciation cost was due to a revaluation or physical expansion of housing stock. F Jump confirmed that it was due to a revaluation.

Cllr Birnie referred to page 45, general fund capital major variances, bullet point 9, and enquired what type of project Aragon Close was. F Jump noted that it was move-on accommodation.

The Chair wondered if there were areas where the HRA transformation programme could be saving money. N Howcutt confirmed it was a well advanced programme under the residence directorate with its own resources and governance structure, and had reported to scrutiny a week ago regarding outputs, including an increase in compliance across housing in terms of housing maintenance and upkeep. It was acknowledged that it was responsible for increased demand to an extent, but highlighted that it was now looking at developing new target operating models and ways of working to provide efficiencies going forward, and N Howcutt suggested that the committee could ask for updates if it was considered that doing so would provide assurance.

There was a brief discussion of training available for council members, with N Howcutt noting that they would work with the member development steering group to develop sessions going forward, and that there would likely to be more training sessions at the audit committee as other subjects were investigated, with risk one that would be touched on this year.

The committee noted the report and agreed the following recommendations:

1. That the Committee approve the following reserve movement for 2022-23:
 - Transfer to the Savings Efficiency reserve of £250k relating to interest due to the Council from a loan to West Herts Crematorium.
 - Transfer to the Savings Efficiency reserve of £111k relating to the final surplus position on the General Fund for 2022-23.
 - A transfer to HRA lift reserves of £22k to support the cost of lift replacements in Council HRA properties.
 - A draw down from HRA revenue reserves of £1.459m to balance the outturn position for the Housing Revenue Account for 2022-23.
2. That the Committee review the Capital Programme Outturn for 2022-23.
3. That Committee review the balances on earmarked reserves as at 31st March 2023.

7. STATEMENT OF ACCOUNTS 2022-23

P Cuttle took the report as read, noting that the length was due to the requirements of auditing standards, and highlighting on page 149 a reference to some items outstanding due to timing issues, with the majority of those now cleared, excepting some queries on the housing benefit expenditure. The letter of assurance from the county council auditor was

identified as the most significant point, which would dictate whether the accounts could be signed, however P Cuttle stated that from his perspective the audit was complete, and the set of accounts up for approval was not expected to change. P Cuttle noted that there had been no recommendations raised in terms of control findings or weaknesses, and a single page of audit adjustments with only one disclosure item, which was indicative of a good standard of evidence and response to audit queries.

The Chair congratulated the finance team for all their hard work, and Cllr Symington added congratulations to Grant Thornton for completing the audit on time. N Howcutt also gave specific thanks to L Schultz and her team for their hard work.

Cllr Birnie referred to page 162 and queried whether there was not also a matter of value for money that also had not been dealt with. P Cuttle explained that value for money was decoupled from the audit opinion, so commentary would be provided on value for money arrangements, but to a deadline three months after the signing of the audit opinion. Cllr Birnie wondered if clarification on the item could be provided. N Howcutt suggested that the VFM audit was to provide the wider public with independent scrutiny on the expenditure of money, noting that for the 2021-22 accounts it had taken longer than usual and had only been finally approved a few months ago, with development of the audit likely going forward. P Cuttle confirmed that the scope was prescribed by the National Audit Office, and that it was relatively narrow, so was probably most useful around financial sustainability.

The Chair noted that Ernst and Young's evaluation of the Herts County Council pension fund arrangements was outstanding, which could have a bearing on the accounts. Cllr Birnie highlighted that in his experience with CAD (Community Action Dacorum) it had been at least ten years and Herts County Council was still to provide a similar letter regarding one person who had transferred. N Howcutt acknowledged that the Herts pension fund administration was not performing strongly, but noted that they were also aware of the issue and were in the process of making changes and setting up a feedback group to try and improve performance going forward. P Cuttle warned that, to his knowledge, all other Herts audits were on 2021-22, with substantial, if not full, completion of the 2022-23 audit required to enable them to issue the letter, adding that it could take weeks or months and that they wouldn't issue a provisional letter due to the related risks.

The committee agreed to approve the letter of representation at Appendix B of the report, approve the statement of accounts for 2022/2023, and delegate to the Chair of the Audit Committee to sign the final accounts upon receiving the final audit opinion.

8. EXTERNAL AUDIT FINDINGS REPORT 2022-23

This item was discussed alongside item 7 (above).

9. TREASURY MANAGEMENT OUTTURN AND PERFORMANCE INDICATORS 2022-23

F Jump explained that this item was one of three statutory reports to be brought before members in relation to treasury management activities, consisting of the treasury management strategy usually presented as part of the budget papers around February, a media update against the strategy, and the final performance report being presented. She

further explained that treasury management activity covered the management of the council's cash balances, investment, and borrowing, and that the report was intended to measure performance against the strategy. Highlighted was a strong performance in investments due to large cash balances and significant increases in interest rates, with an average investment balance of £131 million, and an average rate of return of around 2%. F Jump also identified some early repayments to the Public Works Loan Board where it was advantageous to do so.

Cllr Birnie wondered what the advantage of early loan repayment was. F Jump clarified that there had been a discount resulting in a lower level of principle repaid, and interest payments over the remaining loan period had also been avoided.

The report was noted by the committee.

10. WORK PROGRAMME

The Chair asked if there were any questions on the work programme.

Cllr Guest questioned if the committee ever did a deep dive/risk focus report. F Jump confirmed that the quarterly strategic risk register was brought to the committee for this purpose. Cllr Guest wondered if there was any focus on specific risks identified by the committee. F Jump noted that it wasn't an approach taken to date, but could be done if the committee felt it was beneficial. The Chair agreed that it might be useful.

Cllr Birnie identified that there wasn't much on the forward plan. The Chair explained that it only went to the financial year end and would then start again.

11. AOB

The Chair raised a point regarding the way business cases were produced by the council and said he would like to have a meeting with the appropriate officer. N Howcutt noted that C Silva Donayre would be the person to speak to, and agreed to raise the matter with her.

Action

N Howcutt to raise the Chair's question regarding business case production with C Silva Donayre.

The meeting ended at 9.08 pm.

Audit Committee Action Points – September

Date of meeting	Action point	Responsible officer	Date action completed	Response
20/09/23	<u>Item 3: Minutes & Actions</u> Cllr Birnie noted an error on page 12, paragraph 7, where 'councillors auditors' should read 'councils auditors'.	T Angel	21/09/23	Previous minutes amended and sent to the Chair for approval.
20/09/23	<u>Item 5: SICA Report</u> ICT service to confirm email whether leaver accounts are disabled the day after leaving the council.	Y Salvin	10/10/23	Accounts are disabled on the day of leaving, We receive an email notification from the line manager or iTrent (preferably both) a Service Request is then logged in the ticketing system and actioned on the appropriate date. The account is first disabled and then deleted after 5 working days unless we are requested that it should be retained for a longer period by the line manager. We also receive an automated report each month detailing accounts that have not logged on for more than 90 days with each entry being investigated by the Service Desk. This picks up any leavers that we may have not been notified of.
20/09/23	<u>Item 5: SICA Report</u> T Angel to forward a copy of the report from the previous committee meeting regarding cyber-attacks to Cllr Guest.	T Angel	10/10/23	Information sent to Cllr Guest as requested.

20/09/23	<u>Item 5: SICA Report</u> P Lazenby to provide committee members with a consolidated list of actions completed and outstanding from audits in the current financial year.	P Lazenby	14/11/23	The November Statement of Internal Control report has been updated for this information. A similar update will be provided as part of each future SICA.
20/09/23	<u>Item 5: SICA Report</u> F Jump/Housing service to circulate a copy of risks identified in relation to housing repairs and maintenance.	F Jump	Outstanding	A list of identified risks will be circulated to Members.
20/09/23	<u>Item 11: AOB</u> N Howcutt to raise the Chair's question regarding business case production with C Silva Donayre.	N Howcutt	-	C Silva Donayre confirmed arrangements had been made for B Hosier to meet with the Chair. T Angel 19/10/23.



Audit Committee

Report for:	Audit Committee
Title of report:	Summary Internal Controls Assurance (SICA) report
Date:	22 nd November 2023
Report on behalf of:	Councillor Ron Tindall, Leader of the Council and Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A- SICA Report
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	SICA- Statement of Internal Controls Assurance. A regular report produced by the Council's internal auditors outlining progress against the Council's approved annual audit programme of work.

Report Author / Responsible Officer	
Fiona Jump, Head of Financial Services	
 	
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Corporate Priorities	Ensuring efficient, effective and modern service delivery
Wards affected	All
Purpose of the report:	1. To provide committee with a progress update against the annual internal audit plan (Appendix A).
Recommendation to the decision maker:	1. Note the final internal audit reports issued for the following services:

	2. Note the content of the SICA and progress against the annual internal audit plan.
Period for post policy/project review:	An update on progress against the approved Internal Audit programme is brought to committee on a regular basis.

1 Background

Attached at Appendix A is the latest SICA report. The SICA report provides Audit Committee with an update on governance, risk and internal control arrangements for the Council. The report will be presented at Audit Committee by the Council’s internal auditors, TIAA. Officers for the services covered by the internal audit reports issued since the last SICA was presented to Audit Committee will also be present to answer queries from Members.

2 Internal audits completed since the last SICA

The following audits have been completed since the last SICA was presented to Audit Committee in September 2023:

- Garage Rents- Reasonable assurance
- Medium Term Financial Strategy (MTFS)- Substantial Assurance
- Governance and Risk – Reasonable Assurance

The summary reports and associated recommendations for the above audits are included in Appendix A.

TIAA use four levels of assurance assessment when undertaking internal audit review:

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

Internal audit recommendations are rated from 1, 2 or 3, with 1 being urgently required for implementation. No priority 1 recommendations have been made in respect of the three audit reviews above.

Appendix A also includes details of progress against outstanding priority 1 and 2 recommendations. In addition, it lists all internal audit recommendations issued in relation to the 2023-24 internal audit programme of work, together with their implementation status.

3 Financial and value for money implications:

A robust programme of internal audit activity supports the delivery of value for money by the Council.

4 Legal Implications

The Council is required by law to make arrangements to undertake effective internal audit of its activities.

5 Risk implications:

The Council's internal audit programme is compiled on a risk- led basis.

6 Equalities, Community Impact and Human Rights

None arising directly from the report.

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

None arising directly from the report.

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

None arising directly from the report.

9 Conclusion

The SICA presented at Appendix A provides details of all internal audits completed since the September 2023 Audit Committee meeting.

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Internal Audit

Draft

Dacorum Borough Council

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Summary Internal Controls Assurance (SICA) Report

2023/24

November 2023

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at Dacorum Borough Council as 13th November 2023.

Whistleblowing - driving the conversation

2. **The importance of a healthy culture.**

We have seen, over the last few months, the publication of several high-profile reports such as the Metropolitan Police (Casey Review March 2023), University Hospitals Birmingham (Bewick Report March 2023) and Plaid Cymru's review (conducted by Nerys Evans May 2023) where a common theme for each organisation was reported around the treatment of whistleblowers as well as 'poor' organisational culture, failures in leadership and poor whistleblowing reporting mechanisms.

There are so many high-profile incidents that have arisen over the last few years across many sectors and industries, perhaps most notably the #METOO campaign which highlighted sexual abuse in the entertainment industry spanning decades, where, despite there being many reported incidents, the individuals were ignored, ostracised or simply closed down and the matter covered up.

There is a real drive within government to look at the Whistleblowing Laws in the UK to drive through change. It is anticipated that there will be greater onus on organisations to improve their culture and to provide greater support and protection for whistleblowers. The outcome of the government's research is due for completion by the Autumn 2023.

In anticipation of the key messages coming out from the government, we in TIAA are using our expertise and knowledge to support organisations by:

1. Working with organisations to 'health check' organisational culture in respect of whistleblowing;
2. Providing a platform for those responsible for governance, raising concerns, whistleblowing and freedom to speak up guardians to share knowledge expertise, good practice in a forum event.
3. Examining poor practice and looking at the lessons to be learnt from recent incidents in webinar events and through consultation exercises such as online surveys.
4. Sharing the information through benchmarking reports and roundtable events.

Please use this link to keep up to date with our campaign and/or to be part of the conversation and drive through real change and improvement in this important area.

<https://www.ttaa.co.uk/publications/ttaa-organisational-culture-and-whistleblowing-webinar/>

Audits completed since the last SICA report to the Audit Committee

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

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Assurance Review of Garage Rents	Reasonable Assurance	31/10/2023	3/11/2023	7/11/2023	0	1	1	0
MTFS	Substantial	22/9/2023	24/10/2023	13/11/2023	0	1	0	0
Governance and Risk	Reasonable Assurance	31/10/2023	8/11/2023	13/11/2023	0	1	1	1

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

Progress against the 2023/24 Annual Plan

- Our progress against the Annual Plan for 2023/24 is set out in Appendix B.

Progress in actioning priority 1 & 2 recommendations

We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The table below summarises the extent to which confirmation has been received that management actions have been taken that the risk exposure identified has been effectively mitigated. More information is provided in Appendix C. Of a total of 45 recommendation showing on the recommendation tracking system we have confirmed that 3 are not yet due, 4 are no longer appropriate, have been implemented and evidence is being provided as applicable, which leaves a total of 21 outstanding recommendations of which only 7 are level 2 and there are no level 1 recommendations.

Actions outstanding and completed from audits undertaken in the current financial year

- Appendix D provides an update against the recommendations issued for reports issued for the current financial year. One is implemented, two are not yet due. Additionally there was one report which due to timing had not been included on the portal at the time this extract was made. That report is included in these management papers and it can be seen that had that been included it would have been indicated as not yet due (*MTFS). It should also be noted that there is one additional report included in this progress report which has not been included as it relates to a delayed output; at Dacorum’s request, from last financial year.

Frauds/Irregularities

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

Responsibility/Disclaimer

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

Executive Summaries and Management Action Plans

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

Review	Evaluation
Garage Rents	Reasonable
MTFS	Substantial
Governance & Risk Management	Reasonable

Garage Rents

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Finance Operational Risk Register: Failure to optimise income generated by commercial asset

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KEY STRATEGIC FINDINGS



Procedures regarding rent arrears are not being followed as evidenced during the sample testing.



Multiple garages rent accounts have credit amounts of over £1000.

GOOD PRACTICE IDENTIFIED



Processes for rent arrears are clear and have appropriate guidance.



Expected controls are clear within the rent arrears policy.

SCOPE

The purpose of the audit was to provide assurance that all rents are collected in accordance with the rental/lease agreement. The review focused on the processes for ensuring that all garage rents are appropriately recorded, the database of garages is accurate and up to date, and to confirm that garage rents are paid in accordance with their agreements.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	1	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Throughout the sample testing there were two instances where the written procedure was not followed.</p> <p>In the first there was a garage that was in arrears since July 2023, yet in September the garage had still not been repossessed. The process for repossession states that if arrears are not cleared within 28 days then the garage should be repossessed. During the walkthrough testing regarding "Orchard" it was advised that some garage managers work differently to others.</p>	Management to implement a "one best way" process which follows the provided process plan. This would allow a streamlined process and give consistency.	2	<p><i>During testing there were at least 2 cases where the repossession procedure had not been followed, following the audit, these accounts have been repossessed. The service have addressed the underlying staff training issues that gave rise to relevant procedures not being followed in full.</i></p> <p><i>Action: Lead Officer to continue to monitor accounts on Orchard, the CHCK action to be used.</i></p>	30/11/2023	Michelle Fox Rent Income Lead

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PRIORITY GRADINGS

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

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

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	Within the sample testing there were three instances where the renter credit balance was over £1000. Currently the Orchard system does not give system alerts for accounts in high credit.	Management to implement a system where garages that are in high levels of credit are systematically contacted to resolve the overpayments/balance.	3	<p>Following the audit, a report for credit balances was run and officers asked to make contact with NCTs in high credits to offer refunds. The largest credit balance has since been refunded back to the NCT.</p> <p>Manager has set up a credit report for garage accounts on Income Analytics (IA) and this will be monitored monthly with officers requested to make continue to make contact to encourage refunds.</p> <p>Action – Lead officer to add as regular discussion at supervision.</p>	30/11/2023	Michelle Fox Rent Income Lead

PRIORITY GRADINGS

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

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

3 **ROUTINE** Control issue on which action should be taken.

MTFS

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

SRR Risk 3: Funding and income is not sufficient to deliver the Council's Corporate Objectives

SCOPE

The MTFS was released in October 2022, this identified £3million worth of savings that should be delivered. Audit work in 2022/23 is required to provide on-going assurance that scheme delivery against savings in the MTFS are being managed and monitored effectively and reported accurately. In addition, the scope of work will include assurance over the accuracy of the financial assumptions made around spending pressures. A sample of new savings and recurring savings will be selected for review.

KEY STRATEGIC FINDINGS



Review and testing of a sample of ten savings within the MTFS identified four saving shortfalls, for which there is no defined formal delivery/ action plans in place promoting accountability and appropriate actions.



Risk is considered throughout the Medium-Term Financial Strategy (MTFS), monitored by service officers, and overseen by Scrutiny and Members.



The Council evidenced conscientious management and reporting of the Medium-Term Financial Strategy 2022/23-2026/27 (and the savings within it) congruous with the Financial Planning Framework.

GOOD PRACTICE IDENTIFIED



The Council recognised and acted upon the recent economic and inflationary pressures and presented to Cabinet on the 18 of October 2022 a refreshed Medium Term Financial Strategy (MTFS) 2022/23 – 2026/27 to provide a more accurate forecast of the Council’s General Fund revenue budget over a five year period.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	0	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Delivery	<p>Review and testing of a sample of 10 savings incorporated in the Medium Term Financial Strategy (MTFS) for the fiscal years 2022/23 – 2026/27, identified that four of the sampled savings have fallen short of their projected targets.</p> <p>While it is noted that the Council are aware of these shortfalls and action plans have been initiated or are being managed within the Council's general fund to address these shortfalls, there is a notable absence of formalised delivery plans, and a transparent process for addressing these shortfalls while determining accountability and appropriate actions.</p>	<p>To ensure stable and accountable financial management it is recommended the Council develops comprehensive formal delivery plans for each of the savings' targets that incorporate:</p> <ul style="list-style-type: none"> Action plan, or decision for no action to be taken. 	2	<p>This will be implemented in time for quarter 3 (position as at 31st December 2023) reporting within the monthly savings delivery tracker reported to the organisation's Strategic Leadership Team. Any material variances to savings incorporated into the Council's budgets are reported to Members via the Council's quarterly financial reporting process.</p>	31/01/24	Head of Financial Services

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PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Executive Summary

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Poor corporate governance, including risk management, weakens an organisation's potential and may lead to financial difficulties and the possibility of fraud.

SCOPE

The purpose of the audit was to review: the Council's Governance arrangements; and Risk Management – arrangements for identifying and monitoring the mitigating controls with regards to the Council's business significant risk map.

KEY STRATEGIC FINDINGS



The Council has seen a change in leadership following elections in May 2023, it is important that objectives and risks remain aligned through regular review of the Strategic Risk Register (SRR) and the Operational Risk Register (ORR).



The Council initiated risk management training to SRR and ORR Risk Owners (Tier 2 and Tier 3 posts) in 2022/23 following staffing and governance structural changes. Similarly, in response to the changes in leadership in May 2023 risk management training must be delivered to key postholders and new members.

GOOD PRACTICE IDENTIFIED



Comprehensive and clear minutes are taken at every Cabinet, Council and Overview & Scrutiny Committee meeting.



The Strategic Risk Register is presented quarterly to Audit Committee and similarly, the Operational Risk Register is presented quarterly to the respective Overview and Scrutiny Committees, throughout the year.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	1	1

PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Assurance – Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Inspection of the 2021/22 Assurance Review of Governance and Risk Management internal audit report identified the following recommendation was made:</p> <p><i>‘Once the Council has completed its staff and governance structural change. A risk management training programme be devised along with a timetable. To ensure key postholders are familiar with the Council’s risk management process, reporting and monitoring requirements.’</i></p> <p>Risk Management training has been undertaken within the Council however, following a significant increase of new members in May 2023 the programme has been reintroduced, with training of Members in their Audit Committee role commencing 26th July 2023.</p>	<p>A Risk Management Training programme is delivered in full and in particular, to new Members appointed in May 2023. Reiterating the need to ensure key postholders are familiar with the Council’s risk management process, reporting and monitoring requirements.</p>	2	<p>Risk management training has been delivered to the Council’s Audit Committee in conjunction with the Council’s internal auditors. Additional risk – related training will be delivered to members of this committee as needed. Risk management training will be delivered to Cabinet members and officers in the Council’s Strategic Leadership Team as part of the revision the Council’s strategic objectives and associated strategic risks (see also recommendation 2 below). Risk Management training will also be delivered to officers in the Council’s Corporate Leadership Team.</p>	<p>Training to be delivered during the period 01/01/24-31/07/24</p>	<p>Chief Finance Officer and the Head of Financial Services</p>

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PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Inspection of the 2021/22 Assurance Review of Governance and Risk Management internal audit report identified the following recommendation was made:</p> <p><i>'It be ensured that the risk updates are aligned to the mitigating controls listed under 'Controls & Assurances', so that Members are aware and informed of the progress/ position against the risk. Where potential issues may impact on the risk, the risk score must be revised to reflect this. Furthermore, updates be linked to the previous report, so that previous issues are not followed up and reported.'</i></p> <p>Review of the Q3 SRR identifies that all risk updates align appropriately, with the mitigating controls and impact of change affecting the risk score communicated clearly. It is noted that due to the variable nature of risk scoring it is possible that there are both new risk updates and risk mitigation/ controls that result in no movement of the risk score overall. However, where this is the case commentary informs and communicates the specific details pertaining to movement occurring beside the risk score itself.</p>	It is recommended that following change within the Council Members and Leadership in May 2023, strategic objectives and their risks are revised accordingly.	3	Strategic risks directly link to the organisation's strategic objectives. The setting of the organisation's strategic objectives is the responsibility of Cabinet and forms part of the Council's Corporate Plan. Following the change in the Council's administration during May 2023, Cabinet will be reviewing the Council's strategic objectives. Once these are identified, an exercise will take place to identify the associated strategic risks. This process is expected to conclude by 31 st March 2024.	31 st March 2024	Cabinet, supported by the Council's Strategic Leadership Team.

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PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Governance and Risk Management

OVERALL ASSESSMENT



ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Poor corporate governance, including risk management, weakens an organisation's potential and may lead to financial difficulties and the possibility of fraud.

SCOPE

The purpose of the audit was to review: the Council's Governance arrangements; and Risk Management – arrangements for identifying and monitoring the mitigating controls with regards to the Council's business significant risk map.

KEY STRATEGIC FINDINGS



The Council has seen a change in leadership following elections in May 2023, it is important that objectives and risks remain aligned through regular review of the Strategic Risk Register (SRR) and the Operational Risk Register (ORR).



The Council initiated risk management training to SRR and ORR Risk Owners (Tier 2 and Tier 3 posts) in 2022/23 following staffing and governance structural changes. Similarly, in response to the changes in leadership in May 2023 risk management training must be delivered to key postholders and new members.

GOOD PRACTICE IDENTIFIED



Comprehensive and clear minutes are taken at every Cabinet, Council and Overview & Scrutiny Committee meeting.



The Strategic Risk Register is presented quarterly to Audit Committee and similarly, the Operational Risk Register is presented quarterly to the respective Overview and Scrutiny Committees, throughout the year.

ACTION POINTS

Urgent	Important	Routine	Operational
0	1	1	1

PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Assurance – Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	<p>Inspection of the 2021/22 Assurance Review of Governance and Risk Management internal audit report identified the following recommendation was made:</p> <p><i>‘Once the Council has completed its staff and governance structural change. A risk management training programme be devised along with a timetable. To ensure key postholders are familiar with the Council’s risk management process, reporting and monitoring requirements.’</i></p> <p>Risk Management training has been undertaken within the Council however, following a significant increase of new members in May 2023 the programme has been reintroduced, with training of Members in their Audit Committee role commencing 26th July 2023.</p>	<p>A Risk Management Training programme is delivered in full and in particular, to new Members appointed in May 2023. Reiterating the need to ensure key postholders are familiar with the Council’s risk management process, reporting and monitoring requirements.</p>	2	<p>Risk management training has been delivered to the Council’s Audit Committee in conjunction with the Council’s internal auditors. Additional risk – related training will be delivered to members of this committee as needed. Risk management training will be delivered to Cabinet members and officers in the Council’s Strategic Leadership Team as part of the revision the Council’s strategic objectives and associated strategic risks (see also recommendation 2 below). Risk Management training will also be delivered to officers in the Council’s Corporate Leadership Team.</p>	<p>Training to be delivered during the period 01/01/24-31/07/24</p>	<p>Chief Finance Officer and the Head of Financial Services</p>

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PRIORITY GRADINGS

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

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

3 **ROUTINE** Control issue on which action should be taken.

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	<p>Inspection of the 2021/22 Assurance Review of Governance and Risk Management internal audit report identified the following recommendation was made:</p> <p><i>'It be ensured that the risk updates are aligned to the mitigating controls listed under 'Controls & Assurances', so that Members are aware and informed of the progress/ position against the risk. Where potential issues may impact on the risk, the risk score must be revised to reflect this. Furthermore, updates be linked to the previous report, so that previous issues are not followed up and reported.'</i></p> <p>Review of the Q3 SRR identifies that all risk updates align appropriately, with the mitigating controls and impact of change affecting the risk score communicated clearly. It is noted that due to the variable nature of risk scoring it is possible that there are both new risk updates and risk mitigation/ controls that result in no movement of the risk score overall. However, where this is the case commentary informs and communicates the specific details pertaining to movement occurring beside the risk score itself.</p>	It is recommended that following change within the Council Members and Leadership in May 2023, strategic objectives and their risks are revised accordingly.	3	Strategic risks directly link to the organisation's strategic objectives. The setting of the organisation's strategic objectives is the responsibility of Cabinet and forms part of the Council's Corporate Plan. Following the change in the Council's administration during May 2023, Cabinet will be reviewing the Council's strategic objectives. Once these are identified, an exercise will take place to identify the associated strategic risks. This process is expected to conclude by 31 st March 2024.	31 st March 2024	Cabinet, supported by the Council's Strategic Leadership Team.

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PRIORITY GRADINGS

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

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

3 ROUTINE Control issue on which action should be taken.

Progress against Annual Plan

System	Planned Quarter	Current Status	Comments
MTFS	1	Final	Final
Commercial Rents	2	Final	Final
Garage Rents	2	Final	Final
H&S	1	Fieldwork Completed	At Draft Stage
Risk Management Framework	2	Fieldwork Completed	At Draft Stage
Community Grants	2	Fieldwork Completed	At Draft Stage
Key Financial Controls	3	Fieldwork Completed	At Draft Stage
HRA H&S	1	Fieldwork ongoing	Scheduled completion beginning of Dec
Leisure Contract	3	Fieldwork ongoing	In Progress
Budgetary Control	3	Fieldwork ongoing	In Progress
Performance Management	3	Fieldwork ongoing	In Progress
Housing rents	3	Fieldwork ongoing	Opening meeting booked 15/11/2023
Climate Change	4	Fieldwork ongoing	In Progress
Overtime and Additional Allowances	2	To be commenced	Meeting requested
Waste Management	3	To be commenced	Under discussion

ADVISORY NOTE

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

Planning Enforcement	3	To be commenced	TBC
Ad hoc advice days	4	To be commenced	N/a
Housing Transformation Improvement Programme (HTIP)	4	To be commenced	TBC
Housing Allocations	4	To be commenced	TBC
Planned and Preventative Estate Maintenance	4	To be commenced	TBC

KEY:

To be commenced	Site work commenced	Draft report issued	Final report issued
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ADVISORY NOTE

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

Priority 1 and 2 Recommendations - Progress update (excludes recommendations from the reports presented at this AC).

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
<p>Review title: 22/23 202122 Place Strategy HGP JD</p>						
<p>The Hemel Place Board along with HGC Delivery Board, to devise a suite of metrics against key deliverables and to be reported periodically over the life of the project/ scheme.</p>	<p>2</p>	<p>Hemel Place and HGC will work with DBC Project Management Office to articulate the objectives and consider appropriate KPIs when in delivery mode and whether these should only be in policy development mode as well. For example KPIs are relevant to HGC capital spend for 2022/23. Hemel Place will move to delivery mode after April 2023 and it is suggested that relevant KPIs will be reported to SPEOSC going forward.</p>	<p>30/04/2023 Revised 31/12/2023</p>	<p>Programme Director, Hemel Garden Communities</p>	<p>02/11/2023 Hemel Place – Projects will be developed to implement and deliver the Hemel Place Strategy when finalised including the Hemel Hempstead Town Centre Vision. Appropriate KPIs and key deliverable will be developed as part of each project and will be agreed as part of the project governance through the Corporate Place Board and Hemel Place Board</p>	

ADVISORY NOTE

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

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
It be ensured that budgetary positions for "discreet projects" such as Hemel Place including key variances are presented on a periodic and proactive basis to Members for approval, and that this approval is documented accordingly.	2	<i>The financial forecast shows an over spend of £76k as opposed to £170k and is interdependent to the Place Communities Enterprise restructure and additional spend to deliver Hemel Place priorities.</i>	31/3/2023 Revised 31/12/2023	Hemel Place Strategy, Programme Manager	02/11/2023 Budgets will be set, approved and reported on as part of project development and governance reporting as described on 08/09/2023 "08/09/23 Financial reporting on Hemel Place Strategy as well as other such projects within the service area will be included in programme management reporting moving forward as appropriate as well as included in Scrutiny reporting on programme updates."	
The MoU be finalised and signed by all parties as a matter of urgency. The MoU should outline each partner's roles and responsibilities.	2	<i>The MOU is a partnership agreement, in which any partner can provide four weeks' notice to no longer be part of the partnership work. The findings articulate that a legal agreement has not been drawn up nor entered into. This is linked to the need for a sustainable financial future and is currently under discussion between partners. In the meantime, the Terms of Reference for the MOU are currently being concluded and the revised MOU will be circulated for signing.</i>	17/03/2023 Revised 31/10/2023	Programme Director, Hemel Garden Communities	02/11/2023 The MOU is under consideration by all partners involved in HGC.	

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Review title:

22/23 Housing Repairs & Maintenance

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
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ADVISORY NOTE

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

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
Risks related to repairs and maintenance be regularly captured and logged in order for risk to be appropriately monitored and mitigated.	2	The Council have a strategic risk around the 'the inability to deliver safe and good quality homes'. This is a high level risks designed to capture housing property related risk including that relating to repairs and maintenance. There are further operational risks which are featured on the department service plan	18/08/2023	Ian Kennedy (Interim Head of Asset Management), Steve Cooper (Repairs/key to key Team leader)	02/11/2023 A an operational risk register is being developed for review at the OPSL strategic core group meeting. This should be finalised by 30 November 2023.	
Review title: 21/22 Safeguarding and Prevention						
The Policy be reviewed and updated in line with the proposed changes and communicated to staff at the earliest opportunity.	2	Policy is in the process of being reviewed and updated following staff changes and changes to the designated safeguarding leads.	31/07/2022 Revised 31/12/2023	Sue Warren, Lead Officer, Safeguarding	01/11/2023 Changes have been made to the policy as per the recommendation. There is further work to be done on the policy to make it fit for purpose and fully reflective of current safeguarding best practice. The new Head of Safe Communities is working on a thorough review of the policy prior to taking the document through the Council's approval process.	
Review title: 20/21 GDPR/Information Governance						

ADVISORY NOTE

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

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
An exercise be undertaken to review e-records and ensure a log of any destruction is appropriately recorded.	2	An on-going objective is to review the Council's e-records across all services to ensure that departments are aware of system records retention and any residual records on network shares. This is part of the Information Security Team Leaders (ISTL) Objectives. This is a major item of work, so the timetable for implementation is adjusted to reflect this.	30/09/2021 Revised 31/12/2023	Information Security Team Leader	02/11/2023 Revised implementation date due to capacity within the service and other service priorities. Document retention polices are in place to support appropriate review and destruction of records as needed. Work on review of e-records per the recommendation are expected to conclude end of December 2023.	

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Review title:
22/23 Corporate Health and Safety

ADVISORY NOTE

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

Recommendation	Priority	Management Comments	Implementation Timetable	Responsible Officer	Action taken to date (and any extant risk exposure)	Risk Mitigated
Audits be undertaken in line with the approved plan of visits (see recommendation 8).	2	Audits were suspended as part of the Covid pandemic response. Now this has stepped back, a schedule of audits will be developed that fit in with the overall strategy and policy aims.	31/12/2022 Revised 31/03/2024	CHSR Team	02/11/2023 All services have now completed the self audit, and CHSR are in the process of analysing the results to inform audit plans going forward. The new H&S Risk Profile will also inform audit plans. The H&S Consultant is completing a full H&S Management across the Council and has started an audit of contractor management. An audit of Fleet management was also carried out in October. CHSR size has been reduced from 3 to 2 , which will impact on the number of audits that can be undertaken a year. The digital platform once in place and populated will also make it easier for the service to undertake audits, so the priority is to progress with implementation of the platform.	

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KEY:

Priority Gradings (1 & 2)

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.
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ADVISORY NOTE

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

Risk Mitigation

	CLEARED	Internal audit work confirms action taken addresses the risk exposure.		ON TARGET	Control issue on which action should be taken at the earliest opportunity.		EXPOSED	Target date not met & risk exposure still extant
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ADVISORY NOTE

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

Progress against All Recommendations issued in the Year to Date – As requested by AC (excludes MTFS as not on the portal at the time this was completed)

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Last Update	Latest Response
23/24 Garage Rents	Management to implement a “one best way” process which follows the provided process plan. This would allow a streamlined process and give consistency.	2	<p><i>During testing there were at least 2 cases where the repossession procedure had not been followed, following the audit, these accounts have been repossessed. The service have addressed the underlying staff training issues that gave rise to relevant procedures not being followed in full.</i></p> <p><i>Action: Lead Officer to continue to monitor accounts on Orchard, the CHCK action to be used.</i></p>	Rent Income Lead	30/11/2023		Outstanding	13/11/2023	
23/24 Garage Rents	Management to implement a system where garages that are in high levels of credit are systematically contacted to resolve the overpayments/balance.	3	<p>Following the audit, a report for credit balances was run and officers asked to make contact with NCTs in high credits to offer refunds. The largest credit balance has since been refunded back to the NCT. Manager has set up a credit report for garage accounts on Income Analytics (IA) and this will be monitored monthly with officers requested to make continue to make contact to encourage refunds. Action – Lead officer to add as regular discussion at supervision.</p>	Rent Income Lead	30/11/2023		Outstanding	13/11/2023	

ADVISORY NOTE

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

Job	Recommendation	Priority	Management Comments	Responsible Officer	Due Date	Revised Due Date	Status	Last Update	Latest Response
23/24 Commercial Rents	Formal invoicing timescales be worked to as closely as possible to help facilitate the timely receipt of rental income due to the Council.	3	This was very much an exception due to a delay in the time taken by the Legal Dept to issue documentation to the Customer Account Team who in turn were delayed due to staff absence (leave). As an action, Property Services & Customer Accounts will meet on quarterly basis to compare case completions to minimise risk of a re-occurrence.	Estates Valuation Manager & Finance Lead Officer.	31/10/2023		Implemented	25/08/2023	02/11/2023 Estates & Customer Services Teams have set up quarterly meetings to discuss completions so this action is completed. The first meeting of a repeat series of meetings is booked in for 24th October.

ADVISORY NOTE

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



Report for:	Audit Committee
Title of report:	Strategic Risk Register Q1 and Q2 2023-24
Date:	22 nd November 2023
Report on behalf of:	Councillor Ron Tindall, Leader of the Council and Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	
Appendices:	Appendix A- Strategic Risk Register Update Q1 2023-24 Appendix B- Strategic Risk Register Update Q2 2023-24 Appendix C- Risk scoring methodology
Background papers:	Audit Committee July 2023 Agenda item 5 Strategic Risk Register Update Q4 2022-23
Glossary of acronyms and any other abbreviations used in this report and appendices:	CEE- Climate and Ecological Emergency CLT- Corporate Leadership Team DLUHC- Department for Levelling Up, Housing and Communities. HRA – Housing Revenue Account. The Council’s Housing Landlord function. HTIP- Housing Transformation and Improvement Programme. A review of operational practices within the Housing service. SLT- Strategic Leadership Team. VCS- Voluntary and Community Sector. VFM- Value for Money.

Report Author / Responsible Officer

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Corporate Priorities	Ensuring efficient, effective and modern service delivery
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Wards affected	All
Purpose of the report:	1. To provide committee with an update against the risks identified in the Council's Strategic Risk Register as at Q1 and Q2 2023-24.
Recommendation to the decision maker:	1. To provide comments and feedback on the report for consideration by Cabinet when they review the Q1 and Q2 2023-24 update on the Strategic Risk Register.
Period for post policy/project review:	An update on the Council's Strategic Risk Register is provided to Audit Committee and Cabinet on a quarterly basis.

1 Background

Robust risk management supports the delivery of the Council's corporate plan objectives. The Council has a legal obligation to ensure that it has sound risk management arrangements in place.

A review of the significant strategic risks impacting the delivery of the Council's six key corporate plan priorities was undertaken during 2022-23. This review involved Members, the Strategic Leadership Team (SLT), and Corporate Leadership Team (CLT) and the Council's internal auditors. A revised set of strategic risks were produced as follows, to be reported on from quarter 4, 2022-23:

Risk	Risk Owner
Failure to ensure compliance with statutory and legislative requirements.	Chief Executive
Failure to work with Strategic Partners to deliver Corporate priorities	Chief Executive
The Council is subject to a successful cyber- attack and/ or data breach.	Strategic Director (People and Transformation)
We are unable to deliver effective services to residents due to an inability to retain and recruit sufficient competent and skilled resources.	Strategic Director (People and Transformation)
We do not plan in or deliver action early enough to ensure achievement of the CEE statement.	Strategic Director (People and Transformation)
Inability to manage and deliver safe and good quality affordable homes	Strategic Director (Housing and Property)
Weakening of the Council's Financial Resilience.	Strategic Director (Corporate and Commercial Services) / Chief Finance Officer
Failure to Deliver Place Shaping and Regeneration ambitions.	Strategic Director (Place)

Each risk is owned by a member of the Council's Strategic Leadership Team. Each quarter, they will provide an assessment of the current likelihood and impact/ consequence associated with each risk, together with narrative context. This is explained further below.

2 Strategic Risk Register Update Q1 2023-24

Appendix A provides a detailed update on the Council's strategic risks as at Q1 2023-24.

Between Q4 2022-23 and Q1 2023-24, there has been movement in the current risk score for the following strategic risk:

Failure to Deliver Place Shaping and Regeneration ambitions- the risk score at Q1 2023-24 has been reduced to 6 (previously score of 9 at Q4 2022-23). This reflects progress on mitigation activities against this risk.

Risk scores against all other strategic risk are unchanged from Q4 2022-23.

3 Strategic Risk Register Update Q2 2023-24

Appendix B provides a detailed update on the Council's strategic risks as at Q2 2023-24.

Between Q1 2023-24 and Q2 2023-24, there has been movement in the current risk score for the following strategic risk:

Delivery of safe and good quality homes- the risk score at Q2 has increased to 8 (previously a score of 4 at Q1 2023-24). The consequence score against this risk has increased from 2 to 4 between Q1 and Q2. This reflects the greater statutory/ regulatory and reputational risk in this area arising from the requirements of the Social Housing Regulations Act and Building Safety Act. Relevant mitigating actions previously identified in relation to this risk have been completed.

4 Risk scoring and current risk status

Appendix C provides an explanation of the scoring system used by the Council to provide a numerical assessment of the status of each strategic risk.

The Council uses a 4x4 risk scoring matrix. The likelihood that a risk will occur is scored from 1 to 4 (1 being very unlikely, 4 being almost certain). Likewise, the impact/ consequence of a risk is also scored from 1 to 4, (1 being low impact, 4 being significant impact). Both scores are then multiplied together to give an overall score.

For example: likelihood (4) x impact (4) gives an overall risk score of 16.

An overall risk score of 1 indicates low likelihood/ impact of a risk; a score of 16 indicates high likelihood/ impact of a risk.

The Council provides an assessment of three different types of risk score:

- 1) Inherent risk score. This is the risk score if no controls to manage the risk impact or likelihood were in place. It is expected that the inherent score would be relatively high for all strategic risks.
- 2) Target risk score or risk appetite score. This is the risk score that this organisation is prepared to accept, to be achieved by the controls that the Council puts in place to manage the impact and likelihood of each risk.
- 3) Current risk score. This is the risk score that gives an assessment of the current position.

5 Financial and value for money implications:

Proper risk management arrangements support delivery of value for money and helps secure the Council's financial resources.

6 Legal Implications

The Council is required by law to make proper risk management arrangements.

7 Risk implications:

Contained in the body of the report.

8 Equalities, Community Impact and Human Rights

None arising directly from the report.

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

None arising directly from the report.

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

None arising directly from the report.

11 Conclusion

This report provides an update on the Council's Strategic Register as at Q1 and Q2 2023-24.

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Risk Register Summary Table

Risk Name	Risk Owner	30 Jun 2023			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Compliance with statutory and legislative requirements.	Claire Hamilton	2	2	4.00	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 6. Overall inherent risk scoring 16. Target risk likelihood 1; Target risk consequence 2. Overall target risk scoring 2.</p> <p>Robust programme of internal and external audit assessment. Findings of these programmes supporting legal compliance on areas of Council activity. Review of Council statutory responsibilities underway which will link into future annual service planning process. Housing Transformation & Improvement Programme (HTIP) underway. Favourable outcomes achieved and improvement programme still progressing. Preparation for Regulator of Social Housing Standards requirements is underway. Monthly report on GF and HRA compliance presented to SLT. Monthly H&S Chief Executive briefing takes place. Formal Statutory Officer meeting takes place on a monthly basis. SLT meeting takes place monthly – attended by all Statutory Officers or their deputies. Chief Executive and senior officers attend briefings on statutory requirements and changes in legislation.</p>
Cyber attack/data breach	Aidan Wilkie	3	2	6.00	<p>Inherent likelihood score 4; inherent consequence/ impact score 4. Overall inherent risk score 16. Target likelihood score 2; target consequence/ impact score 2. Overall target risk score 4.</p> <p>The Council has implemented a number of measures to manage this risk including use of firewalls, security patching and staff training. Regular back- ups are undertaken. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.</p>

		30 Jun 2023			
Risk Name	Risk Owner	RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Delivery of safe and good quality homes	Darren Welsh	2	2	4.00	<p>The controls in place to mitigate and control the risk are:</p> <ul style="list-style-type: none"> • A new Housing Strategy is currently under development for 2024/9 which will steer our work in this area going forward • The Housing Revenue Account Business Plan is now refreshed annually as part of the Council's Medium Term Financial Plan • The Housing Transformation and Improvement Programme is underway developing a new operating model for the Housing Service • A programme of work has commenced to recommission our housing repairs and maintenance contracts • Compliance monitoring across Housing and Property Services is reported monthly to the Council's Strategic Leadership Team.
Failure to achieve the CEE statement	Aidan Wilkie	2	2	4.00	<p>Inherent risk likelihood 2; inherent risk consequence/ impact 2; Overall inherent risk score 4. Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4.</p> <p>The Climate and Ecological Emergency Strategy and action plan have been reviewed with the Portfolio Holder.</p>

Risk Name	Risk Owner	30 Jun 2023			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Financial Resilience.	Catherine SilvaDonayre	3	2	6.00	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 4. Overall inherent risk score is 16. Target risk likelihood 3; target risk consequence/ impact 3. Overall target risk score is 9.</p> <p>During the quarter 4 period of 2022/23 the financial outturn projections for the General Fund delivered a year end underspend and allowed for small additional reserve provisions. The 23/24 Qtr 1 financial performance report is reporting a projected year end underspend on the general fund of circa £750k.</p> <p>The General fund short term financial position looks strong given the increased performance of cash investments. In addition to this a lot of work has been undertaken during the first quarter in the development of the 2023 MTFS to be presented to cabinet in October, and the medium term financial sustainability appears strong at this point.</p> <p>The HRA financial outturn worsened in quarter 4 of 22/23 and the financial pressures within the service have maintained in the first quarter of 2023/24 with a current projected pressure of circa £400k in 23/24.</p> <p>The HRA is impacted significantly by inflationary cost pressures and demand relating to repairs and Maintenance. The HRA is being closely monitored and mitigation measures are being implemented and assessed as the impact of wider economic cost pressures has a greater impact on the housing service than the general fund.</p> <p>In terms of medium term sustainability the HRA 30 year business plan is currently being reviewed and refreshed and will be presented to members early in 2024, this process needs to ensure an affordable and sustainable medium term strategy is developed for the HRA.</p>
Place Shaping & Regeneration	James Doe	3	2	6.00	<ul style="list-style-type: none"> Inherent risk score is 3; inherent risk consequence/ impact score is 4. Overall inherent risk score is 12. Target risk score is 2; target risk consequence/ impact score is 2. Overall target risk score is 4 New Local Plan to underpin whole agenda, on track for consultatio Q3 23/24 following Borough elections May 23 UKSPF Investment Plan approved by DLUHC and 3 year award of £1.763m confirmed and Cabinet decision made on allocation June 23. ODRS has confirmed initial projects including just under £0.5m for activating footfall in Hemel Town Centre

				3	
		RM01 Risk Consequence	RM02 Risk Likelihood		
		Actual	Actual	Actual	
					<ul style="list-style-type: none"> • Draft Hemel Place Strategy scheduled for Q3 23/24 • Hemel Town Centre Vision prepared and due to be considered by Cabinet 18 July 23 • Hemel Place Board continues to meet; move to action planning stage by Q4 23/24 once Hemel Place Strategy agreed and approved • Corporate Place Board met on 5 July 23, first major project established on implementing the Chiltern Beechwoods Mitigation Strategy as a means to unlock stalled and future housing developments • Berkhamsted and Tring Town Councils taking the lead on respective place strategies with support from DBC. • Review of town centre assets underway through Strategic Asset Review to determine effective deployment of DBC land and property to deliver and catalyse place shaping, and to realise capital funds to support delivery • New Dacorum Investment Framework to facilitate inward investment – likely to progress Q4 and into 24/25 once new place team in place through PCE restructure which is at formal consultation as of 17 July 23 • Infrastructure Delivery Plan being kept up to date to support Local Plan – work ongoing • Policy on deployment of Community Infrastructure Levy Funds underway; Cabinet agreed to release of up to 20% of core funds (c£3m) at meeting on 14 Feb 23; funding bids under consideration which are now being revisited in Q2 • Economic Recovery Board formed and Plan being actively managed with partners; Board well established and reporting on 6 separate workstreams • New Maylands Masterplan will progress in Q3 23/24 with appointment of consultants (now selected following procurement) to be confirmed July 23 • Engagement of VCS to support place making • Hemel Garden Communities placemaking event with Members taking place on 17 July 23 • VCS conference held June 23 • VCS recommissioning proposals set out • Hemel Old Town project progressing, community event held 29 June 23 • Hemel Hempstead showcased by senior Officer team at UKREiF 16-18 May 23 • Regeneration proposals to follow Strategic Asset Review, currently being procured, to involve General Fund and HRA

		RM01 Risk Consequence	RM02 Risk Likelihood	3	
		Actual	Actual	Actual	
					assets with view to place making. Implementation of outcomes likely to be progressed from Q1 24/25 <ul style="list-style-type: none"> Long lease at Riverside shopping centre has been reassigned; redevelopment proposals expected from Q3 onwards
Recruitment and retention of staff	Aidan Wilkie	2	2	4.00	Inherent risk likelihood 4; inherent risk consequence/ impact 4; overall inherent risk score 16 Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4 A revised market forces approach has been implemented. Agency framework in place.
Working with Strategic Partners	Claire Hamilton	2	2	4.00	Inherent risk likelihood 4; inherent risk consequence/impact 3. Overall inherent risk score 12. Target risk likelihood 2; target risk consequence/ impact 2. Overall target risk score 4. Key joint working groups established and operating (e.g. Hemel Place Board, SW Herts Joint Strategic Partnership, Hemel Garden Communities Board). Key Delivery Partnerships have the correct strategic and operational governance boards in place to monitor delivery. Hertfordshire wide delivery groups supported and monitored. Strategic partners are assigned lead officers for relationship management and communications. Senior officers liaise with Government departments and agencies in relation to the Council's strategic plans and activity. Strategic Partners are engaged in the production of new strategies and plans for Dacorum.

Risk Register Details Table

Risk Name	Detail	30 Jun 2023
		Status
Compliance with statutory and legislative requirements.	Risk Owner	Claire Hamilton
	Portfolio	Leader of the Council
	Risk Description	Failure to ensure compliance with statutory and legislative requirements.
	Inherent Score	16 ▲
	Mitigated Score	4.00 ★
	Target	2.00
	Comments	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 6. Overall inherent risk scoring 16. Target risk likelihood 1; Target risk consequence 2. Overall target risk scoring 2.</p> <p>Robust programme of internal and external audit assessment. Findings of these programmes supporting legal compliance on areas of Council activity. Review of Council statutory responsibilities underway which will link into future annual service planning process. Housing Transformation & Improvement Programme (HTIP) underway. Favourable outcomes achieved and improvement programme still progressing. Preparation for Regulator of Social Housing Standards requirements is underway. Monthly report on GF and HRA compliance presented to SLT. Monthly H&S Chief Executive briefing takes place. Formal Statutory Officer meeting takes place on a monthly basis. SLT meeting takes place monthly – attended by all Statutory Officers or their deputies. Chief Executive and senior officers attend briefings on statutory requirements and changes in legislation.</p>
	Controls & Assurances	<ul style="list-style-type: none"> - Legal, regulatory and financial frameworks regularly reviewed and considerations imbedded in key policies, processes and decision-making process. - Rigorous framework of Health and Safety monitoring, reporting and escalation. - Developed 3 year rolling Internal Audit programme that challenges statutory and legislative requirements. - External audit reporting annually. - Ombudsman annual assessment and reporting.

Detail

Status

Evidence Risk is being managed

Statutory deadlines met on key deliverables (including and not limited to Council Tax setting, delivery of a balanced budget, publication of final accounts).

Robust programme of internal and external audit assessment. Findings of these programmes supporting legal compliance on areas of Council activity.

Housing Transformation & Improvement Programme (HTIP) instigated and progressed during 2022-23. Favourable outcomes achieved and improvement programme still progressing.

Monthly compliance report on General Fund and Housing Revenue Account assets presented to the Council's Strategic Leadership Team (SLT).

Consequences / Impacts

Intervention by sector regulators, including but not limited to HM Treasury, Regulator of Social Housing, and Planning Inspectorate.

Intervention by central government including the Office for Local Government.

Increase in complaint and escalation to Local Government Ombudsman.

Increase in litigation against the Council.

Imposition of fines and penalties against the Council.

Reputational damage.

Cyber
attack/data
breach

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Risk Owner

Aidan Wilkie

Portfolio

People and Transformation

Risk Description

The Council is subject to a successful cyber attack and/ or data breach.

Inherent Score

16 ▲

Mitigated Score

6.00 ●

Target

4.00

Comments

Inherent likelihood score 4; inherent consequence/ impact score 4. Overall inherent risk score 16.

Target likelihood score 2; target consequence/ impact score 2. Overall target risk score 4.

The Council has implemented a number of measures to manage this risk including use of firewalls, security patching and staff training. Regular back- ups are undertaken. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.

Controls & Assurances

The Council has implemented a number of measures to manage this risk including use of firewalls, security patching and staff training. Regular back- ups are undertaken. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.

Evidence Risk is being managed

The Council has implemented a number of measures to manage this risk. Due to evidence that those looking to carry out cyber-attacks specifically look for public facing documents outlining control measures in place, these measures are not provided in detail here and are available to Members on request. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.

	Consequences / Impacts	Financial loss through inability to deliver business as usual activity. Financial and human resource cost of recovering from the event. Data breach resulting in fines/ penalties. Reputational damage and loss of trust in the Council. Regulator/ government intervention. Inability to deliver frontline services and associated impact on residents.
Delivery of safe and good quality homes	Risk Owner	Darren Welsh
	Portfolio	Housing and Property Services
	Risk Description	Inability to manage and deliver safe and good quality affordable homes
	Inherent Score	16 ▲
	Mitigated Score	4.00 ★
	Target	4.00
	Comments	The controls in place to mitigate and control the risk are: <ul style="list-style-type: none"> • A new Housing Strategy is currently under development for 2024/9 which will steer our work in this area going forward • The Housing Revenue Account Business Plan is now refreshed annually as part of the Council's Medium Term Financial Plan • The Housing Transformation and Improvement Programme is underway developing a new operating model for the Housing Service • A programme of work has commenced to recommission our housing repairs and maintenance contracts • Compliance monitoring across Housing and Property Services is reported monthly to the Council's Strategic Leadership Team.
	Controls & Assurances	Housing Transformation and Improvement Programme in place to transform the housing service. Strong focus on compliance activity and regular reporting to SLT, Scrutiny and Cabinet. New management structure developed and in place for Housing Services to create capacity and deliver strong leadership. Strategic housing function created to drive affordable housing supply and enable, monitor and report on housing needs and delivery. A programme of grant support is in place to Registered Providers to support affordable housing delivery. Housing Revenue Account Business Plan refreshed to reflect all housing priorities. Housing delivery is a key part of the developing 2023 Local Plan.
	Evidence Risk is being managed	Housing Transformation and Improvement Programme (HTIP) - baseline report for HTIP. HTIP is a review of current operating practices within the Housing services, the purpose of which is to identify areas and actions for improvement and change. Safeguarding improvement plan identifies where more effective controls could be applied. New service structure to support service objectives. Monitoring and management of compliance in place. HRA Business Plan annually refreshed. Improved governance across Housing and also corporately. Preparatory work on new regulatory requirements to be reported to Overview and Scrutiny Committee.

Detail

Status

Consequences / Impacts

Regulatory intervention.
Funding withdrawal.
Loss of life/ injury to tenants/ leasehold occupant.
Reputational damage.
Increased homelessness.
Failure to appropriately safeguard households.
Failure to maintain assets.

Failure to achieve the CEE statement

Risk Owner

Aidan Wilkie

Portfolio

Climate Change

Risk Description

We do not plan in or deliver action early enough to ensure achievement of the CEE statement.

Inherent Score

16 ▲

Mitigated Score

4.00 ★

Target

3.00

Comments

Inherent risk likelihood 2; inherent risk consequence/ impact 2; Overall inherent risk score 4.
Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4.

The Climate and Ecological Emergency Strategy and action plan have been reviewed with the Portfolio Holder.

Controls & Assurances

- Climate and Ecological Strategy and action plan created and implemented.
- A renewed programmatic approach including analysis of potential and impact of individual and collective intervention. This includes ownership of delivery spread throughout the Council and renewed governance.
- All key strategic decision making includes an assessment of the impact on carbon footprint.

Evidence Risk is being managed

Climate and Ecological Strategy and action plan created and implemented.
A renewed programmatic approach including analysis of potential and impact of individual and collective intervention. This includes ownership of delivery spread throughout the Council and renewed governance.
All key strategic decision making includes an assessment of the impact on carbon footprint.

Consequences / Impacts

Adverse impact on local biodiversity.
Adverse impact on health and wellbeing of the population of the borough.
Reputational damage.

Financial Resilience.

Risk Owner

Catherine SilvaDonayre

Portfolio

Corporate and Commercial Services

Risk Description

Weakening of the Council's Financial Resilience.

Inherent Score

16 ▲

Detail

Status

Mitigated Score	6.00 ●
Target	9.00
Comments	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 4. Overall inherent risk score is 16. Target risk likelihood 3; target risk consequence/ impact 3. Overall target risk score is 9. During the quarter 4 period of 2022/23 the financial outturn projections for the General Fund delivered a year end underspend and allowed for small additional reserve provisions. The 23/24 Qtr 1 financial performance report is reporting a projected year end underspend on the general fund of circa £750k. The General fund short term financial position looks strong given the increased performance of cash investments. In addition to this a lot of work has been undertaken during the first quarter in the development of the 2023 MTFS to be presented to cabinet in October, and the medium term financial sustainability appears strong at this point. The HRA financial outturn worsened in quarter 4 of 22/23 and the financial pressures within the service have maintained in the first quarter of 2023/24 with a current projected pressure of circa £400k in 23/24. The HRA is impacted significantly by inflationary cost pressures and demand relating to repairs and Maintenance. The HRA is being closely monitored and mitigation measures are being implemented and assessed as the impact of wider economic cost pressures has a greater impact on the housing service than the general fund. In terms of medium term sustainability the HRA 30 year business plan is currently being reviewed and refreshed and will be presented to members early in 2024, this process needs to ensure an affordable and sustainable medium term strategy is developed for the HRA.</p>
Controls & Assurances	<ul style="list-style-type: none"> - Clear financial governance processes in place and adhered to. - Annual independent assessment of VFM and sustainability. - Strategic decision making assesses the financial sustainability of strategies. - Medium term financial sustainability assessed as part of the council approved MTFS and annual budget. <p>Delivery of a robust annual Internal Audit programme and annual approval by IA of risks and controls processes.</p> <p>Development and implementation of Transformation and Commercial programmes to support financial resilience.</p>

		30 Jun 2023
Detail		Status
Evidence Risk is being managed	<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.</p> <p>Sound financial planning maximizes the opportunity for the Council to identify funding risks in advance, and therefore grants more time for it to plan to provide its services differently in order to continue delivering its corporate priorities.</p> <p>The Council's sound financial planning processes, have resulted in a residual likelihood score is 3, It is likely that the Council's financial resilience will weaken from a position of strength; given current macroeconomic factors that contribute to financial pressures, despite the sound financial control framework in place.</p> <p>The residual impact score is 2, given the financial planning and reserves policy in place to reduce/finance the impact of any financial downturn. If the economic outlook was to be ongoing for significant period of time the impact score would increase as resources are diminished.</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 annually and is approved by Full Council, thereby providing the opportunity for Members to make informed amendments to the Corporate Plan on the basis of likely funding constraints.</p> <p>The 2022 MTFS outlines the continuation of the ongoing two-pronged approach to combine the Council's need to;</p> <ol style="list-style-type: none"> 1 Continue driving the efficiencies required to ensure underlying sustainability; and, 2 To protect frontline service provision. <p>The updated 2022 MTFS can be viewed on the October 2022 Cabinet Agenda, at www.dacorum.gov.uk.</p> <p>Internal Audit In recent years, the Council has received independent, third-party audit reviews of the financial processes that contribute to the management of this risk: The 'Budgetary Control' process is audited by the Council's Internal Auditors annually and in 2022, and 2023 has received the substantial assurance.</p> <p>The 'Core Financial Systems and Budgetary Control' which have in recent years also achieved substantial assurance with limited recommendations for improvement.</p> <p>External Audit The 2022 "Annual Auditors Report and 'Value for Money' opinion issued by Grant Thornton in June 2023 outlined no risks of significant weakness identified in relation to Financial Sustainability, Governance and Improving economy, efficiency and effectiveness. This report was based on evaluation of the MTFS; the budget setting process; the reserves policy and use; and, the Council's financial performance reporting</p> <p>The Council has a sustainable 2022 MTFS and a balanced budget set for 2023/24 following a financial performance in 2022/23 that followed expectations, and included a significant net contribution to reserves, and hence, it has meant that the Council is able to protect the delivery of its frontline services into the medium-term.</p>	

		30 Jun 2023
Detail		Status
Consequences / Impacts	<p>The Council is currently facing two fronts of significant financial uncertainty that both hamper planning and risk deliverability of the objectives within the Corporate Plan into the medium-term:</p> <ol style="list-style-type: none"> 1. The ongoing uncertainty around future Government funding of local authorities. 2. The financial implications of the wider economic downturn and uncertainty. <p>Government Funding The Council is currently operating on a one-year Finance Settlement from Government, the fourth in succession, following the conclusion of the 4- year settlement ending in April 2019. One-year settlements, and the planning challenges that accompany them, are expected to continue until after the next general election, expected in October 2024. At this point it is expected that a new Local Government funding allocation model will be implemented following historical work Funding Review work undertaken.</p> <p>As yet there is no certainty over the level of funding that Dacorum or any other authority can expect in the future.</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 Public Health, Social Care and Education. 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>Economic Downturn and Inflationary Pressures. The Council faces significant expenditure pressures as a result of unusually high inflation impacting on contract values, pay awards and utilities.</p> <p>The current cost of living crisis created by record inflation levels is putting an additional strain on household incomes, this is likely to impact on council income generation.</p> <p>Income pressures could be brought about by a significant long-term recessionary impact on the Council's primary income generating services, e.g. commercial property, parking and garages.</p> <p>The magnitude of the potential ongoing economic uncertainty and severity of the economic recovery period creates a significant financial threat to the Council's in-year and medium term budget.</p>	
Place Shaping & Regeneration	Risk Owner	James Doe
	Portfolio	Place
	Risk Description	Failure to Deliver Place Shaping and Regeneration ambitions
	Inherent Score	12 ▲
	Mitigated Score	6.00 ●
	Target	4.00

Comments

- Inherent risk score is 3; inherent risk consequence/ impact score is 4. Overall inherent risk score is 12. Target risk score is 2; target risk consequence/ impact score is 2. Overall target risk score is 4
- New Local Plan to underpin whole agenda, on track for consultation Q3 23/24 following Borough elections May 23
- UKSPF Investment Plan approved by DLUHC and 3 year award of £1.763m confirmed and Cabinet decision made on allocation June 23. ODRS has confirmed initial projects including just under £0.5m for activating footfall in Hemel Town Centre
- Draft Hemel Place Strategy scheduled for Q3 23/24
- Hemel Town Centre Vision prepared and due to be considered by Cabinet 18 July 23
- Hemel Place Board continues to meet; move to action planning stage by Q4 23/24 once Hemel Place Strategy agreed and approved
- Corporate Place Board met on 5 July 23, first major project established on implementing the Chiltern Beechwoods Mitigation Strategy as a means to unlock stalled and future housing developments
- Berkhamsted and Tring Town Councils taking the lead on respective place strategies with support from DBC.
- Review of town centre assets underway through Strategic Asset Review to determine effective deployment of DBC land and property to deliver and catalyse place shaping, and to realise capital funds to support delivery
- New Dacorum Investment Framework to facilitate inward investment – likely to progress Q4 and into 24/25 once new place team in place through PCE restructure which is at formal consultation as of 17 July 23
- Infrastructure Delivery Plan being kept up to date to support Local Plan – work ongoing
- Policy on deployment of Community Infrastructure Levy Funds underway; Cabinet agreed to release of up to 20% of core funds (c£3m) at meeting on 14 Feb 23; funding bids under consideration which are now being revisited in Q2
- Economic Recovery Board formed and Plan being actively managed with partners; Board well established and reporting on 6 separate workstreams
- New Maylands Masterplan will progress in Q3 23/24 with appointment of consultants (now selected following procurement) to be confirmed July 23
- Engagement of VCS to support place making
- Hemel Garden Communities placemaking event with Members taking place on 17 July 23
- VCS conference held June 23
- VCS recommissioning proposals set out
- Hemel Old Town project progressing, community event held 29 June 23
- Hemel Hempstead showcased by senior Officer team at UKREiiF 16-18 May 23
- Regeneration proposals to follow Strategic Asset Review, currently being procured, to involve General Fund and HRA assets with view to place making. Implementation of outcomes likely to be progressed from Q1 24/25
- Long lease at Riverside shopping centre has been reassigned; redevelopment proposals expected from Q3 onwards

Controls & Assurances

- Hemel Place Strategy in progress to set objectives of agenda
- Hemel Place Strategy to co-ordinate key areas of development and change including Hemel Garden Communities, Hemel Town Centre, Maylands Business Park and Two Waters/Apsley
- Place Implementation Plan to be worked up to govern priorities and delivery
- Governance through partnership Hemel Place Board and internal management and delivery through new Corporate Place Board
- Local communities engaged on new place strategies for Berkhamsted and Tring
- All projects to follow Corporate Project Management governance
- New Town Centre Strategy in progress to steer priorities
- Review of town centre assets underway to determine effective deployment of DBC land and property to deliver and catalyse place shaping, and to realise capital funds to support delivery
- New Local Plan to underpin whole agenda
- New Dacorum Investment Framework to facilitate inward investment
- Engagement in key Government Funding Streams eg Levelling Up Fund, UK Share Prosperity Fund, Investment Zones, Route Improvement Strategy
- Infrastructure Delivery Plan being kept up to date
- Policy on deployment of Community Infrastructure Levy Funds underway
- Cross-service work on HRA and General Fund assets to identify regeneration, place shaping and environmental improvement opportunities
- Economic Recovery Board formed and Plan being actively managed with partners
- Engagement of VCS to support place making
- Internal place project teams to support focused delivery and improvement, with Old Town team already formed and delivering

Evidence Risk is being managed

- Hemel Place Strategy in progress to set objectives of agenda
- Hemel Place Strategy co-ordinating key areas of development and change including Hemel Garden Communities, Hemel Town Centre, Maylands Business Park and Two Waters/Apsley
- Governance through partnership Hemel Place Board and internal management and delivery through new Corporate Place Board
- Local communities engaged on new place strategies for Berkhamsted and Tring.
- New Town Centre Strategy in progress to steer priorities
- Review of town centre assets underway to determine effective deployment of DBC land and property to deliver and catalyse place shaping, and to realise capital funds to support delivery
- New Local Plan to underpin whole agenda
- New Dacorum Investment Framework to facilitate inward investment
- Engagement in key Government Funding Streams e.g. Levelling Up Fund, UK Share Prosperity Fund, Investment Zones, Route Improvement Strategy
- Infrastructure Delivery Plan being kept up to date
- Policy on deployment of Community Infrastructure Levy Funds underway
- Cross-service work on HRA and General Fund assets to identify regeneration, place shaping and environmental improvement opportunities
- Economic Recovery Board formed and Plan being actively managed with partners
- Engagement of VCS to support place making
- Internal place project teams to support focused delivery and improvement, with Old Town team already formed and delivering

Consequences / Impacts

The borough does not reach its full economic potential.
Town centres fail to thrive, risking higher incidence of crime and anti-social behaviour
Local resident and business dissatisfaction increases, giving rise to higher volumes of complaints.

Recruitment and retention of staff

Risk Owner

Aidan Wilkie

Portfolio

People and Transformation

Risk Description	We are unable to deliver effective services to residents due to an inability to retain and recruit sufficient competent and skilled resources .
Inherent Score	16 ▲
Mitigated Score	4.00 ★
Target	4.00
Comments	Inherent risk likelihood 4; inherent risk consequence/ impact 4; overall inherent risk score 16 Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4 A revised market forces approach has been implemented. Agency framework in place.
Controls & Assurances	Ongoing Recruitment and Retention monitoring and reporting. A revised People Strategy developed with a focus on recruitment and retention. Delivery of a customer strategy which will create efficiencies (with the possibility of reinvestment) and a reduced reliance on human intervention. A revised market forces approach being implemented. Development of regional partnerships to review, and report on sector wide approach.
Evidence Risk is being managed	Ongoing Recruitment and Retention monitoring and reporting. A revised People Strategy developed with a focus on recruitment and retention. A revised market forces approach being implemented. Development of regional partnerships to review, and report on sector wide approach.
Consequences / Impacts	Increased levels of dissatisfaction from residents and businesses leading to higher volumes of complaints. Increase in financial cost through increased use of agency staff. Reputational damage. Intervention from central government/ regulatory bodies. Poor levels of service delivery.

Working with Strategic Partners

Risk Owner	Claire Hamilton
Portfolio	Leader of the Council
Risk Description	Failure to work with Strategic Partners to deliver Corporate priorities
Inherent Score	12 ▲
Mitigated Score	4.00 ★
Target	4.00

Comments

Inherent risk likelihood 4; inherent risk consequence/impact 3. Overall inherent risk score 12.
Target risk likelihood 2; target risk consequence/ impact 2. Overall target risk score 4.

Key joint working groups established and operating (e.g. Hemel Place Board, SW Herts Joint Strategic Partnership, Hemel Garden Communities Board).

Key Delivery Partnerships have the correct strategic and operational governance boards in place to monitor delivery.

Hertfordshire wide delivery groups supported and monitored.

Strategic partners are assigned lead officers for relationship management and communications.

Senior officers liaise with Government departments and agencies in relation to the Council's strategic plans and activity.

Strategic Partners are engaged in the production of new strategies and plans for Dacorum.

Controls & Assurances

- Effective Strategic Partnership Boards set up to develop proposals and monitor delivery and outcomes. E.g. HGC, Hemel Place board, Economic Recovery Board.

- Key Delivery Partnerships have the correct strategic and operational governance Boards in place to monitor delivery eg. SLM & Osbornes

- Herts wide delivery groups supported and monitored.

- Strategic partners assigned lead officers for relationship management and communications

Evidence Risk is being managed

Failure to work with Strategic Partners to deliver Corporate priorities Key joint working groups established and operating (e.g. Hemel Place Board, SW Herts Joint Strategic Partnership).

Key Delivery Partnerships have the correct strategic and operational governance boards in place to monitor delivery.

Hertfordshire wide delivery groups supported and monitored.

Strategic partners assigned lead officers for relationship management and communications.

Consequences / Impacts

Deterioration in service delivery to residents and businesses.

Failure to deliver value for money and making best use of public funds.

Failure to meet the needs of customers via joined- up working.

Failure to deliver key strategic projects, including and not limited to Hemel Garden Communities and the SW Herts Joint Strategic Plan

Reputational damage.

Risk Register Summary Table

Risk Name	Risk Owner	30 Sep 2023			
		RM01 Risk Consequence	RM02 Risk Likelihood	Status	
		Actual	Actual	Actual	Update
Compliance with statutory and legislative requirements.	Claire Hamilton	2	2	4.00	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 6. Overall inherent risk scoring 16. Target risk likelihood 1; Target risk consequence 2. Overall target risk scoring 2.</p> <p>Robust programme of internal and external audit assessment. Findings of these programmes supporting legal compliance on areas of Council activity. Review of Council statutory responsibilities underway which will link into future annual service planning process. Housing Transformation & Improvement Programme (HTIP) underway. Favourable outcomes achieved and improvement programme still progressing. Preparation for Regulator of Social Housing Standards requirements is underway. Monthly report on GF and HRA compliance presented to SLT. Monthly H&S Chief Executive briefing takes place. Formal Statutory Officer meeting takes place on a monthly basis. Dacorum Assurance Framework is being developed. SLT meeting takes place monthly – attended by all Statutory Officers or their deputies. Local Plan approved at Full Council for Reg 18 consultation. Chief Executive and senior officers attend briefings on statutory requirements and changes in legislation.</p>
Cyber attack/data breach	Aidan Wilkie	3	2	6.00	<p>Inherent likelihood score 4; inherent consequence/ impact score 4. Overall inherent risk score 16. Target likelihood score 2; target consequence/ impact score 2. Overall target risk score 4.</p> <p>The Council has implemented a number of measures to manage this risk including use of firewalls, security patching and staff training. Regular back- ups are undertaken. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.</p>

		30 Sep 2023				
Risk Name	Risk Owner	RM01 Risk Consequence	RM02 Risk Likelihood	Status		
		Actual	Actual	Actual	Update	
Page 63	Delivery of safe and good quality homes	Darren Welsh	4	2	8.00	Update on risk actions and controls at Q2: <ul style="list-style-type: none"> An interim contract strategy has been developed, pending the wider recommissioning of housing and property contracts - This is going to Cabinet in October for approval. A member task and finish working party is being set up via the Housing and Communities Overview and Scrutiny Committee to oversee the repairs and maintenance recommissioning work. The Housing Transformation and Improvement Programme is moving into the detailed design stage and will regularly report in to the Housing and Communities Overview and Scrutiny Committee, with the first report going to the Committee in October. The Council is waiting for the publication of the government's announcement on Councils rents to inform the Housing Revenue Account Business Plan refresh for 2024 onwards. A new Forum has been set up with registered providers to develop joint working and this forum will meet in November. All Council high rise blocks have been registered with the Building Safety Regulator and the data collection for the new government statutory tenant satisfaction measures has commenced.
	Failure to achieve the CEE statement	Aidan Wilkie	2	2	4.00	Inherent risk likelihood 2; inherent risk consequence/ impact 2; Overall inherent risk score 4. Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4. The Climate and Ecological Emergency Strategy and action plan have been reviewed with the Portfolio Holder.
	Financial Resilience.	Catherine SilvaDonayre	3	2	6.00	

		RM01 Risk Consequence	RM02 Risk Likelihood	3	
		Actual	Actual	Actual	
					<p>Inherent risk likelihood 4; inherent risk consequence/ impact 4. Overall inherent risk score is 16. Target risk likelihood 3; target risk consequence/ impact 3. Overall target risk score is 9. During the first 2 quarters of 2023/24 the financial outturn projections for the general fund are projecting an overall surplus in comparison to approved budgets. The General fund short term financial position looks strong given the increased performance of cash investments. This has come about due to slippage in the capital spend programme increasing cash balances, and higher and more sustained levels of interest rates than previously forecasted. In addition to this the 2023 Medium Term financial Strategy (MTFS) has been approved by cabinet and is projecting a balanced budget position for 24/25, with an unidentified savings requirement of £2.7m to achieve over the MTFS. The level of reserves at the end of 23/24 are expected to exceed reserve levels achieved in recent years and feel appropriate to support any short and medium term difficulties that could arise. The HRA financial projections worsened in quarter 4 of 22/23 and the financial pressures within the service have maintained in the first two quarters of 2023/24 with a current projected pressure of circa £400k in 23/24. The HRA is impacted significantly by inflationary cost pressures and demand relating to repairs and maintenance. The HRA is being closely monitored and mitigation measures are being implemented and assessed as the impact of wider inflationary cost pressures has a greater impact on the housing service than the general fund. In terms of medium term financial sustainability the HRA 30 year business plan is currently being reviewed and refreshed and will be presented to members early in 2024, this process needs to ensure an affordable and sustainable medium term strategy is developed for the HRA.</p>
Place Shaping & Regeneration	James Doe	3	2	6.00	<p>Inherent risk score is 3; inherent risk consequence/ impact score is 4. Overall inherent risk score is 12. Target risk score is 2; target risk consequence/ impact score is 2. Overall target risk score is 4.</p> <ul style="list-style-type: none"> ◦ ◦ New Local Plan progressing well with leading Members briefed: on course for Council approval and consultation in Q3 23/24

				3	
		RM01 Risk Consequence	RM02 Risk Likelihood		
		Actual	Actual	Actual	
					<ul style="list-style-type: none"> ◦ UKSPF Investment Plan of £1.763m progressing ◦ Draft Hemel Place Strategy now likely to come in Q4 23/24 given recruitment underway in Place Communities and Enterprise ◦ Hemel Town Centre Vision approved by Cabinet 18 July 23 ◦ Hemel Place Board continues to meet; move to action planning stage by Q4 23/24 once Hemel Place Strategy agreed and approved ◦ Corporate Place Board continuing to progress the Chiltern Beechwoods Mitigation Strategy and roll-out of e-bikes for Hemel Hempstead ◦ Dacorum Local Cycling and Walking Infrastructure Plan being developed with Herts CC with consultation due in Q4 23/24 ◦ Berkhamsted and Tring Town Councils taking the lead on respective place strategies with support from DBC. ◦ Review of town centre assets underway through Strategic Asset Review ◦ New Dacorum Investment Framework to facilitate inward investment – likely to progress Q4 and into 24/25 once new place team in place through PCE restructure which is at formal consultation as of 17 July 23 ◦ Infrastructure Delivery Plan being kept up to date to support Local Plan – work ongoing ◦ CIL Infrastructure Advisory Group met to review outstanding bids ◦ Work commenced to revise CIL spend and governance ◦ Economic Recovery Board progressing with reporting on 6 separate workstreams ◦ New Maylands Masterplan consultants appointed and work commences in earnest in Q3 23/24 ◦ Hemel Garden Communities placemaking event with Members took place on 17 July 23 ◦ VCS recommissioning proposals set out and will be presented to Cabinet in Q3 23/24 ◦ Hemel Old Town project progressing, next community event to be held before Christmas 2023 ◦ Regeneration proposals to follow Strategic Asset Review, currently being procured, to involve General Fund and HRA assets with view to place making. Implementation of outcomes likely to be progressed from Q1 24/25

		RM01 Risk Consequence	RM02 Risk Likelihood	3	
		Actual	Actual	Actual	
					<ul style="list-style-type: none"> Long lease at Riverside shopping centre has been reassigned; planning discussions and pre-application arrangements under discussion and to be progressed in Q3 23/24 Place Communities and Enterprise Heads of Service Posts advertised and selection taking place in Oct/Nov 23 National economy showing only very modest growth which may be a risk to investment proposals over the coming 12 months
Recruitment and retention of staff	Aidan Wilkie	2	2	4.00	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 4; overall inherent risk score 16 Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4</p> <p>A revised market forces approach has been implemented. Agency framework in place.</p>
Working with Strategic Partners	Claire Hamilton	2	2	4.00	<p>Inherent risk likelihood 4; inherent risk consequence/impact 3. Overall inherent risk score 12. Target risk likelihood 2; target risk consequence/ impact 2. Overall target risk score 4.</p> <p>Key joint working groups established and operating (e.g. Hemel Place Board, SW Herts Joint Strategic Partnership, Hemel Garden Communities Board). Key Delivery Partnerships have the correct strategic and operational governance boards in place to monitor delivery. Hertfordshire wide delivery groups supported and monitored. Strategic partners are assigned lead officers for relationship management and communications. Senior officers liaise with Government departments and agencies in relation to the Council's strategic plans and activity. Strategic Partners are engaged in the production of new strategies and plans for Dacorum.</p>

Risk Register Details Table

Risk Name	Detail	30 Sep 2023
		Status
Compliance with statutory and legislative requirements.	Risk Owner	Claire Hamilton
	Portfolio	Leader of the Council
	Risk Description	Failure to ensure compliance with statutory and legislative requirements.
	Inherent Score	16 ▲
	Mitigated Score	4.00 ★
	Target	4.00
	Comments	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 6. Overall inherent risk scoring 16. Target risk likelihood 1; Target risk consequence 2. Overall target risk scoring 2.</p> <p>Robust programme of internal and external audit assessment. Findings of these programmes supporting legal compliance on areas of Council activity. Review of Council statutory responsibilities underway which will link into future annual service planning process. Housing Transformation & Improvement Programme (HTIP) underway. Favourable outcomes achieved and improvement programme still progressing. Preparation for Regulator of Social Housing Standards requirements is underway. Monthly report on GF and HRA compliance presented to SLT. Monthly H&S Chief Executive briefing takes place. Formal Statutory Officer meeting takes place on a monthly basis. Dacorum Assurance Framework is being developed. SLT meeting takes place monthly – attended by all Statutory Officers or their deputies. Local Plan approved at Full Council for Reg 18 consultation. Chief Executive and senior officers attend briefings on statutory requirements and changes in legislation.</p>
	Controls & Assurances	<ul style="list-style-type: none"> - Legal, regulatory and financial frameworks regularly reviewed and considerations imbedded in key policies, processes and decision-making process. - Rigorous framework of Health and Safety monitoring, reporting and escalation. - Developed 3 year rolling Internal Audit programme that challenges statutory and legislative requirements. - External audit reporting annually. - Ombudsman annual assessment and reporting.

Detail

Status

Evidence Risk is being managed

Statutory deadlines met on key deliverables (including and not limited to Council Tax setting, delivery of a balanced budget, publication of final accounts).

Robust programme of internal and external audit assessment. Findings of these programmes supporting legal compliance on areas of Council activity.

Housing Transformation & Improvement Programme (HTIP) instigated and progressed during 2022-23. Favourable outcomes achieved and improvement programme still progressing.

Monthly compliance report on General Fund and Housing Revenue Account assets presented to the Council's Strategic Leadership Team (SLT).

Consequences / Impacts

Intervention by sector regulators, including but not limited to HM Treasury, Regulator of Social Housing, and Planning Inspectorate.

Intervention by central government including the Office for Local Government.

Increase in complaint and escalation to Local Government Ombudsman.

Increase in litigation against the Council.

Imposition of fines and penalties against the Council.

Reputational damage.

Cyber attack/data breach

Risk Owner

Aidan Wilkie

Portfolio

People and Transformation

Risk Description

The Council is subject to a successful cyber attack and/ or data breach.

Inherent Score

16 ▲

Mitigated Score

6.00 ●

Target

4.00

Comments

Inherent likelihood score 4; inherent consequence/ impact score 4. Overall inherent risk score 16.

Target likelihood score 2; target consequence/ impact score 2. Overall target risk score 4.

The Council has implemented a number of measures to manage this risk including use of firewalls, security patching and staff training. Regular back- ups are undertaken. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.

Controls & Assurances

The Council has implemented a number of measures to manage this risk including use of firewalls, security patching and staff training. Regular back- ups are undertaken. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.

Evidence Risk is being managed

The Council has implemented a number of measures to manage this risk. Due to evidence that those looking to carry out cyber-attacks specifically look for public facing documents outlining control measures in place, these measures are not provided in detail here and are available to Members on request. The Council has a robust independently assessed technical infrastructure and security function which is constantly tested against best practice.

Detail

Status

Consequences / Impacts

Financial loss through inability to deliver business as usual activity.
 Financial and human resource cost of recovering from the event.
 Data breach resulting in fines/ penalties.
 Reputational damage and loss of trust in the Council.
 Regulator/ government intervention.
 Inability to deliver frontline services and associated impact on residents.

Delivery of safe and good quality homes

Risk Owner

Darren Welsh

Portfolio

Housing and Property Services

Risk Description

Inability to manage and deliver safe and good quality affordable homes

Inherent Score

16 ▲

Mitigated Score

8.00 ●

Target

8.00

Comments

Update on risk actions and controls at Q2:

- An interim contract strategy has been developed, pending the wider recommissioning of housing and property contracts - This is going to Cabinet in October for approval.
- A member task and finish working party is being set up via the Housing and Communities Overview and Scrutiny Committee to oversee the repairs and maintenance recommissioning work.
- The Housing Transformation and Improvement Programme is moving into the detailed design stage and will regularly report in to the Housing and Communities Overview and Scrutiny Committee, with the first report going to the Committee in October.
- The Council is waiting for the publication of the government's announcement on Councils rents to inform the Housing Revenue Account Business Plan refresh for 2024 onwards.
- A new Forum has been set up with registered providers to develop joint working and this forum will meet in November.
- All Council high rise blocks have been registered with the Building Safety Regulator and the data collection for the new government statutory tenant satisfaction measures has commenced.

Controls & Assurances

Housing Transformation and Improvement Programme in place to transform the housing service.
 Strong focus on compliance activity and regular reporting to SLT, Scrutiny and Cabinet.
 New management structure developed and in place for Housing Services to create capacity and deliver strong leadership.
 Strategic housing function created to drive affordable housing supply and enable, monitor and report on housing needs and delivery.
 A programme of grant support is in place to Registered Providers to support affordable housing delivery.
 Housing Revenue Account Business Plan refreshed to reflect all housing priorities.
 Housing delivery is a key part of the developing 2023 Local Plan.

Detail

Status

Evidence Risk is being managed

Housing Transformation and Improvement Programme (HTIP) - baseline report for HTIP. HTIP is a review of current operating practices within the Housing services, the purpose of which is to identify areas and actions for improvement and change. Safeguarding improvement plan identifies where more effective controls could be applied.

New service structure to support service objectives.

Monitoring and management of compliance in place.

HRA Business Plan annually refreshed.

Improved governance across Housing and also corporately.

Preparatory work on new regulatory requirements to be reported to Overview and Scrutiny Committee.

Consequences / Impacts

Regulatory intervention.

Funding withdrawal.

Loss of life/ injury to tenants/ leasehold occupant.

Reputational damage.

Increased homelessness.

Failure to appropriately safeguard households.

Failure to maintain assets.

Failure to achieve the CEE statement

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Risk Owner	Aidan Wilkie
Portfolio	Climate Change
Risk Description	We do not plan in or deliver action early enough to ensure achievement of the CEE statement.
Inherent Score	16 ▲
Mitigated Score	4.00 ★
Target	4.00
Comments	Inherent risk likelihood 2; inherent risk consequence/ impact 2; Overall inherent risk score 4. Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4. The Climate and Ecological Emergency Strategy and action plan have been reviewed with the Portfolio Holder.
Controls & Assurances	- Climate and Ecological Strategy and action plan created and implemented. - A renewed programmatic approach including analysis of potential and impact of individual and collective intervention. This includes ownership of delivery spread throughout the Council and renewed governance. - All key strategic decision making includes an assessment of the impact on carbon footprint.
Evidence Risk is being managed	Climate and Ecological Strategy and action plan created and implemented. A renewed programmatic approach including analysis of potential and impact of individual and collective intervention. This includes ownership of delivery spread throughout the Council and renewed governance. All key strategic decision making includes an assessment of the impact on carbon footprint.
Consequences / Impacts	Adverse impact on local biodiversity. Adverse impact on health and wellbeing of the population of the borough. Reputational damage.

Risk Name	Detail	Status
Financial Resilience.	Risk Owner	Catherine SilvaDonayre
	Portfolio	Corporate and Commercial Services
	Risk Description	Weakening of the Council's Financial Resilience.
	Inherent Score	16 ▲
	Mitigated Score	6.00 ●
	Target	9.00
	Comments	<p>Inherent risk likelihood 4; inherent risk consequence/ impact 4. Overall inherent risk score is 16. Target risk likelihood 3; target risk consequence/ impact 3. Overall target risk score is 9. During the first 2 quarters of 2023/24 the financial outturn projections for the general fund are projecting an overall surplus in comparison to approved budgets. The General fund short term financial position looks strong given the increased performance of cash investments. This has come about due to slippage in the capital spend programme increasing cash balances, and higher and more sustained levels of interest rates than previously forecasted. In addition to this the 2023 Medium Term financial Strategy (MTFS) has been approved by cabinet and is projecting a balanced budget position for 24/25, with an unidentified savings requirement of £2.7m to achieve over the MTFS. The level of reserves at the end of 23/24 are expected to exceed reserve levels achieved in recent years and feel appropriate to support any short and medium term difficulties that could arise. The HRA financial projections worsened in quarter 4 of 22/23 and the financial pressures within the service have maintained in the first two quarters of 2023/24 with a current projected pressure of circa £400k in 23/24. The HRA is impacted significantly by inflationary cost pressures and demand relating to repairs and maintenance. The HRA is being closely monitored and mitigation measures are being implemented and assessed as the impact of wider inflationary cost pressures has a greater impact on the housing service than the general fund. In terms of medium term financial sustainability the HRA 30 year business plan is currently being reviewed and refreshed and will be presented to members early in 2024, this process needs to ensure an affordable and sustainable medium term strategy is developed for the HRA.</p>
	Controls & Assurances	<ul style="list-style-type: none"> - Clear financial governance processes in place and adhered to. - Annual independent assessment of VFM and sustainability. - Strategic decision making assesses the financial sustainability of strategies. - Medium term financial sustainability assessed as part of the council approved MTFS and annual budget. <p>Delivery of a robust annual Internal Audit programme and annual approval by IA of risks and controls processes.</p> <p>Development and implementation of Transformation and Commercial programmes to support financial resilience.</p>

Evidence Risk is being managed

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, have resulted in a residual likelihood score is 3, It is likely that the Council's financial resilience will weaken from a position of strength; given current macroeconomic factors that contribute to financial pressures, despite the sound financial control framework in place.

The residual impact score is 2, given the financial planning and reserves policy in place to reduce/finance the impact of any financial downturn. If the economic outlook was to be ongoing for significant period of time the impact score would increase as resources are diminished.

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 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.

The 2022 MTFS outlines the continuation of the ongoing two-pronged approach to combine the Council's need to;

- 1 Continue driving the efficiencies required to ensure underlying sustainability; and,
- 2 To protect frontline service provision.

The updated 2022 MTFS can be viewed on the October 2022 Cabinet Agenda, at www.dacorum.gov.uk.

Internal Audit

In recent years, the Council has received independent, third-party audit reviews of the financial processes that contribute to the management of this risk:

The 'Budgetary Control' process is audited by the Council's Internal Auditors annually and in 2022, and 2023 has received the substantial assurance.

The 'Core Financial Systems and Budgetary Control' which have in recent years also achieved substantial assurance with limited recommendations for improvement.

External Audit

The 2022 "Annual Auditors Report and 'Value for Money' opinion issued by Grant Thornton in June 2023 outlined no risks of significant weakness identified in relation to Financial Sustainability, Governance and Improving economy, efficiency and effectiveness. This report was based on evaluation of the MTFS; the budget setting process; the reserves policy and use; and, the Council's financial performance reporting

The Council has a sustainable 2022 MTFS and a balanced budget set for 2023/24 following a financial performance in 2022/23 that followed expectations, and included a significant net contribution to reserves, and hence, it has meant that the Council is able to protect the delivery of its frontline services into the medium-term.

Consequences / Impacts

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.
2. The financial implications of the wider economic downturn and uncertainty.

Government Funding

The Council is currently operating on a one-year Finance Settlement from Government, the fourth in succession, following the conclusion of the 4- year settlement ending in April 2019. One-year settlements, and the planning challenges that accompany them, are expected to continue until after the next general election, expected in October 2024. At this point it is expected that a new Local Government funding allocation model will be implemented following historical work Funding Review work undertaken.

As yet there is no certainty over the level of funding that Dacorum or any other authority can expect in the future.

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 Public Health, Social Care and Education. 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.

Economic Downturn and Inflationary Pressures.

The Council faces significant expenditure pressures as a result of unusually high inflation impacting on contract values, pay awards and utilities.

The current cost of living crisis created by record inflation levels is putting an additional strain on household incomes, this is likely to impact on council income generation.

Income pressures could be brought about by a significant long-term recessionary impact on the Council's primary income generating services, e.g. commercial property, parking and garages.

The magnitude of the potential ongoing economic uncertainty and severity of the economic recovery period creates a significant financial threat to the Council's in-year and medium term budget.

Place Shaping & Regeneration

Risk Owner

James Doe

Portfolio

Place

Risk Description

Failure to Deliver Place Shaping and Regeneration ambitions

Inherent Score

12 ▲

Mitigated Score

6.00 ●

Target

4.00

Comments

- Inherent risk score is 3; inherent risk consequence/ impact score is 4. Overall inherent risk score is 12.
Target risk score is 2; target risk consequence/ impact score is 2. Overall target risk score is 4.
- ◦ New Local Plan progressing well with leading Members briefed: on course for Council approval and consultation in Q3 23/24
 - UKSPF Investment Plan of £1.763m progressing
 - Draft Hemel Place Strategy now likely to come in Q4 23/24 given recruitment underway in Place Communities and Enterprise
 - Hemel Town Centre Vision approved by Cabinet 18 July 23
 - Hemel Place Board continues to meet; move to action planning stage by Q4 23/24 once Hemel Place Strategy agreed and approved
 - Corporate Place Board continuing to progress the Chiltern Beechwoods Mitigation Strategy and roll-out of e-bikes for Hemel Hempstead
 - Dacorum Local Cycling and Walking Infrastructure Plan being developed with Herts CC with consultation due in Q4 23/24
 - Berkhamsted and Tring Town Councils taking the lead on respective place strategies with support from DBC.
 - Review of town centre assets underway through Strategic Asset Review
 - New Dacorum Investment Framework to facilitate inward investment – likely to progress Q4 and into 24/25 once new place team in place through PCE restructure which is at formal consultation as of 17 July 23
 - Infrastructure Delivery Plan being kept up to date to support Local Plan – work ongoing
 - CIL Infrastructure Advisory Group met to review outstanding bids
 - Work commenced to revise CIL spend and governance
 - Economic Recovery Board progressing with reporting on 6 separate workstreams
 - New Maylands Masterplan consultants appointed and work commences in earnest in Q3 23/24
-
- Hemel Garden Communities placemaking event with Members took place on 17 July 23
 - VCS recommissioning proposals set out and will be presented to Cabinet in Q3 23/24
 - Hemel Old Town project progressing, next community event to be held before Christmas 2023
 - Regeneration proposals to follow Strategic Asset Review, currently being procured, to involve General Fund and HRA assets with view to place making. Implementation of outcomes likely to be progressed from Q1 24/25
 - Long lease at Riverside shopping centre has been reassigned; planning discussions and pre-application arrangements under discussion and to be progressed in Q3 23/24
 - Place Communities and Enterprise Heads of Service Posts advertised and selection taking place in Oct/Nov 23
 - National economy showing only very modest growth which may be a risk to investment proposals over the coming 12 months

Detail

Status

Controls & Assurances

- Hemel Place Strategy in progress to set objectives of agenda
- Hemel Place Strategy to co-ordinate key areas of development and change including Hemel Garden Communities, Hemel Town Centre, Maylands Business Park and Two Waters/Apsley
- Place Implementation Plan to be worked up to govern priorities and delivery
- Governance through partnership Hemel Place Board and internal management and delivery through new Corporate Place Board
- Local communities engaged on new place strategies for Berkhamsted and Tring
- All projects to follow Corporate Project Management governance
- New Town Centre Strategy in progress to steer priorities
- Review of town centre assets underway to determine effective deployment of DBC land and property to deliver and catalyse place shaping, and to realise capital funds to support delivery
- New Local Plan to underpin whole agenda
- New Dacorum Investment Framework to facilitate inward investment
- Engagement in key Government Funding Streams eg Levelling Up Fund, UK Share Prosperity Fund, Investment Zones, Route Improvement Strategy
- Infrastructure Delivery Plan being kept up to date
- Policy on deployment of Community Infrastructure Levy Funds underway
- Cross-service work on HRA and General Fund assets to identify regeneration, place shaping and environmental improvement opportunities
- Economic Recovery Board formed and Plan being actively managed with partners
- Engagement of VCS to support place making
- Internal place project teams to support focused delivery and improvement, with Old Town team already formed and delivering

Evidence Risk is being managed

- Hemel Place Strategy in progress to set objectives of agenda
- Hemel Place Strategy co-ordinating key areas of development and change including Hemel Garden Communities, Hemel Town Centre, Maylands Business Park and Two Waters/Apsley
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- Economic Recovery Board formed and Plan being actively managed with partners
- Engagement of VCS to support place making
- Internal place project teams to support focused delivery and improvement, with Old Town team already formed and delivering

Consequences / Impacts

The borough does not reach its full economic potential.
Town centres fail to thrive, risking higher incidence of crime and anti-social behaviour
Local resident and business dissatisfaction increases, giving rise to higher volumes of complaints.

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Recruitment and retention of staff

Risk Owner

Aidan Wilkie

Portfolio

People and Transformation

Risk Description	We are unable to deliver effective services to residents due to an inability to retain and recruit sufficient competent and skilled resources .
Inherent Score	16 ▲
Mitigated Score	4.00 ★
Target	4.00
Comments	Inherent risk likelihood 4; inherent risk consequence/ impact 4; overall inherent risk score 16 Target risk likelihood 2; target risk consequence/ impact 2; overall target risk score 4 A revised market forces approach has been implemented. Agency framework in place.
Controls & Assurances	Ongoing Recruitment and Retention monitoring and reporting. A revised People Strategy developed with a focus on recruitment and retention. Delivery of a customer strategy which will create efficiencies (with the possibility of reinvestment) and a reduced reliance on human intervention. A revised market forces approach being implemented. Development of regional partnerships to review, and report on sector wide approach.
Evidence Risk is being managed	Ongoing Recruitment and Retention monitoring and reporting. A revised People Strategy developed with a focus on recruitment and retention. A revised market forces approach being implemented. Development of regional partnerships to review, and report on sector wide approach.
Consequences / Impacts	Increased levels of dissatisfaction from residents and businesses leading to higher volumes of complaints. Increase in financial cost through increased use of agency staff. Reputational damage. Intervention from central government/ regulatory bodies. Poor levels of service delivery.

Working with Strategic Partners

Risk Owner	Claire Hamilton
Portfolio	Leader of the Council
Risk Description	Failure to work with Strategic Partners to deliver Corporate priorities
Inherent Score	12 ▲
Mitigated Score	4.00 ★
Target	4.00

Comments

Inherent risk likelihood 4; inherent risk consequence/impact 3. Overall inherent risk score 12.
Target risk likelihood 2; target risk consequence/ impact 2. Overall target risk score 4.

Key joint working groups established and operating (e.g. Hemel Place Board, SW Herts Joint Strategic Partnership, Hemel Garden Communities Board).

Key Delivery Partnerships have the correct strategic and operational governance boards in place to monitor delivery.

Hertfordshire wide delivery groups supported and monitored.

Strategic partners are assigned lead officers for relationship management and communications.

Senior officers liaise with Government departments and agencies in relation to the Council's strategic plans and activity.

Strategic Partners are engaged in the production of new strategies and plans for Dacorum.

Controls & Assurances

- Effective Strategic Partnership Boards set up to develop proposals and monitor delivery and outcomes. E.g. HGC, Hemel Place board, Economic Recovery Board.

- Key Delivery Partnerships have the correct strategic and operational governance Boards in place to monitor delivery eg. SLM & Osbornes

- Herts wide delivery groups supported and monitored.

- Strategic partners assigned lead officers for relationship management and communications

Evidence Risk is being managed

Failure to work with Strategic Partners to deliver Corporate priorities Key joint working groups established and operating (e.g. Hemel Place Board, SW Herts Joint Strategic Partnership).

Key Delivery Partnerships have the correct strategic and operational governance boards in place to monitor delivery.

Hertfordshire wide delivery groups supported and monitored.

Strategic partners assigned lead officers for relationship management and communications.

Consequences / Impacts

Deterioration in service delivery to residents and businesses.

Failure to deliver value for money and making best use of public funds.

Failure to meet the needs of customers via joined- up working.

Failure to deliver key strategic projects, including and not limited to Hemel Garden Communities and the SW Herts Joint Strategic Plan

Reputational damage.

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>



Audit Committee

Report for:	Audit Committee
Title of report:	Treasury Management 2023/24 Mid-Year Performance Report
Date:	22 nd November 2023
Report on behalf of:	Cllr Ron Tindall, Leader of the Council and Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A: Investment portfolio as at 30 September 2023 Appendix B: Link Asset Services counterparty credit list as at 30 September 2023 Appendix C: Prudential Indicators Q1 and Q2 2023-24
Background papers:	Cabinet 20th June 2023 – Treasury Management Strategy (Appendix D to Provision Outturn 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 GDP- Gross Domestic Product CPI- Consumer Prices Index

Report Author / Responsible Officer	
Report Author: Lexi Schultz, Financial and Regulatory Accounting Manager	
 	Lexi.schultz@dacorum.gov.uk / 01442 228533 (ext. 2533)
Responsible Officer: Fiona Jump, Head of Financial Services	
 	Fiona.jump@dacorum.gov.uk / 01442 228162 (ext. 2162)

Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity
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	<p>Providing good quality affordable homes, in particular for those most in need</p> <p>Ensuring efficient, effective and modern service delivery</p> <p>Climate and ecological emergency</p>
Wards affected	All
Purpose of the report:	To report upon the mid-year information on Treasury Management performance for 2023/24.
Recommendation (s) to the decision maker (s):	Committee reviews and notes the 2023/24 Treasury Management performance report.
Report Period for post policy/project review:	Regular reports are taken to Members on the Council's Treasury Management performance.

1. Background

1.1 The purpose of this report is to update Audit Committee on the performance of this Council's treasury management function during the first half of 2023/24, to the period 30 September 2023.

1.2 Treasury management is defined as:

“The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

The Council's Treasury Management team manages the Council's cash-flows in order to strike the optimal balance between the following three elements:

- The liquidity requirements for the Council's day-to-day business;
- Funding the Council's capital programme;
- Investing surplus monies in line with the Treasury Management Strategy.

2. Governance

2.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management.

2.2 The Code requires:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities;
- Creation and maintenance of treasury management practices setting out the manner in which the Council will seek to achieve those policies and objectives;
- Receipt by Full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report (this report) and an Annual Report (stewardship report) covering during the previous year;
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and execution and administration of treasury management decisions;
- This Council nominates Cabinet to be responsible for effective scrutiny of the Treasury Management Strategy, policies and monitoring before recommendation to Full Council.

3. Economic update

3.1 The first half of 2023/24 saw:

- Interest rates rise from 4.25% to 5.25%.
- A 0.5% decline in real Gross Domestic Product (GDP) in July.
- Consumer Prices Index (CPI) inflation decreased from 8.7% in April to 6.7% in August, its lowest rate since February 2022.
- Employment fell by 207,000 from April to June, but there is no evidence yet that it has led to wage growth easing (average earnings rose to 7.8% in August, excluding bonuses). UK wage growth remains much faster than in the US and Euro-zone.

- 3.2 In September 2023, the Bank of England Monetary Policy Committee (MPC) left interest rates unchanged. Our treasury advisors expect interest rates to stay at the probable peak of 5.25% until the second half of 2024.
- 3.3 Below is our treasury advisors, Link Group's forecast of interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

4. Treasury Management Strategy Statement and Annual Investment Strategy update

- 4.1 Council approved the 2023/24 Treasury Management Strategy Statement (TMSS) on 12 July 2023.
- 4.2 The Council's Annual Investment Strategy, which is included in the TMSS, outlines the Council's investment priorities as:
- Security of capital;
 - Liquidity;
 - Return on investment.
- 4.3 The Council aims to achieve optimum return on investments within the context of the first 2 priorities. See Appendix A for a breakdown of the Council's investment portfolio, as at 30 September 2023.
- 4.4 Link Asset Services' full counterparty credit list as at 30 September 2023 identifies those organisations the Council is able to place funds and is shown in Appendix B.
- 4.5 All investments during the first six months of 2023/24 were placed in accordance with the approved strategy.

5. Investment Performance 2023/24

- 5.1 It is the Council's priority to ensure security of capital and liquidity and to obtain a level of return consistent with the Council's risk appetite. In the current economic climate it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out best value available in periods up to 12 months with high credit rated financial institutions.
- 5.2 As shown in section 3.3, the latest interest forecast sets out a view that in the short-term interest rates and therefore investment returns will be high, as the Bank of England seeks to manage inflation. The general fund half yearly performance is achieving £1.7m against a budget of £0.4m, a surplus of £1.3m. On the HRA, half yearly performance is achieving investment income of £1m against a budget of £0.1m, a surplus of £0.9m. This favourable return is unlikely to continue in the long-term if interest rates fall as predicted.
- 5.3 The Council held £108.722m of investments as at 30 September 2023 (£103.668m at 31 March 2023). The average investment return for the first six months of the year was 4.51%. In comparison, the Council achieved 1.12% in the first 6 months of 2022/23.

6. **Borrowing**

The Capital Financing Requirement

- 6.1 The Council's Capital Financing Requirement (CFR) is the Council's underlying need to borrow for capital purposes and is forecasted to be £372.763m as at 31/03/2024. This includes the fixed interest rate borrowing from the Public Works Loan Board (PWLB) for HRA Self Financing and the General Fund capital expenditure requirements.

Current Borrowing Arrangements

- 6.2 As a Local Authority, the Council is able to borrow from PWLB, which operates within the Debt Management Office (DMO), an Executive Agency of HM Treasury.
- 6.3 The PWLB charges interest on loans it issues. Any Council borrowing will be carried out in line with its approved Treasury Management Strategy. If required, the Council can utilise existing cash balances to fund its future capital programme instead of undertaking new external borrowing.

Debt rescheduling

- 6.4 No debt rescheduling has been undertaken in the current financial year. There may be opportunities in the future, although only prudent and affordable debt rescheduling will be considered.

Compliance with Treasury and Prudential Limits

- 6.5 The Council has a statutory duty to determine and monitor affordable borrowing limits. During the half year ended 30th September 2023, the Council operated within the treasury and prudential indicators in the Council's Treasury Management Strategy Statement. The Chief Finance Officer envisages no difficulties for the current or future years in complying.

7. **The Council's Capital Expenditure (Prudential Indicators)**

- 7.1 Prudential indicators are set yearly as part of the Council's Treasury Management Strategy. They set the annual limits on borrowing, and provide a basis for assessing the affordability of financing costs, external debt and capital expenditure.

Prudential Indicators for Capital Expenditure

- 7.2 The table below shows the revised estimates for capital expenditure and financing with the changes since the capital programme was agreed in February 2023, as at the end of September 2023.

Capital Expenditure by Service	2023/24 Original Budget	Revised Forecast as at September 2023
	£M	£M
General Fund	32.47	7.798
HRA	81.248	64.786
Total	113.719	72.584
Financed by:		
Capital grants & S106	7.405	7.989
Capital receipts & reserves	56.522	38.539
Revenue	2.538	0.000
Internal Borrowing General Fund	11.848	0.000
HRA Borrowing	35.406	26.056
Total financing	113.719	72.584

7.3 The table below shows the CFR and the expected debt position over the period; termed the 'Operational Boundary'. The changes to the forecast CFR are due to incorporation of the actual Capital Programme outturn position from 2022/23 and slippage and underspends in 2023/2024. It is assumed as per the budget that £15m of HRA borrowing will be internal (funded by cash balances rather than borrowing externally), this is usually more cost effective.

	2023/24	2023/24
	Original Estimate £M	Revised Forecast £M
Prudential Indicator – Capital Financing Requirement		
CFR – General Fund	29.728	17.940
CFR – HRA	364.174	354.824
Total CFR	393.901	372.763
Net movement in CFR from 31/03/23	44.552	23.414
Prudential Indicator – External Debt / the Operational Boundary		
Borrowing	355.214	346.193
Other long term liabilities (leases)	0.188	0.188
Total debt 31 March 2024	355.402	346.381

Prudential Indicator for Borrowing Activity

7.4 The key control over treasury activity is a prudential indicator to ensure that, over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year, plus the estimates of any additional CFR for 2023/24 and the next two financial years.

7.5 The table highlights that the Council's gross borrowing is forecast to be below its CFR.

	2023/24	2023/24
	Original Estimate £M	Revised Estimate £M
Gross borrowing	355.214	346.193
Plus other long term liabilities (leases)	0.188	0.188
Less investments	(15.35)	(108.72)
Net borrowing	340.048	237.659
CFR (year-end position)	393.901	372.76

7.6 A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited, and needs to be set and revised annually by full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. As at 30 September 2023, the Council is forecast to have borrowing and other long term liabilities of £346.381m at 31/03/2024, which is £63.619m under the authorised limit.

Authorised limit for external debt	2023/24 Original Indicator £M	Current Forecast Debt 31/03/2024 £M
Borrowing	400.000	346.193
Other long term liabilities	10.000	0.188
Total	410.000	346.381

- 7.7 Councils are now required to report quarterly on a variety of prudential indicators, these can be seen in Appendix C. The Capital Financing Indicators demonstrate the affordability and sustainability of the Council's capital programme. The Council's council expenditure forecast and capital financing requirement (borrowing requirement) for 2023/24 have reduced since the budget was set due to slippage.
- 7.8 The affordability indicators in appendix C look at the affordability of the Council's borrowing on revenue and monitors the amount of revenue budget needed to cover financing costs. Due to slippage, these have improved since the budget was set.
- 7.9 The treasury indicators ensure the Council is borrowing and investing within the authorised limits set in the treasury management strategy. In all instances, the Council is complying with this indicators in Q1 2023/24 and Q2 2023/24. The liability benchmark is a new indicator, calculated using the net loan requirement plus an allowance for short term investments needed to provide an adequate but not excessive level of cash for daily cash flow management. The Council is successfully operating within this benchmark.

8. Options and alternatives considered

- 8.1 None. A mid- year treasury management review is a statutory requirement.

9. Consultation

- 9.1 The council liaise with Link Asset Services, our Treasury advisors.

10. Financial and value for money implications:

- 10.1 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.

11. Legal Implications:

- 11.1 There are no direct legal implications arising from this report.

12. Risk implications:

- 12.1 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 2023/24. This report provides an update on the delivery of that strategy.

13. Equalities, Community Impact and Human Rights:

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

14. Sustainability Implications (including climate change, health and wellbeing, community safety):

None arising directly from the report.

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

None arising directly from the report

16. Conclusion:

16.1 The Treasury Management Mid-Year Report provides an update of the Council's 2023/24 treasury activities and highlights compliance with policies previously approved by Members.

Appendix A: Investment portfolio as at 30 September 2023

Borrower	Deposit Type	Principal	Date Lent	Date Repayable	Interest Rate %	Duration (Days)	Approved Duration	DBC Limit(M)
National Westminster Bank PLC (RFB)	Call Account	1,221,898	30/09/2023	01/10/2023	1.00	1	12 months	14.5
Blackrock MMF	MMF	2,000,000	30/09/2023	01/10/2023	5.16	1	100 days	9.0
Goldman Sachs MMF	MMF	9,000,000	30/09/2023	01/10/2023	5.21	1	100 days	9.0
Insight Liquidity MMF	MMF	9,000,000	30/09/2023	01/10/2023	5.29	1	100 days	9.0
Debt Management Office	Investment	1,000,000	22/09/2023	18/10/2023	5.17	26	60 months	n/a
Debt Management Office	Investment	1,000,000	08/09/2023	06/10/2023	5.21	28	60 months	n/a
Debt Management Office	Investment	1,000,000	06/09/2023	18/10/2023	5.26	42	60 months	n/a
Debt Management Office	Investment	1,500,000	12/09/2023	10/11/2023	5.32	59	60 months	n/a
Debt Management Office	Investment	2,000,000	11/09/2023	16/11/2023	5.32	66	60 months	n/a
Debt Management Office	Investment	4,000,000	01/08/2023	19/10/2023	5.23	79	60 months	n/a
Nationwide Building Society	Investment	1,000,000	31/08/2023	29/11/2023	5.39	90	6 months	11.0
Leeds Building Society	Investment	3,000,000	21/09/2023	22/12/2023	5.41	92	100 days	9.0
Debt Management Office	Investment	3,000,000	15/08/2023	17/11/2023	5.29	94	60 months	n/a
Debt Management Office	Investment	2,500,000	10/07/2023	13/10/2023	5.24	95	60 months	n/a
Barclays Bank Plc (NRFB)	Investment	5,000,000	17/07/2023	20/10/2023	5.30	95	100 days	9.0
Debt Management Office	Investment	4,000,000	01/09/2023	08/12/2023	5.35	98	60 months	n/a
Debt Management Office	Investment	1,500,000	04/09/2023	15/12/2023	5.36	102	60 months	n/a
Coventry Building Society	Investment	1,000,000	04/07/2023	18/10/2023	5.07	106	6 months	11.0
Debt Management Office	Investment	1,000,000	30/08/2023	15/12/2023	5.39	107	60 months	n/a
Santander UK PLC	Investment	2,000,000	13/09/2023	16/02/2024	5.58	156	6 months	11.0
Coventry Building Society	Investment	3,000,000	06/07/2023	15/12/2023	5.38	162	6 months	11.0
Santander UK PLC	Investment	5,000,000	05/05/2023	18/10/2023	4.65	166	6 months	11.0
Coventry Building Society	Investment	1,000,000	05/07/2023	19/12/2023	5.39	167	6 months	11.0
Nationwide Building Society	Investment	2,500,000	03/07/2023	19/12/2023	5.39	169	6 months	11.0
Santander UK PLC	Investment	2,000,000	01/08/2023	18/01/2024	5.61	170	6 months	11.0
Santander UK PLC	Investment	2,000,000	23/06/2023	15/12/2023	5.62	175	6 months	11.0
Close Brothers Ltd	Investment	2,000,000	04/05/2023	31/10/2023	4.90	180	6 months	11.0
Coventry Building Society	Investment	1,500,000	21/07/2023	18/01/2024	5.38	181	6 months	11.0
Lloyds Bank PLC (RFB)	Investment	4,000,000	28/04/2023	27/10/2023	4.68	182	6 months	11.0
Nationwide Building Society	Investment	1,000,000	28/04/2023	27/10/2023	4.42	182	6 months	11.0
Nationwide Building Society	Investment	3,000,000	25/08/2023	23/02/2024	5.51	182	6 months	11.0
Nationwide Building Society	Investment	2,000,000	01/09/2023	01/03/2024	5.47	182	6 months	11.0
Close Brothers Ltd	Investment	9,000,000	15/09/2023	15/03/2024	5.90	182	6 months	11.0
Lloyds Bank PLC (RFB)	Investment	7,000,000	17/05/2023	16/11/2023	4.67	183	6 months	11.0
National Westminster Bank PLC (RFB)	Investment	3,000,000	03/04/2023	28/03/2024	4.65	360	12 months	14.5
National Westminster Bank PLC (RFB)	Investment	5,000,000	18/10/2022	17/10/2023	4.60	364	12 months	14.5

Appendix B: Link Asset Services counterparty credit list as at 30 September 2023

Country	Counterparty	Approved Duration	DBC Limit (M)
U.K	Al Rayan Bank Plc	6 months	11
U.K	Bank of Scotland PLC (RFB)	6 months	11
U.K	Barclays Bank PLC (NRFB)	100 days	9
U.K	Barclays Bank UK PLC (RFB)	6 months	11
U.K	Close Brothers Ltd	6 months	11
U.K	Clydesdale Bank PLC	100 days	9
U.K	Goldman Sachs International Bank	6 months	11
U.K	Handelsbanken Plc	12 months	12.5
U.K	HSBC Bank PLC (NRFB)	12 months	12.5
U.K	HSBC UK Bank Plc (RFB)	12 months	12.5
U.K	Lloyds Bank Corporate Markets Plc (NRFB)	6 months	11
U.K	Lloyds Bank Plc (RFB)	6 months	11
U.K	National Bank Of Kuwait (International) PLC	6 months	11
U.K	NatWest Markets Plc (NRFB)	6 months	11
U.K	Santander Financial Services plc (NRFB)	6 months	11
U.K	Santander UK plc	6 months	11
U.K	SMBC Bank International Plc	6 months	11
U.K	Standard Chartered Bank	6 months	11
U.K	Coventry Building Society	6 months	11
U.K	Leeds Building Society	100 days	9
U.K	Nationwide Building Society	6 months	11
U.K	Skipton Building Society	6 months	11
U.K	Yorkshire Building Society	100 days	9
U.K	National Westminster Bank PLC (RFB)	12 months	14.5
U.K	The Royal Bank of Scotland Plc (RFB)	12 months	14.5

Appendix C: Quarterly Reporting

Capital Financing Indicators

Indicators 1-2 demonstrate the affordability and sustainability of the Council's capital programme.

			2023/24 Treasury Management Strategy reference.	2023/24 Budget £M	2023/24 Q1 estimate for year £M	2023/24 Q2 estimate for year £M
	Indicator	Description				
1	Capital Expenditure	Monitors capital expenditure projections against budget. Capital expenditure is a key driver of Treasury Management activity.	2.1	113.719	81.191	72.584
2	The Capital Financing Requirement (CFR)	Monitors the Council's underlying need to borrow for capital purposes against projections set out in the budget.	2.2	393.901	370.2544	372.763

Forecast Capital Expenditure for 2023/24 has reduced since the budget was set due to slippage. This has reduced the Council's borrowing requirement for the year.

Affordability Indicators

Indicators 3-5 demonstrate the affordability of the Council's borrowing on revenue.

			2023/24 Treasury Management Strategy reference.	2023/24 Budget £M	2023/24 Q1 estimate for year £M	2023/24 Q2 estimate for year £M
	Indicator	Description				
3	Ratio of Financing costs to net revenue stream- General Fund	Monitors the percentage of revenue budget required to cover capital financing costs against budget projections.	2.7	-0.11%	-2.64%	-5.68%
4	Ratio of Financing costs to net revenue stream- Housing Revenue Account	Monitors the percentage of revenue budget required to cover capital financing costs against budget projections.	2.7	17.29%	14.63%	13.84%
5	Ratio of HRA debt to revenues %	Compares the total HRA debt to the 23/24 HRA income against budget projections.	2.8	546%	-506%	-495%

Treasury Indicators

Treasury indicators ensure borrowing is within authorised limits and avoids large repayments being at the same time. Limits on investments act to secure the Council's cash.

	Indicator	Description	2023/24 Treasury Management Strategy reference.	2023/24 Budget £M	2023/24 Q1 estimate for year £M	2023/24 Q2 estimate for year £M
6	Gross Debt does not exceed the Capital Financing Requirement	Ensures borrowing is not undertaken for revenue purposes or to generate profit.	3.1	Complies	Complies	Complies
7	Operational Debt Boundary	Limit beyond which external debt is not normally expected to exceed.	3.2	355.402	355.402	346.381
8	Authorised Limit for External Debt	Limit beyond which external debt is prohibited and needs to be revised by full Council.	3.2	410.0	410.0	410.000
9	Maturity Structure of borrowing (fixed and variable)	Limits to reduce exposure to large sums falling due for refinancing at the same time.	3.3	Complies	Complies	Complies
10	Upper limit for principal sums invested for longer than 365 days	Limit of lower of 50% of portfolio or £40m.	4.5		Complies	Complies
11	Security of Investments- Compliance with Counterparty Limits.	Limit on investment balances held with Counterparties	4.6		Complies	Complies
12	Liability Benchmark	Calculated using the net loan requirement plus an allowance for short term investments needed to provide an adequate but not excessive level of liquidity for daily cash flow management.	2.3	295.74	288.13	290.640

MEETING DATE	REPORT DEADLINE	STANDING ITEMS	ADDITIONAL ITEMS
14/02/24	06/02/24	Apologies for absence Declarations of Interest Minutes Actions Public Participation Work Programme AOB	Treasury Management Q3 2023-24 update and performance Statement of Internal Control Assurance report Strategic Risk Register Q3 2023-24 update Internal Audit Plan 2024-25 Introduction of the External Auditor
20/03/24	12/03/24	Apologies for absence Declarations of Interest Minutes Actions Public Participation Work Programme AOB	External Audit Plan 2023-24 Statement of Internal Control Assurance report