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FINANCE AND RESOURCES OVERVIEW AND SCRUTINY AGENDA

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

TUESDAY 7 MARCH 2017 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 Howard
Councillor Herbert Chapman (Chair)
Councillor Douris (Vice-Chairman)
Councillor Ashbourn
Councillor Barnes
Councillor Birnie
Councillor Clark

Councillor E Collins
Councillor Fethney
Councillor Silwal
Councillor Taylor
Councillor Tindall
Councillor Gbola Adeleke

Substitute Members:

Councillors Anderson, Brown, Guest, Link, Matthews, Ransley and W Wyatt-Lowe

For further information, please contact

AGENDA

1. MINUTES (Pages 3 - 7)

To confirm the minutes of the meeting held on 7 February 2017.

2. APOLOGIES FOR ABSENCE

To receive any apologies for absence

3. DECLARATIONS OF INTEREST

To receive any declarations of interest

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

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

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

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

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

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

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

4. PUBLIC PARTICIPATION

An opportunity for members of the public to make statements or ask questions in accordance with the rules as to public participation

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

6. Q3 FINANCIAL OUTTURN REPORT 2017/18 (Pages 8 - 26)

7. FINANCE AND RESOURCES Q3 PERFORMANCE REPORT

Report to follow

8. LEGAL GOVERNANCE AND DEMOCRATIC SERVICES Q3 PERFORMANCE REPORT (Pages 27 - 35)

9. PERFORMANCE, PEOPLE AND INNOVATION Q3 PERFORMANCE REPORT (Pages 36 - 61)

MINUTES

FINANCE & RESOURCES JOINT OVERVIEW AND SCRUTINY COMMITTEE

7 FEBRUARY 2017

Present:

Cllr Birnie	Cllr Silwal
Cllr Chapman (Chairman)	Cllr Taylor
Cllr Douris (Vice-Chairman)	Cllr Tindall

Councillor Williams attended as Portfolio Holder for Community Leadership
Councillor Harden attended as Portfolio Holder for Residents and Regulatory Services

Officers:	S Marshall	Chief Executive
	R Smyth	Assistant Director, Performance & Projects
	D Skinner	Assistant Director, Finance & Resources
	C Baker	Group Manager, Revenues, Benefits & Fraud
	B Trueman	Group Manager, Technology & Digital Transformation
	B Hosier	Group Manager, Commissioning, Procurement and Compliance
	N Brown	Group Manager, Commercial Assets & Property Development
	M Rawdon	Group Manager, People
	M Brookes	Solicitor to the Council & Monitoring Officer
	J Doyle	Group Manager, Democratic Services
	T Angel	Member Support Officer

Following a Joint meeting of the OSC's where a budget presentation was given, the Finance and Resources OSC meeting began at 8.08 pm.

OS/017/17 MINUTES

The Minutes of the Finance & Resources Overview and Scrutiny Committee meeting held on 6th December 2016 were confirmed by the Members present and signed by the Chairman.

OS/018/17 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Adeleke and Elliot.

OS/019/17 DECLARATIONS OF INTEREST

None.

OS/020/17 PUBLIC PARTICIPATION

None.

OS/021/17 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE IN RELATION TO A CALL-IN

None.

OS/022/17 JOINT BUDGET REPORT 2017/18

D Skinner introduced the report and drew members' attention to page 5 onwards, which detailed the changes since the last Joint Overview and Scrutiny Committee meeting in December. He welcomed questions from the committee.

Councillor Tindall referred to page 11 and queried if the £200k for the leisure review was from reserves or if it was additional. D Skinner confirmed it wasn't additional; it was just the £200k from reserves.

Councillor Birnie asked if the staff costs, in addition to pension requirements, had a general increase in salaries. D Skinner explained that the increase had factored in the 1% pay award and also any increments. He said this was detailed in the report from the last meeting in December.

Councillor Birnie highlighted a large percentage increase in the Management Team employee costs. D Skinner advised this was due to the realignment in the Corporate Management Team budgets following the realignment of responsibilities following a reduction in the posts within the Leadership team.

Councillor Douris referred to the employee budget reduction in Housing Benefits and asked if it was due to a vacancy void or reduction in post. D Skinner advised it was a saving created by the removal of a post.

Councillor Douris sought clarification on the cessation of a Primary Authority function. D Skinner advised that Regulatory Services previously carried out inspections nationally for Tesco and the activity has been ceased due to the loss of income and that it didn't reflect the risk of activity.

Councillor Douris referred to the removal of Civic Buildings Business Rates on page 10 and asked if the rates for The Forum would be lower given the size difference and the energy efficiency. D Skinner advised that the energy efficiency wasn't reflected in the rates but The Forum would definitely be more efficient. He said they were currently waiting for the calculation of the new business rates.

Councillor Tindall referred to Councillor Birnie's earlier question relating to the Management Team employee budget and sought clarification on identifying the increase for the realignment. The Chief Executive referred to page 9 where a detailed summary and breakdown could be found covering inflation, growth items, one-off items and officer's efficiency savings and that there were savings of £103k detailed for the leadership team restructure.

Councillor Birnie queried if the 17% increase in the Housing Strategy employees budget was due to a new post. D Skinner confirmed it was.

Councillor Douris referred to the Get Set Go Dacorum project expenditure and queried its removal. M Rawdon explained the project was due to finish in September 2017 and there were no additional costs as it was grant funded.

Councillor Douris sought clarification on the past service costs on page 19. D Skinner advised it was linked to the cost of the pensions deficit as explained by the Corporate Director (finance & Operations) in his presentation on key changes since the December OSC.

Councillor Tindall sought clarification on the £27,942 increase in premises budget for Community Centres and Public Halls. N Brown said he would look into the matter and report back.

Councillor Tindall referred to page 22 relating to Human Resources Supplies and Services and asked why there was such a large increase in the budget. R Smyth advised it was due to the Apprenticeship post.

Councillor Silwal asked if there were any plans to allow external use of the meeting rooms. D Skinner said they were waiting for everything to stabilise as we've just moved in to The Forum but in 6 months' time they would look at the community interest and income provision.

Councillor Birnie referred to page 18 and queried why the employee budget for Community Centres and Public Halls had changed from £0 to £131,850. D Skinner said he would look in to the increase and let him know.

Councillor Birnie referred to page 20 relating to Support Services Insurance and queried the increase. D Skinner advised it was a technical adjustment and was in relation to insurance premiums for employees.

Councillor Birnie referred to page 32 and asked why the budget for garage premises had increased from £3,040 to £499,100. D Skinner said he would investigate the matter and update the committee.

Councillor Silwal referred to page 6, items 12 and 15, and asked why the budget was no longer required. D Skinner advised that the additional funds for item 12 (Insurance) was no longer required due to an award of contract following a tendering exercise, and item 15 (Benefits Accounting) was not as great as previously anticipated.

Councillor Tindall referred to the verge hardening budget on page 66 and queried if the £350k in 2021/22 was increase in the General Fund Capital Bid or if it was an error. D Skinner explained that it would be an addition as a new bid, and the summary of this could be found on page 74.

Councillor Douris referred to page 28 relating to off street parking charges and asked if regular users were able to reclaim the VAT from the parking tickets and if the tickets displayed the VAT number. B Hosier said he would need to look in to it and report back.

Councillor Tindall referred to page 5 relating to the £32k increase in bad debt provision. He asked if it was due to a problem in the community or something different. D Skinner said he couldn't comment on that but highlighted that overall the figure was very low.

Actions:

- D Skinner to advise why the employee budget for Community Centres and Public Halls has increased to £131,850.
- D Skinner to investigate the increased budget for garage premises.
- B Hosier to advise if it's possible to reclaim VAT on parking tickets and if the VAT number is displayed on the tickets.
- N Brown to investigate reason for £27,942 increase in premises budget for Community Centres and Public Halls.

Outcome:

The Finance and Resources Overview and Scrutiny Committee reviewed and noted the budget proposals for 2017/18.

The Chairman and Vice Chairman commended the officers for all their hard work.

The Chairman said it had been a brilliant year despite the hard times and he hoped he could sit here again this time next year and say the same.

OS/023/17 REPORT BY THE INDEPENDENT REMUNERATION PANEL 2016 - MEMBERS' ALLOWANCES FOR DACORUM BOROUGH COUNCIL

J Doyle introduced the report and drew members' attention to the financial implications on page 80 which highlighted that the total figure for the increase would be £10,427. He explained that the conclusions were detailed on page 82 and this also highlighted that members hadn't received an increase on their basic allowance rate since 2008/09. He said the increase would bring us up to the average allowance rate in comparison with other Local Authorities in Hertfordshire.

Councillor Taylor said he had been involved with discussing the matter at length and felt happy to say the increase was acceptable.

Councillor Tindall felt that a 2.1% increase for members was reasonable as staff had received a pay increase in the last few years and the members hadn't since 2008/09.

The Chairman sought clarification on the HM Revenue & Customs mileage allowance rate as he thought it was 40p per mile but the report stated it was 45p. Councillor Tindall explained that the County Council rate was 45p and his understanding was that it was to reflect all motoring costs and not just fuel.

Outcome:

The Committee considered the report of the Independent Remuneration Panel following its review of the Council's existing Members' Allowance Scheme and agreed with its recommendations to implement a 2.1% increase.

OS/024/17 WORK PROGRAMME 2016/17

The Chairman asked the officers if there were any items they wanted to add to the meeting in March. There were no amendments to the work programme.

The Chairman thanked everyone for attending.

The meeting ended at 8.54 pm.



AGENDA ITEM: SUMMARY

Report for:	Finance and Resources Overview and Scrutiny Committee
Date of meeting:	7 March 2017
PART:	1
If Part II, reason:	

Title of report:	Budget Monitoring Quarter 3 2016/17
Contact:	Cllr Graeme Elliot, Portfolio Holder for Finance and Resources David Skinner, Assistant Director (Finance & Resources) Richard Baker, Group Manager (Financial Services)
Purpose of report:	To provide details of the projected outturn for 2016/17 as at Quarter 3 for the: <ul style="list-style-type: none"> • General Fund • Housing Revenue Account • Capital Programme
Recommendations	1) That Committee note the forecast outturn position.
Corporate objectives:	Delivering an efficient and modern council
Implications:	Financial and Value for Money implications are included within the body of the report.
Risk Implications	Risk implications are included within the body of the report.
Equalities Implications	There are no equality implications.

Health And Safety Implications	There are no health and safety implications.
Glossary of acronyms and any other abbreviations used in this report:	GF – General Fund HRA – Housing Revenue Account

1. Introduction

1.1 The purpose of this report is to outline the Council's forecast outturn for 2016/17 as at 31 December 2016. The report covers the following budgets:

- General Fund
- Housing Revenue Account (HRA)
- Capital Programme

2. General Fund Revenue Account

2.1 The General Fund revenue account records the income and expenditure associated with all Council functions except management of the Council's own housing stock, which is accounted for within the Housing Revenue Account (HRA) (see Section 6).

2.2 The current budget is the original budget approved by Cabinet in February 2016, plus the following approved amendments:

Amendments	£000	Approved
2016/17 Original budget	16,946	
Corporate Graduates	18	Council July 2016
Reserve Funded Staff Costs	(46)	Council September 2016
Digitalisation of Planning Microfiche data	100	Council September 2016
Sports Review	40	Council January 2017
Arts Funding	15	Council January 2017
2016/17 Current Budget	17,073	

2.3 Appendix A provides an overview of the General Fund provisional outturn position, separating expenditure into controllable and non-controllable categories in order to focus scrutiny on those areas that officers are able to influence, i.e. the controllable.

2.4 The table below provides an overview by Scrutiny area of the current forecast outturn for controllable and non-controllable budgets within the General Fund.

	Current Budget	Forecast Outturn	Variance	
	£000	£000	£000	%
Finance & Resources	7,773	6,895	(878)	-11.3%
Strategic Planning & Environment	7,479	7,560	81	1.1%
Housing & Community	1,821	1,733	(88)	-4.8%
Total	17,073	16,188	(885)	-5.2%
Non-controllable budgets	(9,913)	(10,155)	(242)	2.4%
Earmarked Reserve movements	(7,160)	(6,295)	865	-12.1%
Contribution (to)/from General Fund Working Balance	0	(262)	(262)	

2.5 Variances on non-controllable and corporate items

The charge made to the HRA for properties owned by the General Fund, but utilised by the HRA for dwelling purposes is forecast to be £80k higher. This is due to a lower amount of repairs and improvements at these properties.

Additional new burdens grants totalling £130k, along with an adjustment of £6k to prior year New Homes Bonus grants, provide an additional £136k of unallocated grants. Included in these grants is £73k towards the cost of meeting welfare reforms and benefit cap changes. The work involved with these reforms has been absorbed within the Revenues and Benefits service, with no additional budget having been required.

The remaining grants are small in value and it is not anticipated that additional budgets will need to be given to services. Section 31 grants are retained corporately unless there is evidence of a significant New Burden.

The Contribution from Earmarked Reserves line shows a reduced contribution of £865k. This is predominantly due to an under-spend of £900k following the triennial review of pensions, in which the one off payment that was forecast to be made, is no longer required. The corresponding funding from the Pensions Reserve is also no longer required.

2.6 The following sections provide an analysis of the projected outturn and major budget variances shown by Scrutiny area.

3. Finance and Resources

Finance & Resources	Current Budget	Forecast Outturn	Variance	
	£000	£000	£000	%
Employees	11,005	10,016	(989)	-9.0%
Premises	1,893	1,906	13	0.7%
Transport	32	44	12	37.5%
Supplies & Services	3,870	4,100	230	5.9%
Third-Parties	336	372	36	10.7%
Income	(9,363)	(9,543)	(180)	1.9%
	7,773	6,895	(878)	-11.3%

3.1 Employees - £989k under budget (9.0%)

Underspend of £900k – Following the triennial pensions review, the one off payment of pension backfunding which was expected to be paid in 2016/17, will now not be paid. This payment was to be funded from the Pensions Reserve, and it will therefore be requested in the Cabinet report 21 March 2017 that the corresponding reserve movement be removed from the Adjusted Budget 2016/17.

Underspend of £70k – Following the restructure of the Council's leadership team in May 2016, a saving of £70k has arisen in the management team salaries budgets.

3.2 Supplies and Services - £230k over budget (5.9%)

Pressure of £65k – This pressure relates to budgeted savings in the Parking service which are not expected to be fully realised, and additional costs of upgrading Pay and Display machines prior to the introduction of new £1 coin in March 2017.

Pressure of £50k – A pressure is forecast in the Revenues and Benefits service from bank charges incurred. The new system of credit card surcharging has been implemented, but charges recovered from customers at the time of payment are being reported in the income section of the relevant departmental budgets.

Pressure of £30k – A pressure of £30k has been identified in the Cemeteries service. £15k has been incurred in relation to health and safety requirements including Hand Arm Vibration monitoring. A further £15k has been incurred on memorial seats and benches for re-sale.

Pressure of £20k – This pressure has arisen from a review of the Estates service, which will assist in identifying future efficiencies in the service.

3.3 Income £180k over-achievement of income (1.9%)

Over-achievement of income of £130k – The income on Investment Properties is forecast to exceed budget by £130k. An additional £90k of income expected as a

result of successful rent reviews secured this financial year. In addition service charges are expected to generate an additional £40k of income due to improvements in the methodology for billing costs back to tenants.

Over-achievement of £50k – Car parking income is expected to achieve a surplus of £50k this financial year, due to an increased volume of customers using the Council owned car parks.

Under-achievement of £70k – The income relating to the Cemeteries Service is not expected to be achieved this financial year. New initiatives which were expected to generate additional income have not been as successful as anticipated.

Over-achievement of £50k – An overachievement of income of £50k is forecast in the Revenues, Benefits and Fraud service. £26k relates to the Benefits Administration Subsidy grant from central government, which was higher than previously expected. £16k relates to various items of grant funding, which have been received by the service for specific requirements of central government. £8k is expected from the sale of Fraud expertise to a neighbouring local authority.

Over-achievement of £33k – An insurance rebate of £33k has been received. Under the Council's policies, rebates are payable if the claims experience is particularly good in the prior year.

4. Strategic Planning and Environment

Strategic Planning and Environment	Current Budget £000	Forecast Outturn £000	Variance	
			£000	%
Employees	9,362	9,471	109	1.2%
Premises	970	931	(39)	-4.0%
Transport	1,479	1,375	(104)	-7.0%
Supplies & Services	4,085	4,022	(63)	-1.5%
Third-Parties	88	73	(15)	-17.0%
Income	(8,505)	(8,312)	193	2.3%
	7,479	7,560	81	1.1%

4.1 Employees - £109k over budget (1.2%)

Pressure of £30k – There is a pressure of £80k in the budget for Employee costs in Waste Services, due to an additional round for hard to access properties costing £80k which was not factored in to the last budget setting round. The service has reviewed the overall round structure in detail to optimise each round and ensure that crews are working as productively as possible, and some efficiencies have been made in the Commercial Waste rounds, which has reduced this pressure by £50k to a net pressure of £30k.

Pressure of £120k – A pressure of £120k is expected in Building Control. There are a number of vacant posts within the establishment and agency staff are

currently carrying out this work, but at a more expensive rate. Work is ongoing to improve processes within the service and make efficiency savings going forward. In addition the challenges in staff recruitment and retention are being addressed and options are being appraised as to the best way of ensuring the correct levels of staffing are in place and succession planning is considered.

4.2 Transport – £104k under budget (7%)

Underspend of £90k – An underspend of £60k is forecast in Environmental Services in the budgets for fuel. Despite recent increases in the price of fuel, the budgets in Clean, Safe and Green and in Waste are expected to underspend by £60k. A further saving of £30k is forecast in the budget for vehicle hire in Waste Services, where the procurement of suitable second-hand vehicles has removed the need to hire vehicles.

4.3 Supplies and Services - £63k under budget (1.5%)

Underspend of £40k – An underspend is forecast in the Commercial Waste service related to the disposal of waste. This is linked to a reduction in the volume of waste collected, due to a loss in the number of customers (see paragraph 4.4 below).

Underspend of £40k – An underspend of £40k is expected in the Waste Transfer Site budget for waste disposal. This is due to an increase in waste being diverted to recycling facilities.

4.4 Income - £193k under-achievement of budget (2.3%)

Under-achievement of income of £120k – A pressure of £120k is expected in the Commercial Waste service, due to a reduction in the number of customers. Work is taking place to understand why customers have left and highlight the benefits of the Council's local, flexible Commercial Waste service.

Over-achievement of income of £115k – In Waste Services an additional £70k of income has been generated as a result of an incentive payment from Hertfordshire County Council (HCC) to reward Dacorum for improvements in the rate of recycling as a result of the co-mingled waste service. A surplus of £45k is also expected in recycling credits, following improved co-mingled and green waste tonnages.

Under-achievement of income of £190k – A pressure of £190k is currently forecast in the Planning service, due to uncertainty in the housing and development markets following the EU referendum in June.

5. Housing and Community

Housing & Community	Current Budget	Forecast Outturn	Variance	
	£000	£000	£000	%
Employees	2,549	2,641	92	3.6%
Premises	805	777	(28)	-3.5%
Transport	16	15	(1)	-6.3%
Supplies & Services	2,134	2,157	23	1.1%
Third Parties	758	765	7	0.9%
Income	(4,441)	(4,622)	(181)	4.1%
	1,821	1,733	(88)	-4.8%

5.1 Employees - £92k over budget (3.6%)

Pressure of £92k – A pressure of £92k is forecast across services linked to the vacancy provision, which has been set at 5% across all services. This will continue to be monitored closely for the remaining 3 months of the financial year.

5.2 Income - £181k over-achievement (4.1%)

Over-achievement of income £180k – The income from the rental of Garages is expected to exceed budget by £180k. This is due to the level of voids being lower than anticipated.

6. Housing Revenue Account (HRA)

6.1 The HRA is a ring-fenced account relating to the Council's Landlord functions. A guiding principle of the HRA is that revenue raised from rents and service charges must be sufficient to fund expenditure incurred. The forecast outturn position for the HRA is shown at Appendix B.

6.2 The projected HRA balance at the end of 2016/17 is in line with the budgeted balance of £2.9m.

6.3 Dwelling Rents - £170k under-achievement of income (0.3%)

Following a review of the changes implemented as part of the statutory reform to housing rents, the Supported Housing budget requirement has been checked, and an adjustment of £115k is required. A correction has been made for the draft budget 2017/18. In addition the level of Right to Buy sales has been higher than anticipated, which has led to a further decrease in rental income.

6.4 Non-Dwelling Rents - £40k over-achievement of income (50%)

This income stream relates to rental income on telecommunications aerials around the borough. New leases are being negotiated which is expected to generate an additional £40k of income.

6.5 Contribution towards Expenditure - £136k under-achievement of income (20.8%)

There is a deficit of £145k in leaseholder charges for repairs work, due to the estimate for works carried out in 2015/16 being £95k higher than the amount to be billed. A deficit of £50k is expected in year for the 2016/17 leaseholder income.

There is a deficit of £90k in income expected from the Recharges Officer, as the post was not filled for a full financial year (started October) and the income generated to date has been modest. These pressures are offset by an increase in minor capital receipts of £86k for legal work carried out, such as deed of variation and lifting of restrictive covenants.

6.6 Repairs and Maintenance - £273k over budget (2.6%)

The pressure in repairs reported at Quarter 2 was £453k. During the last quarter a close review of expenditure has been carried out, and c. £200k of repairs work has been re-classified from revenue expenditure to capital. This has reduced the forecast pressure on the revenue budget to £273k.

There has been a slight downturn in the scope of work required in voids that were returned in Quarter 2, however there are currently pressures within a number of demand-led areas including responsive repairs, minor aids and adaptations, drainage, and asbestos testing and removal.

The forecast also includes a £50k underspend for a reduction to the performance related profit (PRP) for 2015/16. Following a challenge from officers, Osborne have agreed to reduce the amount of PRP payable for the year.

The capital programme is currently being reviewed, and it is proposed that a virement request will be raised to align budgets with planned activities between capital and revenue, should this prove to be necessary.

6.7 Supervision & Management - £193k under budget (1.6%)

The projected underspend has arisen in 3 main areas:

£100k underspend in the Tenants and Leaseholders section from vacancies in the Supporting People service.

£85k underspend in the Housing Cleaning service from vacancies in the service and a reorganisation of the management team.

£75k underspend in the Under Occupation Incentive Scheme due to lower volume of moves in the scheme this financial year.

These are offset by a forecast pressure of £80k relating to rent received on properties that are used to house Council tenants but are owned by the General Fund. (The corresponding entry is shown in the General Fund as a decrease in non-controllable costs, see paragraph 2.4).

6.7 Transfer to Housing Reserves - £345k under budget (2.5%)

The overall variance on the HRA is currently forecast to reduce balances by £345k.

The Capital Programme is being reviewed to ensure that components are not replaced before they are required (an example of which is delaying roof replacements that had previously been scheduled in, based upon property conditions surveys). Due to these changes in the programme, an underspend in capital expenditure is forecast. As set out in paragraph 6.5, a virement may be proposed to align the capital and revenue budgets with planned works, and during the process the contribution to the Housing Reserve will be examined.

7. Capital Programme

7.1 Appendix C shows the projected capital outturn in detail by scheme.

The table on the next page summarises the overall capital outturn position by Scrutiny area.

The 'Rephasing' column refers to those projects where expenditure is still expected to be incurred, but it will now be in 2017/18 rather than 2016/17, or conversely, where expenditure planned initially for 2017/18 will now be in 2016/17.

The 'Variance' column refers to those projects which are now complete, but have come in under or over budget and those projects which are no longer required.

The current budget is the original budget approved by Cabinet in February 2016, plus approved amendments, including re-phasing of the slippage identified at Quarter 1 into 2017/18.

	Current Budget £000	Projected Outturn £000	Rephasing £000	Variance	
				£000	%
Finance & Resources	12,871	12,660	(447)	236	1.8%
Strategic Planning & Environment	6,765	6,125	(831)	191	2.8%
Housing & Community	1,742	1,721	0	(21)	-1.2%
G F Total	21,378	20,506	(1,278)	406	1.9%
HRA Total	27,390	21,221	(5,668)	(501)	-1.8%
Grand Total	48,768	41,727	(6,946)	(95)	-0.2%

7.2 General Fund Major Variances

There is an overall projected underspend of £873k on the General Fund. This is a combination of forecast overspend of £406k, and slippage of £1,279k into 2017/18.

The projected net overspend of £406k includes:

- Line 84: overspend of £235k on the budget for The Forum. This overspend is as a result of work carried out by the main contractors on behalf of Herts County Council, for fit out of the Library and the Registry Office. It can be met from grant funding received from Herts County Council for their share of the costs.
- Line 165: overspend of £200k on Regeneration of the Town Centre. This project is almost at a close, however there are still some issues to be resolved regarding the power supply to the town centre. An overspend of £93k was reported last financial year on the project, however some further costs are expected, which at this stage are estimated to be £200k. This would bring the total overspend on the project to £293k, which is approximately 6% of the overall budget. Unbudgeted grant and S106 funding has been received to the value of £105k, which offsets some of the overspend.
- Line 167: overspend of £235k on the Water Gardens project. An additional £50k is expected to be incurred due to additional footpath works agreed at Waterhouse Street. Due to complexities with the project, delays are being experienced, which will necessitate additional professional fees of £50k, with an additional £30k to cover the Extension of Time claim from the contractor. Additional costs of £30k have been incurred for drainage issues and some additional planting, £20k for increased cost in utility provision, and £15k for additional fencing to manage the geese.
- Line 168: underspend of £200k on the Bus Interchange. £300k was carried forward from 2015/16 as slippage, in anticipation of the final costs on this project. Given the complexities of previous projects such as the Marlowes Shopping Zone, where a number of unforeseen expenses were incurred, a prudent estimate of the final costs was made, however this estimate has subsequently proved to be £200k too high.

The projected rephasing to future years includes:

- Line 45: slippage of £75k on Old Town Hall café roof and stonework renewal. Works have been rescheduled to August 2017 to ensure that the works can be procured and delivered during acceptable weather conditions and at a time that would cause the least disruption to the service.
- Line 54: slippage of £59k on High Street, Tring - Replace External Cladding & Roof. Works to the roof have had to cease in accordance with the works licence. Bats are currently in hibernation in the roof and works cannot continue until the hibernation season is over.
- Line 61: slippage of £145k on Kingshill Cemetery - Toilet Provision. A longer than expected project design stage, planning and other consultation have now pushed this project into 2017/18.
- Line 92: slippage of £82k on Future Vision of CRM. Progress with the deployment of CRM has been delayed significantly due to changes in the provider Northgate's strategic approach to the product. Northgate advised the

council in June 2016 that a new version of the product is being developed and advised against substantial development on the current platform. CRM development is therefore being pushed back to 2017/18.

- Line 98: slippage of £70k on EIS replacement. Consideration was given to the possibility of joining the Herts Framework to undertake transactional HR work in conjunction with the Council's payroll contract, however this option did not meet the Council's requirements. Other HR systems that would fulfil the business needs are currently being reviewed.
- Line 138: accelerated spend on Hemel Sports Centre heat and power system. On receipt of the tenders for the required work, additional funding of £75k was required, which has necessitated funding from the Hemel Sports Centre roof scheme, currently programmed for 2019/20, to be brought forward to 2016/17.
- Line 161: slippage of £50k on Maylands Urban Realm project. Landscaping works are now expected to take place in 2017/18. These are seasonal works, which will need to take place in the spring.
- Line 166: slippage of £335k on Maylands Business Centre. There was a delay in granting planning permission on the site until October. When works commenced on site, an unforeseen issue with one of the main drainage pipes was discovered, which has led to a delay in the scheme.
- Line 167: slippage of £517k on the Water Gardens project. As mentioned in paragraph 7.2, there has been significant delay on this scheme which has led to rephasing of the cash flows.

7.3 HRA Major Variances

There is a projected underspend on the HRA capital programme of £6,169k.

- Line 185: underspend of £535k on the Property and Place budgets for planned capital works. The programme is being reviewed as set out in paragraph 6.7. These budgets also contain a contingency of 5%.
- Line 193 and 194: underspend of £148k and £140k respectively on Farm Place and St Peter's Court. Although these schemes are complete, budget was slipped forward from 2015/16, which will be reallocated by virement to the New Build General line to fund other schemes in the programme.
- Line 195: underspend of £665k on Aspen Court, London Road Apsley. At the time of setting the budgets, an additional allocation of £600k was allowed for to cover previously unforeseen costs. This was incorrectly allocated to the Aspen Court, London Road budget, however it should have been allocated to the Stationer's Place line. The underspend on this line will therefore be re-allocated to Stationer's Place.
- Line 196: slippage of £1.3m on New Build General. This reflects re-phasing of a number of schemes to align with revised timescales.

- Line 197: slippage of £2,600k on Wood House. The project timescales have been revised due to the complexity of the tender process. The build is now expected to commence in spring 2017.
- Line 198: slippage of £1,251k on Stationers Place. The contract for the build has recently been awarded, with start on site expected now in financial year 2017/18.
- Line 200: slippage of £493k on Able House. This scheme is now expected to be finished early 2017/18.

	Month			Year-to-Date			Full Year		
	Adjusted Budget £000	Actuals £000	Variance £000	Adjusted Budget £000	Actuals £000	Variance £000	Adjusted Budget £000	Forecast Outturn £000	Variance £000
Controllable									
Finance and Resources	1,454	570	(884)	5,311	4,201	(1,110)	7,773	6,895	(878)
Strategic Planning and Environment	715	666	(49)	6,233	6,275	42	7,479	7,560	81
Housing and Community	259	240	(19)	1,383	1,345	(38)	1,821	1,733	(88)
Controllable	2,428	1,476	(952)	12,927	11,821	(1,106)	17,073	16,188	(885)
Non-Controllable									
Finance and Resources			0			0	(4,086)	(4,166)	(80)
Strategic Planning and Environment			0			0	3,927	3,927	0
Housing and Community			0			0	1,652	1,652	0
Non-Controllable			0			0	1,493	1,413	(80)
General Fund Service Expenditure	2,428	1,476	(952)	12,927	11,821	(1,106)	18,566	17,601	(965)
Reversal of Capital Charges							(4,125)	(4,125)	0
Minimum Revenue Provision							378	378	0
Interest Payable							587	581	(6)
Interest Receipts							(242)	(262)	(20)
Revenue Contributions to Capital							5,796	5,796	0
Contributions to / (from) Reserves							(7,160)	(6,295)	865
Contributions to / (from) Working Balance							0	262	262
Budget Requirement:							13,800	13,936	136
Met From:									
Revenue Support Grant							(971)	(971)	0
Non-Domestic Rates							1,053	1,053	0
New Homes Bonus							(3,491)	(3,497)	(6)
Other General Government Grants							(125)	(255)	(130)
Council Tax Surplus							(49)	(49)	0
Requirement from Council Tax							(10,217)	(10,217)	0
Total Funding:							(13,800)	(13,936)	(136)

Interpreting this report

General Fund Service Expenditure

This subtotal includes those costs which are directly attributable to specific Council services.

Budget Requirement

This subtotal shows the total cash requirement to operate the Council for one year. It includes the General Fund Service Expenditure plus corporate costs and income.

Total Funding

This subtotal shows how the Council receives sufficient funding from different sources to meet the Budget Requirement. In order to 'balance the budget', Total Funding must equal the Budget Requirement.

Housing Revenue Account

Projected Outturn 2016/17 - December 2016

	Original Budget £000	Forecast Outturn £000	Forecast Variance £000	%
Income:				
Net Dwelling Rents	(55,849)	(55,679)	170	-0.3%
Non-Dwelling Rents	(80)	(120)	(41)	50.9%
Tenants Charges	(388)	(393)	(5)	1.3%
Leaseholder Charges	(477)	(488)	(11)	2.3%
Interest and Investment Income	(206)	(206)	0	0.0%
Contribution towards Expenditure	(655)	(518)	137	-20.9%
Total Income	(57,654)	(57,404)	250	-0.4%
Expenditure:				
Repairs and Maintenance	10,702	10,975	273	2.6%
Supervision & Management:	11,766	11,573	(193)	-1.6%
Rent, Rates, Taxes & Other Charges	14	29	15	107.1%
Interest Payable	11,643	11,643	0	0.0%
Provision for Bad Debts	250	250	0	0.0%
Depreciation	9,506	9,506	0	0.0%
HRA Democratic Recharges	220	220	0	0.0%
Total Expenditure	44,101	44,196	95	0.2%
Transfer from Housing Reserves	13,553	13,208	(345)	-2.5%
HRA Deficit / (Surplus)	0	0	0	0.0%
Housing Revenue Account Balance:				
Opening Balance at 1 April 2016	(2,893)	(2,893)	0	
Deficit / (Surplus) for year	0	0	0	
Proposed Contributions to Reserves	0	0	0	
Closing Balance at 31 March 2017	(2,893)	(2,893)	0	

CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2016

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
General Fund											
Finance and Resources											
Commercial Assets and Property Development											
42 Strategic Acquisitions	Nicholas Brown	950,000	(463,500)	0	(486,500)	(486,500)	0	0	0	0	0
43 Demolition of Old Berkhamsted Depot and new barrier	Nicholas Brown	50,000	0	0	0	0	50,000	20,801	50,000	0	0
44 Demolition of Health Centre	Nicholas Brown	350,000	0	(15,000)	0	(15,000)	335,000	0	335,000	0	0
45 Old Town Hall - Cafe Roof and stonework renewal	Nicholas Brown	75,000	0	0	0	0	75,000	0	0	(75,000)	0
46 Demolition of Civic Centre	Nicholas Brown	0	(1,990)	0	0	0	(1,990)	0	0	0	1,990
47 Bennetts End Community Centre - Replace Main Hall Pitched Roof Covering	Nicholas Brown	35,000	0	0	(35,000)	(35,000)	0	0	0	0	0
48 Highfield Community Centre - Resurface Car Park	Nicholas Brown	0	0	15,000	18,318	33,318	33,318	32,819	32,819	0	(499)
49 Adeyfield Community Centre - replace roof	Nicholas Brown	0	44,230	0	(44,230)	(44,230)	0	0	0	0	0
50 Tring Community Centre - new play area for Childrens Nursery	Nicholas Brown	0	13,110	0	0	0	13,110	0	13,110	0	0
51 Bennetts End Community Centre Toilet Provision	Nicholas Brown	18,000	0	0	0	0	18,000	0	18,000	0	0
52 Rossgate Shopping Centre - Structural Works	Nicholas Brown	0	90,910	0	(90,910)	(90,910)	0	0	0	0	0
53 Leys Road - Roof	Nicholas Brown	55,000	0	0	(55,000)	(55,000)	0	0	0	0	0
54 High Street, Tring - Replace External Cladding & Roof	Nicholas Brown	30,000	50,000	0	0	0	80,000	7,789	21,000	(59,000)	0
55 The Denes Shopping Centre - Renew Walkway & Canopy Covering	Nicholas Brown	50,000	0	0	0	0	50,000	0	50,000	0	0
56 Commercial Properties - Renew Obsolete Door Entry Controls	Nicholas Brown	20,000	0	0	0	0	20,000	0	20,000	0	0
57 Silk Mill - Renew asphalt tanking to stairs	Nicholas Brown	16,000	0	0	0	0	16,000	0	16,000	0	0
58 Car Park Refurbishment	Nicholas Brown	90,000	99,172	0	(187,572)	(187,572)	1,600	2,400	2,400	800	0
59 Water Gardens Car Park - Re-Lining (Asphalt) Top Floor	Nicholas Brown	435,000	0	0	0	0	435,000	213,776	435,000	0	0
60 Multi Storey Car Park Berkhamsted	Nicholas Brown	3,432,000	(161,436)	0	(3,085,093)	(3,085,093)	185,471	73,071	185,471	0	0
61 Kingshill Cemetery - Toilet Provision	Nicholas Brown	150,000	0	0	0	0	150,000	889	5,000	(145,000)	0
62 Bunkers Farm	Nicholas Brown	25,782	183,606	0	55,332	55,332	264,720	270,061	266,791	2,071	0
63 Refurbishment of Facilities at Woodwells Cemetery	Nicholas Brown	0	57,597	0	0	0	57,597	0	57,597	0	0
64 Heath Lane - Welfare Facilities	Nicholas Brown	20,000	0	0	0	0	20,000	18,910	20,000	0	0
65 Woodwells Cemetery - Improvements to Burial Areas	Nicholas Brown	20,000	0	0	0	0	20,000	12,921	20,000	0	0
		5,821,782	(88,301)	0	(3,910,655)	(3,910,655)	1,822,826	653,439	1,548,188	(276,129)	1,491
Democratic Services											
69 Election Management System Replacement	Jim Doyle	30,000	0	0	(30,000)	(30,000)	0	0	0	0	0
70 Civic Car Purchase	Jim Doyle	30,000	0	0	0	0	30,000	0	30,000	0	0
		60,000	0	0	(30,000)	(30,000)	30,000	0	30,000	0	0
Development Management and Planning											
74 Planning Software Replacement	Sara Whelan	0	86,964	0	(86,964)	(86,964)	0	0	0	0	0
		0	86,964	0	(86,964)	(86,964)	0	0	0	0	0
Financial Management											
Payroll (Invest to Save)	Richard Baker	0	2,447	0	0	0	2,447	2,425	2,425	0	(22)
Credit Card Surcharging (Invest to Save)	Richard Baker	16,000	0	0	0	0	16,000	16,350	16,350	0	350
80 Upgrade of HSM Module (BACS / DD Security)	Richard Baker	6,000	5,000	0	0	0	11,000	11,700	11,700	0	700
		22,000	7,447	0	0	0	29,447	30,475	30,475	0	1,028
Housing & Regeneration Management											
84 The Forum (Public Service Quarter)	Mark Gaynor	9,350,000	1,015,400	0	0	0	10,365,400	10,522,197	10,600,000	0	234,600
85 Gade Zone	Mark Gaynor	150,000	0	0	0	0	150,000	28,674	150,000	0	0
		9,500,000	1,015,400	0	0	0	10,515,400	10,550,871	10,750,000	0	234,600
Information, Communication and Technology											
89 Rolling Programme - Hardware	Ben Trueman	75,000	41,700	0	0	0	116,700	135,448	136,700	20,000	0
90 Software Licences - Right of Use	Ben Trueman	50,000	32,000	0	0	0	82,000	62,330	82,000	0	0
91 Website Development	Ben Trueman	0	69,500	0	0	0	69,500	6,103	30,000	(39,500)	0
92 Future vision of CRM	Ben Trueman	152,000	0	0	(70,000)	(70,000)	82,000	0	0	(82,000)	0
		277,000	143,200	0	(70,000)	(70,000)	350,200	203,882	248,700	(101,500)	0

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CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2016

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Finance and Resources (continued)											
People											
96 Incoming Mailroom	Matt Rawdon	0	48,009	0	0	0	48,009	47,234	47,234	0	(775)
97 Reprographics	Matt Rawdon	0	5,247	0	0	0	5,247	0	5,247	0	0
98 EIS Replacement	Matt Rawdon	0	70,000	0	0	0	70,000	0	0	(70,000)	0
		0	123,256	0	0	0	123,256	47,234	52,481	(70,000)	(775)
Totals: Finance and Resources		15,680,782	1,287,966	0	(4,097,619)	(4,097,619)	12,871,129	11,485,901	12,659,844	(447,629)	236,344
Housing and Community											
Commissioning, Procurement and Compliance											
106 Telephony upgrade & virtualisation	Ben Hosier	0	4,600	0	0	0	4,600	0	4,600	0	0
107 Customer Services Unit Refurbishment	Ben Hosier	0	9,870	0	0	0	9,870	9,915	9,915	0	45
108 CSU Flow Management Solution	Ben Hosier	46,500	0	0	0	0	46,500	23,560	27,600	0	(18,900)
109 Replacement of Inform 360 Communications	Ben Hosier	19,000	0	0	0	0	19,000	18,920	18,920	0	(80)
110 Self Service Kiosks	Ben Hosier	47,000	0	0	0	0	47,000	26,815	44,500	0	(2,500)
		112,500	14,470	0	0	0	126,970	79,210	105,535	0	(21,435)
Legal , Democratic and Regulatory Management											
119 Highbarns Land Stabilisation Project	Mark Brookes	0	8,360	0	0	0	8,360	(1,242)	8,360	0	0
		0	8,360	0	0	0	8,360	(1,242)	8,360	0	0
People											
118 Capital Grants - Community Groups	Matt Rawdon	20,000	0	0	0	0	20,000	2,941	20,000	0	0
		20,000	0	0	0	0	20,000	2,941	20,000	0	0
Residents Services											
122 Rolling Programme - CCTV Cameras	Julie Still	25,000	0	0	0	0	25,000	22,160	25,000	0	0
123 Lift Replacement to Theatre - Old Town Hall	Julie Still	40,000	0	0	(40,000)	(40,000)	0	0	0	0	0
124 Verge Hardening Programme	Julie Still	350,000	7,840	0	0	0	357,840	117,617	357,840	0	0
125 Youth Centre Provision	Julie Still	50,000	82,807	21,262	0	21,262	154,069	132,518	154,069	0	0
		465,000	90,647	21,262	(40,000)	(18,738)	536,909	272,295	536,909	0	0
Strategic Housing											
129 Affordable Housing Development Fund	Julia Hedger	0	0	1,050,000	0	1,050,000	1,050,000	1,050,000	1,050,000	0	0
130 WesterDale	Julia Hedger	0	0	0	0	0	0	1,153	0	0	0
		0	0	1,050,000	0	1,050,000	1,050,000	1,051,153	1,050,000	0	0
Totals: Housing and Community		597,500	113,477	1,071,262	(40,000)	1,031,262	1,742,239	1,404,357	1,720,804	0	(21,435)

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CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2016

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)
Strategic Planning and Environment											
Commercial Assets and Property Development											
138 Hemel Hempstead Sports Centre - Roof	Nicholas Brown	0	0	0	0	0	0	0	0	75,562	(75,562)
139 Hemel Sports Centre - renew heat and power system	Nicholas Brown	0	76,050	23,878	0	23,878	99,928	0	175,490	0	75,562
140 Hemel Sports Centre - renew outdoor pool water heaters	Nicholas Brown	0	4,952	(4,952)	0	(4,952)	0	0	0	0	0
141 Berkhamsted Sports Centre - heating system upgrade	Nicholas Brown	15,000	0	0	0	0	15,000	0	15,000	0	0
142 Air Handling Unit - Hemel Hempstead Sports Centre	Nicholas Brown	0	18,926	(18,926)	0	(18,926)	0	0	0	0	0
143 Tring Swimming Pool	Nicholas Brown	0	0	0	0	0	0	16,000	16,000	16,000	0
		15,000	99,928	0	0	0	114,928	16,000	206,490	91,562	0
Environmental Services											
147 Wheeled Bins & Boxes for New Properties	Craig Thorpe	20,000	0	0	0	0	20,000	5,989	20,000	0	0
148 Play Area Refurbishment Programme	Craig Thorpe	224,000	106,916	159,314	(150,916)	8,398	339,314	149,312	336,006	0	(3,308)
149 Litter Bin Upgrade	Craig Thorpe	40,000	0	0	0	0	40,000	5,990	40,000	0	0
150 Waste & Recycling Service Improvements	Craig Thorpe	0	75,000	0	(75,000)	(75,000)	0	0	0	0	0
151 Play Areas & Open Spaces - replace equipment	Craig Thorpe	0	14,722	0	0	0	14,722	0	14,722	0	0
152 Cupid Green Depot - Security Gates Upgrade	Craig Thorpe	81,000	0	0	0	0	81,000	70,355	70,355	0	(10,645)
153 Dog Kennels / Pest Control store Cupid Depot	Craig Thorpe	40,000	0	0	0	0	40,000	779	10,000	0	(30,000)
154 Fleet Replacement Programme	Craig Thorpe	862,000	94,231	0	(485,244)	(485,244)	470,987	170,185	470,987	0	0
		1,267,000	290,869	159,314	(711,160)	(551,846)	1,006,023	402,609	962,070	0	(43,953)
Regulatory Services											
158 Disabled Facilities Grants	Chris Troy	603,000	(61,346)	133,000	0	133,000	674,654	547,835	674,654	0	0
159 Home Improvement Grants	Chris Troy	0	8,893	0	0	0	8,893	8,674	8,674	0	(220)
		603,000	(52,453)	133,000	0	133,000	683,547	556,508	683,328	0	(220)
Strategic Planning and Regeneration											
163 Maylands Phase 1 Improvements	Chris Taylor	476,000	813,256	0	0	0	1,289,256	852,006	1,239,256	(50,000)	0
164 Urban Park/Education Centre	Chris Taylor	0	0	0	30,000	30,000	30,000	35,460	50,000	20,000	0
165 Regeneration of Hemel Town Centre	Chris Taylor	0	0	0	0	0	0	184,053	200,000	0	200,000
166 Maylands Business Centre	Chris Taylor	550,000	335,000	0	0	0	885,000	89,802	550,000	(335,000)	0
167 Water Gardens	Chris Taylor	177,217	2,005,260	0	0	0	2,182,477	1,932,101	1,900,000	(517,477)	235,000
168 Bus Interchange	Chris Taylor	0	300,000	0	0	0	300,000	50,311	100,000	0	(200,000)
169 Heath Park Gardens Improvements (Fully funded from S106)	Chris Taylor	0	12,892	0	0	0	12,892	9,503	12,892	0	0
170 Town Centre Access Improvements	Chris Taylor	0	507,961	0	(457,961)	(457,961)	50,000	1,122	15,000	(35,000)	0
171 Hemel Street Furniture	Chris Taylor	166,000	0	0	(30,000)	(30,000)	136,000	72,999	166,000	30,000	0
172 Gadebridge Park	Chris Taylor	500,000	0	0	(500,000)	(500,000)	0	0	0	0	0
173 The Bury - Conversion into Museum and Gallery	Chris Taylor	75,000	0	0	0	0	75,000	0	40,000	(35,000)	0
		1,944,217	3,974,369	0	(957,961)	(957,961)	4,960,625	3,227,359	4,273,148	(922,477)	235,000
Totals: Strategic Planning and Environment		3,829,217	4,312,713	292,314	(1,669,121)	(1,376,807)	6,765,123	4,202,477	6,125,035	(830,915)	190,827
Totals - Fund: General Fund		20,107,499	5,714,156	1,363,576	(5,806,740)	(4,443,164)	21,378,491	17,092,734	20,505,683	(1,278,544)	405,736

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CAPITAL PROGRAMME MONITORING BY SCRUTINY COMMITTEE FOR DECEMBER 2016

Scheme	Budget Holder	Original Budget	Prior Year Slippage	Adj's, Supps, Virements	Adjustments (Slip. C/F)	In-Year Adjustments	Current Budget	YTD Spend	Projected Outturn	Forecast Slippage	Projected Over / (Under)	
Housing Revenue Account												
Housing and Community												
Property & Place												
185	Planned Fixed Expenditure	Fiona Williamson	18,334,000	0	(4,628,000)	0	(4,628,000)	13,706,000	12,412,118	13,170,700	0	(535,300)
186	Pain/Gain Share (Planned Fixed Expenditure)	Fiona Williamson	0	0	(0)	0	(0)	(0)	(21,085)	(0)	0	0
187	M&E Contracted Works	Fiona Williamson	0	(630,178)	1,108,000	0	1,108,000	477,822	153,206	477,822	0	0
188	Communal Gas & Heating	Fiona Williamson	0	0	2,950,000	0	2,950,000	2,950,000	1,236,778	2,950,000	0	0
189	DBC Commissioned Capital Works	Fiona Williamson	0	0	570,000	0	570,000	570,000	33,665	570,000	0	0
			18,334,000	(630,178)	0	0	0	17,703,822	13,814,682	17,168,522	0	(535,300)
Strategic Housing												
193	New Build - Farm Place Berkhamsted	Julia Hedger	45,040	105,505	0	0	0	150,545	(41,583)	2,232	0	(148,313)
194	Galley Hill / St. Peters Court / The Nokes	Julia Hedger	0	140,125	0	0	0	140,125	(37,490)	0	0	(140,125)
195	Aspen Court / London Road, Apsley	Julia Hedger	322,534	837,800	0	0	0	1,160,334	369,206	494,804	0	(665,530)
196	New Build General	Julia Hedger	1,372,481	586,791	0	0	0	1,959,272	599,885	635,706	(1,323,566)	0
197	Wood House	Julia Hedger	3,950,336	(8,590)	0	(1,167,334)	(1,167,334)	2,774,412	17,164	174,352	(2,600,060)	0
198	Stationers Place / Apsley Paper Mill	Julia Hedger	1,734,811	(234,935)	0	(672,880)	(672,880)	826,996	505,335	529,480	(1,251,484)	953,968
199	New Build - Queen Street (Old Tring Depot)	Julia Hedger	337,815	73,422	0	0	0	411,237	423,277	445,367	0	34,130
200	Able House	Julia Hedger	2,084,636	178,309	0	0	0	2,262,945	878,478	1,770,112	(492,833)	0
			9,847,653	1,678,427	0	(1,840,214)	(1,840,214)	9,685,866	2,714,272	4,052,053	(5,667,943)	34,130
Totals: Housing and Community			28,181,653	1,048,249	0	(1,840,214)	(1,840,214)	27,389,688	16,528,954	21,220,575	(5,667,943)	(501,170)
Totals - Fund: Housing Revenue Account			28,181,653	1,048,249	0	(1,840,214)	(1,840,214)	27,389,688	16,528,954	21,220,575	(5,667,943)	(501,170)
Totals			48,289,152	6,762,405	1,363,576	(7,646,954)	(6,283,378)	48,768,179	33,621,688	41,726,258	(6,946,487)	(95,434)

GENERAL FUND RESERVES SUMMARY 2016/17

General Fund	Balance	Transfers	Transfers	Budgeted Balance	Changes identified through monitoring	Forecast Balance
	as at 01/04/2016	In 2016/17	Out 2016/17	as at 31/03/2017	2016/17	as at 31/03/2017
	£'000	£'000	£'000	£'000	£'000	£'000
Civic Centre Major Repairs Reserve	200			200		200
Earmarked Grants Reserve	273		(10)	263	(75)	188
Management of Change Reserve	1,440	204	(305)	1,339	90	1,429
Technology Reserve	163		(107)	56		56
On Street Car Parking Reserve	149		(128)	21		21
Local Development Framework Reserve	366		(282)	84		84
Dacorum Development Reserve	568	120	(348)	340		340
Planning Enforcement & Appeals Reserve	125			125	(50)	75
Planning & Regeneration Project Reserve	160		(40)	120		120
Litigation Reserve	214			214		214
Vehicle Replacement Reserve	350	350		700		700
Invest to Save Reserve	411		(116)	295		295
Building Control Reserve	86		(86)	0		0
Longdean School Repairs Reserve	7		(7)	0		0
Tring Swimming Pool Repairs Reserve	91		(91)	0		0
Youth Club Reserve	101			101		101
Election Reserve	30	30		60		60
Uninsured Loss Reserve	586			586		586
Training & Development Reserve	114		(26)	88		88
Housing Conditions Survey Reserve	66	15		81		81
Dacorum Partnership Reserve	66			66		66
Dacorum Rent Aid	15			15		15
Dacorum Rent Guarantee Scheme	15			15		15
The Forum Reserve	2,006		(1,758)	248		248
Funding Equalisation Reserve	2,944		(3,606)	(662)		(662)
Pensions Reserve	1,773		(900)	873	900	1,773
Maylands Plus Reserve	100		(69)	31		31
Total Earmarked Reserves	12,419	719	(7,879)	5,259	865	6,124
General Fund Working Balance	2,499			2,499	262	2,761
Total General Fund Reserves	14,918	719	(7,879)	7,758	1,127	8,885



AGENDA ITEM:

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	7 th March 2017
PART:	1
If Part II, reason:	

Title of report:	Quarter 3 Performance Report – Legal Governance and Democratic Services
Contact:	Cllr Neil Harden, Portfolio Holder for Residents and Corporate Services Author/Responsible Officers: Mark Brookes (Solicitor to the Council) Jim Doyle, Group Manager (Democratic Services)
Purpose of report:	To provide Members with the performance report for quarter three in relation to Legal Governance and Democratic Services.
Recommendations	That Members note the report.
Corporate objectives:	Resources and Value For Money; Optimise Resources and Implement Best Practice.
Implications:	<u>Financial</u> None.
'Value For Money Implications'	<u>Value for Money</u> Monitoring Performance supports the Council in achieving Value for Money for its citizens.
Risk Implications	Risk Assessment completed for each service area as part of service planning and reviewed quarterly.

Equalities Implications	Equality Impact Assessment completed for each service area as part of service planning and reviewed quarterly.
Health And Safety Implications	None
Consultees:	Cllr Neil Harden, Portfolio Holder for Residents and Corporate Services
Background papers:	Annex 1: Quarter 3 Performance Report Annex 2: Quarter 3 Operational Risk Register

1. Members will find attached to this report the Corvu performance data for Legal Governance and Democratic Services, together with the Operational Risk Register, in relation to quarter 3 of 2016/17.
2. Members will also note that the only Operation Risk which falls within this area is CE_R01 Failure to deliver successful elections.

LEGAL GOVERNANCE

3. Legal Governance continues to be heavily involved in many of the Council's critical projects. In particular, significant legal support is being provided in relation to the Forum/Gade Zone regeneration project.
4. The team have now completed the leases in the Forum to Hertfordshire County Council, Dacorum Community Trust, Dacorum Credit Union and are near to completion on the lease for the Citizens Advice Bureau.
5. The team have been working with the property and planning teams to negotiate and finalise terms with the Council's development partner (Gade Zone Developments Limited) to bring forward the delivery of residential development surrounding the Forum. Heads of Terms have now been agreed with Hill Development and work is progressing to finalise contractual and sale documentation.

The Legal Team

6. The Legal team frequently represent the Council in the courts and tribunals, leading on injunctions, prosecutions and defending employment tribunal cases and judicial review proceedings. In the last quarter the Legal team :-
 - Obtained one anti-social behaviour injunction
 - Obtained a temporary injunction preventing gypsies from carrying out development in Bovingdon.
 - Advised on a Judicial Review claim relating to the proposed Berkhamsted Multi Storey Car Park (claim now formerly commenced in the High Court which the team will be defending)

7. The Legal team have now been granted accredited training provider status by the Bar Council (the body responsible for supervising Barristers) and the team will now be advertising to recruit a trainee barrister for a 6-12 month period to provide support on anti-social behaviour, homelessness and other council litigation. The trainee scheme will be reviewed after the first year to decide whether to continue it going forward.

The Licensing Team

8. The new taxi rank (5 cars) is now operational outside of Crazy Fried Chicken and has been well received by the taxi trade.
9. The enforcement team have carried out enforcement operations on taxi drivers and pubs but no particular compliance issues have been identified.

DEMOCRATIC SERVICES

Elections/Electoral Registration

10. 2016/17 Electoral register was published on time and in line with statutory guidelines. The team then moved on in January 17 to the annual rolling renewal of postal vote identifiers (PVIs), made up of the signature and D.O.B, for just less than 2000 of those registered to vote by post.
11. Preparations are now well underway for the forthcoming Herts County Council elections in May 2017.

Member Support Services

12. During Quarter 3, Member Support managed and organised the following:
 - Published 26 agendas
 - Completed 25 sets of minutes
 - Spent 49 hours at evening meetings
 - Processed 41 public speakers at Committee
 - Published 15 Portfolio Holder Decisions
 - Published 11 Officer Decisions
 - Representation at 6 Community Association meetings
 - 11 Mayoral visits to parishes including - Ambulance Service, Mayor to Sunnyside Rural Trust and many community centre visits.
13. The Town & Parish Conference held on the 25th of November 2016. This year every Town & Parish Council was represented, partners such as HAPTC attended and Herts County Council gave a presentation on its highways work. Many departments across the council took part in the service marketplace which was a great success. The whole event went extremely well and received great feedback.

Member Development

14. Seven Member Development sessions took place during this quarter, with 63 attendances which equates to a 0.8 average per councillor. Sessions included Constitution training, Speaking with Confidence, an Anaerobic Digestion Plant visit, a Materials Recycling Facility visit, Speed Reading, the budget and a Licensing Update, all provided as either a result of the member requests following the Personal Development Plans or were deemed appropriate/compulsory by the Member Development Steering Group.

15. During this quarter the following attendances were seen:

- 18 councillors didn't attend any of the courses provided
- 15 councillors attended 1 course
- 12 councillors attended 2 courses
- 3 councillors attended 3 courses
- 0 councillors attended 4 courses
- 3 councillors attended 5 courses
- 0 councillors attended 6 courses
- No one attended all seven

Mayoral Support

16. It would be fair to say that the move to the Forum has proved disruptive for this most traditional of services but it has gradually settled in to the new surroundings, practices and procedures.

Much of the focus of the early part of the year has been on arrangements for the Mayor's Civic Function which are at an advanced stage. A substantial contribution towards the cost of the event is being made as a result of the Mayor's efforts to organise sponsorship and involve local businesses and organisations.

F&R OSC QUARTERLY PERFORMANCE REPORT

Chief Executive's Unit

December 2016



Measure	Owner & Updater	Dec 2016 Result	Sep 2016 Result	Dec 2015 Result	Sign Off	Comments
DPA01 - Percentage of DPA requests met in 40 days	Mark Brookes John Worts	100% (11/11) Target: 100	100% (9/9) Target: 100	100% (2/2) Target: 100	✓ Owner	
FOI01 - Percentage FOI requests satisfied in 20 days	Mark Brookes John Worts	94.96% (132/139) Target: 100	97.37% (148/152) Target: 100	100% (142/142) Target: 100	✓ Owner	Discussions have taken place with the departments who missed the deadlines to ensure that targets are not missed in the future.
CG01 - Percentage of draft new commercial leases sent to the prospective tenants/their Solicitors within 10 working days of receipt of full instructions	Mark Brookes Christopher Gaunt	100% (3/3) Target: 100	100% (2/2) No Target	100% (7/7) Target: 100	✓	
LG02 - Percentage of draft commercial lease renewals sent to tenants/their Solicitors within 15 working days of receipt of full instructions	Mark Brookes Christopher Gaunt	87.5% (7/8) Target: 100	100% (5/5) No Target	100% (1/1) Target: 100	✓ Updater	1 lease renewal target missed in this period - this was because of a combination of annual leave and very high level of other new instructions being received

Page 3

Measure	Owner & Updater	Dec 2016 Result	Sep 2016 Result	Dec 2015 Result	Sign Off	Comments
LG03 - Percentage of Right to Buy documents sent to tenants/their Solicitors within 15 working days of receipt of full instructions	Mark Brookes Christopher Gaunt	100% (27/27) Target: 100	100% (25/25) No Target	100% (33/33) Target: 100	✓	Updater Pleasing to see KPIs being met despite continued very high level of new instructions
LG06 - Percentage of housing possession proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100% (2/2) Target: 100	100% (3/3) No Target	100% (1/1) Target: 100	✓	Updater The number of possession proceedings being commenced has kept steady.
LG07 - Percentage of Licensing Act 2003 decision letters sent to applicants/licensees within 5 working days of the date of the Sub Committee hearing	Mark Brookes Barbara Lisgarten	100% (3/3) Target: 100	No Incidents (0/0) No Target	100% (2/2) Target: 100	✓	Updater As committee hearings have been quite sporadic over the past few months this has led to the irregular pattern of results.
LG08 - Percentage of decision letters produced by Legal Services which are sent to hackney carriage/private hire drivers within 14 working days of the sub-committee hearing date	Mark Brookes Barbara Lisgarten	100% (2/2) Target: 100	100% (1/1) No Target	No Incidents (0/0) Target: 100	✓	Updater The numbers of sub-committee hearings and results has remained steady.
LG09 - Percentage of prosecution proceedings commenced within 20 working days of receipt of full instructions	Mark Brookes Barbara Lisgarten	100% (1/1) Target: 100	No Incidents (0/0) No Target	100% (3/3) Target: 100	✓	Updater There are number of on-going complex prosecutions which have taken up the time and resources of the various enforcement teams. This has led to a drop in additional instructions on new cases.
MS01 - Average number of training opportunities taken up per Member	Jim Doyle Trudi Coston	No Data No Target	No Data Target: 0	0.9 Opportunities (45/51) Target: 0	✗	

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December 2016

Chief Executive's Unit - Mark Brookes

CE_R01 Failure to deliver successful elections

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Mark Brookes	Portfolio Holder: Neil Harden	Tolerance: Treating
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Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
4 Very Likely	4 Severe	16 Red	1 Very Unlikely	4 Severe	4 Green

Consequences	Current Controls	Assurance
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<p>Legal sanction and re-run of election at DBC expense. Loss of faith in elections process. Intense scrutiny on future referenda Potential 'Failed service' designation from Electoral Commission. Personal Financial liability for Returning Officer. Invalid or unsubstantiated election Results. Dissatisfaction of key stakeholders with the borough council elections and the process for future referenda.</p>	<ul style="list-style-type: none"> - Election Preparation Plan and Risk Assessment - Establish Election Team, allocate resources, audit and prepare equipment - Oversee actual Election - Check Results - Conclude election paperwork - Clear and Store election equipment 	<p>The Parliamentary, Borough and Parish/Town Council elections held in May 2015 and the PCC election (May 2016) and EU Referendum (June 2016) were conducted successfully which demonstrates the effectiveness of a comprehensive action plan which is monitored and updated every two weeks by the Chief Executive, as the Returning Officer, the Solicitor to the Council, the Corporate Director (Finance and Operations) and the Group Manager (Democratic Services) as the three Deputy Returning Officers.</p>
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Sign Off and Comments

Sign Off Complete
Preparations are now underway for the County Council elections and the risk mitigation measures highlighted above will be used to ensure an efficient election process.



Agenda Item 9



AGENDA ITEM:

SUMMARY

Report for:	Finance and Resources Overview & Scrutiny Committee
Date of meeting:	7th March 2017
PART:	1
If Part II, reason:	

Title of report:	Performance and Risk report Quarter 3 2016/17 – Performance, People & Innovation
Contact:	Neil Harden, Portfolio Holder for Residents and Corporate Services Author/Responsible Officer: Robert Smyth, Assistant Director - Performance, People & Innovation
Purpose of report:	To provide the Committee with analysis of performance and risk management for the services and functions provided by the Performance, People & Innovation Division.
Recommendations	That the Committee notes the contents of the report and the performance of the division for Quarter 3, 2016/17.
Corporate objectives:	The Performance, People & Innovation division supports the delivery of all corporate objectives, although there is a particular focus on ‘modern and efficient council’. That is why it is important that it is able to meet its performance objectives and manage risk.
Implications:	<u>Financial</u> Poor performance could lead to increases in costs as well as reducing the value of our service offer.
‘Value For Money Implications’	<u>Value for Money</u> The work of the division supports the achievement of value for money in the pursuit of the Council’s objectives
Risk Implications	Risk Assessment reviewed January 2017.
Equalities Implications	There are no equalities implications arising from this report.

Health And Safety Implications	There are no health and safety implications arising from this report.
Consultees:	None
Background papers:	Attached: 1. Quarter 3 Operational Risk and Performance reports
Historical background <i>(please give a brief background to this report to enable it to be considered in the right context).</i>	<p>This is a regular report to the committee detailing the performance of the division over the last quarter.</p> <p>The review also considers operational risks and highlights any additional controls and assurances needed to address the issues raised.</p> <p>The focus of the service has recently expanded and it now includes:</p> <ul style="list-style-type: none"> - Performance, innovation and project management - IT and digital services - Corporate admin and support - HR and organisational development - Communications - Community partnerships
Glossary of acronyms and any other abbreviations used in this report:	<ul style="list-style-type: none"> • IT – Information Technology team • FirstCare – The Council’s sickness management system • KPIs – Key performance indicators

Introduction

- 1.1 Performance reports are produced on a quarterly basis with information collated in the Council’s performance management system (CorVu).
- 1.2 The performance report for the division is attached and it examines progress in relation to three key themes:
 - 1.2.1 Complaints handling
 - 1.2.2 Human Resources
 - 1.2.3 IT and Digital Services
- 1.3 Targets are included in those areas where it is appropriate and would act as a positive driver for performance behaviour.

Monitoring Performance

Summary

2.1 Overall performance is very positive.

2.2 Eight indicators are on target and one indicator (average days lost due to sickness) is just outside target. We have also seen continued high performance across key measures.

Detailed Analysis

Complaints Handling

2.3 The total number of Stage 1 complaints received was 129. This is comparable to the same period in 2015 (130), which suggests that complaints levels were stable.

2.4 Overall performance in relation to the handling of complaints remains very good. The Council is on target across Stages 1 and 2.

2.5 However, two Stage 3 complaints were dealt with outside of target (both of which occurred due to the complexity of the cases),

HR

2.6 The Council has continued to tackle sickness absence. The total number of days lost (1437) is 20% lower than the previous year and long term sickness absence has reduced from 1328 in Q3 2015 to 938.5 in 2016.

2.7 The percentage of employees who have been repeatedly absent has also reduced from 3.57% (in 2015) to 2.48% (in 2016), which shows that the measures in place to support staff back to work are having a positive impact.

2.8 The total FTE compliment of staff is 3.5% lower than the same quarter in 2015.

IT and Digital Services

2.9 The percentage of incidents resolved in less than two days (89.64%) is just below target.

2.10 However, this represents a good performance given that the team had to deal with a 49% increase in incidents and that they were supporting the migration to the Forum.

2.11 The percentage of new starter requests also continues to be above target and system and website availability is high.

2.12 The number of website users in the quarter has decreased but this is likely to be seasonal.

Risk Management

PP_R011 Failure to deliver Digital Dacorum leads to poor customer experiences and increased costs from calls and face to face visits (No Change)

- 3.1 The main focus has been on supporting the move to the digitally enhanced Forum. However, we have also continued to digitise a number of internal processes and launched new online forms including taxi complaints, planning payments, pre-planning advice and the Dacorum Card.
- 3.2 We have seen 112,000 website visits in the quarter and 80% of all payments are made in a digital or automated way.

PP_R012 Failure to deliver an effective approach to the management of performance, projects and complaints (New Risk)

- 2.13 In the last quarter 69% of high priority KPIs and 69% of strategic projects are on target. We received 129 Stage 1 complaints and 91% were resolved in our agreed deadline.

PP_R014 Failure to achieve the service outcomes outlined in each of the new community contracts (New Risk)

- 2.14 All contracts have completed the procurement process and have gone live. We have held a number of contract meetings with each of the service providers. Subsequent network meetings will be held on a quarterly basis.

PP_R015 Failure to effectively and proactively manage the media profile of DBC including social media (New Risk)

- 2.15 In Q3 we posted over 1,928 outbound messages across our 18 social media accounts, received over 262 direct messages and had a total twitter reach of 5.9 million viewers.
- 2.16 Some of the campaigns we have run include the widely publicised "Vote Hemel" (The Great British High Street Awards) campaign, events (Halloween and Christmas lights), recycling (food waste and Christmas tree recycling) and celebrating achievements (Max Whitlock and Jess Stretton).

PP_R016 Failure to effectively and proactively manage all aspects of employee relations (New Risk)

- 2.17 The HR team provides dedicated support and coaching for all managers engaged in employee relation issues. We also continue to enjoy good relations with our recognised Trade Unions (Unison and Unite).

PP_R017 Failure to support the organisation, and in particular the leadership team, to manage organisational change and staff development including the move to the Forum (New Risk)

2.18 In the last quarter the Improvement and Innovation team have provided 38 days of internal 'change consultancy' to help services. The team have also begun work on a review of the housing service.

PP_R018 Failure to understand and respond to the current and future technology needs of the Council (New Risk)

2.19 Arcus Consultancy is continuing to work on the review of our line-of-business applications (e.g. Orchard, Flare etc.) with the aim of streamlining and improving the resilience of our systems. This work is due to report in February.

2.20 We are also continuing to implement new technologies to improve remote access and contact including upgrading to Skype for Business and installing Direct Access.

PP_R04 Failures in ICT resilience or security leading to significant system downtime (New Risk)

2.21 Work is underway on resilient connectivity between The Forum and the data centres (removing common path to local BT exchange) and this is expected to be completed in March 2017. Our new server room has been installed and we have completed the virtualisation of our telephony system.

2.22 In October we received our PSN compliance certification and in Q3 overall systems availability was 99.81% and web availability was 99.9%.

F&R OSC QUARTERLY PERFORMANCE REPORT

Performance and Projects

December 2016



Measure	Owner & Updater	Dec 2016 Result	Sep 2016 Result	Dec 2015 Result	Sign Off	Comments
CS02a - Percentage stage 1 complaints resolved in 20 days for the Council	Matt Rawdon Cassie O'Neil	90.7% (117/129) Target: 80	93.75% (135/144) Target: 80	91.54% (119/130) Target: 80	✓	Updater Performance exceeding target, no further action required at this time
CS02b - Percentage stage 2 complaints resolved in 20 days for the Council	Matt Rawdon Cassie O'Neil	85.71% (18/21) Target: 80	85% (17/20) Target: 80	93.75% (15/16) Target: 80	✓	Updater Performance exceeding target, no further comments at this time

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Measure	Owner & Updater	Dec 2016 Result	Sep 2016 Result	Dec 2015 Result	Sign Off	Comments
CS02c - Percentage stage 3 complaints resolved in 20 days for the Council	Matt Rawdon Cassie O'Neil	71.42% (5/7) Target: 80	100% (3/3) Target: 80	60% (3/5) Target: 80	✓	<p>Updater 2 complaints during October for Housing & Regeneration were responded out of target, resulting in low performance against this indicator;</p> <p>Ref. JE5C7Y - response sent 11 days overdue. This was owing to additional information being requested to ensure a robust review of the original decision could be carried out.</p> <p>NEY24A - response sent 1 day out of target due to complexity of investigation causing a delay in completing the response</p>
HR01 - Total FTE staff employed	Matt Rawdon Anne Stunell	634 Staff Info Only	652 Staff Info Only	657 Staff Info Only	✓	<p>Updater 28 leavers 10 starters</p>
HR02 - Total number of leavers	Matt Rawdon Anne Stunell	28 Leavers Info Only	22 Leavers Info Only	37 Leavers Info Only	✓	<p>Updater 13 voluntary resignations 4 resignation to other local authorities 1 Dismissal 10 end of contract</p>
HR03 - Total days lost through sickness absence	Matt Rawdon Anne Stunell	1437 Days Info Only	1464.25 Days Info Only	1788.75 Days Info Only	✓	<p>Updater Lower than last quarter and substantially lower than last year</p>

Measure	Owner & Updater	Dec 2016 Result	Sep 2016 Result	Dec 2015 Result	Sign Off	Comments
HR04a - Total days lost through SHORT TERM sickness absence	Matt Rawdon Anne Stunell	498.5 Days Info Only	408.25 Days Info Only	461 Days Info Only	✓	Owner Similar outturn to last year and last quarter
HR04b - Total days lost through LONG TERM sickness absence	Matt Rawdon Anne Stunell	938.5 Days Info Only	1056 Days Info Only	1327.75 Days Info Only	✓	Updater Lower than last quarter and substantially lower than last year
HR05 - Average days lost due to sickness absence per FTE	Matt Rawdon Anne Stunell	2.27 Days (1437/634) Target: 2	2.25 Days (1464/652) Target: 2	2.72 Days (1789/657) Target: 2	✓	Updater Similar to last quarter and lower than last year
HR10 - Percentage of employees who have been absent on more than 2 occasions in the quarter	Matt Rawdon Anne Stunell	2.48% (18/727) Target: 8	1.91% (14/733) Target: 8	3.57% (26/729) Target: 8	✓	Updater Higher than last quarter but substantially lower than last year
ICT01 - Percentage of incidents resolved in less than 2 days	Ben Trueman Amanda Jeffries	89.64% (1324/1477) Target: 90	90.65% (950/1048) Target: 90	93.91% (926/986) Target: 90	✓	Owner Target narrowly missed while carrying vacancies and preparing for Forum ICT move.
ICT02 - Availability of primary systems (office hours)	Ben Trueman Amanda Jeffries	99.81% Target: 99	100% Target: 99	299.81% Target: 99	✓	Owner Generally good availability but affected by outage in December.
ICT03 - Percentage of New Starter Requests processed in 5 working days from notification	Ben Trueman Amanda Jeffries	100% (28/28) Target: 95	96.3% (26/27) Target: 95	96.15% (25/26) Target: 97	✓	Owner Consistently good performance from Service Desk
WEB01 - Percentage website availability	Ben Trueman Murtaza Maqbool	99.99% Target: 99	99.99% Target: 99	99.98% Target: 99	✓	Owner Consistently excellent availability
WEB03 - Number of Website Users	Ben Trueman Murtaza Maqbool	112182 Info Only	115371 Info Only	No Data Info Only	✓	Owner Slight drop in visits reflecting Christmas lull.

OPERATIONAL RISK REGISTER

December 2016



Performance and Projects - Robert Smyth

PP_R011 Failure to deliver Digital Dacorum leads to poor customer experiences and increased costs from calls and face to face visits

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating
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Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber

Consequences	Current Controls	Assurance
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<p>86% of adults use the internet regularly and people expect services that reflect their 24/7 online lives.</p> <p>Digital services also provide an opportunity to use new technology to reduce costs while maintaining or improving service quality.</p> <p>However if we don't deliver our digital vision (Digital Dacorum) this will have major consequences.</p> <p>It will mean that we can't provide services in the most effective way. It will also lead to improvements and savings not being realised. Also systems and processes will fall further behind the expectations of residents.</p> <p>Failure to deliver an effective approach to digital services will also result in reputational damage.</p> <p>The customer experience will also suffer as residents</p>	<p>We have created a detailed Digital Dacorum programme and plan of 10 projects which will transform our digital approach and ensure that we deliver a modern, 24/7 experience.</p> <ul style="list-style-type: none"> - Project 1: website re-design - Project 2: improving website content - Project 3 & 4: Re-designing services to make them digital ready and putting them online - Project 5: E-signatures - Project 6: Developing policy ideas to encourage people to channel shift - Project 7: Reducing digital exclusion - Project 8: Using social and digital media - Project 9: Increasing use of direct debits - Project 10: CRM and developing a citizens portal <p>Each of these projects sets out a series of tasks and the programme runs for 24 months.</p>	<ul style="list-style-type: none"> - Specialist digital staff are in place (web team and channel shift advisor) - Digital Dacorum Strategy and Implementation Plan has been published - New website has gone live - New content management and governance process has been introduced - Schedule for re-design and development has been agreed - New online payment portal has gone live
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OPERATIONAL RISK REGISTER

December 2016



cannot access services at a time and in a way that is best for them.

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These actions are managed and supported by the Digital team and governed by a Digital Project Board. They are also monitored at the monthly Performance Board.

Progress so Far

- A Digital Dacorum Strategy and Implementation Plan has been launched
- Our new website has gone live
(Project 1)
- We improved the content on our website and reduced the number of pages
(Project 2)
- An online solution has been introduced for benefits, green waste charging, allotments, reports of homelessness, planning payments, pre planning application advice, taxi complaints and the Dacorum Card.
(Project 3&4)
- An LGA funded research project to develop options for channel shift has been completed (Project 6)
- A detailed action plan has been developed for supporting digital inclusion with pilots completed in the supported housing team (Project 7)
- A new social media strategy has been developed and implemented (project 8)
- Direct debits have been extended and a new payment portal has been introduced (Project 9)
- Proposals are in place for developing a new CRM

OPERATIONAL RISK REGISTER

December 2016



solution (Project 10)
Sign Off and Comments
<p>Sign Off Complete</p> <p>The main focus has been on supporting the move to the digitally enhanced Forum, which includes a Fast track self-service area, total wireless coverage and video conferencing in all meeting rooms. However we have also continued to digitise a number of internal processes including Digital expenses, launched "DO IT on Dennis", parking permit applications and will soon be launching ID card applications, business card applications, meeting room layout and refreshment forms. We have also begun the discovery phase on new supplier forms and an automated way of running officers signatures. We have introduced new customer online forms including the taxi complaints planning payments and pre-planning application advice application and payment form and the Dacorum Card application.</p> <p>In terms of the impact of Digital Dacorum we have seen 112,000 website visits, 19,672 web payments (50% of the total payments in Q3 2016. With the further 9247 coming in on automated payments, non-human transactions cover almost 80% of all payments). There have been 584 online Direct Debit signups and we have seen cash payments at their lowest ever level (£750).</p> <p>We have also received an internal audit review (by Mazars) of our approach to the management and governance of Digital Dacorum.</p>

PP_R012 Failure to deliver an effective approach to the management of performance, projects and complaints					
Category: Reputational	Corporate Priority: Dacorum Delivers		Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
The ability to manage performance, projects and complaints is vital if we are going to successfully deliver the Council's objectives and priorities.		We have recently launched Managing Projects Successfully, our new approach to project management. This provides detailed step-by-step guidance on how to develop, define, manage and evaluate a project.		<ul style="list-style-type: none"> - We monitor performance, projects and complaints on a monthly, quarterly and annual basis - We have a dedicated performance and project 	

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<p>Effective project and performance management ensures that we can deliver what's expected on time and under budget. It also enables us to maximise value for money.</p> <p>However poor project and performance management leads to cost overruns, delays and a failure to achieve outcomes. It also causes opportunity costs and can lead to expensive or ineffective remedial work.</p> <p>Failure to manage complaints can lead to poor service, dissatisfaction and an inability to learn from mistakes and issues.</p>	<p>We have a well established performance management system (Corvu) underpinned by a detailed performance framework.</p> <p>We have a team of performance and project management specialists and on a monthly basis we produce programme and performance monitoring reports which are scrutinised at a Member led Performance Board and Group.</p> <p>We have a robust complaints policy and a specialist complaints management system.</p>	<p>management system (Corvu)</p> <ul style="list-style-type: none"> - We have a project management framework (managing projects successfully) - We have a detailed complaints policy and procedure
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Sign Off and Comments

Sign Off Complete

We deliver a robust and effective approach to performance, projects and complaints. 69% of high priority KPIs are in target and 69% of strategic projects are on target. We received 129 Stage 1 complaints in Q3 and 91% were resolved in our agreed deadline.

The Improvement and Innovation Team have also provided 38 days of internal consultancy helping to support service re-design and innovation in areas including Housing and Finance.

In terms of delivery we have continued to roll-out the new performance reporting system and have made further improvements to project reporting with the aim to introduce a new approach in April. Work is also underway to implement our new complaints policy.

PP_R014 Failure to achieve the service outcomes outlined in each of the new community contracts

<p>Category: Organisational/Management</p>	<p>Corporate Priority: Dacorum Delivers</p>	<p>Risk Owner: Robert Smyth</p>	<p>Portfolio Holder: Neil Harden</p>	<p>Tolerance: Treating</p>
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Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
<p>The community contracts provide vital support services for some of the most vulnerable residents in Dacorum.</p> <p>The contracts are:</p> <ul style="list-style-type: none"> - Information, Advice and Advocacy - Supporting the Voluntary Sector - Reducing Social Isolation - Living Stable Lives - Promoting Healthy Relationships <p>However if we don't achieve the outcomes from each contract, the community will receive inadequate services which can have serious consequence and lead to higher demand for reactive Council services e.g. homelessness, ASB.</p> <p>Failure to deliver would also adversely affect the capacity of the local VCS, with implications for the broader support base.</p> <p>There would also be negative implications for the reputation of the Council and for the services involved.</p>		<p>We have introduced a number of controls which manage the risk of not achieving the service outcomes:</p> <p>We have undertaken a comprehensive and robust commissioning process, which ensures that we select providers that can deliver on our objectives.</p> <p>We will agree KPIs with each contract and these will be reported to the CEO and Portfolio Holder.</p> <p>We will conduct regular contractual performance meetings and we have a well established process for dealing with any issues.</p> <p>All the contracts will be managed by senior officers with oversight from the Group Manager and Assistant Director.</p> <p>We have also commissioned an audit of our process by Mazars.</p>		<ul style="list-style-type: none"> - Commissioning Tender Returns - Individual Contracts and Agreements - KPI Monitoring Reports 	
Sign Off and Comments					

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Sign Off Complete

All contracts have completed the procurement process and all have gone live. We have held a number contract meetings with each of the service providers. These meetings enable us to monitor performance as well as to build relationships. We have held the first breakfast networking meeting which aims to enable the providers to work closely together rather than in silos to meet their contract outcomes and provide the best possible holistic service to Dacorum residents. Subsequent network meetings will be held on a quarterly basis.

The commissioning process has worked well but we are continuing to review our approach with the aim of learning lessons and improving the way we work with the voluntary and community sector. We are also meeting regularly with Dacortium to explore new opportunities and to ensure that we continue to build a strong relationship with the community and voluntary sector.

While we haven't yet received a final report, the verbal feedback from our internal audit was positive.

PP_R015 Failure to effectively and proactively manage the media profile of DBC including social media

Category: Service Delivery	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating
Inherent Probability 2 Unlikely	Inherent Impact 4 Severe	Inherent Risk Score 8 Amber	Residual Probability 1 Very Unlikely	Residual Impact 4 Severe
Consequences		Current Controls		Assurance
The media profile of the organisation is a major issue. If our media profile is not professionally managed, it could lead to reputational risk for the council. This includes reputational risk/damage to members and council staff, and questions being asked about service delivery (as a council) and value for money. A positive media profile also offers a real opportunity to		We have a number of controls in place to mitigate these risks: For press and media coverage we use a press management system called Vuelio. This enables us to plan for both proactive and reactive issues and maintain control of all outbound and inbound media activities. We have developed good working relationships with the		- We have a dedicated and experienced communications team with expertise across all forms of media. - The majority of press coverage has been positive with a large emphasis on the Hemel Evolution programme and the various zones that have been completed. - Due to our relationship with the press, we are

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attract new investment and resources.

The risks from social media occur either because we aren't using the tool to engage residents restricting our contact with key demographics, or because our reputation has been damaged due to inappropriate or negative use or postings.

local press and media and continue to involve them in our important activities. Similarly the press are in regular contact with the communications team for comments or further information regarding campaigns and activities.

For social media we use Crowd Control (CCHQ) which is the UK's leading risk management software for managing all social media accounts across the council. CCHQ is a web-based risk management platform that enables us to efficiently control access to our social pages, keeping them safe and secure.

We also require all staff to read, understand and sign a number of policies relating to the use of social media and ICT.

regularly contacted for a statement or comment on the article being published.

- With social media, the risk management software allows us to setup word libraries that will automatically delete posts (using specific words) from the respective social media channels.

- We have a communications strategy and a social media strategy. We also have a detailed service plan for communications.

Sign Off and Comments

Sign Off Complete

We continue to operate a proactive and engaged social media programme. In Q3 we posted over 1,928 outbound messages across our 18 social media accounts, received over 262 direct messages which were responded to in accordance with our social media policy and guidance, and had a total twitter reach of 5.9 million viewers across our social media networks. Some of the campaigns we have run include the widely publicised "Vote Hemel" (The Great British High Street Awards) campaign, events (Halloween and Christmas lights), recycling (food waste and Christmas tree recycling) and celebrating achievements (Max Whitlock and Jess Stretton). The success of our social media work is reflected in the local government ranking (source: net natives) which placed Dacorum Borough Council as the highest ranked (of the 10 borough councils in Hertfordshire) for both October and November 2016.

PP_R016 Failure to effectively and proactively manage all aspects of employee relations

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Category: Service Delivery	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
<p>Having highly motivated and productive staff is central to everything we do.</p> <p>Failure to effectively manage all aspects of employee relations can have a number of implications.</p> <p>A less motivated and productive workforce will lead to issues of poor service and performance. It can also cause high levels of sickness and dissatisfaction.</p> <p>It could also result in appeals and employment tribunal cases and staff turnover will increase causing additional disruption and cost.</p>		<p>We have a number of controls in place to mitigate these risks:</p> <p>We have robust employment policies that are reviewed regularly to ensure they are in line with good practice and the latest employment legislation.</p> <p>We have regular employee relation meetings with trade unions and we consult with them on changes to any relevant policies and procedures.</p> <p>We provide training for managers on employment policies and all managers leading employee relation cases are supported by a qualified HR professional.</p> <p>We also undertake staff surveys and have recently set up a project to understand and respond to the findings of the most recent survey.</p>		<p>- No Employment Tribunals over the last two years and very few employment appeals to Members.</p> <p>- Staff turnover is low. Across 2015/16 the Council had a voluntary annual turnover rate of 10.6% (76 staff). This compares positively to the public sector average (18%) and it is below the level within local government (11.9%). It is also lower than average for district councils (11%).</p> <p>- Services are well received from the public. According to the Herts Tracker Survey 72% of our residents are satisfied with our services, which is the second best in Hertfordshire.</p>	
Sign Off and Comments					
Sign Off Complete					

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The HR team provides dedicated support and coaching for all managers engaged in employee relation issues. We also continue to enjoy good relations with our recognised Trade Unions (Unison and Unite) and we ensure that our employment policies and procedures are robust and reflect good practice and the latest developments in Employment Law. Staff turnover remains low.

The new People Strategy has been drafted and work is underway on a number of critical projects including : approach to corporate training, recruitment & selection and staff recognition.

PP_R017 Failure to support the organisation, and in particular the leadership team, to manage organisational change and staff development including the move to the Forum

Category: Service Delivery	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
<p>Managing and adapting to change is key if we are going to deliver the Council's vision.</p> <p>That's why we need to develop and foster a workforce that is flexible, responsive and able to manage organisation change.</p> <p>The consequences of this risk include dis-engaged staff, service delivery issues and low productivity.</p> <p>We could also experience high levels of turnover and a likelihood that key staff would relocate to other organisations.</p>		<p>We have introduced a number of controls which manage the risk:</p> <p>Our Corporate training programme (featuring mandatory training courses) ensures that staff have the right skills.</p> <p>We have created a Forum Cultural Board to ensure we have the right tools and culture to work in a modern and efficient way.</p> <p>The Managing in Dacorum Programme – identifies and develops key management skills in our Leaders.</p>		<p>- 87% of staff are willing to work with change (staff survey)</p> <p>- Regular staff forum briefings with a bespoke information section on the intranet</p> <p>- Good attendance in the managing in Dacorum Programme</p> <p>- Services are well received from the public. According to the Herts Tracker Survey 72% of our residents are satisfied with our services, which is the second best in Hertfordshire.</p>	

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<p>Staff not understanding the new culture within the forum could also cause productivity issues and relationship problems.</p>	<p>The Organisational transformation group provides strategic advice and support.</p> <p>We are currently developing a people strategy to ensure staff have to skills, values and experience.</p> <p>Our Service Efficiency Programme (overseen by the Chief Operating Group) will also help to develop the change attitude within the organisation.</p>	
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Sign Off and Comments

Sign Off Complete

We have introduced a range of projects, activities and programmes to support organisational change. In the last quarter the Improvement and Innovation team have provided 38 days of internal 'change consultancy' to help services re-design processes, use nudge theory to re-write letters and provide training on engaging with residents. The team have also begun work on a review of the housing service. However, from January this internal support will be increased and in 2017 the team will provide over 120 days of internal consultancy support. The Forum Cultural Board has been central to ensuring that staff were able to move over to the new building with minimal disruption and the feedback has been extremely positive. A new corporate efficiency strategy has been produced and work is underway on a new transformation strategy, ready for go-live in April.

PP_R018 Failure to understand and respond to the current and future technology needs of the Council					
Category: Technical/Operational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
ICT is central to the performance of departments. This		We have put in place the necessary structure, strategy,		- Regular dialogue between ICT and other services.	

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includes both hardware and business applications (i.e. software) as well as the service desk and special projects.

Poor ICT makes it difficult for departments to provide their services effectively. Issues with ICT can also have a negative impact on the reputation of DBC.

In addition there can be significant knock-on costs as a result problems with IT including delays in processing benefits or responding to service requests.

It will also make other agenda's like Digital Dacorum harder to implement.

plans, budgets and vision to ensure we respond to the current and future needs of the business.

The service is based around four core elements:

- the service desk
- infrastructure
- special projects
- business applications

In terms of controls we have a detailed ICT Strategy and Improvement Plan.

We also have an established staffing compliment and budget which has been shaped around the ICT needs of DBC.

Having a technical project Manager in place has also ensured that further improvements are made.

Each service has an in-team specialist business applications resource and there is a central applications lead to coordinate work.

All staff are provided with the necessary hardware including the roll out of laptops as part of the Dacorum Anywhere programme.

We have regular conversations with other council services and we take a category management approach

- Technology is discussed regularly at Leadership Team meetings
- ICT Strategy and Service Plan.
- TOR for joint Customer Insight working group.
- Digital Dacorum Strategy

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to procurement.

Sign Off and Comments

Sign Off Complete

Arcus Consultancy is continuing to work on the review of our line-of-business applications (e.g. Orchard, Flare etc.) with the aim of streamlining and improving the resilience of our systems. This work is due to report in February. Work is also continuing on implementation of new technologies to improve remote access and contact including upgrading to Skype for Business and installing Direct Access. However, with the impact of the move to the Forum, this is now due to complete in Summer 2017. All Forum meeting rooms have been equipped with video and virtual conferencing equipment and in 2017 work will begin on a refresh and update of desktop equipment and Microsoft software. Requirements are being assembled on which devices will best fit the needs of the Council in coming years in consultation with services, including planned trials of mobile devices.

PR04 Failures in ICT resilience or security leading to significant system downtime

Category: Reputational	Corporate Priority: Dacorum Delivers	Risk Owner: Robert Smyth	Portfolio Holder: Neil Harden	Tolerance: Treating	
Inherent Probability	Inherent Impact	Inherent Risk Score	Residual Probability	Residual Impact	Residual Risk Score
3 Likely	4 Severe	12 Red	2 Unlikely	4 Severe	8 Amber
Consequences		Current Controls		Assurance	
ICT is central to the performance of departments. A failure in ICT resilience or security would see loss of access to some or potentially all ICT applications and services. This would have serious consequences for productivity, communication links with the public and would have a		We have introduced a number of controls which manage the risk: Technical Controls - The Council has a secondary data centre in Aylesbury which can be put into action in the event of a serious failure of the primary data centre.		Assurance - KPI's - ICT01 - % of incidents resolved in less than 2 days. ICT02 - Availability of primary systems. WEB01 - Website availability - High Level Recovery Plan available on request	

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major impact on public facing services.

It could also lead to reputational damage or concerns about our capacity.

Our Wide Area Network design provides resilient connectivity (diverse routing) so that if the direct connection from the Civic Centre to the primary data centre (Amersham) is severed, traffic will be re-routed to run via the secondary data centre (Aylesbury). NB: currently there is a common path to both connections between the Civic Centre and the nearest BT exchange.

Servers exist in a virtual environment and are hosted across multiple physical machines, meaning there is less dependence on individual components.

Data is replicated across the two data centres and is also backed up so that it can be called back and restored if required.

Process controls -

Data back-ups are stored off site at Cupid Green.

Security -

We have a number of security processes in place, all of which is underpinned (and assured) by our PSN compliance.

These include corporate firewalls, anti-virus software on end point devices, end point security solutions to block unknown devices, encrypted hard drives, managed

- Successful tests of DR procedure – assuring that services can be restored within the secondary data centre using replicated data.

- PSN Compliance.

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	permissions and a two factor authentication process (name and crypto card).	
Sign Off and Comments		
Sign Off Complete Our approach to ICT resilience continues to be robust. Work is underway on resilient connectivity between The Forum and the data centres (removing common path to local BT exchange) and this is expected to be completed in March 2017. Our new server room has been installed and we have completed the virtualisation of our telephony system. In October we received our PSN compliance certification and in Q3 overall systems availability was 99.81% and web availability was 99.9%.		

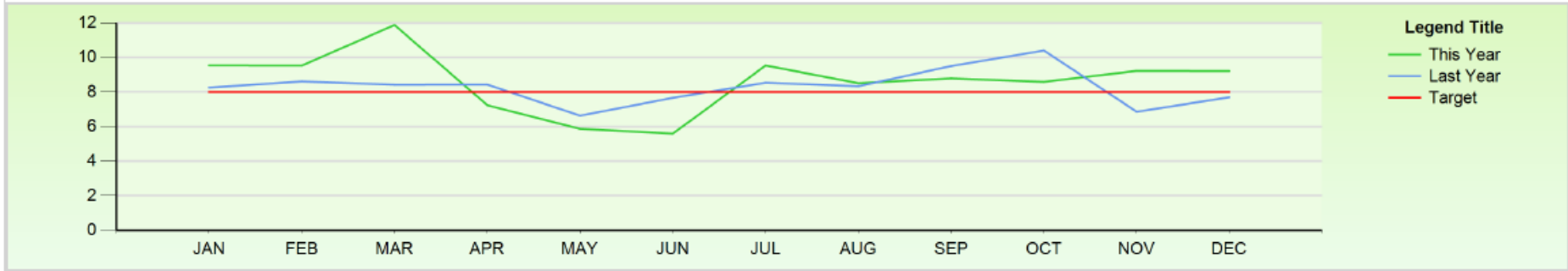
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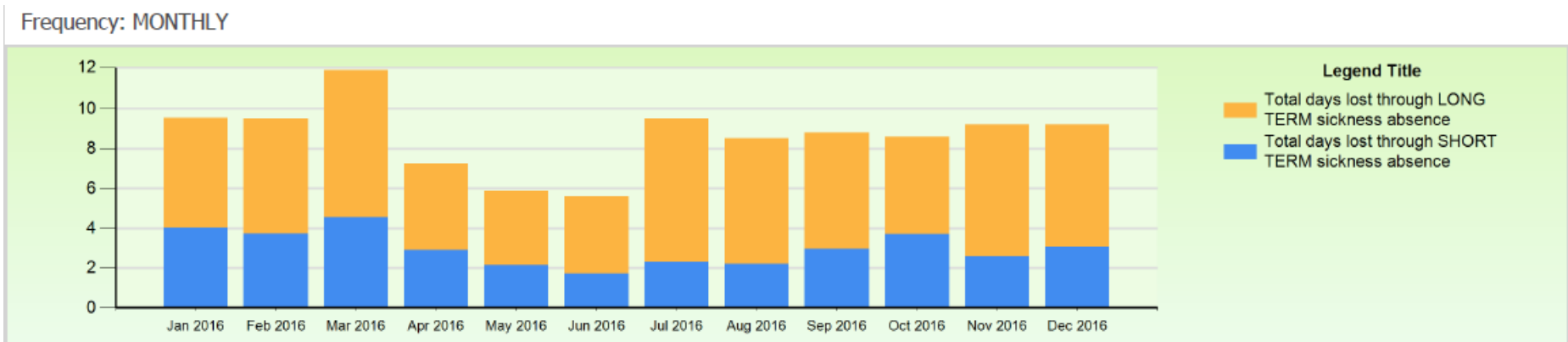
HR Sickness Indicators



HR05a - Yearly sickness profile per FTE



Long and Short Term Sickness split per FTE





HR10 - Percentage of employees who have been absent on more than 2 occasions in the quarter

Frequency: QUARTERLY

