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Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Quarter 4 Performance Report – Corporate and Commercial Services
Date:	6 June 2023
Report on behalf of:	Councillor Sally Symington, Portfolio Holder for Commercial Strategy and Delivery
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – Key Performance Indicator report Appendix B – Commercial Development supplementary information (Commissioning and Tendering & TRO activities) Appendix C – Financial Services Operational Risk report
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	TRO – Traffic Regulation Orders

Report Authors/ Responsible Officers

Catherine Silva Donayre – Strategic Director, Corporate & Commercial
Ben Hosier – Head of Commercial Development
Nigel Howcutt – Chief Finance Officer
Mark Brookes – Assistant Director of Legal & Democratic Services



Catherine.SilvaDonayre@dacorum.gov.uk / 01442 228332 (ext.2332)
Ben.hosier@dacorum.gov.uk / 01442 228215 (ext. 2215)
Nigel.howcutt@dacorum.gov.uk / 01442 228662 (ext. 2662)
Mark.brookes@dacorum.gov.uk / 01442 228236 (ext. 2236)

Corporate Priorities	<ul style="list-style-type: none"> A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
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Wards affected	All
Purpose of the report:	To provide Members with the performance report for Quarter four 2022-23 in relation to the Corporate and Commercial directorate.
Recommendation (s) to the decision maker (s):	That Members note the performance of the service as set out in the report.
Period for post policy/project review:	Quarterly

1 Introduction

This paper will provide an update on service performance over Q4 2022/2023 for the Corporate & Commercial Directorate, including Commercial Development, Finance & Resources and Legal & Democratic Services. It will also highlight key service achievements over this same period.

2 Commercial Development

This section of the report provides an update on the performance during Q4 2022-23 of Commercial Development Services.

2.1 Key Performance Indicators

The key performance indicators for Commercial Development can be found at Appendix A.

2.2 Procurement Activity

The Procurement team are currently supporting the delivery of a number of commissioning and tendering activities in compliance with the Council's Commissioning & Procurement Standing Orders. Tables of these activities can be found at Appendix B.

2.3 Procurement Compliance

Following a Procurement Assurance internal audit report, the recommendation was to update the Finance & Resources Overview & Scrutiny Committee with any non-compliance procurement activities.

Table 1 - Number of times the Procurement Standing Orders have been set aside during Q4

Contract	Justification	Responsible Officer
There were no incidents of the Procurement standing orders being set aside during Q4		

Table 2 - Non-Compliant procurement expenditure during Q4

Contract	Annual Value	Reason	Responsible Officer	Mitigation
Fixed Telecommunications	£65,000	Contract expired	Vacant Post	New tender submissions being evaluated – contract award likely in next few weeks
Supply of Sacks for Environmental Services	£40,000	Contract expired	Trevor Pugh	Report on contract award being presented to Commercial Board in June. If awarded expenditure will become compliant
Temporary Agency Staff	£2,000,000	Contract(s) expired	Matt Rawdon	Corporate contract commenced from April 2023
Car Salary Sacrifice Scheme	£48,000	Contract expired	Matt Rawdon	Report on contract award being presented to Commercial Board in May
Verge Hardening Programme	£350,000	Contract expired	David Barrett	New contract being prepared with HCC contractor, due in June
Supply of Bins & Caddies	£40,000	No contract in place	Trevor Pugh	Contract award report being presented to Commercial Board 06/23. If awarded then future expenditure will become compliant
Haulage of Waste from Cupid Green	£45,000	No contract in place	Trevor Pugh	Contract award report being presented to Commercial Board in June. If awarded then future expenditure will become compliant
Supply & Fitting of Tyres to Commercial Fleet	£75,000	No contract in place	Trevor Pugh	Contract award report being presented to Commercial Board in June. If awarded then future expenditure will become compliant
Supply of Grounds Maintenance Equipment	£110,000	No contract in place	Trevor Pugh	Contract award report being presented to Commercial Board in June. If awarded then future expenditure will become compliant

2.4 Parking Services

During both the Covid pandemic and the ensuing recovery period, the demand for both on and off street parking spaces across Dacorum was significantly reduced, however, data from Q4 in 2022/23 shows that the number of sessions when compared to the same quarter in 2019 are approximately 20% higher. Overall, the annual figures for 2022/23 are now slightly higher (0.2%) than the annual figures for 2019/20 (however it should be noted that the figures for February and March 2020 reduced as the pandemic took hold).

Customer parking behaviours appear to have changed since the start of the Covid pandemic, with off-street parking now 5% higher than it was in 2019/20, whereas on-street parking remains 27% lower. This will be monitored during the course of 23/24.

2. 4.1 Parking Sessions

2022/23	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	12,432	13,141	12,805	12,979	12,003	12,540	12,411	11,302	11,430	10,903	10,893	13,284
Off Street	93,041	98,072	93,253	98,490	93,716	95,135	100,624	98,745	104,455	93,685	92,869	104,568
Total	105,473	111,213	106,058	111,469	105,719	107,675	113,035	110,047	115,885	104,588	103,762	117,852

2019/20	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	16,817	17,681	17,184	18,060	16,154	16,261	17,774	17,423	16,756	16,385	16,044	12,371
Off Street	97,975	105,540	102,656	105,040	102,356	103,193	88,121	86,099	89,501	82,241	79,237	69,231
Total	114,792	123,221	119,840	123,100	118,510	119,454	105,895	103,522	106,257	98,626	95,281	81,602

Difference	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
On street	-4,385	-4,540	-4,379	-5,081	-4,151	-3,721	-5,363	-6,121	-5,326	-5,482	-5,151	913
%	-26%	-26%	-25%	-39%	-35%	-30%	-30%	-35%	-32%	-33%	-32%	7%
Off Street	-4,394	-7,468	-9,403	-6,550	-8,640	-8,058	12,503	12,646	14,954	11,444	13,332	35,337
%	-4%	-7%	-9%	-6%	-9%	-8%	14%	15%	17%	14%	17%	51%
Total	-9,319	-12,008	-13,782	-11,631	-12,791	-11,940	7,140	6,525	9,628	5,962	8,481	36,250
%	-8%	-10%	-12%	-9%	-11%	-11%	7%	6%	9%	6%	9%	44%

The number of parking sessions during Q4 in 2022/23 against the same period in 2019/20 (Pre-Covid) is running at a 20% increase.

2.4.2 Penalty Charge Notices (PCNs)

The number of PCN's issued in on street locations has significantly increased during the latest quarter (62%) over the same period in 2019/20, whereas the number of PCN's in off street locations remains lower than this period (11%).

Overall, the number of PCNs issued in 2022/23 is still significantly lower than the 2019/20 period (3,265 or 26%), with on street PCNs being 8% lower and off street PCNs being 46% lower.

The main reasons for the reduced level of PCNs being issued are shown below:

- Almost 70% of PCNs are issued for on street parking infringements, the figures above indicate that on-street parking sessions are still 27% below the figures from 2019/20
- Due to the lack of a consistent number of Civil Enforcement Officers (CEOs) being deployed on the contract and the difficulties that Saba have had recruiting to these roles.

There are contractual mechanisms in the contract that compensate the Council from the under-deployment of a minimum level of CEOs.










2.4.3 Traffic Regulation Order activity for Q4 can be found at Appendix C.

2.5 Leisure Contract

Attendance figures for leisure centres at Berkhamsted and Hemel Hempstead and the athletics track at Jarman's Park are shown below. The overall attendance figures pre-pandemic were 20,000 per week on average, and in Q4 2022/23 they were 11,693 per week.

Weekly Attendance Data

Dacorum Leisure Contract

Week Commencing	Gym		Group Ex		Swimming		Outdoor		
Week Commencing	Hemel	Berkhamsted	Hemel	Berkhamsted	Hemel	Berkhamsted	Berkhamsted 3G	Track	Total
2021/22 Q1 Weekly Average	1,887	1,399	1,271	381	2,464	1,221	852	517	9,992
2021/22 Q2 Weekly Average	1,414	881	1,934	571	4,283	1,374	836	471	11,764
2021/22 Q3 Weekly Average	1,192	773	1,704	538	3,370	1,136	717	274	9,704
2021/22 Q4 Weekly Average	1,401	926	2,131	687	3,923	1,420	831	433	11,752
2022/23 Q1 Weekly Average	1,309	1,048	2,024	650	4,580	1,466	795	980	12,852
2022/23 Q2 Weekly Average	2,836 ¹	1,072	1,799	611	5,021	1,488	809	612	14,248
2022/23 Q3 Weekly Average ²	2,128 ³	1,058	1,906	674	3,139	1,184	688	288	11,069
2022/23 Q4 Weekly Average	3,277	1,389	2,322	827	1,869	832	800	423	11,693
Direction of Travel V's last Qtr									
Average Attendance	1,931	1,068	1,886	617	3,581	1,265	791	500	11,634

¹ Increase in attendance at gym in Hemel is mainly due to the installation of entry scanning facility

² Quarter included the Christmas week where attendance significantly reduces

³ Hemel gym closed for 2 weeks for refurbishment

The management fee was renegotiated for 2022/23 and was set at approximately 50% of the contractual management fee, but it is recognised that the leisure industry is still recovering from the pandemic and attendance has not yet returned to pre-pandemic levels.

2.6 Garage Service

The information below shows the number of terminations and commencements that have been completed within 2022/23.

	Q1	Q2	Q3	Q4	Total
Terminations	125	109	87	113	434
Commencements	182	128	109	159	578
Quarterly Difference	57	19	22	46	144
Occupied Garages	5,222	5,269	5,291	5,334	
Void Garages	1,916	1,869	1,847	1,770	

The number of commencements during 2022/23 was 578, and the number of terminations was 434

The number of garages being rented has increased by 144 in total over the year, or 2% of the total garage stock.

There have been 32 garages sold during 2022/23.

The rate of void garages is just below 25% and is on a downwards trend after being close to 27% at the start of the year.

2.7 Commercial Strategy & Programme

As outlined in previous reports in February and March 2023 to this Committee, the Council has developed a Commercial Strategy which has adopted a broad definition of 'commercial' and includes assessing, testing and developing various ways in which the Council might use its assets and capabilities more effectively; both to reduce costs and develop additional/ increased revenue streams.

It was recognised that continued financial pressures mean that focusing on cost reduction measures alone will not be a sustainable strategy, if the Council wishes to continue delivering the ambitions and services set out in the Corporate Plan.

Five thematic areas have been identified within the Commercial Strategy. These are:

- Service Models
- Traded Services

- Procurement
- Contract Management
- Assets & Investments

These themes are not mutually exclusive, and some of the commercial projects which are recommended for implementation may fall into more than one of these categories. For example, a service model may need to be enhanced, before the service can be traded.

With support from consultants at Costain and Commercial Gov, and working across the Council's Corporate Leadership Team, an initial Commercial Programme was formed in 2022, with 12 Initial Business Case (IBCs) opportunities identified for further development to Full Business Case (FBCs). The 12 IBCs were reduced to 9, with the other 3 incorporated into ongoing transformation projects taking place within Housing and Waste Services.

Work progressed over 2022-23, with the outcome of the review of Fees & Charges being presented to this Committee in December 2022 as part of the budget approval process, and plans for development of Light Industrial Units on garage sites presented to the Committee in February and Cabinet in March 2023.

3 Shared Service opportunities (Legal Services, Planning Service and Environmental Services) are progressing discussions with neighbouring authorities, with the outcome of these discussions being presented to Scrutiny and Cabinet in due course.

The Parking FBC is currently under review and will be presented in due course to this Committee, after review by the Portfolio Holder.

A workshop with Council officers took place in April 2023 to identify other opportunities, and work relating to Strategic Asset Reviews will further consider opportunities for income generation and/ or cost savings for the General Fund through optimising development and management of the Council's assets.

3 Legal and Democratic Services Q4 Performance Report

3.1 The Legal Team

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 presented the following cases in court:-

Matter	Client/type	Case Detail
Flytipping prosecution	DBC -V- Dadd	Fine £930 Legal costs of £900
Flytipping	DBC -v- JXI Construction Ltd	Fine £3,300 Costs £2,561
Injunction	DBC -V- Ibrar	Anti-Social Behaviour – Great Gaddesden
Flytipping	DBC -V- Dragonir	Fine £200 £552 costs for clear-up
Littering	DBC -v- Elliot	Conditional discharge 6 month

The Legal Service continues to review options for future service delivery and assess options for a shared service with neighbouring Hertfordshire authorities. The review forms part of the Council's Commercial Strategy and will be reported to members for review and decision once the relevant appraisal is complete.

3.2 Corporate and Democratic Support

During Quarter 4, Democratic Support carried out the following:-

- Delivered 2 Full Council meetings, which were live streamed via YouTube
- Supported 23 committees (including agendas & minutes)
- Supported 1 corporate meetings
- Processed and administered 11 new Portfolio Holder Decisions, published 10 completed decisions
- Processed 7 Officer Decisions
- 1 Member Development sessions were delivered as follows;

19th January – Housing Development Member Briefing Session

The team undertook preparations for the upcoming Local Elections to take place in May 2023, including preparing for, setting up and staffing Postal Vote Opening and finalising the New Member Induction Programme.

Mayoralty:

During Q4, the Mayoralty hosted a key event in the annual event calendar, the Mayor's Civic Reception at Pendley Manor.

The office raised a total of £2,565.95 for the Mayor's chosen charity for 2022/23 – Dacorum Community Trust, broken down as follows;

- Rotary Club/DCT Quiz Night raised £1,230.00 for DCT
- Ticket sales to the Mayor's Civic Reception raised £663.77
- Tombola and fundraising at the Mayor's Civic Reception raised £1,335.95
- The High Sheriff of Hertfordshire made a £250.00 donation in thanks for the enjoyable evening spent at the Civic Reception

- Staff Easter Raffle raised £188.00

The Mayor attended 21 engagements, both within Borough supporting local community & business events and at events hosted by Mayors & Chairs across Hertfordshire

The Deputy Mayor attended 11 engagements on behalf of the Mayor

Digital Print & Post Room:

In addition to the day to day workload and ad hoc requests for support and reprographics, during Qtr 4 the team;

- Processed and franked a total of 57,001 outgoing mail items, at a total cost of £33,150.09 (includes HVCCG & CAB which is recharged)
- Processed and banked 439 cheques with a total income of £126,092.54
- Received and banked 10 emergency cash transactions with a total value of £1764.47
- Supported the Electoral Registration Team with various print requests for the upcoming Local Election
- Supported the Strategic Planning team with scanning of documents and plans for the Jarvis development at Eastwick Row and Marchmont Field development
- Supported the Planning Team with printing of large documents for the consultation/inspector enquiry at Tring .
- Supported the Legal team with printing/scanning various last minute court bundles
- Our Courier service has gone above and beyond with delivering personnel urgent letters, delivery of stationery items to staff, including collections of confidential waste

3.3 Electoral Services

Electoral Register

During Quarter 4, the following changes were made to the Electoral Register:-

Additions 1406

Deletions 932

Changes 171

Movers 397

Elections 2023

Further preparations were made for the forthcoming elections in May 2023. Key tasks completed included:

- All polling stations booked
- Communications with Everyone Active were held to organise the verification and count.
- Appointing Staff to allocate to the 400 roles.
- All training prepared for CLT, Polling station inspectors and polling station staff. A lot of changes were needed in particular for the station staff training due to voter ID and new accessibility requirements.
- An initial meeting and follow up meetings took place with the election agents
- All Parish Clerks were kept up to date with regular information explaining the voter ID requirements, arrangements for the receipt of Nominations and key dates of the election timetable.
- The Notice of Elections published and circulated to all Town/Parish Clerks.
- A policing plan agreed for dedicated support on the day should it be required.
- A Business Continuity meeting was held with the Returning Officer to discuss emergency situations and agree DBC's approach to each.
- All poll cards were issued on the 22nd of March 2023 which included details on voter ID and the accepted forms to be used.
- Nominations opened and until the close at 4pm on the 4th of April 2023.

Voter ID

The local awareness campaign took place, following the launch of the Electoral Commissions national campaign. Social media and the Council's website were constantly updated and used to raise awareness of photo ID. Posters were displayed within the Forum, in sheltered schemes and community centres.

In addition, roll up advert screens were displayed in The Forum, Berkhamsted & Tring Civic Centres, and Berkhamsted & Hemel Hempstead Sports Centres.

3.4 Licensing

- Animal Licensing Officers dealt with several complaints through January, February and March. These complaints included unlicensed boarders, dog walkers and breaches committed by Licence Holders. The Enforcement Officers have also dealt with breaches of Private Hire and Hackney Carriage Licenses which resulted in two drivers going before the Licensing Committee in January 2023. A further driver was referred to the Licensing Committee for Dangerous Driving. Inspections of vehicles on the Taxi Ranks and at the respective offices were also carried out.
- There was also a visit made by an Enforcement Officer with Border Force Officers to a premises in Hemel Hempstead, where workers were arrested for working illegally and not having permission to be in the UK .There were also visits made to several public houses in the Dacorum area to carry out general inspections and enforcement visits in relation to breaches of licence.
- Inspection visits have also been carried out on the Licensed Betting Shops in the Dacorum area. This was to check that the licensing regulations are being followed. All Betting Shops complied with their licensing conditions and no breaches were found or advice given.
- The Licensing Team were also informed that, following a previous enforcement visit carried out in 2022, Border Force had issued a £20,000 fine to the licensed premises where several illegal workers were found.

4 Finance & Resources Q4 Performance & Operational Risk Report

4.1 Introduction:

Operational Risk and Performance reports are presented to Overview and Scrutiny Committees on a quarterly basis. They provide Members with an opportunity to scrutinise performance against a range of key indicators.

4.2 Quarter 4 Finance and Resources performance report:

- A. This report outlines the 2022/23 Quarter 4 (January – March) performance of the Finance and Revenues and Benefits services, the details of the quarterly KPI's are included in the enclosed the Appendix A Corporate and Commercial Performance report.

The Performance appendix detail the current performance against a range of agreed Key Performance Indicators. These report detail that there is only 1 red KPI where performance requires improvement;

FIN02a Time taken for debtors to pay –

This has been adversely impacted in the last 2 years by several government Covid policies around debt collection and in particular around enforcement of the collection of commercial rent, these policies have either limited or prevented the standard debt collection processes.

This has resulted in the Council holding more historic commercial property debt resulting from the pandemic, where either businesses have chosen to repay debt through payment plans which take longer to pay back and delay payment, or have not been paying their debt as previously expected.

The “normal” debt recovery processes only returned in November 2022 and improvement has been made since these changes came about but the service will take time to return to pre covid levels. During 2022/23 this KPI peaked at over 60 days and is now around the 50 – 52 days so improvement has been made to date. The commercial property and finance team are working in combination with commercial property tenants to improve this performance.

The council has a bad debt provision that could fund unpayable debts and the impact on the council's cashflow of this reduced performance is minimal. Although the financial impact at present is negligible the service is driven to improve this level of performance, to pre covid levels in 2023/24.

4.3 Finance and Resources Quarter 4 Operational Risk Report

The Qtr 4 Finance & Resources operational risk register is attached in Appendix C. There are no changes to the scoring at quarter 4 from quarter 3. At present there is one red rated operational risk in relation to the council tax and business rates collection. The collection rates finished slightly behind the targeted levels in 22/23 but both rates are an improvement on year on year, but not yet achieving pre covid performance levels.

Although the in-year collection rate has underperformed from a budget/cash perspective the in year collection of previous year's arrears has exceeded expectations and hence there is no reported budget pressure in 22/23. The poorer collection performance in quarter 3 and 4 combined with the current economic outlook, would suggest the collection rate performance in 23/24 will be very challenging and hence will be under close scrutiny.

5 Financial and value for money implications:

Poor performance or increased risk would indicate areas of concern and potential lack of best value, and these services and processes are reviewed as part of the ongoing corporate financial monitoring framework and reflected in the budget monitoring reports presented to Scrutiny and Cabinet.

6 Legal Implications

N/A

7 Risk implications:

The process of reviewing and reporting performance and operational risks is part of the wider risk management processes undertaken by the council, to ensure risk management and mitigation is undertaken where required and follows the strategic risk strategy outlined by the council.

8 Equalities, Community Impact and Human Rights:

No Community or equalities assessment has been undertaken specifically as part of this report. The services and the service delivery processes are assessed periodically to ensure these services reflect the Council's policies on service delivery.

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

N/A

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

N/A

11 Conclusions: Performance and risk are outlined in the appendices and summarised in the report, and the Committee are asked to note the report.