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Finance and Resources Overview and Scrutiny Committee

Report for:	Finance and Resources Overview and Scrutiny Committee
Title of report:	Quarter 3 Performance Report – Corporate and Commercial Services
Date:	5 th March 2024
Report on behalf of:	Councillor Ron Tindall, Portfolio Holder for Corporate and Commercial Services
Part:	I
If Part II, reason:	N/A
Appendices:	Appendix A – Key Performance Indicator report Appendix B – Financial Services Operational Risk report
Background papers:	None
Glossary of acronyms and any other abbreviations used in this report:	TRO – Traffic Regulation Orders

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Corporate Priorities	A clean, safe and enjoyable environment Building strong and vibrant communities Ensuring economic growth and prosperity Providing good quality affordable homes, in particular for those most in need Ensuring efficient, effective and modern service delivery Climate and ecological emergency
Wards affected	All
Purpose of the report:	To provide Members with the performance report for Quarter three 2023-24 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 Q3 2023/2024 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 Q3 2023-24 of Commercial Development Services.

2.1 Procurement Compliance

A Procurement Assurance internal audit report recommends updating this Committee with any non-compliance procurement activities.

Table 1 - Number of times the Procurement Standing Orders have been set aside during Q3

Contract	Justification	Responsible Officer
To purchase two small specialist refuse collection vehicles	The majority of wheeled bins are serviced using a 26 tonne RCV, which is the maximum permissible weigh for a three-axle rigid goods vehicle and the industry standard. There are however, a limit number of roads which present 'difficult' access' where a smaller sized RCV is required be able to safely manoeuvre and access the bins awaiting collection. Due to another customers cancelled order, the Council can obtain these vehicles within a 2-3 month period, compared to a 12-18 month lead time if ordering afresh.	Head of Environmental Services
Repairs to 185 garages that will bring them back up to a rentable standard	The Council have recently reached agreement with OPSL on a price increase for 2023 this would make the OPSL prices slightly higher than the Goodchild prices. The costs submitted by Goodchild demonstrate value for money and the service has sufficient budget to cover this expenditure. It was therefore recommended that this package of work is directly awarded to Goodchild so that the Service can get the void properties back out to rental as quickly as possible.	Head of Commercial Development
Directly appoint The Building Control (Hertfordshire) Company (BCC) for Aids and Adaptations Work to Void Properties	High volumes of work caused by a post pandemic backlog of major adaptations have resulted in the in-house Council adaptations team, our partnering contractors and their supply chain unable to achieve reasonable turnaround times for adaptive voids. This delay is directly impacting on our applicants, in our own housing stock and temporary accommodation. To alleviate these issues, authority was provided by SLT in December 22 for a proof of concept scheme with BCC to carry out both pre work and adaptations work for direct offer void properties that have been identified as suitable properties for adaptations. To date, the pilot has worked well for the pre-construction work, which includes surveying properties to identify if they are suitable for adaptations. However due to the Council's £75k tender threshold, BCC have only been able to deliver adaptations work to one void property which was finished to a high standard and within the agreed timeframe. The Planned Works and Adaptions team are keen to extend the agreement with BCC, which will improve void turnaround times, reduce rental income loss, reduce the Direct Offer list, provide quality adapted homes for some of our most vulnerable tenants and reduce pressure on the Council adaptations team. The Council are in the process of re-procuring the next Housing Repairs and Maintenance contract, which should be in place by July 2025. With the adaptations work in scope for the next contract, the BCC contract will be co-terminus with the current Total Asset Management contract.	Interim Assistant Director Property Services
6-month extension of an existing contract with Carrington West to be directly awarded	Development Management continues to have a considerable number of vacancies within the Service, currently this consists of 1 Lead Planning Officer and 4 Planning Officers. The Agency worker is currently working on a number of Pre-Planning Applications that bring income into the Council and also has a full workload of other cases. There is a need to ensure that there is a consistent level of resource to deliver the Planning Service and for this reason it was proposed to extend this contract.	Head of Development Management

Table 2 – Known non-compliant procurement expenditure during Q3

Contract	Annual Value	Reason	Responsible Officer	Mitigation
Supply of Sacks for Environmental Services	£40,000	Contract expired	John Mooteealoo	Current demand on Environmental Service resource has resulted in this contract remaining as non-compliant, plans in place to have new contracts awarded in Mar 2024
Supply of Bins & Caddies	£40,000	No contract in place	John Mooteealoo	Current demand on Environmental Service resource has resulted in this contract remaining as non-compliant, plans in place to have new contracts awarded in Mar 2024
Haulage of Waste from Cupid Green	£45,000	No contract in place	John Mooteealoo	Current demand on Environmental Service resource has resulted in this contract remaining as non-compliant, plans in place to have new contracts awarded in May 2024
Supply & Fitting of Tyres to Commercial Fleet	£75,000	No contract in place	John Mooteealoo	Current demand on Environmental Service resource has resulted in this contract remaining as non-compliant, plans in place to have new contracts awarded in May 2024
Supply of Grounds Maintenance Equipment	£110,000	No contract in place	John Mooteealoo	Current demand on Environmental Service resource has resulted in this contract remaining as non-compliant, plans in place to have new contracts awarded in Apr 2024

2.2 Commercial Strategy & Programme

There are many strands of work relating to the Commercial Strategy, being undertaken throughout services, and commercial considerations are embedded in ongoing budget and service planning. A separate report on this activity will be presented to the Committee early in 2024-25. The activity includes detailed reviews of fees & charges and of commercial income streams, as well as longer term planning to leverage best value from the Council's assets through current work on Strategic Asset Reviews. It also includes progression of certain proposals developed through the Business Cases, including:

- Light Industrial Units.
 - Following agreement to take forward Business Case proposals to construct new light industrial/ small business units on former garage sites, a tender for the construction of these units was developed during Q2. It was advertised to the market in Q3.
- Legal Services
 - Discussions have been ongoing during Q3 with neighbouring authorities, and it is expected that potential proposals will be developed during Q4 23-24 / Q1 2024-25, for decisions to be taken as to whether there is a viable proposal to proceed with a shared service.
- Planning Service
 - Discussions remain open with neighbouring authorities about potential opportunities for future shared services. These discussions will continue and further updates will be provided, taking into consideration resource and timing constraints relating to requirements for progression of the Local Plan.
- Parking Services
 - Following an initial Business Case that considered opportunities relating to parking, proposals for changes to parking tariff and charging policy, and for considering 'smart parking' technology, were considered by Cabinet in September 2023. Informal consultation on the proposals for tariff and charging changes was carried out in Q2. These were considered again following the consultation and an updated set of proposals were reported to this Committee and approved by Cabinet to proceed to statutory consultation in February 2024. Work is also progressing on the renewal of the parking enforcement contract in time for a new contract start date of April 2025, and how 'smart' technology might supplement this service to make it more effective and efficient.
- CCTV - Work is progressing on implementing service improvements to enable the service to be better positioned to focus on determining feasibility of undertaking commercial activity in 2024-25. As of February 2024, all Backhaul Radios (x6) have been refreshed and their Ofcom

licenses have been issued. This will enable the CCTV service to add additional CCTV cameras, intruder alarms and intercoms. The service has also now appointed a permanent CCTV Control Centre Manager, which is a post that has been vacant for approximately 3 years.

Other commercial related projects underway, or that will commence in 2024 include:

- Commercial Income Review – Analysis of expenditure and income to enable development of plans for efficiencies and/ or income generation
- Garage Portfolio Review (part of the wider Strategic Asset Review programme) – Review of garage assets to identify opportunities for service improvements and increased income generation
- Strategic Asset Review – other workstreams underway to review performance and strategic opportunities relating to the Council’s assets (to be reported to a separate Committee meeting in 2024-25)
- EVCP Installation Programme – Roll out of the EVCP equipment in support of the climate emergency, with income generation for the Council
- Garage Pricing Strategy – Analysis of current charges and development of pricing strategy

3 Legal and Democratic Services Q3 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:-

Environmental Health - Prosecutions	NAME OF CASE	FACTS	DATE OF HEARING	COURT OUTCOME
1.	Lemon Place LTD - Environmental Health	On 25 October 2023, at St Albans Magistrates' Court, Mr Thangarajah Nesarajah the food business operator of the Lemon	Hearing 17/10/23	The Magistrates fined the defendant £5000, and ordered him to pay Prosecution Costs of

		<p>Plaice at 10 Bellgate Hemel Hempstead was successfully prosecuted following a case presented by the Environmental Health Officers (Food Safety Team) of Dacorum Borough Council (DBC).</p> <p>Mr Nararajah pleaded guilty to 11 charges relating to various breaches of the Food Safety and Hygiene (England) Regulations. The main charge related to the failure to ensure adequate procedures were in place to control pests. The remaining charges related to the failure to comply with Hygiene Improvement Notice served and failure to put in place, implement and maintain a permanent procedure or procedures based on the HACCP principles.</p>		<p>£5000 and a Victim Surcharge of £2000. The total to pay came to £12,000.</p>
2.	Salmicass Flats Ltd - Environmental Health	<p>This case is in relation to breach of Community Protection Notice for failure to keep communal bins maintained.</p>	<p>St Albans Mags Court on 22 November 2023 at 2pm.</p>	<p>The Defendants pleaded guilty to a breach of a CPN and were sentenced as follows:</p> <p>Fine £3,609.00 Costs £3,227.55 VS £1,444.00</p>

				Total to pay £8,280.55
3.	Hank Haywood – Environmental Health	This case concerned the dropping of litter	Hearing 08/11/23	Ordered to Pay costs of £54 and VS of £26.00 total to pay £80.00
4.	Nichola Smith – Environmental Health –	This case concerned the dropping of litter. On the 22nd November 2023, Miss Nicola Smith was prosecuted at St Albans Magistrates Court On 26th July 2022, Miss Smith had been witnessed by a District Enforcement Enviro-Crime Officer to drop and leave a cigarette butt in London Road, Hemel Hempstead. Miss Smith was issued with an on the spot fixed penalty notice of £80 for the offence but no payment was made. The Defendant failed to attend the hearing and the Prosecution proved the matter in absence.	Hearing 25/10/23	Miss Smith was sentenced as follows: Fine £440.00 Costs £250.00 VS £176.00 Total to pay £866.00
5.	Connolly – animal welfare case - Environmental Health	This case concerns the prolonged cruelty of a cat.	Case listed at the St Albans Mags court on 21.12.23.	Court banned Defendant from having or keeping animals for a period

				of 5 years and fined her £40. No VS or costs were awarded.

3.2 Corporate and Democratic Support

Democratic Services

During Quarter 3, Democratic Support carried out the following activities:-

Finalised the process and roll out plan to migrate to video minutes, going live with initial pilots for each committee in November 2023.

All pilots delivered successfully; on publication, the minutes for each agenda item on the Council’s website is supported by a link that takes you to a YouTube video, launching at the point in the meeting where that item is being discussed.

Committee Meetings

- Delivered 2 Full Council meetings, live streamed via YouTube
- Delivered 1 Extraordinary Council meeting, live streamed via YouTube
- Supported 20 committees (including agendas & minutes)

Member Development

Delivered the following Member training sessions and Briefing sessions;

- Mandatory Finance training (05/10/23)
- Local Cycling and Walking Infrastructure Plan Workshop (12/10/23)
- EELGA delivered Scrutiny Training (09/11/23)
- Mandatory Health & Safety Training (23/11/23)

Decision making

- Processed and administered 8 new Portfolio Holder Decisions, published 7 completed decisions
- Processed 13 Officer Decisions

Digital Print & Post Room:

In addition to the day to day workload and ad hoc requests for support and reprographics, during Quarter 3 the team;

- Processed and franked a total of 39,232 outgoing mail items, at a total cost of £43,067.10 (includes HVCCG & CAB which is recharged)
- Processed and banked 471 cheques with a total income of £116,447.10
- Received and banked 5 emergency cash transactions with a total value of £1,515.06
- Delivered the 'local plan consultation' to all town and parish councils for the Strategic Planning team.
- Identified an error with Business Rates barcoded letters and highlighted this error avoiding incorrect mailing being sent.

Electoral Services

i. Electoral Register

During Quarter 3, the following 8137 changes were made to the Electoral Register:-

Additions 3508

Deletions 4356

Changes 273

ii. Staff Training

Throughout Q3, the team attended:

- Elections Act Tranche 2 training: Association of Electoral Administrators (AEA)
 - online absent vote applications (OAVA) and postal and proxy voting requirements (PPVR)
 - overseas electors (OE)
- Express Elections Act training
- Returning Officer webinar
- AEA Eastern branch meeting
- Herts country group meeting
- DLUHC ERO Portal Demo

iii. Annual Canvass 2023

Following the successful completion of annual canvass 2023, and the completion of the door knocking, personal canvass phase, the outcome was a 93% response rate.

The team published the revised Electoral Register on the 1st of December as legally required. All statutory distribution was completed.

The amended Parliamentary boundary changes, following their review, were included in the revised register and published.

iv. Election Act implementation

The next phase of the Elections Act saw the introduction of 'Online Absent Vote Applications (OAVA)' on 31 October 2023. This now allows electors to apply for an absent vote online. The team undertook training from DLUHC on the use of the online portal and the very different way of processing new applications.

The team worked hard on the forthcoming implementation of the remaining aspects of the Elections Act: Overseas electors & EU National changes. Further updates will be reported in Q4.

v. Polling District & Polling Place Order

Following the completion of the Polling District & Polling Place review, and combined with the Parliamentary boundary changes, the update Polling Place Order was approved by Full Council.

vi. Electoral Review

The Local Government Boundary Commission for England (LGBCE) have begun the electoral review for Dacorum. Officers are currently collating information in order to submit projected forecasts required.

The first phase looks at Councillor numbers. The Electoral Review Committee discussed this at its meeting in October. Final suggestions will be recommended to Full Council in February 2024.

vii. Police & Crime Commission election 2023

The next PCC election will be held on the 2nd of May 2024. The team are currently working with all Polling Places and all staff on the database, in order to set them all up with an online account. This uses a system called a Mobile Election Application (MEA).

This will enable the ability to quickly communicate with staff and location booking agents through a secure portal. This also saves on resources as there is no need to print and send letters, and as MEA is fully integrated with Xpress Management, any responses or changes made by users in MEA will update the system once a sync process has been run from within Management.

viii. Next Parliamentary election

The team are mindful that the next Parliamentary election must take place before January 2025. Therefore considerations amongst the team are being made at every opportunity to try to mitigate any issues.

3.3 Licensing

The team have been very busy during quarter three and have determined 211 Licensing Act applications, 8 animal activity licences, and 100 taxi driver or operator based licenses.

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 3 Finance and Resources performance report:

This report outlines the 2023/24 Quarter 3 (September– December) performance of the Finance and Revenues and Benefits services, the details of the quarterly KPI's are included in the enclosed Appendix A Corporate and Commercial Performance report.

The Performance appendix details the current performance against a range of agreed Key Performance Indicators and previous performance trends. These highlight that at present there three red rated KPI's where performance requires improvement:

- FIN02a Time taken for debtors to pay
- FIN03 Housing Revenue Account Budget Variance against forecast
- FIN06a Capital Variance against forecast.

FIN02a Time taken for debtors to pay

Performance against this indicator has been adversely impacted in the last two 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 commercial property and finance team are working in combination with commercial property tenants to improve this performance.

In addition, other types of Council debtors also taking longer to pay, a consequence of rising costs and the associated pressures on household budgets. The main example of this are Council housing leaseholders, a significant proportion of whom have payment plans in place to pay off debt owed to the Council.

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. This KPI target has been reviewed and reassessed with revised KPI's expected in 2024 to take into consideration the high level of payment plans currently in place.

FIN04 Housing Revenue Account Revenue Variance against Forecast

Pressures relating to repairs and maintenance costs are contributing to a reported overall pressure for the Housing Revenue Account. Appendix A reflects the reported position as at November 2023, a pressure of £370k. At quarter 3 this pressure has increased to £620k.

FIN06 Capital Variance against Forecast

At quarter 2 the capital financial projections reflected in Appendix A showed a net overspend of circa £8k on the capital programme of circa £81m. This variance is less than 0.01% of the overall capital budget and is well within budget tolerances. This position includes additional spend on waste bins procured this year to support the garden and household waste collection service. At quarter 3 the capital financial performance is reporting a net underspend of £46k across the Council's capital programme, which will move performance against this indicator to green at the next quarterly report.

There are three amber KPIs where performance is being monitored:

- RBF04 Business Rates in-year collection rate.
- RBF05 Council Tax Collection rate
- RBF06 Average days taken to respond to a council tax related contact from a resident.

RBF04 Business rates in-year collection rate / RBF05 Council Tax Collection Rate

The collection rates for business rates and council tax are targets that have been heavily impacted in recent years by wider economic circumstance and government policy; related to the pandemic, energy grants in 22/23, varying business rate reliefs, the 2023 business rates revaluation and the current ongoing cost of living pressures.

Current forecasts suggest that the year-end collection levels for both of these local taxes will be similar to last year, which means that there will be a small shortfall on in-year council tax collection rates. In previous years this has not had a significant impact on the council's funding sources as a combination of funding smoothing policies and increased collection of historic arrears have made up the in-year cash shortfall. However, as this trend has continued for a number of years the service has reviewed the collection rate and remodelled what is achievable in the medium term. In consequence the 2023 Medium Term Financial Strategy has reduced the expected collection rates for future years, to prevent future budget funding shortfalls.

RBF06 Average days taken to respond to a council tax related contact from a resident

This measure is continuing to under-perform, and is likely to remain at a similar level for the remainder of this year. There are two major factors for this: firstly, the ongoing impact of the financial pressures on residents over the last few years means that conversations with those who are having difficulty paying are longer and more complex than in previous years; secondly, a lot of officer time is taken up with data entry – re-keying information provided to us by residents by email or form.

In order to address these, the service is continuing to work with the transformation team in order to introduce more automation, which will avoid the need for this repetitive data entry and speed up the process of registering information for residents who move. This in turn should release resources to assist with the more complex queries.

Currently we expect to see this work provide some benefit towards the end of quarter 4.

4.3 Finance and Resources Quarter 4 Operational Risk Report

The quarter 3 Finance & Resources operational risk register is attached in Appendix B.

There is one change to the scoring at quarter 3 from quarter 2. This is in RM000013 (Delays and errors in the processing of benefit claims) where the score has reduced from 6 to 4. This is due to the improvement in the time taken to process changes to benefit awards during the years to date.

At present there is one red rated operational risk (RM000010) in relation to the council tax and business rates collection. The collection rates finished slightly behind the targeted levels in 2022/23 but both rates are an improvement on year on year, but not yet achieving pre covid performance levels.

The forecast collection rates for both of these are to reach similar levels to 2022/23 at year-end, and combined with collection of previous year arrears we expect to achieve the actual budgeted cash collection levels.

As these reduced in-year collection levels appear to be ongoing, the expected collection levels for future years have been reduced in the Medium Term Financial Strategy.

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

There are no direct legal implications arising from this report.

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.