

ESSENTIAL REFERENCE PAPER “C6”

SUMMARY OF PREVIOUSLY REPORTED VARIANCES ON THE REVENUE BUDGET

		Projected Outturn 31 March 2010 £'000	
1.1	April	1,165	Adverse
	May	1,574	Adverse
	June	1,498	Adverse
	July	1,346	Adverse
	August	1,152	Adverse
	September	897	Adverse
	October	891	Adverse
	November	636	Adverse
	December	540	Adverse
	As agreed by Executive 09.02.10	464	Adverse
	January	464 -36 = 428	Adverse
	February	464 – 507 =43	Favourable
	March	464 -1,051 = 587	Favourable

	ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
1.2	Promoting prosperity and well being CONCESSIONARY FARES Agreement has yet to be reached with other district councils on how to handle exceptional variations in the share of the cost of concessionary fares attributable to each council. Based on 2008/09 figures there is a potential of £220k if travel patterns are unchanged.	April
1.3	LEISURE SERVICES Development proposals at Grange Paddocks and Hartham were approved at Executive on the 5 May 2009. The revenue consequence of this capital investment will be an additional cost of £328k in 2009/10. This sum, through a reduction in Management fees, will be recovered in 2010/11: £135k and 2011/12: £193k, with a	April

ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
subsequent saving in 2012/13 of £600k.	

	ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
1.4	<p>LEISURE SERVICES (UPDATE)</p> <p>The Council on 13 May 2008 agreed the recommendations of the Executive Committee of 5 May 2009 to accept the business case for investment of £3.5m capital funding to develop the facilities at Grange Paddocks and Hartham leisure centres. The business case required that revenue cost for 2009/10 will be £266k greater than the contractor's original base price for that year, to facilitate the delivery of the £3.7m revenues saving over the life of the contract. In order to formalise this decision by the Council it is proposed that the Executive recommend a supplementary estimate for this amount be incorporated into the Council's budget.</p>	June
1.5	<p>EMERGENCY PLANNING - SWINE FLU</p> <p>A supplementary estimate of £10k is sought in order to meet the additional costs associated with supporting the NHS in delivery of swine flu measures for the general public. The Council is committed to seeking full reimbursement from the NHS.</p>	June
1.6	<p>PROPERTY AND LEGAL FEES RE CAUSEWAY BISHOP'S STORTFORD</p> <p>Final fees in respect of legal and property advice to the exchange of contracts with Henderson's have now been received. These total £158k of which £18k was charged to 2008/09 leaving a current year charge of £140k.</p>	August
1.7	<p>Approval is sought from the Executive for a supplementary revenue estimate sum of up to £140k to meet the above costs. The Executive to determine whether it wishes to refer this matter to Council.</p>	August
1.8	<p>LICENSING A/E COURSES</p> <p>Courses run relating to Alcohol and Entertainment licensing will not be held due to staff shortages and limited demand and £5k income will not be achieved. However the payroll cost reflects a reduced staffing cost.</p>	August

ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
1.9 LICENSING A/E FEES Income from Alcohol and Entertainment fees is not likely to meet the budget due to the downturn in the economy. Possible shortfall of £10k-£20k.	August
1.10 CASTLE HALL The Executive agreed that a supplementary revenue estimate of £40k to commission architects to engineer the Castle Hall development proposals be considered by Council on 30 September 2009. These fees may be changed to capital if the scheme proceeds.	August
1.11 CONCESSIONARY FARES The favourable variance in September on concessionary fares reflects the timing of payments against the budget profile and the full year forecast remains the same.	September
1.12 LICENCES The income stream from Alcohol and Entertainment licences is unlikely to meet the increased budget due to the down turn in the economy. The shortfall is likely to be nearer £30k. The variance in September is explained by a peak of payments occurring in September and October against the budget profile.	September
1.13 LAND DRAINAGE An additional budgetary allocation from the Environment Agency will generate a net additional surplus of £20k within the Land Drainage service.	September
1.14 LICENSING A/E FEES Income from Alcohol and Entertainment fees is not likely to meet the budget due to the downturn in the economy. A shortfall of £21k is anticipated. The favourable variance in October on fees reflects a peak of payments occurring in this month.	October

ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
1.15 LAND DRAINAGE The variance in October regarding Land Drainage is explained by the raising of a recharge for services provided to the Environment Agency.	October
1.16 HACKNEY CARRIAGE LICENCE FEES The income stream from Hackney Carriage Licence fees is unlikely to meet the increased budget due to the down turn in the economy. A shortfall of £12k is envisaged.	October
1.17 HOSTEL INCOME Hostel income is anticipated to be £25k lower than the estimate due to lower than expected occupancy numbers during the opening phase.	October
1.18 CONCESSIONARY FARES The adverse variance since last month on Concessionary fares reflects the timing of payments against the budget profile and the full year forecast remains the same.	November
1.19 FOOTPATH LIGHTING Issues surrounding responsibility on ownership for certain areas of Footpath Lighting have now been resolved and as a consequence a favourable £18k has been achieved.	November
1.20 CONCESSIONARY FARES Following failure to agree within the County a method of apportioning the 2009/09 Concessionary Fares adjustment, it was decided to revert to the statutory formula leaving the Council with an adverse variance of £47k.	January
1.21 LEISURE An over spend of £20k has occurred against the Leisure budget which represents a timing difference in the incurring of expenditure during development in reallocating costs from the calendar to the financial	February

year.

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| 1.22 | HILLCREST HOSTEL
The Hillcrest hostel rental income has increased by £20k since the probable estimate was calculated due to higher occupancy rates. | February |
| Fit for purpose | | |
| 1.23 | TURNOVER
Staff turnover forecasts suggest the vacancy rate built into the estimates is unlikely to be achieved. Tighter controls over external recruitment will have some impact to reduce a “month1” projection that vacancy savings might be some £378k below budget. (At this time last year the equivalent projection was an overspend of £50k. The final position was an overspend of £12k.) Offsetting the above there is a potential saving on the provision for the April 2009 pay settlement . If settled at the employers’ offer of 0.5% the saving would be up to £250k. | April |
| 1.24 | MANAGEMENT ACTIONS TO MITIGATE PRESSURES
There remains a gap of £189k to meet the management action savings target. | April |
| 1.25 | TURNOVER
Salary budgets have been constantly monitored and Essential Reference Paper ‘C’ shows an overspend of £215k based on a budgeted 2.25% pay award. In the event that the Employers’ offer (notified in July) of 1% is accepted, then the projected outturn figure would show a reduced overspend of about £153k. | July |
| 1.26 | TURNOVER
Salary budgets have constantly monitored and Essential Reference Paper ‘C’ shows a projected overspend of £48k. This reflects an agreed 1% pay award against a budgeted pay award provision of 2.25%. | August |
| 1.27 | TURNOVER | September |

Salary budgets have been constantly monitored and Essential Reference Paper 'C' shows a projected underspend of £1k. This reflects an agreed 1% pay award against a budgeted pay award provision of 2.25%.

1.28 NON DOMESTIC RATES

September

To support the implementation of the Government's National Non Domestic Rates deferral scheme the Department for Communities and Local Government has given the Council a grant of £15k. £5k has been used to implement the necessary software programme changes.

1.29 HOUSING BENEFIT

September

As a result of the economic downturn the Housing Benefit service has seen an increase in caseload and therefore there has been an increase in the sums paid out. The majority of the costs are reimbursed via Government subsidy, but not all. The increased caseload has generated a higher level of recovery of overpayments with a net benefit of £50k.

1.30	IT SERVICES The favourable variance on management actions to mitigate pressures during September follows from a review of IT Services Third Party Contract Payments. As a result the projected year end adverse variance on this line is reduced to £120k.	September
1.31	MANAGEMENT ACTIONS/CAUSEWAY LAND TRANS. There is a favourable variance on management actions of £20k arising from action to manage maintenance costs on Piper systems following reduced take up over the last eighteen months. These systems are for the elderly and in the event of say a fall or illness the holder is able to summon assistance via managed control centre. Net rent income is reduced following the land transactions in connection with the Causeway for which supplementary provision is sought.	October
1.32	TURNOVER Salary budgets have been constantly monitored and Essential Reference Paper 'C' shows a projected under spend of £87k. This reflects an agreed 1% pay award against a budgeted pay award provision of 2.25%. The variance for October is explained by fewer than budgeted temporary staff needed to support Alternate Refuse Collection rollout this year.	October
1.33	TURNOVER Salary budgets have been constantly monitored and Essential Reference Paper 'C' shows a projected under spend of £81k. This reflects an agreed 1% pay award against a budgeted pay award provision of 2.25%.	November
1.34	MANAGEMENT ACTIONS TO MITIGATE PRESSURES The favourable variance of £100k in November regarding Management actions to mitigate pressures includes £61k in respect of legal fees contingencies, £36k in respect of further vacancy savings and £3k received towards on costs reimbursed for swine flu emergency centre.	November
1.35	TURNOVER	December

Salary budgets have been constantly monitored and Essential Reference Paper 'C' shows a projected under spend of £106k. This reflects an agreed 1% pay award against a budgeted pay award provision of 2.25%

1.36 HOUSING BENEFITS January
Continued detection of Housing Benefit overpayments anticipates generating an additional £20k.

1.37 INVESTMENT INCOME January
As at the end of January the Fund Managers investment performance on behalf of the Council would suggest an additional £50k of income, with the potential of additional sums by the end of the year.

1.38 TURNOVER February
Salary budgets have been constantly monitored and Essential Reference Paper 'C' shows a projected under spend of £22k which is included in the figure above.

1.39 INVESTMENT INCOME February
As at the end of February 2010 the Fund Managers investment performance on behalf of the Council would suggest an additional £150k of income, with the potential of additional sums by the end of the year. In line with current policy any surplus funds are to be appropriated to the Investment Income Equalization Reserve.

1.40 STRAIN (Pension Costs) February
Decisions taken this financial year on flexible and early retirement coupled with redundancy notices will result in strain (pension) costs to the Council of circa £80k per annum over a three year period with the first years change falling in 2009/10. Given the improvement in the Council's overall financial position since the approval of the Medium Term Financial Plan it is proposed a reserve be established to the meet the costs of £160k in years 2 and 3.

1.41	IT LICENCES Delays in implementing schemes and lower than expected charges could result in an under spend circa £50k within the IT Licences budget.	February
1.42	MISCELLANEOUS PROPERTIES Additional income totaling £20k have been received within the Miscellaneous Properties service. This sum is offset by the cost of engagement of Deloitte to assist in the preparation of accounting and valuation arrangements surrounding the introduction of International Financial Reporting Standards.	February
1.43	REVENUES and BENEFITS There is a provisional £10k under spend on Revenues and Benefits printing budget as a result of C3W changes by using more electronic rather than paper files, assisted by the move to EDRM and promoting the use of leaflets and information on line. This has been supplemented by a change this year in the annual billing arrangements by combining bills and benefit letters together so saving on the number of enclosures, saving £12k.	February
	Pride in East Herts	
1.44	CAR PARKS (PAY AND DISPLAY) Due to depressed use of car parks Pay and Display income is currently down on budget by 4%. Resulting in a projected shortfall of £120k.	May
1.45	PENALTY CHARGE NOTICES Due to full deployment of enforcement hours, it is anticipated that fines from Penalty Charge Notices will generate an additional £30k. Herts County Council is proposing a rent increase for Apton Road car park which will result in an adverse variance this year of £19k. Officers are continuing to negotiate this position.	June
1.46	CAR PARKS RENT The Herts County Council proposal for a rent increase at	July

Apton Road car park has now been successfully deferred so as to commence from 1 April 2010.

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| 1.47 | JACKSON SQUARE - EXPENSES
The contractual arrangements with Jackson Square car park means that any net income above a threshold will be payable to the landlord. In 2009/10 this is estimated to be £40k. | August |
| 1.48 | ON STREET DISPENSATIONS
On Street Parking Dispensations was a new charge introduced this year. Current sales indicate a shortfall of £2k against prediction. | August |
| 1.49 | PAY AND DISPLAY CAR PARKS
Year to date income from Pay and Display car parks continues to record reduced use of car parks and a shortfall of income of £120k is predicted for the full year. | October |
| 1.50 | PARKING ENFORCEMENT
There is an anticipated under spend on the Parking Enforcement Contract following suspension of enforcement on bad weather days in January and some staff turnover resulting in a saving of £18k. From mid February the contractor is fully staffed. | January |
| 1.51 | PENALTY CHARGE NOTICE INCOME
Penalty Charge Notice income is projected to be adverse by £5k due to severe weather conditions in January. Almost all enforcement was suspended for more than a week resulting in less PCN's issued and consequential associated income. | January |
| 1.52 | PARKING ENFORCEMENT
There is an anticipated under spend on the Parking Enforcement Contract following suspension of enforcement on bad weather days in January and some staff turnover resulting in a saving of £8k. | February |
| 1.53 | PENALTY CHARGE NOTICES
However due to bad weather days almost all | February |

enforcement was suspended for more than a week in January resulting in fewer Penalty Charge Notices being issued and an inevitable reduction in PCN revenue during January and February of £10k. The year end forecast for car parking fee income is unchanged.

Caring about what's built and where		
1.54	RECYCLING	May
	Although there are no impacts on budgets to date there will be a loss of income arising from North Herts District Council withdrawing from the agreement to allow EHDC to bulk and process their materials at Buntingford Service Centre from July 2009. There is a forecast loss of income from gate fees and material sales of £62k adversely affecting the Recycling service.	
1.55	DOMESTIC WASTE - BULKY	June
	DOMESTIC WASTE - INCOME	June
	There has been a fall in demand for bulky collection services arising from the economic downturn and stagnation of the housing market. If it continues at its current reduced rate a loss of income of £15k would result. This is offset by additional transport subsidy income received from Herts County Council for 2007/08 of £20k.	
1.56	REFUSE MAIN CONTRACT	August
	Following a re-negotiation of the Refuse Main contract as part of the contract extension, there is a predicted under spend of £108k, effective from August 2009.	
1.57	COMMERCIAL WASTE	August
	Further business growth in the Commercial waste service has led to additional costs of bin deliveries and disposal, but this is more than offset by the additional income generated. Thus there is a predicted net favourable position of £19k.	
1.58	CLINICAL WASTE	August
	Clinical waste collection is forecast to increase by £16k	

due to a rise in demand for yellow sacks.

1.59 PUBLIC CONVENIENCES

August

There is an early warning of a likely overspend of £21k in the Public Conveniences service due to a delay in achieving savings from the closure programme.

1.60 RECYCLING

August

The Recycling service is predicting a net favourable position of £70k. This is due to the following:-

- An under spend of £5k on Recycling Plastic Banks budget due to a decision not to include mixed plastics following the market downturn.
- An under spend on the Recycling Kerbside green waste budget of £55k made up of £31k due to the re-negotiation of the contract extension and £24k additional ARC savings.
- Additional income of £10k is expected from the Recycling Paper banks sales income and credits budget as a result of higher material prices.
- Additional income of £40k is anticipated from the Recycling Kerbside dry sales and credits budget due to improved material prices. The £20k loss of income due to North Herts DC withdrawing from the agreement to process their materials, as reported on previous Healthchecks, is factored in to this figure.
- Although there are no significant impacts to date on the Recycling Miscellaneous income budget, it is being highlighted that there is likely to be a loss of income arising from NHDC withdrawing from the agreement to bulk and process their materials at Buntingford Service Centre from July 2009. The figure of £40k represents the forecast annual loss in income from gate fees.

1.61 RECYCLING SERVICE

September

The favourable variance in September within the Recycling Service reflects the timing of payments and receipt of income against the budget profile, with an overall improvement in the full year forecast.

1.62	<p>COMMERCIAL WASTE</p> <p>The variance in October for Commercial Waste income is a result of issuing second half year invoices for the service against the budget profile.</p>	October
1.63	<p>COMMERCIAL WASTE</p> <p>The adverse variance since last month for Commercial Waste income reflects the timing of payments for disposal costs against the budget profile. The full year forecast remains the same.</p>	November
1.64	<p>RE-TENDER OF REFUSE, RECYCLING AND STREET CLEANSING CONTRACT</p> <p>The budget proposals for 2010/11 include a one off special item of £30k to procure support from specialist environmental consultants to assist with the re-tender of the Refuse, Recycling and Street Cleansing contract due to be let during 2010 and commence in May 2011. Following consideration of the project timetable and requirement to meet EU Procurement legislation, the Project Steering Group determined that some aspects of this work would needed to be brought forward into 2009/10. The element of work to be undertaken in the current financial year is estimated at £9,870. This sum will be funded from under spends elsewhere in service budgets and expenditure in 2010/11 reduced by this sum. This approach has been agreed with the Director of Customer and Community Services following consultation with the Director of Internal Services.</p>	December
1.65	<p>REFUSE CONTRACT</p> <p>There is an expected £22k under spend against the refuse main contract budget.</p>	February
1.66	<p>COMMERCIAL WASTE</p> <p>The Commercial Waste trade bin income budget forecasts additional income of £19k due to increased business.</p>	February

1.67	<p>RECYCLING</p> <p>The Recycling service predicts to under spend or generate additional income from the following areas resulting in a favourable variance of £161k:-</p> <ul style="list-style-type: none"> • Following the successful implementation of ARC there was less publicity needed than planned - £27K. • The cost of glass collection levels have fallen back to that of the original estimate saving £9k. • There is additional income of £8k from glass sales as prices have increased. • There is a predicted £50k under spend on Kerbside waste collection due to renegotiation of part of the contract and additional savings from ARC. • There is additional income of £5k from the paper banks as a result of higher material prices. • Kerbside dry recyclables sales show an additional £62k as a result of higher prices and ARC. 	February
	<p>Shaping now, shaping the future</p>	
1.68	<p>DEVELOPMENT CONTROL/BUILDING CONTROL</p> <p>The impact of the recession on development control and building control activity and income suggests income might be at least £300k below budget.</p>	April
1.69	<p>DEVELOPMENT PLANS STUDIES/CONSULTANCY</p> <p>A report to the Local Development Framework Panel on 27 August 2009, identified a reduction in spending requirements, as a result of joint and grant funding arrangements of circa £40k within the Development Plans budget for Studies and Consultancy.</p>	August

1.70	<p>SCANNING</p> <p>Approval for one off costs funded by a draw down from the General Reserve to a maximum of £140k to meet the cost of scanning existing documents and ICT support through the transitional phase of C3W is being sought from Council on 30 September 2009. It may be that some of the £140k will be drawn down in the current financial year pending further estimates and timing.</p>	August
1.71	<p>PLANNING APPEALS</p> <p>A report to CMT on the 13 October 2009 set out the various costs associated with planning appeals. CMT will be kept apprised by means of regular updated reports.</p>	September
1.72	<p>LAND CHARGES</p> <p>At the end of September Land Charges income was £47k ahead of profile. Notwithstanding continuing market volatility and ever increasing private sector competition, there may be a net favourable position of £30k (after taking into account a corresponding increase in amounts due to Herts County Council).</p>	September
1.73	<p>HOUSING AND PLANNING DELIVERY GRANT</p> <p>A windfall sum of Housing and Planning Delivery Grant of £100k is expected, but has yet to be confirmed.</p>	November
1.74	<p>PLANNING APPEALS</p> <p>Costs associated with Planning Appeals are now being processed and November reflects an adverse variance since last month.</p>	November
1.75	<p>DEVELOPMENT CONTROL</p> <p>Development Control income predicts to be favourable by £60k as a result of two larger schemes of £50k materialising.</p>	February
1.76	<p>BUILDING CONTROL</p> <p>The income streams in Building Control are not likely</p>	February

to be robust enough in the last quarter to reach the probable budget by £30k.

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| 1.77 | <p>DEVELOPMENT PLANS</p> <p>There is likely to be an over spend of £10k in the Development Plans Policy Studies budget due to £17k of Stansted costs.</p> | February |
| 1.78 | <p>PLANNING APPEALS</p> <p>The Planning Appeals budget is likely to under spend by £10K primarily because schemes will be delayed until the next financial year.</p> | February |
| 1.79 | <p>DEVELOPMENT CONTROL ADVERTISING</p> <p>Development Control advertising is likely to be £12k over budget which has been incurred in the course of the normal work flow.</p> | February |
| 1.80 | <p>HOUSING and PLANNING DELIVERY GRANT</p> <p>The rules on use of the Housing and Planning Delivery Grant have changed so that £134k no longer needs to be spent on capital and could be used as revenue. The application of the additional revenue grant will be reviewed at year end.</p> | February |
| 1.81 | <p>LAND CHARGES INCOME</p> <p>Additional income of £40k from Land Charges is expected due to the housing market being less depressed than anticipated.</p> | February |
| 1.82 | <p>Leading the Way, Working Together</p> <p>MEMBERS ALLOWANCE</p> <p>There will be an underspend on the Members Allowance budget of circa £32k.</p> | September |
| 1.83 | <p>LAND CHARGES</p> | October |

At the end of October Land Charges income was £52k ahead of profile.

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| 1.84 | <p>LOCAL DEVELOPMENT FRAMEWORK
 Timing of the Local Development Framework Consultation is unlikely to be before April 2010. Only minimal costs associated with this will be incurred in 2009/10. Thus the projected out turn will be £70k lower than the estimate.</p> | October |
| 1.85 | <p>DEVELOPMENT CONTROL INCOME
 Development Control income continues to show a month on month shortfall in revenue against budget profile.</p> | October |
| 1.86 | <p>EXTERNAL AUDIT/TREASURY MANAGEMENT FEES
 An increase in External Audit costs of £10k due to queries from the public and additional Treasury Management fees of £4k, (having given the Fund Managers additional monies to invest) will show an over spend of £14k.</p> | November |

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Strategic Risks 2009 / 10**Quarter ending 31st March 2010**

All risks relate to the Corporate Priority 'Fit for purpose, services fit for you'.

Risk No.	Risk title and detail	Consequence	Impact (0 to 5)	Likelihood (0 to 5)	Risk owner	Mitigating actions past quarter (January to March 2010)	Planned mitigating actions
SR1	The Council has a financial plan based on predicted levels of demand and need, which is reviewed and revised on an annual basis. The Council is committed to achieving a significant amount of efficiency savings over a 3 year period. There are significant pressures on the financial targets in the plan due to the current economic downturn, and there may also be increased demand on a number of services such as homelessness and benefit claims. Vulnerable members of the community are dependent upon Council services, particularly in difficult economic times. The Council will need to ensure it provides services to vulnerable, but there could be issues due to the magnitude of what is needed at that time. Unable to meet and reprioritise changing demands from Public.	Fail to provide or demonstrate community leadership. Fail to meet statutory obligations. Damaged reputation / adverse publicity.	4	4	Director of Internal Services	The Council has set its MTFP in balance for the next 4 years with tax increases of no more than 2.5%.	Service planning for the 2011/12 budget round will build on the MTFP now in place. Implementation of changes to terms and conditions will contribute to addressing financial pressures.
SR2	One of the key decisions around the future of Stansted airport is whether permission is granted for a second runway (G2). There is concern that if this is approved it will have a dramatic impact on the local area, with significant increases in traffic, pollution and noise, and could fundamentally alter the district. The decision is due to be made by the Secretary of State in 2010 – 2011. Permission is granted for a second runway at Stansted (G2).	The Council's role may not be fully explained. Will be differences of opinion – possibly not seen to be taking an appropriate stand. District fails to benefit from investment / economic development. District suffers from traffic, pollution, noise etc. Drain on resources. Highly sensitive relationships with Partners. Impact on Local Development Framework.	4	4	Director of Neighbourhood Services	The situation continued to be monitored. If the situation changed, a report would have been prepared for Members.	The situation will continue to be monitored. If the situation changes, a report will be prepared for Members.
SR3	The Council is involved in a Pathfinder Group to deliver and demonstrate efficiency across Hertfordshire, meaning this will need to be evidenced across eleven separate Authorities (two tier) rather than one Unitary by 2010. There is a reliance on all partners being able to demonstrate / evidence, but there is concern currently about whether all partners will deliver. Risk that Pathfinder Group fail to deliver required levels of efficiency across Hertfordshire.	Potential unitary status imposed. Reduction in settlement. Financial strength threatened. Missed opportunities. People capacity impacted. Damage to relationships with other Authorities and mistrust in future partnership working. Reputation / political credibility damage.	4	3	Chief Executive	Good progress across all workstreams. Business cases under development for Audit and procurement. Implementation underway for HR and legal services. New work on Customer Access; PWC completed phase 1 pathfinder review.	Continued oversight by Leaders and Chief Executives of new business cases; report on total savings to ensure on target.
SR4	Changing the way we work (C3W) is a programme intended to positively transform the organisation through delivering a programme of improvements and savings by July 2011. If successful, it will enable the Council to improve customer service and management, particularly through culture change, resolve accommodation issues, and also achieve savings, which contribute to Gershon / efficiencies and value for money. Changing the way we work (C3W) - Failure to deliver savings and improvements by July 2011.	Increased workload for various Officers in preparation, and particularly for IT, HR, and Asset and Facilities Management; Increased workload and new working practices; Relationships with staff, Members and public; Retention of staff; Reputation; Morale; Lack of second large office building weakens Business Continuity resilience; Health and safety and stress issues around home working; ICT infrastructure inappropriate to deliver efficiencies and service improvements; Missed opportunities for service improvements, efficiencies. Enhanced IT and methods of working.	4	3	Programme Director of Change	Successful opening of Charringtons House with no service interruption. Ongoing roll out and testing of home working. Issues with connectivity between OCS and our PABX have been overcome on a local basis but software provider is being pushed for a more permanent solution. Agreed to form a corporate BPI resource. Remote and home working training provided for home workers and their managers. Agreed slower roll out of Revenues and Benefits IT solution to reduce risk at year end. Agreed business interruption insurance for leased sites. Staff communication activity ongoing.	Continued testing of Citrix solution for home and remote working, particularly in Development Control where we are awaiting a software release. Testing of Capita mobile working solution for Revenues and Benefits. Training of BPI team to be undertaken funded by Improvement East. Programme roles to be redefined in line with the External Audit recommendation. Examining IT potentials for Development and Building Control.

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SR5	Performance improvement is a key part of ensuring the Authority has sufficient capacity and ability to change moving forward. This will require clear and consistent approaches in a number of key areas, including ensuring the organisation has a clear understanding of the skills mix, capability and culture currently and in future. This must be linked to consistently applied and embedded approaches to workforce planning and performance management. Unable to consistently apply and embed performance improvement.	Impact on performance. Detract from other roles. Drain on resources. Affect potential and hunger to improve. Employment issues. Prevent service improvement.	2	4	Chief Executive	Continued review and development of HR policies; corporate training on customer service skills, change management and skills required for C3W programme ie: working from home.	Skills audit of staff, continued refinement of PDR scheme. Continued roll-out of training programme.
SR6	The 'Carbon Reduction Commitment' within the Climate Change Bill aims to cut carbon emissions from large commercial and public sector organisations. Authorities exceeding consumption thresholds will be punished. Those who do not use their full allocation will be rewarded. The Council is also obliged to work with households and businesses in the District to reduce carbon output. Fail to develop and implement a coherent strategy and action plan to achieve carbon reduction targets for the Council and for the District.	Insufficient resources to achieve the carbon reduction target. Poor CAA score. Reputation damaged. Impact on partners, contractors, stakeholders and staff. Opportunity to reduce expenditure on energy (if prices continue to rise).	4	2	Head of Environmental Services	Progressing with key actions. Projects to improve energy efficiency of Wallfields building have been incorporated into C3W works. Progress reported through the Use of Resources Statement.	Continue with Action Plan. Incorporate carbon reduction requirements into new refuse contract. Run Eco-Film Festival to promote climate change issues to residents.
SR7	The Council has a financial plan based on predicted levels of demand and need, which is reviewed and revised on an annual basis. The Council is committed to achieving a significant amount of efficiency savings over a 3 year period. There are significant pressures on the financial targets in the plan due to the current economic downturn, including reduced income from investments and from services such as Land Charges, Parking and Development Control. There may also be increased demand on services such as homelessness and benefit claims. A pension fund review is potentially scheduled for 2010. Significant variance from financial plan.	Impact on income. Council tax capped. Dip into assets / reserves which will affect future income. Reprioritise services. Potential cuts in services. Workforce issues. Damaged reputation / adverse publicity.	2	3	Director of Internal Services	Budgetary control in the final quarter has eliminated the potential overspend for 2009/10. A positive variance is now expected. On capital spending will be closer to the adjusted projected figure than in recent years.	In closing the accounts for 2009/10 effort will be made to bolster reserves wherever possible. Consideration will be given to amending the investment strategy to include an option to place funds in a multi asset class absolute return fund to improve investment returns.
SR8	The Council needs to understand and comply with external inspection on an ongoing basis and this needs to be done on a consistent basis across the organisation. Currently there is an inconsistent approach to evidence gathering with a lack of pro-active / consistent response to external assessment. There are also difficulties in understanding and complying with certain areas, particularly around engaging public and staff around new agendas. The ability to evidence and demonstrate performance consistently needs to be built into service planning and ongoing management of the organisation so there is a consistent, integrated approach to responding to external challenge. Unable to evidence and demonstrate performance consistently within current approaches.	Possible legal challenge. Self-perpetuating. Repeat inspection. Drain on resources. Staff morale. Damage Member / Officer relationships. Wider impacts. Reputation damaged and criticism attracted.	3	2	Chief Executive	Work commenced on better scrutiny engagement with the public. Implementation of streamlined approaches to information gathering and reporting to inspectors / regulators.	Preparation for inspections to start earlier than previously; implementation of consultation action plan.

SR9	There are a number of key strategic partnerships to deliver against key targets and priorities, as outlined in the LAA and community strategy, to meet inspection requirements and enable improvement to be made. There is a risk of perceived lack of clarity about what some Partnerships are trying to achieve with difficulty identifying deliverables over and above what an independent organisation could achieve, despite the time, resources and finances put into partnerships. We need to demonstrate added value in working in together rather than alone, through robust performance management processes and clarity on objectives. Unable to performance manage and deliver added value outcomes from key strategic partnerships.	Poor service delivery. Partner relationships deteriorate. Blame culture. Reduced access to resources. Impact on CAA. Policy change. Reputation damage.	3	2	Chief Executive	Focused decisions on funding priorities for the LSP according to SCS priorities; continued review of partnerships - re CDRP. LSP Strategy Group tasked with recommending funded deliverables.	Continued review of partnerships; using focus within SCS to agree partnership investment.
SR10	The ongoing growth of Stansted airport (G1) presents a number of opportunities and challenges for the District. The positives are very much around investment and economic development, however the negatives are potentially around impact on residents' quality of life through increased noise, pollution and traffic. The Council should be seen to be providing clear leadership for the District on this issue to ensure most benefit is achieved while minimising the negatives. Fail to exploit growth of Stansted airport (G1).	The Council's role may not be fully explained. Will be differences of opinion – possibly not seen to be taking an appropriate stand. District fails to benefit from investment / economic development. District suffers from traffic, pollution, noise etc. Drain on resources. Highly sensitive relationships with Partners. Impact on Local Development Framework.	3	2	Director of Neighbourhood Services	The Council maintained its position. The situation continued to be monitored. There were no significant changes during the quarter.	The situation will continue to be monitored. If the situation changes, a report will be prepared for Members. The Council will consider how to respond to changing circumstances.
SR11	The Local Development Framework will shape the future of East Herts to 2021 from a planning perspective and will be the basis for making key decisions about the direction of growth and development in the local area. Key challenges within this are around pressures on land use, the housing target and location of 12,000 new homes by 2021, and the need for infrastructure investment and jobs required to sustain growth. The Council is about to submit a revised plan to Government, including a timetable, which will need to be approved and agreed. Risk that Local Development Framework is not approved, or is challenged.	Could be flooded by planning applications. Resources implications if have to revise / re-submit. Could miss out on investment, especially related to infrastructure. Fund challenge. Timetable pressures.	4	1	Director of Neighbourhood Services	The Council agreed a programme of work for the Local Development Framework Panel. The programme has been successfully achieved.	The Council agreed a programme of work for the Local Development Framework Panel. The programme will continue to be applied.