



**MEETING** : JOINT MEETING OF SCRUTINY COMMITTEES  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : TUESDAY 18 JANUARY 2011  
**TIME** : 7.00 PM

**MEMBERS OF CORPORATE BUSINESS SCRUTINY COMMITTEE**

Councillors D Andrews (Chairman), R Beeching, R N Copping, R Gilbert, J Hedley, G E Lawrence, J Mayes, J O Ranger, J Warren, M Wood (Vice-Chairman).

**Substitutes:**

Conservatives: Councillors. P A Ruffles, N Wilson, C Woodward.

Liberal Democrat: Councillor R Taylor.

**MEMBERSHIP OF COMMUNITY SCRUTINY COMMITTEE:**

Councillors C Woodward (Chairman), P Ballam, K Darby, A D Dodd, P Grethe, D Hone (Vice Chairman), G E Lawrence, V Shaw, J J Taylor. Vacancy

**Substitutes:**

Conservatives: Councillors S A Bull, G E McAndrew, J O Ranger.

Liberal Democrat: Councillor M Wood.

Independent: Councillor

**MEMBERSHIP OF ENVIRONMENT SCRUTINY COMMITTEE**

Councillors Mrs D L E Hollebon (Chairman), W Ashley, Mrs M H Goldspink, P Grethe, G McAndrew, M Newman, D A A Peek, (Vice Chairman), N C Poulton, A Warman, B Wrangles.

**Substitutes:**

Conservatives: Councillors. R H Beeching, A D Dodd and G E Lawrence.

Liberal Democrat: Councillor M Wood.

Independent: Councillor .

*(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)*

**CONTACT OFFICER: LINDA BEVAN**

## PERSONAL AND PREJUDICIAL INTERESTS

1. A Member with a personal interest in any business of the Council who attends a meeting of the Authority at which the business is considered must, with certain specified exemptions (see section 5 below), disclose to that meeting the existence and nature of that interest prior to the commencement of it being considered or when the interest becomes apparent.
2. Members should decide whether or not they have a personal interest in any matter under discussion at a meeting. If a Member decides they have a personal interest then they must also consider whether that personal interest is also prejudicial.
3. A personal interest is either an interest, as prescribed, that you must register under relevant regulations or it is an interest that is not registrable but where the well-being or financial position of you, members of your family, or people with whom you have a close association, is likely to be affected by the business of the Council more than it would affect the majority of inhabitants of the ward(s) affected by the decision.
4. Members with personal interests, having declared the nature of that personal interest, can remain in the meeting, speak and vote on the matter unless the personal interest is also a prejudicial interest.
5. An exemption to declaring a personal interest applies when the interest arises solely from a Member's membership of or position of general control or management on:
  - any other body to which they have been appointed or nominated by the authority
  - any other body exercising functions of a public nature (e.g another local authority)

In these exceptional cases, provided a Member does not have a prejudicial interest, they only need to declare their interest if they speak. If a Member does not want to speak to the meeting, they may still vote on the matter without making a declaration.

6. A personal interest will also be a prejudicial interest in a matter if all of the following conditions are met:
  - the matter does not fall within one of the exempt categories of decisions
  - the matter affects your financial interests or relates to a licensing or regulatory matter
  - a member of the public, who knows the relevant facts, would reasonably think your personal interest is so significant that it is likely to prejudice your judgement of the public interest.
  
7. Exempt categories of decisions are:
  - setting council tax
  - any ceremonial honour given to Members
  - an allowance, payment or indemnity for Members
  - statutory sick pay
  - school meals or school transport and travelling expenses: if you are a parent or guardian of a child in full-time education or you are a parent governor, unless it relates particularly to the school your child attends
  - housing; if you hold a tenancy or lease with the Council, as long as the matter does not relate to your particular tenancy or lease.
  
8. If you have a prejudicial interest in a matter being discussed at a meeting, you must declare that interest and its nature as soon as the interest becomes apparent to you.
  
9. If you have declared a personal and prejudicial interest, you must leave the room, unless members of the public are allowed to make representations, give evidence or answer questions about the matter, by statutory right or otherwise. If that is the case, you can also attend the meeting for that purpose. However, you must immediately leave the room once you have finished or when the meeting decides that you have finished (if that is earlier). You cannot remain in the public gallery to observe proceedings.

## AGENDA

1. Appointment of Chairman

2. Apologies

To receive apologies for absence.

3. Minutes (Pages 7 - 22)

To approve the Minutes of the meeting of the Committee held on 1 June 2010.

4. Chairman's Announcements

5. Declarations of Interest

To receive any Members' declarations of interest and party whip arrangements.

6. Capital Programme 2010/11 (Revised) to 2013/14 (Pages 23 - 42)

7. Treasury Management Strategy Statement 2011/12 and Minimum Revenue Policy Statement (Pages 43 - 62)

8. Fees and Charges 2011/12 (Pages 63 - 94)

9. Service Estimates - Revenue Budget Probable 2010/11 - Estimates 2011/12 (Pages 95 - 144)

10. Consolidated Budget Report: Probable Outturn 2010/11: Revenue Budget 2011/12: Medium Term Financial Plan 2011/12 to 2114/15 (Pages 145 - 210)

11. Urgent Business

To consider such other business as, in the opinion of the Chairman of the

meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

MINUTES OF A MEETING OF THE  
JOINT MEETING OF SCRUTINY  
COMMITTEES HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
TUESDAY 1 JUNE 2010, AT 7.00 PM

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PRESENT: Councillor D Andrews (Chairman)  
Councillors W Ashley, P R Ballam,  
R Beeching, D Clark, N P Clark,  
R N Copping, A D Dodd, Mrs M H Goldspink,  
P Grethe, J Hedley, Mrs D L E Hollebon,  
Mrs D Hone, G McAndrew, J Mayes,  
N C Poulton, J O Ranger, P A Ruffles,  
V Shaw, J J Taylor, R I Taylor, A L Warman,  
J P Warren, C Woodward and  
B M Wrangles.

ALSO PRESENT:

Councillors S A Bull and A P Jackson.

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Committee Secretary
Lorna Georgiou	- Performance and Improvement Co-ordinator
Philip Hamberger	- Programme Director of Change
Mark Kingsland	- Health and Fitness Development Officer
Will O'Neill	- Head of Community and Cultural Services
Ceri Pettit	- Head of Strategic Direction (shared) and Performance Manager
George A Robertson	- Director of

Customer and  
Community  
Services

43 APOLOGIES

Apologies for absence were submitted on behalf of Councillors K Darby, G Lawrence and M Wood. It was noted that Councillors P A Ruffles and R I Taylor were in attendance as substitutes for Councillors G Lawrence and M Wood respectively.

RESOLVED ITEMS

44 APPOINTMENT OF CHAIRMAN

It was proposed by Councillor D L E Hollebon and seconded by Councillor C Woodward, that Councillor D Andrews be appointed as Chairman for the meeting.

RESOLVED – that Councillor D Andrews be appointed Chairman for the meeting.

45 MINUTES

Councillor N Clark sought clarification on a number of outstanding items within the Minutes specifically:

The benefits of the C3W programme, the outcome of the Print Review, the website relaunch and details relating to the removal of fly tips where this took longer than a week.

The Director of Customer and Community Services said that the website relaunch information would be provided as soon as it was available. The Programme Director of Change advised that the benefits of C3W would be reported to Corporate Business Scrutiny Committee. The Director of Internal Services stated that the print review would be circulated when it had been signed off



by Corporate Management Team.

RESOLVED – that the Minutes of the meeting of the Joint Scrutiny Committees held on 16 February 2010 be conformed as a correct record and signed by the Chairman.

#### 46 2009/10 END OF YEAR SERVICE PLANNING REPORT

The Leader of the Council submitted a report summarising the 2009/10 actions which had been achieved and those which required a revised completion date. Of the 205 actions, 89% (192) had been achieved and 11% (23) needed to have their completion dates revised, the details of which were included in Essential Reference Paper “B” attached to the report now submitted.

Within the corporate straplines:

*Promoting Prosperity and well being; providing access and opportunities:* 34 actions had been achieved with 9 requiring that their completion dates be revised.

*Fit for purpose, services fit for you:* 108 actions had been achieved with 11 actions requiring their completion dates be revised.

*Pride in East Herts:* 2 actions had been achieved.

*Caring about what's built and where:* 11 actions had been achieved with one requiring that its completion date needed to be revised.

*Shaping now, shaping the future:* 12 actions had been achieved.

*Leading the way, working together.* 15 actions had been achieved with 2 requiring that the completion date be revised.

It was noted that full details on the 2009/10 Service Plan Actions were accessible on the Council's Performance

Management System, Covalent.

Councillor J O Ranger thanked Officers for their work in meeting the target for home and remote working. He referred to the household waste scheme and was concerned to hear from some residents in Cottered that the scheme would be withdrawn. The Director of Customer and Community Services assured the Member that he had no knowledge of the scheme being withdrawn.

Councillor Mrs M H Goldspink thanked Officers for the report but would have like to have received a list of what actions had not been achieved. She queried the position regarding the East Herts Emergency Plan as there appeared to be conflicting information later in the report. The Head of Strategic Direction (shared) Performance Manager explained that the plan was up to date, but that some training needed to be undertaken by individual Officers in specific roles. The Director of Customer and Community Services said that the Emergency Plan was about being prepared and having something in place and raising awareness. Training and preparation was ongoing, as people joined and left the Council.

Councillor R I Taylor said that a lot of actions had a completion date of 31 March 2010 but that these had been put back 12 months. He felt that this appeared to be excessive. The Chairman referred to an email from the Head of Business Support Services providing updates on why actions had been put back 12 months.

Councillor R Beeching referred to the Community Toilet Scheme and highlighted what local businesses in the District would be prepared to make their toilets available to the public. He mentioned the concerns of parents who might have children of a certain age who could use toilets unaccompanied but who could still be vulnerable. The Director of Customer and Community Services thanked Councillor Beeching for the support. He asked the Member to if he would be happy for the relevant member of staff to contact him to follow up on the contacts.

DCCS

Councillor P Ballam said that not everyone was happy with the proposal and that Ware Town Council had a number of reservations. She said that the lack of toilets particularly when people changed at bus stops, was a cause for concern and that many people did not want to use the toilets in public houses. She mentioned that she had expressed concern to the Executive about disabled access to a particular facility, Café Euro which had a number of steep steps to navigate.

In response to a query from Councillor C Woodward concerning the Community Toilets, the Programme Director of Change confirmed that a number of conversations had taken place. Councillor Woodward asked Officers to keep any eye on the police statistics bearing in mind that another Police Restructuring was being undertaken.

Councillor Mrs Goldspink suggested that the scheme be reviewed. She also queried why the refuse recycling facility should be included under the classification of "Caring about what's built (and) where" in that these were services which had nothing to do with building. Councillor Mrs Goldspink requested that Members be included on the Corporate Steering Group which had been established to review development proposals in the District.

The Director of Internal Services explained that it was an Officer Steering Group at an early stage in discussions and that Members would be included at a future point. No decisions were being taken and that Officers were keeping a "watching brief" on issues. Councillor Mrs Goldspink suggested that Members should serve on the Steering Group as observers.

Councillor A P Jackson explained that there was nothing at this stage for Members to be involved in. Officers were merely "shepherding events".

The Performance Improvement Co-ordinator said that the report provided Members with a summary of achievements during 2009/10. Further and more in-depth information could

be found on Covalent.

Councillor N Clark queried why Business Process Improvement works were just starting. He was concerned that C3W had not identified any Business Improvement Works. The Programme Director of Change explained that a Benefit Profile would be submitted to Members and that there had been a considerable amount of Business Improvement Work mostly in front line services as part of the C3W programme.

Councillor D Clark sought clarification as to why the print review information had not been circulated. She stated that the action as shown, was misleading. The Director of Internal Services explained that the print review had been commissioned in 2009 and undertaken in 2009/10. A draft had been submitted to Corporate Management Team (CMT) for comment and the group had requested further information. That final piece of work had not yet been completed.

Councillors P Ballam indicated her support for the Alternate Refuse Collection (ARC) scheme but was concerned about the brown bin replacement policy. She referred to the fact that East Herts Council had been mentioned negatively in the national press and queried the robustness of the bins. Councillor D Clark added that there was no replacement bin programme and that unless an individual had evidence that a contractor had broken the bin, the resident had to pay £25. Councillor D Clark stated that whilst the issue of the bins might be minuted, she was concerned that nothing would be done about it.

Members supported a request that the Executive be requested to review the current £25 charging policy for the replacement of damaged bins for further consideration by Environment Scrutiny.

The joint meeting received and noted the achievements made against the 2009/10 Service Plan, the actions received and of the good performance in 2009/10 including those actions

requiring revised completion dates.

The joint meeting decided to inform the Executive of Members' comments as now detailed.

RESOLVED – that that the Executive be informed that the joint meeting considers that:

(A) the summary of achievements against 2009/10 Service Plan actions be received and the good performance in 2009/10 (i.e. 89% of actions completed) be noted;

(B) those actions requiring completion dates be noted; and

(C) the Executive be requested to review the £25 charge for replacement and damaged bins and bring forward a proposal for consideration by Environment Scrutiny Committee.

DCCS

#### 47 REPORT ON THE SIX MONTHLY PROGRESS AGAINST THE ALL SURVEY ACTION PLAN

The Leader of the Council submitted a report updating Members on the progress against the All Survey Action Plan. Additionally, within the Residents' Survey, the Council gathered information on residents' satisfaction and local priorities through the Place Survey which had replaced the Best Value performance Indicator (BVPI) Survey.

The Performance and Improvement Coordinator stated that the survey results were extremely pleasing and that in some areas, the Council had improved on previous scores. The Action Plan included 21 actions in total: 9 had been actioned: 5 were in progress: 1 had been postponed; and 6 needed Local Strategic Partnership (LSP) input. Further actions specific to the area which should lead to improvement or could improve performance were set out in the report now submitted.

Councillor R I Taylor referred to the Residents' Survey in that 46% of respondents had identified swimming pools as needing improvement yet there was nothing mentioned of improving swimming pools in the District. The Director of Customer and Community Services explained that as part of the works carried out at Grange Paddocks and Hartham there had been a number of improvements to the pools. He agreed to ask the Head of Service to write to him.

DCCS

Councillor N Clark asked whether there was enough engagement with the public during the budget setting process and value for money. He suggested that in relation to the Place Survey, in terms of satisfaction and gain, there was a need to tell people what the Council had done, rather than the current approach being adopted. The Head of Strategic Direction (shared) Performance Manager said that the Council was currently reviewing the way it undertook the budget consultation process. She explained that the Council did describe what it was doing in areas and what others were doing. She undertook to take the Member's comments on board and share them with the services.

Councillor N Clark asked whether it was possible to have something in the action plan so that he could tell residents what the Council was doing. The Head of Strategic Direction (shared) Performance Manager agreed that it was possible to expand on the information and would update the Action Plan for future submission.

Councillor V Shaw queried how levels of satisfaction were described and the form of wording used in the Place Survey. Officers explained that the form of wording was taken from the questionnaire.

Councillor R Beeching queried the statement that the survey results were "pleasing" and whether there was a more positive message which could be given out to say what was happening in the area.

Councillor J Mayes questioned the use of the word "significantly" in relation to the Place Survey and the

statement on making the area cleaner and greener. She asked whether “T tests” had been undertaken. The Head of Strategic Direction (shared) Performance Manager explained that the analysis had been produced by ORC who had been commissioned to undertake the survey. Figures were not available for comparative purposes. She undertook to write to the Member.

Councillor J O Ranger suggested that complaints be a future topic for scrutiny as he felt the Council was falling down in this area. The Director of Customer and Community Services stated that the 3Cs scheme had only just been introduced and very limited information was available. A report could be prepared based on what information there currently was if Members wished. Councillor Ranger referred to the effectiveness of the LSP.

Councillor A P Jackson said that the LSP was working toward resource mapping across various stakeholders in the group and that responses were good. He made the point that times were difficult and that the Council could no longer continue to fund areas where it once had. He explained what funding was currently available including the details of the Performance Reward Grant scheme.

Councillor N C Poulton referred to levels of crime and those who were vulnerable and the fact that he had received a letter from the Policy Authority saying that they would be cutting back on PCSOs. He added that a lack of these community support officers was already noticed in the village and sought assurances that the Council would work with the Police to cover the village areas.

Councillor A P Jackson stated that PCSOs were funded by a number of sources including the District, County Council, the Police and LSP Partners. Councillor Ballam stated that PCSOs were providing an excellent service in Ware but it was a question of affordability and whether the Council was doing the right thing in the best way.

Councillor Jackson explained that Members needed to

understand why the Council was making the investment and of the outcomes to be achieved. He reminded Members that other partners played a role in funding PCSOs and that decisions needed to be made about ongoing funding as there would be less and less money available for the future and that decisions needed to be made about where the Council invests.

Councillor Ranger was very concerned that Members were considering removing actions relating to the Local Strategic Partnership from the All Survey Action Plan and would have preferred to defer this aspect. He felt that removing PCSOs would be a mistake.

Councillor D Clark acknowledged that the nature of the LSP was changing and suggested that Officers prepare a report before significant changes were made to the Action Plan.

Members supported a recommendation that the actions which relate to the LSP be deferred from the All Survey Action Plan and that a further report be submitted on the effectiveness and role of the LSP in establishing Council priorities.

The joint meeting decided to inform the Executive of its comments as now detailed.

RESOLVED – that the Executive be informed that the joint meeting considers that:

(A) the progress against the All Survey Action Plan be noted; and

(B) the actions which relate to the Local Strategic Partnership (LSP) be deferred from the All Survey Action Plan, for the reasons set out in paragraph 2.5 of the report and that a further report be prepared on the role of the LSP and its priorities for further consideration by a Scrutiny Committee.

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The Leader of the Council submitted a report setting out the performance indicators which the Council is required to monitor and publish annually in the Corporate Strategic Plan. The report advised Members of the performance outturns for 2009/10 and showed areas where performance outturns were outstanding as set out in the attached Essential Reference Papers.

It was noted that Officers had removed national indicators relating to third parties. It was also noted that in addition to the requirement for Local Authorities to monitor performance within their services the Department of Communities and Local Government (DCLG) had also conducted a national review of the National Indicators set. The outcomes of this report were also set out in the report now submitted.

Following financial pressures, services had re-evaluated their functions so that performance reflected the Council's core priority areas and within resources set out in the Medium Term Financial Plan.

The Performance Improvement Co-ordinator reported that of the 72 performance indicators (including sub parts) for 2009/10:-

- 40.28% were on or above target
- 16.67% were 6% or more off target
- 37.50% unable to analyse as no data or target for 2009/10
- 5.56% (to be announced) – data not yet available

Of the performance indicators for which an outturn trend status was available, 42.65% showed improvement. A breakdown of indicators which have not met the set target, their strapline classification and those which were showing a "red" performance were set out in the report now submitted.

The Performance Improvement Co-ordinator explained key changes to reporting performance indicators in relation to 2009/10 outturn data and future targets of those where information was not available including where data was

dependent from third parties. It was noted that 7 National Indicators had been removed.

A list of performance indicators where an outturn or target could not be provided (owing to timing) was set out in the report now submitted. The dates when the outstanding information would become available was set out in the report now submitted and would be reported in a future Corporate Healthcheck.

Updates were provided in relation to those indicators whereby services had set or revised future targets EHPI 64 (Vacant dwellings returned to occupation or demolished) – target reduced from 12 to 10 days for 2010/11 and EHPI 6.8 (Turnaround of Pre NTO PCN Challenges) – target reduced from 10 days to 14 days. Data quality spot checks had been carried out on 10 performance indicators. Areas for improvement were identified within four National Indicators the detail of which was set out in the report now submitted.

Councillor N Clark queried the indicators for the number of under 16 swims and asked what action was being taken to improve on this figure. The Head of Community and Cultural Services said that discussions were ongoing with the contractor (SLM) about this issue.

Councillor N Clark asked whether there was any “leakage” to other Districts in relation to free swims. The Head of Community and Cultural Services said that there may have been a move to other private suppliers of leisure facilities and although there was no specific evidence to this effect.

Councillor J Mayes suggested that under 16 swims be more actively marketed to schools to encourage usage. The Head of Community and Cultural Services undertook to look into this. HCCS

Councillor A Warman asked whether the information on the number of swims could be made available. The Head of Community and Customer Services undertook to provide this information. HCCS

Councillor W Ashley referred to the planning appeals performance indicator. He stated that Officers had been working hard on this issue and that an improvement in the figures would be reported to Development Control Committee on 2 June 2010.

Councillor J Hedley said that only one complaint had been referred to the Local Government Ombudsman and that it was ridiculous to have an indicator for such a low turnaround.

Councillor G McAndrew queried the figures for long term absences and the fact that data was not yet available. The Performance and Improvement Co-ordinator agree to write to the Member with an explanation.

Councillor D Clark queried the Corporate Healthcheck for March 2010. She said that there were a number of variances which gave misleading information. She felt that there should be a reconciliation showing how the variances added up from one month to the next and that this should be consistently applied across departments. She questioned a number of issues in relation to the allocation of funding by the Herfordshire Waste Partnership to the Council. Councillor D Clark referred to the timing of the Medium Term Financial Plan and requested that Scrutiny Committees be provided with an indicative update of the MTFP in September each year reflecting the outcome of the final accounts and any other changes. Councillor D Clark wished to make a number of amendments to the recommendation in relation to the Corporate Healthcheck including a need to review priorities and straplines.

The Director of Internal Services agreed that it was reasonable to incorporate within the Healthcheck report a reconciliation showing how variances added up month to month and that this should be consistently applied across departments. He supported the suggestion that Scrutiny Committees receive an indicative update of the MTFP in September each year to reflect the outcome of the final accounts including any other changes.

Councillor J O Ranger expressed concern about any changes to the MTFP. He said that it was the practice of scrutiny committees to look at the MTFP in terms of what is happening in the budget and proposed cuts.

Councillor A P Jackson supported a review of priorities and straplines as part of the budget process.

The Committee decided to make comments now detailed to the Executive.

RESOLVED – that the Executive be informed that the joint meeting considers that:

- (A) the Outturns for 2009/10 and the updated targets be noted;
- (B) the dates when the outstanding data will become available be noted;
- (C) the March 2010 Corporate healthcheck report be noted; and
- (D) in respect of healthcheck reports DIS
  - (i) in future these to include a reconciliation showing how variances “add up” from one month to the next;
  - (ii) the Finance department ensures that the approach to reporting of variances is consistent across departments;
- (E) a report be submitted to Environment Scrutiny Committee explaining the basis of allocation of funding to the Council by the Hertfordshire Waste Partnership, how and when the formulae are agreed, and the timing of the Council’s ability to calculate sums likely to be receivable; DIS/  
DCCS

(F) Scrutiny Committees receive an indicative update of the MTFP in September each year to reflect the outcome of the final accounts and any other potential changes based on information that has become available since the MTFP was last approved by the Council; and DIS

(G) Scrutiny Committees and the Executive review priorities and straplines as part of the budget process. CE/  
DIS

The meeting closed at 9.00 pm

Chairman	.....
Date	.....

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EAST HERTS COUNCIL

JOINT SCRUTINY COMMITTEE – 18 JANUARY 2011

EXECUTIVE – 8 FEBRUARY 2011

REPORT BY EXECUTIVE MEMBER FOR RESOURCES AND  
INTERNAL SUPPORT

CAPITAL PROGRAMME 2010/11 (REVISED) TO 2013/14

WARD(S) AFFECTED: ALL

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### Purpose/Summary of Report

- The report sets out proposals for the Council's Capital Programme for the period 2010/11 (Revised) to 2013/14.

<b><u>RECOMMENDATION FOR DECISION BY JOINT SCRUTINY COMMITTEE : that</u></b>	
(A)	<b>the draft Capital Programme 2010/11 (Revised) to 2013/14 be scrutinised; and</b>
(B)	<b>comments be submitted to the Executive.</b>
<b><u>RECOMMENDATION FOR DECISION BY EXECUTIVE: that</u></b>	
(A)	<b>any comments made by the Meeting of Joint Scrutiny Committees on 18 January 2011 be considered; and</b>
(B)	<b>the new Capital Programme for the period 2010/11 (Revised) to 2013/14 be recommended to Council.</b>

- 1.1 The capital programme approved by the Council in February 2010 has subsequently been updated and amended initially by items of slippage and other re-phrasings following the 2009/10 Capital Out-turn position.
- 1.2 A number of further amendments to the Programme have since been approved through the Council's monthly Healthcheck process.
- 1.3 In line with current annual budgetary processes a complete review of the current programme has been undertaken and a new draft programme is now proposed for the period 2010/11 (Revised) to 2013/14. Lead officers have submitted proposals for new schemes to be included within the Programme. Investment requirements linked to invest to save schemes have also been identified through the MTFP process.

## 2.0 Report

- 2.1 As a medium term Investment Plan, the Programme will continue to be developed in response to the Council's priorities set out in changing strategies and service plans.
- 2.2 The Draft Programme is attached at Essential Reference Paper 'B'. The Programme is presented this year with various detailed schemes having been combined which will facilitate the overall management of resources. CMT will continue to manage projects at an individual level. Following the approach initiated last year, the aggregate of proposed spend on individual schemes has again been adjusted by a provision for slippage to produce a programme total against which total spending will be performance managed. The adjusted figures have been assumed for estimating the financing implications within the MTFP.
- 2.3 The Executive will note that the revised budget for the current year of £6.87m reflects slippage of £0.20m compared to the "current approved" position of £7.07m (as adjusted) being reported through the Healthcheck report (November position).
- 2.4 Existing rolling programmes of work have been continued up to 2013/14. These programmes will continue to provide funding in areas such as affordable housing, private sector renovation grants, the provision of play equipment, community grants, information technology upgrades as well as various environmental



initiatives. The programme for provision of the replacement of litter bins has been extended to 2013/14 and the ongoing budget for the provision of commercial waste bins reflects growth in this area of business. Increased revenue streams are anticipated.

## 2.5 New Schemes

The Draft Programme at Essential Reference Paper 'B', includes proposals for a number of new schemes. These total just over £1.6m (including a redirection of resources to fund a new telephone system) and are shown in bold typeface and summarised separately for ease of reference. Provisions are included for the enhancement and improvement of the Council's assets in line with the Council's Asset Management Plan.

The proposed new schemes have been scrutinised in detail by the Corporate Management Team to ensure that projects are considered to be in line with the Council's corporate priorities and that the phasing of the projects is appropriate having regard to available resources and project lead in times.

The Executive will be aware that last year the Council's Corporate Business Scrutiny Committee supported a proposal that officers should have regard to a Government guidance document on "optimism bias" when formulating proposals for new schemes. Officers have again been requested to specifically consider this guidance in relation to the timescales anticipated for the delivery of projects. It is anticipated that this will reduce the levels of slippage that have occurred against previous approved programmes.

## 2.6 Resources / Long Term Strategy

2.7 It is intended that a significant proportion of the proposed Programme will be funded from available Capital Receipts. Specific Government Grants (reflecting a reduced trend in line with the recent CSR) are anticipated in respect of Housing grant schemes as well as funding from a variety of third party "partner" contributions.

2.8 Available capital receipts arising predominantly from the 2002 LSVT of the Council's housing stock together with ongoing receipts generated from the disposal of surplus assets are estimated to total £11.3m over the duration of the Programme.

The forecast for receipts arising from “Preserved RTB” applications is based upon 3 disposals per annum based upon current experience.

A net receipt of £2.35m will be received in October 2011 arising from the Bishop’s Stortford Property transactions. This receipt was accrued in the 2009/10 accounts and is therefore reflected in the 1 April 2010 balance shown below.

A breakdown of the new receipts anticipated is shown at Essential Reference Paper ‘C’ (Confidential paper).

## 2.9 Resources

	£000's	£000's
Usable Receipts 1 April 2010	7,614	
Estimated new receipts to 31 March 2014	<u>3,700</u>	11,314
Other Resources - Govt Grants		589
- Third Party Contributions		717
- Revenue contribution		100
		—————
Total Estimated Resources		12,720
Proposed Capital Programme (Adjusted)		<u>18,607</u>
Potential Prudential / Internal borrowing Requirement		5,887
		—————

Application of the £217k LAA1 Performance Reward Grant (PRG) already received reflects investment proposals that the Council has agreed to support through the LSP. An anticipated additional £50k of grant has been included within the resource assumptions.

Members will note that the Programme will require the Council to undertake borrowing in the medium term (possibly from early in the financial year 2012/13). The Council has received advice that it may apply internal borrowing until such time as its currently negative Capital Financing Requirement is reduced to nil.

The revenue consequences of funding the proposed Programme in respect of the loss of interest (from currently unused capital receipts) which currently supports the Council Tax is (full year effects shown) £98k (2011/12), increasing by £89k to 187k

(2012/13) and by £66k to £253k (2013/14). A loss of interest equivalent to around 1.8% (2011/12), 2.3% (2012/13) and 2.7% (2013/14) has been assumed. The effects will be similar if internal borrowing is undertaken.

The proposed New Homes Bonus is being treated as a revenue grant but is potentially available to support capital expenditure should this be a preferred use. No amount of the income or spending against it is made in the budget pending completion of the consultation.

## 2.10 Prudential Code

The Executive will be aware that a prudential framework for local authority capital investment was introduced through the Local Government Act 2003.

A number of statutory prudential indicators which relate to the Capital Programme are required to be approved annually by the Council. These are included as part of the overall Treasury Management Report which appears separately on the agenda.

It is considered that the proposed Programme is affordable and sustainable in terms of capital resource requirements and revenue impact. Financial implications are reflected within the Council's Medium Term Financial Plan (MTFP).

However, looking further ahead the Council will need to consider the sustainability of the programme – in the 4 year period covered by this programme spending at £18.6m will exceed resources generated of £5.1m i.e. by over £3m per year. In the absence of significant capital receipts expenditures will need to be cut back and the reduction in the programme in years 3 and 4 is a start on this.

## 3.0 Implications/Consultations

- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

### Background Papers

Report to Executive 13 July 2010

Reports to CMT on 30 November and 14 December 2010  
Project Initiation Documents

Contact Member: Councillor M Tindale – Executive Member for  
Resources and Internal Support

Contact Officer: Alan Madin – Director of Internal Services –  
Contact Tel Ext No 1401

Report Author: Simon Chancellor – Head of Financial Support  
Services

## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p><b>Promoting prosperity and well-being; providing access and opportunities</b>  <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Fit for purpose, services fit for you</b>  <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p><b>Pride in East Herts</b>  <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Caring about what's built and where</b>  <i>Care for and improve our natural and built environment.</i></p> <p><b>Shaping now, shaping the future</b>  <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p><b>Leading the way, working together</b>  <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>The draft Programme has been prepared in conjunction with Project control officers, Heads of Service and reviewed by the Corporate Management Team</p>
<p>Legal:</p>	<p>None</p>
<p>Financial:</p>	<p>As set out within the report</p>
<p>Human Resource:</p>	<p>Staff resources will need to be available in order to manage the delivery of the Programme</p>

Risk Management:	It is considered that there is some risk in capital resource terms although assumptions around asset disposals are considered to be prudent. Future year's assumptions around levels of Government grant are subject to future announcements. The Council will have the option of undertaking Prudential borrowing when required. From a service perspective there are risks around the delivery of certain schemes within the timescales anticipated as certain issues are not directly within the control of this Council.
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**CAPITAL PROGRAMME SUMMARY  
2011/12**

**SUMMARY**

	2010/11 Original Estimate	2010/11 Estimate as @ Nov 10	2010/11 Revised Estimate	2011/12 Original Estimate	2012/13 Original Estimate	2013/14 Original Estimate
	£	£	£	£	£	£

**EXISTING SCHEMES**

1. Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable	3,969,400	4,488,100	3,706,930	2,033,940	1,923,000	1,599,500
2. Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation	1,799,400	1,663,900	1,291,160	1,270,550	362,000	314,000
3. Improve standards of the neighbourhood and environmental management in our towns and villages	998,000	1,144,700	1,371,080	1,018,000	287,200	100,000
4. Care for and improve our natural and built environment	284,400	333,900	307,530	329,700	194,000	194,000
5. Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures	124,300	188,600	188,600	412,500	47,500	47,500
<b>SUB-TOTAL</b>	<b>7,175,500</b>	<b>7,819,200</b>	<b>6,865,300</b>	<b>5,064,690</b>	<b>2,813,700</b>	<b>2,255,000</b>

**NEW SCHEMES**

1. Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable	0	0	0	165,000	142,500	95,000
2. Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation	0	0	0	115,000	160,000	15,000
3. Improve standards of the neighbourhood and environmental management in our towns and villages	0	0	0	822,000	0	75,000
4. Care for and improve our natural and built environment	0	0	0	19,000	0	0
5. Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures	0	0	0	0	0	0
<b>SUB-TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,121,000</b>	<b>302,500</b>	<b>185,000</b>

<b>TOTAL</b>	<b>7,175,500</b>	<b>7,819,200</b>	<b>6,865,300</b>	<b>6,185,690</b>	<b>3,116,200</b>	<b>2,440,000</b>
<b>RE-PROFILING POTENTIAL SLIPPAGE (71264/7501)</b>	<b>(750,000)</b>	<b>(750,000)</b>	<b>0</b>	<b>(750,000)</b>	<b>750,000</b>	
<b>GRAND TOTAL</b>	<b>6,425,500</b>	<b>7,069,200</b>	<b>6,865,300</b>	<b>5,435,690</b>	<b>3,866,200</b>	<b>2,440,000</b>

## CAPITAL PROGRAMME 2011/12

Exp. Code	Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable	Project Control Officer	2010/11 Original Estimate £	2010/11 Estimate as @ Nov 10 £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Original Estimate £	2013/14 Original Estimate £
72570	Hillcrest Hostel alterations	S. Whinnett	0	8,500	7,940	0	0	0
	<b>Asset Improvement Items-Swimming Pools :-</b>							
Various	Leventhorpe	S. Whinnett	0	35,000	35,000	0	0	0 Note 1
Various	Hartham	S. Whinnett	7,000	17,800	17,800	0	52,000	0
Various	Grange Paddocks	S. Whinnett	25,000	25,000	26,130	40,000	12,000	0
Various	Fanshawe	S. Whinnett	20,000	20,000	20,000	30,000	20,000	0 Note 1
72332	Ward Freman	S. Whinnett	70,000	70,000	1,260	68,740	0	0 Note 1
	Capital Salaries	S. Chancellor	0	0	53,600	53,600	53,600	53,600
	Asset Improvement Items - Hertford Theatre	S. Whinnett	990,700	984,500	1,084,500	56,200	0	0
72571	Leisure Development Projects (Retention only)	W. O'Neill	105,000	62,000	62,000	0	0	0
72545	Presdales - Replace Pavilion	W. O'Neill	458,800	461,700	461,700	0	0	0
72578	Drill Hall	W. O'Neill	200,000	200,000	200,000	0	0	0 Note 2
Various	Private Sector Improvement Grants	S. Winterburn	885,000	927,000	847,000	820,000	820,000	820,000 Note 3&4
Various	Social Housing Schemes	S. Drinkwater	867,500	917,500	205,600	700,000	700,000	509,900
71201	Capital Salaries	S. Chancellor	25,400	25,400	25,400	25,400	25,400	26,000
Various	Capital Grants 2009/10 - 2013/14	J. Petrie	83,000	83,000	83,000	83,000	83,000	83,000
72530	Community Planning Grants	W. O'Neill	20,000	20,000	20,000	20,000	20,000	20,000
72582	LSP Capital Grants	W. O'Neill	0	217,000	217,000	0	0	0
72683	Village Hall Community Challenge	C. Pullen	11,000	21,900	21,900	11,000	11,000	11,000
72512	Partnership Investment Fund	C. Pullen	26,000	64,600	64,600	26,000	26,000	26,000
72504	Provision of Play Equipment	C. Cardoza	50,000	68,700	68,700	50,000	50,000	50,000
72573	Play Projects Ridgeway, Hertford & Grange Paddocks B/S	C. Cardoza	0	52,000	52,300	0	0	0 Note 5
72574	Play Project King George Recreation Ground	C. Cardoza	0	6,500	6,500	0	0	0 Note 6
	Art in Parks Project	C. Cardoza	0	0	0	0	5,000	0 Note 7



**CAPITAL PROGRAMME 2011/12**

Exp. Code	Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable	Project Control Officer	2010/11 Original Estimate £	2010/11 Estimate as @ Nov 10 £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Original Estimate £	2013/14 Original Estimate £
72580	Vantorts Sawbridgeworth-Play Area Development Programme	C. Cardoza	50,000	50,000	50,000	0	0	0 Note 8
72584	Sacombe Road, Hertford - Play Area Development Programme	C. Cardoza	0	0	0	10,000	0	0 Note 9
72585	The Bourne, Ware - Play Area Development Programme	C. Cardoza	0	0	0	40,000	0	0
	Pishiobury Park Wetland Habitat Project	C. Cardoza	0	0	0	0	20,000	0 Note 10
72581	Grange Paddocks Playbuilder Project	C. Cardoza	75,000	75,000	0	0	0	0 Note 11
	Hartham Common-Parks Development Plan Project	C. Cardoza	0	0	0	0	25,000	0 Note 12
72583	Improvements to Works at Southern Country Park	C. Cardoza	0	75,000	75,000	0	0	0 Note 13
<b>TOTAL EXISTING SCHEMES</b>			<b>3,969,400</b>	<b>4,488,100</b>	<b>3,706,930</b>	<b>2,033,940</b>	<b>1,923,000</b>	<b>1,599,500</b>

**CAPITAL PROGRAMME 2011/12**

Exp. Code	Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable	Project Control Officer	2010/11 Original Estimate £	2010/11 Estimate as @ Nov 10 £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Original Estimate £	2013/14 Original Estimate £
<b>NEW SCHEMES</b>								
	<b>Hertford Theatre</b>	<b>S. Whinnett</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>155,000</b>	<b>50,000</b>	<b>0</b>
	<b>Swimming Pools</b>	<b>S. Whinnett</b>					<b>85,000</b>	<b>65,000</b>
	<b>Castle Gardens B/S - Resurface Footpaths</b>	<b>S. Whinnett</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>
	<b>Castle Gardens Bungalow - Replace Roof Covering</b>	<b>S. Whinnett</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>7,500</b>	<b>0</b>
	<b>Vantorts Open Space - Resurface Footpaths</b>	<b>S. Whinnett</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>0</b>
	<b>TOTAL NEW SCHEMES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>165,000</b>	<b>142,500</b>	<b>95,000</b>
	<b>GRAND TOTAL</b>		<b>3,969,400</b>	<b>4,488,100</b>	<b>3,706,930</b>	<b>2,198,940</b>	<b>2,065,500</b>	<b>1,694,500</b>

**New schemes in bold**

- Note 1. Expenditure on Joint Use Pools 40% funding sought from HCC/schools as appropriate.
- Note 2. Release of funding is contingent upon agreeing a full repairing lease with the occupier
- Note 3. Disabled Facilities - Government funding of £228,000 in 10/11 and assumed funding of £114,000 in 11/12, £80,000 in 12/13 & £57,000 in 13/14.
- Note 4. Decent Home Grants - Government funding assumed from the single regional housing pot of £49,000 in 10/11, £25,000 in 11/12 & £25,000 in 12/13.
- Note 5. Fully funded from HCC Playbuilder Grant.
- Note 6. Fully funded from Big Lottery Grant.
- Note 7. Provision to attract external funding.
- Note 8. £10,000 to be sought from external contributions - £40,000 from EHC, total £50,000.
- Note 9. Reflects the minimum sum needed to bring the site up to standard. Will be used to bid for external funding to raise standards at the site.
- Note 10. This project will require match funding to maximise the potential of this project and this sum reflects provision for this.
- Note 11. Scheme not to be progressed due to suspension of grant funding.
- Note 12. Development of this site will require significant external investment and this sum represents provision to support bids for external funding.
- Note 13. Externally funded - £46,000 BIFFA, £9,000 Env Agency, £10,000 Countryside Management Services. £10k EHC.

**CAPITAL PROGRAMME 2011/12**

Exp. Code	Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation	Project Control Officer	2010/11 Original Estimate £	2010/11 Estimate as @ Nov 10 £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Original Estimate £	2013/14 Original Estimate £
71318	Micro Systems ***	P. Bowler	40,000	49,000	33,000	0	0	0
71342	PC Upgrades ***	P. Bowler	35,000	82,600	82,600	0	0	0
71370	Development Control EDM	P. Bowler	0	4,500	4,500	0	0	0
71371	Upgrade of Back Office Systems ****	P. Bowler	20,000	35,800	19,800	0	0	0
71372	Telephone Expansion System ***	P. Bowler	2,000	3,000	3,000	0	0	0
71374	Network, Servers & Storage Upgrade	P. Bowler	30,000	35,600	35,600	30,000	30,000	30,000
71375	Councillors IT Provision ***	P. Bowler	10,000	10,000	3,600	0	0	0
71376	Home & Mobile Working	P. Bowler	0	61,000	61,000	0	0	0
71377	BACS	P. Bowler	0	3,500	3,500	0	0	0
71378	Business Continuity	P. Bowler	0	0	0	30,000	0	0
71379	Authentication	P. Bowler	0	31,000	0	31,000	0	0
71383	Content Management Solution	P. Bowler	0	10,000	10,000	0	0	0
71388	G.I.S.	P. Bowler	18,700	18,700	18,700	0	0	0
71389	Small Systems ****	P. Bowler	35,000	47,000	20,000	0	0	0
71391	Audio Visual Upgrade ***	P. Bowler	3,000	2,000	2,000	0	0	0
71395	EDM - Corporate	P. Bowler	50,000	62,700	10,000	52,700	0	0
71396	Enhancement of Telephony System	P. Bowler	0	3,400	3,400	0	0	0
71401	Human Resources/Payroll System *	E. Freeman	50,000	0	0	0	0	0
71402	Council Chamber Enhancements	P. Searle	0	3,000	3,000	0	0	0
71403	Committee Management System	J. Hughes	0	11,100	11,560	0	0	0
71404	Corporate Consultation System	P. Bowler	50,000	50,000	25,100	0	0	0
71405	Financial Management System	S. Chancellor	0	0	0	0	50,000	0
71407	ICT C3W Contingency	P. Searle	27,000	27,000	0	0	0	0
71408	Revenues & Benefits System	P. Bowler	165,000	113,000	122,000	43,000	0	0

## CAPITAL PROGRAMME 2011/12

Exp. Code	Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation	Project Control Officer	2010/11 Original Estimate £	2010/11 Estimate as @ Nov 10 £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Original Estimate £	2013/14 Original Estimate £
71409	Locata	P. Bowler	37,700	37,700	0	37,700	0	0
71410	Firewalls & Intrusion Protection	P. Bowler	50,000	50,000	50,000	0	0	0
71411	Instant Messaging Archiving	P. Bowler	20,000	20,000	0	0	0	0
71412	Renewal of Cabling - Wallfields	D. Frewin	0	0	104,000	0	0	0
	Hardware Funding	D. Frewin	0	0	0	120,650	110,000	110,000
	Applications	P. Bowler	0	0	0	72,000	55,000	55,000
71362	Capital Salaries	S. Chancellor	107,000	107,000	107,000	107,000	107,000	109,000
Various	Asset Improvement Items - Council Offices	S. Whinnett	1,025,000	753,500	540,000	722,500	0	0
71203	Replacement of Chairs & Desks	R. Crow	6,000	5,000	5,000	10,000	10,000	10,000
71251	Automated Telling Machines (ATM's) at Hertford & B/S	N. Sloper	14,000	14,000	0	14,000	0	0
71252	Enhancements to B/S & Hertford receptions	N. Sloper	0	8,800	8,800	0	0	0
71263	Microfiche Printer/Scanner for Hertford Customer Service Centre	N. Sloper	4,000	4,000	4,000	0	0	0
<b>TOTAL EXISTING SCHEMES</b>			<b>1,799,400</b>	<b>1,663,900</b>	<b>1,291,160</b>	<b>1,270,550</b>	<b>362,000</b>	<b>314,000</b>
<b>NEW SCHEMES</b>								
	<b>Merging IT systems - Licensing &amp; Env Health</b>	<b>B. Simmonds</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>0</b>	<b>0</b>
	<b>New Telephone System **</b>	<b>P. Bowler</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,000</b>	<b>150,000</b>	<b>0</b>
	<b>Asset Improvement Items - Council Offices</b>	<b>S. Whinnett</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,000</b>	<b>15,000</b>
<b>TOTAL NEW SCHEMES</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>115,000</b>	<b>160,000</b>	<b>15,000</b>
<b>GRAND TOTAL</b>			<b>1,799,400</b>	<b>1,663,900</b>	<b>1,291,160</b>	<b>1,385,550</b>	<b>522,000</b>	<b>329,000</b>

## New schemes in bold

Increased hardware by £4,250 in 2011/12 for new Parking Mgt scheme to be met by external funding

\* £50,000 funding transferred to Financial Management System

\*\* New Telephone System funded from £250,000 originally in 2012/13 for Financial Management System

\*\*\* Original budgets combined to make new scheme 'Hardware Funding'

\*\*\*\* Original budgets combined to make new scheme 'Applications'

## CAPITAL PROGRAMME 2011/12

Exp. Code	Improve standards of the neighbourhood and environmental management in our towns and villages	Project Control Officer	2010/11 Original Estimate £	2010/11 Estimate as @ Nov 10 £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Original Estimate £	2013/14 Original Estimate £
74105	Town Centre Environmental Enhancements	P. Pullin	100,000	157,200	107,200	100,000	100,000	100,000
74106	Heart of B/S - Market Improvement Scheme	W. O'Neill	0	0	100,000	0	0	0 Note 1
74107	Heart of B/S - Riverside Improvement Scheme	W. O'Neill	0	0	156,300	0	0	0 Note 2
<b>Asset Improvement Items - Car Parks:-</b>								
Various	Bircherley Green MSCP	S. Whinnett	780,000	0	0	625,000	0	0
75223	Bircherley Green/Gascoyne Way Concrete Repairs Work	S. Whinnett	0	2,900	2,900	0	0	0
Various	Gascoyne Way MSCP	S. Whinnett	25,000	820,900	820,900	0	0	0
Various	Other Car Parks	S. Whinnett	90,000	147,300	167,300	290,000	100,000	0
75251	Car Park Tariff Increase 2008	N. Sloper	0	1,400	1,330	0	0	0
75254	Replacement Machines Causeway Car Park	N. Sloper	0	0	150	0	0	0
	Grange Paddocks Project - 8 new P & D machines	N. Sloper	0	0	0	0	36,000	0
	Grange Paddocks Project - purchase of tariff boards/signs	N. Sloper	0	0	0	0	3,000	0
	On-street P & D Charges	N. Sloper	0	0	0	0	48,200	0
75257	Changes to signs re charging Saturday's & Bank Holidays	N. Sloper	3,000	0	0	3,000	0	0
72572	What's On' signage in Bishop's Stortford	N. Sloper	0	15,000	15,000	0	0	0
<b>TOTAL EXISTING SCHEMES</b>			<b>998,000</b>	<b>1,144,700</b>	<b>1,371,080</b>	<b>1,018,000</b>	<b>287,200</b>	<b>100,000</b>

**NEW SCHEMES**

<b>Car Parks</b>	<b>S. Whinnett</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>37,500</b>	<b>0</b>	<b>75,000</b>
<b>Hartham Leisure Car Park **</b>	<b>N. Sloper</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,000</b>	<b>0</b>	<b>0</b>
<b>Purchase &amp; Resurfacing of Apton Road Car Park</b>	<b>N. Sloper</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>650,000</b>	<b>0</b>	<b>0</b> <small>Note 3</small>
<b>Purchase of Baldock Street Car Park</b>	<b>N. Sloper</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>120,000</b>	<b>0</b>	<b>0</b> <small>Note 3</small>
<b>New Stall Covers for Hertford &amp; Ware Markets</b>	<b>T. Andrews</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,500</b>	<b>0</b>	<b>0</b>
<b>TOTAL NEW SCHEMES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>822,000</b>	<b>0</b>	<b>75,000</b>
<b>GRAND TOTAL</b>		<b>998,000</b>	<b>1,144,700</b>	<b>1,371,080</b>	<b>1,840,000</b>	<b>287,200</b>	<b>175,000</b>

**New schemes in bold**

Note 1. Fully funded from Town Centre Enhancement budget (£25k) & PRG £75k).

Note 2. Fully funded from Town Centre Enhancement budget (£25k), S106 (£51,300), British Waterways (£20k) & PRG £60k).

**\*\* SLM have agreed to fund all capital & revenue elements of this project**

Note 3. Reflects recommendations following report to Executive on 11 January 2011. Apton Rd includes additional £100k for potential resurfacing work subject to approval

**CAPITAL PROGRAMME 2011/12**

Exp. Code	Care for and improve our natural and built environment	Project Control Officer	2010/11 Original Estimate £	2010/11 Estimate as @ Nov 10 £	2010/11 Revised Estimate £	2011/12 Original Estimate £	2012/13 Original Estimate £	2013/14 Original Estimate £
74102	Historic Building Grants	K. Steptoe	35,000	51,200	30,000	56,200	35,000	35,000
72604	Energy Grants	S. Winterburn	20,000	20,000	0	20,000	20,000	20,000
	Refuse Collection & Recycling		229,400	222,700	237,530	208,500	139,000	139,000
75161	Energy Efficiency Initiatives	C. Cardoza	0	40,000	40,000	0	0	0
75168	Energy Efficiency & Carbon Reduction Measures	C. Cardoza	0	0	0	45,000	0	0 <sup>Note1</sup>
<b>TOTAL EXISTING SCHEMES</b>			<b>284,400</b>	<b>333,900</b>	<b>307,530</b>	<b>329,700</b>	<b>194,000</b>	<b>194,000</b>
<b>NEW SCHEMES</b>								
	Procurement of a Land Rover	C. Cardoza	0	0	0	19,000	0	0
<b>TOTAL NEW SCHEMES</b>			<b>0</b>	<b>0</b>	<b>0</b>	<b>19,000</b>	<b>0</b>	<b>0</b>
<b>GRAND TOTAL</b>			<b>284,400</b>	<b>333,900</b>	<b>307,530</b>	<b>348,700</b>	<b>194,000</b>	<b>194,000</b>

**New schemes in bold**

Note 1. Relates to provision for energy efficiency measures following C3W. This is subject to bids for grant funding.

<b>CAPITAL PROGRAMME 2011/12</b>			2010/11	2010/11	2010/11	2011/12	2012/13	2013/14
Exp. Code	Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures	Project Control Officer	Original Estimate £	Estimate as @ Nov 10 £	Revised Estimate £	Original Estimate £	Original Estimate £	Original Estimate £
71262	Elizabeth Road Shops - Renew Water Main	S. Whinnett	15,000	15,000	15,000	0	0	0
75157	New Footbridge over the River Stort	M. Shrosbree	61,800	107,100	107,100	0	0	0
72568	Asset Improvement Items - Infrastructure (North Drive - reconstruct road & drainage)	M. Shrosbree	0	17,500	17,500	0	0	0
75160	River & Watercourse Structures	G. Field	47,500	49,000	49,000	47,500	47,500	47,500
75166	Replace Footbridge Library Car Park, Ware	G. Field	0	0	0	150,000	0	0
75259	Grange Paddocks New Pedestrian Bridge	S. Whinnett	0	0	0	50,000	0	0
	Castle Weir Micro Hydro Scheme	C. Cardoza	0	0	0	165,000	0	0
	<b>TOTAL</b>		<b>124,300</b>	<b>188,600</b>	<b>188,600</b>	<b>412,500</b>	<b>47,500</b>	<b>47,500</b>



By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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## EAST HERTS COUNCIL

### JOINT SCRUTINY COMMITTEE - 18 JANUARY 2011

### EXECUTIVE - 8 FEBRUARY 2011

### REPORT BY EXECUTIVE MEMBER FOR RESOURCES AND INTERNAL SUPPORT

### TREASURY MANAGEMENT STRATEGY STATEMENT 2011/12 AND MINIMUM REVENUE PROVISION POLICY STATEMENT

WARD(S) AFFECTED: ALL

### Purpose/Summary of Report

- The report sets out the 2011/12 Treasury Strategy Statement and Annual Investment Strategy together with the setting of Prudential Indicators.

<b>RECOMMENDATION FOR DECISION BY JOINT SCRUTINY COMMITTEE</b>	
<b>(A)</b>	<b>that the Committee considers the 2011/12 Treasury Management Strategy Statement and Annual Investment Strategy and Prudential Indicators and makes comments to the Executive.</b>
<b>RECOMMENDATIONS FOR EXECUTIVE:</b>	
<b>(A)</b>	<b>that Council be recommended to approve the 2011/12 Treasury Management Strategy Statement and Annual Investment Strategy and Prudential Indicators for East Herts Council; and</b>
<b>(B)</b>	<b>that Council be recommended to approve the Policy on Minimum Revenue Provision (MRP)(paragraph 2.12 refers).</b>

## 1.0 Background

- 1.1 The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

- 1.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (included as paragraph 2.10); this sets out the Council's policies for managing its investments and for giving relative priority to the security and liquidity of those investments as against investment returns.
- 1.3 At its meeting on 8 December 2010 the Council approved the use of structured deposits which involve maturities beyond those recommended by the Council's treasury advisors. This decision is reflected in this report.

## 2.0 Report

2.1 The suggested strategy for 2011/12 in respect of the following aspects of the treasury management function is based upon the treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential Indicators;
- the current treasury position;
- the borrowing requirement;
- prospects for interest rates;
- the borrowing strategy;
- debt rescheduling;
- the investment strategy; (including fund manager review)
- Minimum Revenue Provision (strategy)
- Responsibility of Treasury activities defined within the organisation

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget i.e. a budget without borrowing for revenue purposes. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from:-

1. increases in interest charges caused by increased borrowing (or

reduced interest earnings where capital receipts are used) to finance additional capital expenditure; and

2. any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

## 2.2 Treasury Limits for 2011/12 to 2013/14

2.2.1 It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. In England and Wales the authorised limit represents the legislative limit specified in the Act.

2.2.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is ‘acceptable’.

2.2.3 Whilst termed an “Affordable Borrowing Limit”, the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

## 2.3 Prudential Indicators for 2010/11 - 2012/13

2.3.1 The following prudential indicators (in table below) are relevant for the purposes of setting an integrated treasury management strategy.

2.3.2 Members are asked to note that the fall in the ratio of financing costs to net revenue spend, reflects the usage of capital receipts and the lower rate of return on investments. This increases in the latter years with rises in interest rates.

2.3.3 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This was adopted on March 2002 by the full Council.

PRUDENTIAL INDICATOR	2009/10	2010/11	2011/12	2012/13	2013/14
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<b>(1) EXTRACT FROM BUDGET</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>Actual</b>	<b>Probable outturn</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
Capital Expenditure	7,173	6,865	5,436	3,866	2,440
Ratio of financing costs to net revenue stream	(10.49%)	(0.55%)	(3.31%)	(5.04%)	(6.30%)
Net borrowing requirement brought forward 1 April	(69,336)	(63,023)	(55,023)	(53,423)	(50,223)
carried forward 31 March	(63,023)	(55,023)	(53,423)	(50,223)	(49,873)
in year borrowing requirement – reduction in amounts invested	5,313	7,000	1,600	3,200	1,350

Capital Financing Requirement as at 31 March	(48,109)	(48,000)	(48,000)	(44,000)	(42,500)
Incremental impact of capital investment decisions					
Increase in council tax (band D) per annum	£3.06	£1.65	£2.03	£1.86	£1.46
<b>(2) TREASURY MANAGEMENT</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Authorised limit for external debt -</b>					
borrowing	17,000	17,000	17,000	17,000	17,000
other long term liabilities	7,500	5,100	300**	300**	300**
<b>TOTAL</b>	<b>24,500</b>	<b>22,100</b>	<b>17,300</b>	<b>17,300</b>	<b>17,300</b>
<b>Operational boundary for external debt -</b>					
borrowing	10,000	10,000	10,000	10,500	10,500
other long term liabilities	7,500	5,100	300	300	3,300
see above					
<b>TOTAL</b>	<b>17,500</b>	<b>15,100</b>	<b>10,300</b>	<b>10,800</b>	<b>10,800</b>
<b>Upper limit for fixed interest rate exposure</b>					
expressed as either :-					
Net principal re fixed rate borrowing	100%	100%	100%	100%	100%
Investments	98%	98%	98%	98%	98%
<b>Upper limit for variable rate exposure</b>					
Net principal re variable rate borrowing	50%	50%	50%	50%	50%
Investments	95%	95%	95%	95%	95%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	<b>68,000</b>	<b>68,000</b>	<b>62,000</b>	<b>60,000</b>	<b>58,000</b>

\*\* Under IFRS the Council may be required to recognise on its balance sheet lease commitments embedded in the new refuse contract dependent on the financing by the contractor of new vehicles. The figures reported here exclude such recognition and if this is required the adjustment will be included in a health check report.

<b>Maturity structure of new fixed rate borrowing during 2010/11</b>	<b>upper limit</b>	<b>lower limit</b>
under 12 months	0%	0%
12 months and within 24 months	0%	0%
24 months and within 5 years	0%	0%
5 years and within 10 years	0%	0%
10 years and above	0%	0%

## 2.4 Current Portfolio Position

2.4.1 The Council's treasury portfolio position at 31.10.10 comprised:

	<b>Principal</b>		<b>Ave Rate</b>	
		£m	£m	%
Fixed rate funding	PWLB	1.5		8.875
	Market	<u>6.0</u>		8.785
			7.5	8.803
Variable rate funding	PWLB	Nil		
	Market	<u>Nil</u>		
Other long term liabilities			<u>5.1</u>	
<b>TOTAL DEBT</b>			<u>12.6</u>	<u>8.803</u>
<b>TOTAL INVESTMENTS</b>			73.5	1.1%

## 2.5 Borrowing Requirement

2.5.1 Nil in 2011/12 as no borrowing is needed to support capital expenditure (use of investments). A borrowing requirement will arise in 2012/13 based on expected capital expenditure net of other sources of funding (capital receipts, grants, revenue contributions) in the period to that year end.

## 2.6 Prospects for Interest Rates

2.6.1 The Council has appointed Sector Treasury Services as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the Sector central view.



2.6.2 **Sector View** Interest rate forecast – November 2010.

	Q/E4 2010	Q/E1 2011	Q/E2 2011	Q/E3 2011	Q/E4 2011	Q/E1 2012	Q/E2 2012	Q/E3 2012	Q/E4 2012	Q/E1 2013
Bank Rate	0.5%	0.5%	0.5%	0.75%	1.0%	1.25%	1.25%	1.5%	2.0%	2.5%
5 yr PWLB Yield	2.2%	2.2%	2.4%	2.6%	2.8%	3%	3%	3%	3%	4.1%
10 yr PWLB Rate	3.3%	3.3%	3.4%	3.7%	3.9%	4%	4%	4%	4%	4.6%
25 yr PWLB Rate	4.2%	4.3%	4.3%	4.4%	4.5%	4.7%	4.7%	4.7%	4.7%	5%

Sector’s current interest rate view is that in respect of the Bank Rate:-

- rates are not expected to rise until the fourth quarter 2011.
- to be followed by further rises during the subsequent years.
- there is a downside risk to these forecasts if the recession proves to be weaker and slower than currently expected.

Some commentators are pointing to the consistent high level of inflation which could force a faster rise in rates than anticipated if other factors do not curtail inflation. The view expressed here makes no assumption that such risk will materially impact on rates over this period. Similarly, the risk of spill over from the euro zone to sterling of pressure on the borrowing costs of those countries with high levels of borrowing to GDP is discounted in these assumptions.

2.7 Economic (Forward View)

2.7.1 It is currently difficult to have confidence as to exactly how strong the UK economic recovery is likely to be, and there are a range of views in the market.

Sector has adopted a moderate view. There are huge uncertainties in all forecasts due to the major difficulties of forecasting the following areas.

- the spread of economic recovery in the US and EU;
- the degree to which government austerity programmes will damper economic growth;
- the speed of rebalancing of the UK economy towards

- exporting and substituting imports;
- changes in the consumer savings ratio;
- the potential for more quantitative easing and the time of this in both UK and US;
- the speed of recovery of banks profitability and correction of balance sheet imbalances;
- the potential for a major EU sovereign debt crisis which could have significant impact in financial markets and the global and UK economy.

The overall balance of risks is weighted towards the downside and there is some risk of a double dip recession and deleveraging, creating a downward spiral of falling demand, falling jobs and falling prices, although this currently viewed as being a small risk.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK.

## 2.8 Borrowing Strategy

2.8.1 It is anticipated that there will be no capital borrowings required during 2011/12. However under the prudential code external borrowings are permissible but with a negative Capital Finance Requirement, this would be difficult to justify. The running down of investments also has the benefits of reducing exposure to interest rate and credit risk. This will be continually monitored in conjunction with the treasury advisers.

### 2.8.2 External v. Internal Borrowing

Comparison of gross and net debt positions at year end	2009/10	2010/11	2011/12	2012/13	2013/14
	£'000	£'000	£'000	£'000	£'000
	Actual	Probable outturn	Estimate	Estimate	Estimate
Actual external debt (gross)	12,600	12,600	7,700	7,700	7,700
Cash balances	(73,278)	(64,000)	(62,400)	(59,200)	(57,500)
<b>Net debt</b>	<b>(63,240)</b>	<b>(51,400)</b>	<b>(54,700)</b>	<b>(51,500)</b>	<b>(49,800)</b>

The Council currently has a difference between gross debt and net debt (after deducting cash balances). The positive net debt will decrease as the Capital programme is financed from internal borrowing, or if a change of

Policy of external borrowing was introduced. Not borrowing mitigates the potential impact of the credit risk on investments.

## 2.9 Debt Rescheduling

2.9.1 Due to high rates of interest payable on the outstanding £1.5 million PWLB loans and the expected low level of the corresponding discount rates for maturities, any potential restructuring or premature repayment of the loans would be very expensive as their repayment would attract heavy premiums (in excess of £1M).

2.9.2 If the market conditions do change, any opportunities will be investigated, to pursue any potential advantages to the Council.

## 2.10 Annual Investment Strategy

### 2.10.1 **Investment Policy**

2.10.1.1 The Council will have regard to the CLG's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:-

- (a) the security of capital and
- (b) the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with levels of security and liquidity acceptable to the Council as set out in the Strategy.

2.10.1.2 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

2.10.1.3 Investment instruments identified for use in the financial year are shown below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be set through the Council's Treasury Management Practices. These will be amended in accordance with the report approved at Council on the 8 December 2010.(Maximum counterparty limit of £10m)

## Specified Investments

An investment is a specified investment if it satisfies the conditions set out below:-

- (a) The investment is denominated in sterling and any payments or repayments in respect of the investment are payable only in sterling.
- (b) The investment is not a long-term investment (maximum of 1 year).
- (c) The investment does not involve the acquisition of share capital or loan capital in any body corporate.
- (d) Either of the following conditions is met:
  - (i) The investment is made with the UK Government or a local authority (as defined in section 23 of the 2003 Act) or a parish council or community council.
  - (ii) The investment is made with a body or in an investment scheme which has been awarded a high credit rating (as specified in the tables below \*) by a credit rating agency.
- (e) These offer high security and high liquidity.

	<b>*Minimum 'High' Credit Criteria</b>	<b>Use</b>
Debt Management Agency Deposit Facility	-	In-house
Term deposits - UK government	-	In-house
Term deposits - other LA's	-	In-house
Term deposits - banks and building societies**	*Short-term F1 Long-term A, Individual_, Support 1,2,3	In-house and fund managers
Certificates of deposits issued by banks and building societies covered by UK Government guarantee	*Short-term F1 Long-term A, Individual_, Support 1	Fund managers
Certificates of deposits issued by banks and building societies NOT covered by UK Government guarantee	*Short-term F1, Long-term A, Individual_, Support 1,2,	Fund managers

	<b>*Minimum 'High' Credit Criteria</b>	<b>Use</b>
1. Callable deposits	*Short-term F1, Long-term A, Individual _, Support 1,2,3	Fund managers
2. Range trade	*Short-term F1, Long-term AA, Individual _, Support 1,2,3	Fund managers
3. Snowballs	*Short-term F1, Long-term AA, Individual _, Support 1,2,3_	Fund managers
UK Government Gilts	AAA	Fund managers
Bonds issued by multilateral development banks	AAA	Fund managers
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):</b>		
1. Money Market Funds	*Short-term F1, Long-term A, Individual _, Support 1,2,3	Fund managers
2. Enhanced cash funds	*Short-term F1, Long-term A, Individual _, Support 1,2,3	Fund managers
3. Short term funds	*Short-term F1, Long-term A, Individual _, Support 1,2,3	Fund managers
4. Bond Funds	*AAA	Fund managers
5. Gilt Funds	*AAA	Fund managers
Bonds issued by a financial institution which is guaranteed by the UK government	*AAA	In-house on a 'buy-and-hold basis. Also for use by fund managers
Sovereign bond issues (ie other than the UK govt)	*AAA	Fund managers
Treasury Bills		Fund Managers

\*\* If forward deposits are to be made, the forward period plus the detail period should not exceed one year in aggregate.

### **Non-Specified Investments:**

Do not meet the definition for specified investments i.e. maturities more than 1 year and subsequently the risk is considerably greater. The maximum to be held in each category of non-specified investments is as follows:-

	<b>* Minimum Credit Criteria</b>	<b>Use</b>	<b>**Max% of total investments</b>	<b>Max maturity period</b>

	* Minimum Credit Criteria	Use	**Max% of total investments	Max maturity period
Term deposits - other LAs (with maturities in excess of 1 year)		In-house	60%	5 years
Term deposits - banks and building societies (with maturities in excess of 1 year) with also variable interest rates and maturity dates, Please see additional note below (2)	*Short-term F1, Long-term A, Individual _, Support 1,2	In-house	80%	5 years
Term deposits with unrated counterparties : any maturity	Used to be unrated building societies and wholly owned subsidiaries )	Not permitted		5 years
Commercial paper issuance by UK banks covered by UK Government guarantee	*Short-term F1, Long-term AA, Individual _, Support 1,2,3	Fund managers		5 years
<b>Fixed term deposits with variable rate and variable maturities</b>				
1. Callable deposits	*Short-term F1, Long-term AA, Individual _, Support 1,2,3	Fund managers	80%	5 years
2. Range trade	*Short-term F1, Long-term AA, Individual _, Support 1,2,3	Fund managers	10%	5 years
3. Snowballs	*Short-term F1, Long-term AA, Individual _, Support 1,2,3	Fund managers	10%	2 years
Certificates of deposits issued by banks and building societies with maturities in excess of 1 year	*Short-term F1, Long-term AA, Individual _, Support 1,2,3	Fund Managers	50%	5 years
UK Government Gilts with maturities in excess of 1 year	AAA	Fund Managers	100%	10 years
Bonds issued by multilateral development banks with maturities in excess of 1 year	AAA	Fund managers	40%	10 years
Bonds issued by a financial institution which is guaranteed by the UK government with maturities in excess of 1 year	AAA	Fund managers	40%	10 years
Sovereign bond issues (ie other than the UK govt) with maturities in excess of 1 year	AAA	Fund managers	50%	10 years

	* Minimum Credit Criteria	Use	**Max% of total investments	Max maturity period
Corporate Bonds : <b>the use of these investments would constitute capital expenditure</b> (bonds other than government bonds)	*AAA	Not permitted	10%	5 years
Floating Rate Notes : <b>the use of these investments would constitute capital expenditure unless they are issued by a multi lateral development bank</b> (ie bonds with interest rate that varies in line with the market rate of interest, reset say every 3 months)	*AAA	Fund Managers but not permitted where the investment would constitute capital investment.	10%	5 years
Property fund: <b>the use of these investments would constitute capital expenditure</b>		Not permitted	10%	10 years

(2) Members please note this criteria has been amended to reflect the strategy approved at Council on 8 December 2010

\*\* Note: When setting these limits it includes both in-house and externally managed funds.

The Council's external fund managers will comply with the Annual Investment Strategy.

The agreements between the Council and the fund managers additionally stipulate guidelines and duration and other limits in order to contain and control risk. In brief terms these are the maximum investment that are permissible with any one counterparty limited by value or percentage, with the exception of the UK Government.

For any in-house monies this Council uses the creditworthiness service provided by Sector Treasury Services. This service has been enhanced over the last year and now uses a sophisticated modelling approach with credit ratings from all three ratings – Fitch, Moody's and Standard and Poors forming the core element. However, it does not rely solely on the current ratings of counterparties but also uses the following as overlap:-

- Credit watches and credit outlooks from credit rating agencies
- CD's spread to give early warning of likely changes to credit ratings
- Sovereign ratings to select counterparties from only the most credit worthy countries.

This modelling approach combines credit ratings, credit watches, credit

Outlooks and CD spreads in a weighted scoring for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties.

Sole reliance will not be placed on the use of this external service. In addition this Council will use market data and information on Government support for banks.

### **2.10.2 In-House Funds**

In-house funds are mainly cash flow derived and therefore investments will be made with reference to short term interest rates (ie rates for investments up to 12 months). Current policy is to place funds only with the external cash fund manager SWIP but other investments may be placed in accordance with the tables set out above. Further to a report approved at Council on 8 December which explained the options to improve overall returns whilst the outlook for rates remain low, £30m will be removed from the fund managers and invested in fixed term structured deposits in tranches of up to £10m.

2.10.3 Interest Rate Outlook: Sector is forecasting that Bank Rate will stay flat until November 2011 with the first rise to 0.75%. This will continue until the rate rises to 2.5% in March 2013. It would therefore be prudent to look at the period of investments and their interest rates against this background information. For 2011/12 the Council has assumed investment return of 2.3% on the investments made in house. For the medium term planning process rates of 2.47% (2012-13) 2.7% (2013-14) and 3.3% (2014-15) have been assumed.

For its cash flow generated balances, the Council will seek to utilise its business reserve accounts in order to benefit from the compounding of interest and investing short-term in money market funds through our Fund Manager.

### **2.11 Fund Managers Review and Forecasts**

East Herts Council employ two fund managers Investec and Scottish Widows (SWIP).

#### **2.11.1 Investec Asset Management**

As explained at a meeting with Councillors this fund is restricted in its options to increase its returns in the current market.



2.11.2 Therefore until rates eventually rise the fund is unlikely to produce greater returns than are currently being made. The fund currently is mainly in CDs with the occasional tactical buying of gilts.

2.11.3 This performance is set out below:

	Merrill Lynch 03 yr gilt* benchmark	East Hertfordshire Investec fund net of fees	Variance
Quarter ended 30/06/2010	1.18%	<b>0.06%</b>	(1.12%)
Quarter ended 30/09/2010	0.59%	<b>0.34%</b>	(0.25%)
Half Year 2010-11	1.77%	<b>0.40%</b>	(1.37%)

For the year 2010/11 it is estimated that a return of 1.0%-1.1% will be made. For 2011/12 a range of returns between 1.1% and 1.25% is estimated.

#### 2.11.4 Scottish Widows Investment Partnership

SWIP produced a good performance in the second quarter but sought to protect its position in the event of volatility by not trading in gilts. However going forward it is hoped it will regain its touch in the gilt market and achieve better returns but this is an uncertain prospect.

	7-day LIBID* benchmark	East Hertfordshire SWIP fund net of fees	Variance
Quarter ended 30/06/2010	0.11%	<b>0.36%</b>	0.25%
Quarter ended 30/09/2010	0.10%	<b>0.19%</b>	0.09%
Half Year 20010-11	0.21%	<b>0.55%</b>	0.34%

For 2010/11 an outturn of 1.1%-1.25% is forecast. For 2011/12 1.2%-1.3% return is estimated.

2.11.5 At 31 October 2010 SWIP's holding on behalf of the Council was £35,017,000 whilst Investec managed £34,522,000. As can be seen with a 0.25% variance on Fund Manager's prediction a variance of around £174,000 either way is effected on the Council's Revenue Budget.

## 2.11.6 End of year Investment Report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

### 2.11.7 Summary of Strategy

2.11.8 No new borrowings to finance capital expenditure until capital receipts and other funding has been fully applied. This will be continually monitored in conjunction with the Treasury Advisers.

2.11.9 Any debt rescheduling opportunities will be investigated.

2.11.10 Fund Managers to trade gilts and Certificate of Deposit, Treasury Bills, Money Market Funds with objective of maximising yields.

2.11.11 Having regard to potential interest rate movements as set out in 2.10.3 above and the change in policy investments will be made (depending on cash flow). Also removing monies from the fund manager and placing it in structured deposits. The added return in structured deposits is achieved by giving up liquidity - the money is locked away for four years giving more certainty of return with a guaranteed floor of about 2.5%. These deposits will be in tranches of up to £10m and a maximum total investment of £30m placed in these products.

2.11.12 A 1.81% return has been assumed in 2011/12 for budgetary setting. However this is subject to final review prior to the Council setting its budget.

## 2.12 Minimum Revenue Provision (MRP)

The Council needs to agree options for the MRP (the provision to repay debt) annually. Capital receipts from stock transfer, mean that no new borrowings are anticipated in the medium term. The method which is most appropriate will be considered when any new borrowings are entered into.

2.12.1 For capital expenditure incurred on or after 1 April 2009, which is financed by borrowing or credit arrangements, one of the following options may be used:-

### Option 1 – Asset Life Method

Here equal annual instalments of MRP will be made over the estimated life of asset financed by borrowing. Under this method, the concept of an “MRP Holiday” makes it debut. This provides the ability for an authority to defer MRP on a newly constructed building or infrastructure asset until the asset comes into service.

#### Option 2 – Depreciation Method

Using this approach will require an authority to charge MRP in accordance with the standard rules for depreciation accounting. As with Option 1 the “MRP Holiday” will be available for assets yet to be brought into service.

It is proposed that, if required, option 1 be used.

- 2.12.2 Under new regulations the method by which the Council provides for the repayment of it’s borrowings for capital expenditure incurred before 1 April 2008, either of the two methods below can be used:-

#### Method 1 - Regulatory

Where debt is supported by RSG, authorities will be able to continue using the formulae used in the current regime, since the supported borrowing element of the RSG is also calculated in this way.

#### Method 2 – Capital Financing Requirement

This method will be based upon 4% of an authority’s non-housing CFR at the end of the preceding financial year. Where the CFR is negative or nil, no MRP will be required as is the case at present.

This in the past has resulted in a nil requirement and the indications are that this will remain the same. This option is recommended.

### 3.0 Policy on the use of external service providers

The Council uses Sector Treasury Services as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure reliance is not placed upon external service providers. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources.

### 3.1 Role of the Section 151 Officer

The Section 151 officer is responsible for all monies in the hands of the Council. This includes the Treasury Management function.

All borrowings, lending and finance will be in accordance with the CIPFA Code of Practice on Treasury Management.

This is incorporated within the Financial Regulation on Treasury Management.

### 3.2 Treasury Management scheme of delegation

- (i) The Council's Scrutiny Committee reviews reports, and comments are passed on to the Executive.
- (ii) Executive considers any comments from Scrutiny and recommends approval to full Council.
- (iii) Monthly health check monitoring reports are through CMT, then to Executive and then to full Council.
- (iv) Quarterly reports through Scrutiny to Executive.
- (v) Delegation for officers is detailed within the constitution.

### 4.0 Implications/Consultations

4.1 Information on corporate issues and consultation associated with this report can be found within Essential Reference Paper 'A'.

A further report completing the revised Treasury Management Code Of Practice 2009 will be presented during the year.

### Background Papers

None

Contact Member: Councillor M Tindale, Executive Member for Resources and Internal Support.

Contact Officer: Alan Madin, Director of Internal Services, Ext 1401  
Simon Chancellor, Head of Financial Support Services  
Ext 2050

Report Author: Paul Mitchell, Principal Accountant

## ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/Objectives:	<b>Fit for purpose, services fit for you</b> <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	The Strategy Statement has been drawn up with reference to information from our Treasury Advisers.
Legal:	There are no legal implications in the report.
Financial:	As set within the report.
Human Resource:	There are no Human Resources implications in the report.
Risk Management:	A prudent (average) assumption of 1.81% has been used on the sensitive interest receivable rate based on the information and advice available. A variation of 0.25% (either way) would result in a budget variance of some £162,000. If cash flows vary by £1m then the result is a movement of £25,000 per annum.

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EAST HERTS COUNCIL

JOINT SCRUTINY COMMITTEE – 18 JANUARY 2011

THE EXECUTIVE – 8 FEBRUARY 2011

REPORT BY THE EXECUTIVE MEMBER FOR RESOURCES AND  
INTERNAL SUPPORT

FEES AND CHARGES 2011 / 12

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

- This report sets out the additional income to the Council that would be generated by proposed increases to discretionary fees and charges in 2011/12.

<b><u>RECOMMENDATION FOR DECISION BY JOINT SCRUTINY COMMITTEE : that</u></b>	
<b>(A)</b>	<b>the proposals for increases in fees and charges as set out in Essential Reference Paper ‘ B ‘ be scrutinised;</b>
<b>(B)</b>	<b>a concessionary rate of planning pre-application fees for Charities and Parish and Town Council be considered; and</b>
<b>(C)</b>	<b>comments be submitted to the Executive.</b>
<b><u>RECOMMENDATION FOR DECISION BY EXECUTIVE</u></b>	
<b>(A)</b>	<b>comments from Scrutiny be considered;</b>
<b>(B)</b>	<b>a concessionary rate for planning pre-application fees for Charities and Parish and Town Councils be approved / not approved; and</b>
<b>(C)</b>	<b>the increases in fees and charges as set out in Essential Reference Paper ‘ B ‘ be approved.</b>

## 1.0 Background

1.1 Members will recall that the Council has adopted a fees and charges strategy and a set of key principles on which fees and charges should be set.

1.2 These principles include:

- Any subsidy from council tax payers should be by deliberate choice
- Discretionary fees should generate income to help deliver improvements in priority services
- Discretionary fees and charges should support the MTFP
- A measure of consistency in setting charges for similar services
- Levels should be set to avoid unnecessary subsidies from the council taxpayer to commercial operations
- If the impact is likely to be high then consideration be given to the phasing in of changes

1.3 Officers were requested to bring forward proposals for 2011/12 having regard to the principles of the strategy. A proportionate approach having regard to the level of income generated within each service area has also been advocated.

## 2.0 Report

2.1 Officers have prepared proposals for increasing fees and charges for 2011/12, the details of which are set out in Essential Reference Paper 'B'. Following the Government's announcement that VAT will increase to 20% from 4 January 2011, charges are shown both excluding VAT and including VAT at 20%. Comments relating to individual service areas are set out below.

2.2 It is proposed to increase commercial waste collection charges to fully recover the increase in costs arising from HCC disposal costs and landfill tax and the higher collection costs associated with these tasks from the new Refuse, Recycling and Street Cleansing Contract.

2.3. For Environmental Health Licences a small increase in line with inflation is proposed but with no increase in Environmental Health Promotions.



- 2.4 It is not proposed to increase rents for Hostels and Bed and Breakfast charges in 2011/12 as there is unlikely to be a Council Tax increase and there are uncertainties around housing benefit.
- 2.5 There are no increases in fees and charges for Hertford Theatre. The business plan was approved by Executive in May 2010 and included a range of new charges for when the venue re-opened and which were to be carried through to 2011/12.
- 2.6 Recent changes in legislation have required the Authority to consider changes in the way it provides the local land charges service. Personal searches can be undertaken without charge and the proposals include a reduction in some fees with the aim of limiting the incentive to avoid the fee by making a personal search. The fee structure identified meets the cost of providing the service based on an anticipated turnover of 2,500 search enquiries. The revised charging structure is comparable with fee structures in neighbouring authorities. The proposal, in line with statutory requirements will deliver estimated income of £217,000. If accepted this would have an impact of limiting the loss of income to £43,000. Fees could be left unchanged if the risk of a greater loss of income from more use of personal searches is accepted. There is a risk of challenge given the lack of alignment with fees charged elsewhere.
- 2.7 It is proposed to increase legal fees above inflation which will generate an additional £ 5,500.
- 2.8 With regards to Markets and Farmers' Markets, it is proposed that only a modest increase in line with inflation is applied for next year.
- 2.9 The Hackney Carriage service is currently subsidised by the Council and it is proposed to increase fees above inflation to reduce this subsidy. It is anticipated that the proposed increases for 2011/12 will generate an additional £13,000 which is included as a saving elsewhere in the budget papers.
- 2.10 The majority of Development Control fees are set by Government and no increase is anticipated at present for next year. However, the Government has indicated a wish to move towards locally set fees and is currently canvassing views on a move to this which could be introduced during 2011/12 financial year. The Pre-Application fee structure has changed with further categories being introduced. It is anticipated that this will generate additional income

of £7k in 2011/12 and this appears as a saving elsewhere in the budget papers.

- 2.11 The regulations governing fees for Building Control changed during the year and required a new set of fees to be introduced in October 2010. The setting of the fees for Building Control are now fully delegated and set in partnership with other Herts authorities. It is anticipated that they will be reviewed again prior to April 2011 but it is unlikely there will be any financial impact. There are minor increases in Miscellaneous Building and Development Control fees but any likely additional income is insignificant.
- 2.12 Where Charities and Parish and Town Councils are contemplating development, pre-application charges can be perceived as onerous in the context of their sometimes relatively small budgets. In terms of overall workload, volumes from these groups are modest. The cost to council tax payers generally of say a 25% reduction to achieve a concessionary rate would be low – less than £5k per year.
- 2.13 Proposals for increases in car parking pay and display charges will be considered by the Executive at its meeting on 11 January 2011. But as detailed in the 2009/10 MTFP and linked PID, Elm Road car park will be re-designated as long stay only with effect from April 4 2011 and new charges will apply. However, proposals for residents parking scheme permits and other miscellaneous permits are considered as part of this report and will generate an additional £2,000.
- 2.14 All town centre CCTV charges will now be based on a cost recovery basis only and made equitable by using a cost per camera charge. Hertford Town Council already pay their own transmission fees and do not require insurance cover. Their 'per camera' charge is adjusted by this amount.
- 2.15 The table below summarises the assumptions for additional income from fees and charges in the MTFP and the Officer proposals. It shows that current proposals will generate an additional £22,550 which will result in an unfavourable impact of £8,000 (taking into account the land charges proposal) on the MTFP. The figures below show the income excluding VAT. Where VAT is payable the increase to the customer will be the sum shown plus the VAT increase.

<b>Service</b>	<b>MTFP £</b>	<b>Officer Proposals £</b>
Hertford Theatre	* 1,400	0
Pest Control	950	1,400
Clinical Waste	1,500	1,500
Domestic Waste	950	1,000
Commercial Waste	9,300	36,000
Env Health Promotions	50	0
Licences Env Health	350	300
Hackney Carriage	3,050	0
Development & Building Control Misc	100	0
Legal Fees	1,200	5,500
Land Charges	6,500	(43,000)
Markets	3,700	3,000
Farmers Markets	150	150
Hostels	1,350	0
Residents Parking	0	2,000
CCTV	0	14,700
<b>Total</b>	<b>30,550</b>	<b>22,550</b>

\* prior to approval of business plan

### 3.0 Implications/Consultations

3.1 *Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.*

### Background Papers

None

Contact Member: Councillor M Tindale, Executive member for

## Resources and Internal Support

Contact Officer: Simon Chancellor – Head of Financial Support  
Services – Ext 2050

Report Author: Mandy Barton – Accountancy Manager

## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i></p>	<p><b>Fit for purpose, services fit for you</b> <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p><b>Leading the way, working together</b> <i>Deliver responsible community leadership that engages with our partners and the public.</i></p> <p>Fees and charges set a balance between service user and council tax payers in meeting the cost of relevant services. Where the council competes with other providers full cost recovery enables fair competition.</p>
<p>Consultation:</p>	<p>Directors and Heads of Service</p>
<p>Legal:</p>	<p>The Council has the power to set the charges described in the report</p>
<p>Financial:</p>	<p>Financial implications are contained within the report</p>
<p>Human Resource:</p>	<p>None</p>
<p>Risk Management:</p>	<p>Additional income has been estimated on current levels of service. In some instances there could be commercial risk of decrease in service following any price increases.</p>

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**EAST HERTFORDSHIRE DISTRICT COUNCIL**

**SCALE OF CHARGES**

**The fees and charges shown overleaf are for 2011/12**

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>LICENCES</b>						
369.00 + vets fees	n/a + VAT	n/a + VAT	Riding Establishments	per annum	376.00 1,816.00	n/a + VAT
1,781.00 + vets fees	n/a + VAT	n/a + VAT	Zoos - New Licence	per 4 year registration		n/a + VAT
1,378.00 + vets fees	n/a + VAT	n/a + VAT	Zoos - Year 6 renewal licence inspection	per 6 years	1,405.00	n/a + VAT
599.00 + vets fees	n/a + VAT	n/a + VAT	Zoos - Transfer of Licence	per transfer	611.00	n/a + VAT
800.00 + vets fees	n/a + VAT	n/a + VAT	Zoos - Year 3 interim licence inspection inspection		816.00	n/a + VAT
504.00 + vets fees	n/a + VAT	n/a + VAT	Dangerous Wild Animals	per annum	514.00	n/a + VAT
106.00 + vets fees	n/a + VAT	n/a + VAT	Dog breeding establishments	per annum	222.00	n/a + VAT
218.00 + vets fees	n/a + VAT	n/a + VAT	Animal boarding establishments	per annum	222.00	n/a + VAT
102.00 + vets fees	n/a + VAT	n/a + VAT	Home boarding establishments	per annum	104.00	n/a + VAT
177.00 + vets fees	n/a + VAT	n/a + VAT	Pet Shops	per annum	181.00	n/a + VAT
174.00	n/a	n/a	Registration for Skin Piercing (Premises)	per registration	177.00	n/a
110.00	n/a	n/a	Registration for Skin Piercing (Person)	per person or premises change	112.00	n/a
50.00	n/a	n/a	Street trading Occasional Registered Charity (up to one month)	per month	51.00	n/a
100.00	n/a	n/a	Street trading Occasional (up to one month)	per month	102.00	n/a
291.00	n/a	n/a	Street trading Peripatatic (eg ice cream van)	per annum	297.00	n/a
291.00	n/a	n/a	Street trading Static (eg burger van)	per annum	297.00	n/a



## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>LICENCES (contd)</b>						
43.00	n/a	n/a	Issue of certificate following surrender of food	per hour or part + disposal costs	44.00	n/a
43.00	n/a	n/a	Food export health certificate	per hour or part	44.00	n/a
65.00	n/a	n/a	Basic Food Hygiene Course	per course	65.00	n/a
65.00	n/a	n/a	Basic Health & Safety Course	per course	65.00	n/a
33.00	n/a	n/a	Food Hygiene Update Course	per course	33.00	n/a
33.00	n/a	n/a	Health & Safety Update Course	per course	33.00	n/a
540.00	n/a	n/a	Basic Food Hygiene - up to 10 places		540.00	n/a
620.00	n/a	n/a	Basic Food Hygiene - 11 to 14 places		620.00	n/a
11.00	n/a	n/a	Food register	per single entry	11.00	n/a
46.00	n/a	n/a	Food register	per category	47.00	n/a
576.00	n/a	n/a	Food register	per full copy	588.00	n/a
85.00	n/a	n/a	Air quality data enquiries	per hour or part	87.00	n/a
85.00	n/a	n/a	Additional Land charge enquiries	per hour or part	87.00	n/a
106.00	n/a	n/a	Motor Salvage Operators Registration		108.00	n/a
72.00	n/a	n/a	Motor Salvage Operators Renewal		73.00	n/a
11.00	n/a	n/a	Viewing MSO Register		11.00	n/a
18.00	n/a	n/a	Copy of each MSO entry (1-5 copies)		18.00	n/a
75.00	n/a	n/a	Private Water Supplies (inc cost of analysis )		n/a	n/a
300.00	n/a	n/a	Risk Assesment (smaller supplies - Regulation 10)		306.00	n/a
n/a	n/a	n/a	Risk Assesment (larger supplies - Regulation 9)		400.00	n/a
100.00	n/a	n/a	Risk Assesment (Desktop)		102.00	n/a
85.00	99.88	102.00	Sampling Visit	+ analysis costs	83.33	100.00
100.00	117.50	120.00	Investigation	+ analysis costs	83.33	100.00
100.00	n/a	n/a	Granting of Authorisation		100.00	n/a
up to £25	n/a	n/a	Analysis Costs (Regulation 10)		up to £25	n/a
up to £100	n/a	n/a	Analysis Costs (Check Monitoring)		up to £100	n/a
up to £500	n/a	n/a	Analysis Costs (Audit Monitoring)		up to £500	n/a

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>Air Pollution Control Fees</b>						
Application Fee :						
1,579.00	n/a	n/a	Standard	Statutory Fee	1,579.00	n/a
1,137.00	n/a	n/a	Additional Fee Activities operating without a permit	Statutory Fee	1,137.00	n/a
148.00	n/a	n/a	Reduced Fee Activities	Statutory Fee	148.00	n/a
68.00	n/a	n/a	Reduced Fee Activities operating without a permit	Statutory Fee	68.00	n/a
246.00	n/a	n/a	Petrol Vapour Recovery 1 & 2 combined	Statutory Fee	246.00	n/a
346.00	n/a	n/a	Vehicle Refinishers	Statutory Fee	346.00	n/a
<b>Mobile Screening/Crushing Plant</b>						
1,579.00	n/a	n/a	Application - 1 or 2	Statutory Fee	1,579.00	n/a
943.00	n/a	n/a	Application - 3 to 7	Statutory Fee	943.00	n/a
477.00	n/a	n/a	Application - 8 and over	Statutory Fee	477.00	n/a
<b>Annual Subsistence Charge</b>						
739.00	n/a	n/a	Standard - Low risk	Statutory Fee	739.00	n/a
1,111.00	n/a	n/a	Standard - Medium risk	Statutory Fee	1,111.00	n/a
1,672.00	n/a	n/a	Standard - High risk	Statutory Fee	1,672.00	n/a
36.00	n/a	n/a	Standard - Process paid quarterly additional fee	Statutory Fee	36.00	n/a
76.00	n/a	n/a	Reduced fee activity - Low risk	Statutory Fee	76.00	n/a
151.00	n/a	n/a	Reduced fee activity - Medium risk	Statutory Fee	151.00	n/a
227.00	n/a	n/a	Reduced fee activity - High risk	Statutory Fee	227.00	n/a
108.00	n/a	n/a	Petrol Vapour Recovery 1 & 2 combined - Low	Statutory Fee	108.00	n/a
216.00	n/a	n/a	Petrol Vapour Recovery 1 & 2 combined - Med	Statutory Fee	216.00	n/a
326.00	n/a	n/a	Petrol Vapour Recovery 1 & 2 combined - High	Statutory Fee	326.00	n/a
218.00	n/a	n/a	Vehicle Refinishers - Low risk	Statutory Fee	218.00	n/a
349.00	n/a	n/a	Vehicle Refinishers - Medium risk	Statutory Fee	349.00	n/a
524.00	n/a	n/a	Vehicle Refinishers - High risk	Statutory Fee	524.00	n/a
<b>Mobile Screening and Crushing Plant</b>						
618.00	n/a	n/a	1 or 2 (Low Risk)	Statutory Fee	618.00	n/a
989.00	n/a	n/a	1 or 2 (Medium Risk)	Statutory Fee	989.00	n/a
1,485.00	n/a	n/a	1 or 2 (High Risk)	Statutory Fee	1,485.00	n/a
368.00	n/a	n/a	3 to 7 (Low Risk)	Statutory Fee	368.00	n/a
590.00	n/a	n/a	3 to 7 (Medium Risk)	Statutory Fee	590.00	n/a
884.00	n/a	n/a	3 to 7 (High Risk)	Statutory Fee	884.00	n/a
189.00	n/a	n/a	8 and over (Low Risk)	Statutory Fee	189.00	n/a
302.00	n/a	n/a	8 and over (Medium Risk)	Statutory Fee	302.00	n/a
453.00	n/a	n/a	8 and over (High Risk)	Statutory Fee	453.00	n/a

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>Transfer &amp; Surrender</b>						
162.00	n/a	n/a	Transfer	Statutory Fee	162.00	n/a
476.00	n/a	n/a	Partial Transfer	Statutory Fee	476.00	n/a
75.00	n/a	n/a	New operator at low risk reduced fee activity	Statutory Fee	75.00	n/a
45.00	n/a	n/a	Reduced Fee activities partial transfer	Statutory Fee	45.00	n/a
<b>LAPPC</b>						
1,579.00	n/a	n/a	Standard Application Fee	Statutory Fee	1,579.00	n/a
1,137.00	n/a	n/a	Additional Fee activities operating without	Statutory Fee	1,137.00	n/a
148.00	n/a	n/a	Reduced Fee activities	Statutory Fee	148.00	n/a
68.00	n/a	n/a	Reduced Fee activities operating without	Statutory Fee	68.00	n/a
246.00	n/a	n/a	Petrol Vapour recovery 1 & 2 combined	Statutory Fee	246.00	n/a
346.00	n/a	n/a	Vehicle Refinishers	Statutory Fee	346.00	n/a
<b>Substantial Changes (Section 10 and 11 of the Act)</b>						
1,005.00	n/a	n/a	Standard (all except those specified below)	Statutory Fee	1,005.00	n/a
98.00	n/a	n/a	Reduced Fee Activities	Statutory Fee	98.00	n/a
<b>HMO Licensing Fees</b>						
640.00	n/a	n/a	Licence for standard 5 bedroom HMO (initiated by applicant without LA intervention)		650.00	n/a
860.00	n/a	n/a	Licence for standard 5 bedroom HMO (initiated by applicant with LA intervention)		880.00	n/a
11.00	n/a	n/a	Additional bedrooms	each	12.00	n/a
21.50	n/a	n/a	Complicated cases		22.00	n/a
43.00	n/a	n/a	Production of drawings		44.00	n/a
21.50	n/a	n/a	Resolve application queries on site		22.00	n/a
11.00	n/a	n/a	Request and checking missing information - per item		12.00	n/a
43.00	n/a	n/a	Additional costs		44.00	n/a
107.00	n/a	n/a	Variation of licence		109.00	n/a
54.00	n/a	n/a	Fee reduction for additional HMO's with same applicant / landlord		55.00	n/a
n/a	n/a	n/a	Renewal of HMO Licence		540.00	n/a

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>Miscellaneous Env Health</b>						
33.00	38.78	39.60	Replacement 'Scores on Doors' certificate		34.00	40.80
176.00	206.80	211.20	Additional food hygiene inspection (medium risk premises)		n/a	n/a
263.00	309.03	315.60	Additional food hygiene inspection (high risk premises)		n/a	n/a
43.00	50.53	51.60	Replacement of any environmental health licence or registration documents		44.00	52.80
43.00	50.53	51.60	Statement of fact for civil cases	per hour	44.00	52.80
99.00	116.33	118.80	Standards inspection for immigration		101.00	121.20
43.00	50.53	51.60	Housing Notices	per hour	n/a	n/a
n/a	n/a	n/a		fixed charge	250.00	300.00
33.00	38.78	39.60	Letter confirming food premises registration		34.00	40.80
43.00	50.53	51.60	Attendance at Exhumations	per hour (or part)	44.00	52.80
<b>TAXI LICENSING</b>						
233.00	n/a	n/a	Hackney Carriage Vehicle/Proprietor (renewal)	per licence	259.90	n/a
262.00	n/a	n/a	Hackney Carriage Vehicle/Proprietor (new vehicle)	per licence	292.25	n/a
233.00	n/a	n/a	Private Hire Vehicle / Proprietor Licence (renewal)	per licence	259.90	n/a
262.00	n/a	n/a	Private Hire Vehicle / Proprietor Licence (grant)	per licence	292.25	n/a
90.00	n/a	n/a	Private Hire drivers licence (renewal)	per licence	100.39	n/a
180.00	n/a	n/a	Private Hire drivers licence (grant)		200.78	n/a
186.00	n/a	n/a	Private Hire Business Operator - up to 6 vehicles	per licence	207.47	n/a
25.00	n/a	n/a	- additional vehicles	per vehicle	27.89	n/a
90.00	n/a	n/a	Dual Driver (Hackney/Private Hire) (renewal)	-	100.39	n/a
180.00	n/a	n/a	Dual Driver (Hackney/Private Hire) (Grant)		200.78	n/a
66.00	n/a	n/a	Change of vehicle	-	73.62	n/a
<b>180.00</b>	<b>n/a</b>	<b>n/a</b>	Initial Application for a drivers licence (reimbursed on grant of application)		200.78	n/a
<b>Change of Licence Details</b>						
38.00	n/a	n/a	Change of Vehicle DVLA registration number		42.39	n/a
38.00	n/a	n/a	Change of Vehicle licence designation - Hackney to Private		42.39	n/a
72.00	n/a	n/a	- Private to Hackney		80.31	n/a
38.00	n/a	n/a	Change of vehicle proprietor with unexpired licence		42.39	n/a
38.00	n/a	n/a	Convert drivers licence to dual driver		42.39	n/a

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>TAXI LICENSING</b>						
<b>Ancillary Charges</b>						
77.00	n/a	n/a	Knowledge Test	per test	85.89	n/a
<b>Ancillary Items</b>						
64.26	75.50	77.11	Roof light (complete)		64.26	77.11
34.89	41.00	41.87	Roof light (cover or base plate separate)		34.89	41.87
14.89	17.50	17.87	Charge for unusable/damaged returned roof light to be discounted from any refund		14.89	17.87
20.43	24.00	24.52	Replacement badge		20.43	24.52
34.89	41.00	41.87	Replacement plate/trailer plate		34.89	41.87
2.13	2.50	2.55	Roof light bulb		2.13	2.55
6.38	7.50	7.64	Magnets (sold as pair)		6.38	7.64
10.21	12.00	12.25	Executive Private Hire Disc		10.21	12.25
Free			Table of fares/windscreen badge		Free	
26.81	31.50	32.17	Distribution of free literature		26.81	32.17
<b>OTHER LICENCES</b>						
4,950.00	n/a	n/a	Sex Establishments	per annum	4,950.00	n/a
4,950.00	n/a	n/a		per renewal	4,950.00	n/a
910.00	n/a	n/a		transfer	910.00	n/a
Hypnotism Act 1952:-						
140.00	n/a	n/a	Occasional licensed premises		140.00	n/a
540.00	n/a	n/a	Occasional unlicensed premises		540.00	n/a

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>Misc Building Control and Development Control Charges</b>						
			Copies of any documents - A4 size			
0.10	n/a	n/a	- Black & White	per page	0.10	n/a
0.20	n/a	n/a	- Colour	per page	0.20	n/a
			Copies of any documents - A3 size			
0.20	n/a	n/a	- Black & White	per page	0.20	n/a
0.40	n/a	n/a	- Colour	per page	0.40	n/a
			Copies of any documents - A2 size			
1.00	n/a	n/a	- Black & White	per page	1.00	n/a
2.00	n/a	n/a	- Colour	per page	2.00	n/a
			Copies of any documents - A1 size			
1.50	n/a	n/a	- Black & White	per page	1.50	n/a
3.00	n/a	n/a	- Colour	per page	3.00	n/a
			Copies of any documents - A0 size			
2.00	n/a	n/a	- Black & White	per page	2.00	n/a
4.00	n/a	n/a	- Colour	per page	4.00	n/a
15.00	n/a	n/a	Copies of documents provided on an electronic disc	per disc provided	15.00	n/a
23.00	n/a	n/a	Ordnance Survey Extracts	up to 6 copies	25.00	n/a
75.00	n/a	n/a	Historical Research (where records available)	per hour (or part)	75.00	n/a
300.00	n/a	n/a	Legal obligation agreements - clause monitoring fee	per obligation issue	300.00	n/a
75.00	n/a	n/a	Legal obligation agreements - confirmation of compliance by third parties or where the monitoring fee has not been paid	per hour (or part of) after first hour	75.00	n/a
35.00	n/a	n/a	Certificate of no outstanding Building control regulated work or letter of comfort	per certificate / letter	35.00	n/a
35.00	n/a	n/a	Letter confirming exemption from Building Control regulations	per letter	35.00	n/a
50.00	n/a	n/a	Rejuvenation of closed Building Control file (not previously approved)	per file	50.00	n/a
n/a	n/a	n/a	Request for informal confirmation that proposed development comprises 'permitted development'. (Not Lawful Development Certificate)	per request	35.00	n/a
500.00	n/a	n/a	High Hedge consultation and investigation		500.00	n/a
n/a	n/a	n/a	Fee for discharge of or compliance with a condition	per request (any number of conditions) relating to works of extension or alteration to an existing dwelling	25.00	n/a
n/a	n/a	n/a	Fee for discharge of or compliance with a condition	per request (any number of conditions) all other developments	85.00	n/a

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>PRE-APPLICATION ADVICE</b>						
<b>Householder proposals</b>						
n/a	n/a	n/a		Initial fee	25.00	30.00
n/a	n/a	n/a		Secondary fee	12.50	15.00
<b>Major development proposals</b>						
510.64	600.00	612.77		Initial fee	583.33	700.00
76.60	90.00	91.92		per subsequent hour or part of	n/a	n/a
n/a	n/a	n/a		Secondary fee	291.66	350.00
<b>Minor development proposals</b>						
255.32	300.00	306.38		Initial fee	333.33	400.00
76.60	90.00	91.92		per subsequent hour or part of	n/a	n/a
n/a	n/a	n/a		Secondary fee	166.66	200.00
<b>Any development where affordable housing is required by virtue of the Councils planning policies and is to be provided</b>						
n/a	n/a	n/a		Initial fee	83.33	100.00
<b>Commercial, office, retail or industrial development where the use is already in place and the proposals do not result in the creation of new floorspace</b>						
n/a	n/a	n/a		Initial fee	83.33	100.00
n/a	n/a	n/a		Secondary fee	41.67	50.00
<b>Advertisement proposals</b>						
n/a	n/a	n/a		Initial fee	41.67	50.00
n/a	n/a	n/a		Secondary fee	20.83	25.00
<b>Heritage advice</b>						
n/a	n/a	n/a		Initial fee	41.67	50.00
n/a	n/a	n/a		Secondary fee	20.83	25.00

Note: The extent of work undertaken on payment of the initial or subsequent fees is set out in detail in the Councils Pre-application advice Guidance Note. Where any advice sought relates to proposals that fall into more than one of the categories identified above then payment is required in relation to ALL fee categories.

## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>CCTV Cameras</b>						
1,517.00	n/a	n/a	Ware Town Council	per camera	3,024.00	n/a
3,268.00	n/a	n/a	Hertford Town Council	per camera	2,312.00	n/a
1,833.00	n/a	n/a	Bishop's Stortford Town Council	per camera	3,024.00	n/a



## NEIGHBOURHOOD SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2010/11	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>HOSTELS</b>						
<b>Hillcrest</b>						
180.00	n/a	n/a	Single Room	per week	180.00	n/a
+ service charges					+ service charges	
210.00	n/a	n/a	Double Room	per week	210.00	n/a
+ service charges					+ service charges	
230.00	n/a	n/a	Family Room	per week	230.00	n/a
+ service charges					+ service charges	
<b>Bed &amp; Breakfast</b>						
88.00	n/a	n/a	Single person	per week	88.00	n/a
13.00	n/a	n/a		per day	13.00	n/a
117.00	n/a	n/a	Single person and one child	per week	117.00	n/a
17.00	n/a	n/a		per day	17.00	n/a
127.00	n/a	n/a	Single person and two children	per week	127.00	n/a
19.00	n/a	n/a		per day	19.00	n/a
117.00	n/a	n/a	Couple	per week	117.00	n/a
17.00	n/a	n/a		per day	17.00	n/a
137.00	n/a	n/a	Couple and one child	per week	137.00	n/a
20.00	n/a	n/a		per day	20.00	n/a
148.00	n/a	n/a	Couple and two children	per week	148.00	n/a
22.00	n/a	n/a		per day	22.00	n/a
12.00	n/a	n/a	Additional children up to 16	per week	12.00	n/a
2.00	n/a	n/a		per day	2.00	n/a

## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>HIRE CHARGES FOR HERTFORD THEATRE</b>						
<b>WEEKDAYS</b>						
240.00	n/a	n/a	<b>Auditorium</b>	am (9am to 1pm)	240.00	n/a
60.00	n/a	n/a		am per hour	60.00	n/a
375.00	n/a	n/a		pm (1pm to 6pm)	375.00	n/a
75.00	n/a	n/a		pm per hour	75.00	n/a
510.00	n/a	n/a		Evening (6pm to midnight)	510.00	n/a
85.00	n/a	n/a		Evening per hour	85.00	n/a
80.00	n/a	n/a	<b>Studio</b>	am (9am to 1pm)	80.00	n/a
20.00	n/a	n/a		am per hour	20.00	n/a
125.00	n/a	n/a		pm (1pm to 6pm)	125.00	n/a
25.00	n/a	n/a		pm per hour	25.00	n/a
210.00	n/a	n/a		Evening (6pm to midnight)	210.00	n/a
35.00	n/a	n/a		Evening per hour	35.00	n/a
80.00	n/a	n/a	<b>River Room</b>	am (9am to 1pm)	80.00	n/a
20.00	n/a	n/a		am per hour	20.00	n/a
125.00	n/a	n/a		pm (1pm to 6pm)	125.00	n/a
25.00	n/a	n/a		pm per hour	25.00	n/a
180.00	n/a	n/a		Evening (6pm to midnight)	180.00	n/a
30.00	n/a	n/a		Evening per hour	30.00	n/a
120.00	n/a	n/a	<b>Foyer</b>	am (9am to 1pm)	120.00	n/a
30.00	n/a	n/a		am per hour	30.00	n/a
250.00	n/a	n/a		pm (1pm to 6pm)	250.00	n/a
50.00	n/a	n/a		pm per hour	50.00	n/a
360.00	n/a	n/a		Evening (6pm to midnight)	360.00	n/a
60.00	n/a	n/a		Evening per hour	60.00	n/a
<b>WEEKENDS</b>						
300.00	n/a	n/a	<b>Auditorium</b>	am (9am to 1pm)	300.00	n/a
75.00	n/a	n/a		am per hour	75.00	n/a
425.00	n/a	n/a		pm (1pm to 6pm)	425.00	n/a
85.00	n/a	n/a		pm per hour	85.00	n/a
720.00	n/a	n/a		Evening (6pm to midnight)	720.00	n/a
120.00	n/a	n/a		Evening per hour	120.00	n/a
128.00	n/a	n/a	<b>Studio</b>	am (9am to 1pm)	128.00	n/a
32.00	n/a	n/a		am per hour	32.00	n/a
175.00	n/a	n/a		pm (1pm to 6pm)	175.00	n/a
35.00	n/a	n/a		pm per hour	35.00	n/a
270.00	n/a	n/a		Evening (6pm to midnight)	270.00	n/a
45.00	n/a	n/a		Evening per hour	45.00	n/a

## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>HIRE CHARGES FOR HERTFORD THEATRE</b>						
<b>WEEKENDS</b>						
160.00	n/a	n/a	<b>River Room</b>	am (9am to 1pm)	160.00	n/a
40.00	n/a	n/a		am per hour	40.00	n/a
225.00	n/a	n/a		pm (1pm to 6pm)	225.00	n/a
45.00	n/a	n/a		pm per hour	45.00	n/a
300.00	n/a	n/a		Evening (6pm to midnight)	300.00	n/a
50.00	n/a	n/a		Evening per hour	50.00	n/a
180.00	n/a	n/a	<b>Foyer</b>	am (9am to 1pm)	180.00	n/a
45.00	n/a	n/a		am per hour	45.00	n/a
300.00	n/a	n/a		pm (1pm to 6pm)	300.00	n/a
60.00	n/a	n/a		pm per hour	60.00	n/a
420.00	n/a	n/a		Evening (6pm to midnight)	420.00	n/a
70.00	n/a	n/a		Evening per hour	70.00	n/a

Please note that hire does not include hire of stage, lighting rig etc. This is by separate negotiation.

### EQUIPMENT HIRE PRICES

<b>Pianos</b>						
123.40	145.00	148.08	Concert Grand Piano		123.40	148.08
62.13	73.00	74.56	Piano Tuning		62.13	74.56
36.60	43.00	43.92	Electric Piano		36.60	43.92
<b>Projection</b>						
25.53	30.00	30.64	LCD Projector & Screen		25.53	30.64
<b>Public Address System</b>						
42.55	50.00	51.06	Portable PA Unit		42.55	51.06
17.02	20.00	20.42	Lapel Mic		17.02	20.42
15.32	18.00	18.38	Hand Radio Mic		15.32	18.38
<b>Cinema Prices</b>						
5.00	5.88	6.00	Adults		5.00	6.00
3.33	3.91	4.00	Concessions		3.20	4.00

## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF	2011/12	
Exc. VAT £	Exc. VAT 17.50% £	Inc. VAT 20% £		CHARGE	Exc. VAT £	Inc. VAT 20% £
<b>CAR PARKS</b>						
<b>Off Street Resident Season Ticket</b>						
212.77	208.33	250.00	Port Vale		216.67	260.00
1024.54	1,003.20	1,203.84	Crown Terrace		1,025.00	1,230.00
<b>On Street Resident Season Ticket</b>						
33.00	n/a	n/a	1st Permit		34.00	n/a
66.00	n/a	n/a	2nd Permit		68.00	n/a
16.00	n/a	n/a	Motorcycle permit		17.00	n/a
12.00	n/a	n/a	Contractor permit	per week	18.00	n/a
290.00	n/a	n/a	Business permit	per annum	300.00	n/a
10.00	n/a	n/a	Carers/ Special permits	admin charge (discretionary)	20.00	n/a
0.10	n/a	n/a	Vistors Vouchers	per hour	0.10	n/a
0.05	n/a	n/a		per hour pensioners	0.05	n/a
10.00	n/a	n/a	Charge for Temporary Dispensation from Parking Restrictions		11.00	n/a
<b>On Street Residents Parking Permits</b>						
50.00	n/a	n/a	Folly Island - 2nd Permit		51.50	n/a
<b>Elm Road Car Park</b>						
				up to 5 hrs	1.67	2.00
				5 hrs +	2.50	3.00
<b>Penalty Charges issued under Regulation 9 of the General Regulations.</b>						
<b>Higher Level Penalty Charge</b>						
35.00	n/a	n/a	Paid within 21 days		35.00	n/a
70.00	n/a	n/a	Paid after 21 days		70.00	n/a
105.00	n/a	n/a	Paid after service of charge certificate		105.00	n/a
<b>Lower Level Penalty Charge</b>						
25.00	n/a	n/a	Paid within 21 days		25.00	n/a
50.00	n/a	n/a	Paid after 21 days		50.00	n/a
75.00	n/a	n/a	Paid after service of charge certificate		75.00	n/a
<b>Penalty Charges issued under Regulation 10 of the General Regulations.</b>						
<b>Higher Level Penalty Charge</b>						
35.00	n/a	n/a	Paid within 21 days		35.00	n/a
70.00	n/a	n/a	Paid after 21 days		70.00	n/a
105.00	n/a	n/a	Paid after service of charge certificate		105.00	n/a
<b>Lower Level Penalty Charge</b>						
25.00	n/a	n/a	Paid within 21 days		25.00	n/a
50.00	n/a	n/a	Paid after 21 days		50.00	n/a
75.00	n/a	n/a	Paid after service of charge certificate		75.00	n/a
<b>Bus Passes</b>						
5.00	n/a	n/a	Replacement Bus Passes		n/a	n/a

## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>ANIMAL CONTROL</b>						
25.00	n/a	n/a	Stray dog with ID chip	**	25.00	n/a
25.00	n/a	n/a	Stray dog without ID chip	set by statute	25.00	n/a
21.00	n/a	n/a	Stray dog collected	admin charge	21.00	n/a
15.00	n/a	n/a	Kennel Charges	per night	15.00	n/a
17.02	20.00	20.42	ID chipping dogs (Ind)	per dog	17.50	21.00
8.51	10.00	10.21	ID chipping dogs (Campaign)	per dog	9.17	11.00
30.64	36.00	36.77	Small dead animal removal	per animal	30.83	37.00
25.53	30.00	30.64	Assistance to third party organisations	per hour	25.83	31.00
25.53	30.00	30.64	Provision of dog waste bag	per box 5000	25.83	31.00

\*\* unless first offence and dog is collected the same day

## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>REFUSE COLLECTION</b>						
<b>Commercial Refuse Collection</b>						
65.70	77.20	78.84	Paid Collections	medium	67.47	80.97
103.50	121.61	124.20	"	large	139.31	167.18
(Plus HCC disposal costs)						
<b>Mixed Hereditaments</b>						
charged according to the proportion of trade waste collected						
<b>Domestic Refuse Collection</b>						
22.50	n/a	n/a	Bulky items	up to 3 items	23.10	n/a
6.00	n/a	n/a	Additional items	per item	6.20	n/a
39.00	n/a	n/a	Paid Collections	small	40.10	n/a
57.60	n/a	n/a	"	medium	59.20	n/a
90.75	n/a	n/a	"	large	93.20	n/a
6.00	n/a	n/a	Bulky Collection Cancellation Fee	per collection	6.00	n/a
<b>Commercial Events</b>						
65.50	78.14	78.60	Cleansing / Refuse Collection	per hour	68.30	81.95
<b>Cleansing Private Land</b>						
21.00	24.68	25.20	Cleansing private land (Performance area - regular schedule)	per linear metre per annum	21.50	25.80
65.50	79.96	78.60	Ad - hoc litter picking	per hour	67.30	80.76
<b>Abandoned Vehicles (end of life vehicles) surrendered and removed by LA</b>						
37.87	44.50	45.44	Vehicle	per vehicle	37.92	45.50
57.02	67.00	68.42	Vehicle	per vehicle	57.50	69.00
			Caravan	per caravan		
<b>Clinical Waste</b>						
12.70	14.92	15.24	Charge per site	per visit (max 26)	13.00	15.60
6.80	7.99	8.16	Sharps containers	per container	7.00	8.40
4.10	4.82	4.92	Sacks - trade	per sack	4.20	5.04
0.60	n/a	n/a	Sacks - domestic	per sack	0.60	n/a

## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>COMMERCIAL WASTE</b>						
<b>Commercial Waste Collection Services</b>						
67.23	79.00	80.68	sacks	per 50	70.83	85.00
300.00	352.50	360.00	240 litres	per bin p.a.	330.00	396.00
353.00	414.78	423.60	340 litres	per bin p.a.	374.00	448.80
592.00	695.60	710.40	660 litres	per bin p.a.	631.00	757.20
680.00	799.00	816.00	1,100 litres	per bin p.a.	766.00	919.20
<b>Prescribed Waste Collection Service</b>						
45.80	53.81	54.96	Sacks	per 50	45.80	54.96
246.00	289.05	295.20	240 litres	per bin p.a.	271.00	325.20
273.68	321.57	328.42	340 litres	per bin p.a.	289.00	346.80
455.10	534.74	546.12	660 litres	per bin p.a.	485.00	582.00
488.93	574.49	586.72	1,100 litres	per bin p.a.	525.00	630.00
<b>Prescribed Waste for Educational Establishments</b>						
45.80	53.81	54.96	Sacks	per 50	45.80	54.96
233.70	274.60	280.44	240 litres	per bin p.a.	246.00	295.20
261.38	307.12	313.66	340 litres	per bin p.a.	275.00	330.00
426.40	501.02	511.68	660 litres	per bin p.a.	449.00	538.80
460.23	540.76	552.28	1,100 litres	per bin p.a.	485.00	582.00
Note: The above are 'ceiling' prices and subject to the discretion of the Head of Environmental Services						
<b>Allotments</b>						
3.00	n/a	n/a	Allotments	(per year)	per 25.3m <sup>2</sup>	3.10 n/a

## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>PEST CONTROL</b>						
<b>Commercial Premises</b>						
55.10	64.74	66.12	Rats & Mice	per hour or part hour	56.20	67.44
<b>OR</b>						
			Contract service available	per annum		
45.00	52.88	54.00	Wasps	one nest job	46.00	55.20
45.00	52.88	54.00	Ants	one nest job	46.00	55.20
16.00	18.80	19.20	Additional nests	per add. nest	16.00	19.20
55.00	64.63	66.00	Bed Bugs	per hour or part hour	56.00	67.20
55.00	64.63	66.00	Fleas	per hour or part hour	56.00	67.20
55.00	64.63	66.00	Cockroaches	per hour or part hour	56.00	67.20
55.00	64.63	66.00	Squirrels	per hour or part hour	56.00	67.20
55.00	64.63	66.00	Cluster Fly Infestation	per hour or part hour	56.00	67.20
55.00	64.63	66.00	Visit for Advice ONLY	per hour or part hour	56.00	67.20
<b>Domestic Premises *</b>						
17.02	20.00	20.42	Rats	# call out charge	18.33	22.00
42.13	49.50	50.56	Mice	per job	42.92	51.50
40.85	48.00	49.02	Wasps	one nest job	41.67	50.00
42.13	49.50	50.56	Ants	one nest job	42.92	51.50
15.66	18.40	18.79	Additional nests	per add. nest	15.83	19.00
			Cluster Fly Infestation	one job (up to 3 visits)		
53.87	63.30	64.64		from	55.00	66.00
			Bed Bugs	one job (up to 3 visits)		
152.34	179.00	182.81		from	155.00	186.00
55.32	65.00	66.38	Bed Bugs	additional visits	56.67	68.00
61.70	72.50	74.04	Squirrels	per job	62.50	75.00
45.11	53.00	54.13	Fleas	per hour	45.83	55.00
45.11	53.00	54.13	Cockroaches	per hour	45.83	55.00
21.70	25.50	26.04	Visit for Advice ONLY	per half hour	18.33	22.00
55.74	65.50	66.89	Return Visit Charge (rats & mice)	per job	56.67	68.00

\* Concession for residents in receipt of income related benefit - £10 per job, waived in cases of hardship at the discretion of the Head of Environmental Services

# A call out charge of £22 per job will be levied irrespective of whether rats are found. Customers in receipt of income related benefits will pay £10. This may be waived in cases of hardship at the discretion of the Head of Environmental Services. No charge is recoverable where rats are reported in public places.



## CUSTOMER & COMMUNITY SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>Markets - Hertford &amp; Bishop's Stortford</b>						
21.40	n/a	n/a	Standard pitch 10' x 7'	per pitch	21.80	n/a
25.50	n/a	n/a	Casual Trader pitch 10' x 7'	per pitch	26.00	n/a
1.20	n/a	n/a	Additional space	per sq ft	1.20	n/a
<b>Markets - Ware</b>						
13.80	n/a	n/a	Standard pitch 10' x 7'	per pitch	14.00	n/a
			Incentive for above	5 consecutive weeks - 5th week free		
15.30	n/a	n/a	Casual Trader pitch 10' x 7'	per pitch	15.60	n/a
1.20	n/a	n/a	Additional space	per sq ft	1.20	n/a
<b>Market Licence</b>						
102.00	n/a	n/a	Commercial		n/a	n/a
n/a	n/a	n/a	Commercial - up to 10 stalls		30.00	n/a
n/a	n/a	n/a	Commercial - up to 11 - 30 stalls		50.00	n/a
n/a	n/a	n/a	Commercial - up to 31plus stalls		104.00	n/a
10.70	n/a	n/a	Charity		21.00	n/a
<b>Farmers Markets</b>						
105.10	n/a	n/a	Village		107.00	n/a
19.40	n/a	n/a	Hertford (own stall)		19.80	n/a
26.50	n/a	n/a	Hertford (East Herts stall)		27.00	n/a
1,275.00	n/a	n/a	<b>Jackson Square</b>	per quarter	1,300.00	n/a

## CUSTOMER & COMMUNITY SERVICES

2010/11		DETAILS		UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>Freedom of Information Act 2000 / Environmental Information Regulations 2004 / Reuse of Public Sector Information Regulations 2005 / Data Protection Act 1998</b>						
<b>Freedom of Information / Data Protection</b>						
450.21	529.00	540.25	First 2.5 days free		450.21	540.25
25.00	29.38	30.00	After 2.5 days	+ per hour	25.00	30.00
<b>Environmental Information Regulations 2004</b>						
25.00	29.38	30.00	Staff time	per hour	25.00	30.00
<b>Reuse of Public Sector Information Regulations 2005</b>						
25.00	29.38	30.00	Staff time	per hour	25.00	30.00
Information that has a commercial value - a charge will be determined on a case-by-case basis						
<b>Freedom of Information / Environmental Information Regulations / Reuse of Public Sector Information Regulations</b>						
Charges for materials -						
0.10	0.12	0.12	Photocopying (black & white)	A4 sheet	0.10	0.12
0.20	0.24	0.24		A3 sheet	0.20	0.24
1.10	1.30	1.32		A0 sheet	1.10	1.32
0.20	0.24	0.24	Photocopying (colour)	A4 sheet	0.20	0.24
0.50	0.59	0.60		A3 sheet	0.50	0.60
1.70	2.00	2.04		A0 sheet	1.70	2.04
45.11	53.00	54.13	Printing (black & white)	per hour	45.11	54.13
45.11	53.00	54.13	Printing (colour)	per hour	45.11	54.13
24.68	29.00	29.62	CD's	per hour	24.68	29.62
(if information is held electronically)						
actual cost			Converting to electronic or microfiche		actual cost	
actual cost			Postage		actual cost	

## INTERNAL SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>Letting of Council Offices</b>						
30.00	n/a	n/a	Council Chamber - Hertford	per hour	30.00	n/a
30.00	35.25	36.00	Waytemore Room - B/Stortford	per hour	30.00	36.00
20.00	n/a	n/a	Other Rooms - Hertford	per hour	20.00	n/a
20.00	23.50	24.00	Other Rooms - Bishop's Stortford	per hour	20.00	24.00
<b>Revenues</b>						
40.00	n/a	n/a	Issue of Summons		40.00	n/a
40.00	n/a	n/a	Charge for Liability Order		40.00	n/a
<b>Miscellaneous Engineering Fees</b>						
free			Street parties (non-commercial)			
25.00	n/a	n/a	Sewer Records/Plans	per item	25.00	n/a
22.00	n/a	n/a	Neighbourhood Watch Sign	per sign	22.00	n/a
8.00	n/a	n/a	Dog Fouling Sign	per sign	8.00	n/a

## INTERNAL SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
<b>LAND CHARGES ( these are Statutory Charges)</b>						
<b>Local Land Charges</b>						
67.00	n/a	n/a	Registration of a charge in Part II of the register	per charge	67.00	n/a
2.50	n/a	n/a	Filing a definite certificate of the Lands Tribunal under rule 10 (3)	per certificate	2.50	n/a
7.00	n/a	n/a	Filing a judgement or order, or written request for the variation or cancellation of any entry in Part 11 of the register	per item	7.00	n/a
2.50	n/a	n/a	Inspection of documents filed in the register under rule 10, in respect of each parcel of land	per parcel of land	2.50	n/a
22.00	n/a	n/a	Personal search in the whole or any part of the register	per search	n/a	n/a
27.00	n/a	n/a	Personal Search inclusive of printout	for print out	5.00	n/a
1.00	n/a	n/a	Add in addition in respect of each parcel of land above one, where under rule 11 (3) the search extends to more than one parcel, subject to a maximum of £16.00	per additional search	n/a	n/a
2.00	n/a	n/a	Official search (including issue of official certificate of search) in:			
			(a) any one part of the register	per search	2.00	n/a
29.00	n/a	n/a	(b) the whole of the register	per search	21.00	n/a
1.00	n/a	n/a	And in addition, in respect of each parcel of land above one, where under rule 11 (3) more than one parcel is included in the same requisition (for a search in the whole or part of the register), subject to a maximum of £16.00	per additional search	1.00	n/a
1.50	n/a	n/a	Office copy of any entry in the register (not including a copy of any plan or document filed pursuant to the rules)	per copy	1.50	n/a
Various	n/a	n/a	Office copy of any plan or other document filed pursuant to the rules	per copy	Various	n/a

## INTERNAL SERVICES

2010/11			DETAILS	UNIT OF CHARGE	2011/12	
Exc. VAT £	Inc. VAT 17.50% £	Inc. VAT 20% £			Exc. VAT £	Inc. VAT 20% £
These fees are statutory charges						
<b>Answering form of enquiry</b>						
<b>Part I Enquiries -</b>						
These fees are non statutory charges						
One parcel of land						
101.00	n/a	n/a	- Residential / Commercial	per enquiry	66.00	n/a
			- Commercial			
20.00	n/a	n/a	each additional parcel	per enquiry	20.00	n/a
n/a	n/a	n/a	NLIS Residential	per enquiry	n/a	n/a
n/a	n/a	n/a	NLIS Commercial	per enquiry	n/a	n/a
<b>Part II Enquiries</b>						
Where relating to one parcel of land only or to several parcels and delivered on a single form -						
Each printed enquiry						
12.00	n/a	n/a	numbered in the form	per enquiry	10.00	n/a
25.00	n/a	n/a	Any and each further enquiry added by solicitors	per enquiry	25.00	n/a
15.40+	n/a	n/a	Abstract of Title		15.40+	n/a
21p	n/a	n/a			21p	n/a
per sheet copied					per sheet copied	
<b>LEGAL CHARGES</b>						
90.00	105.75	108.00	Notice of Transfer	per hour	100.00	120.00
90.00	105.75	108.00	Deed of Variation	per hour	100.00	120.00
90.00	105.75	108.00	Deed of Covenant Copy	per hour	100.00	120.00
90.00	105.75	108.00	" Engrossment	per hour	100.00	120.00
90.00	105.75	108.00	Postponement of Charge	per hour	100.00	120.00
90.00	105.75	108.00	Litigation, Conveyancing and Planning matters	per hour	100.00	120.00
100.00	n/a	n/a	Sale of Council Minutes	per civic year	100.00	n/a
20.00 + 1.50	n/a	n/a	Extract of Electoral Register	data	20.00 + 1.50	n/a
per thousand entries or part			Fee for sale of the Register		per thousand entries or part	
10.00 + 5.00	n/a	n/a		printed	10.00 + 5.00	n/a
per thousand entries or part					per thousand entries or part	
20.00 + 1.50	n/a	n/a	Fee for sale of the list of Overseas Electors	data	20.00 + 1.50	n/a
per hundred entries or part					per hundred entries or part	
10.00 + 5.00	n/a	n/a		printed	10.00 + 5.00	n/a
per hundred entries or part					per hundred entries or part	

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EAST HERTS COUNCIL

JOINT SCRUTINY COMMITTEE – 18 JANUARY 2011

EXECUTIVE – 8 FEBRUARY 2011

REPORT BY EXECUTIVE MEMBER FOR RESOURCES AND INTERNAL SERVICES

SERVICE ESTIMATES – REVENUE BUDGET PROBABLE 2010/11 – ESTIMATES 2011/12

WARD(S) AFFECTED: ALL

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### **Purpose/Summary of Report**

- The report deals with the revenue estimate process which will conclude at the Council meeting on 2 March 2011 when a formal resolution setting the 2011/12 Council Tax will be approved.

<b><u>RECOMMENDATION FOR DECISION BY JOINT SCRUTINY COMMITTEE:</u> that</b>
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<b>the Committee make such comments and recommendations to the Executive as the Committee determine.</b>
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<b><u>RECOMMENDATIONS FOR DECISION BY EXECUTIVE :</u> That:</b>
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<b>(A)</b>	<b>any comments made by Joint Scrutiny Committee on the 18 January 2011 be considered; and</b>
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<b>(B)</b>	<b>the probable Revenue Estimates for 2010/11 and the draft Revenue Estimates for 2011/12 be recommended to Council.</b>
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1.0 Background

- 1.1 The process and timetable for the preparation and presentation of the Council's Revenue Estimates aimed to ensure appropriate consultation with Officers and Members as well as linkages with the Council's service planning process.
  - 1.2 The Strategy to be adopted in preparing the 2011/12 Estimates was set by the Executive at its meeting on 7 September 2010. This included the emergency budget decision that identified savings of over £1.1m.
  - 1.3 The budget process links service demand with the Council's Priorities and the Community Strategy using an integrated service planning and financial management framework. This year's process included further challenge day sessions in order to consider service enhancements and proposals for efficiency savings in line with targets set. The consolidated report sets out proposals for enhancements and efficiency savings.
- 2.0 Report
- 2.1 The summarised estimates in respect of all General Fund Services are attached at **Essential Reference Paper B1**. The Director of Internal Services and his team have been available to advise Directors on the contents of their budgets.
  - 2.2 Price Levels
  - 2.3 The Probable Estimates for 2010/11 are based on actual payments to date plus anticipated expenditure to the end of the financial year.
  - 2.4 The Estimates for 2011/12 are the projected outturns including anticipated inflation.
  - 2.5 The Salary estimates for 2011/12 include the following:
    - A nil pay award.
    - An assumption that vacancies arising from turnover will produce savings equating to 3% of the total pay bill across virtually all cost centres.
    - Increments and 5% supplements as appropriate;
    - The financial effects of any job evaluations.



2.6 Income Estimates do not yet reflect increases in fees and charges in line with the recommendations included elsewhere on the Agenda.

2.7 Recharges of Divisional and Support Costs

2.8 In line with the strategy this year Estimates presented do not show recharges of Divisional and Support costs.

2.9 Comments on the Estimates presented

Budgets excluding capital financing costs

2.10 Overall the Probable Estimates for services, show a circa £1,156k favourable variance from the Original 2010/11 Estimate (excluding capital financing costs). The use of earmarked reserves for the Local Development Framework £100k and the House Condition Survey £10k will not be required. However, £10k will be required from the Legal Reserve.

2.11 The 2011/12 Estimate shows a decrease of £2,746k over the 2010/11 Estimate. The use of earmarked reserves of £182k is included in the 2011/12 Estimate.

2.12 Efficiency Savings from the Emergency Budget in September have been incorporated into these estimates. Members are currently being consulted regarding further efficiency savings.

Capital Financing Costs

2.13 These costs represent the depreciation charge for assets. Where external funding has been received towards capital expenditure, this is credited to the service in a likewise approach. Capital financing costs do not flow through to net expenditure used to determine the council tax. Capital financing costs decrease from £4,779k in 2010/11 to £4,442K in 2011/12. The summarised estimates in respect of all Capital Financing Costs are attached at **Essential Reference Paper 'B2'**.

Service Estimates

2.14 The following comments aim to provide Members with an insight into the significant underlying movements within the service budgets that support the Estimates presented.

- 3.0 Chief Executive Division
- 3.1 Chief Executive and Corporate Support Team
- 3.2 *Probable/Estimate-* Staffing efficiencies of circa £50k have been achieved.
- 3.3 Strategic Direction
- 3.4 *Probable-*A saving of £14k is forecast as a result of the Government's decision not to undertake the Place Survey.
- 4.0 Neighbourhood Services
- 4.1 Planning and Building Control Services
- 4.2 Development Plans Section
- 4.3 *Probable/Estimate-* The Council has seen a loss of Government funding as a result of its spending review from the Planning and Housing Delivery grant of £20k in this service.  
*Estimate-* Staffing efficiency savings of £12k have been achieved.
- 4.4 Building Control Section
- 4.5 *Probable-* There has been no turnover of staff within this section resulting in an increase of £27k in the Probable estimate.
- 4.6 Development Control Section
- 4.7 *Probable* – The Council has seen a loss of Government funding as a result of its spending review from the Planning and Housing Delivery grant of £61k in this service.
- 4.8 Development Plans Service
- 4.9 *Probable/Estimate-* The first examination of the Local Plan is in two years time, but there is still preparation and on going work required before this is produced. The call on the Reserve is reduced by £100k in 2010/11 and £40k in 2011/12. The programme for the Local Development Framework and consultancy involves fluctuating work patterns. These are being managed to produce a more efficient budget profile. Thus, reflecting a saving of £70k in 2010/11 and £50k in 2011/12.

- 4.10 Development Control Service
- 4.11 *Probable/Estimate*- The Council has seen a loss of Government funding as a result of its spending review from the Planning and Housing Delivery grant of £85k in this service.
- 4.12 Health and Housing Service
- 4.13 *Probable/Estimate*- Staffing efficiencies have resulted in a reduction in the 2010/11 Probable and 2011/12 Estimate of over £50k and £35k respectively from the Original 2010/11 Estimate.
- 4.14 Private Sector Housing Grants
- 4.15 *Probable*- A repayment of a previously awarded Council grant from house holders of £24k has resulted in a windfall sum being received.
- 4.16 Other Housing
- 4.17 *Probable/Estimate*- The use of the Housing Survey Reserve of £13k will not be required.
- 4.18 Housing Options
- 4.19 *Estimate*- There is additional grant funding of £20k for the private tenant rent deposit scheme.
- 4.20 Thele Hostel
- 4.21 *Probable*- Executive on the 7 September approved a supplementary estimate of £15k to cover maintenance costs until the property is sold.
- 4.22 Hillcrest Hostel
- 4.23 *Probable*- Greater occupancy levels and the collection of Hostel tenants rents are a circa net £22k higher than estimated for.
- 4.24 Licensing and Community Safety Services
- 4.25 Emergency Planning

*Probable*- This cost centre shows a reduction in spending requirements of £7k.

## 5.0 Customer and Community Services

### 5.1 Public Conveniences

5.2 *Probable*- The budget in 2010/11 was understated by a double counting of planned savings of £29k. In addition public conveniences have remained open in three towns, there being no suitable private sector provider, at a cost of £34k.

### 5.3 Refuse, Recycling and Street Cleansing contract

5.4 *Estimate*- With effect from the 1 May 2011 the Council has awarded a new contract to cover the above services. The impact of this has resulted in a circa £1.031m overall saving estimate to estimate. These savings are reflected in a number of cost centres including markets and car parks.

### 5.5 Domestic Refuse Collection

5.6 *Probable*- A saving on the Refuse contract of £105k is forecast because of less than expected ad hoc work. This is coupled with the Council's decision to defer replacement bin charging resulting in a £50k adverse variance.

### 5.7 Commercial Refuse Collection/Clinical Waste Collection

5.8 *Probable*- The Commercial and Clinical Waste Collection services show a net favourable position of £19k and £12k respectively as a result of additional income being generated which in part is off set by corresponding additional expenditure.

### 5.9 Recycling

5.10 *Probable*-

- The Recycling Service shows a net £980k favourable position between Estimate and Probable. This is due to the following:-
- A £21k under spend on Alternate Refuse Collection advertising due to the success of ARC and there is less need to undertake publicity to address public concerns.
- A £94k under spend on Recycling Kerbside Green Waste collections as the scheme will not be expanded to include flats until the new contract is let in May 2011.

- A £20k under spend associated with Plastic Recycling Banks.
- A net favourable position of £208k will be achieved on Kerbside Dry Recyclables.
- The latest estimate of the sum to be received from Herts County Council under the Alternate Financial Model is £620k more than the original estimate.
- Other minor net savings contribute £17k to the under spend

#### 5.11 Parks and Open Spaces

*Probable-* The Grounds Maintenance budget is estimated to over spend by £36k due to higher levels of inflation (RPI) than estimated. This is off set by £20k of additional income such as advertising on roundabouts and within the service level agreement with the Countryside Management Scheme there is a saving of £8k.

#### 5.12 Buntingford Service Centre

5.13 *Probable-* The Service Centre Material Handling budget included a provision for material sorting equipment. The provision of equipment was suspended following a Member review pending the letting of the new contract. This has resulted a saving of £36k. There is also a saving on the electricity budget of £7k.

#### 5.14 Community and Cultural Services

#### 5.15 Community Projects Team

5.16 *Probable/Estimate-* Staffing efficiencies of circa £31k have been achieved.

#### 5.17 Community Planning

5.18 *Estimate-* The 2010/11 estimate included a one off special item of £60k under the Local Strategic Partnership banner. This sum was funded externally by Herts County Council.

#### 5.19 Concessionary Transport

5.20 *Probable-* There is an estimated saving of £48k on travel permits. *Estimate-* From 2011/12 this service will be operated by Herts County Council. Although there is an apparent saving it is anticipated that there will be a corresponding reduction in the Council's Revenue Support Grant.

5.21 Economic Development Section

5.22 *Probable*- A £20k virement from the Economic Development Service was enacted to support staffing costs.

5.23 Community Projects

5.24 *Estimate*- As a result of the emergency budget the budget has been reduced by £8k.

5.25 Economic Development Service

5.26 *Probable/Estimate*- The Government's spending review has resulted in a loss of £50k Local Authority Business Growth Incentives grant. The Probable has had £20k vired to support salary costs in the Economic Development Section, coupled with a reduction in spending of £20k.

5.27 Leisure Provision

5.28 *Probable* -  
*Estimate*-The Council's capital leisure investment will result in a reduced management fee and overall reduction in costs of £277k.

5.29 Hertford Theatre

5.30 *Estimate*- The capital investment and initiatives undertaken will see an increase in income giving an overall net saving of £72k.

5.31 Customer and New Media Services

5.32 Car Parks

5.33 *Probable*- The Probable Estimate reflects an adverse variance from the Original 2010/11 Estimate of £433k. This is explained by the following:-

- The Council has a 24 month rent free period on the lease of the Causeway Car Park. The Council is required to account for this across the 35 year lease resulting in a lease cost of £222k a year. This charge will reverse on termination of the lease.
- Car Park use is below forecast resulting in 5.5% less Pay and Display income to year end of £150k.

- There is a loss of income in Pay and Display of £19k due to the increase in VAT to 20% from 4 January 2011.
- The net impact of not implementing Sunday and Bank Holiday car park Pay and Display charging is circa £35k. This decision also applies to Penalty Charge Notices with an adverse consequence of £10k.
- Due to the timing of the Gascoyne Way refurbishment works, car washing income of £5k has not materialised.
- A rent review on Baldock Street car park will increase the charge by £9k.
- The decision not to provide free car parking at Christmas will generate £17k of additional income.

*Estimate*- There is an adverse variance from Estimate to Estimate of £467k explained by the following:-

- There is an increase in reimbursement to Sainsbury's of £36k as more customers claim the reimbursement.
- The Council has a 24 month rent free period on the lease of the Causeway Car Park. The Council is required to account for this across the 35 year lease resulting in a lease cost of £222k a year. This charge will reverse on termination of the lease.
- Car Park use is below forecast resulting in 5.5% less Pay and Display income to year end of £150k.
- The net impact of not implementing Sunday and Bank Holiday car park Pay and Display charging is circa £35k. This decision also applies to Penalty Charge Notices with an adverse consequence of £10k.
- Increases in the National Non Domestic Rate of £27k.
- Contractor payments for parking enforcement have increased by £59k as a result an increase in the RPIX.
- The decision not to provide free car parking at Christmas will generate £17k of additional income.
- The purchase of Apton Road and Baldock Street car parks from Herts County Council will result in a rental stream saving of £55k.

## 6.00 Internal Services

### 6.01 Programme Director

6.02 *Estimate*-This sum represents the remaining months of a three year contract, which has been funded from reserves.

6.03 People and Organisational Services

6.04 *Probable*- Includes an agreed £10k carry forward request from 2009/10.

*Estimate*- A reduction of £9k in the Corporate Training budget is as a result of staffing efficiencies being achieved.

6.05 Business Support Services

6.06 Head of Business Support Services

6.07 *Probable*- There is budget reduction of £20k due to long term sickness.

6.08 IT Services

6.09 *Probable* – A review of IT Licences third party contract payments has resulted in a reduction on the Original Estimate of £34k.

*Estimate* – Staffing efficiencies of £176k expected on completion of C3W.

6.10 Facilities and Property

6.11 *Probable/Estimate*- Engineering and Transport reflects a reduction in income of circa £18k as work from the Environment Agency is not expected, as has occurred in previous years, due to the economic climate.

6.12 *Estimate*- The expected transfer of staff from the Causeway building to Wallfields mid 2011/12 will result in a net saving of circa £115k.

6.13 Business Solutions

6.14 *Probable/Estimate*- Efficiency savings of £56k planned to be made in 2010/11 from increased turnover within the Printing, Desk Top Publishing and Microfilming services have not been achieved and have therefore been rolled forward to be identified in 2011/12.

6.15 Revenues and Benefits Service

*Probable/Estimate*- As a result in the economic downturn the Housing Benefit service has seen an increase in caseload and a corresponding increase in the sums paid to claimants. The



majority of the costs are reimbursed by Government grant, but not all. The Government spending review has resulted in a £24k loss of admin subsidy in 2010/11 and £33k in 2011/12. The increased caseload has generated a higher level of overpayments, thus generating a higher level of recovery of those overpayments, therefore giving a favourable increase of £350k. Efficiency savings (if taken) of £100k have yet to be incorporated into the 2011/12 Estimate.

Efficiency staffing savings of £90k are anticipated in 2011/12.

6.16 Financial Support Services

6.17 Accountancy and Asset Management

6.18 *Probable/Estimates*- Staffing efficiencies as a consequence of C3W will generate savings of circa £43k estimate to estimate. In Asset Management the savings although anticipated in 2010/11 will not transpire until 2011/12 upon completion of the C3W programme.

6.19 Miscellaneous Properties

6.20 *Probable*- A receipt of £50k has been received for the disruption caused upon the sale of land at Hartham to a supermarket.

6.21 Democratic and Legal Support Services

6.22 Democratic, Land Charges and Legal Services

6.23 *Estimate*- Staffing efficiency savings have been made across the service totalling over £100k.

6.24 Elections

6.25 *Probable*- The resignation of two Councillors has resulted in the need to conduct two by-elections costing circa £16k.

*Estimate*- Full District Council elections are to be held in May which is estimated to cost £100k of which £75k will be funded from reserves.

6.26 Land Charges Service

6.27 *Probable*- Land Charges income is expected to exceed the original estimate by a net £20k.

## 6.28 Other Services

### 6.29 *Probable-*

- *Corporate and Democratic Core*-There is an under spend of £48k on Members Allowances due to one less Executive Member and the review of allowances. This is coupled with a decrease in External Audit costs of £33k due to the costs of the Auditor being less than budgeted for, the demise of the Audit Commission and a refund from the AC relating to the implementation of International Financial Reporting Standards.
- *Other Expenses*- To balance the 2010/11 budget £23k of management actions to mitigate pressures were required to equalise the budget. This has been found via the underspend recognised in the salaries reported through the monthly Healthcheck report.
- Pathfinder costs are less than budgeted for circa £2k.
- Revenue Performance Reward Grant of £51k, subject to the Department for Communities and Local Government accepting the Local Strategic Partnership claim, will be made at the end of the financial year.

### *Estimate-*

- It is not envisaged that a balancing mitigating actions sum will be required for the 2011/12 Budget. This equates to an increase of £23k over the 2010/11 Original Estimate.

## 7.0 Implications/Consultations

7.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

## Background Papers

None

Contact Member: Councillor M Tindale – Executive Member for Resources and Internal Services

Contact Officer: Alan Madin – Director of Internal Services – Contact Tel Ext No 1401

Report Author: Mick O'Connor– Principal Accountant

## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):</p>	<p><b>Promoting prosperity and well-being; providing access and opportunities</b>  <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Fit for purpose, services fit for you</b>  <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p><b>Pride in East Herts</b>  <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Caring about what's built and where</b>  <i>Care for and improve our natural and built environment.</i></p> <p><b>Shaping now, shaping the future</b>  <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p><b>Leading the way, working together</b>  <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
Consultation:	Not Applicable
Legal:	None
Financial:	See body of report
Human Resource:	None
Risk Management:	As outlined in the report

**ALL DIVISIONS****Essential Reference Paper B1**

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
<b>SUMMARY OF ESTIMATES</b>				
SERVICE				
CHIEF EXECUTIVE	711,204	724,875	643,080	669,840
NEIGHBOURHOOD SERVICES	2,888,594	3,378,340	3,264,790	3,369,690
CUSTOMER & COMMUNITY SERVICES	8,864,591	8,653,730	8,131,500	6,378,720
INTERNAL SERVICES	5,879,439	6,320,916	5,879,820	5,910,820
Capital Salaries	-132,400	-188,500	-186,000	-186,000
NET EXPENDITURE	<u>18,211,428</u>	<u>18,889,361</u>	<u>17,733,190</u>	<u>16,143,070</u>

## CHIEF EXECUTIVE

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF CHIEF EXECUTIVE ESTIMATES

CE1	Chief Executive & Corp Support Team	270,572	271,655	217,180	218,460
CE2	Strategic Direction	440,632	453,220	425,900	451,380
	<b>NET EXPENDITURE</b>	<u>711,204</u>	<u>724,875</u>	<u>643,080</u>	<u>669,840</u>

## NEIGHBOURHOOD SERVICES

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF ESTIMATES

#### SERVICE

NS1	Director of Neighbourhood Services	119,844	125,370	124,190	125,090
NS2	Planning & Building Control	846,903	1,156,660	1,196,450	1,239,010
NS3	Health & Housing	1,668,800	1,811,200	1,685,250	1,718,710
NS4	Licensing & Community Safety	253,047	285,110	258,900	286,880
	<b>NET EXPENDITURE</b>	<u>2,888,594</u>	<u>3,378,340</u>	<u>3,264,790</u>	<u>3,369,690</u>

**NEIGHBOURHOOD SERVICES**

NS2

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF PLANNING & BUILDING CONTROL ESTIMATES**

## SERVICE

NSP1	Development Plans	232,775	242,620	270,120	251,000
NSP2	Building Control Section	677,283	665,580	690,670	680,250
NSP3	Development Control Section	1,177,808	1,240,460	1,314,310	1,308,670
NSP4	Conservation Section	72,736	83,000	88,250	88,390
NSP5	Development Plans Service	34,146	231,300	61,600	141,600
NSP6	Building Control Service	-570,964	-604,500	-610,500	-610,500
NSP7	Development Control Service	-777,881	-703,800	-619,000	-622,400
NSP8	Conservation Service	1,000	2,000	1,000	2,000
	<b>NET EXPENDITURE</b>	<b>846,903</b>	<b>1,156,660</b>	<b>1,196,450</b>	<b>1,239,010</b>



# NEIGHBOURHOOD SERVICES

NS3

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £	
<b>SUMMARY OF HEALTH &amp; HOUSING ESTIMATES</b>					
SERVICE					
NSH1	Environmental Health	1,020,300	1,068,630	1,010,020	1,035,840
NSH2	Private Sector Housing Grants	-21,697	0	-23,700	0
NSH2	Houses in Multiple Occupation	-11,110	-630	0	0
NSH2	Landlord Forum	438	500	500	500
NSH3	Env Health Licences	-12,861	-13,200	-11,200	-12,800
NSH3	Sampling	1,758	1,820	900	1,820
NSH4	Food & Health Safety	3,851	3,840	2,980	3,840
NSH5	Environmental Health Promotions	50,420	53,170	53,790	53,590
NSH6	Environmental Pollution	20,191	27,080	26,200	27,400
NSH8	Housing Options Section	339,523	362,490	355,320	370,170
NSH9	Housing Strategy	59,495	69,170	56,750	68,720
NSH10	Private Sector Housing	3	50	50	50
NSH10	Other Housing	54,290	22,000	7,200	8,200
NSH11	Piper Lifelines - Private	2,447	0	0	0
NSH12	Enabling	65,640	68,980	68,980	63,980
NSH13	Housing Options	111,846	139,380	132,080	112,080
NSH14	Thele Hostel	4,576	0	20,060	0
NSH15	Hillcrest Hostel	-20,310	7,920	-14,680	-14,680
	<b>NET EXPENDITURE</b>	<b>1,668,800</b>	<b>1,811,200</b>	<b>1,685,250</b>	<b>1,718,710</b>

# NEIGHBOURHOOD SERVICES

NS4

2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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## SUMMARY OF LICENSING & COMMUNITY SAFETY ESTIMATES

### SERVICE

NSL1	Community Protection	280,074	309,790	282,010	305,930
NSL2	Hackney Carriages	-104,072	-108,490	-101,570	-104,900
NSL3	Gambling & Other Licensing	-19,740	-16,000	-16,000	-16,000
NSL4	Alcohol & Entertainment Licensing	-109,514	-108,000	-108,000	-108,000
NSL5	Emergency Planning	18,178	32,070	25,680	32,000
NSL6	Community Safety Section	36,852	39,110	40,380	42,230
NSL7	Safer Stronger Communities	-30,199	1,390	0	0
NSL8	Community Safety - BCU	-3,337	0	0	0
NSL9	Community Safety Projects	-1,156	0	0	0
NSL10	Community Safety Service	185,961	135,240	136,400	135,620
	<b>NET EXPENDITURE</b>	<u>253,047</u>	<u>285,110</u>	<u>258,900</u>	<u>286,880</u>

## CUSTOMER & COMMUNITY SERVICES

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF ESTIMATES

#### SERVICE

CC1	Director of Customer & Community	104,335	103,740	105,430	106,120
CC2	Environmental Services	6,595,453	7,145,660	6,093,250	5,701,590
CC3	Community & Cultural Services	3,272,977	2,566,600	2,646,180	1,269,410
CC4	Customer Services & New Media	-1,108,174	-1,162,270	-713,360	-698,400
	NET EXPENDITURE	<u>8,864,591</u>	<u>8,653,730</u>	<u>8,131,500</u>	<u>6,378,720</u>

**CUSTOMER & COMMUNITY SERVICES**

CC2

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £	
<b>SUMMARY OF ENVIRONMENTAL SERVICES ESTIMATES</b>					
SERVICE					
CCE1	Environmental Services	1,037,001	1,032,560	1,040,550	1,056,590
CCE2	Allotments	-338	100	60	150
CCE3	Playgrounds	123,671	118,450	121,050	115,900
CCE4	Public Conveniences	127,979	38,710	102,290	91,730
CCE5	Refuse Collection - Domestic	2,612,677	2,538,550	2,482,000	1,208,050
CCE6	Refuse Collection - Commerical	-184,354	-117,600	-136,200	-99,350
CCE7	Clinical Waste	0	-29,820	-41,800	-16,300
CCE8	Street Cleansing & Litter Control	967,350	1,010,550	990,630	1,001,580
CCE9	Recycling	596,990	1,150,760	170,640	804,150
CCE10	Parks & Open Spaces	939,193	968,580	976,920	1,063,760
CCE11	Buntingford Service Centre	174,520	222,020	178,750	264,280
CCE12	Animal Control	37,646	29,430	27,810	31,960
CCE13	Pest Control	51,872	52,260	50,530	54,360
CCE14	Environmental Co-Ordination Section	53,986	54,870	56,930	55,610
CCE15	Herts Environmental Forum	-560	-1,140	-640	-660
CCE16	Environmental Co-Ordination Service	47,840	49,150	49,150	41,550
CCE17	Customer & Community Admin	9,980	28,230	24,580	28,230
	<b>NET EXPENDITURE</b>	<b>6,595,453</b>	<b>7,145,660</b>	<b>6,093,250</b>	<b>5,701,590</b>

## CUSTOMER & COMMUNITY SERVICES

CC3

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF COMMUNITY & CULTURAL ESTIMATES

#### SERVICE

CCC1	Head of Community Planning	77,752	78,850	80,650	79,080
CCC2	Community Projects Team	183,362	186,790	170,740	155,720
CCC3	CABs	179,000	129,000	129,000	129,000
CCC4	MOWs	124,944	64,160	131,150	61,050
CCC5	Community Planning	21,898	81,080	81,080	20,600
CCC6	Concessionary Transport	813,012	838,230	789,550	0
CCC7	Transportation	87,800	86,650	86,650	86,650
CCC8	Economic Development Section	108,737	91,040	119,280	91,220
CCC9	Markets	19,591	17,270	23,050	-23,770
CCC10	Community Projects	61,348	64,140	62,320	55,650
CCC11	Big Lottery	0	2,000	0	0
CCC12	Tourism	1,234	3,630	3,440	3,190
CCC13	Economic Development	102,959	83,600	93,850	120,050
CCC16	Leisure Services	45,954	47,040	48,210	46,970
CCC17	Leisure Development	1,374	2,220	2,220	2,220
CCC18	Leisure Provision	1,093,776	361,420	395,460	84,050
CCC19	Hertford Theatre	313,723	392,000	392,050	320,250
CCC20	Revenue Contributions & Grants to Voluntary Bodies	36,513	37,480	37,480	37,480
	<b>NET EXPENDITURE</b>	<u>3,272,977</u>	<u>2,566,600</u>	<u>2,646,180</u>	<u>1,269,410</u>

**CUSTOMER & COMMUNITY SERVICES**

CC4

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF CUSTOMER SERVICES & NEW MEDIA ESTIMATES**

## SERVICE

CCS1	Head of Customer Relations	123,035	126,300	132,810	133,260
CCS2	External Customer Services	405,208	425,700	415,510	395,620
CCS3	Web Team	97,200	99,680	101,700	100,950
CCS4	Information Management	25,101	26,200	26,530	25,880
CCS5	Car Parking Section	327,892	332,870	350,290	352,360
CCS6/13	Car Parking Service	-2,086,610	-2,173,020	-1,740,200	-1,706,470
	NET EXPENDITURE	<u>-1,108,174</u>	<u>-1,162,270</u>	<u>-713,360</u>	<u>-698,400</u>

## INTERNAL SERVICES

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF ESTIMATES

#### SERVICE

IS1	Director of Internal Services	136,663	147,140	147,460	147,990
IS2	Programme Director	97,504	101,730	102,630	32,290
IS3	People & Organisational Services	361,812	334,360	357,840	337,220
IS4	Internal Audit & Business Improvement	309,942	333,800	332,150	336,980
IS5	Business Support Services	3,042,126	3,102,540	3,142,960	2,865,450
IS6	Revenues & Benefits	216,417	487,950	180,530	475,740
IS7	Financial Support Services	140,409	197,590	135,670	143,260
IS8	Democratic & Legal Support Services	556,742	609,520	585,470	600,250
IS9	Other	1,017,824	1,006,286	895,110	971,640
	<b>NET EXPENDITURE</b>	<b>5,879,439</b>	<b>6,320,916</b>	<b>5,879,820</b>	<b>5,910,820</b>

**INTERNAL SERVICES**

IS4

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF INTERNAL AUDIT & BUSINESS IMPROVEMENT ESTIMATES**

ISA1	Internal Audit	135,365	152,370	157,580	155,680
ISA2	Procurement	68,193	74,720	65,840	74,670
ISA3	Risk Assurance	106,384	106,710	108,730	106,630
	<b>NET EXPENDITURE</b>	<u>309,942</u>	<u>333,800</u>	<u>332,150</u>	<u>336,980</u>



**INTERNAL SERVICES**

IS5

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF BUSINESS SUPPORT SERVICES ESTIMATES**

ISB1	Head of Business Support Services	76,512	79,250	59,510	79,150
ISB2	IT Services	1,191,167	1,328,060	1,309,220	1,182,010
ISB3	Facilities and Property	1,774,447	1,695,230	1,774,230	1,604,290
	<b>NET EXPENDITURE</b>	<u>3,042,126</u>	<u>3,102,540</u>	<u>3,142,960</u>	<u>2,865,450</u>

**INTERNAL SERVICES**

IS6

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF REVENUES & BENEFITS ESTIMATES**

## SERVICE

ISR1	Revenues & HB Section	1,294,927	1,360,710	1,383,390	1,271,570
ISR2	Benefits Service	-1,078,510	-872,760	-1,202,860	-795,830
	NET EXPENDITURE	<u>216,417</u>	<u>487,950</u>	<u>180,530</u>	<u>475,740</u>

**INTERNAL SERVICES**

IS7

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF FINANCIAL SUPPORT ESTIMATES**

ISF1	Accountancy	518,475	530,660	516,910	489,380
ISF2	Asset Management	167,753	155,320	172,320	153,990
ISF3	Misc Properties	-545,819	-488,390	-553,560	-500,110
	<b>NET EXPENDITURE</b>	<u>140,409</u>	<u>197,590</u>	<u>135,670</u>	<u>143,260</u>

**INTERNAL SERVICES**

IS8

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF DEMOCRATIC & LEGAL SUPPORT SERVICES ESTIMATES**

SERVICE					
ISD1	Democratic Services	321,125	329,600	332,950	258,000
ISD2	Land Charges & LLPG	148,557	142,330	130,570	129,740
ISD3	Legal Services	325,706	305,900	291,330	283,390
ISD4	Burials	4,018	3,200	1,000	1,000
ISD5	Elections	50,909	55,500	71,500	151,000
ISD6	Land Charges Service	-300,264	-224,530	-241,880	-222,880
ISD7	Street Naming	6,691	-2,480	0	0
	<b>NET EXPENDITURE</b>	<u>556,742</u>	<u>609,520</u>	<u>585,470</u>	<u>600,250</u>

**INTERNAL SERVICES**

IS9

2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF OTHER ESTIMATES**

## SERVICE

ISO1	Corporate & Democratic Core	911,638	924,010	844,420	868,780
ISO2	Other Expenses	106,186	82,276	50,690	102,860
	<b>NET EXPENDITURE</b>	<u>1,017,824</u>	<u>1,006,286</u>	<u>895,110</u>	<u>971,640</u>

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**ALL DIVISIONS****Essential Reference Paper B2**

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
<b>SUMMARY OF ESTIMATES</b>				
SERVICE				
CHIEF EXECUTIVE	17,897	22,680	18,490	22,490
NEIGHBOURHOOD SERVICES	824,624	2,352,590	1,071,800	1,737,310
CUSTOMER & COMMUNITY SERVICES	7,176,158	1,823,180	1,628,910	2,016,310
INTERNAL SERVICES	500,574	580,980	651,170	665,680
NET EXPENDITURE	<u>8,519,253</u>	<u>4,779,430</u>	<u>3,370,370</u>	<u>4,441,790</u>

## CHIEF EXECUTIVE

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF CHIEF EXECUTIVE ESTIMATES

CE1	Chief Executive & Corp Support Team	12,758	16,940	12,680	16,530
CE2	Strategic Direction	5,139	5,740	5,810	5,960
	NET EXPENDITURE	<u>17,897</u>	<u>22,680</u>	<u>18,490</u>	<u>22,490</u>



## NEIGHBOURHOOD SERVICES

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF ESTIMATES

#### SERVICE

NS1	Director of Neighbourhood Services	44,004	65,030	40,310	50,010
NS2	Planning & Building Control	101,303	110,360	92,060	114,240
NS3	Health & Housing	628,581	2,125,550	879,540	1,511,060
NS4	Licensing & Community Safety	50,736	51,650	59,890	62,000
	<b>NET EXPENDITURE</b>	<u>824,624</u>	<u>2,352,590</u>	<u>1,071,800</u>	<u>1,737,310</u>

**NEIGHBOURHOOD SERVICES**

NS2

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF PLANNING & BUILDING CONTROL ESTIMATES**

## SERVICE

NSP1	Development Plans	8,196	8,000	9,370	9,400
NSP2	Building Control Section	15,791	25,250	15,100	14,070
NSP3	Development Control Section	37,187	43,950	36,310	33,250
NSP4	Conservation Section	1,100	1,300	1,280	1,320
NSP7	Development Control Service	-4,726	-3,140	0	0
NSP8	Conservation Service	43,755	35,000	30,000	56,200
	<b>NET EXPENDITURE</b>	<u>101,303</u>	<u>110,360</u>	<u>92,060</u>	<u>114,240</u>

## NEIGHBOURHOOD SERVICES

NS3

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £	
<b>SUMMARY OF HEALTH &amp; HOUSING ESTIMATES</b>					
SERVICE					
NSH1	Environmental Health	25,733	37,130	23,650	24,600
NSH2	Private Sector Housing Grants	465,699	680,400	595,400	726,400
NSH5	Environmental Health Promotions	600	640	640	660
NSH6	Environmental Pollution	2,100	2,300	2,260	0
NSH8	Housing Options Section	8,863	15,230	11,360	22,110
NSH9	Housing Strategy	1,870	2,180	2,150	2,120
NSH10	Other Housing	98,000	1,365,500	205,600	700,000
NSH13	Housing Options	15,916	3,970	14,930	14,930
NSH14	Thele Hostel	4,700	4,700	3,520	0
NSH15	Hillcrest Hostel	5,100	13,500	20,030	20,240
	<b>NET EXPENDITURE</b>	<b>628,581</b>	<b>2,125,550</b>	<b>879,540</b>	<b>1,511,060</b>

## NEIGHBOURHOOD SERVICES

NS4

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF LICENSING & COMMUNITY SAFETY ESTIMATES

#### SERVICE

NSL1	Community Protection	4,500	5,100	5,130	7,370
NSL6	Community Safety Section	1,080	1,190	1,190	1,040
NSL7	Safer Stronger Communities	1,100	1,300	0	0
NSL10	Community Safety Service	44,056	44,060	53,570	53,590
	<b>NET EXPENDITURE</b>	<u>50,736</u>	<u>51,650</u>	<u>59,890</u>	<u>62,000</u>

## CUSTOMER & COMMUNITY SERVICES

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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### SUMMARY OF ESTIMATES

#### SERVICE

CC1	Director of Customer & Community	44,000	65,030	40,310	50,010
CC2	Environmental Services	306,319	384,760	362,230	542,090
CC3	Community & Cultural Services	2,885,495	871,930	793,740	955,700
CC4	Customer Services & New Media	3,940,344	501,460	432,630	468,510
	NET EXPENDITURE	<u>7,176,158</u>	<u>1,823,180</u>	<u>1,628,910</u>	<u>2,016,310</u>

**CUSTOMER & COMMUNITY SERVICES**

CC2

	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF ENVIRONMENTAL SERVICES ESTIMATES**

SERVICE

CCE1	Environmental Services	28,923	34,700	31,120	30,470
CCE3	Playgrounds	91,100	113,800	104,740	124,850
CCE4	Public Conveniences	28,200	28,600	28,480	28,480
CCE5	Refuse Collection - Domestic	61,700	72,500	76,640	87,460
CCE6	Refuse Collection - Commerical	11,138	14,340	18,000	17,650
CCE9	Recycling	51,336	90,470	170,240	179,830
CCE10	Parks & Open Spaces	-3,699	-5,040	-102,260	40,050
CCE11	Buntingford Service Centre	33,641	31,630	30,900	28,830
CCE12	Animal Control	550	640	640	660
CCE13	Pest Control	550	640	1,280	1,320
CCE14	Environmental Co-Ordination Section	1,120	640	640	660
CCE15	Herts Environmental Forum	560	640	640	660
CCE16	Environmental Co-Ordination Service	1,200	1,200	1,170	1,170
	<b>NET EXPENDITURE</b>	<u>306,319</u>	<u>384,760</u>	<u>362,230</u>	<u>542,090</u>

**CUSTOMER & COMMUNITY SERVICES**

CC3

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF COMMUNITY & CULTURAL ESTIMATES**

SERVICE

CCC1	Head of Community Planning	560	640	640	660
CCC2	Community Projects Team	3,400	3,800	2,570	2,630
CCC5	Community Planning	37,043	60,000	60,000	65,000
CCC8	Economic Development Section	2,300	2,500	2,570	2,630
CCC9	Markets	3,450	3,540	3,510	22,330
CCC10	Community Projects	101,000	1,000	1,000	1,000
CCC13	Economic Development	0	1,500	0	1,500
CCC14	Town Centre Enhancements	186,650	136,500	32,230	182,480
CCC15	Rural Development	0	640	0	0
CCC16	Leisure Services	2,300	2,500	640	660
CCC18	Leisure Provision	2,329,663	436,330	419,900	406,840
CCC19	Hertford Theatre	102,240	102,980	101,180	149,970
CCC20	Revenue Contributions & Grants to Voluntary Bodies	116,889	120,000	169,500	120,000
	<b>NET EXPENDITURE</b>	<u>2,885,495</u>	<u>871,930</u>	<u>793,740</u>	<u>955,700</u>

**CUSTOMER & COMMUNITY SERVICES**

CC4

2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF CUSTOMER SERVICES & NEW MEDIA ESTIMATES**

## SERVICE

CCS1	Head of Customer Relations	1,100	1,300	1,280	1,320
CCS2	External Customer Services	28,960	35,630	37,520	32,120
CCS3	Web Team	1,700	1,900	1,920	1,970
CCS4	Information Management	1,220	1,390	640	660
CCS5	Car Parking	7,553	8,160	7,520	7,230
CCS6/13	Car Parks	3,899,811	453,080	383,750	425,210
	NET EXPENDITURE	<u>3,940,344</u>	<u>501,460</u>	<u>432,630</u>	<u>468,510</u>



## INTERNAL SERVICES

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £	
<b>SUMMARY OF ESTIMATES</b>					
SERVICE					
IS1	Director of Internal Services	43,724	65,030	40,950	50,670
IS3	People & Organisational Services	4,500	16,850	3,850	3,950
IS4	Internal Audit & Business Improvement	5,938	5,780	7,350	6,890
IS5	Business Support Services	226,903	241,870	343,320	337,250
IS6	Revenues & Benefits	46,434	51,840	81,080	92,230
IS7	Financial Support Services	98,853	88,610	89,270	93,120
IS8	Democratic & Legal Support Services	35,852	41,160	35,350	30,740
IS9	Other	38,370	69,840	50,000	50,830
NET EXPENDITURE		<u>500,574</u>	<u>580,980</u>	<u>651,170</u>	<u>665,680</u>

**INTERNAL SERVICES**

IS4

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF INTERNAL AUDIT & BUSINESS IMPROVEMENT ESTIMATES**

ISA1	Internal Audit	3,738	3,180	4,140	3,600
ISA2	Procurement	1,100	1,300	1,280	1,320
ISA3	Risk Assurance	1,100	1,300	1,930	1,970
	<b>NET EXPENDITURE</b>	<u>5,938</u>	<u>5,780</u>	<u>7,350</u>	<u>6,890</u>

**INTERNAL SERVICES**

IS4

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF BUSINESS SUPPORT SERVICES ESTIMATES**

ISB2	IT Services	9,792	10,970	8,980	9,220
ISB3	Facilities and Property	217,111	230,900	334,340	328,030
	<b>NET EXPENDITURE</b>	<u>226,903</u>	<u>241,870</u>	<u>343,320</u>	<u>337,250</u>

**INTERNAL SERVICES**

IS5

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF REVENUES & BENEFITS ESTIMATES**

## SERVICE

ISR1	Revenues & HB Section	46,434	51,840	81,080	92,230
	NET EXPENDITURE	<u>46,434</u>	<u>51,840</u>	<u>81,080</u>	<u>92,230</u>

**INTERNAL SERVICES**

IS6

Service	2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF FINANCIAL SUPPORT ESTIMATES**

ISF1	Accountancy	10,272	11,650	8,370	7,240
ISF2	Asset Management	2,377	2,500	2,650	2,710
ISF3	Misc Properties	86,204	74,460	78,250	83,170
	<b>NET EXPENDITURE</b>	<u>98,853</u>	<u>88,610</u>	<u>89,270</u>	<u>93,120</u>

2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
------------------------	--------------------------	--------------------------	--------------------------

**SUMMARY OF DEMOCRATIC & LEGAL SUPPORT SERVICES ESTIMATES**

SERVICE					
ISD1	Democratic Services	10,553	11,360	14,550	13,860
ISD2	Land Charges & LLPG	15,016	18,940	9,740	9,580
ISD3	Legal	4,500	5,100	4,490	4,610
ISD5	Elections	5,783	5,760	6,570	2,690
NET EXPENDITURE		<u>35,852</u>	<u>41,160</u>	<u>35,350</u>	<u>30,740</u>

**INTERNAL SERVICES**

IS9

2009/10 ACTUAL £	2010/11 ESTIMATE £	2010/11 PROBABLE £	2011/12 ESTIMATE £
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**SUMMARY OF OTHER ESTIMATES**

## SERVICE

ISO1	Corporate & Democratic Core	38,370	69,840	50,000	50,830
	NET EXPENDITURE	<u>38,370</u>	<u>69,840</u>	<u>50,000</u>	<u>50,830</u>

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EAST HERTS COUNCIL

JOINT SCRUTINY COMMITTEE - 18 JANUARY 2011

EXECUTIVE - 8 FEBRUARY 2011

REPORT BY THE EXECUTIVE MEMBER FOR RESOURCES AND  
INTERNAL SUPPORT

CONSOLIDATED BUDGET REPORT:PROBABLE OUTTURN 2010/11:  
REVENUE BUDGET 2011/12: MEDIUM TERM FINANCIAL PLAN  
2011/12 TO 2014/15

WARD(S) AFFECTED: ALL

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**Purpose/Summary of Report**

This report recommends a revenue budget for 2011/12 in the context of

- the Council's priorities
- the medium term financial plan to 2014/15
- funding the capital programme (subject of a separate report)
- the anticipated revenue budget outturn for 2010/11
- the proposed Treasury Management Strategy for 2011/12 (subject of a separate report)
- the previously agreed council tax base for 2011/12
- no council tax increase for 2011/12
- proposals for reserves and balances

**RECOMMENDATION FOR DECISION BY JOINT SCUTINY  
COMMITTEE: that**

(A)	<b>Joint Scrutiny Committee advises the Executive of its comments on the proposals set out in the report including any amendments to the budget which the Committee wish to be considered by the Executive; and</b>
(B)	<b>Joint Scrutiny Committee in particular considers the savings on which Council at its September 2010 meeting deferred a decision and which are:</b> <ul style="list-style-type: none"><li>• <b>Support for the Chairman £11K</b></li><li>• <b>Museums Service £6k</b></li></ul>

	<ul style="list-style-type: none"> <li>• <b>Sunday and Bank Holiday car parking £38k; and the proposal to freeze car park charges from April 2011.</b></li> </ul>
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<b>RECOMMENDATIONS FOR THE EXECUTIVE TO COUNCIL: that</b>	
<b>(A)</b>	<b>consideration be given to comments and proposals from Joint Scrutiny Committee and, in the light of that consideration, recommendations be made to the Council that :</b>
<b>(B)</b>	<b>1. The probable outturn for 2010/11 be approved;</b> <b>2. The revenue budget for 2011/12 be approved;</b> <b>3. The medium term financial plan to 2014/15 be approved ;and</b> <b>4. There to be no increase in council tax for 2011/12</b>

## 1.0 Background

- 1.1 This time last year the Council set its budget to prepare for constraint in public spending but with much uncertainty about the scale of that constraint. Following the election the incoming government signalled its intention to address the public sector deficit sooner than the outgoing government had planned with the announcement in June of spending cuts taking effect in 2010/11. The Council's expected revenue grants were reduced by £241k.
- 1.2 The Council responded to the changed position in September when it reviewed its savings proposals for 2011/12 set out in the MTFP but which remained subject to confirmation. With limited exceptions Council confirmed those savings and authorised officers to implement them at the earliest feasible opportunity.
- 1.3 The outcome of the Comprehensive Spending Review announced in October confirmed the scale and pace of the rebalancing of public spending. Spending restraint rather than increases in taxes underpinned a plan to achieve a sustainable position over four years. The plans included a 28% reduction in grants to local government over four years. The Local Government Association has calculated that job losses will total up to 140,000 nationally. The Secretary of State has said that reserves should be called on to offset the first year impact of this reduction.

- 1.4 On 13 December the government announced the Revenue Support Grant settlement. The settlement saw cuts more front loaded than the MTFP allowed for and the MTFP has been adjusted as a consequence.
- 1.5 The newly created Office of Budget Responsibility has issued two reports. A key feature of those reports which has informed the Council's budget planning is the expectation that interest rates will remain lower for longer to help off set the impact on the economy of less demand from government and from households facing real term reductions in disposable income. Between its June report and its November report the OBR further reduced its interest rate forecasts by around 0.5% and this has been factored into the MTFP.
- 1.6 The plans set out in the CSR and the OBR's forecasts are based on assumptions about the performance of the UK economy over the next four years. The UK is not immune from the international economy and the volatility of financial markets which means that the future course of the UK economy remains uncertain. Financial markets have put pressure on the Euro zone with weaker members seeing their cost of borrowing increase at a time they are imposing austerity measures to rebalance their finances. The UK has offered additional bilateral support to Ireland as a key trading partner. If doubts over sovereign debt create further turbulence in the markets this may cause the government to revisit its spending plans.
- 1.7 In July the Council refreshed the financial strategy setting out the principles and objectives for its financial planning including a policy on reserves and the MTFP is in keeping with that strategy.
- 1.8 The Council has retendered its refuse and street cleansing service and the new contract to commence April 2011 will reduce costs by £1.469m per year. The cost reduction gives scope to review spending and council tax plans.
- 1.9 The MTFP approved last year assumed a 2.5% increase in council tax from April 2011 and this was retained in the updated July Plan. The government has set out its plans to pay a grant equal to the income from a 2.5% increase in council tax to Councils agreeing to freeze their tax. As a consequence the budget proposes no increase in council tax for 2011/12.

## 2.0 Report

### **Opening balances 1 April 2010**

- 2.1 The budget for 2010/11 was set in February 2010 with an expectation that 31 March 2010 would see a balance on the general reserve of £2,090k. The final accounts recorded a balance of £2,770k i.e. some £680k higher than expected largely as a result of improved waste recycling income.
- 2.2 The unallocated general fund balance was £3,854k inclusive of the £454k building control surplus. Earmarked reserves compared as follows:

Reserve	Expected Balance 31.3.10 £000	Actual Balance 31.3.10 £000
Interest Equalisation	904	1185
Insurance Fund	9	10
Emergency Planning	37	37
VAT partial exemption	145	145
Service Improvement	797	795
LDF/Green belt	363	363
Housing condition survey	23	23
Council election	50	50
LABGI	316	316
Leisure utilities/pensions	60	60
Restructure	33	33
Legal fees	31	31
Performance Reward Grant		217
Pension strain costs		158
Waste recycling		275
Total	2768	3698

Taken together the general and earmarked reserves at out turn put the Council in a significantly better position to meet the CSR challenges.

### **Projected outturn 2010/11**

- 2.3 The latest health check report at the time of drafting this report is the November report. This shows favourable variances of £2,088k

offset by adverse variances of £2,066k – a net positive variance of £82k.

- 2.4 Action in response to budget monitoring in the year to date has seen a projected overspending reduce from £881k in June – (when the major impact of reduced investment returns was assessed) to £82k under spending in November.
- 2.5 The later detailed review of the probable outturn undertaken as part of the preparation of the 2011/12 estimates has indicated a further improvement and reports a potential under spending of £266k by the end of the year. The detail in support of the probable outturn is set out elsewhere on the agenda and this shows spending on services of £17.733m against a budget of £18.889m – an under spending of £1156k. This net under spending on services is offset by a shortfall on investment income of £890k to produce the net £266k.
- 2.6 A report to the Audit Committee on 24 November reviewed how and when variances had been reported in each of the prior two years. This showed that positive income variances in particular tended to be reported later rather than sooner. In both years there had been significant positive shifts in the net variance reported at final outturn compared with what was reported at probable outturn. This pessimism bias in reporting has been addressed with budget managers and the figures reported here include subsequent adjustment of forecasts. However, for the purposes of planning, a further judgemental “correction” is proposed to the probable outturn figure. The adjustment is a further £200k favourable shift from these figures to outturn. This is substantially less than the shift in each of the last two years reflecting a degree of prudence and the expectation of earlier reporting this year of items contributing to the turn around in each of the last two years. For the purposes of the MTFP a net favourable variance of £466k for 2010/11 is built into the plan.
- 2.7 In assessing year end balances provision is made to earmark up to £400k of this under spend dependent on final outturn for deferred pension contribution costs and transitional staffing costs including costs arising from implementing budget savings.

## **Priorities (and the New Homes Bonus)**

- 2.8 The new government has made clear that all its policy objectives are subordinate to ensuring the sustainability of public finances. The coalition agreement states “The deficit reduction programme takes precedence over any of the other measures in this agreement...” This over riding objective requires all parts of the public sector to view their priorities in the same light.
- 2.9 The Council’s priorities against which spending proposals need to be measured have been simplified by bringing together “Pride in East Herts” and “Caring about what’s built (and) where” with the context revised to “This priority focuses on improving standards of the built neighbourhood and environmental management in our towns and villages.”
- 2.10 This priority is particularly relevant when the Council comes to consider how it will respond to the New Homes Bonus. With the proposed redirection of funding to areas building relatively high numbers of houses and away from those building relatively few houses the scheme will benefit those authorities which respond to the incentive and penalise those which do not by top slicing what would otherwise be available for formula grant.
- 2.11 As yet, the MTFP makes no provision either for income from this source or how that income might be applied. In simple terms for each band D equivalent house added to the council tax base the reward would be 6 years of the council tax generated using a national band D equivalent (about £1440 for 2011/12). A premium is payable for affordable housing at the rate of £350 per unit. In two tier areas the reward is split 80% district 20% county.
- 2.12 The scheme is ranked as “high risk” in the consideration of the robustness of estimates set out below. As yet there is no reasonable basis to predict the potential top slicing of RSG and how any top slicing would impact allocations to individual authorities but it is probable some authorities will lose more in RSG than they gain in New Homes Bonus. Essential Reference Paper B calculates an estimate of potential gross income of £557k in 2011/12 based on the consultation paper. The Council’s share at 80% equates to £446k.
- 2.13 With spending restraint likely to be with all Councils for some time the budget round has necessarily focussed again on where savings

can be made that have least impact on priorities. The overall priority has continued to be the prudent management of the Council's finances to avoid unplanned service reductions.

### **Financial Strategy**

- 2.14 Corporate Business Scrutiny Committee on 20 July considered a draft updated financial strategy 2011/12 to 2014/15 which was subsequently endorsed by the Executive. The strategy emphasises the need to specifically address uncertainty in the planning process. A policy with respect to reserves was approved.
- 2.15 To address uncertainty the planning process has developed savings options somewhat ahead of the sums needed to balance the MTFP based on central planning assumptions; planning contingencies have been built in for later years and the flexible use of reserves is proposed to address volatile and not readily controllable budgets. If necessary a September mid year review of future options will be repeated. The investment strategy has been amended to ensure a floor return for a proportion of investments.
- 2.16 The policy with regard to reserves establishes a band within which the general reserve is to be maintained. The proposals in this report ensure the general reserve will remain within these boundaries.

### **Revenue Support Grant Settlement**

- 2.17 The settlement was delayed until the 13 December some two weeks later than is normal and which perhaps reflects the difficulty that DCLG has had in devising a formula which avoids volatility with a switch of many specific grants each with their own basis of allocation into the general purposes formula grant.
- 2.18 Key features of the settlement are set out in the Local Government Association's commentary at Essential Reference Paper C. This was an unusually complex settlement with multiple floors set to cap grant reductions at higher levels for authorities whose income was more dependent on council tax.
- 2.19 The implications for the Council are set out in summary at Essential Reference Paper D. The announcement focussed on changes to "revenue spending power" which effectively is the reduction in budget needed to achieve a council tax freeze while accommodating a reduction in grant. The inclusion of parish

precept income as if spending power of the billing authority tended to understate the impact on billing authorities such as East Herts with significant parish precepts. On the governments measure this was a reduction of 4.8% corrected to exclude parishes the reduction is 5.8%. These budget reductions are a consequence of a reduction of grant of £1.2m equal to 16.6% in 2011/12.

2.20 The Council saw a loss of £490k of grant to contribute towards the floors on grant reductions elsewhere.

2.21 Revenue Support Grant income from the settlement compares to the projections in the July refresh as follows (adjusting for concessionary fares):

Year	Settlement £000	July MTFP £000**	Change £000
2011/12	6046	6916	-870
2012/13	5315	6487	-1172
2013/14	Not announced	6055	n/a
2014/15	Not announced	5622	n/a

\*\* These figures are after reduction for concessionary fares

2.22 The reduction in formula grant in cash terms is 26.7% over the two years announced and the reductions in total grants is 22.7% (see ERP D). In real terms allowing for inflation at 2.5% per year the loss of grant is therefore already in excess of the average of 28% reduction over 4 years announced at the time of the Comprehensive Spending Review. Given that the Council is a contributor to the floors on grant reductions we must now expect the grant loss over 4 years to be above average.

2.23 Revised projections are included for grant in years 3 and 4 based on the figure for year 2. A 3% reduction is made in each year to £5160k in 2013/14 and £5100k in 2014/15. Over the 4 years this equates to a 25% reduction in cash terms or 35% reduction in real terms.



## **Budget 2011/12 and MTFP**

2.24 Since the MTFP was presented to Scrutiny in August the major adjustments to offset the revised grant figures which do not involve any changes of policy (other than treasury management policy) are as follows:

- Refuse and Street cleansing service reflect annual savings of £1.469m on a like for like basis.
- The exclusion of concessionary fares costs £0.857m (transferred to the County) and consequential reduction in grant
- Revision to investment income projections to reflect the OBR's reduced forecast for rates offset by the impact of the enhanced returns from structured deposits.
- Increases in pension fund contributions are less than previously modelled reflecting the better than expected funding position at the March 2010 valuation. The improvement flows from the change from rpi to cpi in indexing pensions and the public sector pay freeze. Pension increases are deferred to 2014 based on the latest information from the actuary.
- Recycling income is now built in for the final two years of the MTFP
- Planning contingencies have been reduced as a consequence of moving to a 2011/12 base year and the refuse contract saving
- Provision is included to meet costs of change as the Council restructures of up to £600k over 2 years rather than meet these costs as unbudgeted calls on reserves. In finalising the estimates a proportion of this sum will be built into detailed estimates to meet known costs.
- Detailed calculation of payroll costs indicates that the cost of increments and local awards is £120k less than allowed for
- Further savings identified from the review of the 2009/10 outturn are now included.
- Council tax is now set not to increase from 1 April 2011 with the offsetting grant recorded as income.
- With the continuation of the homelessness grant for at least two more years the saving from the discontinuation of the rent deposit scheme has been deleted from the savings options. The MTFP assumes grant for all four years to fund this scheme

Essential reference Paper E shows how the funding gap identified in the August report has changed because of each of these adjustments.

2.25 There are further changes which reflect policy changes. These are as follows:

- The decision to include recycling of plastics in the refuse contract at a cost of £260k per year
- Not to implement savings deferred by the Council at its September meeting as follows:
  - Support for the Chairman £11K
  - Museums Service £6k
  - Sunday and Bank Holiday car parking £38k
- To freeze car parking charges for one year from 1 April 2011 and to absorb the VAT increase in these charges from 1 January 2011. In 2010/11 there is a forecast shortfall of car parking income of £160k (other than for deferral of proposals). The budget assumes continuation of that shortfall plus a further reduction below the MTFP update of a similar amount of £150k from the policy changes set out here.
- If possible, to avoid any need to introduce on street car parking at least during the period of this MTFP.
- The MTFP includes the revenue savings which would be made by purchase rather than rental of car park land at Apton Road and Baldock Street. This remains subject to approval of the capital programme.

2.26 The revised financial model for the MTFP is set out at Essential Reference Paper F.

2.27 The budget 2011/12 can be summarised as follows:

	£000	£000
Neighbourhood Services	3369	
Customer & Community Services	6379	
Internal Services	5911	
Chief Executive	670	
- capitalised salaries	-186	16,143

Investment income net of interest payable	-513
Pension costs not chargeable services (note 1)	1,424
Efficiency savings net of growth	-927
<b>Net Expenditure</b>	<b>16,127</b>
Pensions Reserve (note1)	-888
Cost of change provision	400
Contributions to/from reserves	-145
Collection Fund (Surplus)/deficit	31
Formula Grant	-6046
Grant to freeze council tax	-230
<b>Demand on Collection Fund</b>	<b>9249</b>
Band D tax base	58,123
Band D tax	£159.13

Note 1 The service estimate figures exclude capital charges (see separate report) which will be added prior to publication of detailed estimates. Costs to be added relate to pension strain costs and pension contributions to fund the deficit which is not included in current costs.

- 2.28 The MTFP savings identified at Essential Reference Paper F exceed the sum now required to balance the budget which results in a small £4k positive “balancing figure” on the MTFP summary page for 2011/12 but increasing in later years. Subject to any further changes this sum will be taken as an additional contingency provision in later years. The savings options were available for review, questioning and comment by members in preparation for Scrutiny on a member web site.
- 2.29 Comments from the Member web site are included as part of the consultation out come at Essential Reference Paper G. The consultation exercises recorded a variety of opinions but with acceptance by most respondents of some level of cut to most of the services consulted on. The Business Community (represented by the Federation of Small Businesses) preferred no cuts to Police Community Service Officers or to support for towns and encouraging business.
- 2.30 The “balancing figure” noted above can be alternatively applied to a combination of:

- not take up all savings options
- allowing further growth items
- transfer to reserves
- changing council tax assumptions

Application of this sum will be considered in the light of any recommendations from Scrutiny.

## **Council Tax**

- 2.31 The government has confirmed grant income to offset the loss of council tax income from not increasing council tax by 2.5% from 1 April 2011 will continue for at least the duration of the MTFP. Years beyond 2011 are based on a council tax increase of 2.5% each year.
- 2.32 A final determination of any surplus or deficit on the Collection Fund will be made in mid January. It is assumed there will be a nil contribution in the current year and the residual balance on the Fund at 31 March 2010 that was not taken into account when this year's budget was set will be applied in 2011/12. The implication for the Council is the further net contribution of £31k to the remaining deficit shown in the MTFP.

## **Reserves**

- 2.33 The proposals in this budget include no fresh proposals to call on reserves.
- 2.34 Movement on the General Reserve in 2010/11 is based on the judgementally adjusted probable outturn rather than the approved supplementary estimates. In summary this is as follows:

	£000
Balance 1 April 2010	2770
Add	
Planned contribution 2010/11 budget	159
Contribution from under spending – probable outturn	625
Judgemental further under spending	200
Year end Appropriations	-400
Balance 31 March 2011	3354

2.35 In setting the budget for 2010/11 and MTFP it was previously planned to draw on earmarked reserves and these intentions are retained. In addition there is a further call on the Interest Equalisation reserve to meet part of the current years reduced investment income.

2.36 The consequent (additions to) and withdrawal from reserves will result in year end balances as set out in the table below.

Reserve	Bal at 31/3/10 £000	Bal at 31/3/11 £000	Bal at 31/3/12 £000	Bal at 31/3/13 £000	Bal at 31/3/14 £000	Bal at 31/3/15 £000
Interest Equalisation	1185	0	17	44	159	72
Insurance Fund	10	10	10	10	10	10
Emergency Planning	36	36	36	36	36	36
VAT partial exemption	146	146	146	146	146	146
Service Improvement	795	692	645	645	645	645
LDF /Green belt	363	514	604	754	904	1054
Housing condition survey	23	37	51	65	79	93
Council Elections	50	75	0	25	50	75
LABGI	316	86	0	0	0	0
Leisure utilities/pensions	60	120	180	240	300	360
Restructure	33	33	33	33	33	33
Legal fees	31	21	21	21	21	21
Performance Reward Grant	217	0	0	0	0	0
Pension Strain costs	158	79	0	0	0	0
Waste recycling	275	275	275	275	275	275
Earmarking general reserve March 2011		400	400	400	400	400
Total	3698	2524	2418	2694	3058	3220

## **Robustness of estimates and adequacy of reserves**

- 2.37 Section 25 of The Local Government Finance Act 2003 requires the Section 151 Officer to report on the adequacy of reserves and robustness of the estimates. The balance of this section represents the judgement of the Section 151 Officer.
- 2.38 The proposals in this report retain adequate but not excessive levels of reserve. This judgement has regard to the Council's policy with regard to reserves, its record of containing spending within budget, it having identified saving options in excess of the sum needed to balance the MTFP and its prudent approach to risk management. Consideration has been given to potential calls on reserves to meet external "shocks" – from environmental, economic, and operational uninsured losses having regard to the Council's activities and scale of operations.
- 2.39 The Council has recently adopted a less risk adverse approach to its treasury activities in order to improve its investment performance and the Council retains very substantial investments in relation to its annual spend. It is prudent to retain above minimum levels of reserves in these circumstances.
- 2.40 The relative risks to budget assumptions are set out below together with a judgement of relative risk of actual experience differing from current assumptions. The potential direction of variance needs to be considered e.g. the risk to pay and inflation assumptions is on balance that current planning assumption may prove optimistic that a 3<sup>rd</sup> year of pay freeze can be delivered outturn where as council tax variance is on balance at net cost to the budget.

<b>Area of Risk</b>	<b>Factor</b>	<b>Comment and Mitigation</b>
Volatility of grant income	Medium/High (revised from High)	Although trend formula grant is certain for years 1 and 2 other grant income is subject to annual revisions. The outcome of the Local Government Resource Review is not likely to impact the period covered by the MTFP but years 3

		and 4 are not yet announced.
Localisation of council tax benefit and a 10% saving to be achieved.	High	Announced to take effect from 2013/14 but with no supporting detail announced.
New Homes Bonus	Medium/high	Income and expenditure are omitted from the MTFP pending clarification of this funding stream which is subject to consultation. The potential loss of formula grant by top slicing is a significant risk.
Discretionary Rate Relief	Low	No provision is made in the MTFP to respond to proposed freedoms to extend discretionary NNDR relief.
Income achievement	Medium	Allowance has been made for continuing impact of the recession. It is uncertain that economic recovery will be achieved at the pace expected in the pre budget report
Achieving savings	Medium/High (revised from medium)	Targets become increasingly challenging over the MTFP and public acceptability of some proposals may be difficult to achieve.
Interest rates	High	There are divergent views on the direction of short term rates reflecting different

		assumptions about the impact of markets concerns about sovereign debt and how the UK economy will respond to public sector spending cuts and increased taxes. The MTFP anticipates investment returns consistent with OBR forecasts.
Compliance with grant requirements	Low	Recent audits record a good performance
Vacancy saving	Low	The provision has been reduced to reflect current lower levels of turnover
Pay and inflation	Medium (revised from Low to medium)	A third year of pay restraint will be challenging for national employers if pay in the private sector accelerates as the economy recovers)
Pension costs	Low (revised from medium)	Pension contributions reflect the provisional outcome of the 2010 revaluation and so rates for the next 3 years are unlikely to be further revised. Changes to the scheme including increased employee contributions and potential capping of benefits may improve the funding position at the 2013 valuation.
Council tax increases	Medium (revised from High)	The acceptability of tax increases of 2.5% in years beyond



		<p>2011/12 at a time of declining rates of increase in the RPI is more likely to be accepted after a year of freeze.</p> <p>Savings options are available to deliver lower increases and a planning contingency can also be drawn on.</p>
Changing Council priorities	Low	<p>The Council has refined its key priorities and fine tuning rather than significant revision is likely. The outcome of the May 2011 election may cause priorities to be revisited</p>
C3W programme	Medium	<p>The scale of change is significant, and the roll out Business Process Improvement will be challenging of an organisation of the scale of the Council. The Council has in place sound programme and risk management processes with commitment from members and senior manages</p>

2.41 The estimates are considered sufficiently robust for the Council to set a budget and council tax for 2011/12.

### 3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

#### Background Papers

Comprehensive Spending Review  
OBR reports June and November 2010  
RSG announcement 13 December 2010.

Contact Member: Councillor M Tindale – Executive Member for  
Resources and Internal Support

Contact Officer: Alan Madin – Director of Internal Services –  
Contact Tel Ext No 1401

Report Author: Alan Madin – Director of Internal Services

## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives</p>	<p>The budget and MTFP apply resources to achieve all the Council's priorities</p> <p><b>Promoting prosperity and well-being; providing access and opportunities</b>  <i>Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p><b>Fit for purpose, services fit for you</b>  <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i></p> <p><b>Pride in East Herts</b>  <i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Caring about what's built and where</b>  <i>Care for and improve our natural and built environment.</i></p> <p><b>Shaping now, shaping the future</b>  <i>Safeguard and enhance our unique mix of rural and urban communities, ensuring sustainable, economic and social opportunities including the continuation of effective development control and other measures.</i></p> <p><b>Leading the way, working together</b>  <i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	
<p>Legal:</p>	<p>The Council must set a lawful and balanced budget and subsequently set a council tax for 2010/11 within prescribed time frames.</p> <p>Members should have regard to the advice of the Section 151 but may take decisions at variance with this advice where there are reasonable grounds to do so.</p> <p>It is an offence for any Member with arrears of council tax outstanding for two months or more to attend any meeting of the Council or its committees at which a decision affecting the budget is made unless the Member</p>

	concerned declares at the outset of the meeting that s/he is in arrears and will not be voting on the decision for that reason.
Financial:	As set out in the report.
Human Resource:	Where savings options may cause redundancy the relevant HR policies will apply and those savings remain subject to the outcome of the application of those policies.
Risk Management:	Contingencies are included and the level of reserves forms part of the corporate approach to mitigation of risk.

**New Homes Bonus - illustration based on the consultation proposals**

**ESSENTIAL REFERENCE PAPER B**

Each year the council makes a return to the DCLG by way of a summary of the property valuations used to bill for council tax. This is by way of a snap shot of the position as at the second Monday in September with known adjustments to an early October date.

The return is on a form CTB (Council Tax Base) the primary purpose of which is to assess the relative resources available to council as an input to RSG allocations. The proposals for the New Homes Bonus will use part of the data returned to calculate the year on year increase in the number of band D properties.

A separate and later return will be used to calculate any increase in the number of affordable homes which will attract an enhancement.

**CTB 2009**

Band		A	B	C	D	E	F	G	H	total
gross	line 1	802	5713	14340	14351	10055	6869	5040	708	57878
various	line3	1	0	0	0	0	0	0	0	1
empty or	line 12	0	0	0	0	0	0	0	0	0
inelligble	line 14	0	0	0	0	0	0	0	0	0
properties	line 15	42	95	125	94	74	46	35	12	523
	Net	759	5618	14215	14257	9981	6823	5005	696	57354
	ratio	$\frac{6}{9}$	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$	
	Band Equiv	506.00	4369.56	12635.56	14257.00	12199.00	9855.44	8341.67	1392.00	63556.22

**CTB 2010**

Band		A	B	C	D	E	F	G	H	total
gross	line 1	819	5742	14506	14443	10094	6890	5057	723	58274
various	line3	1	0	0	3	1	0	0	0	5
empty or	line 12	0	0	0	0	0	0	0	0	0
inelligble	line 14	0	0	0	0	0	0	0	0	0
properties	line 15	43	140	135	112	79	39	28	11	587
	Net	775	5602	14371	14328	10014	6851	5029	712	57682
	ratio	$\frac{6}{9}$	$\frac{7}{9}$	$\frac{8}{9}$	$\frac{9}{9}$	$\frac{11}{9}$	$\frac{13}{9}$	$\frac{15}{9}$	$\frac{18}{9}$	
	Band Equiv	516.67	4357.11	12774.22	14328.00	12239.33	9895.89	8381.67	1424.00	63916.89
	Change	10.67	-12.44	138.67	71.00	40.33	40.44	40.00	32.00	360.67

band D increase	number	361
national band D rate	£	1439
Bonus	£	518999
affordable housing enhancement	£	350
units	number	110 **
Bonus		38500
Total bonus		<u>557499</u>

\*\* this number will be published around October 2011 for 2010/11. The figure of 110 is illustrative only based on typical numbers over the last 10 years

	2011/12	2012/13	2013/14	2014/15
	£	£	£	£
Extrapolation	557000	1114000	1671000	2228000

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# Provisional Local Government Finance Settlement

## 14 December 2010

### Headlines

- A two-year settlement for 2011-12 and 2012-13. A second 2-year settlement is expected to follow, for which Government intend to adopt a new distributional system.
- Central government Formula Grant funding for councils (including Revenue Support Grant and pooled Business Rates, but excluding Police Grant and the Metropolitan Police Special Payment) falls by 12.1% in 2011-12 to £24.9bn.
- The total funding for local government, Aggregate External Finance (AEF), falls by 2.7% in 2011-12 when compared with the adjusted 2010-11 figure. This sum includes a 3% increase in ring-fenced and specific grants (mainly schools grant) and additional funding for PFI.
- A transitional grant of £85m for 2011-12, benefiting 37 authorities whose 'revenue spending power' (broadly grants plus council tax) would have otherwise have fallen by more than 8.9%, has been provided to help minimise reductions for authorities facing exceptional decreases in grant allocation.

- Damping will continue with floors as follows:

Social service authorities	-11.3% to -14.3%
Shire districts	-13.8% to -16.8%
Police authorities	-5.141%
Fire authorities	-9.5%

- The different damping figures for social services authorities and shire districts are based on a new banded system which means the most grant dependent authorities have the least reductions.
- An Early Intervention Grant of £2.214bn, a decrease of over 27% when compared with the grants paid to councils in 2010-11.
- Reform of the housing finance system, with detail contained in the Localism Bill.
- The detail of the settlement includes complex distributional changes in areas such as social care and concessionary fares funding.

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### Further Information:

For further information please contact Ben Kind, LG Group Public Affairs and Campaigns Manager, on 0207 664 3216 or [ben.kind@local.gov.uk](mailto:ben.kind@local.gov.uk)

## LG Group key messages

- Local government has been handed one of the toughest settlements across the public sector. Although formula grant (excluding police grant) is being cut by 12.1 per cent, cost pressures in areas such as adult social care, children's protection, waste management, and flood defence will continue to mount. As a result, local government faces a total funding shortfall in the order of £6.5bn in the next two years.
- The new £85m transitional fund is welcome and it will help 37 authorities who would have seen sharp falls in their spending power. However, this still leaves substantially front-loaded cuts for councils.
- Now, more than ever, councils need to be freed to set fees and charges at a level that ensures that service users pay the right share of the costs of many services. This would lead to a fairer system than exists now, where taxpayers heavily subsidise many services because the fees set by Whitehall officials bear no relation to the actual costs of providing that service.
- Councils should be able to capitalise redundancy costs fully. The £200m allocation is less than 0.1% of the local authority asset base. Greater flexibility on capitalisation would allow councils to maximise their spending on frontline services. The flexibility would mean authorities can plan efficiency savings, rather than emergency cuts.
- The reform of housing finance to give financial independence for council landlords is a significant victory for LG Group lobbying, but we will press strongly to remove some remaining Whitehall apron strings, including the retention by the Treasury of 75% of receipts from right to buy sales.
- Although councils recognise that spending reductions are needed to tackle the deficit, they nevertheless face significant pressures over which they have limited control, including:
  - Demand for adult social care, which is expected to grow primarily due to demographic pressures of 4 per cent per annum. Increased care pressures will have to be managed alongside the totality of pressures facing local government budgets, given that almost all health funding has been rolled into formula grant.
  - Landfill tax, which will be rising by £8 per tonne each year. Unless the proceeds of the tax are returned to the sector, the ability of councils to invest further in waste management services will be limited.
  - New flood risk management duties, on which the LGA surveyed lead local flood authorities in August 2010. Respondents expect that their costs will be 33 per cent higher in 2011/12 than they were this year.
  - The cost of redundancies, which are expected to be significant as a result of the front loading of the cuts. We expect that up to 140,000 posts could be lost, which will generate considerable redundancy costs. If councils are not able to capitalise full redundancy costs, they will have to find funding from their revenue budgets, further reducing the pot of funding available for frontline services.
- Following requests from the sector for greater flexibilities, the Government has delivered its promise of ending the ring-fencing on a number of revenue grants.



## Settlement in detail

### Summary of external funding 2011-12

		2010-11	2010-11		
		Settlement original	Adjusted	2011-12	Change
	Total Aggregate External Finance	76,238	75,685	73,610	-2.7%
of which	of which Ring-fenced schools grants including pupil premium	36,154	36,375	38,093	4.7%
	Police Grant (incl. Met. Special Payment)	4,374	4,374	4,546	3.9%
	Total AEF less ring-fenced schools and police grants	35,710	34,936	30,971	-11.3%
	Other specific grants (excluding PFI)	9,974	6,612	6,075	-8.1%
	Net AEF (before post SR transfers)	25,736	28,471	25,014	-12.1%
	Post SR transfers		-147	-118	
	NET AEF	25,736	28,324	24,896	-12.1%
	NNDR Distributable Amount	21,500	21,500	19,000	-11.6%
	Total RSG	4,236	6,824	5,896	-13.6%
	RSG for specified bodies	45	45	33	-27.8%
equals	TOTAL RSG FOR RECEIVING AUTHORITIES	4,191	6,779	5,864	-13.5%
add back	NNDR Distributable Amount	21,500	21,500	19,000	-11.6%
plus	Police Grant (incl. Met. Special Payment)	4,374	4,374	4,546	3.9%
equals	FORMULA GRANT	30,065	32,653	29,410	-9.9%

### Formula grant

- As set out in the Spending Review, £3.4bn of specific grants in 2010/11 has gone into formula grant. Details can be found on the CLG website at <http://www.local.communities.gov.uk/finance/1112/grant.htm>
- Within 2011-12 formula grant, around £2bn of the £3.4bn is being distributed using the same distribution formula as used for the specific grant in 2010-11. The following are rolled into formula grant:
  - Local Transport Services (Road Safety and Rural Bus Services)
  - Supporting People
  - Housing Strategy for Older People
  - LSC Staff Transfer
  - HIV/AIDS Support Allocations
  - Preserved Rights
  - Animal Health and Welfare
  - Funding for civil contingency in London.
- Other transfers, such as concessionary fares, services for children in care and social services grants have been incorporated into the main formula grant.

### Damping arrangements

There will continue to be four separate groups of authorities: Education / social services authorities; districts, police authorities and fire and rescue authorities. However for education / social services authorities and shire districts there will be banded floors, depending on how dependent the authority is on formula grant. The following table sets out the floors for 2011-12 and 2012-13:

	Education/ Social Services	Shire Districts	Police	Fire
<b>2011-12</b>				
Floor				
Single floor			-5.141%	-9.5%
Band 1 - most dependent	-11.3%	-13.8%		
Band 2	-12.3%	-14.8%		
Band 3	-13.3%	-15.8%		
Band 4 - least dependent	-14.3%	-16.8%		
	Education/ Social Services	Shire Districts	Police	Fire
<b>2012-13</b>				
Floor				
Single floor			-6.703%	-3.4%
Band 1 - most dependent	-7.4%	-10.5%		
Band 2	-8.4%	-11.5%		
Band 3	-9.4%	-12.5%		
Band 4 - least dependent	-10.4%	-13.5%		

### Transitional Grant

- In addition to formula grant, the government will pay a transition grant of £85m to those authorities worst hit by the settlement. The transitional grant will be paid to 37 authorities in 2011-12.
- This will mean that no authority has a reduction in 'spending power' (defined as formula grant plus council tax plus some specific grants) of no more than -8.9%.
- The Government says that the average reduction in 'spending power' is 4.4% in 2011-12.

### Business rates

- The distributable amount of Business Rates will be £19bn, compared with £21.5bn in 2010-11.
- The national non-domestic rate multiplier will go up by 4.6% to 42.6p in the pound for small businesses and 43.3p in the pound for other businesses.

### Council tax

- The settlement confirms that there will be a grant of £650m to fund the implementation of a council tax freeze in 2011-12. There will be funding to support this amount in the four Spending Review years. However there will be no funding to support continuation of this freeze to 2012-13.

### Schools and Children's Services Funding (the Department for Education has issued a separate statement)

- The provisional increase for the expanded Dedicated Schools Grant is 3%, but this translates into flat cash per pupil increase, due to pupil number rises. There will be a minimum funding guarantee at school level of -1.5% (this excludes sixth form funding. A separate statement

is expected later this week). In addition there will be a pupil premium of £625m.

- £575.5m of funding to councils, mainly paid through area based grants in 2010-11 is ending.
- The Early Intervention Grant, a non-ring-fenced grant will replace all other non-ring-fenced DfE funding. It will be £2.214bn in 2011-12. DfE say that this is a decrease of 10.9%. However if the ending of the non-ring-fenced grants mentioned above is taken into account the decrease is nearly 28%. Although the Early Intervention Grant is non ring-fenced the statement does mention some streams within it. It will include provision for Sure Start, which was previously ring-fenced, and in 2011-12, will include £64m to prepare for extending free early education to disadvantaged two year olds by 2013. £198m has also been included for short breaks for disabled children.
- Grants for home to school transport and music are ending. The statement says that funding for these will be announced in due course but does not give and further details.
- £2.137 billion of schools capital for 2011-12 has been announced. This includes £800m for additional school places and £1.337 billion for capital maintenance. The Government says that the James Review will inform the allocation of capital from 2012-13.
- £148m in 2011-12 and £265m in 2012-13 is being removed from formula grant to pay for central education functions for academies.

#### *LG Group View*

- Although it will be tougher for schools than in recent years, schools are receiving a significantly better settlement than is being provided to local government for children's services.
- The schools capital allocation is significantly lower than the £15 billion over the course of the Spending Review period that the LG Group estimated was required to meet urgent needs for school places and immediate maintenance.
- The LG Group does not consider that there should have been a transfer of money for central education functions as there will not be a saving in central education costs from academies, and there could be losses of economies of scale.

#### Housing finance reform

- The government will give councils who are landlords financial independence from April 2012.
- There will be a one-off debt settlement in which the majority of councils will take on higher levels of debt; a minority will start with lower debt than currently.
- Across council landlords as a group, the net buyout cost will be £6.5bn.

#### *LG Group View*

- The deal is tough but reasonable, including, for example, an allowance for the cost of disabled adaptations.
- However, some very undesirable Whitehall control remains, including the retention of 75% of Right To Buy receipts by the Treasury, a power to re-open the deal down the line (contrary to the clean break

philosophy) and direct controls over councils' borrowing (when there is no evidence that it could not be managed responsibly under the prudential code.

- The LG Group will be lobbying on the Localism Bill to get these controls removed.

### Adult Personal Social Services

- The transfer of learning disability funding from health to social care is being achieved through the introduction of a specific grant called the Learning Disability and Health Reform grant. It will amount to £1.325 billion in 2011/12, rising slightly to £1.357 billion in 2012/13.
- All other funding related to adult social care has been rolled into formula grant, including Preserved Rights, Supporting People and the extra funding for personal social services announced in the Spending Review.

### *LG Group View*

- The amount that is being transferred to local authorities to support adults with learning disabilities is in the range that we were expecting, which is welcome since this is one of the fastest-growing pressures on local authority budgets.
- There is an additional £1bn for adult social care that will be included within Formula Grant. Without significant real terms increases in funding it is likely that there will be considerable pressure on councils' ability to maintain care services on the current eligibility criteria in the coming years.
- In the long term, the work of the Commission on Funding of Care and Support will be vital to putting in place a sustainable and affordable approach to managing adult social care needs as the current system is reaching breaking point.

### Policing and community safety

- The grant to police authorities has been announced for 2011/12, with indicative budgets for 2012/13 and 2014/15. Allocations have been damped in 2011/12 and 2012/13 to the level of the average reduction.
- Every police authority will see a cash reduction in core government funding of 5.1% in 2011/12 and 6.7% in 2012/13. A number of previously ring-fenced funds have been added in to core grant (e.g. Basic Command Unit funds, Crime Fighting Fund). Where specific grants are added in, the total cash reduction in core government to the funding to the police is 4% in 2011/12 and 5% in 2012/13.
- The Neighbourhood Policing Fund is retained for the first two years of the settlement period: £340m in 2011/12 and £338 in 2012/13. This funding will pass to Policing and Crime Commissioners from 2013/14. In London, the Metropolitan Police Authority will have autonomy over the funding from 2011/12, in recognition of the role the Mayor of London his Deputy already plays.
- Continuing work on value for money, procurement, collaboration between forces and the removal of bureaucracy and consideration of Tom Winsor's independent review of police remuneration and conditions will help forces to make savings.

## *LG Group View*

- Although these reductions will be challenging for the police, the fact that the Home Office allocations are not significantly frontloaded (as the funding for councils is) will help facilitate reductions.
- We welcome moves to simpler funding and the removal of ring-fenced funding streams, which have been rolled up in the core police grant. As an equal partner at the Community Safety Partnership table, councils and councillors have an important role when deciding priorities and allocating funding locally.
- The written statement makes no mention of community budgets in terms of continuing work. This is a missed opportunity and we urge BCU commanders to start discussions locally to see which funding can be pooled to drive improvements at the neighbourhood level.
- The presence of neighbourhood teams is important and continuing funding will ensure that the vital work of PCSOs can continue in our neighbourhoods. However, the allocation of this funding to Policing and Crime Commissioners from 2013/14 needs to come with clarity about the scrutiny powers of the Police and Crime Panels to ensure robust checks and balances are in place.
- The LG Group is glad that the government has delivered on the back loading of the reductions for fire and rescue authorities since this is important in long-term planning. However, reductions of nearly 6 per cent for some (e.g. West Midlands or Cleveland) in year one will still be challenging. Chairs and Fire Chiefs will do everything in their power to avoid hitting the frontline but tough choices will have to be made.

## Concessionary fares

- Revenue funding from Department for transport for local transport, including concessionary fares will reduce by 28% over the spending review period. All funding for concessionary fares will be in formula grant.
- Capital funding allocations for highways maintenance will reduce by 19% over the spending review period (and will be £164m less in 2014/15 than in 2010/11).
- Capital allocations for small transport schemes through the Integrated Transport Block will be cut from £450m in 2010/11 to £300m in 2011/12, and £320m in each of 2012/13 and 2013/14 with £450m allocated for 2014/15.
- Councils will be required to submit bids to access funding from the £560m Sustainable Transport Fund for transport projects that support economic growth and reduce carbon emissions.
- As previously announced the concessionary fares function will be transferred from districts to counties in two tier areas. There will be a new sub-block within the Environmental, Protective and Cultural Services Block of the Relative Needs Formula.
- The amount of special grant being put into Formula will be reduced by £20m from 2012/13.

## *LG Group View*

- The annex details which of the options in the formula grant consultation have been chosen. This is likely to produce significant winners and

losers.

- These reductions target local roads. Councils are already facing a backlog of unfunded road maintenance worth £9.5bn. These reductions in funding will lead to an increase in the backlog and a bigger requirement to invest in the long term.
- The Finance Settlement makes it even more essential that councils are given maximum flexibility over how funding is spent locally. For that reason, we are disappointed that councils will be required to bid for the new Sustainable Transport Fund.
- Problems with funding for concessionary fares are likely to continue as a result of the lack of transparency about whether funding matches the costs of the statutory duty.
- The LG Group will continue to argue that no council should be left out of pocket as a result of the transfer of funding from districts to counties. It is not clear how the savings will be delivered when the costs of the scheme are expected to raise due increase in bus operating costs. The LG Group's proposals for a single subsidy pot for bus subsidies would provide a simpler and cheaper way to administer the scheme.
- The LG Group will be working with affected authorities to assess the full impact of the changes to the concessionary fares scheme.

#### Flood defence

- There will be a new grant paid of £20.9m in 2011-12 and £36.1m in 2012-13 to reflect new responsibilities. There will be a transfer from formula grant of £21.5m in 2011-12 and £42m in 2012-13 to reflect savings on private sewers.

#### *LG Group View*

- The LG Group disputes that these savings are real and we are in discussions with Defra.

## Annex 1

### Formula changes

The following formula changes, consulted on in July 2010, have been implemented. The brackets refer to the exemplifications in the consultation.

- Revised low income adjustment for **social services for older people** (OPSS1)
- Updating data to reflect **police** workload (POL1), changing the treatment of bars within an element of the police relative needs formula (POL2) and rolling some grants into the main Police Grant (POL4)
- Updating the **fire** regression base (FIR1) and the fire risk index (FIR4)
- Removing day visitors in **Highway Maintenance** (HM1) but not in the **EPCS** (Environmental, Protective and Cultural Services) formula.
- A new formula for **flood defence** based on geographical information, but no changes to the coastal defence formula.
- No new supported **capital expenditure** – but in other respects the methodology remains the same
- New weights updating the labour shares within the **area cost adjustment** (ACA1)
- An increase of 10% in the **weight given to relative needs**; the weights will be relative needs 83%; relative resources -26.6%, central allocation 43.6%
- On **concessionary fares**; removing from the district block using a revised weighting within the EPCS and adjusting the baseline grant position based on net 2010-11 revenue expenditure (CONCF3). Concessionary Travel, including the amount paid as a Special Grant in 2010-11 will be added into the county level EPCS formula using a formula based on predicting past expenditure (CONCF8) using indicators to reflect density, deprivation and non car-ownership.
- On **data changes**; they are implementing the data changes affecting incapacity benefit and severe disablement (DATA1), children receiving tax credit (DATA2), using May data for student exemptions in council tax base projections (DATA3) and updating definitions of low achieving ethnic groups (DATA4).

## Annex 2 - Formula grant changes by class and region

Local Authority type	2010-11	2011-12	2012-13
	(%)	(%)	(%)
England	2.6%	-9.9%	-7.3%
London area	2.0%	-9.1%	-7.0%
Metropolitan areas	2.6%	-9.8%	-7.2%
Shire areas	3.0%	-10.4%	-7.5%
Isles of Scilly	2.8%	0.0%	0.0%
Inner London boroughs incl. City	1.6%	-11.2%	-7.4%
Outer London boroughs	2.1%	-11.3%	-7.9%
London boroughs	1.8%	-11.3%	-7.6%
GLA - all functions	2.3%	-4.9%	-5.9%
Metropolitan districts	2.5%	-11.3%	-7.6%
Metropolitan fire authorities	1.3%	-9.4%	-3.0%
Metropolitan police authorities	3.1%	-5.1%	-6.7%
Shire unitaries with fire	3.9%	-11.9%	-7.3%
Shire unitaries without fire	3.0%	-11.3%	-7.6%
Shire counties with fire	3.6%	-12.5%	-8.0%
Shire counties without fire	4.2%	-12.7%	-7.8%
Shire districts	1.4%	-15.0%	-10.8%
Combined fire authorities	2.0%	-4.7%	0.4%
Shire police authorities	2.8%	-5.1%	-6.7%
GO REGIONAL SUMMARY			
South West GOR	3.3%	-10.3%	-7.1%
South East GOR	2.2%	-10.8%	-8.1%
London GOR	2.0%	-9.1%	-7.0%
Eastern GOR	2.9%	-10.6%	-7.6%
East Midlands GOR	3.6%	-10.3%	-7.4%
West Midlands GOR	3.0%	-9.5%	-7.0%
Yorkshire and Humber GOR	2.9%	-10.1%	-7.2%
North East GOR	2.3%	-9.8%	-7.1%
North West GOR	2.7%	-10.0%	-7.3%
FLOOR DAMPING GROUPS			
Education Authorities	2.8%	-11.6%	-7.7%
Police Authorities	2.8%	-5.1%	-6.7%
Fire Authorities	1.4%	-5.8%	-0.7%
Shire Districts	1.4%	-15.0%	-10.8%



Summary of the Grant Settlement for East Herts

		Year 1 - 2011/12			
		2010/11	2011/12	Change	Change
		£m	£m	£m	%
Council tax	A	12.710	12.710		
of which parish precepts	B	3.514	3.514		
		9.196	9.196	0	0
Benefit admin grant		0.772	0.725	-0.047	-6.1
Home less grant		0.031	0.050	0.019	61.0
council tax freeze grant		0	0.230		
specific grants		0.803	1.005	0.202	25.2
Formula grant		7.253	6.046	-1.207	-16.6
total grants	C	8.056	7.050	-1.005	-12.5
spending power ex parishes	B+C	17.252	16.246	-1.005	-5.8
parish precepts	A+C	3.514	3.514		
		20.766	19.761	-1.005	-4.8

		Year 2 - 2012/13			
		2011/12	2012/13	Change	Change
		£m	£m	£m	%
		12.710	12.710		
		3.514	3.514		
		9.196	9.196	0	0
		0.725	0.678 **	-0.047	-6.5
		0.050	0.031	-0.019	-37.9
		0.230	0.230		
		1.005	0.939	-0.066	-6.6
		5.995	5.315	-0.679	-11.3
		7.000	6.255	-0.745	-10.6
		16.196	15.451	-0.745	-4.6
		3.514	3.514		
		19.710	18.965	-0.745	-3.8

		The two year impact			
		2010/11	2013/14	Change	Change
		£m	£m	£m	%
		12.710	12.710		
		3.514	3.514		
		9.196	9.196	0	0
		0.772	0.678	-0.094	-12.16
		0.031	0.031	0.000	0.0
		0.000	0.230		
		0.803	0.939	0.136	17.0
		7.253	5.315	-1.937	-26.7
		8.056	6.255	-1.801	-22.4
		17.252	15.451	-1.801	-10.4
		3.514	3.514		
		20.766	18.965	-1.801	-8.67

Essential Reference Paper D

2013/14	2014/15	Reduction from 2010/11
£m	£m	%
0.6500	0.6500	15.8
0.0310	0.0310	0.00
0.2300	0.2300	
0.9110	0.9110	
5.1600	5.1000	29.7
6.0710	6.0110	25.4

\*\* Benefit admin grant 2012/13 not announced - figure here for illustration only

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**Changes to the MTFP balancing figure**

**ESSENTIAL REFERENCE PAPER E**

2011/12 2012/13 2013/14 2014/15

**Savings required July report**

**-1224 -1619 -2035 -2218**

Reduction in formula grant -870 -1172 -895 -522

Changes from review of 2009/10 out turn

Revenues and benefits	-24	-24	-24	-24
Public consultation	1	-10	6	15
Customer services	2	2	2	2
Advertising income	-6	-6	-6	-6
Community Toilets scheme	-40	-40	-40	-40
Jackson square rent	0	0	-8	-16
smart cards	10	20	20	20
PA hours	6	6	6	6

-51 -52 -44 -43

Reduction in waste and street cleaning costs 1565 1565 1565 1565

plastics recycling -238 -260 -260 -260

amend use of reserves -216

Cost of change provision -400 -200

Revenues joint team 37 37 37 37

Regrading 3 5 5 5

CE salary savings 36 36 36 36

Markets -6 -6 -6 -28

Web hosting -2 -2 -2 -2

salary estimates 120 122 140 161

savings options 1128 1515 1542 1855

interest revision 5 -66 -300 -531

council tax base 6 6 6 6

balance council tax increase to 2.5% -6 -13 -25

Benefits ICT licences	-40	-40	-40	-40
Pensions provision : defer increases	182	273	364	271
Recycling income: extend to MTFP period			350	500
Planning contingency	74	25	112	27
other detailed budget changes	-105	78	-92	-92
<b>Balancing figure December</b>	<u>4</u>	<u>239</u>	<u>470</u>	<u>702</u>

**GENERAL FUND - MEDIUM TERM FINANCIAL PLAN**

**SUMMARY Model for Scrutiny - Executive**

	<b>2009/10 Actual</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net Cost of Services</b>	<b>18,444</b>	<b>18,889</b>	<b>16,143</b>	<b>16,702</b>	<b>17,581</b>	<b>18,535</b>
Interest Payments	675	662	662	662	662	662
Interest & Investment Income	-2,481	-1,650	-1,175	-1,422	-1,620	-1,947
Pensions Interest/Return on Assets	1,562	505	1,424	1,424	1,424	1,424
Fees & Charges			-22	-131	-243	-357
Growth Items			75	100	169	222
Special Items			123	25		
Efficiency Savings			-1,167	-2,139	-2,660	-2,915
Contribution of vacancies						
<b>Balancing Figure</b>			<b>4</b>	<b>239</b>	<b>470</b>	<b>702</b>
One off Savings				-15	-6	-15
Known Changes			34	-154	-463	-514
Planning Contingency				169	245	330
RCCO/Internal Interest	29	26	26	26	26	26
<b>Net Expenditure</b>	<b>18,229</b>	<b>18,432</b>	<b>16,127</b>	<b>15,486</b>	<b>15,585</b>	<b>16,153</b>
Contribution to / from Earmarked Reserves	614	33	-124	249	249	249
Contribution to/ from Interest Equalisation reserve	-1,019	-778	17	27	115	-72
Cost of change Contingency			400	200		
Use of General Reserve	233	-41	-38		145	
Movement on Pension Reserve	-835	-34	-888	-888	-888	-888
<b>Net Expenditure after reserves</b>	<b>17,222</b>	<b>17,612</b>	<b>15,494</b>	<b>15,074</b>	<b>15,206</b>	<b>15,442</b>
Formula Grant/NNDR	-8,141	-8,182	-6,046	-5,315	-5,160	-5,100
Council Tax Freeze Grant			-230	-230	-230	-230
Local Area Agreement Grant	-217	-250				
Area Based Grant	-23					
Transfer (from)/to Collection Fund	131	16	31			
<b>Demand on Collection Fund</b>	<b>8,972</b>	<b>9,196</b>	<b>9,249</b>	<b>9,529</b>	<b>9,816</b>	<b>10,112</b>
Council Taxbase	57,734	57,791	58,123	58,414	58,706	58,999
<b>Council Tax at Band D</b>	<b>155.41</b>	<b>159.13</b>	<b>159.13</b>	<b>163.11</b>	<b>167.19</b>	<b>171.37</b>

**Percentage Increase**

2.40%    0.00%    2.50%    2.50%    2.50%



## OTHER KNOWN REDUCTIONS AND INCREASES

	2011/12	2012/13	2013/14	2014/15
	£'000	£'000	£'000	£'000
Causeway deal		-74	-74	-74
increase in pension costs				92
Jackson Square Contract - Rent	75	83	91	99
Income Shortfall 2009/10 reducing effect	-50	-100	-150	-150
Changes to Terms and Conditions			-267	-440
New Refuse, Recycling & Street Cleansing Contract		-100	-100	-100
Joint Mgt team for Revenues and Benefits with Stevenage	-37	-37	-37	-37
Post regraded in Revenues & Benefits		-2	-2	-2
Markets - marketing & maintenance	6	6	6	28
Annual Licence fee - Benefits System	40	40	40	40
Additional plastic recycling - full year effect		22	22	22
Homelessness grant continuation (reduction in income from 11/12)		19	19	19
Hertford Theatre Hydro Income		-11	-11	-11
<b>Total</b>	<b>34</b>	<b>(154)</b>	<b>(463)</b>	<b>(514)</b>

## Pay and Price Assumptions for Medium Term Financial Plan

Data Table	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Overall salary increase (Inclusive of everything)*	4.75%	4.75%	0.65%	1.70%	1.45%	2.80%	3.15%
Members Allowances		0.00%	0.00%	2.68%	2.61%	1.80%	2.40%
Inflation	2.50%	2.50%	2.00%	2.10%	2.30%	2.60%	2.70%
NNDR	2.50%	3.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Fuel	2.50%	5.00%	5.00%	2.50%	2.50%	2.50%	2.50%
Contract Index - All Contracts	3.50%	2.50%	2.00%	2.70%	2.70%	2.70%	2.70%
Contract Index - Street Cleansing	3.50%	2.50%	2.00%	2.70%	2.70%	2.70%	2.70%
Contract Index - Refuse Only	3.50%	2.50%	2.50%	3.20%	3.20%	3.20%	3.20%
Contract Index - Parking	3.00%	2.00%	1.50%	2.20%	2.20%	2.20%	2.20%
Contract Index - Leisure	2.50%	2.00%	1.50%	2.20%	2.20%	2.20%	2.20%
Contract Index - Community Meals	3.50%	3.00%	3.00%	3.70%	3.70%	3.70%	3.70%
Formula Grant/NNDR Redistribution	1.00%	0.50%	0.50%	-5.00%	-5.00%	-5.00%	-5.00%
Tax Base Increase	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>Income</b>							
Increase for Fees & Charges	3.50%	3.50%	3.50%	2.50%	2.50%	2.50%	2.50%
Increase for car parks	5.00%	5.00%	5.00%	2.50%	2.50%	2.50%	2.50%
Interest on investment	5.30%	2.75%	2.46%	1.81%	2.30%	2.70%	3.30%
1. Street cleansing / Grounds Maintenance - April RPI applied in April							
2. Refuse & Recycling - April AEI (public sector) applied in August							
3. Parking - April RPIx applied in January							
4. Community Meals - April RPI applied in April (contract ends July '09)							
5. Leisure - January RPIx applied in January							
*Salary Increase							
Pay award original budget **	2.50	2.25	0.00	0.20	0.20	1.80	2.4
Pay allowance - increments and local award	2.25	2.25	0.65	1.50	1.25	1.00	0.75
	<b>4.75</b>	<b>4.50</b>	<b>0.65</b>	<b>1.70</b>	<b>1.45</b>	<b>2.80</b>	<b>3.15</b>
** Pay award actuals and now reflected in future plans	2.75	1.00					



**Savings**

2011/12	2012/13	2013/14	2014/15
£	£	£	£

**Recommendations to Council****CUSTOMER & COMMUNITY****Community & Cultural**

Reduce funding for museum services HCC and partnership funding

**Customer & New Media**

Cancel free parking days at Christmas

Ware Amwell End - Revision of rent payable by Hertford regional College for student car park spaces

-1,000

Grange Paddocks Project

Elm Road income

-7,500

Postponing of Sunday Charging - income until 2011/12

**INTERNAL SERVICES****Democratic & Legal Services**

Reduce support for Chairman

**Total recommendations to Council****-8,500****0****0****0****Other savings****CUSTOMER & COMMUNITY****Community & Cultural**

C&amp;C - MOW

-45,761

-15,269

Leisure Savings

-86,000

39,000

118,000

Review minor grants

-12,500

Castle Hall - new business plan (subject to approval)

-83,085

-57,671

-45,000

**Environment**

Do not replace Area Environment Inspector &amp; delete lease van after 12 month contract expires

-30,000

Delete Business Support Assistant Part Time Post FTE Grade 3 - 18.5 hours)

-12,175

Delete Business Support Assistant Part Time Post FTE Grade 3 - 22.5 hours)

-12,922

Reduce Recycling advertising and promotion budget

-31,300

**Customer & New Media**

Ware Amwell End - Revision of rent payable by Hertford regional College for student car park spaces

-1,000

-1,000

Introduce On Street Charging

Grange Paddocks Project

Elm Road income

-10,000

-10,000

Rye St/Grange Paddocks income

-50,000

-50,000

Link Road resulting from redesignation as short stay

-50,000

Northgate End resulting from redesignation as short stay

-56,000

Grange Paddocks Project - Resident permit income		-2,500	-2,500	
<b>NEIGHBOURHOOD SERVICES</b>				
<b>Planning &amp; Building Control</b>				
Cessation or very minimal provision of remaining discretionary elements of service		-71,305	-71,305	
<b>CHIEF EXECUTIVE</b>				
<b>Strategic Direction &amp; Corporate Support Team</b>				
Restructuring within Strategic Direction		-16,041	-16,041	
<b>INTERNAL SERVICES</b>				
<b>Democratic &amp; Legal Services</b>				
Land Charges - staffing reductions		-4,000	-23,000	
<b>People &amp; Organisational Services</b>				
Reduction in corporate training budget pro rata to staff reduction			-6,000	
<b>Financial Support Services</b>				
Phased reduction in hours of estates staffing		-16,000	-15,000	-15,000
<b>Business Support Services</b>				
Staffing efficiencies on completion of C3W programme		-56,090		
<b>Revenues &amp; Benefits</b>				
Invest to save option		-64,000	-64,000	
<b>Total other savings</b>	<b>0</b>	<b>-604,679</b>	<b>-398,786</b>	<b>58,000</b>
<b>Review of 09/10 outturn</b>				
Community Safety - reduction in supplies & services	-5,000			
<b>Total review of 09/10 outturn</b>	<b>-5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2011/12 budget round additional savings</b>				
<b>CHIEF EXECUTIVE</b>				
<b>Strategic Direction &amp; Corporate Support Team</b>				
Public Consultation Budget reduction to base	-14,000			
Deletion of Graduate Trainee post	-15,000			
Reduction of Supplies & Services	-1,000			
Reduce performance and communications activity	-85,000			

**INTERNAL SERVICES**

Reduce and consolidate management resources	-75,000			
<b>Human Resources</b>				
Reduce HR support	-20,000	-60,000		
<b>Business Support Services</b>				
Internal Audit efficiencies from partnership working	-15,000	-30,000		
Restructuring within facilities services	-70,000	-50,000		
Reduce ICT contract payment	-30,000			
Restate property budgets		-13,000		
<b>Revenues &amp; Benefits</b>				
Further shared service savings	-36,000			
Discretionary Rate Relief		-30,000		
Reductions in supplies & services - printing	-11,000			
Increase in recoverable overpayments of Housing Benefits	-100,000			
<b>Financial Support Services</b>				
Review of Financial Support Services				-40,000
<b>Democratic &amp; Legal Support Services</b>				
Efficiency measures for electoral canvass				-13,000
Restructuring of Democratic & Legal Services		-4,000	-23,000	
<b>NEIGHBOURHOOD SERVICES</b>				
<b>Planning &amp; Building Control</b>				
Building control fees		-50,000	-50,000	-50,000
Development Control BPI led savings				-22,000
DC miscellaneous costs		-10,000	-10,000	
Planning administration				-68,000
LDF funding		-10,000	-100,000	
Planning policy resources			-12,000	
<b>Health &amp; Housing</b>				
Restructuring the services delivered by Licensing, Community Safety and Environmental Health leading to a reduction in resources	-100,000			-106,000
Cease funding Hsg Improvement Agency core & associated services				
- cease Hsg Advice		-5,000		
- cease Handyperson service		-16,000		
- cease funding HIA core and associated services		-33,000		
Reduce hours of Hsg Dev Officer and increase fees	-13,000			
Scale back rent support scheme				
Reduction in housing resouces	-54,000			
<b>Community Safety</b>				
Set taxi licence fees to recover full costs	-13,000	-13,000	-14,000	-14,000

Taxi marshals - withdrawal of funding	-5,000			
Cease contribution to PCSO's	-46,000			
<b>CUSTOMER &amp; COMMUNITY</b>				
<b>Environment</b>				
Reduce ancillary admin spend for Environmental Services	-3,000			
Reduce ancillary admin spend for Community & Cultural	-4,000			
Additional Income from sale of recycleables	-200,000			
Reduce total staff support across Environmental Services	-20,000			
Review / reduce level of environmental coordination and advice	-25,000	-25,000		
increase charges for bulky waste collection service	-10,000			
Join the Consortium contract for the provision of textile banks	-30,000			
<b>Community &amp; Cultural</b>				
Reduce and consolidate senior management resource	-60,000			
Rationalise and consolidate the range of community and culture activities and projects undertaken	-41,000	-41,000		
Review the Hertford Theatre management structure	-7,000	-15,000		
Reduce total spend on Community & Culture, grants, subscriptions & discretionary commissioning by approx 5%	-20,000			
<b>Customer Services &amp; New Media</b>				
Reduce / consolidate ongoing web support	-15,000			
<b>Corporate costs</b>				
Reduce corporate management	-15,000	-50,000		
<b>Deletion of existing savings options in the MTFP replaced by items above</b>				
Planning Service		87,000	87,000	
Strategic Direction				
	<b>-1,153,000</b>	<b>-368,000</b>	<b>-122,000</b>	<b>-313,000</b>
<b>Total Savings</b>	<b>-1,166,500</b>	<b>-972,679</b>	<b>-520,786</b>	<b>-255,000</b>
<b>Cumulative Total Savings</b>	<b>-1,166,500</b>	<b>-2,139,179</b>	<b>-2,659,965</b>	<b>-2,914,965</b>

<b>One Off Savings</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>INTERNAL SERVICES</b>				
<b>Financial Support Services</b>				
Rural Development Project Income Stream		-5,000		
<b>Total</b>	<b>0</b>	<b>-5,000</b>	<b>0</b>	<b>0</b>
<b>Review of 09/10 outturn</b>				
<b>CHIEF EXECUTIVE</b>				
<b>Strategic Direction</b>				
Public Consultation & Research		-9,700	-5,700	-14,700
<b>Total</b>	<b>0</b>	<b>-9,700</b>	<b>-5,700</b>	<b>-14,700</b>
<b>Total one off savings</b>	<b>0</b>	<b>-14,700</b>	<b>-5,700</b>	<b>-14,700</b>

Special Items	2011/12 £	2012/13 £	2013/14 £	
<b>CUSTOMER &amp; COMMUNITY</b>				
Community & Cultural				
LSP	60,000			
<b>Customer &amp; New Media</b>				
Consultancy re parking retender	12,000			
Grange Paddocks Project -	6,300	0	0	
Grange Paddocks Project - Resident permit	20,000	0	0	
<b>Total</b>	<b>98,300</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Review of 09/10 outturn</b>				
Bldg Control - Supplements	9,000	9,000	0	0
Dev Plans - Supplements	6,500	6,500	0	0
Dev Control - Supplements	9,000	9,000	0	0
<b>Total</b>	<b>24,500</b>	<b>24,500</b>	<b>0</b>	<b>0</b>
<b>Total SIs</b>	<b>122,800</b>	<b>24,500</b>	<b>0</b>	<b>0</b>

# Growth

2011/12	2012/13	2013/14	2014/15
£	£	£	£

## CUSTOMER & COMMUNITY

### Customer & New Media

On Street Charging - Maintenance and Monitoring of Pay and Display Machines

Sunday & Bank Holiday charging

Grange Paddocks Project - Maintenance of pay and display machines

Hartham Lane car park extension - Maintenance and monitoring of pay and display machines

250

43,600

### Environment

Refuse Service - Property Growth

53,000

Growth from capital programme

25,000

25,000

25,000

Total

**25,250**

**25,000**

**68,600**

**53,000**

### Review of 09/10 outturn

Dev Control - Appeals & Consultancy

50,000

0

0

0

Total

**50,000**

**0**

**0**

**0**

## Total Growth

**75,250**

**25,000**

**68,600**

**53,000**

## Cumulative Total Growth

**75,250**

**100,250**

**168,850**

**221,850**

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## East Herts Council Budget Consultation 2010

East Herts Council is committed to effective consultation when setting each year's budget. The consultation activity with regard to setting the 2011/12 budget is detailed below. The objectives of the exercise were to:

- Get a steer from the public on what we should, and shouldn't be, spending money on as a council
- Gain an understanding of which service areas should be prioritised over others
- Consider areas where higher savings could be made
- Convey how difficult it is to make the budget balance.

### Project outline and implementation

East Herts Council engaged with the public, businesses and Councillors around the budget through a series of consultation exercises;

- An online budget simulator (Delib) was placed on our website and promoted through various channels e.g. website, press releases, as well as a direct mailout to 1500 members of our Citizens Panel. It was available to all members of the public. A short video setting the scene was also available. At the time of writing the report the simulator is still open to the public.
- The Delib simulator was sent out to business contacts.
- Four focus groups were held with groups that have access issues and may therefore be affected if certain proposals were agreed, (The first focus group was conducted with representatives of the disabled community in East Herts (Hertford Action on Disability), and the second was held with the elderly at a Circle Anglia Sheltered Housing Scheme. The third focus group was held with the East Herts Ethnic Minority Forum. The final focus group was held at a sheltered housing scheme in Watton at Stone. We were unable due to timings to hold a meeting with Bishop's Stortford Action on Disability.
- A separate exercise was held with all Councillors. This was an online consultation which made available online all the budget options. Councillors were able to comment on each option in a web forum.

The consultation activity was carried out between November and December 2010. All groups (excluding the Councillors forum) were asked to discuss the following:

- Police Community Support Officers
- Community Grants and Funding
- Public Consultation/ Public meetings and Council meetings
- Public toilets
- Homeless help
- Support for museums, the arts and other cultural activities in East Herts.

## Online Budget Simulator

The online budget simulator was open from 22 November and closed on 17 December.

We were limited as to the level of promotion we could undertake due to the pre election period from 7 October 2010 to 23 December 2010 which restricted local government publicity.

Articles did appear in the local press over the period 11 November 2010 to 16 December 2010. Coverage included articles in the Hertfordshire Mercury, the Hertfordshire Observer and the Bishop's Stortford Scene.

In total 173 responses were received. We had a good range of responses covering all major areas and age groups. The highest response rate was from Hertford at 27% (46). There were 38 (22%) responses from Bishop's Stortford. Our other towns made up 16% of the responses, Ware had 14, Buntingford 11 and Sawbridgeworth 4. 11% of respondents were from our rural areas and 23% did not state a location. A breakdown of responses by area can be seen below:

Area	Total responses
Bishop's Stortford	21.6% (38)
Hertford	26.2% (46)
Sawbridgeworth	2.3% (4)
Ware	8% (14)
Buntingford	6.3% (11)
Rural areas	10.8% (19)
Blanks	22.8% (40)

The majority, at 81% (140), of respondents classified themselves as White British. 4% (8) classified themselves as White Other. 0.6% (1) classified themselves as White Irish. 13.2% (23) did not state their ethnic category. This suggests the response rate from ethnic groups other than 'White British' is higher than the current known breakdown of the district.

The majority of respondents were male, 55% (95). 56 females responded, 32%. 2 (1.1%) respondents did not wish to say their gender and 20 (12%) left the section blank.

At 25% (44) the majority of respondents were aged between the 55- 64 age group. The lowest number of respondents were from the 18-24 age group.

Age	Total responses
18-24	1.14% (2)
25 – 34	8% (14)
35 -44	10.3% (18)

45 – 54	19.4% (34)
55-64	25.1% (44)
65+	22.2% (39)
Rather not say	1.14% (2)
Blanks	11.4% (20)

### Police Community Support Officers

#### **Three out of four respondents favoured making cuts to this spending area.**

78% (135) agreed that spending could be reduced compared to 22% (38) who wished to maintain spending in this area. However the level of reduction varied – the highest preference at 28% (49) was to see spending in this area reduced by 100%.

This was followed by 9.8% (17) supporting a 10% reduction, 9.24% (16) supporting a 50% reduction, 8.7% (15) supporting a 20% reduction, 5.8% (10) supporting a 30% reduction, 4.04% (7) supporting a 60% and a 70% reduction, 3.5% (6) supporting an 80% reduction, 2.9% (5) supporting a 40% reduction and 1.7% (3) supporting a 90% reduction.

There was no significant area difference between those who wished to maintain the spending and those who agreed to a 100% reduction.

There was no significant gender difference between those who wished to maintain the spending and those who agreed to a 100% reduction. However the number of males that agreed to the 100% reduction was nearly double the number that wished to retain the spending.

Those aged 55+ were twice as likely to support a 100% reduction in this area than support a 100% retention.

### Community Grants and Funding – Sports

#### **Nine out of 10 respondents favoured making cuts to this spending area.**

92% (160) agreed that spending could be reduced compared with 7.5% (13) who wished to maintain spending in this area. However the level of reduction varied – the highest preference at 22.5% (39) was to see spending in this area reduced by 100%.

This was followed by 16% (28) supporting a 50% reduction, 12.7% (22) supporting a 10% reduction, 10.4% (18) supporting a 20% reduction. 6.4% (11) supporting a 70% and 80% reduction, 5.8% (10) supporting a 60%

reduction, 4.6% (8) supporting a 40% and a 90% reduction, and 2.9% (5) supporting a 30% reduction.

There were no significant gender differences with the majority of both males and females opting to reduce the spending in this area by 50 or more percent.

Respondents in the West of the district were more likely to support a 100% reduction in this area.

Those aged 55 and above were ten times more likely to reduce the funding by 100% rather than retain it by 100%.

#### Community Grants and Funding – Supporting our towns and encouraging businesses.

**Eight out of 10 respondents favoured making cuts to this spending area. There was no clear majority indicating a particular preference.**

The percentage of people that wanted to retain 100% of spending at 16.2% (28) was the same as those that wished to cut it by 100%. 13% (23) of respondents wished to reduce spending by 50%.

This was followed by 11% (19) supporting a 60% reduction, 8.7% (15) supporting a 20% reduction, 7.5% (13) supporting a 70% reduction, 6.9% (12) supporting a 30% reduction, 6.3% (11) supporting a 40% and an 80% reduction, 5.8% (10) supporting a 10% reduction and 1.7% (3) supporting a 90% reduction.

There were no significant gender, age or area based differences.

#### Community Grants and Funding – Funding for the Arts

**Nine out of 10 respondents favoured making cuts in this area.**

92.5% (160) agreed that spending could be reduced compared with 7.5% (13) who wished to maintain spending in this area. . However the level of reduction varied – the highest preference at 28.9% (50) was to see spending in this area reduced by 100%.

This was followed by 12.7% (22) supporting an 80% reduction, 9.8% (17) supporting a 50% reduction, 8.7% (15) supporting an 10% reduction, 6.9% (12) supporting a 70% reduction, 5.2% (9) supporting a 20% 30% 60% and 90% reduction and 4.6% (8) supporting a 40% reduction.

There was no significant gender difference; however the number of males that wished to reduce the spending by 100% (29) is significantly higher than those who wished to retain 100% of spending (2).

There were no significant age or area based differences.

## Community Grants and Funding – Community Revenue Grants

### **Nine out of 10 respondents favoured making cuts in this area.**

90.2% (156) who agreed that spending could be reduced compared with 9.8% (17) who wished to maintain spending in this area.. However the level of reduction varied – the highest preference at 26% (45) was to see spending in this area reduced by 100%.

This was followed by 12.7% (22) supporting a 50% reduction, 10.4% (18) supporting a 10% reduction, 8.0% (14) supporting an 30% reduction, 6.3 (11) supporting a 40% and an 80% reduction, 5.8% (10) supporting a 60% reduction, 5.2% (9) supporting a 20% and a 70% reduction and 4% (7) supporting a 90% reduction.

There were no significant gender, age or area based differences.

## Community Grants and Funding – Museums

### **Nine out of 10 respondents favoured making cuts in this area.**

90.2% (156) agreed that spending could be reduced compared with 9.8% (17) who wished to maintain spending in this area. However the level of reduction varied – the highest preference at 24.2% (42) was to see spending in this area reduced by 100%.

This was followed by 10.4% (18) supporting a 10%, 50% and 60% reduction, 7.5% (13) supporting an 80% reduction, 6.9% (12) supporting a 20% reduction, 6.3% (11) supporting a 30% reduction, 5.8 (10) supporting a 90% and a 70% reduction and 2.3% (4) supporting a 40% reduction.

There were no significant age or area based differences. The number of males that would support a 100% reduction is more than treble the number that wished to maintain 100% of spending in this area.

## Community Grants and Funding – Festive Parties

### **Nine out of 10 respondents favoured making cuts in this area.**

89% (154) agreed that spending could be reduced compared with 11% (19) who wished to maintain spending in this area.. However the level of reduction varied – the highest preference at 43% (74) was to see spending in this area reduced by 100%.

This was followed by 10.4% (18) supporting an 80% reduction, 8% (14) supporting a 90% reduction, 6.9% (12) supporting a 10% reduction, 4.6% (8) supporting a 50% reduction, 4% (7) supporting a 60% reduction, 3.5% (6) supporting a 20% and a 70% reduction, 2.9% (5) supporting a 30% reduction and 2.3% (4) supporting a 40% reduction.

There were no significant gender or area based differences. Those ages 55+ were significantly more likely to support a 100% reduction in this area rather than to retain 100% of spending.

#### Community Grants and Funding – Engagement with children and young people

##### **Eight out of 10 respondents favoured making cuts in this area.**

83.8% (145) agreed that spending could be reduced compared with 16.2% (28) who wished to maintain spending in this area.. However the level of reduction varied – the highest preference at 22% (38) was to see spending in this area reduced by 100%.

This was followed by 11% (19) supporting a 10% reduction, 10.4% (18) supporting a 50% reduction, 8.7% (15) supporting a 60% reduction, 7.5% (13) supporting a 30% and a 70% reduction, 4.6% (8) supporting a 20% 40% and an 80% reduction and 2.9% (5) supporting a 90% reduction.

There were no significant area, gender or age based differences.

#### Public Consultation

##### **Nine out of 10 respondents favoured making cuts to this spending area.**

91.3% (158) agreed that spending could be reduced compared with 8.7% (15) who wished to maintain spending in this area.. However the level of reduction varied – the highest preference at 22.5% (39) was to see spending in this area reduced by 100%.

This was followed by 14% (24) supporting a 50% reduction, 11% (19) supporting a 70% reduction, 9.2% (16) supporting an 80% reduction, 8.1% (14) supporting a 60% reduction, 7.5% (13) supporting a 90% reduction, 5.2 (9) supported a 20% reduction and 4.6% (8) supported a 10%, 30% and 40% reduction.

There was no significant gender difference between those who wished to maintain the spending and those who agreed to a 100% reduction. However the number of males that agreed to the 100% reduction at 22 was significantly higher than the number that wished to retain the spending at 2.

Those based in the east of the district were more likely to support a 100% reduction in this area than those in the west.

#### Council meetings

##### **Nine out of 10 respondents favoured making cuts to this spending area.**

91.3% (158) agreed that spending could be reduced, compared with 8.7% (15) who wished to maintain spending in this area.. However the level of

reduction varied – the highest preference at 28.3% (49) was to see spending in this area reduced by 100%.

This was followed by 11% (19) supporting a 60% reduction, 10.4% (18) supporting an 80% reduction, 8.7% (15) supporting a 70% reduction, 6.9% (12) supporting a 40% reduction, 6.4% (11) supporting a 30% and a 50% reduction, 5.2% (9) supporting a 90% reduction, 4.6% (8) supporting a 10% reduction and 3.5% (6) supporting a 20% reduction.

There was no significant gender difference between those who wished to maintain the spending and those who agreed to a 100% reduction. However the number of males that agreed to the 100% reduction at 22 was significantly higher than the number that wished to retain the spending at 2.

There were no significant age or area based differences.

### Public meetings

#### **Nine out of 10 respondents favoured making cuts in this area.**

93.1% (161) agreed that spending could be reduced compared with 6.9% (12) who wished to maintain spending in this area.. However the level of reduction varied – the highest preference at 32.4% (56) was to see spending in this area reduced by 100%.

This was followed by 11% (19) supporting an 80% reduction, 8.7% (15) supporting a 70% reduction, 8.1% (14) supporting a 50% reduction, 6.9 (12) supporting a 60% reduction, 5.8 (10) supporting a 90% reduction, 5.2% (9) supporting a 10% 30% and 40% reduction and 4.6% (8) supporting a 20% reduction.

There was no significant gender difference between those who wished to maintain the spending and those who agreed to a 100% reduction. However the number of males that agreed to the 100% reduction at 32 was significantly higher than the number that wished to retain the spending at 3.

There were no significant age or area based differences.

### Public toilets

#### **Eight out of 10 respondents favoured making cuts in this area.**

81% (140) agreed that spending could be reduced compared with 19% (33) who wished to maintain spending in this area.. However the level of reduction varied – the highest preference at 20% (35) was to see spending in this area reduced by 100%.

This was followed by 9.7% (17) supporting a 10% reduction, 8.6% (15) supporting a 70% reduction, 8% (14) supporting a 50% and 60% reduction, 7.4% (13) supporting a 20% reduction, 6.3% (11) supporting an 80%

reduction, 5.7% (10) supporting a 40% reduction, 3.4% (6) supporting a 90% reduction and 2.9% (5) supporting a 30% reduction.

Those based in the West of the district were more likely to support a 100% reduction than those in the East. There were no gender differences. Those aged 65+ were significantly more likely to support retaining 100% of spending in this area.

### Homeless help

#### **Seven out of 10 respondents favoured making cuts in this area.**

77.2% (133) agreed that spending could be reduced compared with 22.8% (40) who wished to maintain spending in this area.. The highest preference was to retain 100% of spending in this area. However the level of reduction varied.

Out of the 77.2% that favoured making cuts, the highest preference 15.4 (27) was for a 50% reduction. This was followed by 14.8% (26) supporting a 100% reduction, 10.3% (18) supporting a 10% reduction, 7.4% (13) supporting a 60% reduction, 6.3% (11) supporting a 70% reduction, 5.1 (9) supporting a 30% and 40% reduction, 4% (7) supporting an 80% and 90% reduction and 3.4 (6) supporting a 20% reduction.

There were no significant age, area or gender based differences.

### Support for museums, the arts and other cultural activities in East Herts

#### **Nine out of 10 respondents favoured making cuts in this area.**

93.7% (162) who agreed that spending could be reduced compared with 6.3% (11) who wished to maintain spending in this area.. However the level of reduction varied – the highest preference at 25.1% (44) was to see spending in this area reduced by 100%.

This was followed by 13.1% (23) supporting an 80% reduction, 11.4 (20) supporting a 60% reduction, 9.7% (17) supporting a 10% reduction, 8% (14) supporting a 50% reduction, 6.8% (12) supporting a 90% reduction, 6.3% (11) supporting a 70% reduction, 5.1 (9) supporting a 20% reduction, 4% (7) supporting a 30% reduction and 2.9 (5) supporting a 40% reduction.

There was no significant gender difference between those who wished to maintain the spending and those who agreed to a 100% reduction. However the number of males that agreed to the 100% reduction at 22 was significantly higher than the number that wished to retain the spending at 3.

There were no significant area based differences however respondents based in the East were significantly more likely to support a 100% reduction than to retain the spending at 100%.



There were no significant age based differences.

The proposals, ranked by highest preference for identifying savings is:

1. Support for museums, the arts and other cultural activities
2. Public meetings
3. Funding for the Arts/ funding for sports activities
4. Public consultation/ Council meetings
5. Funding for museums/ community revenue grants
6. Funding for Christmas parties
7. Engagement with children and young people
8. Public toilets
9. Police Community Support Officers
10. Homeless help
11. Support for our towns and encouraging businesses.

Other areas that were mentioned:

Areas suggested by respondents where savings could potentially be made include:

- Councillors allowances
- Reduce senior management numbers/ salaries

### Business Consultation

The link to the online budget simulator was sent out to East Herts Council business contacts (approx 7 different organisations which represent a large number of people) with an introductory email which asked them to identify on the simulator if they were responding on behalf of a business.

The Federation of Small Businesses provided a response:

- Police Community Support Officers – Retain 100% of spending.
- Support for our towns and encouraging businesses – Retain 100% of spending.
- Homeless help – Reduce spending by 50%
- Engagement with children and young people – Reduce spending by 70%.
- Funding for museums – Reduce spending by 80%
- Public consultation – Reduce spending by 90%.
- Council meetings – Reduce spending by 90%.
- Public toilets – Reduce spending by 90%
- Support for museums, the arts and other cultural activities – Reduce spending by 100%.
- Public meetings – Reduce spending by 100%
- Funding for the Arts – Reduce spending by 100%.

- Funding for sports activities – Reduce spending by 100%.
- Community revenue grants – Reduce spending by 100%.
- Funding for festive party grants – Reduce spending by 100%

## Focus Groups

### **East Herts Minority Ethnic Forum**

Two officers attended the East Herts Ethnic Minority Forum to discuss the options. However the group is a new group and the turnout was low. This coupled with the short amount of time available on the agenda meant that officers could only present the options to the group and promote the use of the online budget simulator.

The chair of the meeting agreed to send out an email to the local contacts, approximately 150, explaining the online exercise and its importance to help promote the use of the tool.

Despite the response rate from ethnic minority groups being high compared to the district position, the response rate was still too small to analyse separately, therefore it is also important to refer to the overall findings.

### **Circle Anglia Sheltered Housing Scheme – Much Hadham**

Four officers attended a meeting specifically set up to discuss the budget proposals at a sheltered housing scheme. The officers talked through the options and then noted the comments received for each proposal. In total there were approximately 25 participants.

### Police Community Support Officers

- The group commented that they had not seen the current PCSOs and therefore questioned the value of retaining one.
- They felt that it was important to have in place sufficient community safety initiatives and therefore suggested that the funding could be ring fenced to this.

### Community Grants and Funding

- The group felt it was important to retain spending on sports and the arts.
- They agreed that as the funding for the Christmas parties was only £1 per head that this would not achieve a lot and therefore this is an area where saving could be made.

### Public Consultation/ Public meetings and Council meetings

- The group agreed that there were other ways the Council could communicate with residents without the need for public meetings.
- They recognised the value in consulting with the public however the group was open to cheaper alternatives.

### Public toilets

- The group had mixed opinions on the need to retain public toilets. There was an agreement that the spending equated to a lot of money however they felt that it was still important to have some sort of toilet provision. They were keen that the Council continues to look for cheaper alternatives.

#### Homeless help

- Whilst the group saw this as an important pot of money they agreed that there should be an agree repayment time and a minimal interest rate applied.

#### Support for museums, the arts and other cultural activities in East Herts

- The group agreed that East Herts should look to step back from projects which were well established and where volunteer could run them instead.

#### Other areas that were mentioned:

- The group raised concerns over cuts to the Supporting People monies that provide assistance to individuals at their scheme. These were passed to the appropriate service.

### **Circle Anglia Sheltered Housing Scheme – Watton at Stone**

Three officers attended a meeting specifically set up to discuss the budget proposals at a sheltered housing scheme. The officers talked through the options and then noted the comments received for each proposal. In total there were approximately 10 participants.

#### Police Community Support Officers

- The group agreed that Hertfordshire should make more use of specials
- The group felt that retaining one officer (or 2 part time equivalents) would mean that they were too thinly spread to make any impact.
- They did not believe that retaining the PCSOs would be value for money

#### Community Grants and Funding

- The group would support temporary cuts for the arts and museums.
- They agreed that it is more important to support businesses in Hertford
- Arts events could make more use of school halls to keep costs down
- They felt there was a need to support sports activities, especially with current obesity issues
- The recurring theme throughout the focus group was to keep grants for the “living” – ie people that are helped as individuals directly by support.

#### Public Consultation/ Public meetings and Council meetings

- The group stated that the council should look to do as much consultation in house as possible rather than paying for consultants to do it.
- The group felt that evening council meetings aren't accessible due to lack of public transport. For example buses in Watton stop at 7pm. Day time meetings would be easier for people to get to.

- The group agreed that public meetings are not a very cost effective method for getting the council message across.

#### Public toilets

- The group agreed that the Council should keep the toilets open until there is a partnership agreement.
- They also felt that there was a need to have disabled toilets too.

#### Homeless help

- The group were keen to retain spending in this area as it directly helps people. They would prefer to see spending here than in the arts.

#### Support for museums, the arts and other cultural activities in East Herts

- The group felt that there was a lot of spending in this area and that where possible the Council should look for more external funding.

#### Other areas that were mentioned:

- Support for the elderly who do not live in supported residential housing.

### **Hertford Action on Disability**

Two officers met with representatives of the Hertford Action on Disability Group. The budget options were presented and then using the online consultation tool the participants fed back their opinions.

#### Police Community Support Officers

- The group wished to retain spending in this area.

#### Community Grants and Funding

- The group wished to retain spending in this area.

#### Public Consultation/ Public meetings and Council meetings

- The group agreed on a 100% reduction in public meetings and council meetings and a 50% reduction in public consultation spending.

#### Public toilets

- The group were most passionate about this area and wished to retain spending.

#### Homeless help

- The group wished to retain spending in this area.

#### Support for museums, the arts and other cultural activities in East Herts

- The group agreed a 100% reduction in spending in this area.

#### Other areas that were mentioned:

- The group raised concerns over highways maintenance which were passed to Hertfordshire County Council. They also had concerns that spending should be maintained for public parks and open spaces.

### **Councillors Forum**

The forum was available to Members between 01 November and 26 November 2010. It contained all the 2011 budget proposals which were grouped under 14 service categories. The forum was promoted through the Members Information Bulletin and via email. Support was on hand should it

have been requested to help Members engage with the new scrutiny process. The Liberal Democrat Group replied collectively therefore the comments below may represent the views of an individual Councillor or a group.

Listed below are the responses provided for each budget option.

### **Revenues and Benefits**

#### **Further shared service savings**

- Four questions were raised asking for more information on the implications for staffing and an explanation on how savings will be achieved. A response was issued by the Head of Service.

#### **Discretionary rate relief**

- One comment did not support the proposal.

#### **Reduction in supplies and services – printing**

- One question was raised asking for a breakdown of the £13,000 and the Head of Service responded.

#### **Increase in recoverable over payment of housing benefits**

- One comment indicated that the proposal was too speculative to be realistic. It also queried how the £100,000 was arrived at for 2012. A response was issued by the Head of Service.

### **Strategic Direction**

#### **Reduction in Public Consultation budget base**

- Two comments supported the proposal that the expenditure on public consultation could be reduced without impacting negatively on the intelligence gained.

#### **Deletion of Graduate Trainee Post**

- One comment supported the proposal.

#### **Reduction in Supplies and Services codes within the Chief Executive and Corporate Support Team**

- One comment supported the proposal.

#### **Reduction in Performance and Communications activities - service savings**

- One comment 'regrettably' agreed with the proposal.

### **Customer Services and New Media**

#### **Reduce/consolidate ongoing web support**

- One comment supported the proposal.

### **Community and Cultural Services**

Reduce ancillary admin spend for Community and Culture

- There was one request for clarity. A response was issued by the Head of Service.

Reduction of total spend on community and culture, grants, subscriptions and discretionary commissioning by approx 5%

- Two comments expressed reluctance to cut more and instead wished to protect spending on the arts.

Reduce and consolidate senior management resource

- One comment agreed with the proposal.

Review the Hertford Theatre management structure with effect from June 2011

- One comment agreed with the proposal.

Rationalise and consolidate the range of community and culture activities and projects undertaken

- One comment stated "given that 39k has been already allocated and in view of "Big Government" proposals which will impact on the voluntary sector, to reduce further would be inappropriate at this time".

**Environmental Services**

Additional income from the sale of recyclables and from recycling credits

- One comment agreed with the proposal.

Review/reduce level of environmental co-ordination and advice

- One comment agreed with the proposal subject to it not affecting the service.

Reduce ancillary admin spend for environmental services

- One comment indicated that they found it difficult to comment as the savings to be made were not quantified. A response was issued by the Head of Service.

Increase Charges for Bulky Waste Collection Service Proposal

- A request for comparison cost figures was answered by the Head of Service.

Reduce total staff support across Environmental Services

- One comment agreed with the proposal.

Join consortium contract for the provision of textile banks Proposal

- One comment agreed with the proposal.
- One comment strongly disagreed with the proposal. A response was issued by the Head of Service.

## **Housing Options and Housing Strategy & Development**

### Reduction in Housing Resources Proposal

- One comment did not support the proposal as they could foresee this being an area which would require additional resources.

### Reduction of Hours of Housing Development Officer and increase fees Proposal

- One comment supported the proposal.

### Cease funding Home Improvement Agency core and associated services Proposal

- One comment stated it was the wrong time to tackle this.

### Scale Back Rent Deposit Scheme Proposal

- One comment stated they cannot support this proposal due to the “likely impact of central government changes”.

## **Planning and Building Control**

### Building Control Fees Proposal

- One comment stated they felt it was difficult to comment as they did not have details of current fees and the percentage rise over inflation figures.

### Development Control BPI Led Savings Proposal

- One comment stated that it was too early to comment on 2015 given no change in the period 2011 – 14 was proposed.

### Development Control Misc Costs Proposal

- One comment stated that given such costs are market dependent and likely to increase above inflation, they could not see how these figures were achievable in 2013 and 2014.
- One generic comment stated “Not sure where to put this but...the vital importance to the character of our District is the conservation and care of the historic built environment and any reduction in resource in this area must be resisted”.

### LDF Funding Proposal

- One comment supported the proposal.

### Planning Administration Proposal

- One comment stated that it was too early to forecast, given the affects suggested on the service in 2011 to 2014.

### Planning Policy Resources Proposal

- One comment stated that they cannot disagree with the proposal.

## **Community Safety, Environmental Health, Licensing and Emergency Planning**

### **PCSOs - Cease Council Contribution Proposal**

- There was one comment which was responded to by the Head of Service.

### **Restructure the services delivered by Licensing and Community Safety & Environmental Health leading to a reduction in resource Proposal**

- No comments received.

### **Set taxi licence fees to recover full costs Proposal**

- No comments received.

### **Taxi Marshals - withdrawal of funding for service Proposal**

- One comment received indicating concern with the proposal.

## **People and Organisational Services**

### **Reduce HR support**

- Two comments supported this proposal.

## **Business Support Services**

### **Internal Audit efficiencies from partnership working – Proposal**

- One comment supported the proposal.

### **Reduce ICT contract payments**

- One comment supported the proposal.

## **Democratic and Legal Support Services**

### **Efficiency measures for electoral canvass**

- There was one comment stating that 2015 is too early given no change in earlier years.

### **Land Charges - Revised Working Arrangements – Proposal**

- There was one comment stating that due to the uncertainty of legislative proposals it was too early to forecast savings or otherwise in future years.



## **Financial Support Services**

### **Review of Financial Support Services**

- There was one comment stating that it was too early to forecast given no change proposed in previous years. The Head of Service provided extra information.

## **Executive**

### **Reduce Corporate Management**

- One comment supported the proposal.

## **Internal Services**

### **Reduce and consolidate management resources**

- One comment supported the proposal.

## **Conclusion**

As stated as part of the review of the 2009 budget consultation exercise it was important that we held events in the west of the district which this year we achieved by consulting with Hertford based groups as well as those in Bishops Stortford.

The Councillors forum received a number of comments but usage was less than hoped for. Technically the forum worked well and all Heads of Services went in regularly to check whether any queries had been raised with regards to specific queries. There was ample promotion of the forum so if it is to be used again Councillors may need more training to ensure they feel comfortable using an online system.

The East Herts Ethnic Minority Forum had been established, however it is felt that more work needs to be done to develop this into an effective consultation group.

The online budget simulator was a successful introduction to our budget consultation process. Although we would have liked to have had more responses we still managed to increase our engagement by 150%. Concerns over certain age groups being left out by conducting an online exercise were unfounded as the breakdown of respondents shows that the majority were in the two older age groups.

The spring edition of Link will report on how the consultation findings helped to set the budget.

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