



## Public Document Pack

**Jeff Hughes**  
*Head of Democratic and Legal  
Support Services*

**MEETING** : EXECUTIVE  
**VENUE** : COUNCIL CHAMBER, WALLFIELDS, HERTFORD  
**DATE** : TUESDAY 6 SEPTEMBER 2011  
**TIME** : 7.00 PM

### **PLEASE NOTE TIME**

#### **MEMBERS OF THE EXECUTIVE**

Councillor Tony Jackson	- Leader of the Council
Councillor Malcolm Alexander	- Deputy Leader and Executive Member for Community Safety and Environment
Councillor Mike Carver	- Executive Member for Planning Policy and Economic Development
Councillor Linda Haysey	- Executive Member for Health, Housing and Community Support
Councillor Michael Tindale	- Executive Member for Finance

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## 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. Apologies

*To receive apologies for absence.*

2. Minutes (Pages 7 - 14)

*To approve the Minutes of the meeting held on 5 July 2011.*

3. Leader's Announcements

4. Declarations of Interest

*To receive any Member(s) declaration(s) of interest.*

5. Issues Arising from Scrutiny

*To follow*

6. Corporate Strategic Plan 2012/13 - 2015/16 (Pages 15 - 30)

7. Draft 2010/11 Annual Governance Statement

*To follow*

8. Financial Strategy 2011; Medium Term Financial Strategy/Updated MTFP 2012/13 - 2015/16 and Application of the New Homes Bonus (Pages 31 - 68)

9. Flyposting Powers for Town Councils (Pages 69 - 74)

10. Local Development Framework (LDF) Executive Panel - 7 July 2011  
(Pages 75 - 84)

*To receive a report from the Panel and to consider the following recommendations:*

- (A) East Herts Local Development Framework: Localism and Neighbourhood Planning

*Minute 3 refers.*

- (B) LDF Core Strategy: Responses to Issues and Options Public Consultation 2 September 2010 to 25 November 2011

*Minute 4 refers.*

- (C) East Herts Core Strategy Preferred Options: Project Plan and Methodology Statement

*Minute 5 refers.*

- (D) New Home Bonus and Community Infrastructure Levy (CIL)

*Minute 6 refers.*

- (E) LDF: Strategic Land Availability Assessment (SLAA) Project Plan and Establishment of SLAA Partnership

*Minute 7 refers.*

- (F) LDF: Call for sites update report

*Minute 8 refers.*

- (G) East Herts Green Infrastructure Plan (March 2011) and Hertfordshire Strategic Green Infrastructure Plan (March 2011)

*Minute 9 refers.*

- (H) Assessment of East Herts Sports Facilities (May 2011)

*Minute 10 refers.*

(I) LDF: Morphology and Place Shaping (MAPS) Technical Study

*Minute 11 refers.*

11. Monthly Corporate Healthcheck - June 2011 (Pages 85 - 124)

12. Monthly Corporate Healthcheck - July 2011

*To follow*

13. 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  
EXECUTIVE HELD IN THE COUNCIL  
CHAMBER, WALLFIELDS, HERTFORD ON  
TUESDAY 5 JULY 2011, AT 7.00 PM

PRESENT: Councillor A Jackson (Chairman/Leader)  
Councillors M Alexander, M Carver,  
L Haysey and M Tindale

ALSO PRESENT:

Councillors D Andrews, W Ashley, S Bull,  
J Demonti, G Jones, Mrs J Mayes,  
M McMullen, P Moore, T Page, P Phillips,  
N Poulton, P Ruffles, S Rutland-Barsby and  
B Wrangles

OFFICERS IN ATTENDANCE:

Anne Freimanis	- Chief Executive
Simon Drinkwater	- Director of Neighbourhood Services
Martin Ibrahim	- Senior Democratic Services Officer
Lorraine Kirk	- Senior Communications Officer
Alan Madin	- Director of Internal Services
George A Robertson	- Director of Customer and Community Services

119 **BISHOP'S STORTFORD 20 20 VISION AND GOODS YARD  
SITE BRIEF**

**The Leader of the Council submitted a report seeking approval for a Development Brief for the area known as**

the Goods Yard site in Bishop's Stortford.

The Executive noted the progress made by the Bishop's Stortford 20 20 Group and the consultation that had been undertaken in producing the Brief as now submitted. If adopted, the Brief would become a strong material consideration for development control purposes and would inform the Local Development Framework.

The Leader drew attention to the additional comments that had been received from members of the 20 20 Group as detailed in the supplementary agenda. He proposed that the suggested amendments detailed at items 2 and 13 be supported, which was agreed by the Executive.

In response to comments by Members, the Executive noted that Officers would consider further the issue of taxis in relation to a fully integrated transport interchange. In respect of Building Heights at paragraph 9.6.4, the Executive agreed to support an amendment to the effect that a range of building heights up to 6 storeys would be appropriate to consider.

The Executive supported the proposals as now detailed.

**RECOMMENDED** – that (A) the Draft Bishop's Stortford Goods Yard Site Development Brief as now submitted is adopted as the Council's vision and objectives for the site, subject to the following amendments:

- (1) Page 41, Item 6 – insert “not” before “become a competitor to Harlow...”  
*to read “A development centred on the Goods Yard site would greatly ease the congestion in the town centre but it should not become a competitor to Harlow or Cambridge.”*
- (2) Page 56, paragraph 9.6.4 – insert after “...to consider a range of building heights” the words “up to” and delete the words “...varying



between 3 storeys and”  
*to read “The Council is satisfied that across such a large site it would be appropriate to consider a range of building heights up to 6 storeys.”*

- (3) Page 62, paragraph 14.5 – insert a full stop after “...effected to some degree by a number of different contaminants”  
*to read “Much of the made ground appears to have been effected to some degree by a number of different contaminants. Groundwater and the adjacent river are considered vulnerable to off-site migration.”*

(B) minor amendments are delegated to the Director of Customer and Community Services in consultation with the Leader; and

(C) used for development control purposes in determining planning applications relating to the site; and

(D) used to inform emerging Local Development Framework strategies and policies.

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## **GENERAL FUND REVENUE AND CAPITAL FUND OUTTURN 2010/11 (1)**

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The Executive Member for Finance submitted a report advising the Executive of the 2010/11 General Fund Revenue and Capital Fund Outturn.

The Executive Member advised that the final accounts had now been closed and would be submitted to the Audit Committee for approval. He also drew attention to the improved forecasting of the outturn position compared to the previous year.

The Executive supported the proposal as now detailed.

**RECOMMENDED** – that a change of purpose of the Waste Recycling Reserve, as set out in paragraph 3.6 of the report submitted, be approved.

(see also Minute 128 below)

121 **MONTHLY CORPORATE HEALTHCHECK - APRIL 2011 (1)**

The Leader submitted an exception report on finance and performance monitoring for April 2011.

The Executive supported the carry forward requests as detailed in the report submitted.

**RECOMMENDED** - that the carry forward requests of £9,270, £4,750, £7,000, £4,100, £4,195, £9,530 as outlined in paragraphs 2.25 to 2.28 of the report submitted, be approved in accordance with Financial Regulation 4.7.3 and met by a call on the general reserve.

(see also Minute 129 below)

122 **MONTHLY CORPORATE HEALTHCHECK - MAY 2011 (1)**

The Leader submitted an exception report on finance and performance monitoring for May 2011.

The Executive supported the supplementary capital estimate as now detailed.

**RECOMMENDED** - that a supplementary Capital estimate of £77.5k against the Council's Leisure Development Capital project, be approved.

(see also Minute 130 below)

123 **MINUTES**

**RESOLVED** – that the Minutes of the Executive meeting held on 15 June 2011, be approved as a correct record

and signed by the Leader.

124 DECLARATIONS OF INTEREST

Councillors W Ashley and N Poulton declared personal and prejudicial interests in the matter referred to at Minute 126 – Assessment of East Herts Sports Facilities, in that they were both Directors of Wodson Park. They both left the chamber whilst this matter was considered.

125 ISSUES ARISING FROM SCRUTINY

The Executive received a report detailing those issues referred to it by the Scrutiny Committees. Issues relating to specific reports for the Executive were considered and detailed at the relevant report of the Executive Member.

RESOLVED – that the report be received.

126 ASSESSMENT OF EAST HERTS SPORTS FACILITIES

The Executive Member for Health, Housing and Community Support submitted a report presenting the draft Assessment of East Herts Sports Facilities and a range of recommendations and long term aspirations. The Assessment would be used as guidance for local planning decisions up to 2021 and as a technical document to support the evidence base of the Local Development Framework.

The Executive noted that, at its meeting held on 14 June 2011, the Community Scrutiny Committee had recommended its use as planning guidance.

The Executive approved the proposals as now detailed.

RESOLVED – that (A) the views of Community Scrutiny Community be received; and

(B) the recommendations/aspirations for indoor sports facilities be acknowledged and the Assessment be noted and published.

127 PROCUREMENT WAIVER - COUNCIL WIDE AREA NETWORK

The Executive Member for Finance submitted a report requesting a waiver from the Council's Procurement Regulations, to enable the purchase of a Wide Area Network (WAN) at a lower cost in respect of the Council's telephone system.

The Executive approved the proposal as now detailed.

RESOLVED – that in accordance with Procurement Regulations 12.1 and 12.2.d, the requirement to appoint after competitive tender be waived, in order to enable the Council to implement a WAN at lower cost and which will deliver cost savings for the taxpayer following investigation of the market.

128 GENERAL FUND REVENUE AND CAPITAL FUND OUTTURN 2010/11 (2)

The Executive Member for Finance submitted a report advising the Executive of the 2010/11 General Fund Revenue and Capital Fund Outturn.

The Executive approved the proposals as now detailed.

RESOLVED – that (A) the General Fund Revenue Outturn for 2010/11 be approved; and

(B) the level of Fund Balances at 31 March 2011, as set out within the report submitted, be noted.

(see also Minute 120 above)

129 MONTHLY CORPORATE HEALTHCHECK - APRIL 2011 (2)

The Leader submitted an exception report on finance and performance monitoring for April 2011.

The Executive approved the proposals as now detailed.

RESOLVED – that (A) the budgetary variances set out in paragraph 2.1 of the report be noted;

(B) a supplementary estimate of £16,500 to modify car park pay and display machines to accept new 5p and 10p coins that come into circulation in 2011/12, be approved; and

(C) the action taken to mitigate and control strategic risks during the period January to April 2011 be noted.

(see also Minute 121 above)

130 MONTHLY CORPORATE HEALTHCHECK - MAY 2011 (2)

The Leader submitted an exception report on finance and performance monitoring for May 2011.

The Executive approved the proposals as now detailed.

RESOLVED – that (A) the budgetary variances set out in paragraph 2.1 of the report submitted be noted;

(B) £36k of the Grange Paddocks Pay and Display machines capital budget and £3k of the Grange Paddocks tariff board/signage capital budget be re-profiled from 2012/13 into 2011/12; and

(C) £150k of the New Telephone System capital budget be re-profiled from 2012/13 into 2011/12.

(see also Minute 122 above)

The meeting closed at 7.31 pm

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

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## EAST HERTS COUNCIL

EXECUTIVE – 6 SEPTEMBER 2011

### REPORT BY THE LEADER OF THE COUNCIL

CORPORATE STRATEGIC PLAN 2012/13 – 2015/16

WARD(S) AFFECTED: All

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

- To present a draft of the Council's four-year Corporate Strategic Plan which outlines the Authority's priorities for the next four years and the key outcomes it is looking to achieve.

<b><u>RECOMMENDATIONS FOR COUNCIL:</u> that</b>	
<b>(A)</b>	<b>the draft Corporate Strategic Plan attached at Essential Reference Paper 'B', be approved; and</b>
<b>(B)</b>	<b>the Performance and Improvement Co-ordinator be advised of any changes to be made the Plan.</b>

#### 1.0 Background

1.1 The Council is required to produce details in the public domain of what it plans to do. This has traditionally been produced on a year-by-year basis. However, as the Medium Term Financial Plan is part of the Integrated Service Framework this means that the Council's outcomes for the next four years can now be articulated.

1.2 The Corporate Strategic Plan is a forward-looking document. Details of how the Council has performed against its targets each year will continue to be reported through the Annual Report published every September.

#### 2.0 Report

2.1 The Strategic Plan is designed to act as an aspirational, bridging document which captures the essence of what East Herts Council

expects to deliver in four years' time and, in many cases, beyond this timeframe. The detail of how it will get there is not included, as this information will be incorporated within the individual service plans each year.

- 2.2 The draft Corporate Strategic Plan is attached in **Essential Reference Paper 'B'**.
- 2.3 The Corporate Strategic Plan will be updated each year to include new service developments planned for the fourth year, and to remove outcomes once they are completed. It should therefore be seen as a rolling document. These completed outcomes can then be incorporated into the Annual Report.
- 2.4 Once agreed this Plan will be used to support the development of the 2012/13 Service Plans.
- 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: Cllr Tony Jackson, Leader of the Council

Contact Officer: Lois Prior – Head of Strategic Direction (Shared) ext 1688

Report Author: Lorna Georgiou – Performance and Improvement Co-ordinator and Interim Performance Manager ext 2244



## 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></p> <p><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></p> <p><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></p> <p><i>Improve standards of the neighbourhood and environmental management in our towns and villages.</i></p> <p><b>Shaping now, shaping the future</b></p> <p><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></p> <p><i>Deliver responsible community leadership that engages with our partners and the public.</i></p>
<p>Consultation:</p>	<p>The report was presented to Corporate Business Scrutiny on 23 August 2011</p>
<p>Legal:</p>	<p>There are no legal implications. Specific legal implications relating to actions set out in the plan will be considered as part of their implementation.</p>
<p>Financial:</p>	<p>There are no financial implications at this stage, but will be considered as actions are brought forward.</p>
<p>Human Resource:</p>	<p>There are no human resources implications.</p>
<p>Risk Management:</p>	<p>There are no direct risk management implications. Specific risk management implications relating to actions set out in the plan will be considered as part of their implementation.</p>

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**ESSENTIAL REFERENCE PAPER 'B'**

**Corporate Strategic Plan 2012/13 – 2015/16**

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DRAFT

## 1. Introduction

This is East Herts' Corporate Strategic Plan 2012 – 2016. The report sets out what we plan to achieve and how we will allocate the resources needed to get there. Over the next four years, it will be the priority and focus of all council staff to deliver these ambitions contained within this document. Working with our many partners we are committed to creating a future for East Herts residents and businesses that is prosperous and sustainable.

Financially public services are facing a testing time and demand for services continues to rise. Over the next few years, income from government fees and charges and investment will continue to be under great pressure, while factors such as inflation and our growing and aging population means that there will be pressure to spend more.

Over the next four years we will look at new ways to deliver council services. In the plans laid out in the February 2011 budget, we showed how we planned to save £1.1m in 2011/12 increasing to £2.9m by 2014/15. We've already enhanced our front line presence in Bishop's Stortford – offering more services to customers than before – and improved the customer service area in Hertford as well. Our transformation as an organisation includes bringing all our support service staff under one roof, and working in partnership. Agreements for how we provide Revenues and Benefits Services, plus Internal Audit, are already in place. Preliminary discussions on how we can work with others to provide some of our other services are also well advanced. And we will continue to search for further efficiencies to pass on to council tax payers.

We are undoubtedly entering a period of significant change which will require innovation, resilience and resourcefulness from all staff. We will have fewer resources and will need to use those we have creatively and wisely. We need clear priorities setting out our ambitions.

This change process is already well underway. We launched a council-wide transformation process to examine everything we did and how we did it. We put in place processes to drive out substantial cost savings to ensure that our limited resources were focussed on the things that really matter to East Hertfordshire's

residents. These changes are creating an organisation with a sharper focus on customer service and local priorities. You can see this in the streamlined priorities we now set out in this plan.

However, the financial challenges going forward, for the organisation, for elected members, staff and for communities and service-users are only part of the story: together with partners we continue to ensure our key services are undertaken to a good standard. Despite the great pressures we face and the great changes we have made and will continue to make, we are clear about our direction. To ensure this continues we have streamlined our priorities going forward.

These are challenging times but our guiding ambition is that East Herts will continue to be a place of which we can all be proud.

Councillor Anthony Jackson  
***Leader of the Council***

Anne Freimanis  
***Chief Executive***

## 2. East Herts in context

### East Herts Council's vision:

**To improve the quality of people's lives and preserve all that's best in East Herts**

### Our Strategic Priorities:

We have adopted a new framework of priorities to ensure that we continue to provide high quality services and remain committed to the community we serve. As part of this we have reduced our priorities from six to three. They are:

<b>People – Opportunities for everyone to contribute to and access the council's services</b>
<b>Place - Safe and Clean</b>
<b>Prosperity – Improving the economic and social opportunities available to our communities</b>

These give us a great opportunity to maintain resilience in these turbulent times.

Our priorities have been determined by analysing a variety of data such as central government policy, results of community consultation, surveys and focus groups, local information and demographics

Members worked with officers to link this information to local, East Herts, national, regional and countywide priorities and the Council's known capacity and resources to deliver.

We know that even tougher financial times are ahead: We estimate that, in line with all UK local authorities, we will need to find significant savings. The coalition government's priority is to reduce the nation's debt; East Herts Council has its part to play.

With much of the money we spend coming directly from government, many of the savings made at national level will impact on our own income and local services. We do not want to simply pass that pressure onto local people and therefore we have already promised to freeze council tax for next two years and will look to keep increases as low as possible for the following two years. At the same time, cost pressures and demands are increasing for some of our biggest services.

We know that for many of our service users and staff the next few years will mean upheaval and uncertainty. Although we are not able to preclude this, we do promise to be honest and open about what we are doing. We believe that an adaptable, responsive council delivers better value and outcomes for local people and is a fulfilling place for staff to work.

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### 3. Our Corporate Strategic Plan

The **Sustainable Community Strategy** is the overarching plan for East Herts, driven by the community and which the council and key partners work towards delivering.

**The Corporate Strategic Plan (this plan) sets out the overall vision and direction for the council over the next four years. It highlights the high level priorities for the council and identifies the key outcomes that will be achieved. The plan forms the basis for the council's performance management activities and will drive the distribution of resources.**

**Service Plans** are produced every year by Heads of Service, agreed by the council's elected members and set out what key actions need to be undertaken to deliver the outcomes contained in the Corporate Strategic Plan. These actions are linked to key performance indicators, so achievement can be measured and tracked.

The Corporate Strategic Plan and Service Plans then feed into a four-year budget-planning model, which the council uses to plan its expenditure and make sure that financial resources are available to fund actions in priority areas.

**Performance and Development Reviews** set out individual objectives that staff need to achieve to deliver their Service Plan and which contribute to the achievement of the council's priorities and ensures every member of staff has a learning and development plan.

The council's **performance management framework** supports the monitoring of the council's priorities and delivery of outcomes through readily accessible information, such as the Corporate Healthcheck (which provides monthly finance and performance analysis) and the Service Plan monitoring reports. All of which are reported formally to the council's Executive and scrutiny committees. Scrutiny meetings are open to all and we strongly encourage the public to attend.





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## 4. Our Vision and Culture

### Our vision is to:

**To improve the quality of people's lives and preserve all that's best in East Herts**

### Our Culture:

Our culture focuses on the service we provide to residents and businesses, ensuring that East Herts remains a thriving and prosperous community.

### Our Staff:

The council is fully aware that its most important asset is its people. Therefore, it is essential that we have the right people with the right skills and knowledge in the right jobs, at the right time, to support the delivery of the Corporate Strategic Plan.

Our workforce planning will have a central role in delivering improved services as it has been developed to:

- Meet customer and service needs and continue to develop the skills required to deliver them
- Support the council's integrated service and financial planning framework
- Respond to service changes and developments
- Support management information

Thereby giving the council the flexibility it needs in its workforce to utilise staff resources.

### The Councillors roles:

The local councillors are elected to make council policy, take up issues and represent the local community. They also play a role in ensuring this plan is delivered, whether that be as an Executive, scrutiny or regulatory Committee Member.

East Herts has 50 councillors and each councillor serves for four years. The district council elections were in May 2011.

The role of councillors is changing, with more emphasis placed on community engagement and stronger local advocacy.

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## 5. Our Priorities

### *People*

This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.

What we want to achieve:

- Provide support for the vulnerable by working with our partners to increase the number of social and affordable homes, increasing the number of supported housing units and ensuring those in need access the benefits and support they are entitled to.
- Enhance our local community engagement by working together with our partners such as Parish and Town Councils, for the benefit of our communities.
- Address health inequalities and continue to ensure public health safety.
- Maintain our core services to a good standard and ensure high satisfaction with the council as measured through the biennial Residents Survey..

## ***Place***

This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.

What we want to achieve:

- Reduce waste sent to landfill by increasing our recycling rate to more than 50%.
- Sustain the percentage of residents satisfied with street and environmental cleanliness.
- Sustain the percentage of residents who are satisfied with our parks and open spaces.
- Ensure the sustainability of Hertford Theatre and explore possibilities for the theatre to be administered through a community trust.
- Reducing the carbon dioxide emissions from our own operations by 25% by 2020.
- Continue to review the council's assets and the best way to manage them.
- Uphold the safety of our communities and seek to reduce the fear of crime by supporting neighbourhood policing

## ***Prosperity***

This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.

What we want to achieve:

- Develop a practicable and pragmatic Parking and Transport Strategy and action plan which delivers integrated and value for money policies in respect to car parking, walking, cycling routes and vital bus routes.
- Ensure enhanced broadband throughout the district and enable residents and business in rural communities to have access to broadband provision comparable with urban settings.
- To freeze Council Tax for 2011/12 and 2012/13 and aspire to a zero percent increase in the following years.
- Ensure, in partnership with the community, that new and existing housing and commercial development meet East Herts priorities.
- Continue the streamlining of back office functions in order to ensure an efficient and sustainable Council for the future.
- Review employment land and look at different opportunities for example office space and industrial space to support business.
  - Increase the economic resilience of the market towns working with the local business community.
  - Create a vision document to guide future development in Hertford and Ware towns.
  - Deliver the five year rural land based business development programme.
  - Establish a sound planning framework for the District through the implementation of the Local Development Framework (LDF).

## EAST HERTS COUNCIL

EXECUTIVE - 6 SEPTEMBER 2011

REPORT BY THE EXECUTIVE MEMBER  
FOR RESOURCES AND INTERNAL SUPPORT

FINANCIAL STRATEGY 2011; MEDIUM TERM FINANCIAL PLAN TO  
2015/16 AND APPLICATION OF THE NEW HOMES BONUS

WARD(S) AFFECTED: ALL

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### Purpose/Summary of Report

- To review the Council's Financial Strategy and the Medium Term Financial Plan (MTFP) including the assumptions used to update the Plan since its approval by the Council in February 2011.
- The review to take into account
  - Recommendations on the use of the New Homes Bonus
  - The Government's announcements in respect of localisation of business rates and council tax benefit

<b><u>RECOMMENDATION TO COUNCIL:</u> that</b>	
<b>(A)</b>	<b>the amended Financial Strategy including the Policy on Reserves be approved;</b>
<b>(B)</b>	<b>the revised MTFP assumptions at Essential Reference Paper 'E' be approved as a basis for future planning with the intention that actions be identified in the 2012/13 budget round to ensure spending proposals remain within forecast funding over the period to 2015/16, including where appropriate, any short term application of reserves;</b>
<b>(C)</b>	<b>the New Homes Bonus be applied as set out at paragraph 2.7 and detailed in Essential Reference Paper 'F' and Officers be instructed to work up a detailed scheme of community grants in accordance with the outline set out therein, subject to the approval of the Executive Member for Resources and Internal Support;</b>

	<i>(Note - The above recommendations are subject to the Executive's consideration of any views and recommendation from the meeting of Corporate Business Scrutiny Committee 23 August 2011.)</i>
<b><u>FOR DECISION BY THE EXECUTIVE:</u> that</b>	
<b>(D)</b>	<b>The government's proposals in respect of the localisation of business rates and council tax benefit be noted.</b>

## 1.0 Background

- 1.1 The Council first adopted a Financial Strategy statement distinct from its Medium Term Financial Plan (MTFP) in July 2009 and this was up dated in 2010. It is timely to review that strategy at the start of the coming budget round in the context of the governments plans for public expenditure and local authority funding in particular.
- 1.2 The Council's policy in respect of reserves was incorporated into the Financial Strategy 2010 and this is reviewed in this report.
- 1.3 The MTFP is in part based on a series of assumptions about future costs and other factors which determine future incomes and expenditure. This report sets out these planning assumptions for the coming budget round.

## 2.0 Report

### **Financial Strategy and policy in respect of reserves**

- 2.1 The Financial Strategy adopted last year remains relevant and only minor changes are proposed to reflect the continued uncertainty about government grants to which the Council needs to and is responding. **Essential Reference Paper 'B'** is a marked up copy highlighting where changes are proposed. The key change is to emphasise that "resilience" is the centre piece of financial planning and so of a higher priority than service improvement.
- 2.2 It is good practice to have in one document a statement of the Council's general policy on reserves to guide individual decisions



on the establishment and use of reserves. **Essential Reference Paper 'C'** is a statement of such policy which is largely unchanged from 2010. At 31 March 2011 the general reserves were close to but not in excess of the ceiling at which an automatic review would be triggered. The implication for the coming budget round is that there should be no further net addition to general reserves and there is scope for some prudent short term use of the reserves but not to seek to run them down to the minimum.

- 2.3 As set out in the attached policy there is no prescribed minimum or other levels of reserves nor any prescriptive guidance from which to derive figures. It is for each authority having regard to the advice of its chief finance officer to make their own judgement based on all the relevant local circumstances. The unusual uncertainties over funding, the prospects for the wider and local economy, escalating costs of pensions, and environmental factors all point to reserves currently being retained above minimum levels. A new factor in the current assessment of the level of reserves is the use of structured deposits as part of treasury management which by putting money on deposit for longer periods exposes the Council to additional risks (and which were accepted by revision of the lending policy).
- 2.4 In any considering the policy with regard to the level of reserves to be held comparison with other authorities is one benchmark. There is a wide dispersion of the levels of revenue reserves held by Councils - **Essential Reference Paper 'D1'**. The Council's total revenue reserves (both general and earmarked) of £10.3m at March 2011 placed the Council in the upper quartile (based on 2010 returns) of district councils.

## **MTFP**

- 2.5 The Financial Strategy emphasises the importance the Council attaches to sustainability, transparency and prudence. **Essential Reference Paper 'E'** sets out what is proposed for key assumptions as the MTFP is refreshed.
- 2.6 In addition to the issues addressed in the reference paper a major assumption is that about government grants. As with many Councils, the assumptions made at this stage last year about the pace of reduction in grant proved optimistic. This year the coming year's (2012/13) provisional settlement for formula grant is available from announcements already made.

- 2.7 There is a reasonable basis on which to estimate future entitlement to the new homes bonus but not the impact of top slicing formula grant to pay for it. The Executive is requested to seek Council's approval that this income stream be applied as set out at **Essential Reference Paper 'F'**.
- 2.8 The government's plans for business rates (**Essential Reference Paper 'G'**) are out for consultation and potentially significant. Proposals to introduce a local council tax benefit scheme to deliver a 10% cost reduction in the cost of benefits is not yet outlined.
- 2.9 At this stage the MTFP for 2013/14 and beyond will assume
- a level of receipt of new homes bonus based on the 2011/12 and 2012/13 gross receipts but future formula grant will be based on a claw back loss of 50% of this sum.
  - A neutral impact from the changes to business rates
  - A neutral impact from the changes to council tax benefit
- 2.10 It is proposed to retain the council tax assumption at nil for 2012/13 with a potential increase of 2.5% in later years pending further information from the government on future funding arrangements. As the MTFP is updated later in the process a further judgement will be made on the scope to extend the council tax freeze in the light of emerging certainty about the government's intentions for business rates and council tax benefit.
- 2.11 In addition to the uncertainties about future government support the second factor with similar significance is the future course of interest rates now that the reserve to manage volatility of this income stream has been used. The MTFP assumes investment based on short term interest rates as set out in the Office of Budget Responsibility's March 2011 report. The balancing of the MTFP is susceptible to volatility dependent on these assumptions. Each 0.5% variation in returns from the assumptions made is worth £300k to £350k in gained or lost projected income. With the likely elimination of the interest equalisation reserve in 2010/11 a key consideration will be the risks associated with any use of other reserves to support the budget until rates increase.
- 2.12 The Consolidated Budget Report in February setting the 2011/12 budget and MTFP drew attention to the exhaustion of capital receipts and the reliance on borrowing/running down cash to fund

the capital programme. Discussions about the relocalisation of business rates include suggestions that growth in the yield from business rates might be used to underpin borrowing and this may provide scope for a slightly more ambitious programme in later years. For the purposes of future planning a ceiling of £1m is proposed but with provision to add additional schemes with a financial pay back of the sum invested within 5 years.

### 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

Office for Budget Responsibility Fiscal Outlook March 2011

Bank of England Inflation Report May 2011

MPC Minutes of Meeting 8th and 9th June 2011 \*\* *to be updated as further minutes become available*

Local Government England Financial Statistics 2011

Contact Member: Michael Tindale Executive Member for Resources and Internal Support

Contact Officer: Alan Madin Director of Internal Services, Ext 1401

Report Author: Alan Madin Director of Internal Services

## 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>The Proposed Financial Strategy is designed to promote good financial planning and budgeting. Publication of the Strategy enhances public accountability by setting a framework against which individual decisions can be judged. Similarly, publication of a policy with regard to reserves and early scrutiny of financial planning assumptions enhance both the robustness of the financial planning process and public accountability.</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>Publication of the information in this report allows partners and the wider community to be fully aware of the basis on which the Council is undertaking its financial planning.</p>
Consultation:	
Legal:	The Council must set a balanced budget. The recommendations in this report support that outcome.
Financial:	This recommendations in this report do not commit resources nor do they impact on income.
Human Resource:	The planning assumption of vacancy saving does not represent a performance target however it will require active management of vacancies as they arise. Proposals in the current MTFP require reductions in staffing subject to consultation in accordance with HR policies
Risk Management:	Financial planning assumptions may turn out to be wrong. The aim is to achieve a prudent balance and consistency of assumptions. The policy with regard to reserves provides resources to be drawn on should there be an unforeseen event incurring costs or loss of income which cannot otherwise be met without unacceptable consequences for the provision of services.

## ESSENTIAL REFERENCE PAPER B

### THE FINANCIAL STRATEGY 2014~~2~~/1~~2~~3 to 2014~~5~~/1~~5~~6

#### What is it and why is it important?

1. The medium term financial strategy is a statement of the objectives and principles that underpin the Council's approach to managing its finances looking ahead over a period of three years or more. It sets out the framework within which the Medium Term Financial Plan is developed and reviewed. Formatted: Bullets and Numbering
  2. The strategy is important because the council must ensure that its plans for services are affordable and sustainable in the light of the resources it can reasonably expect to be available. Included in those resources is income from council tax. The future is inherently uncertain and the strategy considers that uncertainty and how the council can mitigate the risks. Formatted: Bullets and Numbering
  3. The government announced the provisional 2012/13 grant settlement at the same time as it announced the 2011/12 settlement. The first year of the new plan is therefore reasonably certain over this significant planning assumption. The two year settlement "front loaded" grant reductions and the Council's spending plans were adjusted accordingly. As regards other factors and the period from 2013/14 uncertainty remains high.
    - The Local Government Resource Review will make changes to business rating and other changes to funding may follow including
    - changes to council tax benefits and housing benefits.
    - Funding of local government pensions is likely to change
    - The course of inflation and interest rates is unpredictable
    - The potential impact on the UK economy of resolving the Greek debt crisis and may be similar debt problems of other nations is not readily quantified.Formatted: Indent: Left: 1.27 cm, Bulleted + Level: 1 + Aligned at: 0.63 cm + Tab after: 1.27 cm + Indent at: 1.27 cm, Tab stops: 1.9 cm, List tab + Not at 1.27 cm  
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  4. In this context the proposed strategy is to maximise the Council's financial resilience.Formatted: Indent: Left: 0.63 cm  
~~1~~ ~~Since the medium term strategy was approved in July 2009 the need to address the imbalances in public finances has become more acute with proposed measures characterised by the new government as ones which "would affect our whole way of life". It is likely that along with all other local council's East Herts Council now faces a period of severe spending constraint. The extent of that constraint will become clearer in the autumn of 2010 following the outcome of the spending review.~~Formatted: Numbered + Level: 1 + Numbering Style: 1, 2, 3, ... + Start at: 1 + Alignment: Left + Aligned at: 0.63 cm + Tab after: 1.27 cm + Indent at: 1.27 cm  
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- What outcomes is the strategy designed to achieve?** Formatted: Indent: Left: 0.63 cm
- ~~3-5.~~ \_\_\_\_\_ The objectives of the strategy are Formatted: Bullets and Numbering

- To ensure the Council is well placed to meet uncertainty about the level of funding that the government will be able to provide acknowledging that such funding will be constrained.
- To ensure that tax payers, service users, partner agencies and Council employees are aware of the funding issues faced by the council and are given the opportunity to help shape the Council's planning.
- To ensure that funding is available to meet the **highest priority** future revenue and capital needs of the Council as they arise
- To maximise the effective use of resources by annual review of the Council's resources corporately and by redirecting funding to higher priority areas as identified in the Corporate Plan and service plans.
- To ensure funding is available for priority service improvements.
- To inform service planning and ensure that the immediate and future financial implications of all decisions are taken into account in a timely manner and in the context of the Council's overall financial situation.
- To minimise volatility of council tax and taking one year with the next ensure that increases are within any limits set by the government, at least consistent with, and ideally lower than, those of similarly placed authorities
- To manage risks including keeping adequate reserves to ensure so far as is reasonably possible that service delivery is not disturbed by calls on funding from short term unforeseeable events
- To achieve value for money from all spending
- To be aware of and take up funding opportunities where these are consistent with the Council's objectives and where the obligations taken on are manageable by the council and commensurate with the sums received
- To achieve efficiency in the use of resources including invest to save opportunities by taking into consideration relevant life cycle costs
- To secure, maintain and renew a stock of physical assets consistent with the Council's corporate priorities as detailed in the Asset Management Strategy
- To ensure the Financial Strategy and all the Council's other strategies are consistent.

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#### **What principles underpin the strategy?**

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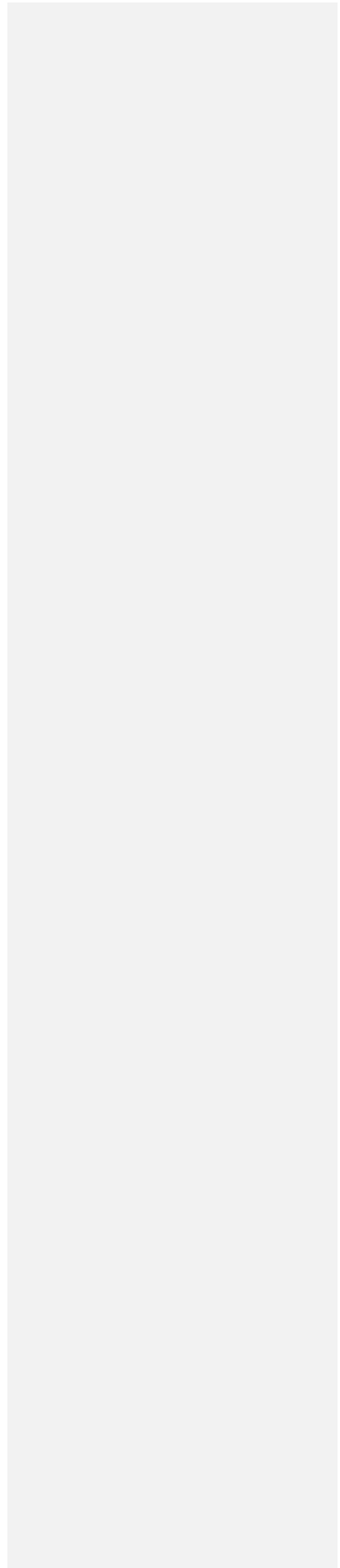
**4.6.** The principles underlying the strategy are those of sustainability, transparency and consistency as evidenced by :

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- The Council will adopt a prudent approach to assumptions and forecasts of its income and spending including assessment of:

- The resources available to it from government and other external sources
  - Changes in in-put prices both generally - including pay - and specific price changes where these have significant impact on individual services by means of indexation clauses in contracts
  - interest rates and the growth of the wider economy so far as these affect the Council's ability to generate income from charges
  - the council tax base and rates of council tax collection and of other incomes.
  - investment returns and other factors as advised by the scheme's actuary, such as longevity, affecting pension costs
  - its ability to generate cashable efficiency gains
  - exposure to VAT and other tax liabilities
  - exposure to uninsured risks
- The council will establish spending plans consistent with its forecast of income other than where existing reserves are planned to be used
  - The council will not commit to ongoing spending from incomes of a one off nature without a clear exit strategy in the absence of alternative funding
  - The council will limit its borrowing by reference to CIPFA's prudential code and will make a prudent provision for repayment in accordance with that code.
  - The council has adopted and will keep under review a policy on the level of reserves to ensure adequate but not excessive reserves.
  - The council has adopted and will review a charging policy that is fair in terms of
    - different service users,
    - the call on the tax payer as against the service user
    - competition with other providers
  - The council will maintain sound financial management practices set out in Financial Regulations and Financial Procedure Rules
  - The Council will maintain the accounts in accordance with relevant codes of accounting practice and in particular CIPFA's BVACOP and financial planning will be consistent with those requirements.
  - The strategy will be reviewed annually.

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## ESSENTIAL REFERENCE PAPER C

### Reserves Policy

#### Why is a policy on reserves needed?

- 1 A policy is needed to satisfy statutory requirements (Sections 32 and 43 of the Local Government Finance Act 1992) in connection with the calculation of the budget requirement when setting the council tax. The Local Government Act 2003 also requires the chief finance officer to review and report on the adequacy of reserves when a council sets its budget. The same Act empowers the government to set minimum levels of reserves in the event an authority fails to act prudently.
- 2 More generally, an agreed policy on reserves assists in medium term planning. The Chartered Institute of Public Finance and Accountancy issued guidance on reserves and balances in February 2003 and November 2008; this policy is consistent with that guidance.
- 3 The format of the accounts introduced by the application of International Financial Reporting Standards gives more prominence to the movement of and balances held in reserves which are a key indicator of an organisation's financial health and resilience.

#### What are reserves?

- 4 Reserves are the accumulated surplus of income over expenditure on an accruals rather than cash basis of accounting. There can be, and usually is, a difference between the total of reserves and accumulated cash balances.
- 5 Reserves can be usable or unusable. Usable reserves represent resources that are available to meet future liabilities. Unusable reserves are those which arise from accounting regulations – capital revaluations and pensions for example – and which relate to transactions which by statute cannot be put to or taken from the general reserve.
- 6 Accounting conventions differentiate between reserves and provisions; provisions being amounts charged to the income

and expenditure accounts in respect of liabilities likely to be incurred from past events and where a reliable estimate of the liability is possible but where the timing and/or precise value of that liability is uncertain.

### **The reserves to be held and principles to assess the adequacy of balances.**

7 The Council will hold two types of reserve

- General reserves – by way of a working balance to manage cash flows and limit the need for temporary borrowing and to provide a contingency for unforeseeable events and emergency spending;
- Earmarked reserves – reserves set aside for a defined purpose to meet known or predicted future liabilities.

8 The Council will adopt a risk based approach in considering the adequacy of individual reserves and the aggregate of all reserves. In reviewing reserves both immediate and the medium term requirements and risks will be considered; in general the longer the planning time frame the greater uncertainty to be applied to assumptions.

### The general reserves:

9 The Council will maintain:-

- a general reserve fund balance adequate to meet the needs of an in year working balance and as a second level of contingency; plus
- a general reserve adequate to provide a reasonable level of contingency and manage differences between the timing of any significant charges to the income and expenditure account and MTFP assumptions .

10 There is no single formula by which all relevant considerations can be captured to work out any minimum, optimum or maximum level of general reserves or reserves in aggregate. Set out below are a minimum and maximum assessment that might be expected to apply in “normal” times. In the event that

the general reserve is likely to fall outside of these boundaries the Council will give consideration to the need for any corrective action.

11 Subject to the risk considerations set out below, the aggregate balance on these reserves, less the amount held in respect of the Building Control Account, should normally not be expected to fall below £3m. This minimum acknowledges the Council's exposure to variable interest rates, the degree to which services are bought in by contract, the dependency on income streams with an in year degree of uncertainty, the absence of any specific insurance reserve, risks associated with all regulatory services, the recent track record of spending within budget, plus the potential for error in any financial forecast. Since this minimum balance was set in 2010 the Council has accepted some additional risk in its treasury activity by placing a proportion of its investments for longer (4 years) to achieve an improved investment return. These and other factors will vary over time and so may cause the minimum level to vary.

12 In terms of a maximum level of reserve the maximum should not be expected to exceed the sum of:

- (a) 40% of the budget requirement at the start of the year of account
- (b) 2.5% of total assets in the last audited financial statements
- (c) The sum of future planned withdrawals and/or contributions to the general reserve in the last approved MTFP
- (d) Less any sum held as an insurance reserve

Note: at 31 March 2011 the above limit was as follows;

(a) 40% of £9.249m (2010/11)	=	£ 3.700m
(b) 2.5% of £149.33m (31/3 2010)	=	£ 3.733m
(d) Final accounts 31 March 2011		<u>-£ 0.010m</u>

Total		<u>£7.423m</u>
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The actual net aggregate balance March 2011		£7.170m
+ Planned additions to March 2014		<u>£0.079m</u>
Projected balance		<u>£7.249m</u>

13 The primary risks to be considered are the assumptions used to underpin the budget and medium term financial strategy and the judgement of the risk that those assumptions may prove to be wrong and the potential impact of variance from the assumption. The key assumptions to be considered are:-

- the potential volatility of government general and specific grants
- inflation and interest rates
- amount and timing of capital receipts
- delivery of planned efficiency and other savings
- expected growth in activity from demand led or discretionary expansion of services
- new partnerships and major capital schemes
- current and future availability of alternative sources of funding

#### Earmarked Reserves

14 Earmarked reserves will be established only for well defined specific purposes and generally will be expected to be used within the period of the MTFP.

15 Where specific reserves are established to meet defined risks of indeterminate duration the need for and balance on the reserve will be reviewed and likelihood and impact assessment will be reassessed as part of the Council's strategic risk management processes.

#### **Reporting of reserves**

16 As a minimum, the annual budget report and the final accounts report will set out opening balances, expected or actual transfers to and from reserves together with closing balances. The Director of Internal Services as S151 officer will comment on the adequacy of reserves in those reports.

17 During the year the adequacy of reserves will be reviewed as part of the health check monitoring in the light of any significant budget variances. If the balance on general reserves appears likely to move outside of the minimum/maximum boundary the need for corrective action will be considered in the next planned

health check report or earlier if the Council's S151 officer so requires.

### **Governance arrangements in respect of reserves**

18 Arrangements for the governance of the use of general and earmarked reserves will be set out in Financial Regulations. Planned contributions to and withdrawals from specific reserves will be set out in the MTFP approved by the Council.

The Council has delegated approval of the Final Accounts to the Audit Committee and as a result prior arrangements by which the Executive might approve at any time the establishment of an earmarked reserve and appropriations thereto from unused approved budgets have been revoked given that the full Council will no longer be able to ratify or amend those decisions. Such transactions now require the prior consent of full Council.

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## ESSENTIAL REFERENCE PAPER D

### Non schools total revenue reserves 31 March 2010

Class of Authority	To £4m	£4m to £7m	£7m to £10m	£10m to £20m	£20m to £40m	£40m +
London Boroughs	1	0	0	3	5	24
Metropolitan Boroughs	0	1	0	0	12	23
Unitary Councils	2	1	2	14	23	14
County Councils	0	0	0	0	4	23
<b>District Councils</b>	<b>40</b>	<b>53</b>	<b>43</b>	<b>54</b>	<b>10</b>	<b>1</b>
Other authorities	17	14	7	30	15	7
England	60	69	52	101	69	92

East Herts Reserves at March 2010 totalled £10.3m (and remained so at March 2011)

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## ESSENTIAL REFERENCE PAPER E

### Planning assumptions for August MTFP update

Planning assumptions will be based on most recent published forecast/assumptions of the Office of Budget Responsibility, the Bank of England, OECD and HM Treasury. An explanation will be given for variations from these published figures.

Factor	Note	2012/13	2013/14	2014/15	2015/16
Pay settlement	1	0% over £21k Up to £250 below £21k	3.1%	3.3%	3.4%
Pay allowance for "drift" arising from regradings, increments and local award	2	1.25%	1.0%	0.75%	0.75%
Members allowances	3	IRP awaited	IRP awaited	IRP awaited	IRP awaited
Return on investments	4	2.7%	3.4%	4.0%	4.4%
Price inflation	5	3.0 %	3.2%	2.7%	2.7%
Economic growth	6	2.7%	2.9%	2.9%	2.8%
Council tax base	7	0.25%	0.25%	0.30%	0.30%
Employers Pension Contributions	8	nil	nil	+1%	+1% (2% compound)
Council tax collection rate	9	98.65%	98.65%	98.75%	98.75%
Vacancy rate	10	3%	3%	3%	3%

### Notes

1. Based on Local Government Employers following HMT guidance 2011 and 2012 then 2% below OBR table 4.3 Economic and Fiscal Outlook (March 2011) of whole economy whole earnings growth. The lower forecast is in anticipation of the policy of relative public sector pay restraint continuing. The implication of the assumptions is that after 3 years of a pay freeze pay would be in line with price inflation with real earnings growth in the to subsequent years.

2. Assumes continuing impact of full local award to 2013; thereafter reducing as pay constraints continue. Savings from T & C review to be phased in to offset settlement figures not included here.
3. Subject to IRP recommendations and Council decisions.
4. As OBR table 4.3 (March 2011) – “Market short term interest rates.
5. As OBR table 4.3 (March 2011) “GDP deflator” +0.5% in each of 2012/13 and 2013/14 based on near term risks BoE Inflation Report May 2011
6. As OBR table 4.3 (march 2011) – “Real GDP”
7. At trend rate
8. Pending triennial review results November 2013;
9. Assumes continued collection rate fall off to 2013/14. Rate for 2010/11 set at 98.75%.

Pay bill to be calculated at 97% of full establishment.

## ESSENTIAL REFERENCE PAPER F

### **New Homes Bonus**

#### Basis for receipt of the Bonus

The New Homes Bonus (NHB) provides a grant based on the year on year increase in the council tax base. The increase in band D equivalent number of properties is multiplied by the assessed national average Band D rate of council tax (£1439 for 2011 payments) to which is added £350 for each affordable home. For 2011/12 the reference dates are the October 2009 and October 2010 tax bases. The total grant is split 80% to the district council and 20% county council in two tier areas.

The grant will compound as each years new tranche is payable additionally in each of the next 5 years.

#### Forecast income

The forecast is dependent on new building but the payments to be received by East Herts might be expected to grow in gross terms:

2011	£415k
2012	£830k
2013	£1,245k
2014	£1,660k
2015	£2,075k
2016	£2,490k

#### Impact of Top slicing

But the gross income is not the important figure because some of this will be offset by loss of grant from RSG.

The grant in 2011 and 2012 has been guaranteed not to impact on the revenue support grant already announced and has not been factored into the MTFP.

Top slicing starts to take effect in 2012/13 in that only £250k is set aside in the spending review to meet the NHB and if the year 1 figure of £200k compounds to £400k in year 2 then £150k of RSG has already been top sliced from the already announced

provisional 2012/13 settlement.

From 2013 the grant will be increasingly top sliced from RSG the implications of which cannot be modelled with any certainty because of the proposed review of local government funding from that year. However, because there will not be any new money in the system there is the prospect of those councils seeing a lot of housing development winning and those with little or no development and potentially declining council tax bases losing. As RSG uses population numbers in the distributional formula the way the bonus works could compound the shift of funding to growth areas away from declining areas.

Will the government accept this reallocation of funding as it appears to have done for 2012/13 or apply floors and ceilings to grant shifts to limit the impact?

Given that metropolitan districts and shire counties are all potentially net losers it can be expected that they will lobby for a greater share of the bonus or other offsetting measure.

Other losers are those councils who are relatively council tax poor and so more dependent on grant, for example Merseyside, the North East, Yorkshire and Humber. With RSG top sliced there could be a perverse impact on none planning/housing authorities such as fire and police authorities who do not receive the NHB but could lose RSG unless protected.

So, for planning purposes we need to set off against the projections for NHB grant income a provision for loss of RSG from the national top slice. At a minimum the offset needs to be the £50k illustrated from 2011. However, it would be prudent to assume a shift in allocation from damping and potentially shire counties getting a larger share than the current 20%.

**At this stage a maximum gain of about half the gross projection i.e. say £200k per year from 2013 compounding to £1.2m by 2018 would be reasonable but as noted above this is not a worse case assumption and we should not make future commitments until the actual impact of top slicing is known.**

## What to spend the grant on?

The grant is not ring fenced. The Government emphasis its flexibility but there is a clear expectation of communities being involved in spending decisions.

*- local authorities will be able to decide how to spend the funding in line with local community wishes. The Government expects local councillors to work closely with their communities – and in particular the neighbourhoods most affected by housing growth – to understand their priorities for investment and to communicate how the money will be spent and the benefits it will bring. This may relate specifically to the new development or more widely to the local community. For example, they may wish to offer council tax discounts to local residents, support frontline services like bin collections, or improve local facilities like playgrounds and parks. This will enable local councillors to lead a more mature debate with local people about the benefits of growth, not just the costs.*

*(page 7 of the Scheme design DCLG Feb 2011)*

Taking the above factors into account there are 3 potential uses to which the grant might be applied.

- A) for community wide purposes in support of the revenue budget
- B) to enhance support for a key council priority
- C) to fund activity and projects in and for those communities where housing building takes place

In terms of allocations to each of the above uses it is proposed that an allocation be made as follows:

- A) 50% (£720 per property at band D for each of 6 years)
- B) 25% (£360 per property at band D for each of 6 years)
- C) 25% (£360 per property at band D for each of 6 years)

be built into the MTFP and that for the purposes of defining a community under C this be a ward to promote the close working between members and their community.

Funding for A will be added to the MTFP as unringfenced net income

Funding for B will be ring fenced for the specific purpose  
Funding for C will be identified as a specific grant line in the budget.

A wide range of community activities or projects could be promoted under C with some minimum guidance. The grant might be taken up as required and could be accumulated if a capital project is proposed. Exceptionally, grant might be paid in advance to allow a capital project to proceed in anticipation of future years allocations. Given that no new homes bonus is received by the council until the year following that in which the property is added to the tax base payments would not commence until the first instalment of grant had been received from the government.

An example of a simple grant scheme follows:

### **New Homes Bonus: Local Community Funding – an out line scheme**

Local communities are invited to submit proposals for the use of a share of new homes bonus from houses built in their area. The amount will be determined by the year on year increase in the council tax base. Proposals must demonstrate benefits in particular for local residents. Where there are competing proposals a fair basis of appraisal will determine the sums awarded.

### **Application**

There is no form to complete but written proposals should include a section covering each of the above:

1. Set out the opportunity or problem to be addressed.
2. Show how the grant will be spent and its use for the benefit of the local community (rather than only for the membership of a club or organisation where membership is restricted).
3. How will you know that this spending has had impacts and brought about change?
4. What is novel, unusual and different about this proposal?  
Experimenting with something different is encouraged and

less than full success is acceptable provided there is learning for the future.

5. How much are you applying for, what other sources of funding are you relying on and how certain are you this will be available?
6. When do you need the money and when will you be able to tell us what you have achieved?

A representative will need to confirm in writing

“I confirm that the information provided is correct to the best of my knowledge and that I am not aware of anything not disclosed which the Council might be expected to take into account in having proper oversight of the spending of public money.”

### **Award criteria**

A score of 1 to 5, with 5 representing a high match, against each of the following

1. Significance of the problem/opportunity
2. Likelihood of success
3. Innovative approach
4. Opportunity to apply learning elsewhere
5. Dependency on this funding and sustainability

Proposals scoring 15 or less are not likely to be approved; proposal scoring above 15 will be subject to ranking in rationing available funding.

### **Awarding Panel**

A member panel

## **Accountability**

For approved grants up to £5,000 we will simply require some representative to provide a certificate that the money has been used for the purposes given and a brief commentary on what's been achieved – no more than one side of A4.

For grants above £5,000 supplementary information may be required dependent on the scale of funding, complexity of the proposal and how results are to be measured. Some of this may be requested when considering a proposal. The aim will be to only request copies of documents we expect the proposal will require if it is to be delivered with reasonable controls. Examples include

- Simple business plan
- Evidence of competitive quotations for bought in goods and services
- Evidence of regard to equality and health and safety issues
- Copy bank statements
- Copy invoices
- Proof of addresses
- Copy of financial accounts
- Copy of insurance certificates
- CRB checks
- Documentation as to proof of the results.
- Plans and designs for any building works



### Retention of business rates

The key features of the proposals on which the government is consulting are

- Setting a base line against which the position of each council would be measured so that no council sees a reduction in funding arising directly from relocalisation of business rates
- Calculation of initial tariffs and top ups
- Ensuring incentives are part of the system
- Treatment of disproportionate benefits
- Provision for future revaluations
- Resetting tariffs and top ups
- Pooling between groups of authorities
- How non billing authorities are to be treated
- Interaction with new homes bonus
- Business rate relief.

Note:

A series of technical paper are to be issued in August which may help better assess the impact of the change.

A current best estimate is that East Herts may be a tariff authority but that retained business rates may not be significantly above the expected formula grant. However, until the base line, basis of calculation of tariffs and top ups and sharing in two tier areas is determined any estimate is speculative.

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GENERAL FUND - MEDIUM TERM FINANCIAL PLAN						
SUMMARY August 2011 Version						
	2010/11 Actual	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Net Cost of Services</b>	<b>7,790</b>	<b>15,651</b>	<b>15,689</b>	<b>16,634</b>	<b>17,588</b>	<b>18,554</b>
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-871	-1,175	-1,830	-2,140	-2,412	-2,634
Pensions Interest/Return on Assets	1,007	1,424	1,424	1,424	1,424	1,424
Fees & Charges			-124	-236	-350	-463
Growth Items			25	94	147	147
Special Items			25			
Efficiency Savings - Existing plans			-1,019	-1,539	-1,794	-1,794
Efficiency Savings - New						-704
<b>Balancing Figure</b>			<b>626</b>	<b>495</b>	<b>429</b>	<b>344</b>
One off Savings			-15	-6	-15	
Known Changes			248	229	428	826
Planning Contingency			161	470	779	1,000
RCCO/Internal Interest	25	26	26	26	26	26
<b>Net Expenditure</b>	<b>8,612</b>	<b>16,588</b>	<b>15,898</b>	<b>16,112</b>	<b>16,912</b>	<b>17,387</b>
Contribution to / from Earmarked Reserves	162	-124	249	249	249	249
Contribution to/ from Interest Equalisation reserve	-1,185	17	27	115	-72	-72
Cost of change Contingency			200			
Use of General Reserve	993	-66		145		
Movement on Pension Reserve	8,817	-888	-888	-888	-888	-888
<b>Net Expenditure after reserves</b>	<b>17,399</b>	<b>15,527</b>	<b>15,486</b>	<b>15,734</b>	<b>16,201</b>	<b>16,676</b>
Formula Grant/NNDR	-8,182	-6,079	-5,306	-5,390	-5,390	-5,390
Council Tax Freeze Grant		-230	-230			
New Homes Bonus			-615	-815	-1,015	-1,215
Area Based Grant	-37					
Transfer (from)/to Collection Fund	16	31	-62			
<b>Demand on Collection Fund</b>	<b>9,196</b>	<b>9,249</b>	<b>9,273</b>	<b>9,529</b>	<b>9,796</b>	<b>10,071</b>
Council Taxbase	57,791	58,123	58,268	58,414	58,589	58,765
<b>Council Tax at Band D</b>	<b>159.13</b>	<b>159.13</b>	<b>159.13</b>	<b>163.11</b>	<b>167.19</b>	<b>171.37</b>

**Percentage Increase** 0.00% 0.00% 2.50% 2.50% 2.50%

Revision to interest assumption subsequent to CBS					
		£'000	£'000	£'000	£'000
Existing rate %		2.7	3.4	4.0	4.4
Revised rate %		2.1	2.6	3.0	4.0
Reduction in income		406	503	603	240
Offsetting adjustments					
Planning contingency		-161	-8	-174	0
Balancing Figure		-245	-495	-429	-240
<b>Resulting assumptions and provisions</b>					
Interest & Investment Income revised		-1,424	-1,637	-1,809	-2,394
Planning contingency		0	462	605	1000
Balancing figure		381	0	0	104

**GENERAL FUND - MEDIUM TERM FINANCIAL PLAN**

**SUB - SUMMARY August 2011 Version**

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive & PAs	221	218	221	230	239	249
Strategic Direction	432	337	343	357	371	385
Director of Neighbourhood services	125	125	127	132	137	143
Planning & Building Control	1,119	1,264	1,310	1,413	1,515	1,624
Health & Housing	1,565	1,551	1,582	1,647	1,711	1,779
Licensing & Community Safety	228	249	261	284	305	328
Director of Customer & Community	109	106	108	112	117	121
Environment	6,129	5,385	5,609	5,877	6,157	6,461
Customer & New Media	-702	-610	-574	-460	-345	-224
Cultural & Community	2,592	1,229	1,167	1,256	1,338	1,425
Director of Internal Services	147	133	135	141	146	152
People & Organisational Development	341	317	323	336	348	361
Business Support	3,468	3,115	3,243	3,360	3,473	3,590
Revenues & Benefits	267	292	296	334	375	420
Financial Support Services	188	143	139	150	162	176
Democratic & Legal Services	469	605	608	642	675	711
Programme Director	107	32				
Other (& Adjustment)	901	1,346	974	1,008	1,051	1,038
Non Distributed Costs	-9,728					
Environment						
Capital Salaries	-186	-186	-186	-186	-186	-186
Adjustment						
<b>Net Cost of Services</b>	<b>7,790</b>	<b>15,651</b>	<b>15,689</b>	<b>16,634</b>	<b>17,588</b>	<b>18,554</b>
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-871	-1,175	-1,830	-2,140	-2,412	-2,634
Pensions Interest/Return on Assets	1,007	1,424	1,424	1,424	1,424	1,424
Known Changes			248	229	428	826
Contribution to Earmarked Reserves	748	249	249	249	249	249
Contribution to/ from Interest Equalisation reserve	-1,185	17	27	115	-72	-72
Contribution from Earmarked Reserves	-586	-373				
Cost of change Contingency			200			
Contribution of Vacancies						
<b>Balancing Figure</b>			<b>626</b>	<b>495</b>	<b>429</b>	<b>344</b>
Planning Contingency			161	470	779	1,000
Savings 2012/13			-1,019	-1,019	-1,019	-1,019
Savings 2013/14				-521	-521	-521
Savings 2014/15					-255	-255

Savings 2015/16 NEW ***						-704
One Off Savings			-15	-6	-15	
Growth 2012/13			25	25	25	25
Growth 2013/14				69	69	69
Growth 2014/15					53	53
Growth 2015/16						
Special Item			25			
RCCO/Internal Interest	25	26	26	26	26	26
Use of General Reserve	993	-66		145		
Movement on Pension Reserve	8,817	-888	-888	-888	-888	-888
Car Parking Fees & Charges			-78	-158	-240	-320
Other fees & Charges			-46	-78	-110	-143
<b>Net Expenditure</b>	<b>17,399</b>	<b>15,527</b>	<b>15,486</b>	<b>15,734</b>	<b>16,201</b>	<b>16,676</b>
Formula Grant/NNDR	-8,182	-6,079	-5,306	-5,390	-5,390	-5,390
Council Tax Freeze Grant		-230	-230			
Area Based Grant	-37					
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Transfer (from)/to Collection Fund	16	31	-62			
<b>Demand on Collection Fund</b>	<b>9,196</b>	<b>9,249</b>	<b>9,273</b>	<b>9,529</b>	<b>9,796</b>	<b>10,071</b>
Council Taxbase	57,791	58,123	58,268	58,414	58,589	58,765
<b>Council Tax at Band D</b>	<b>159.13</b>	<b>159.13</b>	<b>159.13</b>	<b>163.11</b>	<b>167.19</b>	<b>171.37</b>
<b>Percentage Increase</b>		0.00%	0.00%	2.50%	2.50%	2.50%

\*\*\* Set at 4% of 2014/15 Net cost of Service  
£17588K

## Pay and Price Assumptions for Medium Term Financial Plan

Data Table	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Overall salary increase (Inclusive of everything)*	0.65%	1.70%	1.45%	4.10%	4.05%	4.15%
Members Allowances	0.00%	2.68% IRP	IRP	IRP	IRP	IRP
Inflation	2.00%	2.10%	3.00%	3.20%	2.70%	2.70%
NNDR	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Fuel	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Contract Index - All Contracts	2.00%	2.70%	3.00%	3.20%	2.70%	2.70%
Contract Index - Street Cleansing	2.00%	2.70%	3.40%	3.50%	3.60%	3.80% * assumed RPIx 25/7/11
Contract Index - Refuse Only	2.50%	3.20%	3.40%	3.50%	3.60%	3.80% * assumed RPIx 25/7/11
Contract Index - Parking	1.50%	2.20%	3.40%	3.50%	3.60%	3.80%
Contract Index - Leisure	1.50%	2.20%	3.40%	3.50%	3.60%	3.80%
Tax Base Increase	0.50%	0.50%	0.25%	0.25%	0.30%	0.30%
<b>Income</b>						
Increase for Fees & Charges	3.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase for car parks	5.00%	2.50%	2.50%	2.50%	2.50%	2.50%
Interest on investment	2.46%	1.81%	2.70%	3.40%	4.00%	4.40%

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. Leisure - January RPIx applied in January

\*Salary Increase

Pay award original budget **	0.00	0.20	0.20	3.10	3.3	3.4
Pay allowance - increments and local award	0.65	1.50	1.25	1.00	0.75	0.75
	<b>0.65</b>	<b>1.70</b>	<b>1.45</b>	<b>4.10</b>	<b>4.05</b>	<b>4.15</b>

\*\* Pay award actuals and now reflected in future plans

**OTHER KNOWN REDUCTIONS AND INCREASES**

	2012/13	2013/14	2014/15	2015/16
	£'000	£'000	£'000	£'000
Causeway deal	-74	-74	-74	-74
increase in pension costs			92	184
Jackson Square Contract - Rent	8	16	24	24
Income Shortfall 2009/10 reducing effect	-50	-100	-100	-100
Changes to Terms and Conditions		-267	-440	-440
New Refuse, Recycling & Street Cleansing Contract				
Joint Mgt team for Revenues and Benefits with Stevenage				
Post regraded in Revenues & Benefits				
Markets - marketing & maintenance			22	22
Additional plastic recycling - full year effect	22	22	22	22
Homelessness grant continuation (reduction in income fr	50	50	50	50
Hertford Theatre Hydro Income	-11	-11	-11	-11
National Insurance rebate	25	25	25	231
Local Services Support Grant (LSSG)	-40			
Strategic Direction Adjustment	11	11	11	11
Reduction in Alternate Financial Model (AFM) income		150	300	300
Application of New Homes Bonus	307	407	507	607
<b>Total</b>	<b>248</b>	<b>229</b>	<b>428</b>	<b>826</b>

Items already built in

	Rate	Income £000's
2011/12	1.81%	£1,175
2012/13	2.70%	£1,830
2013/14	3.40%	£2,140
2014/15	4.00%	£2,412
2015/16	4.40%	£2,634

£10m (structured deposit) based on 3.72% until April 2015.



**FORMULA GRANT AND NNDR GRANT**

Formula Grant & NNDR Grant - Figures from A Madin

Actual	Provisiona	MTFP Assumption		
11/12 £'000	12/13 £'000	13/14 £'000	14/15 £'000	15/16 £'000
6,079	5,306	5,390	5,390	5390

New Homes bonus - Income (expenditure shown on known changes sheet)

	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
New Homes Bonus 11/12 (to be received 11/12 to 16/17)	-415	-415	-415	-415
New Homes Bonus 12/13 (to be received 12/13 to 17/18)	-200	-200	-200	-200
New Homes Bonus 13/14 (to be received 13/14 to 18/19)		-200	-200	-200
New Homes Bonus 14/15 (to be received 14/15 to 19/20)			-200	-200
New Homes Bonus 15/16 (to be received 15/16 to 20/21)				-200
	<u>-615</u>	<u>-815</u>	<u>-1015</u>	<u>-1215</u>

**Calculation of Council Tax base  
Updated**

	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
	£	£	£	£	£	£	£	£	£	£
Council Tax Base	55,857	57,122	57,952	57,734			58,123	58,268	58,414	58,589
Assume increase of 0.5% per annum							145	146	175	176

**Adjusted Council Tax Base Allowing for Changes**

55,857	57,122	57,952	57,734	57,791	58,123	58,268	58,414	58,589	58,765
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## EAST HERTS COUNCIL

EXECUTIVE – 6 SEPTEMBER 2011

### REPORT BY EXECUTIVE MEMBER FOR COMMUNITY SAFETY AND ENVIRONMENT

#### FLYPOSTING POWERS FOR TOWN COUNCILS

WARD(S) AFFECTED: Bishop's Stortford, Buntingford, Hertford,  
Sawbridgeworth and Ware wards

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#### Purpose/Summary of Report

- To enable the Executive to consider the issues involved with enabling the Town Councils in the district to take up fly-posting removal powers.

<b><u>RECOMMENDATION FOR EXECUTIVE:</u> that</b>	
<b>(A)</b>	<b>the Director of Neighbourhood Services be given delegated authority to pursue an agreement, the purpose of which will be to enable Town Councils to take up fly-posting removal powers, generally in accordance with the suggestions set out in this report and in consultation with the Executive Member for Community Safety and Environment.</b>

#### 1.0 Background

1.1 Whilst there is no universally agreed definition of fly-posting, it is generally understood as any adverts which are displayed without the necessary consent under the Town and County Planning Acts. Its usual manifestation is in signs, banners, adverts which appear for a temporary period, often affixed to highway furniture, roadside fences etc and which advertise local events. It is generally held that such adverts, and certainly a proliferation of them, are unsightly and have a harmful impact on amenity.

1.2 The Council has powers to control fly-posting, principally under s224 and 225 of the Town and Country Planning Act 1990. These

powers enable the removal of unauthorised adverts and the prosecution of those which have undertaken the advertising.

- 1.3 The extent to which the powers are exercised is dealt with through management decisions. These take into account the degree to which it is considered that fly-posting is currently a problem reflected in part by issues which are raised with officers by local residents and Town and Parish councils. Prosecutions are generally rare, as they are time consuming and resource intensive. Removal takes place on a regular basis.
- 1.4 Because the purpose of fly-posting is to maximise publicity for a particular event, etc, it tends to be located in the urban areas. Problems are also experienced however alongside main transport routes and at major junctions, which can be in the rural areas. Villages tend not to experience the problem to any great extent, but it does occur.
- 1.5 Authority to enable Town Councils to exercise powers to control fly posting was previously sought through a non key decision. This was not progressed following Member requests for further clarification.

## 2.0 Report

- 2.1 The Town Councils in the district have expressed a desire to assist with the implementation of the powers available in respect of fly-posting removal. Because of the nature of the issue it is not anticipated that it is necessary for Parish Councils to become involved in this work and regardless of any decision in relation to the towns, the District will continue to provide the service in all areas outside the towns. If Town Councils do wish to take up these powers, there will be resource implications for them. However, it is not mandatory for them to take up the powers and the District Council will continue to provide the service if they do not wish to do so.
- 2.2 There are a number of implications to be considered in determining whether to enable the Town Councils to take on these powers. They are set out in the next few paragraphs with a way forward suggested.
- 2.3 **Responsibility:** When the matter was canvassed previously Town Council representatives were concerned that they may be solely responsible for exercising these powers. Where the

powers rest with one organisation, that provides clarity for the public, reduces duplication of resources and ensures responsibility is clear. It is suggested that, to take on these powers, Town Councils should commit to taking sole responsibility for fly-posting removal in their area but, a short period for review be built into any agreement so that the responsibility can be passed back again to the District if it proves unacceptable in practice.

- 2.4 **Approach:** Whilst adverts displayed for the purpose of local community events, arts, culture and for charitable organisations are generally supported by the local community, they have the same potential to create visual amenity problems as any unauthorised advert. Council officers have endeavoured to pursue the same approach to the removal of all adverts.
- 2.5 Town Councils are often involved with the undertaking of local community events and reasonably would generally support them. They may find themselves in a position of some conflict where they would be less inclined to undertake removal of adverts for a local event that is well regarded and certainly where one is supported by it. It is suggested that, for powers to be passed to it, the interested Town Council should be required to set out the approach it would take to the matter. This should include details of the service that the Town Council will provide to the public – receiving complaints with regard to fly-posting etc. They can be advised and guided by Council officers in this.
- 2.6 **Legitimacy:** It is clear in most cases when adverts displayed are without the benefit of consent – therefore unauthorised. Clearly the removal of an authorised advert would be inappropriate. It is suggested that Town Councils be required to approach the District Council where there is any doubt with regard to the legitimacy of adverts, prior to any action being undertaken.

In any further details that are provided, if this matter is supported in principle, it will be set out that Town Councils should only take action in relation to adverts which can be readily removed. 'Pasted on' adverts should generally not be tackled because of the difficulty of removal, because of the residue which can remain after removal (which still has an amenity impact) and because of the greater possibility of damage to the structure to which it was affixed.

- 2.7 **Storage and Return:** Removal of unauthorised adverts cannot be undertaken in isolation. The legislation requires that removed adverts, which remain the private property of the advertiser, should be retained and, where possible, be returned if the party which displayed them can be identified or comes forward to claim them. Town Councils will therefore need to undertake to store and return adverts which they have removed. It is suggested that a requirement to do this is contained in any agreement transferring these powers.
- 2.8 **Dispute resolution:** Clearly fly-posting removal is an area where there is significant room for disagreement. Local residents may feel aggrieved at the amenity impact of unauthorised displays and there are often strong views associated with their removal. These can be both in favour and against. Those who displayed adverts, often in ignorance of the relevant legislation, will express strong views, particularly if removal is perceived to have impacted on the success of the event to which they relate.
- 2.9 It would be necessary for Town Councils to ensure they are both willing to take on the responsibility for dealing with such disputes and have appropriate mechanisms in place to do so. It is suggested that any agreement transferring powers sets out the necessary requirements.
- 2.10 So that the Town Councils have a full and clear understanding of the above and other related matters, it is suggested that a training event is offered, and should be taken up by any Town Council, before powers are transferred to it.
- 2.11 Lastly, whilst this is primarily a matter for any Town Council which takes on these powers, safe working practices must be implemented. Fly-posting is usually displayed on the highway and attached to highway furniture. They can be at height. Traffic speeds, crossing roads and road margin areas all present hazards. Town Councils which undertake these powers must ensure they have adequate insurance, safe working practices in place and procedures which ensure there is no damage to the structure from which the advert is being removed..
- 3.0 Conclusion
- 3.1 A model agreement is not attached to this report. However, authority is sought for such an agreement, which enables Town Councils to exercise these powers, to be formulated by officers in



consultation with portfolio holder for Community Safety and Environment. Once formulated officers will consult Town Councils on the documentation and where there is an expression of interest in taking up the powers, offer training.

### 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 Alexander, Executive Member for Community Safety and Environment

Contact Officer: Kevin Steptoe – Head of Planning and Building Control – ext 1407

Report Author: Kevin Steptoe – Head of Planning and Building Control – ext 1407

## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives</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>Improving standards of the built neighbourhood and environmental management in our towns and villages.</i></p>
<p>Consultation:</p>	<p>Internally only at this stage. Town Councils to be consulted if Executive support the issue in principle</p>
<p>Legal:</p>	<p>An agreement framed in legal terms will be drawn up to ensure that the parties are clearly aware of their responsibilities.</p>
<p>Financial:</p>	<p>There are no extensive financial implications for the Council. Officer time would be expended in drawing up the necessary documentation and offering training.</p> <p>Town Councils would be expected to meet any costs associated with the powers if they exercise the opportunity to take them up.</p>
<p>Human Resource:</p>	<p>None</p>
<p>Risk Management:</p>	<p>There is a risk of inappropriate use of the powers where they are transferred to another party. Monitoring and the ability to retrieve the powers (which would be included within agreements) would ensure that this risk is minimised.</p>

MINUTES OF A MEETING OF THE  
LOCAL DEVELOPMENT FRAMEWORK  
EXECUTIVE PANEL HELD IN THE  
COUNCIL CHAMBER, WALLFIELDS,  
HERTFORD ON THURSDAY 7 JULY 2011,  
AT 7.30 PM

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PRESENT: Councillor M Carver (Chairman)  
Councillors L Haysey

ALSO PRESENT:

Councillors W Ashley, R Beeching,  
E Buckmaster, S Bull, Mrs R Cheswright,  
T Herbert, M Newman, P Phillips, M Pope  
and P Ruffles

OFFICERS IN ATTENDANCE:

Linda Bevan	- Committee Secretary
John Careford	- Senior Planning Officer
Kay Mead	- Senior Planning Officer
Martin Paine	- Senior Planning Officer
Laura Pattison	- Assistant Planning Policy Officer
Jenny Pierce	- Senior Planning Officer
Claire Sime	- Team Leader Planning Policy
Kevin Steptoe	- Head of Planning and Building Control
Bryan Thomsett	- Planning Policy Manager

## 1 DECLARATIONS OF INTERESTS

Councillor M Newman declared a personal interest in Minute 4 – LDF Core Strategy: Responses to Issues and Options Public Consultation 2 September 2010 to 25 November 2011 – by virtue of his involvement with the “Stop Harlow North” campaign.

Councillor M Carver declared a personal interest in the whole agenda by virtue of his involvement with Hertford Regional College and undertook to take no part in discussion if something specifically related to this arose, which was not expected.

## 2 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed the public, press and Members, including in particular, those who were newly elected, to the meeting.

He said the Local Development Framework (LDF) was one of the most important issues for the Council. Recommendations from the Panel would go to the Executive and on to Council for decision. He wanted all Members to attend Panel meetings and had specifically invited a number who would represent various areas in the District to ensure greater awareness of progress on the LDF.

## 3 EAST HERTS LOCAL DEVELOPMENT FRAMEWORK: LOCALISM AND NEIGHBOURHOOD PLANNING

**The Executive Member for Planning Policy and Economic Development submitted a report on the Localism Bill and its likely implications for planning policy.**

**Members commented on grants being offered for residents to prepare Neighbourhood Plans and how these funds would be found. They noted the high cost of the plans and said areas would not have the opportunity to prepare them if they did not have the funds to do so. It was felt the issue could be discussed at the Rural**

Conference and through Member training.

The Panel decided to make the recommendations detailed below to the Executive.

**RECOMMENDED** – that (A) priority be given to progressing the Local Development Framework (LDF) as quickly as possible in order to provide an effective strategic planning policy framework for the new tier of neighbourhood planning; and

(B) communities wait, before they do any substantive work on neighbourhood plans, until the Localism Bill has received Royal Assent later this year, so that there is more certainty about the neighbourhood planning process and the Council is in a better position to support and advise

**4 LDF CORE STRATEGY: RESPONSES TO ISSUES AND OPTIONS PUBLIC CONSULTATION 2 SEPTEMBER 2010 TO 25 NOVEMBER 2011**

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The Executive Member for Planning Policy and Economic Development submitted a report on a summary of the issues raised, and an analysis of the responses received, to the Local Development Framework Core Strategy Issues and Options consultation. It also set out the need for further technical work to inform the East Herts housing requirement.

The Panel Chairman explained that the responses received would be incorporated into the next stage of the LDF which would be consulted on again. All responses were treated equally but some which were identical were grouped together.

Members commented on the position regarding the Regional Spatial Strategy which still had to be taken into account and how precedents for certain types of development had already been set.

The Panel decided to make the recommendations now detailed to the Executive.

**RECOMMENDED** - that (A) the issues raised from the Core Strategy Issues and Options consultation be noted;

(B) the responses received and issues raised are used to inform the preparation of the next stage of the East Herts Core Strategy called Preferred Options; and

(C) the ongoing and further technical work being undertaken to inform the East Herts housing requirement, be noted.

**5 EAST HERTS CORE STRATEGY PREFERRED OPTIONS: PROJECT PLAN AND METHODOLOGY STATEMENT**

The Executive Member for Planning Policy and Economic Development submitted a report seeking agreement to the Core Strategy Preferred Options Project Plan and Methodology Statement, which set out how the Council would reach an initial view on the broad locations for development in the District to 2031. It also set out the Work Programme for this stage of the project, culminating in public consultation in Spring 2012.

Members commented on the need to be aware of proposals for adjoining areas and Officers assured them these were taken into account. Officers explained that use of the Green Belt and sites suggested for development by builders had to be considered as part of the LDF process.

The Panel decided to make the recommendation detailed below to the Executive.

**RECOMMENDED** – that the East Herts Core Strategy Preferred Options Project Plan and Methodology Statement, together with

accompanying Work Programme, contained at Essential Reference Papers 'B' and 'C' of the report now submitted, be agreed.

**6** **NEW HOME BONUS AND COMMUNITY INFRASTRUCTURE LEVY (CIL)**

The Executive Member for Planning Policy and Economic Development submitted a report to enable Members to consider the implications of the New Homes Bonus and Community Infrastructure Levy (CIL), which were being introduced as an incentive to new development, and to consider and endorse a suitable approach towards the introduction of these new revenue streams.

Members asked if the New Homes Bonus could be used to fund Neighbourhood Plans and commented on the cost of setting up the CIL and the need for the level of it not to deter development.

The Panel decided to make the recommendations detailed below to the Executive.

**RECOMMENDED** – that (A) a preliminary Draft Community Infrastructure Levy Charging Schedule be published for consultation alongside the Core Strategy Preferred Options; and

(B) the importance be acknowledged of the New Homes Bonus and Community Infrastructure Levy, in assisting the delivery of the infrastructure required by the Local Development Framework Core Strategy.

**7** **LDF: STRATEGIC LAND AVAILABILITY ASSESSMENT (SLAA) PROJECT PLAN AND ESTABLISHMENT OF SLAA PARTNERSHIP**

The Executive Member for Planning Policy and Economic Development submitted a report seeking endorsement of the Strategic Land Availability Assessment (SLAA)

**Project Plan and establishment of a formal SLAA Partnership to provide technical advice and guidance to East Herts Council, in respect of land availability and the deliverability of sites. The SLAA was ongoing technical work that would inform the East Herts LDF.**

**Members commented on the difficulty of ensuring a fair representation for Parish Councils in the SLAA Partnership. A number of drafting amendments were suggested.**

**The Panel decided to make the recommendations now detailed to the Executive.**

**RECOMMENDED - that (A) the East Herts Strategic Land Availability Assessment (SLAA) Project Plan (July 2011), contained at Essential Reference Paper 'B' of the report now submitted, be agreed subject to the drafting amendments discussed at the meeting; and**

**(B) a formal SLAA Partnership be established, in order to allow work to commence as soon as possible to inform the next stage of the Core Strategy.**

## **8 LDF: CALL FOR SITES UPDATE REPORT**

**The Executive Member for Planning Policy and Economic Development submitted a report updating Members on the submissions received to the Call for Sites consultation between 6 May and 10 June 2011 and seeking Members' agreement for the responses to be taken into account as part of the preparation of the East Herts Strategic Land Availability Assessment (SLAA).**

**Members said that the exercise had caused concern amongst residents and were assured the sites included would not necessarily be developed. Members asked for this to be made clearer in future consultations.**



The Panel decided to make the recommendations detailed below to the Executive.

**RECOMMENDED** - that (A) the responses received to the Call for Sites consultation between 6 May and 10 June 2011, attached at Essential Reference Paper 'B' of the report now submitted, be noted and taken into account as part of the preparation of the East Herts Strategic Land Availability Assessment (SLAA); and

(B) any future Call for Sites suggestions be included and assessed as part of the preparation of the SLAA in Summer/Autumn 2011, and subsequently as part of the annual monitoring and review of the SLAA.

**9 EAST HERTS GREEN INFRASTRUCTURE PLAN (MARCH 2011) AND HERTFORDSHIRE STRATEGIC GREEN INFRASTRUCTURE PLAN (MARCH 2011)**

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The Executive Member for Planning Policy and Economic Development submitted a report presenting the East Herts Green Infrastructure Plan and Hertfordshire Strategic Green Infrastructure Plan for consideration and agreement.

Members noted the update on the issues.

The Panel decided to make the recommendations detailed below to the Executive.

**RECOMMENDED** – that the East Herts Green Infrastructure Plan (March 2011) and the Hertfordshire Strategic Green Infrastructure Plan (March 2011) be agreed and published as follows:

(A) as a technical study, forming part of the evidence base to inform and support the East Herts Local Development Framework;

- (B) as a basis for informing future Development Control decisions concerning development and green infrastructure; and
- (C) as a basis for green infrastructure planning in the District.

**10 ASSESSMENT OF EAST HERTS SPORTS FACILITIES (MAY 2011)**

The Executive Member for Planning Policy and Economic Development submitted a report presenting the draft Assessment of East Herts Sports Facilities (ASF) and a range of recommendations and long term aspirations for consideration and agreement.

The Panel decided to make the recommendations detailed below to the Executive.

**RECOMMENDED** – that the draft Assessment of East Herts Sports Facilities be agreed and published as follows:

- (A) as a technical study, forming part of the evidence base to inform and support the East Herts Local Development Framework;
- (B) as a basis for informing future Development Control decisions concerning the development of, and developments affecting sports facilities; and
- (C) as a basis for sports facility planning in the District.

**11 LDF: MORPHOLOGY AND PLACE SHAPING (MAPS) TECHNICAL STUDY**

The Executive Member for Planning Policy and Economic Development submitted a report seeking endorsement for the Morphology and Place Shaping (MAPS) technical

study project plan. The MAPS technical study sought to embed a settlement-wide approach to design in the East Herts LDF.

Officers gave a presentation explaining morphology by giving an example of what it would involve for an imaginary town.

The Panel decided to make the recommendation detailed below to the Executive.

**RECOMMENDED** – that settlement-wide design based technical work is undertaken to inform the preparation of the East Herts LDF, and the Morphology and Place Shaping (MAPS) Technical Study Project Plan, contained at Essential Reference Paper ‘B’ of the report now submitted, be agreed.

12 MINUTES

RESOLVED – that the Minutes of the Panel meeting held on 23 September 2010 be approved as a correct record and signed by the Chairman.

13 EXTENSION OF MEETING

The Panel agreed that Council Procedure Rules be suspended so that the meeting could continue beyond 10.00 pm, if necessary.

RESOLVED – that Council Procedure Rules be suspended, so that the meeting could continue beyond 10.00 pm, if necessary.

The meeting closed at 10.00 pm

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

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## EAST HERTS COUNCIL

EXECUTIVE – 6 SEPTEMBER 2011

REPORT BY THE LEADER OF THE COUNCIL

MONTHLY CORPORATE HEALTHCHECK – JUNE 2011

WARD(S) AFFECTED: All

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### Purpose/Summary of Report:

- **To set out an exception report on the finance and performance monitoring for East Herts Council for June 2011.**

<b>RECOMMENDATIONS FOR EXECUTIVE: that</b>	
<b>(A)</b>	<b>the budgetary variances set out in paragraph 2.1 of the report be noted;</b>
<b>(B)</b>	<b>the Strategic Risks for 2011/12 and the action taken to mitigate during May and June 2011 be noted; and</b>
<b>(C)</b>	<b>the reporting of corporate projects in the July corporate healthcheck report, be noted. (Paragraph 2.28)</b>

### 1.0 Background




1.1 This is the monthly finance and performance monitoring report for the Council.



1.2 Each month the report will contain a breakdown of the following information by each corporate priority where remedial action is needed:

- Salary, Capital and Revenue variance.
- Performance information (based on the performance indicator suite that is reported on a monthly basis) and also the Directorate's position in respect to payment of invoices and sickness absence.

- 1.3 **Essential Reference Paper 'B'** shows the full set of performance indicators that are reported on a monthly/quarterly basis.  
**Essential Reference Paper 'C'** shows detailed information on salaries.  
**Essential Reference Paper 'D'** shows detailed information capital programme.  
**Essential Reference Paper 'E'** shows explanations of variances on the Revenue Budget reported in previous months.  
**Essential Reference Paper 'F'** shows a Summary of Executive actions made within the financial year.  
**Essential Reference Paper 'G'** shows the strategic risk register.

The codes used in relation to performance indicator monitoring are as follows:

Status	
	This PI is 6% or more off target.
	This PI is 1-5% off target.
	This PI is on target.

Short Term Trends	
	The value of this PI has changed in the short term.
	The value of this PI has not changed in the short term.

## 2.0 Report – Directorate Position

### REVENUE FINANCIAL SUMMARY

- 2.1 The financial aspects of this report are based on budgetary information from April 2011 to June 2011.

	Position as at 30.06.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(1) Promoting prosperity &amp; well being; providing access &amp; opportunities</b>						
Local Services Support Grant	13	0	5	0	50	0
Concessionary Fares	19	0	0	18	19	0
Taxi Licensing income	0	7	0	0	0	8
<b>(2) Fit for purpose</b>						
Turnover	0	154	0	48	0	587
Print/Desktop Top Publishing	0	13	0	4	0	53

	Position as at 30.06.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(3) Pride in East Herts</b>						
Pay and Display machines	0	0	0	0	0	17
Car Parks legal fees	0	8	1	0	0	10
Car Parks advertising	3	0	2	0	0	15
CCTV Contributions	11	0	0	0	0	13
Recycling Materials Handling	10	0	0	0	40	0
Waste Contract (various bud)	0	0	0	0	125	0
<b>(4) Shaping now, shaping the future</b>						
New Homes Bonus Grant	415	0	0	0	415	0
Discharge of Conditions	7	0	0	0	12	0



	Position as at 30.06.11				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
<b>(5) Leading the way, working together</b>	There is nothing to report for this Priority.					
<b>TOTAL:</b>	478	182	8	70	661	703
<b>Net Projected Variance</b>						42
<b>Supported by supplementary estimates</b>						0
<b>Total Supplementary Estimates</b>						0

- 2.2 Subject to all other budgets being equal, this would result in an over spend of £42k. However as the new homes bonus grant becomes allocated that projected overspend will increase.
- 2.3 Salary budgets are constantly monitored and **Essential Reference Paper 'C'** shows a projected over spend of £587k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered.

## **FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS**

### **Promoting Prosperity and well-being, providing access and opportunities**

#### **Financial analysis**

- 2.4 The general down turn in the economy is reflected in the demand for the Hackney Carriage/Private Hire service. As a consequence licence fees are anticipated to be adverse by £8k.

#### **Performance analysis**

- 2.5 The following indicator was 'Green', meaning that the target was either met or exceeded for June 2011:
- EHPI - 129 - Response time to anti social behaviour (ASB) complaints made to East Herts Council.

Please refer to **Essential Reference Paper 'B'** for full details.

### **Fit for purpose**

#### **Financial analysis**

- 2.6 There are no new financial issues this month regarding this priority.

#### **Performance analysis**

- 2.7 **NI 181 - Time taken to process Housing Benefit/Council Tax Benefit new claims and change events.** As reported in the previous month this represents an increase in caseload seen in the period and the need to avoid some planned weekend working to allow ICT to undertake changes required for office moves. A plan to recover this downtime is being implemented.

- 2.8 **EHPI 6.8 - Turnaround of pre NTO PCN challenges.** Performance was 'Red' for June 2011. Performance was off target due to continued high levels of PCN's being issued as well as staff absences.
- 2.9 **EHPI 6.9 – Turnaround of NTO Representations.** Performance was 'Amber' for June 2011. Arrangements have been put in place to improve this situation.
- 2.10 **EHPI 8 – % of invoices paid on time.** Performance was 'Amber' for June 2011. Management have taken corrective action to ensure future invoices are paid on time.
- 2.11 The following indicator was 'Green', meaning that the target was either met or exceeded for June 2011:
- EHPI 12c - Total number of sickness absence days per FTE staff in post.

Please refer to **Essential Reference Paper 'B'** for full details.

### **Pride in East Herts**

#### **Financial analysis**

- 2.12 The Executive agreed in February 2011 that the subsidy towards the full cost of CCTV cameras in town centres be continued for 2011/12 only and that the issue be considered further as part of the Community Safety Review. The maximum income will be £52k which is £13k short to that stated in the Estimates.
- 2.13 The Recycling Materials Handling project to introduce sorting/bailing equipment has been delayed due to the new contract and this coupled with the volatility of material prices will result in an under spend of £40k.
- 2.14 There is an early warning that within various Waste Contract budgets there will be an under spend of approximately £125k in 2011/12 with a full year effect £136k resulting from implementing shared services with neighbouring authorities through the new waste contractor. A full report will be submitted later in the year.

#### **Performance analysis**

- 2.15 **NI 191 - Residual household waste per household.** Waste

collected increased this month compared to April and is some 3% up on May 2010.

2.16 **NI 192 - Percentage of household waste sent for reuse, recycling and composting.** Performance improved in May to take cumulative performance just above the annual target. There were increases in both kerbside dry recycling and composting, compared to April, slightly countermanded by an increase in the waste collected.

2.17 The following indicator was 'Green', meaning that the target was either met or exceeded for June 2011:

- EHPI 2.4 – Fly-tips: Removal

Please refer to **Essential Reference Paper 'B'** for full details.

### **Shaping now, shaping the future**

#### **Financial analysis**

2.18 Income from Planning Discharge of Conditions is predicted to be £12k favourable due to a greater level of developer activity than anticipated.

#### **Performance analysis**

2.19 **NI 157a - Processing of planning applications: 'Major' applications.** Performance was 'Red' for June 2011. Seven major application decisions were released - two of which were within the target timescale. The reasons for the delays in relation to the remaining five were varied. It was necessary in one case to refer the matter to the Secretary of State. One of the proposals required the formulation of a legal agreement. One was subject to independent financial viability assessment and, in the case of an application to vary the proposals for the Sainsbury's development at Hartham and Hertford, there were protracted issues in relation to the impact of the proposals on the historic building to be resolved. These varying reasons lead to poor performance in the month overall.

2.20 The following indicators were 'Green', meaning that targets were either being met or exceeded for June 2011. They are:

- NI 157b - Processing of planning applications: 'Minor' applications.
- NI 157c – Processing of planning applications: Other applications.
- EHPI 2.2(45) – Number of collections missed per 100,000

collections of household waste.

Please refer to Essential Reference Paper 'B' for full details.

### Leading the way, working together

#### **Financial analysis**

2.21 There are no new financial issues this month regarding this priority.

#### **Performance analysis**

2.22 **EHPI 3a - Usage: number of swims (under 16).** Performance was 'Red' for Quarter 1. The service is conducting an investigation in to the apparent reduction of swim throughput with this age category; results will be reported in quarter 2.

2.23 **EHPI 3b - Usage: number of swims (16 – under 60 year olds).** Performance was 'Red' for Quarter 1. The service is conducting an investigation in to the apparent reduction of swim throughput with this age category; results will be reported in quarter 2.

2.24 **EHPI 3c - Usage: number of swims (60 year old +).** The service expected a decline in attendance due to exclusion of government funded free swims for this age group, but throughput remains at a consistent level.

2.25 The following indicators were 'Green', meaning that targets were either being met or exceeded for Quarter 1. They are:

- EHPI 4a - Usage: Gym (16 – under 60 year olds)
- EHPI 4b - Usage: Gym (60 + year olds)

Please refer to Essential Reference Paper 'B' for full details.

### CAPITAL FINANCIAL SUMMARY

2.26 The table below sets out expenditure to 30 June 2011 against the Capital Programme which reflects Council approval of recommendations on 6 July 2011. Members are invited to consider the overall position. Essential Reference paper D contains details of the 2011/12 Capital Programme. Comments are provided by the Project Control Officers in respect of individual schemes.

SUMMARY	2011/12 Original Estimate	2011/12 Revised Estimate	2011/12 Actual Commit to date	2011/12 Projected spend	Variance Col 4 - Col 2
	£	£	£	£	£
Promoting Prosperity	2,144,940	2,876,060	845,343	2,866,560	(9,500)
Fit for Purpose	1,385,550	2,033,970	577,525	2,033,970	0
Pride in East Herts	2,326,200	1,994,790	145,494	1,944,690	(100)
Shaping now	380,500	512,600	15,506	505,500	(7,100)
Leading the Way	0	0	0	0	0
Re-profiling potential Slippage	(750,000)	(750,000)		(750,000)	0
<b>TOTAL</b>	<b><u>5,487,190</u></b>	<b><u>6,667,420</u></b>	<b><u>1,583,868</u></b>	<b><u>6,650,720</u></b>	<b><u>(16,700)</u></b>

### **Strategic Risk**

2.27 On 17<sup>th</sup> May 2011, Zurich Insurance facilitated a workshop for Directors to identify current risks and assist preparations of the Strategic Risk Register for 2011/12. (The 'risk year' commenced in May to reflect the Audit Committee timetable). The risks were agreed at Corporate Management Team on 28<sup>th</sup> June.

Please refer to **Essential Reference Paper 'G'** for the new Strategic Risk Register, and mitigating actions for May and June 2011.

### **Corporate Projects**

2.28 Due to a number of staff who have been on annual leave corporate projects will be reported in the July corporate healthcheck report.

### **3.0 Implications/Consultation**

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

### **Background Papers:**

2010/11 Estimates and future targets report, Essential Reference Paper B – For complete list of performance indicators that are being monitored for 2011/12

Contact Member: Councillor A Jackson, Leader of the Council

Contact Officer:

In terms of performance issues

Lorna Georgiou, Performance and improvement Coordinator – ext 2244  
Karl Chui, Performance Officer – ext 2243

In terms of financial issues

Mick O'Connor, Principal Accountant – ext 2054

In terms of risk issues

Graham Mully, Insurance Officer – ext 2166

## ESSENTIAL REFERENCE PAPER 'A'

<p>Contribution to the Council's Corporate Priorities/ Objectives:</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>Improving standards of the built neighbourhood and environmental management in our towns and villages.</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>Performance monitoring discussions have taken place between, Chief Executive, Directors and Heads of Service.</p>
<p>Legal:</p>	<p>There are no legal implications.</p>
<p>Financial:</p>	<p>There are no financial implications.</p>
<p>Human Resource:</p>	<p>There are no Human Resource implications.</p>
<p>Risk Management:</p>	<p>There are no Risk implications.</p>











## June/Quarter 1 Executive Corporate Healthcheck 2011/12




**Traffic Light Red**  
**Description** Fit for purpose, services fit for you




**Parking Services**




PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI6.8	Turnaround of Pre NTO PCN challenges (10 working days)		28 days	14 days		Staff absences continue to affect this PI. Arrangements have been put in place to improve this situation.	<p>June 2011 result</p> 	None

Revenues and Benefits Services								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
NI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events		17.5 days	10.0 days		Performance period from 16 May 2011 to 13 June 2011.	<p>June 2011 result</p>  <p>10.6 days 10.1 days 0 days 17.5 days 25.0 days</p>	None

**Traffic Light Red**  
**Description** Leading the way, working together




Community and Cultural Services								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI3a	Usage: number of swims (under 16)		12,501	13,354		Service is conducting an investigation in to the apparent reduction of swim throughput with this age category, results will be reported in quarter 2.	<p>Q1 2011/12 result</p>  <p>12,552.76 13,220.46 0 12,501 20,000</p>	None

Community and Cultural Services								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI3b	Usage: number of swims (16 – under 60 year olds)		26,765	43,016		Service is conducting an investigation in to the apparent reduction of swim throughput with this age category, results will be reported in quarter 2.	<p>Q1 2011/12 result</p> 	None

Community and Cultural Services								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI3c	Usage: number of swims (60 year old +)		5,442	8,143		Service expected decline in attendance due to exclusion of government funded free swims for this age group, but throughput remains at a consistent level.	<p>Q1 2011/12 result</p> 	None




**Traffic Light Red**  
**Description** Shaping now, shaping the future

**Planning and Building Control**




PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
NI 157a (BV109a)	Processing of planning applications: Major applications		29.00%	69.00%		Seven major application decisions were released - two of which were within the target timescale. The reason for the delays in relation to the remaining five were varied. It was necessary in one case to refer the matter to the Secretary of State. One of the proposals required the formulation of a legal agreement. One was subject to independent financial viability assessment and, in the case of an application to vary the proposals for the Sainsbury's development at Hartham, Hertford, there were protracted issues in relation to the impact of the proposals on the historic building to be resolved. These varying reasons lead to poor performance in the month overall.	<p>June 2011 result</p> 	None

**Traffic Light Amber**  
**Description** Fit for purpose, services fit for you




**Financial Support Services**

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHP18	% of invoices paid on time		96.90%	98.00%		For the third month running the performance has improved with 96.90% of invoices being paid within 30 days. Unfortunately this is still below target.	<p>June 2011 result</p> 	None




**Parking Services**

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHP16.9	Turnaround of NTO Representations		29 days	28 days		PI affected by staff absences. Arrangements have been put in place to improve this situation	<p>June 2011 result</p> 	None

**Traffic Light Green****Description** Fit for purpose, services fit for you**People Services & Organisational Development**

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHP112c	Total number of sickness absence days per FTE staff in post		0.54 days	0.70 days		Total absence for the year so far = 1.58 days (target = 1.88)	<p>June 2011 result</p> 	None

**Traffic Light Green****Description** Leading the way, working together**Community and Cultural Services**




PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHP14a	Usage: Gym (16 – under 60 year olds)		40,963	40,184		Performance is on target consistent with seasonal trends.	<p>Q1 2011/12 result</p> 	None

## Essential Reference Paper B

Community and Cultural Services								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI4b	Usage: Gym (60 + year olds)	✔	3,758	3,007	↓	Performance continues to show favourable position against target.	<p style="text-align: center;">Q1 2011/12 result</p>	None




### Traffic Light Green Description Pride in East Herts

Environmental Services								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI2.4 (47)	Fly-tips: removal	✔	1.13	2	↓	Performance continues to better target.	<p style="text-align: center;">June 2011 result</p>	None

Environment Services								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI2.2 (45)	Waste: missed collections per 100,000 collections of household waste		49.06	50		Improved performance this month as new contract settles down.	<p>June 2011 result</p> 	None

### Traffic Light Green

**Description** Promoting prosperity & well being providing access & opportunities

Licensing and Community Safety								
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
EHPI129	Response time to ASB complaints made to EHC.		100.00 %	100.00 %		There were 8 ASB complaints made directly to the ASB Officer at East Herts Council for the month of May 2011. <b>8</b> of these were dealt with within the minimum standards of two working days (100%)	<p>June 2011 result</p> 	None



**Traffic Light Green**  
**Description** Shaping now, shaping the future

**Planning and Building Control**

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
NI 157b (BV109b)	Processing of planning applications: Minor applications		84.00%	80.00%		Performance exceeding target.	<p>June 2011 result</p>	None

**Planning and Building Control**

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
NI 157c (BV109c)	Processing of planning applications: Other applications		93.00%	93.00%		Performance exceeding target.	<p>June 2011 result</p>	None

**Traffic Light Unknown**  
**Description** Pride in East Herts

**Environment Services**

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
NI 191	Residual household waste per household		83	N/A		Waste collected increased this month compared to April and some 3% up on May 2010.	<b>N/A</b>	None

**Environment Services**

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Performance Gauge	Action taken during last Executive meeting on 5 <sup>th</sup> July 2011
NI 192	Percentage of household waste sent for reuse, recycling and composting		50.05%	N/A		Performance improved in May to take cumulative performance just above annual target. there were increases in both kerbside dry recycling and composting, compared to April, slightly countermanded by an increase in the waste collected.	<b>N/A</b>	None

PI Status		Long Term Trends		Short Term Trends	
	Alert		Improving		Improving
	Warning		No Change		No Change
	OK		Getting Worse		Getting Worse
	Unknown				
	Data Only				

**SALARIES/AGENCY/APPOINTMENT OF STAFF/RELOCATION**

Essential Reference Paper 'C'

	<b>Estimate</b>	<b>Profile to 30.06.11</b>	<b>Actual to 30.06.11</b>	<b>Variance to Profile</b>	<b>Projected outturn</b>	<b>Projected Outturn Variance to Estimate</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Executive / Corp Support	458,430	114,608	132,040	17,432	512,190	53,760
Internal Services	4,116,920	1,029,234	1,120,062	90,828	4,439,440	322,520
Neighbourhood Services	3,676,640	919,164	932,206	13,042	3,746,400	69,760
Customer & Community	2,586,850	646,716	686,696	39,980	2,756,610	169,760
<b>Summary</b>	<b>10,838,840</b>	<b>2,709,722</b>	<b>2,871,004</b>	<b>161,282</b>	<b>11,454,640</b>	<b>615,800</b>
Strain Costs (funded)	87,709	0	0	0	87,709	0
Employer's Pension Cost (not charged to services)	456,550	114,138	107,001	-7,137	428,000	-28,550
<b>TOTAL</b>	<b>11,383,099</b>	<b>2,823,860</b>	<b>2,978,005</b>	<b>154,145</b>	<b>11,970,349</b>	<b>587,250</b>
<b>Projected net underspend after allowing for mitigating actions that had to be found</b>						<b>587,250</b>

g:P&F/SALARIES HEALTHCHECK

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**CAPITAL EXPENDITURE MONITORING 2011/12**

SUMMARY	Exp. To 30/06/11								
	2011/12 Original Estimate	Slippage from 2010/11	2011/12 Any other amendments	2011/12 Approved Estimate as @ June '11	2011/12 Actual to date	2011/12 Commitment Amount	2011/12 Total to Date	2011/12 <b>Projected Spend</b>	2011/12 Variance between Proj Spend and Approved Estimate
	£	£	£	£	£	£	£	£	£
1. Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable	2,144,940	653,620	77,500	2,876,060	794,394	50,949	845,343	2,866,560	(9,500)
2. Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation	1,385,550	498,420	150,000	2,033,970	453,737	123,788	577,525	2,033,970	0
3. Improve standards of the neighbourhood and environmental management in our towns and villages	2,326,200	(370,410)	39,000	1,994,790	63,720	81,774	145,494	1,994,690	(100)
4. 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	380,500	132,100	0	512,600	1,553	13,953	15,506	505,500	(7,100)
<b>TOTAL</b>	<b>6,237,190</b>	<b>913,730</b>	<b>266,500</b>	<b>7,417,420</b>	<b>1,313,404</b>	<b>270,464</b>	<b>1,583,868</b>	<b>7,400,720</b>	<b>(16,700)</b>
<b>RE-PROFILING POTENTIAL SLIPPAGE (71264/7501)</b>	<b>(750,000)</b>			<b>(750,000)</b>				<b>(750,000)</b>	<b>0</b>
	<b>5,487,190</b>	<b>913,730</b>	<b>266,500</b>	<b>6,667,420</b>	<b>1,313,404</b>	<b>270,464</b>	<b>1,583,868</b>	<b>6,650,720</b>	<b>(16,700)</b>

## CAPITAL MONITORING 2011/12

Enhance the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable

Exp Code	2011/12 Approved Schemes	Project Control Officer	Exp. To 30/06/11								2011/12 Variance between Proj Spend and Approved Estimate £	COMMENTS
			2011/12 Original Estimate	Slippage from 2010/11	2011/12 Any other amendments	2011/12 Approved Estimate as @ June '11	2011/12 Actual to date	2011/12 Commitment Amount	2011/12 Total to Date	2011/12 Projected Spend		
			£	£	£	£	£	£	£	£	£	
Various	Grange Paddocks Pool	S. Whinnett	40,000	5,600		45,600		5,000	5,000	45,600	0	
72328	Hartham Swimming Pool	S. Whinnett		10,800		10,800			0	10,800	0	
Various	Leventhorpe Swimming Pool	S. Whinnett		35,000		35,000			0	35,000	0	
Various	Fanshawe Pool	S. Whinnett	30,000	4,900		34,900		2,569	2,569	34,900	0	
72332	Ward Freman Swimming Pool	S. Whinnett	68,740			68,740		38,567	38,567	68,740	0	
72578	Drill Hall (Note 5)	W. O'Neill	0	200,000		200,000			0	200,000	0	
Various	Hertford Theatre	W. O'Neill/ S. Whinnett	211,200	1,270		212,470	(47,813)	(845)	(48,658)	212,470	0	
72571	Leisure Development Project	W. O'Neill	0		77,500	77,500			0	77,500	0	Supplementary estimate agreed at 5.7 Exec & 6.7 Council
72545	Presdales - Replace Pavilion	W. O'Neill	0	59,100		59,100	4,817		4,817	59,100	0	
72530	Community Planning Grants	W. O'Neill	20,000	19,700		39,700	3,402		3,402	39,700	0	In first funding round, 5 organisations were allocated grants totalling £7,283.87. 3 Claims for £3,063 have been submitted. A further £12,716 has been recommended for allocation to 7 organisations. New financial year deadlines are 30 June, 30 Sept, 31 Dec and 31st Mar 2012.
Various	Capital Grants 2009/10 to 2011/12	C. Pullen	83,000	45,950		128,950	2,977		2,977	128,950	0	
72683	Village Hall Community Challenge	C. Pullen	11,000	11,400		22,400	500		500	22,400	0	Cotted not submitted claim from previous year. Watton-at-Stone Sports & Community Centre £500 paid.
72512	Partnership Investment Fund	C. Pullen	26,000	43,600		69,600			0	69,600	0	No claims have been submitted. Deadline for new applications 17 June 2011
72582	LSP Capital Grants	W. O'Neill	0	76,800		76,800	(1,000)		(1,000)	76,800	0	
Various	Private Sector Improvement Grants	S. Winterburn	740,000	89,500		829,500	148,086		148,086	829,500	0	
72685	Social Housing Schemes-Calton House & Birch Green, Hertford	S. Drinkwater	700,000			700,000	661,000		661,000	700,000	0	
71201	Capital Salaries	S. Chancellor	25,400			25,400			0	25,400	0	
72504	Provision of Play Equipment	C. Cardoza	50,000			50,000		1,568	1,568	50,000	0	
72580	Vantorts Sawbridgeworth-Play Area Development Programme (Note 6)	C. Cardoza	0	50,000		50,000			0	50,000	0	
72583	Improvements to Works at Southern Country Park (Note 3)	C. Cardoza	36,000			36,000	22,425	4,090	26,515	26,500	(9,500)	Projected spend is now £26,515. The £9,485 external funding from the Countryside Management Service will now be spent directly by them and the overall value of the project in terms of external funding contributions remains unchanged.
72584	Sacombe Road, Hertford - Play Area Development Programme (Note 2)	C. Cardoza	10,000			10,000			0	10,000	0	
72585	The Bourne, Ware - Play Area Development Programme	C. Cardoza	40,000			40,000			0	40,000	0	
71266	Capital Salaries	S. Chancellor	53,600			53,600			0	53,600	0	
<b>TOTAL</b>			<b>2,144,940</b>	<b>653,620</b>	<b>77,500</b>	<b>2,876,060</b>	<b>794,394</b>	<b>50,949</b>	<b>845,343</b>	<b>2,866,560</b>	<b>(9,500)</b>	

Expenditure on Joint Use Pools 40% funding sought from HCC/schools as appropriate.

Note 2. 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 3. Externally funded - £46,000 BIFFA, £9,000 Env Agency, £10,000 Countryside Management Services. £10k EHC.

Note 5. Release of funding is contingent upon agreeing a full repairing lease with the occupier

Note 6. £10,000 to be sought from external contributions - £40,000 from EHC, total £50,000.

**CAPITAL MONITORING 2011/12**

Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation

Exp. To 30/06/11

Exp Code	2011/12 Approved Schemes	Project Control Officer	2011/12 Original Estimate	Slippage from 2010/11	2011/12 Any other amendments	2011/12 Approved Estimate as @ June '11	2011/12 Actual to date	2011/12 Commitment Amount	2011/12 Total to Date	2011/12 Projected Spend	2011/12 Variance between Proj Spend and Approved Estimate	COMMENTS
			£	£	£	£	£	£	£	£	£	
71342	PC Upgrades	D. Frewin	0			0	(205)	205	0	0	0	
71370	Development Control EDM	P. Bowler	0	4,500		4,500			0	4,500	0	
71374	Network, Servers & Storage Upgrade	D. Frewin	30,000	(400)		29,600			0	29,600	0	
71376	Home & Mobile Working	D. Frewin	0	750		750			0	750	0	
71377	BACS	P. Bowler	0	2,500		2,500			0	2,500	0	
71378	Business Continuity	D. Frewin	30,000			30,000			0	30,000	0	
71379	Authentication	P. Bowler	31,000			31,000			0	31,000	0	
71388	GIS	P. Bowler	0	5,470		5,470			0	5,470	0	
71389	Small Systems	P. Bowler	0			0	(2,400)	4,950	2,550	0	0	Balance will be transferred to 71415 - Applications (order miscoded).
71391	Hertford Audio Visual Upgrade	D. Frewin	0			0	(2,000)	2,000	0	0	0	
71395	EDM - Corporate	P. Bowler	52,700	2,870		55,570			0	55,570	0	
71396	Enhancement of Telephony System	P. Bowler	0	3,400		3,400			0	3,400	0	
71402	Council Chamber Enhancements	P. Searle	0			0	(1,576)	1,576	0	0	0	
71408	Revenues & Benefits System	S. Tarran	43,000			43,000			0	43,000	0	
71409	Locata	P. Bowler	37,700			37,700			0	37,700	0	
71410	Firewalls & Intrusion Protection	P. Bowler	0			0	(34,891)	34,891	0	0	0	
71412	Renewal of Cabling - Wallfields	D. Frewin	0	65,480		65,480			0	75,480	10,000	Request that £10,000 be vired from 71414, hardware Funding as further works have been identified.
71413	New Telephone System	P. Bowler	100,000	(14,700)	150,000	235,300		38,925	38,925	235,300	0	Capital sum of £150,000 has been b/fwd from 2012/13 to enable purchase of new telephone system. Installation in July/August. £22,000 to be funded from SIF - this will be transferred
71414	Hardware Funding	D. Frewin	120,650	2,750		123,400	47,082	32,807	79,889	113,400	(10,000)	Request that £10,000 be vired to 71412, Renewal of Cabling as further works have been identified.
71415	Applications	D. Frewin	72,000	5,700		77,700		1,000	1,000	77,700	0	
71416	Merging systems - Licensing & Env Health	B. Simmonds	15,000			15,000			0	15,000	0	
71362	Capital Salaries	P. Bowler	107,000			107,000			0	107,000	0	
71203	Asset Improvement Items - Council Offices	S. Whinnett	722,500	421,100		1,143,600	447,687	7,208	454,895	1,143,600	0	
71203	Replacement of Chairs & Desks	R. Crow	10,000	200		10,200	40	226	266	10,200	0	
71251	Automated Telling Machines (ATM's) at Hertford & B/S	N. Sloper	14,000	(1,200)		12,800			0	12,800	0	
<b>TOTAL</b>			<b>1,385,550</b>	<b>498,420</b>	<b>150,000</b>	<b>2,033,970</b>	<b>453,737</b>	<b>123,788</b>	<b>577,525</b>	<b>2,033,970</b>	<b>0</b>	

## CAPITAL MONITORING 2011/12

Improve standards of the neighbourhood and environmental management in our towns and villages

Exp. To 30/06/11

Exp Code	2011/12 Approved Schemes	Project Control Officer	2011/12 Original Estimate	Slippage from 2010/11	2011/12 Any other amendments	2011/12 Approved Estimate as @ June '11	2011/12 Actual to date	2011/12 Commitment Amount	2011/12 Total to Date	2011/12 Projected Spend	2011/12 Variance between Proj Spend and Approved Estimate	COMMENTS
			£	£	£	£	£	£	£	£	£	
Various	Refuse Collection & Recycling	C. Cardoza	286,000	11,960		297,960	40,782	27,102	67,884	297,960	0	
75168	Energy Efficiency & Carbon Reduction Measures (Note 1)	C. Cardoza	45,000			45,000			0	45,000	0	
72593	Procurement of a Land Rover	C. Cardoza	19,000			19,000		18,924	18,924	18,900	(100)	Order has been placed.
75161	Energy Efficiency Initiatives	M. Shrosbree	0	40,000		40,000			0	40,000	0	Implementation being managed by the Facilities Management Service. Integrated with C3W works at Wallfields.
Various	Bircherley Green MSCP	S. Whinnett	625,000	2,900		627,900	4,737	11,627	16,364	627,900	0	
75241	Gascoyne Way MSCP - Major Refurb. & Repairs	S. Whinnett		24,500		24,500	1,438		1,438	24,500	0	
Various	Other Car Parks	S. Whinnett	227,500	51,900	73,050	352,450	11,330	18,110	29,440	352,450	0	
75259	Grange Paddocks New Pedestrian Bridge	S. Whinnett	50,000			50,000	3,129		3,129	50,000	0	
71267	Upgrade Pedestrian Route Grange Paddocks to Causeway	S. Whinnett	100,000			100,000			0	100,000	0	
72590	Vantorts Open Space - Resurface Footpaths	S. Whinnett	10,000			10,000		2,195	2,195	10,000	0	
	Other Car Parks	N. Sloper	784,000	(697,150)	(34,050)	52,800			0	52,800	0	
72572	What's On' signage in Bishop's Stortford	N. Sloper	0	15,000		15,000			0	15,000	0	
74102	Historic Building Grants	K. Steptoe	56,200	(4,400)		51,800	6,039		6,039	51,800	0	
72604	Energy Grants	S. Winterburn	20,000			20,000			0	20,000	0	No spend at present. Exit strategy for HEEP scheme being drawn up. Residual HEEP funds still available for loft and cavity wall insulation. May be needed for boilers for priority group due to restrictions on national WarmFront scheme.
72592	New Stall Covers for Hertford & Ware Markets	T. Andrews	3,500			3,500			0	3,500	0	
74105	Town Centre Environmental Enhancements	P. Pullin	100,000	66,200		166,200	(3,735)	3,593	(142)	166,200	0	
74106	Heart of B/S - Market Improvement Scheme (Note 6)	W. O'Neill	0	50,300		50,300		223	223	50,300	0	
74107	Heart of B/S - Riverside Improvement Scheme (Note 7)	W. O'Neill	0	68,380		68,380			0	68,380	0	
<b>TOTAL</b>			<b>2,326,200</b>	<b>(370,410)</b>	<b>39,000</b>	<b>1,994,790</b>	<b>63,720</b>	<b>81,774</b>	<b>145,494</b>	<b>1,994,690</b>	<b>(100)</b>	

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

Note 6. Fully funded from Town Centre Enhancement budget (£25k) & PRG (£75k).

Note 7. Fully funded from Town Centre Enhancement budget (£25k), S106 (£51,300), British Waterways (£20k) & PRG (£60k).



**CAPITAL MONITORING 2011/12**

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

Exp. To 30/06/11

Exp. Code	2011/12 Approved Schemes	Project Control Officer	2011/12 Original Estimate	Slippage from 2010/11	2011/12 Any other amendments	2011/12 Approved Estimate as @ June '11	2011/12 Actual to date	2011/12 Commitment Amount	2011/12 Total to Date	2011/12 Projected Spend	2011/12 Variance between Proj Spend and Approved Estimate	COMMENTS
			£	£	£	£	£	£	£	£	£	
72591	Castle Weir Micro Hydro Scheme	W. O'Neill	165,000			165,000			0	165,000	0	
71262	Elizabeth Road Shops - Renew Water Main	S. Whinnett		15,000		15,000		5,500	5,500	15,000	0	
75160	River & Watercourse Structures	G. Field	65,500	(7,500)		58,000	1,553	8,453	10,006	58,000	0	Feasibility work is being undertaken for further bridge works in Pishiobury Park Sawbridgeworth. A programme of other works is under discussion with relevant officers and the Environment Agency.
75166	Replace Footbridge Library Car Park, Ware	G. Field	150,000			150,000			0	150,000	0	A further structural survey is to be arranged within the next few weeks to assess the work required.
75157	Footbridge Over River Stort	M. Shrobbree		107,100		107,100			0	100,000	(7,100)	The sum needed to complete the construction phase could be from £40k to £100k depending on the outcome of contractual disputes with Birse which we will, hopefully, resolve this financial year.
72568	Asset Improvement Items - Infrastructure (North Drive reconstruct road & drainage)	M. Shrobbree		17,500		17,500			0	17,500	0	
<b>TOTAL</b>			<b>380,500</b>	<b>132,100</b>	<b>0</b>	<b>512,600</b>	<b>1,553</b>	<b>13,953</b>	<b>15,506</b>	<b>505,500</b>	<b>(7,100)</b>	

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**ESSENTIAL REFERENCE PAPER 'E1'**

**SUMMARY OF PREVIOUSLY REPORTED VARIANCES  
ON THE REVENUE BUDGET**

Projected Outturn  
31 March 2012  
£'000

1.1	April	212	Adverse
	May	223	Adverse

<b>ITEM (in order of Corporate Priority)</b>		<b>MONTH(S) REPORTED</b>
	<b>Promoting prosperity and well being</b>	
1.2	<b>LOCAL SUPPORT SERVICES GRANT</b> The Department for Communities and Local Government announced on 22 March 2011 that East Herts Council is being awarded a Local Services Support Grant of £50k.	April
1.3	<b>CONCESSIONARY FARES</b> The costs associated with Concessionary Fares for 2010/11 are lower by £19k than anticipated when the accounts were closed and this will result in a favourable position in 2011/12.	May
	<b>Fit for purpose</b>	
1.4	<b>TURNOVER</b> Salary budgets are constantly monitored and <b><u>Essential Reference Paper 'C'</u></b> shows a projected overspend of £607k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered.	April
1.5	<b>EFFICIENCY SAVINGS</b> Efficiency savings planned to be made in 2011/12 within the Printing and Desk Top Publishing services have yet to be resolved and total £53k.	April

ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
<p>1.6 TURNOVER</p> <p>Salary budgets are constantly monitored and <b><u>Essential Reference Paper 'C'</u></b> shows a projected overspend of £612k. This is predicted to be a worse case scenario and should reduce as more budgeted savings begin to be delivered. However, any redundancy and new strain costs have not been accounted for here, as there is a specific reserve set up for these costs in the MTFP.</p> <p><b>Pride in East Herts</b></p>	May
<p>1.7 CAR PARKS (PAY AND DISPLAY)</p> <p>A supplementary estimate was approved in 2010/11 to enable the car park pay and display machines to be altered to allow for a change in coinage.</p>	April
<p>1.8 CAR PARK COURT AND LEGAL FEES</p> <p>The Car Park's Court and Legal fees budgets will overspend by £10k due to a last minute 40% increase in debt registration fees imposed by the County Court.</p>	
<p>1.9 CAR PARKS ADVERTISING</p> <p>The Car Park's advertising budget is anticipated to overspend by £15k due to the requirement to advertise new On-street Traffic Regulation Order for East Herts which is being prepared by Herts County Council. This was not advised at the point of preparing the 2011/12 budgets.</p> <p><b>Shaping now, shaping the future</b></p>	
<p>1.10 NEW HOMES BONUS GRANT</p> <p>The DCLG announced the New Homes Bonus scheme. A sum of £415k has been awarded to East Herts Council. As yet, the MTFP makes no provision either for income from this source or how that income might be applied. The Local Development Panel will make proposals on the application of this funding for consideration by the Executive with recommendations to Council at its meeting on the 26 September 2011.</p>	April

<b>ITEM (in order of Corporate Priority)</b>	<b>MONTH(S) REPORTED</b>
1.11 <b>Leading the Way, Working Together</b> There is nothing to report on this priority	April

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**Health check reconciliation (all figures £000's)**

**ESSENTIAL REFERENCE PAPER 'E2'**

	Year to date			Year end projection		
	Favourable	Adverse	Net	Favourable	Adverse	Net
<b>At 31 May 2011</b>	<b>461</b>	<b>-124</b>	<b>337</b>	<b>484</b>	<b>-707</b>	<b>-223</b>
<b><u>Changes in respect of previously reported items</u></b>						
<b>In month favourable variances (y t d)</b>						
Local Services Support grant	5	0	5	0	0	0
Concessionary Fares	-18	0	-18	0	0	0
<b>In month adverse variances (y t d)</b>						
Turnover	0	-48	-48	0	25	25
Print/Desk Top Publishing	0	-4	-4	0	0	0
Car Parks P& D Machines	0	0	0	0	0	0
Car Parks legal fees	0	1	1	0	0	0
Car Parks advertising	2	0	2	0	0	0
<b><u>Newly reported items/items no longer reported</u></b>						
<b>Previously unreported variances at 30 June</b>						
Taxi Licensing	0	-7	-7	0	-8	-8
CCTV contributions	11	0	11	0	-13	-13
Discharge of conditions	7	0	7	12	0	12
Recycling Materials Handling	10	0	10	40	0	40
Waste Contract (various budgets)	0	0	0	125	0	125
<b>Previously reported items no longer having out turn variance</b>						
None						
<b>At 30 June 2011</b>	<b>478</b>	<b>-182</b>	<b>296</b>	<b>661</b>	<b>-703</b>	<b>-42</b>
<b>Month on month change</b>	<b>17</b>	<b>-58</b>	<b>41</b>	<b>177</b>	<b>4</b>	<b>181</b>
<b>less previously unreported variances</b>						
Taxi Licensing	0	-7	-7	0	-8	-8
CCTV contributions	11	0	11	0	-13	-13
Discharge of conditions	7	0	7	12	0	12
Recycling Materials Handling	10	0	10	40	0	40
Waste Contract (various budgets)	0	0	0	125	0	125
Concessionary Fares (negative adjustment)	-18	18	0			
Car Parks Legal Fees (negative adjustment)	-1	1	0			
<b>In month variation</b>	<b>8</b>	<b>-70</b>	<b>30</b>			

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**Executive Actions for 2011/12**

Priority	Finance/ Performance	Performance Indicator	Recommendation	Executive Decision	Meeting	Status	Outcomes
	Finance	N/A	Executive supports £18,300 of the Wheeled Bin and Recycling capital budget is re-profiled from 2011/12 into 2010/11.	Executive approved £18,000 of the River and Watercourses capital budget be re-profiled from 2010/11 into 2011/12;	08-Mar-11	Resolved	To support all of the Council's corporate objectives.
	Finance	N/A	Executive supports £18,000 of the River and Watercourses capital budget is re-profiled from 2010/11 into 2011/12.	Executive approved £18,300 of the Wheeled Bin and Recycling capital budget be re-profiled from 2011/12 into 2010/11.	08-Mar-11	Resolved	To support all of the Council's corporate objectives.
	Performance	NI 15, NI 16 and NI 20	Executive notes that monthly outturn data only will be reported for the crime performance indicators as comparative data is no longer available.	Executive noted monthly outturn data only being reported for the crime performance indicators as comparative data is no longer available.	08-Mar-11	Resolved	Through close monitoring of performance the service has identified changes to improve performance monitoring.
	Finance	N/A	Executive approves the capital re-profiling, including the acquisition of Apton Road and Baldock Road car parks.	Executive approved the capital re-profiling, including the acquisition of Apton Road and Baldock Road car parks.	24-May-11	Resolved	To support all of the Council's corporate objectives.
	Finance	N/A	Executive request Council for a supplementary Capital estimate of £77.5k against the Council's Leisure Development Capital project.	Executive approved the supplementary Capital estimate of £77.5k against the Council's Leisure Development Capital project	05-Jul-11	Resolved	To support all of the Council's corporate objectives.

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## Essential Reference Paper G

### Strategic Risk Register May and June 2011

Code	Risk title and description	Consequence	Impact	Likelihood	Managed by	Latest note
11-SR1	<p>There is uncertainty around future funding, both from Government and other areas such as income from commodities markets for recycled materials. There are cost pressures combined with an increased awareness and scrutiny of financial position.</p> <p><b>Risk of significant reduction in funding above that planned for.</b></p>	<p>Detrimental impact on service delivery.</p> <p>Council becomes more risk averse.</p> <p>Required to be more entrepreneurial.</p> <p>Unable to take full advantage of position.</p> <p>Community expectation may not be deliverable.</p>	4	4	Alan Madin	<p>May and June 2011: The Medium Term Financial Plan update will establish planning parameters to address future funding forecasts.</p> <p>The final account 2010/11 saw reserves maintained at a healthy level with no transfers to earmarked reserves beyond those set out in the February 2011 budget.</p>
11-SR2	<p>There are challenges around workforce planning to ensure the Council is fit for the future, in terms of workforce skills, capacity and flexibility.</p> <p><b>Risk of a loss of capacity / capability and flexibility to deliver service levels we would like.</b></p>	<p>Decrease in morale, motivation and enjoyment.</p> <p>Increased time spent on people management.</p> <p>Industrial relations.</p> <p>Possible redundancy.</p> <p>Right skills more difficult to attain.</p> <p>Quality of decision making skills affected.</p> <p>Increase in stress.</p> <p>Increased risk of process failure.</p> <p>Complexity of law / HR.</p>	4	4	Alan Madin	<p>May and June 2011: Service restructures are planned, and organisational change and development put in place. Corporate training plan 2011/12 agreed and moved to implementation.</p>
11-SR3	<p>A number of key external and internal services are delivered through major contracts, both directly and in consortia. This is both through private sector supply chains and in conjunction with the voluntary and third sector.</p> <p><b>Risk that supplier / contractor or key third sector partner fails or fails to deliver.</b></p>	<p>Service delivery / quality may be affected.</p> <p>Potential interruption in delivery of the key service.</p> <p>Significant resource and capacity required to manage and resolve.</p> <p>Complaints.</p> <p>Reputational and financial impacts.</p> <p>Achieving consensus in a consortia can be challenging.</p>	3	2	George Robertson.	<p>May and June 2011: Regular contract management meetings and appropriate reviews are in place for all major service arrangements.</p>

11-SR4	<p>Moving more towards shared services with other public sector partners. There is a potential for lack of consistent political buy-in by all partners resulting in considerable effort without benefit. There is also a challenging skill set required for managers due to the complexity.</p> <p><b>Risk that investment and effort does not deliver benefits and returns.</b></p>	<p>Shared services fail to deliver savings, increased resilience or other improvements. Loss of local control. Focus on business not to maximum benefit of East Herts. Increased performance not seen and achieved. Increased levels of admin and overheads.</p>	3	2	Alan Madin	<p>May and June 2011: A programme management approach has been adopted to manage risks. A strategic business case is being developed.</p>
11-SR5	<p>There is uncertainty on overall future government policy and a number of changes required without accompanying resource.</p> <p><b>Risk of being unable to long term strategically plan.</b></p>	<p>Move back to 'community leadership'. Decisions on a much more local level. Affects ability to plan services. Long term contracts affected. Service performance affected. Loss of confidence from customers. Services uncertain of future. Unsettling for staff. Damage to reputation.</p>	2	3	Anne Freimanis	<p>May and June 2011: Monitoring of Government policy continuing. CMT and Executive considering implications as they emerge.</p>
11-SR6	<p>There could be a lack of consistency and cohesion at senior management levels of implementing decisions.</p> <p><b>Risk that SMG does not implement Council policies in a coherent and consistent way.</b></p>	<p>Don't get things done. Inconsistencies. Mixed messages. Imbalance in resource allocation. Capacity affected.</p>	4	1	Simon Drinkwater	<p>May and June 2011: All matters for decision are reported to the appropriate body. All decisions are recorded. There is a detailed work plan.</p>