



MEETING : CORPORATE BUSINESS SCRUTINY COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 27 AUGUST 2013
TIME : 7.00 PM

MEMBERS OF THE COMMITTEE:

Councillors D Andrews (Chairman), E Bedford, G Jones, J Mayes, T Page, M Pope, J Ranger, R Sharma, G Williamson (Vice-Chairman) and J Wing.

Conservative: Councillors S Bull and K Crofton.

Liberal Democrat: Councillor M Wood.

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

CONTACT OFFICER:

Peter Mannings

01279 502174

DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.
4. It is a criminal offence to:
 - fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
 - fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
 - participate in any discussion or vote on a matter in which a Member has a DPI;
 - knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

AGENDA:

1. Apologies

To receive apologies for absence.

2. Minutes – 2 July 2013

To confirm the Minutes of the meeting of the Committee held on Tuesday 2 July 2013 (Previously circulated as part of the Council Minute book for 23 July 2013).

3. Chairman's Announcements

4. Declarations of Interest

To receive any Member(s)' Declaration(s) of Interest and Party Whip arrangements.

5. Scrutiny Work Programme (Pages 7 – 16).

6. Monthly Corporate Healthcheck April to June 2013 (Pages 17 – 58).

7. Corporate Annual Report 2012/13 (Pages 59 – 92).

8. 4 year Corporate Strategic Plan (2014/15 to 2017/18) (Pages 93 - 120)

9. Financial Strategy and Medium Term Financial Plan to 2017/18 (Pages 121 – 154).

10. Annual Governance Statement 2012/13 and action plan 2013/14 (Pages 155 – 190).

11. East Herts Revised Risk Management strategy (Pages 191 – 214).

12. 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.

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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 27 AUGUST
2013

REPORT BY CHAIRMAN OF CORPORATE BUSINESS SCRUTINY COMMITTEE

5. SCRUTINY WORK PROGRAMME

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- To review and determine Corporate Business Scrutiny Committee's future work programme.

<u>RECOMMENDATION FOR DECISION:</u> That	
(A)	The work programme detailed in this report be agreed.

1.0 Background

- 1.1 Items previously required, identified or suggested for the CBS work programme are set out in **Essential Reference Paper 'B'**.

2.0 Report

- 2.1 An article explaining the role of scrutiny and inviting suggestions from residents was published in the spring 2013 'council tax' edition of LINK magazine. No new topics for scrutiny have been received from the public to date.
- 2.2 Members are asked to consider and confirm that they wish to cancel the October scheduled meeting of this committee. This date is too early for any additional information on budget matters to be available for discussion. There are no other agenda items or topics for review currently scheduled for this meeting either.
- 2.3 The agenda for the November meeting of CBS is shown in **Essential Reference Paper 'B'**. Members are asked whether there is any additional topic they wish to put forward for inclusion on this, or any future agenda.

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 D Andrews – Chairman of Corporate Business Scrutiny Committee.
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Contact Officer: Jeff Hughes – Head of Democratic and Legal Support Services, Extn 2170.
jeff.hughes@eastherts.gov.uk

Report Author: Marian Langley – Scrutiny Officer, Extn: 1612.
marian.langley@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

<p>Contribution to the Council's Corporate Priorities/ Objectives</p> <p><i>(updated to 2013/14 wording)</i></p>	<p>People This priority focuses on enhancing the quality of life, health and wellbeing, particularly for those who are vulnerable, and delivering strong services</p> <p>Place This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p>Prosperity This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic opportunities and delivering cost effective services.</p> <p>Effective use of the scrutiny process contributes to the Council's ability to meet one or more of its corporate objectives:</p>
Consultation:	Potential topics for scrutiny are always invited from members of the public, the Executive and all Members.
Legal:	According to the Council's constitution, the scrutiny committees are responsible for the setting of their own work programme in consultation with the Executive and in doing so they shall take into account wishes of members on that committee who are not members of the largest political group on the Council.
Financial:	Any additional meetings and every task and finish group has resource needs linked to officer support activity and time for officers from the services to make the required input.
Human Resource:	none
Risk Management:	Matters which may benefit from scrutiny may be overlooked. The selection of inappropriate topics for review would risk inefficient use of resources. Where this involved partners, it could risk damaging the reputation of the council and relations with partners.

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Corporate Business Committee work programme 2013/14 (DRAFT)

meeting	date	topic	Contact officer/lead	Next Exec
2013/14	Civic Year			
4 in 13/14	08 Oct 2013	Proposing cancellation of this meeting.		5 Nov 2013
5 in 13/14	26 Nov 2013 Report deadline 13 Nov	<ul style="list-style-type: none"> • First item = member training: Council funding – where does the money come from and the Budget cycle key dates • <i>Draft revisions to the Council Tax support scheme for 2014/15 TBC</i> • Partnership register – risk monitoring • Work programme • Healthcheck through to Sept 2013 • Feedback from Performance Indicator working group • Service Plan April 2013 – Sept 2013 monitoring • East Herts Improvement Plan monitoring report 	<ul style="list-style-type: none"> • Director Adele Taylor to deliver • Director Adele Taylor (note: timing of this might change) • Risk Assurance Officer • Scrutiny Officer • Lead Officer - Performance • Members + Lead Officer – Performance • Lead Officer - Performance • Lead Officer – Corporate Planning 	3 Dec 2013

Essential Reference Paper 'B'

6 in 13/14 JOINT	14 Jan 2014	BUDGET <ul style="list-style-type: none"> • Capital Programme • Fees and Charges • Revenue Budget • Medium Term Financial Plan • etc 		4 Feb 2014
7 in 13/14 JOINT	11 Feb 2014	<ul style="list-style-type: none"> • Residents' Survey – analysis and action plan • 2014/15 Service Plans • 2013/14 Estimates and 2014/15 Future targets 	Date subject to confirmation	4 Mar 2014
8 in 13/14	18 Mar 2014	<ul style="list-style-type: none"> • Update on Communications action plan – focus on data re on-line communications • WebSite one-year action plan - lessons learned and closure report • Healthcheck through to Jan 2014 • Work programme 2014/15 	<ul style="list-style-type: none"> • Head of Service • Head of Service • Lead Officer - Performance • Scrutiny Officer 	8 April 2014 6 May 2014
2014/15				
meeting	date	topic	Contact officer/lead	Next Exec
1 in 14/15	20 May 2014	<ul style="list-style-type: none"> • Data protection one-year action plan – progress and closure report 	<ul style="list-style-type: none"> • Head of Service 	3 June 2014 1 July 2014
	Date to be	<ul style="list-style-type: none"> • Work Programme 2014/15 	<ul style="list-style-type: none"> • Scrutiny Officer 	

Essential Reference Paper 'B'

	confirmed (once date of polling is finalized)	<ul style="list-style-type: none"> • 2013/14 Performance Indicator Outturns (inc Healthcheck) • Service Plan Oct 2013 – March 2014 monitoring • East Herts Improvement Plan monitoring report (final) 	<ul style="list-style-type: none"> • Lead Officer - Performance • Lead Officer - Performance • Lead Officer – Corporate Planning 	
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The four principles of good public scrutiny:

- ***provides 'critical friend' challenge*** to executive policy-makers and decision-makers
- ***enables the voice and concerns of the public*** and its communities
- ***is carried out by 'independent-minded governors'*** who lead and own the scrutiny role
- ***drives improvement*** in public services

Corporate Business Scrutiny	<ol style="list-style-type: none"> 1. To develop policy options and to review and scrutinise the policies of the Council relating to Communications, Corporate Performance and Risk Management, Local Strategic Partnership, Customer Service, Finance, Information and Communications Technology, Democratic Services, Member Support, Facilities Management, Asset Management, Legal, Revenues and Procurement. 2. To consider the budget setting proposals and strategies of the Council. 3. To make recommendations to the Executive on matters within the remit of the Committee. 4. To take evidence from interested groups and individuals and make recommendations to the Executive and Council for policy change on matters within the remit of the Committee. 5. To consider issues referred by the Executive, including modifications to the Constitution, or members of the Committee and where the views of outsiders may contribute, take evidence and report to the Executive and Council on matters within the remit of the Committee. 6. To consider any item referred to the Committee by any Member of the Council who is not a member of this Committee and decide whether that item should be pursued on matters within the remit of the Committee. 7. To appoint annually Standing Panels as may be determined, which shall be given a brief to consider a specified service area relating to matters within the remit of the Committee and report back to the Committee on a regular basis as determined by the Committee. 8. To consider, should it choose to do so, any item within the remit of the Committee to be
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Essential Reference Paper 'B'

	considered by the Executive (except items of urgent business). The relevant report to the Executive shall consider any report and recommendations on the item submitted by the Scrutiny Committee.
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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY – 27 AUGUST 2013

REPORT BY THE DIRECTOR OF FINANCE AND SUPPORT SERVICES

6. MONTHLY CORPORATE HEALTHCHECK – APRIL TO JUNE 2013

WARD (S) AFFECTED: All

Purpose/Summary of Report:

- To set out an exception report on the finance and performance monitoring for East Herts Council for the periods April to June/Quarter 1 for 2013.

<u>RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY COMMITTEE:</u> that	
(A)	Performance be scrutinised and the Executive be advised of any recommendations.

<u>RECOMMENDATIONS FOR THE EXECUTIVE:</u>	
(A)	The £40k virement from the Planning Contingency budget agreed by CMT on 16 July for a Housing Needs Survey be reported to the next Executive in accordance with Financial Regulation 4.5.5. (Paragraph 2.8).
(B)	The £24k virement from the Planning Contingency budget agreed by CMT on 16 July for a Human Resources post be reported to the next Executive in accordance with Financial Regulation 4.5.5. (Paragraph 2.8).
(C)	To be advised that April and May sickness absence data for EHPI 12c – Total number of sickness absence days per FTE has been restated. (Paragraph 2.20).

1.0 Background

1.1 This is the monthly and quarterly finance and performance




monitoring report for the council. Only performance data relevant to the scrutiny committee's remit is contained in this report. In addition Corporate Business Scrutiny (CBS) also receive details on performance indicators that are in the 'Red' and 'Amber' that would be reported to Environment Scrutiny and Community Scrutiny. This is because of CBS's overall responsibility for performance management.



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 where relevant quarterly data) 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 and quarterly basis.
Essential Reference Paper 'C' shows detailed information on the capital programme.
Essential Reference Paper 'D' shows explanations of variances on the Revenue Budget reported in previous months.
Essential Reference Paper 'E' shows the council's 2013/14 savings.

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 2013 to June 2013.

	Position as at 30.06.13				Projected Position year end	
	Favourable £000	Adverse £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
(1) People						
New Homes Bonus Grant	20	0	0	0	20	0
Collection Fund Balance	55	0	0	0	55	0
(2) Place						
Community Safety	8	0	0	0	8	0
Green Waste Collection	14	0	0	0	40	0
Maintenance of recycling banks	3	0	0	0	5	0
Clinical Waste income	6	0	0	0	20	0
Street Cleansing	5	0	0	0	25	0
Grounds Maintenance	13	0	0	0	13	0
(3) Prosperity						
Development Control income	469	0	171	0	175	0
Pay and Display car park income	0	51	0	0	0	12
TOTAL:	593	51	171	0	361	12

	Position as at 30.06.13				Projected Position year end	
	Favour- able £000	Advers e £000	Favourable Variance since last month £000	Adverse Variance since last month £000	Favourable £000	Adverse £000
Net Projected Variance					349	
Supported by supplementary estimates						
Total Supplementary Estimates						

- 2.2 Subject to all other budgets being equal, this would result in an underspend of £349k.
- 2.3 A new payroll system has been installed and staff are being successfully paid. However, the output from the system has yet to be tested for interfacing into the General Ledger (financial system). As a consequence there is no information on budgetary monitoring for April to June.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

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

Performance analysis

- 2.5 **EHPI 3b - Usage: number of swims (16 – under 60 year olds).** Performance was 'Red' for Quarter 1. Performance was below target, and throughput was down against service expectations. This user group will be monitored by both the Leisure Service Manager and SLM.
- 2.6 **EHPI 5.1 - % of complaints resolved in 14 days or less.** Performance was 'Red' for Quarter 1. 20 complaints were received during quarter one but only 12 were responded to within 10 working days. Two cases just missed the deadline whilst others were more complex or the service had to consult with contractors.
- 2.7 The following indicators were 'Green', meaning that the targets were either met or exceeded for Quarter 1 2013. They were:
- EHPI 5.2a - % of complaints about the Council and its services that are upheld: 1st stage.
 - EHPI 5.2b - % of complaints about the Council and its services that are upheld: 2nd stage – appeal.
 - EHPI 5.4 - % of complaints to the Local Government Ombudsman that are upheld

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

Place

Financial analysis

- 2.8 The original 2013/14 budget included a planning contingency sum of £600k which allows for unforeseen events to be funded in-year. It has been agreed that some of this funding will be used to support further initiatives namely a Housing Needs survey and a Human Resources post. Currently there is a balance of £511k which if not required during the year will result in an additional favourable variance from the £349k reported this month.
- 2.9 CMT agreed on 16 July 2013 to vire £40k of the Planning Contingency budget for a Housing Needs Survey. They also agreed to vire a sum for an additional Human Resources admin post for one year on scale 5. It is assumed that the funding required in 2013/14 will be for eight months at circa £16k. This will result in a cost of circa £8k falling in 2014/15 in respect of the balance of four months. The table below shows a summary of the Planning Contingency budget:

	£000	Comment
Planning Contingency budget at the start of the financial year	600	
Less	25	New Recycling Initiative
	40	Housing Needs Survey
	24	Human Resources Post
Planning Contingency still to be utilised	511	

- 2.10 There has been a CCTV refund of £8k received from Stevenage Council in respect of previous years running costs.
- 2.11 There is a possible underspend on Green Waste collection of £40k (subject to the implementation of the new recycling scheme). This is due to limited opportunities to implement organic waste collection from hard to reach properties and contract design efficiencies.
- 2.12 There is an expected underspend of at least £5k on the maintenance of recycling banks. Recycling banks have been reduced in recent years to collect paper and textiles only. There is a reduction in the

number of sites due to supermarkets making their own arrangements expected. Members chose not to implement cardboard recycling banks as part of the new recycling service.

- 2.13 Business in the first quarter suggests additional income of £20k with Clinical Waste.
- 2.14 There is a possible underspend of £25k in the Street Cleansing service due to contact efficiencies.
- 2.15 There is a net saving of £13k in the Grounds maintenance contract as Hertford Town Council has taken over the maintenance of the Castle grounds under a service level agreement. This was a Non Key decision report made in September 2012.

Performance analysis

- 2.16 **EHPI 157a – Processing of planning applications: Major applications.** Performance was 'Red' for June 2013.
- 2.17 During the period May to June 2013, the target was not achieved. Six decisions were issued in Quarter 1. Three of these were delayed by the completion of legal agreements. Two decisions were delayed by the lack of committee meeting in April 2013.
- 2.18 The priority assigned to caseloads within the Development Management team is being revised to ensure there is sufficient priority for major development proposals.

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

Prosperity

Financial analysis

- 2.19 There has been a £12k loss of income (£5k stolen) due to machines being broken into and then out of action (£7k).

Performance analysis

- 2.20 **EHPI 12c – Total number of sickness absence days per FTE staff in post.** Performance was 'Green' for June 2013. Members are advised that following the discovery of an accounting error on the new HR system (Wealden) there has been an adjustment to the figure for the April and May 2013 period. The table below details the

updated performance data following the adjustment:

Corporate Healthcheck Report	Previously reported	Performance data following adjustment
April	0.97 days	0.36 days
May	0.83 days	0.67 days

- 2.21 Sickness absence data previously reported in April and May did not meet the council absence standard of 0.70 days because of the error, however following the adjustments both April and May absence standards were met.
- 2.22 Going forward the council's performance management system will be updated with the amended figures.
- 2.23 **EHPI 7.35 – Commitment compared to profile (This indicator measures effectiveness of forecasting expenditure. The budget covers areas such as maintenance and repair of all East Herts operational and non operational properties).** Performance was 'Red' for June 2013. June 2013 commitment £165,581 against a cumulative budget profile of £159,320 being 3.9% above profile. As the monthly profile is based on an average of previous year commitments there will always be various in the actual monthly commitments due to monthly changes in the levels in reactive maintenance work. However, with the exception of unforeseen changes in demand we expect to have committed + or - 2% of the budget by the end of year
- 2.24 The following indicators were 'Green', meaning that targets were either met or exceeded for June 2013. They were:
- EHPI 8 - % of invoice paid on time
 - EHPI 12a - No. of short-term sickness absence days per FTE staff in post
 - EHPI 12b - No. of long-term sickness absence days per FTE staff in post

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

- 2.25 A new set of performance indicators is being developed to measure ICT performance in consultation with ITSG. A suite of eight measures

have been agreed. Performance is being captured against the following five indicators:

- EHPI 9.1 - Percentage availability of core systems during supported hours.
- EHPI 9.2 - Percentage Resolution of Incidents Within 4 Hours
- EHPI 9.4 - Percentage of Calls Abandoned on ICT Service Desk
- EHPI 9.5 - Percentage of Calls Resolved at First Point of Contact
- EHPI 9.6 - Satisfaction with ICT Services

2.26 ITSG have proposed that performance be measured for a further three months to establish a proper baseline for performance. Targets will then be set for the performance of the service until the year end. Actual performance achieved year to date is set out in **Essential Reference Paper 'B'**.

2.27 A further three measures have been proposed as follows:

- EHPI 9.3 - Percentage Reduction in the Number of Incidents
- EHPI 9.7 - Delivery of Key ICT Projects
- EHPI 9.8 - Delivery of Key Milestones in the ICT Strategy

2.28 The reduction in the number of incidents measure will be reported once a 6 month baseline for performance has been established. The delivery of Key ICT Projects indicator will be reported upon from quarter 3 onwards, once the ICT programme has been reviewed and agreed by ITSG. The key milestones indicator will be reported once the ICT Strategy has been agreed.

CAPITAL FINANCIAL SUMMARY

2.29 The table below sets out expenditure to 30 June 2013 against the Capital Programme. Members are invited to consider the overall position. **Essential Reference Paper 'C'** contains details of the 2013/14 Capital Programme. Comments are provided by the project Control Officers in respect of individual schemes.

	Column 1	Column 2	Column 3	Column 4	Column 5
Summary	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Actual Commit to date	2013/14 Projected spend	Variance Col 4 – Col 2
	£	£	£	£	£
People	2,314,970	2,356,910	138,083	2,306,920	(49,990)
Place	729,510	2,997,270	156,205	3,019,790	22,520
Prosperity	1,647,540	1,808,300	80,404	1,797,300	(11,000)
Re-profiling potential slippage	(250,000)	(250,000)	0	(250,000)	0
Total	4,442,020	6,912,480	374,692	6,874,010	(38,470)

2.30 There are no re-profiling requests this month.

2012/13 SAVINGS

2.31 The external auditor requires the Council to establish whether the 2013/14 savings offered up by Heads of Service and Managers and agreed by Members to set the 2013/14 Council Tax have actually been achieved. This will be monitored and reported on a quarterly basis. **Essential Reference Paper 'E'** sets out those savings and using a RAG system of Red, Amber or Green Heads of Service and Managers have indicated the relevant RAG with accompanying narrative as to the savings status.

CONCLUSION

2.32 In conclusion Members are asked to:

- Note the performance indicator analysis for the period April 2013 to June/Quarter 1 2013 in **Essential Reference Paper 'B'**
- Agree the recommendation at the start of this report.

2.33 **Essential Reference Papers**

- **Essential Reference Paper 'B'** – Performance Indicator set

relating to Corporate Business Scrutiny.

- **Essential Reference Paper 'C'** – Detailed information on the Capital programme.
- **Essential Reference Paper 'D'** – shows explanations of variances on the Revenue Budget reported in previous months.
- **Essential Reference Paper 'E'** - shows the council's 2013/14 savings.

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:

2012/13 Estimates and Future Targets Report, **Essential Reference Paper 'B'** – For complete list of performance indicators that are being monitored for 2012/13

<http://online.eastherts.gov.uk/moderngov/ieListDocuments.aspx?CId=119&MId=1792&Ver=4>

Contact Officer:

In terms of performance issues

Ceri Pettit – Corporate Planning and Performance Manager, Extn: 2240. ceri.pettit@eastherts.gov.uk

In terms of financial issues

Mick O'Connor – Principal Accountant, Extn: 2054.
mick.oconnor@eastherts.gov.uk

Report Author: Karl Chui – Performance Monitoring Officer, Extn: 2243. karl.chui@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

Contribution to the Council's Corporate Priorities/ Objectives:	<p>People <i>This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</i></p> <p>Place <i>This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</i></p> <p>Prosperity <i>This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</i></p>
Consultation:	Performance monitoring discussions have taken place between Directors and Heads of Service.
Legal:	There are no legal implications.
Financial:	There are no financial implications.
Human Resource:	There are no Human Resource implications.
Risk Management:	There are no Risk implications.

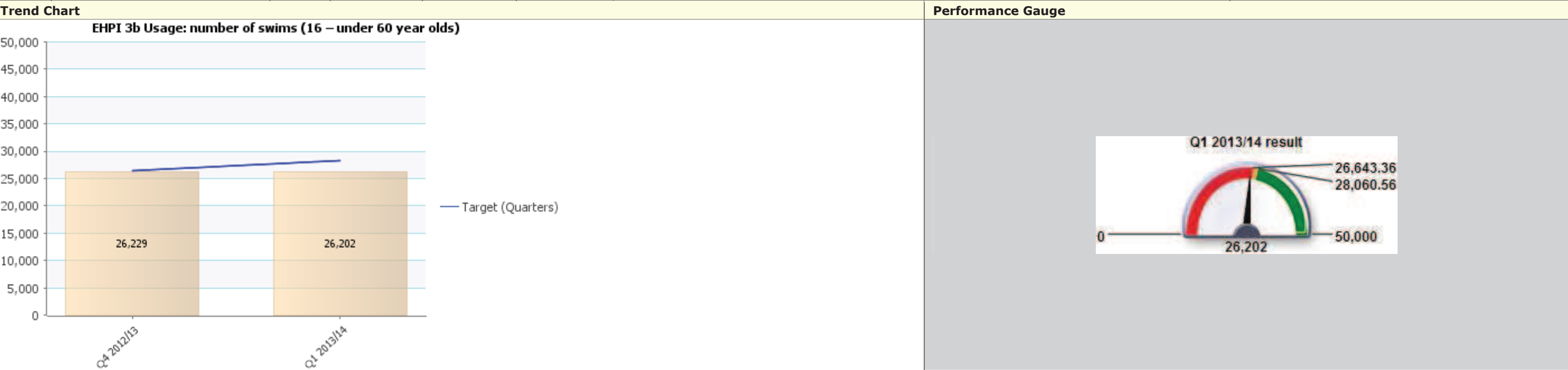
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Corporate Business Scrutiny Corporate Healthcheck April to June 2013/14

Traffic Light Red
Description People

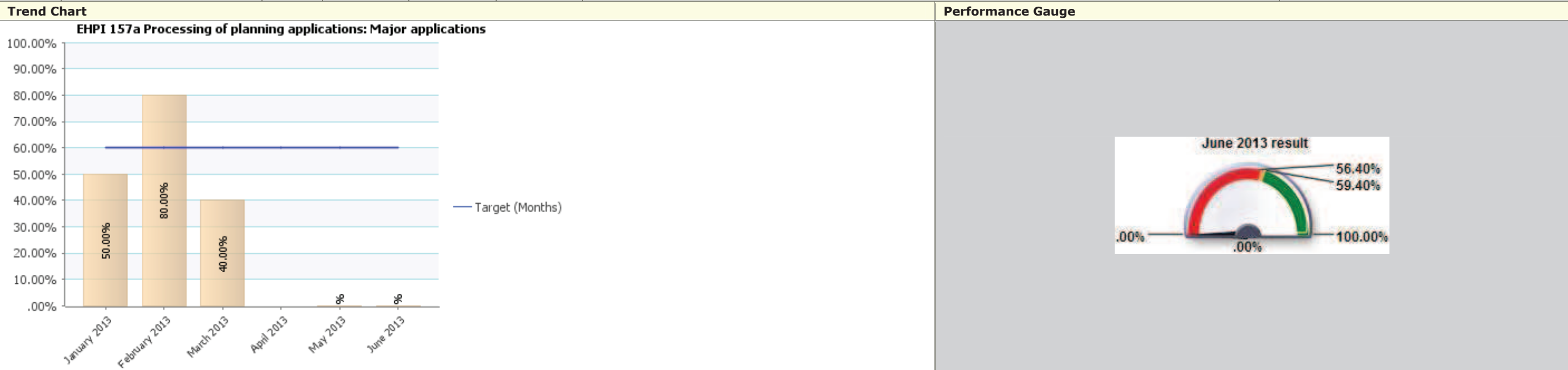
Community and Cultural Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 3b	Usage: number of swims (16 – under 60 year olds)		26,202	28,344		Performance was below target, and throughput was down against service expectations. This user group will be monitored by both the Leisure Service Manager and SLM.	None



Traffic Light Red
Description Place

Planning and Building Control



PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 157a	Processing of planning applications: Major applications		N/A	60.00%		<p>During the period May to June 2013, the target was not achieved. Six decisions were issued in Quarter 1. Three of these were delayed by the completion of legal agreements. Two decisions were delayed by the lack of committee meeting in April 2013.</p> <p>The priority assigned to caseloads within the Development Management team is being revised to ensure there is sufficient priority for major development proposals.</p>	None

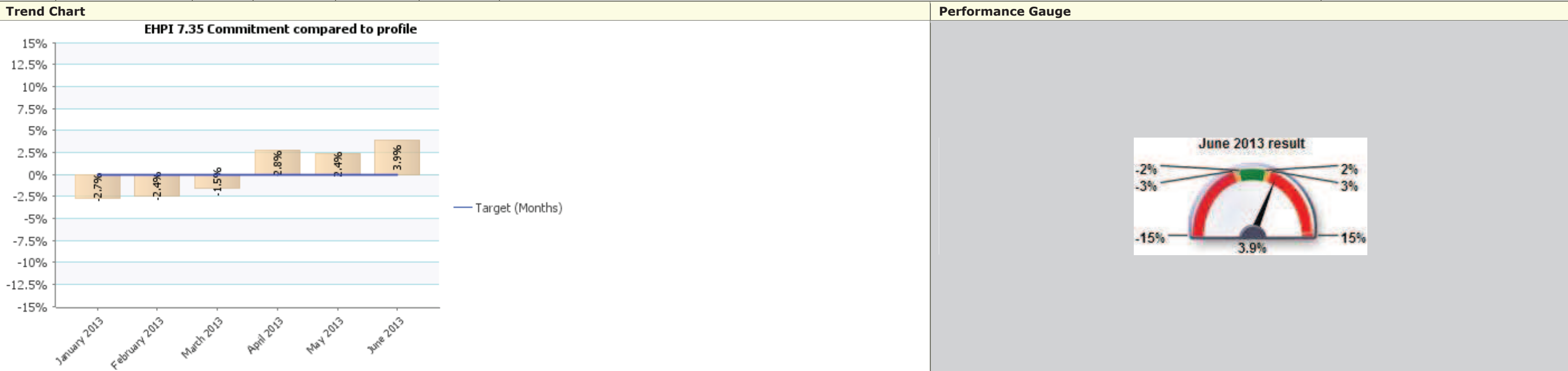




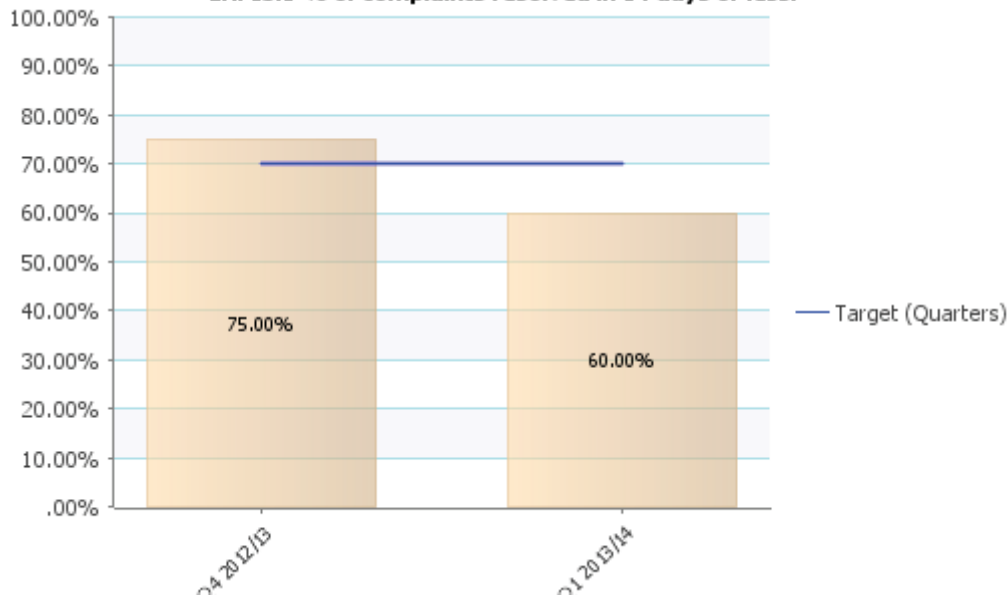

Traffic Light Red

Description Prosperity

Business Support Service



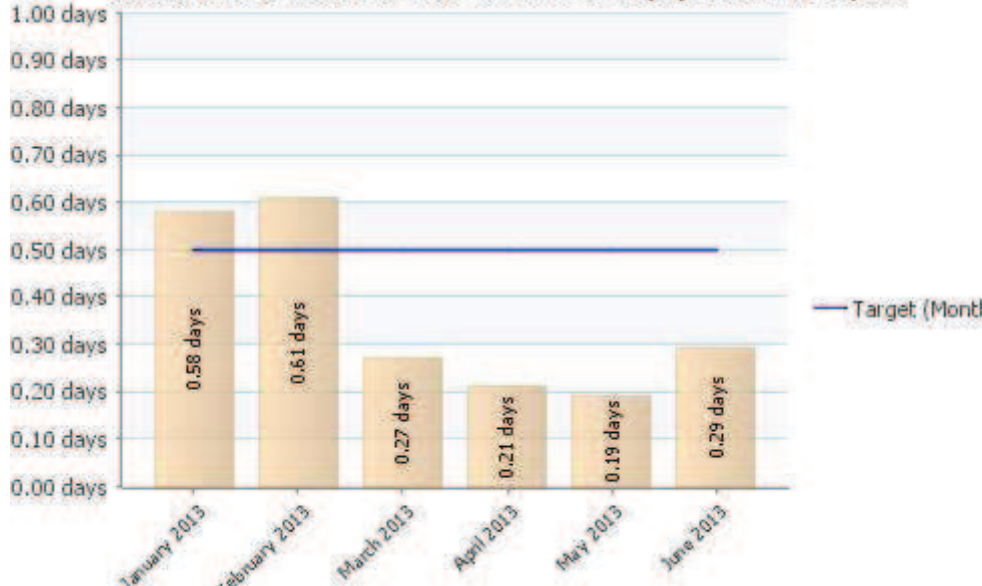

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 7.35	Commitment compared to profile		3.9%	0%		June 2013 commitment of £165,581 against a the cumulative budget profile of £159,320 being 3.9% above profile. As the monthly profile is based on an average of previous year commitments there will always be various in the actual monthly commitments due to monthly changes in the levels in reactive maintenance work. However, with the exception of unforeseen changes in demand we expect to have committed + or - 2% of the budget by the end of year	None



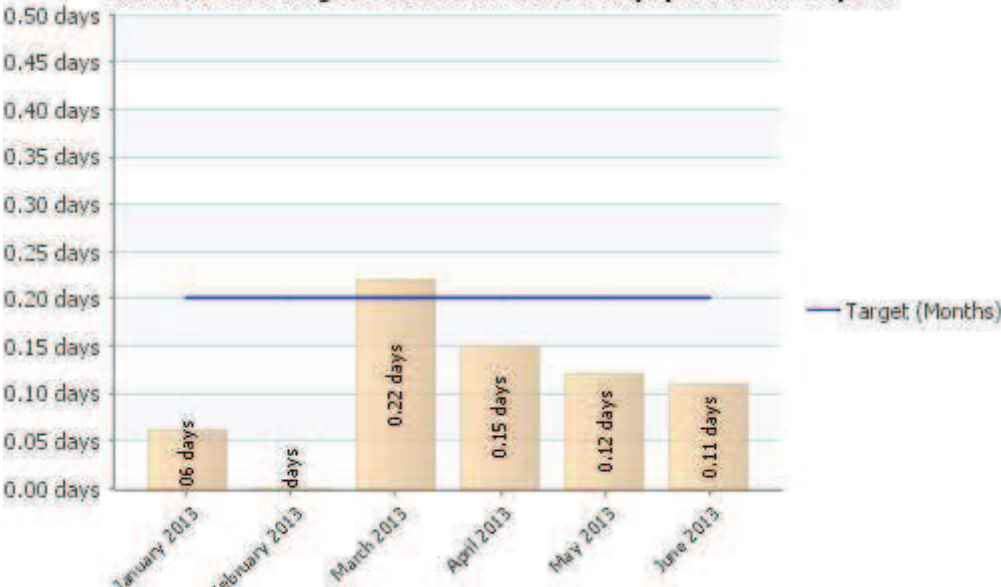



Customer Services																												
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.																					
EHP15.1	% of complaints resolved in 14 days or less.		60.00%	70.00%		20 complaints were received during this quarter but only 12 were responded to within 10 working days. Two cases just missed the deadline whilst others were more complex or the service had to consult with contractors.	None																					
Trend Chart						Performance Gauge																						
<p>EHP15.1 % of complaints resolved in 14 days or less.</p>  <table><caption>Trend Chart Data</caption><thead><tr><th>Quarter</th><th>Current Value</th><th>Target (Quarters)</th></tr></thead><tbody><tr><td>Q4 2012/13</td><td>75.00%</td><td>70.00%</td></tr><tr><td>Q1 2013/14</td><td>60.00%</td><td>70.00%</td></tr></tbody></table>						Quarter	Current Value	Target (Quarters)	Q4 2012/13	75.00%	70.00%	Q1 2013/14	60.00%	70.00%	<p>Q1 2013/14 result</p>  <table><caption>Performance Gauge Data</caption><thead><tr><th>Value</th><th>Color</th></tr></thead><tbody><tr><td>0.00%</td><td>Red</td></tr><tr><td>60.00%</td><td>Yellow</td></tr><tr><td>65.80%</td><td>Green</td></tr><tr><td>69.30%</td><td>Green</td></tr><tr><td>100.00%</td><td>Green</td></tr></tbody></table>		Value	Color	0.00%	Red	60.00%	Yellow	65.80%	Green	69.30%	Green	100.00%	Green
Quarter	Current Value	Target (Quarters)																										
Q4 2012/13	75.00%	70.00%																										
Q1 2013/14	60.00%	70.00%																										
Value	Color																											
0.00%	Red																											
60.00%	Yellow																											
65.80%	Green																											
69.30%	Green																											
100.00%	Green																											

Traffic Light Green



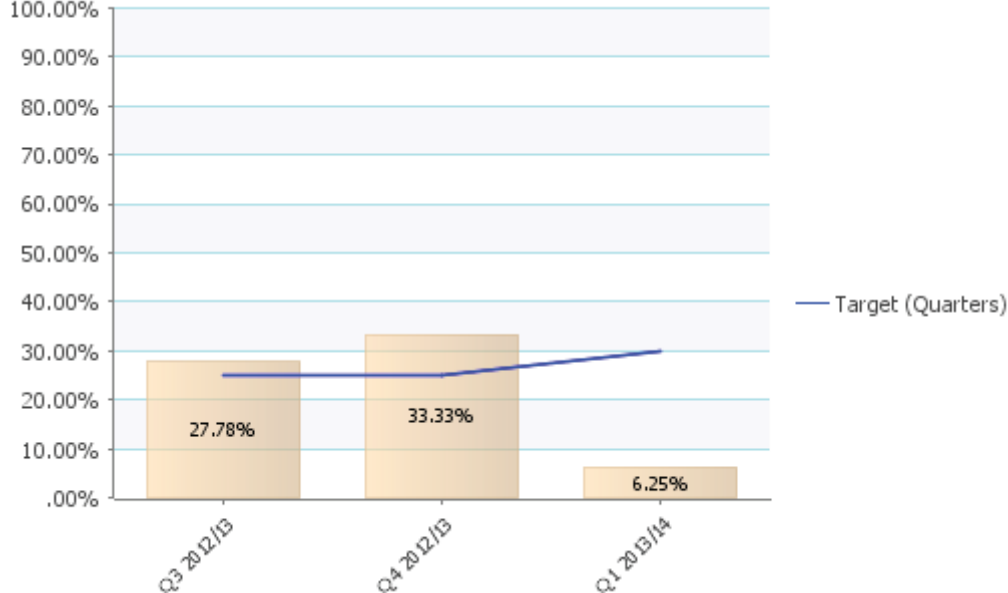

Description Fit for purpose, services fit for you; Prosperity

People Services & Organisational Development																					
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.														
EHPI 12a	No. of short-term sickness absence days per FTE staff in post		0.29 days	0.50 days		Short T absence for the year so far = 0.69 days (target =1.25)	None														
Trend Chart						Performance Gauge															
<p>EHPI 12a No. of short-term sickness absence days per FTE staff in post</p>  <table border="1"><thead><tr><th>Month</th><th>Value (days)</th></tr></thead><tbody><tr><td>January 2013</td><td>0.58</td></tr><tr><td>February 2013</td><td>0.61</td></tr><tr><td>March 2013</td><td>0.27</td></tr><tr><td>April 2013</td><td>0.21</td></tr><tr><td>May 2013</td><td>0.19</td></tr><tr><td>June 2013</td><td>0.29</td></tr></tbody></table>						Month	Value (days)	January 2013	0.58	February 2013	0.61	March 2013	0.27	April 2013	0.21	May 2013	0.19	June 2013	0.29		
Month	Value (days)																				
January 2013	0.58																				
February 2013	0.61																				
March 2013	0.27																				
April 2013	0.21																				
May 2013	0.19																				
June 2013	0.29																				

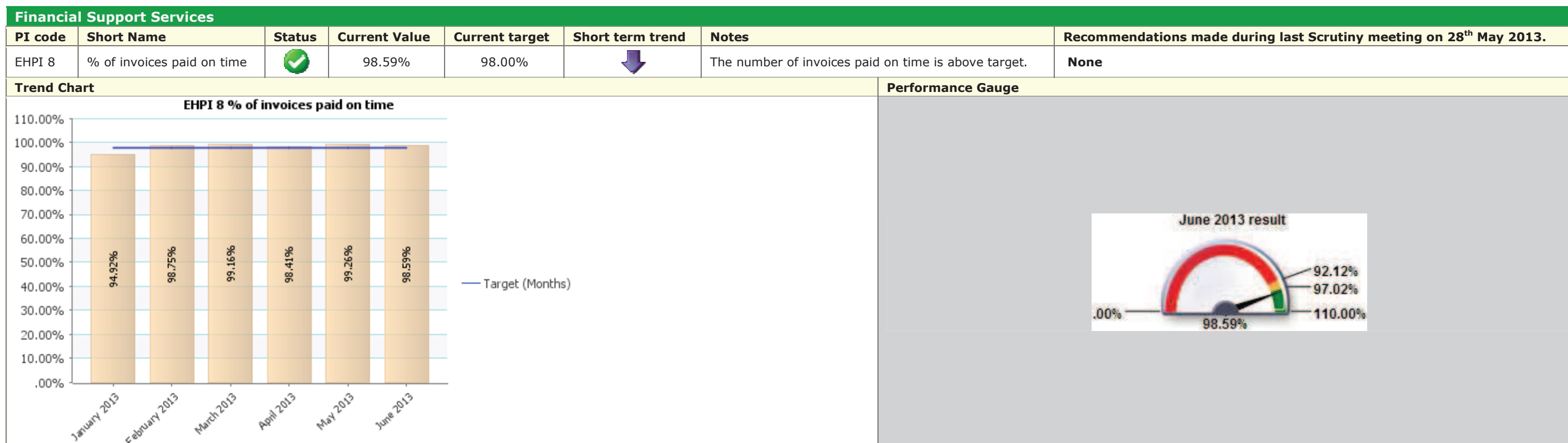
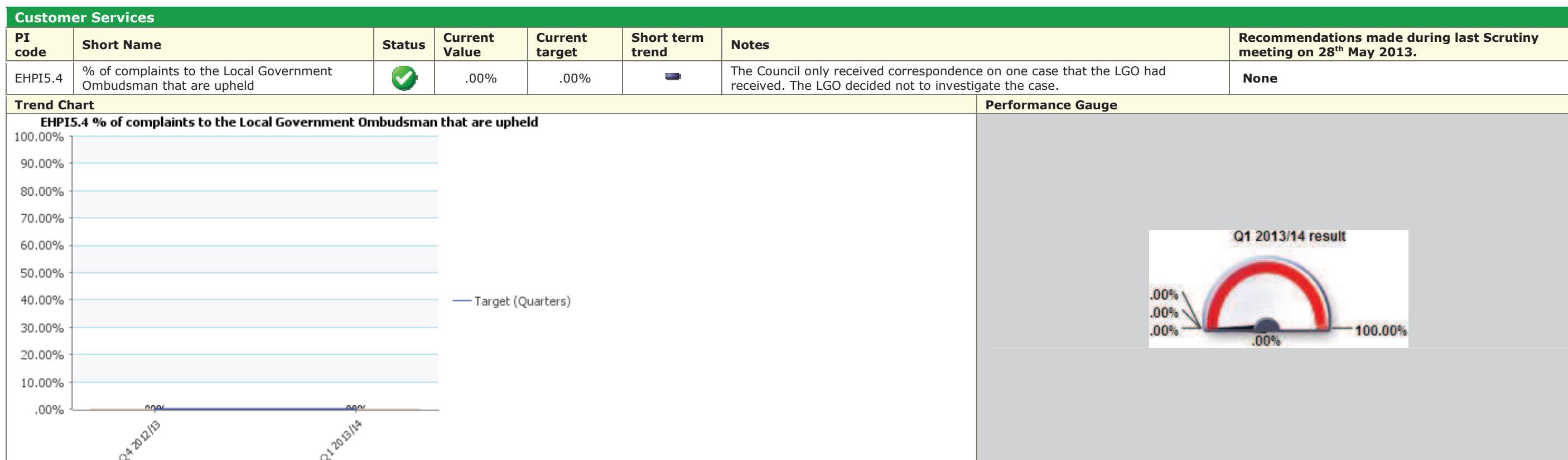
People Services & Organisational Development																					
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.														
EHPI 12b	No. of long-term sickness absence days per FTE staff in post		0.11 days	0.20 days		Absences are within council standards. Long term absence for the month is 0.11 days and year so far is 0.39 days.	None														
Trend Chart						Performance Gauge															
<p>EHPI 12b No. of long-term sickness absence days per FTE staff in post</p>  <table><caption>EHPI 12b No. of long-term sickness absence days per FTE staff in post</caption><thead><tr><th>Month</th><th>Value (days)</th></tr></thead><tbody><tr><td>January 2013</td><td>0.06</td></tr><tr><td>February 2013</td><td>0.04</td></tr><tr><td>March 2013</td><td>0.22</td></tr><tr><td>April 2013</td><td>0.15</td></tr><tr><td>May 2013</td><td>0.12</td></tr><tr><td>June 2013</td><td>0.11</td></tr></tbody></table>						Month	Value (days)	January 2013	0.06	February 2013	0.04	March 2013	0.22	April 2013	0.15	May 2013	0.12	June 2013	0.11		
Month	Value (days)																				
January 2013	0.06																				
February 2013	0.04																				
March 2013	0.22																				
April 2013	0.15																				
May 2013	0.12																				
June 2013	0.11																				



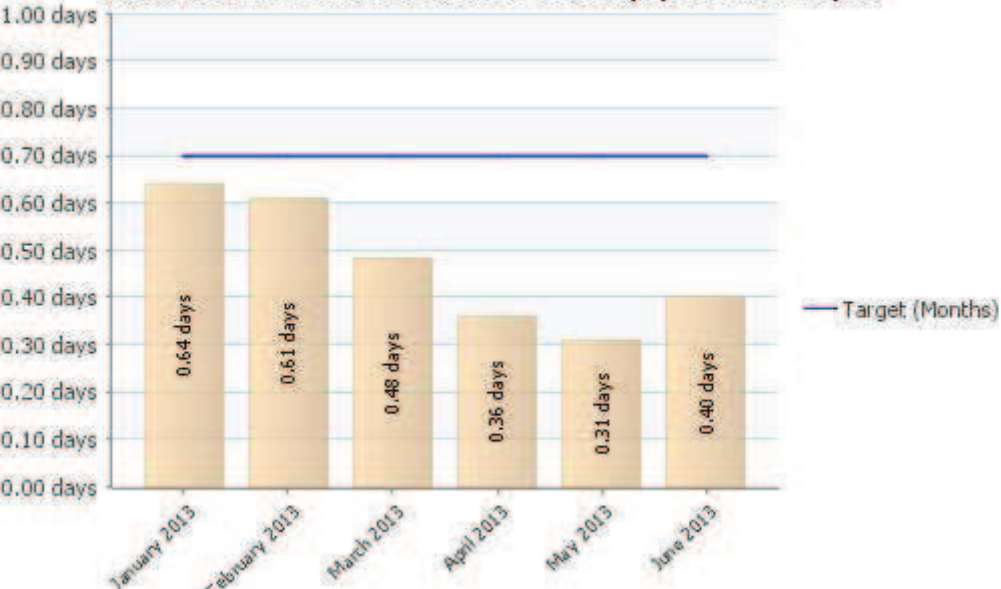

Traffic Light Green

Description Prosperity

Customer Services															
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.								
EHP15.2a	% of complaints about the Council and its services that are upheld: 1st stage		6.25%	30.00%		16 cases were handled during this quarter but only one was upheld. The majority of complaints were challenging the council's procedures and decisions.	None								
Trend Chart						Performance Gauge									
EHP15.2a % of complaints about the Council and its services that are upheld: 1st stage  <table><tr><th>Quarter</th><th>Value</th></tr><tr><td>Q3 2012/13</td><td>27.78%</td></tr><tr><td>Q4 2012/13</td><td>33.33%</td></tr><tr><td>Q1 2013/14</td><td>6.25%</td></tr></table>						Quarter	Value	Q3 2012/13	27.78%	Q4 2012/13	33.33%	Q1 2013/14	6.25%		
Quarter	Value														
Q3 2012/13	27.78%														
Q4 2012/13	33.33%														
Q1 2013/14	6.25%														

Customer Services																									
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.																		
EHP15.2b	% of complaints about the Council and its services that are upheld: 2nd stage - appeal		.00%	25.00%		Only four Stage Two complaints were investigated this quarter and none were upheld. Three were in Development Management where the complainants were challenging procedure and decisions.	None																		
Trend Chart						Performance Gauge																			
<p>EHP15.2b % of complaints about the Council and its services that are upheld: 2nd stage - appeal</p> <table><caption>Trend Chart Data</caption><tr><th>Quarter</th><th>Current Value</th><th>Target (Quarters)</th></tr><tr><td>Q3 2012/13</td><td>0.00%</td><td>25.00%</td></tr><tr><td>Q4 2012/13</td><td>0.00%</td><td>25.00%</td></tr><tr><td>Q1 2013/14</td><td>0.00%</td><td>25.00%</td></tr></table>						Quarter	Current Value	Target (Quarters)	Q3 2012/13	0.00%	25.00%	Q4 2012/13	0.00%	25.00%	Q1 2013/14	0.00%	25.00%	<p>Q1 2013/14 result</p> <table><caption>Performance Gauge Data</caption><tr><th>Value</th><th>Segment Color</th></tr><tr><td>0.00% - 25.25%</td><td>Green</td></tr><tr><td>25.25% - 100.00%</td><td>Red</td></tr></table>		Value	Segment Color	0.00% - 25.25%	Green	25.25% - 100.00%	Red
Quarter	Current Value	Target (Quarters)																							
Q3 2012/13	0.00%	25.00%																							
Q4 2012/13	0.00%	25.00%																							
Q1 2013/14	0.00%	25.00%																							
Value	Segment Color																								
0.00% - 25.25%	Green																								
25.25% - 100.00%	Red																								



People Services & Organisational Development																					
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.														
EHPI 12c	Total number of sickness absence days per FTE staff in post		0.40 days	0.70 days		Absences are within council standards. Total absence for the month is 0.40 days and the year so far is 1.08 days.	None														
Trend Chart						Performance Gauge															
<p>EHPI 12c Total number of sickness absence days per FTE staff in post</p>  <table><thead><tr><th>Month</th><th>Value (days)</th></tr></thead><tbody><tr><td>January 2013</td><td>0.64</td></tr><tr><td>February 2013</td><td>0.61</td></tr><tr><td>March 2013</td><td>0.48</td></tr><tr><td>April 2013</td><td>0.36</td></tr><tr><td>May 2013</td><td>0.31</td></tr><tr><td>June 2013</td><td>0.40</td></tr></tbody></table>						Month	Value (days)	January 2013	0.64	February 2013	0.61	March 2013	0.48	April 2013	0.36	May 2013	0.31	June 2013	0.40		
Month	Value (days)																				
January 2013	0.64																				
February 2013	0.61																				
March 2013	0.48																				
April 2013	0.36																				
May 2013	0.31																				
June 2013	0.40																				

Traffic Light Unknown Description Prosperity

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.1	Percentage availability of core systems during supported hours.	?	99.52%		?	Quarter 1 will just be presenting actual figures. Performance target against this indicator will be set following a further three months so that a baseline for performance can be established.	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.2	Percentage Resolution of Incidents Within 4 Hours	?	58.81%		?	Quarter 1 will just be presenting actual figures. Performance target against this indicator will be set following a further three months so that a baseline for performance can be established.	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.3	Percentage Reduction in the Number of Incidents	?			?	Performance data for this ICT performance indicator will not be available until performance targets have been approved by ITSG	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.4	Percentage of Calls Abandoned on ICT Service Desk	?	13.41%		?	Quarter 1 will just be presenting actual figures. Performance target against this indicator will be set following a further three months so that a baseline for performance can be established.	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.5	Percentage of Calls Resolved at First Point of Contact	?	40.67%		?	Quarter 1 will just be presenting actual figures. Performance target against this indicator will be set following a further three months so that a baseline for performance can be established.	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.6	Satisfaction with ICT Services	?	58.66%		?	Quarter 1 will just be presenting actual figures. Performance target against this indicator will be set following a further three months so that a baseline for performance can be established.	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.7	Delivery of Key ICT Projects	?			?	Performance data for this ICT performance indicator will not be available until performance targets have been approved by ITSG	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 28 th May 2013.
EHPI 9.8	Delivery of Key Milestones in the ICT Strategy	?			?	Performance data for this ICT performance indicator will not be available until performance targets have been approved by ITSG	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				

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SUMMARY

	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate
	£	£	£	£	£
People - focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable & delivering strong services	2,314,970	2,356,910	138,083	2,306,920	(49,990)
Place - focuses on sustainability, the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean	729,510	2,997,270	156,205	3,019,790	22,520
Prosperity - focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic opportunities & delivering cost effective services	1,647,540	1,808,300	80,404	1,797,300	(11,000)
TOTAL	4,692,020	7,162,480	374,692	7,124,010	(38,470)
RE-PROFILING POTENTIAL SLIPPAGE (71264/7501)	(250,000)	(250,000)		(250,000)	0
	4,442,020	6,912,480	374,692	6,874,010	(38,470)
Reconciliation of Original to Revised Estimate					
Other Amendments	2,200,000				
Slippage from 2012/13	270,460				
	6,912,480				

CAPITAL MONITORING 2013/14								
Page 44	PEOPLE							
	Exp. To 30/06/13							
	2013/14	Project	2013/14	2013/14	2013/14	2013/14	2013/14	COMMENTS
	Approved Schemes	Control Officer	Original Estimate	Revised Estimate	Total Spend to Date	Projected Spend	Variance between Proj Spend and Approved Estimate	
Exp Code			£	£	£	£	£	
Various	Hartham	S. Whinnett	120,000	141,960		141,960	0	Works planned for later in the year (late summer & during Xmas closedown). Some works have slipped due to programming with SLM.
Various	Grange Paddocks	S. Whinnett	107,000	107,000	11,544	107,000	0	Design stage on two schemes. Football pavilion work commenced in July.
72350	Pool Covers at Hartham & Grange Paddocks	M. Kingsland	59,000	59,000	0	59,000	0	In negotiation with SLM to agree reduced management fee prior to commencement of works.
Various	Fanshawe	S. Whinnett	20,000	40,000	0	40,000	0	Specification stage. Awaiting approval to spend. Discussions taking place with Head of Environmental Services.
Various	Leventhorpe Pool		22,800	51,780	26,484	51,500	(280)	Specification stage on Air Handling Plant scheme. Awaiting approval to spend. Discussions taking place with Head of Environmental Services. Gym equipment scheme completed.
72599	Scotts Grotto Renovation	J. Earley	4,700	4,700	1,220	4,700	0	60% completed.
Private Sector Improvement Grants								
72602	Disabled Facilities (Note 1)	S. Winterburn	710,000	690,000	75,208	690,000	0	Commitment carried forward from previous year is lower than usual due to lower HCC Occupational Therapy referral rates since 12/13. Publicity underway to raise awareness. Following CMT 25.6.13, the Director of Neighbourhood Services wishes to review the options for this budget. Please see note 1 below re. Government funding.
72605	Disabled Facilities - Discretionary	S. Winterburn	110,000	110,000	0	60,000	(50,000)	As HCC backlog now nearly cleared the £50,000 that had already slipped to 2013/14 is no longer needed (reported at 4.6.13 Executive).
72606	Decent Home Grants	S. Winterburn	120,000	116,600	326	116,600	0	Spend to date relates to work being carried out by Building Control Officers

CAPITAL MONITORING 2013/14									
PEOPLE									
Exp. To 30/06/13									
Exp Code	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS	
			£	£	£	£	£		
72604	Energy Grants	S. Winterburn	20,000	20,000	0	20,000	0	No significant interest amongst residents noted as yet for the new Green Deal Scheme, so some additional incentives may be required from this budget.	
72685	Social Housing Schemes	S. Drinkwater	827,900	827,900	0	827,900	0	Currently, no commitments have been made as Registered Providers are in programme with the Homes and Communities Agency. The Housing Team is exploring options of utilising S106 monies first and the LA Capital subsequently to develop and deliver a strategic investment plan for affordable housing.	
71201	Capital Salaries	S. Chancellor	26,000	26,000	0	26,000	0		
72442	Community Capital Grants	C. Pullen	140,900	140,900	22,501	140,900	0	Unpaid grants from 11/12 now stands at £7,200. Of the 19 grants awarded in 12/13, 10 have been fully or partially paid. The first funding round for 13/14 has resulted in 14 applications, requesting £61,400.	
72578	Drill Hall	W. O'Neill	4,350	4,350	0	4,640	290	Retention of £4,638.83 still to be paid in July 2013.	
72545	Presdales - Replace Pavilion	W. O'Neill	9,400	9,400	0	9,400	0	Remaining budget to be spent on further works required to pavilion & car park, to be spent within the next quarter. Property organising works.	
72582	LSP Capital Grants	W. O'Neill	12,920	7,320	800	7,320	0	LSP board determines when grants are going to be awarded. Sum of £30,790 held in Capital Grants in Advance.	
TOTAL			2,314,970	2,356,910	138,083	2,306,920	(49,990)		
Reconciliation of Original to Revised Estimate									
Other Amendments			0						
Slippage from 2012/13			41,940						

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PEOPLE

Exp. To 30/06/13

Exp Code	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS
			£ <u>2,356,910</u>	£	£	£	£	

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

Note 1. Government funding of £232,717 in 13/14

CAPITAL MONITORING 2013/14								
PLACE								
Exp. To 30/06/13								
Exp Code	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS
			£	£	£	£	£	
Various	Hertford Theatre	S. Whinnett	19,700	54,300	38,651	53,180	(1,120)	Works on the boiler & fire alarm to be completed in August when the Theatre is closed. Saving achieved on the roof scheme.
71272	Castle Gardens Bungalow - Replace Roof Covering	S. Whinnett		2,400	1,500	900	(1,500)	Completed. Saving achieved.
71271	Castle Gardens B/S-Resurface Footpaths	S. Whinnett	30,000	30,000	0	30,000	0	In discussion with Env Services.
74106	Heart of B/S - Market Improvement Scheme	W. O'Neill	45,300	45,300	0	45,300	0	Specification stage - considering relocation of stalls and costs associated with improvements to B/S market.
72701	Hartham Art Project	W. O'Neill		5,000	0	5,000	0	Final completion date July 2013. Fully funded from Sainsbury's S106 monies. 2nd stage payment to be made this year.
74102	Historic Building Grants	K. Steptoe	35,000	29,140	4,665	50,000	20,860	There is no capital provision made for Buildings at Risk grant within the 2013/14 HBG budget. Therefore, any grant payments will create pressure on the budget. Indications are that additional budgetary provision of circa £21k may be needed. Following further clarification a recommendation will be brought to a future meeting.

CAPITAL MONITORING 2013/14									
Exp Code	PLACE		Exp. To 30/06/13					COMMENTS	
	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate		
			£	£	£	£	£		
Various	Refuse Collection & Recycling	C. Cardoza	139,000	2,341,190	102,289	2,341,190	0	Have started to order wheeled bins for Comingled Recycling Service. Refuse vehicles will be ordered in September. Payment around October.	
72504	Provision of Play Equipment	C. Cardoza	50,000	50,000	(20)	50,000	0		
72506	Art in Parks Project (Note 1)	C. Cardoza	5,000	5,000	0	5,000	0	Still seeking to identify a suitable project.	
72585	The Bourne, Ware - Play Area Development Programme	C. Cardoza	40,000	40,000	0	44,280	4,280	Working on additional funding with the Groundwork Trust so spend depends on that. £4,280 funded by S106 monies.	
72507	Pishiobury Park Wetland Habitat Project (Note 2)	C. Cardoza		20,000	7,820	20,000	0	First stage complete. Second stage requires a land swap with local fishing club and this is subject to a Non-Key decision report which will be coming forward during the summer.	
72508	Hartham Common-Parks Development Plan Project (Note 3)	C. Cardoza	25,000	25,000	0	25,000	0	Currently subject to consultation.	
75168	Energy Efficiency & Carbon Reduction Measures (Note 4)	C. Cardoza	45,000	45,000	0	45,000	0	Funding is allocated to two projects. Web based 'smart metering' system for Wallfields to monitor and improve energy use by building zones and deliver energy efficiency savings.	

CAPITAL MONITORING 2013/14
PLACE

Exp. To 30/06/13

Exp Code	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS
			£	£	£	£	£	
72591	Castle Weir Micro Hydro Scheme	C. Cardoza	210,210	208,710	1,300	208,710	0	Further study to be commissioned. Planning process to be re-started. Due to the amount of work to do on this scheme, the remaining budget may slip into 14/15.
74105	Town Centre Environmental Enhancements	P. Pullin	85,300	96,230	0	96,230	0	
TOTAL			729,510	2,997,270	156,205	3,019,790	22,520	
Reconciliation of Original to Revised Estimate								
Other Amendments			2,200,000					
Slippage from 2012/13			67,760					
			2,997,270					

Note 1. Provision to attract external funding.
Note 2. This project will require match funding to maximise the potential of this project and this sum reflects provision for this.
Note 3. Development of this site will require significant external investment and this sum represents provision to support bids for external funding.
Note 4. Relates to provision for energy efficiency measures following C3W. This is subject to bids for grant funding.

CAPITAL MONITORING 2013/14									
Exp Code	PROSPERITY								
	Exp. To 30/06/13								
	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS	
	NOTE ON ICT SCHEMES								
	Programme of work to be provided by ICT after consultation with project sponsors & project control officers		£	£	£	£	£		
71374	Network, Servers & Storage Upgrade	D. Frewin	50,000	60,000	0	60,000	0	Spend dependant on shared services decision.	
71377	BACS	P. Bowler	2,500	2,500	0	2,500	0	Put on hold re Revs & Bens EHDC migration.	
71379	Authentication	P. Bowler	31,000	31,000	0	31,000	0		
71388	GIS	P. Bowler	2,000	5,470	0	5,470	0	Awaiting invoice from HCC.	
71395	EDM - Corporate	P. Bowler	11,000	16,070	0	16,070	0		
71408	Housing Benefits System	S. Tarran	16,100	16,100	0	16,100	0	Relates to 'Risk & reward' payment to Capita.	
71409	Locata	P. Bowler	10,000	10,000	0	10,000	0		
71414	Hardware Funding	D. Frewin	140,000	146,430	7,763	146,430	0		
71415	Applications	P. Bowler	55,000	110,070	28,252	110,070	0		
71416	Merging systems - Licensing & Env Health	B. Simmonds	15,000	15,000	0	15,000	0	£15k for changing the licensing IT is unlikely to be required this financial year. We have now tested out the opposition software and it does not stand up to our needs. However, new licensing staff appointed who may have input into other options that may be available.	
71418	Mayrise Upgrade	P. Bowler	10,000	30,000	21,988	30,000	0	To be spent on software for Mayrise Mobile working system.	
71420	Integrated DC & BC Systems	K. Steptoe	60,000	60,000	0	60,000	0		
71422	Shared Services Infrastructure Integration	A. Taylor	50,000	73,740	0	73,740	0		
71424	Provisional IT Investment	A. Taylor	500,000	500,000	0	500,000	0		

CAPITAL MONITORING 2013/14								
PROSPERITY								
Exp. To 30/06/13								
Exp Code	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS
NOTE ON ICT SCHEMES Programme of work to be provided by ICT after consultation with project sponsors & project control officers			£	£	£	£	£	
71362	Capital Salaries	S. Chancellor	109,000	109,000	0	109,000	0	
71423	Replacement Condensers to Server Room	S. Whinnett		1,000	0	0	(1,000)	Completed. Saving achieved.
75240	Bircherley Green MSCP - Major Refurb. & Repairs	S. Whinnett	66,240	66,240	10,294	66,240	0	Asset Management Group have requested that further expenditure be postponed until after a decision has been made on the future of the car park.
75241	Gascoyne Way MSCP - Major Refurb. & Repairs	S. Whinnett		8,600	0	8,600	0	Major works completed. However, further works are necessary which need to be programmed.
75268	Northgate End - Resurfacing & Lining	S. Whinnett	50,000	50,000	0	50,000	0	Specification stage.
75269	Bell Street - Resurfacing & Lining	S. Whinnett	25,000	25,000	0	25,000	0	Specification stage.
75166	Replace Footbridge Library Car Park Ware	S. Whinnett	7,200	7,200	0	7,200	0	Retention & fees still to be paid in September.
71273	Wallfields Fire Alarm Upgrade	S. Whinnett	0	0	0	0	0	Completed, commitment still outstanding from 12/13 (do not delete this line until order has been paid or cancelled).
71274	Wallfields Replacement of Radiators	S. Whinnett	60,000	60,000	0	60,000	0	Specification stage.
71275	Wallfields & Charringtons - Server Room Fire Suppression Systems	S. Whinnett	20,000	20,000	0	20,000	0	Awaiting instructions from ICT.
71276	Wallfields - Equality Access & Card Control to Doors	S. Whinnett	40,000	40,000	0	40,000	0	Specification stage.
71269	Wallfields Security Gates & Fencing to Boiler House	S. Whinnett	15,000	15,000	0	15,000	0	Specification stage.

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CAPITAL MONITORING 2013/14								
PROSPERITY								
Exp. To 30/06/13								
Exp Code	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS
NOTE ON ICT SCHEMES			£	£	£	£	£	
72598	Cricketfield Lane - Resurface Footpath & Retainment Works	S. Whinnett	75,000	75,000	0	75,000	0	Works may now be included in the proposed health centre development - to be reviewed.
71203	Replacement Chairs & Desks	R. Crow	10,000	11,080	1,457	11,080	0	As the spend against this budget is predominately demand driven the projected spend is based on potential demand.
75160	River & Watercourse Structures	G. Field	47,500	61,800	10,650	61,800	0	The replacement bridge in Pishiobury Park is nearing completion as there were delays due to the weather conditions. Works will now progress in this financial year to replace the St. Andrew St Car Park bridge in Hertford Castle grounds in liaison with the town council, the EA, planning and parks departments. Remedial works required for other EH owned bridges will be assessed according to priority.
75157	Footbridge over River Stort	A. Osborne	91,020	90,220	0	90,220	0	Outstanding dispute with contractor still not fully resolved.
72568	North Drive - reconstruct road & drainage	A. Osborne	15,380	15,380	0	15,380	0	Currently under discussion with Gillian Field and is also dependant on a private development coming forward.
71266	Capital Salaries	S. Chancellor	53,600	53,600	0	53,600	0	
71251	Automated Telling Machines at Hertford & B/S	N. Sloper		12,800	0	12,800	0	The work is underway. Due to Civica payment system upgrade it is anticipated that the project will be delivered in Q4.
72702	Parking Services - Operational Vehicle	N. Sloper	10,000	10,000	0	0	(10,000)	Originally an approved capital bid for a used operational vehicle for Parking Services. Following a full cost/benefit review the lease cost of a new vehicle was comparable to the net cost of running a used vehicle so a new lease is to be progressed instead.
TOTAL			1,647,540	1,808,300	80,404	1,797,300	(11,000)	

CAPITAL MONITORING 2013/14
PROSPERITY

Exp. To 30/06/13

Exp Code	2013/14 Approved Schemes	Project Control Officer	2013/14 Original Estimate	2013/14 Revised Estimate	2013/14 Total Spend to Date	2013/14 Projected Spend	2013/14 Variance between Proj Spend and Approved Estimate	COMMENTS
NOTE ON ICT SCHEMES								
Programme of work to be provided by ICT after consultation with project sponsors & project control officers								
Reconciliation of Original to Revised Estimate			£	£	£	£	£	
Other Amendments								
Slippage from 2012/13			160,760					
			<u>1,808,300</u>					

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ESSENTIAL REFERENCE PAPER 'D'

SUMMARY OF PREVIOUSLY REPORTED VARIANCES ON THE REVENUE BUDGET

		Projected Outturn 31 March 2013 £'000	
1.1	April	0	
	May	800	
ITEM (in order of Corporate Priority)			MONTH(S) REPORTED
People			
1.2	Turnover		April
	There are no financial issues this month regarding this priority.		
1.3	Turnover		May
	A new payroll system has been installed and staff are being successfully paid. However, the output from the system has yet to be tested for interfacing into the General Ledger (financial system). As a consequence there is no information on budgetary monitoring for April and May.		
1.4	NEW HOMES BONUS GRANT		May
	The Government has released additional New Homes Bonus grant monies. As a consequence East Herts Council has received a windfall sum of £20k.		
1.5	COLLECTION FUND		May
	Upon finalising the balance on the Council Tax Collection Fund there is a £55k favourable position.		
Place			
1.6	PLANNING CONTINGENCY		April

ITEM (in order of Corporate Priority)**MONTH(S)
REPORTED**

The 2013/14 budget includes a planning contingency sum of £600k which allows for unforeseen events to be funded in-year. The changes that were agreed in February 2013 to the current recycling provision in East Herts have now been financially evaluated and a paper is included as **Essential Reference Paper 'F'** that details the latest available financial information. Due to changes in funding available from County, a reduction in the value achievable through sale of the vehicles and reductions in expenditure, £24,606 is required from the planning contingency to allow the scheme to remain affordable

The current assumptions are that the remainder of this budget are also fully utilised in 2013/14 but no further call is made on this budget, then the Council will have an underspend of £575k. Future Healthchecks will consider if there are any further calls on this sum.

1.7 PLANNING CONTINGENCY**May**

The original 2013/14 budget included a planning contingency sum of £600k which allows for unforeseen events to be funded in-year. In the April corporate healthcheck it was agreed that some of this funding will be used to support the new recycling initiative. This left a balance of £575k which if not required during the year will result in an additional favourable variance from the £225k reported this month.

Prosperity**1.8 DEVELOPMENT CONTROL FEES****April**

With income of £125k received from Bishop's Stortford North Development and the underlying income being maintained for the first two months an extra £150k is expected at this point in time.

Essential Reference Paper 'E'

Ledger Code	Savings	Responsible officer	2013/14 £	Red/Amb er/Green	COMMENTS
	Planning & Building Control				
17102/0110	Building Control Reduced Spending	KS	(50,000)		
Various	DC miscellaneous costs	KS	(10,000)		
Various	Planning policy resources	KS	(12,000)		
	Community Safety & Health				
17107/3878	Set taxi licence fees to recover full costs	BS	(5,000)		
26904/4433	Continuation of funding Housing Improvement Agency	SD	(10,000)	GREEN	This saving has been achieved.
	Community Engagement				
21299/4449	C&C - MOW	WO	(15,269)	GREEN	
20603/various	Hertford Theatre - new business plan (subject to approval)	WO	(57,671)	AMBER	
17802/3889	Public Consultation & Research	WO	(5,700)	GREEN	
	Customer Services & Parking				
50532/9610	Ware Amwell End - Revision of rent payable by Hertford regional College for student car park spaces	NS	(1,000)		
50511/9349	Elm Road income	NS	(15,000)		
50512/9349	Rye St/Grange Paddocks income	NS	(35,000)		
50506/9349	Link Road resulting from redesignation as short stay	NS	(50,000)		
50507/9349	Northgate End resulting from redesignation as short stay	NS	(56,000)		
50541/9421	Grange Paddocks Project - Resident permit income	NS	(2,500)		
	ICT - Shared Services Savings				
17713----	ICT - Shared Services Savings	HL	(18,000)		
17414----	Printing - Shared Services Savings	HL	(13,000)		
	People & Property				

17411/0110	Phased reduction in hours of estates staffing	GB	(14,000)	
Revenues & Benefits				
17719various	Invest to save option	ST	(64,000) AMBER	Dependent on shared service making sufficient savings - concern that this will not be achieved in current year
Corporate Risk				
Various	Reduction of insurance premiums following retender	CG	(3,000) GREEN	Savings split between 2012/13 and 2013/14. Achieved and can be evidenced through communications with insurance broker.
Total Savings			<u>(437,140)</u>	

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 27 AUGUST 2013

EXECUTIVE – 3 SEPTEMBER 2013

REPORT BY LEADER OF THE COUNCIL

7. 2012/13 CORPORATE ANNUAL REPORT

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- This report provides a draft of the council's Annual Report for 2012/13.

<u>RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY:</u>	
That:	
(A)	The 2011/12 Corporate Annual Report be recommended to Executive for approval.

<u>RECOMMENDATION FOR EXECUTIVE:</u> That:	
(A)	The 2011/12 Corporate Annual Report be approved.

1.0 Background

- 1.1 The Annual Report documents the council's key achievements for each of the corporate priorities over the last financial year. It also contains financial information which provides an overview of the council's financial position and performance and a statement on contracts.
- 1.2 The Annual Report complements and mirrors the 2012 – 2016 Corporate Plan but looks back on performance rather than offering any forward looking planning.
- 1.3 This is the sixth year the Annual Report has been produced, as a single document that covers Strategic, Financial and Performance issues as recommended by external auditors.

- 1.4 The achievements within in the report have primarily been sourced from Team Update, Service Plan Progress Reports and Link Magazine.
- 2.0 Report
- 2.1 This report provides a draft of the Annual Report for 2012/13 for comment and approval.
- 2.2 The report allows residents to judge the effectiveness and contribution of the council to the district and local communities as well as enabling councillors and employees to reflect on performance.
- 2.3 The Annual Report will be designed and published on the internet via the council's website. A small number of copies will be printed for distribution.
- 2.4 The Annual Report is attached as **Essential Reference Paper 'B'**. Performance information which compliments the Annual Report has already been presented so has not been included at this stage.
- 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 A P Jackson – Leader of the Council.

Contact Officer: Simon Chancellor – Head of Finance and Performance, Extn: 2050.
simon.chancellor@eastherts.gov.uk

Report Author: Ceri Pettit – Corporate Planning and Performance Manager, Extn: 2240. ceri.pettit@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	<p>People</p> <p>This priority focuses on enhancing the quality of life, health and wellbeing, particularly for those who are vulnerable, and delivering strong services.</p> <p>Place</p> <p>This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p>Prosperity</p> <p>This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	The senior management team were consulted on the draft 2012/13 Annual Report.
Legal:	There are no legal implications.
Financial:	There are no financial implications.
Human Resource:	There are no human resources implications.
Risk Management:	There are no direct risk management implications.

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Annual Report

2012/13

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Section 1: Introduction

Message from the Leader and the Chief Executive

East Herts Council can look back on a year of achievement, in the face of some big financial challenges.

We've continued to provide good front line services and improve performance across key services.

Our successes have been recognised nationally with a number of awards including Market Team of the Year from the National Association of British Markets Authorities.

Judges renewed our Green Flag awards for The Ridgeway park in Hertford - for the fifth year running - and Southern Country Park in Bishop's Stortford - for the fourth year running.

The Local Government Association Peer Challenge team, which was with us in December 2012, said East Herts is a sound council. The team said we were delivering good services and they found a high level of satisfaction from residents. This was underpinned by a healthy financial base.

Nevertheless, stretched resources meant that we had to make sure we met our savings targets for 2012/13.

2012 saw the deletion of a top-tier post. This was replaced by combining the Chief Executive function with that of an existing director, saving around £100k annually.

In addition we had to make some difficult service decisions including the implementation of Government changes to council tax and welfare benefits

On a more positive note, we've agreed changes to our recycling services, so that householders can mix their recyclable cans, glass, plastics and cardboard into one wheeled bin under a new straightforward scheme. The new service will allow people to recycle more materials with less sorting.

Going forward we will have a challenging role in relation to balancing the planning needs of the district, ensuring that we have

sufficient homes for the longer term while at the same time looking after our countryside.

We will need to respond to the major planning applications which were received in-year to develop a large site on the A120 on the edge of Bishop's Stortford.

We will maintain high quality services by focusing on what matters most to you – keeping East Herts clean, tidy and safe.

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Section 2: Profile of the District

The Area

East Herts is the largest of the 10 districts in Hertfordshire. It covers 47, 568.68 hectares, around a third of the county, and offers a blend of rural and town living. The benefits of this mixture are greatly appreciated by the 137, 687¹ people who live in the district.

The majority of the people who live in the district live in one of the five towns. Bishop's Stortford has the largest population at 37,800, followed by Hertford (26,800), Ware (18,800), Sawbridgeworth (8,500) and Buntingford (5,400).²

Although the district is mainly comprised of farmland, five busy market towns (Bishop's Stortford, Buntingford, Hertford, Sawbridgeworth and Ware) and more than 100 villages and hamlets are scattered across the area.

East Herts is a beautiful and historic area. It has 42 conservation areas, over 4,000 listed buildings (including curtilage listed buildings), 31 scheduled monuments, 450 sites of archaeological significance and 11 registered historic parks and gardens.

Areas of nature conservation are equally abundant. Rye Meads and woodland in the south of the district at Wormley West End and Brickendon are internationally recognised, and there are a further 16 Sites of Special Scientific Interest (SSSI) and 582 Wildlife Sites.

East Herts is regarded as an attractive rural location for those moving out from (and commuting into) London because of its excellent transport links.

The Economy

The people of East Herts are predominantly employed and enjoy higher than average earnings (£630.10 gross weekly pay for full-

¹ 2011 Census - Usual Resident Population (KS101EW), NOMIS

² 2011 Census - Population estimates from the 2011 Census using whole MSOAs (produced by Community Information and Intelligence Unit, Hertfordshire County Council)

time workers compared to £506 for the whole of the country³). Unemployment is very low (1.8%⁴).

Over 50% of people travel to work by car and 12% travel by train. Less than 2% of people travel by bus/coach. 12% of people work at or from home⁵.

House prices are among the highest in the country; in 2012 for the period April to June the average property price was £311,300⁶ while the average salary was £32,496⁷. 29.9% of properties are semi-detached in East Herts, followed by 27.9% which are detached⁸. There is a shortage of affordable housing.

The People

A fifth of people are under 16 or and a fifth of people are over 60. The average age in the district is 39.5⁹.

More than half of people (aged 16 and over) are married and over a quarter are single. 10% of people are separated or divorced and 6% are widowed¹⁰.

Over 89% of people were born in England, 3% were born in other countries in the European Union and 4% in other countries¹¹. The main religion is Christianity but almost a fifth of people have no religion¹².

East Herts has a low ethnic minority population of just 4.5%. The largest ethnic minority group is Asian/Asian British at 1.9% with Indian being the highest within that group. The second largest minority group is mixed/multiple ethnic groups at 1.6%¹³.

The people of East Herts enjoy very good health and 9% provide unpaid care¹⁴.

³ 2012 Annual Survey of Hours and Earnings - Resident Analysis, NOMIS, ONS

⁴ April 2013, Total Claimant Count, NOMIS, ONS

⁵ 2011 Census - Method of travel to work, Table CT0015EW, Hertfordshire Local Information System Atlas (Herts LIS)

⁶ Average Property Price for all house types, Quarter 1 2012, Hertfordshire Local Information System Atlas (Herts LIS)

⁷ Average full-time annual pay (£s Gross) of residents, Hertfordshire Local Information System Atlas (Herts LIS)

⁸ 2011 Census - Dwellings, Household spaces and Accommodation type (KS401EW), NOMIS

⁹ 2011 Census - Age Structure (KS102EW), NOMIS

¹⁰ 2011 Census - Marital and Civil Partnership Status (KS103EW), NOMIS

¹¹ 2011 Census - Country of Birth (KS204EW), NOMIS

¹² 2011 Census - Religion (KS209EW), NOMIS

¹³ 2011 Census - Ethnic Group (KS201EW), NOMIS

¹⁴ 2011 Census - Health and Provision of Unpaid Care (KS301EW), NOMIS

Over a third of people are educated to level 4 or higher e.g. Bachelor's degree (33.5%, 36,867). But under a fifth of the population have no qualifications (17.2%, 18,959)¹⁵.

Car ownership is high, with 46.5% of households owning two or more cars or vans and 40.8% of households owning one car or van¹⁶. 44.4% of people travel to work by car or van and 9.6% travel by train. Less than 2% of people travel by bus. 5% of people work from home¹⁷. However the rural nature of the district means that those that do not have access to a car or other means of transport face difficulty accessing services.

Did you know?

East Herts Council in 2012/13:

- Cleaned 36,849.876 linear kilometres of roads and streets – That's 196 times round the M25 motorway.
- Cleaned 36,849.876 linear kilometres of roads and streets – That's 196 times round the M25 motorway.
- Emptied approximately 5 million bins and recycling boxes.
- Cut 294 hectares of grass – That's the same as cutting approximately 400 football pitches.
- Processed 2,153 planning and related applications.
- Carried out 12,618 building control inspections – That's 242 inspections (on average) every week of the year.
- Processed 2,348 land charge search enquiries.
- Processed 30,475 new housing and council tax benefit claims and changes in circumstances – That's 586 cases processed (on average) every week of the year.
- Carried out 477 food inspections.
- Recorded 687,887 leisure users – That's just about enough to fill the Centre Court at Wimbledon 45 times over.

¹⁵ 2011 Census - Qualifications and Students (KS501EW), NOMIS

¹⁶ 2011 Census - Car or Van availability (KS404EW), NOMIS

¹⁷ 2011 Census - Method of travel to work (QS701EW), NOMIS

Section 3: Our Vision for the District

East Herts Council's vision for the district is:

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

This overriding aim was underpinned in 2011/12 by three corporate priorities which reflected local needs as identified through public consultation and feedback.

These priorities in 2012/13 were:

<u>People</u> – Fair and accessible services for those that use them and opportunities for everyone to contribute
<u>Place</u> – Safe and Clean
<u>Prosperity</u> – Improving the economic and social opportunities available to our communities

Each priority was further defined by a series of objectives which were set out in our four year Corporate Strategic Plan for 2012 - 2016. These priorities and objectives were shared with many of our partner organisations to enable a joined-up approach in service delivery, helping to eliminate service gaps and duplication whilst promoting efficiency.

This annual report cannot include everything we have achieved. However, it does identify those achievements which we believe will be of most community interest due to their impact and benefits.

Section 4: Progress against 2012/13 Corporate Priorities

PEOPLE – Fair and accessible services for those that use them and opportunities for everyone to contribute

Our priority is to focus on enhancing the quality of life, health and wellbeing, particularly those who are vulnerable and deliver strong services

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What we wanted to achieve	What we have done
<p>Objective: Enhance our local community engagement by working together with our partners such as Parish and Town Councils, for the benefit of our communities</p>	<ul style="list-style-type: none"> • Welcomed the Olympic torch in East Herts, which came through Hertford, Ware and Bishop's Stortford. • Held a successful and well attended annual Parish conference in Much Hadham for all parishes. • Joined Twitter and re-launched our Facebook page with usage growing and member social media training delivered. Currently over 2,000 people living or working in East Herts are connecting with us through our Twitter and Facebook pages. • Provided £17,790 in grants for 67 Jubilee Street parties. The grants were given towards the costs of organising events that would bring people together in a fun, friendly way, and contribute to a sense of community and neighbourliness. Groups ranged from community centres, residents' associations, village hall committees and parish councils to groups. • Subsidised 55 Christmas Parties organised by groups that serve senior citizens, vulnerable people and people with disabilities (£3,264). Feedback was positive and showed how the events help combat loneliness and social isolation by providing mental stimulation and a rare opportunity to meet up with friends for good food, singing and dancing. • Awarded 19 community capital grants. The grants ranged from £1,000 to £12,000 and were awarded to parish councils, village halls, and sports clubs to improve community facilities, green spaces and purchase equipment in rural East Herts. Some of the projects that were grant aided: <ul style="list-style-type: none"> ○ Replaced 20-year old, redundant play equipment on village green at Bramfield ○ Purchased recreational and sports equipment for successful youth club in Little Munden ○ Purchased IT equipment for popular Internet café at High Wych Memorial Hall ○ Contributed to build of new annex at Benington Village Hall which hosts monthly lunch club for elderly residents

ESSENTIAL REFERENCE PAPER 'B'

- Supported towns and parishes to fund projects that directly help residents, through the new home bonus grant. Some of the areas in East Herts that have been helped are:
 - **Little Berkamsted** - a film club has been established as the parish council was able to purchase a new projector; replacement wooden foundations for the log play frame was paid for and the village hall was redecorated.
 - **Hertingfordbury** - new swings and a see-saw were paid for; repairs have been scheduled for the East End Green track and the parish council was able to award a grant to the Greens Residents Association to fight an appeal against refusal of planning permission for a traveller camp.
 - **High Wych** - funds were put towards the resurfacing of the village car park.
 - **Datchworth** - the majority of the funds have been put aside to contribute to the costs of creating a Neighbourhood Plan, however a small part has been used to pay the first year's rent for two outreach post office services in Datchworth and Burnham Green village halls.
 - **Furneux Pelham** - two standpipes and taps to help allotment holders have been paid for, as well as fencing to go round the site. The rest of the funds are going towards a wooden bus shelter.
 - **Buntingford** - the funds were put towards refurbishing the Christmas lights and future community projects.
- In partnership with art centres in East Herts and Inspirational Arts, we have launched the Arty Bus to take an interactive journey through the wide and varied arts scene that East Herts has to offer. The 39-seater bus transported participants of all ages between locations, where they could get off and enjoy some fun and educational activities, before getting back on the bus and heading off to the next adventure. The bus went from Hertford Theatre to Rhodes one day and from Rhodes to Hertford Theatre the next; feedback was very positive.

ESSENTIAL REFERENCE PAPER 'B'

- Invited an independent team facilitated by the LGA to give an objective view, share thinking and to help the council ensure it's heading in the right direction. The team concluded that the council was 'delivering good services with a high level of satisfaction from residents underpinned by a healthy financial base'.
- Launched a new option on the council's website to make it easier and simpler for people to submit their comments for and against current planning applications. Using the new feature people can go directly to the application they wish to comment on and click a link allowing them to submit comments. There is also an option of adding attachments, such as supporting documents and photographs. This has proved a popular method of communicating with the Council in relation to planning applications.
- As a member of the Local Strategic Partnership led by the council, funding was granted to work clubs at NextStep, Bishop's Stortford and the Selections Children's Centre in Hertford to help people living in East Herts to get into work. So far 64 work experience placements have resulted in 35 permanent offers of work. Work clubs help people with careers advice, skills development and recruitment opportunities. The also offer advice on CVs, job searching, job applications and computer skills.
- Received a good external audit report on the adequacy of the Council's anti-fraud arrangements, which demonstrates strong corporate governance.
- 50% of performance measures improved during the year despite the economic downturn (compared to 39% the year before), with 69% meeting their targets compared to 49% in 2012/13 - **Ceri** to update as outstanding outturns come in.
- Customer satisfaction with face to face contact continues to improve, with 77.2% of customers rating the contact as 'Good' compared to 75.9% in 2010/11. The most cited reason for this was the response time, with four in ten customers choosing this option. **Neil** - can you provide updated figures for 2012/13 so we can compare, along with reasons.

ESSENTIAL REFERENCE PAPER 'B'

Objective: 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

- Worked with Hertfordshire County Council, voluntary and community sector services to develop an integrated approach to engage more with older people forums to help strengthen their preventive role and achieve a wider range of health and wellbeing outcomes for this older community.
- In partnership with small business Skill Ltd, hosted Shopmobility in the Jackson Square car park. As of March 2013, the charity has 533 registered users, which includes clients that are temporarily disabled. The service averaged 24 hires of electric scooters, manual and powered wheelchairs per week during the winter months. All trips are free to registered members who come from Bishops Stortford and surrounding villages.
- Joined an online system making it easier for households wishing to join the East Herts Council Housing Register to apply for accommodation to do so, to view their assessment in more detail and update changes. A link at [HomeOption](#) takes applicants straight to the online form. It also explains what information they will need in order to register and how to contact the Council if they want advice in completing the form.
- Agreed a new Housing Strategy at full Council on 26 September 2012. The strategy is now published.
- Approved a new housing register policy which sets out how homes will be allocated to applicants. Council approved the strategy on 6 March. The policy went live on 1 May 2013 for all new applicants and current applicants whose circumstances have changed.
- Teamed up with Hertfordshire County Council, other districts in Hertfordshire, NHS Hertfordshire and voluntary organisations to win a £395,000 share of the Department of Health's Warm Homes Healthy People Fund. The fund was used to support vulnerable Hertfordshire residents to give them extra support to keep their homes warm and stay healthy during the winter by enhancing current schemes like improving insulation in homes, providing emergency heaters and providing extra services for homeless people.
- Facilitated 175 new affordable homes of which approximately 75% will be for rent and 25% for shared ownership. This is an increase of 33% when compared to 2011/12. The majority of these properties are acquired and managed by housing associations from planning obligations on new private developments via S106 agreements where the council currently requests up to 40% affordable homes. Further developments are planned for 2013/14.

Page 76
Objective: Address health inequalities and continue to ensure public health safety.

- Extended the Air Quality Management Area (AQMA) on Gascoyne Way to include Ware Road and the Old Cross area in Hertford, as part of ongoing work to reduce pollution. An action plan to improve air quality within the AQMA has been put together and aims to improve air quality through traffic management and reducing congestion. To date there are 2 AQMAs in East Herts. The Local Air Quality Management Review and Assessment Process identified that the annual mean objective for nitrogen dioxide is likely to be exceeded alongside the London Road and Cambridge Road, and a small section of Station Road and West Road in Sawbridgeworth. The report will be submitted to DEFRA for appraisal and should they agree with the report's conclusions an AQMA will be declared in this area.

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Place – Safe and Clean

Our priority is to focus on sustainability, the built environment and ensuring our towns and villages are safe and clean.

What we wanted to achieve	What we have done
Objective: Continue to review the council's assets and the best way to manage them	<ul style="list-style-type: none">Reviewed ownership and management arrangements for:<ul style="list-style-type: none">➤ Ware Drill Hall – asset transferred to a community group➤ Scotts Grotto – retained current arrangements with Ware Society as this was the best management option➤ Hornsmill Community Centre – provided support
Objective: Ensure the sustainability of Hertford Theatre and explore possibilities for the theatre to be administered through a community trust.	<ul style="list-style-type: none">Hertford Theatre completed its first full year since re-opening (previously Castle Hall). The Theatre has quickly become a vibrant and successful artistic and community hub. Success against the business plan and its growing cultural offer was acknowledged by the council's Scrutiny Committee in August 2012.
Objective: Reduce waste sent to landfill by increasing our recycling rate to more than 50%.	<ul style="list-style-type: none">Launched SURGE – a promotion scheme designed to improve the amount of waste recycled and a decrease the amount sent to landfill, the campaign particularly targeted low performing areas based on the average amount recycled per round. In the first three weeks of the campaign the council received 230 requests for more containers. The post scheme appraisal showed a significant increase in recycling levels in the areas covered and income from sale of extra material collected funded the cost of the project, which is now being extended to other areas. Phase 2 of the project (the next lowest performing recycling rounds) will take place in early April 2013 and results should be available in September.

ESSENTIAL REFERENCE PAPER 'B'

<p>Objective: Reducing the carbon dioxide emissions from our own operations by 25% by 2020.</p>	<ul style="list-style-type: none"> • Herts Sustainability Forum (HSF) has been established and has set up a Local Nature Partnership (LNP) which has been accredited by the Government. The HSF has also set up a Member working group to look at how to progress the Governments new framework for dealing with fuel poverty (known as the 'Green Deal'). Officers will report to East Herts Council's members once this work has been completed. The HSF is currently reviewing its priorities and has agreed to fund an awareness campaign covering a range of environmental matters. • Continued to implement the Council's Climate Change Action Plan and a number of actions have been successfully completed. A report on progress will be presented to Environment Scrutiny Committee in June 2013.
<p>Objective: Sustain the percentage of residents who are satisfied with our parks and open spaces.</p>	<ul style="list-style-type: none"> • Raised awareness and use of open spaces by holding a 'Love Parks' week, at Southern Country Park which had an Olympics theme and 'Meet the Animals' events at Pishiobury Park. The Get Park Active events are designed to promote outdoor leisure and healthy lifestyles. These events attracted around 1000 visitors and positive feedback was received. Other activities have included 'The Big Dig' and a 'History Walk' with Friends of Pishiobury Park and Foxholes (Hertford) woodland walk. • Retained our two 'green flags' for The Ridgeway in Hertford (for the fifth year running) and Southern Country Park in Bishop's Stortford (for the fourth year running). • Worked in partnership with the Environment Agency, Herts and Middlesex Wildlife Trust and Countryside Management Service to restore a quiet corner of Hartham Common in Hertford, back to a wetland habitat. As part of the partnership the council set up a new walking route around the field to provide views of the ponds and the river. The Environment Agency funded the project to create a series of ponds across the site that naturally fills from water sitting close to the surface. The habitat will be especially beneficial to damselfly and dragonflies. The agency also paid for fencing and gates so that cattle can be introduced onto the site. This will help to improve biodiversity by reducing nitrogen levels in the soil and by keeping the grass to a level that will naturally encourage wild flowers.

ESSENTIAL REFERENCE PAPER 'B'

<p>Objective: Sustain the percentage of residents satisfied with street and environmental cleanliness.</p>	<ul style="list-style-type: none"> • Won the bronze footprint RSPCA award, which is a national scheme that recognises local authorities that have clear procedures and policy on stray dogs. This year the council received 301 reports of stray dogs (both lost and found). 126 were collected by the Council of which 90 were reunited with their owners. The remainder were rehomed. • Held roadshows in Bishop's Stortford, Hertford and Ware to raise awareness of littering and in particular two of the biggest litter problems in East Herts – fast food packaging and cigarette litter, with local residents. The council is also encouraging local businesses to join the Tidy Business Scheme and help reduce litter as part of the 'Love where you live' campaign. 90 local businesses were visited and information packs circulated. 23 local businesses have applied to join at the end of February 2013. Visible enforcement activity has led to 10 fixed penalty notices being issued for litter and four relating to throwing cigarette butts from cars. • Maintained performance in the quality of the street scene in relation to litter and graffiti and improved performance in fly-posting and the removal of abandoned vehicles.
<p>Objective: Uphold the safety of our communities and seek to reduce the fear of crime by supporting neighbourhood policing</p>	<ul style="list-style-type: none"> • Contributed, as part of the East Herts Community Safety Partnership to the: <ul style="list-style-type: none"> ➢ Reduction of crime levels across the district. Recorded crime in East Herts has fallen by 15% from 6,130 in 2011/12 to 5,210 in 2012/13. ➢ Hosting FREE activities for young people aged 11-19 during the summer holidays, including zumba, canoeing and go-karting. Since 2009, 3075 young people have attended these summer activities and just under 10% have achieved an accredited outcome from Youth Connexions and crime during these activities has fallen. • Launched Operation Panther to combat anti-social behaviour and criminal damage across the whole of the area. The special operation, aims to deter young people from engaging in anti-social or criminal behaviour, initially just operated in Bishop's Stortford, Sawbridgeworth, Buntingford and the surrounding rural areas. It now covers the whole of East Herts. Working in partnership with the local

ESSENTIAL REFERENCE PAPER 'B'

	<p>police and housing associations the Council is able to take positive action against anti social behaviour, criminal damage and repeat offenders. Overall anti social behaviour has reduced by 35% in East Herts in the last year.</p> <ul style="list-style-type: none">• Issued all our Civil Enforcement Officers (CEO) with bodycam. The bodycams will not be used as part of the ordinary parking management and enforcement process. Instead where there has been a verbal or physical attack on a CEO, footage may be used for evidential purposes and also where it may help in resolving a complaint from a member of the public.• Removed over 100 graffiti tags in Hertford in partnership with the Probation Service Community Payback scheme, whose teams have helped us remove the graffiti.
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Prosperity – Improving the economic and social opportunities available to our communities

Our priority is to focus on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic opportunities and delivering cost effective services.

What we wanted to achieve	What we have done
Objective: Continue the streamlining of back office functions in order to ensure an efficient and sustainable Council for the future.	<ul style="list-style-type: none">• Approved a senior management restructure of three full-time Directors and the deletion of the Chief Executive post, to provide a more streamlined corporate team. An existing Director post has been redesignated to include many of the Chief Executive's previous functions and therefore by combining the two roles will save more than £100,000 annually.• Took robust action against fraud and during 2012/13 have prosecuted 8 people, issued 19 administration penalties and 38 cautions. This means that the council is recovering a combined total of Housing Benefit/Council Tax Benefit overpayments of £288, 462.28 against these 65 sanctions and other overpayments determined as fraudulent. A further £13,154.28 in overpayments of Department for Work & Pensions benefits was also identified.• Developing collaborative arrangements with other authorities on key areas of procurement activity such as office cleaning and the East of England Postal project, to provide greater resilience and optimise the use of resources. Both projects are in development and the office cleaning contract has recently been advertised in the Official Journal of European Union (OJEU). The postal project is at project board stage and is now waiting for the GPS (Government Procurement Service) to complete their tender process for their postal tender before the collaborative tender can take place.

Objective: 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.

- Gave Apton Road car park a £100,000 makeover. The new design of the lower level makes it easier for motorists to circulate within the car park. The old surface, which was loose and prone to potholes, now has a smooth Tarmac topping, while new white lines clearly mark out the spaces and indicate entrance and exit routes.
- Gave Hertford town centre car park a £600,000 revamp to make it more updated modern car park. Improvements included re-tiling, re-painting and the installation of anti-pigeon measures, as well as resurfacing. Also more spaces were created for blue badge holders.
- Approved the district's first Parking and Transport Strategy on 4 July 2012. The strategy provides a position statement and a strategic framework to enable specific proposals to come forward later recognising the variety of transport and park challenges that the district is faced with.
- Joined up with Sawbridgeworth Town Council to offer a free hour of parking, with the town council agreeing to underwrite the trial up to a maximum of £10,000. For an initial period of six months, until February 6 next year, motorists can park without charge for the first hour of their stay. In addition the cost of longer stays has been cut. It is hoped that this will encourage shoppers to the town and support local businesses.
- Expanded RingGo to enable motorists to top up their car park ticket by phone without having to pay the 20p transaction fee. The service was introduced last year to allow motorists to pay for their parking by phone using a credit and debit card, to solve the problem of having no change. Since the expansion of Ringo, usage has more than doubled with 41,716 transactions taking place in 2012/13, compared to 17,347 in 2011/12.
- Granted the Park Mark Safer Parking Award for the Old London Road car park in Hertford bringing the total number of Safer Parking car parks in East Herts to seven. The Park Mark Safer Parking Award is given to parking facilities that have achieved the requirements of a risk assessment conducted by the Police and the British Parking Association. The Safer Parking Scheme is an initiative of the Associations of Chief Police Officers (ACPOS), aimed at reducing crime and the fear of crime in parking areas. The council has recently put in place measures to help deter criminal activity and anti-social behaviour.

ESSENTIAL REFERENCE PAPER 'B'

<p>Objective: Increase the economic resilience of the market towns working with the local business community.</p>	<ul style="list-style-type: none"> • Awarded Markets Team of the Year award by the National Association of British Markets (NAMBA). Over the past year the team have introduced a range of new systems for the markets in Stortford, Hertford and Ware, including trader incentives and farmers' market. • Hertford Farmers' Market was shortlisted to be a finalist in the Certified Farmers' Market of the Year award by Farma, the national Farmers' Retail and Markets Association. It was shortlisted as it recognised Hertford farmers' market for its fantastic range of local and home grown produce, friendly and knowledgeable traders, and dedication to supporting all things Hertford. • Supported the exploration of a combined scheme for time limited pedestrianisation of South Street/Potter Street and creation of Shared Space focused around the South Street/ Station in Bishop's Stortford. The proposals were put forward by the Bishop's Stortford 2020 Group, as it was felt they could bring a number of benefits to the town, such as, improved pedestrian environment, improved street scene and walking opportunities and regeneration of the area in particular retail and commercial facilities. It was agreed further consultation be undertaken before it is recommended for inclusion in the Bishop's Stortford and Sawbridgeworth Urban Transport Strategy.
<p>Objective: Ensure enhanced broadband throughout the district and enable residents and business in rural communities to have access to broadband provision comparable with urban settings.</p>	<ul style="list-style-type: none"> • Hertfordshire County Council have recently signed a contract with BT to provide improved broadband. Subject to survey, 12,000 homes and businesses in Hertfordshire (which will include East Herts) should benefit from faster broadband. More information on the implementation of the contract can be found on www.superfastforherts.org.
<p>Objective: To freeze Council Tax for 2011/12 and 2012/13 and aspire to a zero percent increase in the following years.</p>	<ul style="list-style-type: none"> • Council tax was frozen at the 2010/11 level for the financial year of 2011/12 and 2012/13. Further more the Council agreed a 1% drop in council tax from 1 April 2013 for the financial year 2013/14. The drop was due to a government grant given to the council for freezing its precept and it was decided to pass on the savings to residents.

ESSENTIAL REFERENCE PAPER 'B'

<p>Objective: Ensure, in partnership with the community, that new and existing housing and commercial development meet East Herts priorities.</p>	<ul style="list-style-type: none"> Made additional resources available to ensure feedback from residents in relation to the significant development proposals at Bishop's Stortford North can be thoroughly assessed. The Council has formulated an initial Site Issues and Development Brief document. This is now being updated with partners to ensure that development proposals meet East Herts priorities. A first application has now been submitted and further ones are likely to follow. The Council will continue to ensure that these are widely publicised.
<p>Objective: Review employment land and look at different opportunities for example office space and industrial space to support business.</p>	<ul style="list-style-type: none"> Recruited a temporary officer to report on the stock of employment land in East Herts to replace the last one undertaken in 2008. The outcome of the Employment Land Review was reported to Corporate Business Scrutiny Committee on 2 July 2013 and identified areas and projects that might be appropriate for Council investment.
<p>Objective: Create a vision document to guide future development in Hertford and Ware towns.</p>	<ul style="list-style-type: none"> Established a Hertford Futures group to look at creating a vision document to guide future development in the town. Chaired by the Portfolio Holder of Economic Development, key participants include Hertford Town Council, Hertfordshire County Council and Transition Hertford.
<p>Objective: Deliver the five year rural land based business development programme.</p>	<ul style="list-style-type: none"> Continued to lead the bid, in partnership with North Herts and Uttlesford District Councils and Essex and Hertfordshire County Councils, for £2.1 million funding to help rural enterprises. Since the start of the programme 17 projects in East Herts have been allocated funding (32 across the programme), totalling £1,212,009 (£1, 654,196 across the programme) and 30 new jobs have been created or forecasted to be created to date in East Herts.
<p>Objective: Establish a sound planning framework for the District through the implementation of the Local Development Framework (LDF).</p>	<ul style="list-style-type: none"> Progressing well with the production of the Local Development Framework Core Strategy (now identified as the District Plan). Consultation has been delayed but this is necessary to ensure that the Plan is based on the most robust background information and will stand the test of challenge in the future. Whilst a precise date cannot be identified at present, it is now anticipated that a draft will be available for consultation later in 2013/14.

Section 5: Consultation

The council is committed to engaging with local people directly about key issues so they can help shape the future of the district. During 2012/13 the council consulted for example on the:

- Council Tax Support Scheme
- Private Sector Housing Enforcement Policy
- Housing Register Policy
- Parks & Open Spaces Strategy 2013-18
- Pishiobury Park Greenspace Action Plan 2012-17

During 2013/14 the council will be undertaking its biennial Residents Survey.

To view all our current open consultations and results of closed consultations go to www.eastherts.gov.uk.

Section 6: Equalities

The Public Sector Equality Duty, part of the Equality Act 2010, places an obligation on the council to meet the needs of all individuals in the way we work, when shaping policy, delivering services and in relation to our own employees. The Equality Act 2010 states that the Council must have due regard to:

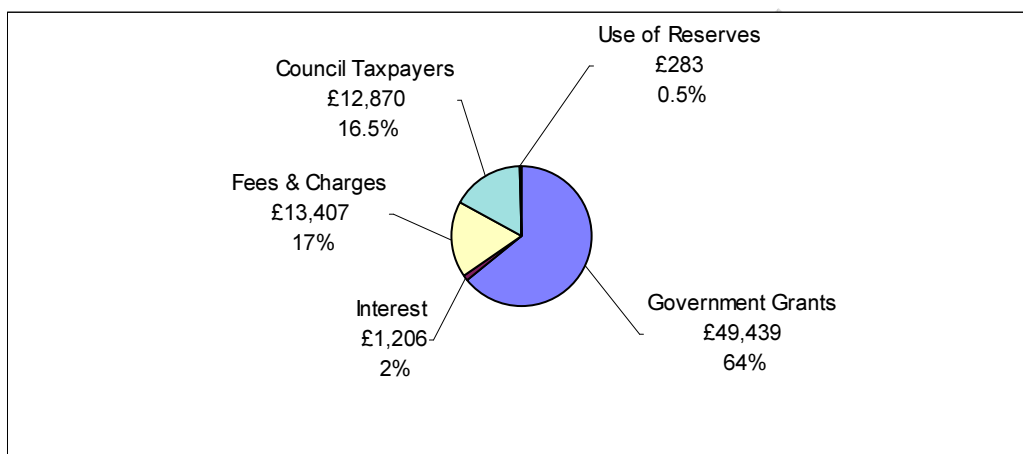
- eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act;
- advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The protected characteristics set out in the Act are: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation and marriage and civil partnership. The East Herts Council Comprehensive Corporate Equality Policy 2012-2015 supports and drives the Council's commitment to better meeting the needs of the district's diverse communities and delivering better services for our customers and ensuring access is fair and reasonable for all.

Section 7: Financial Information

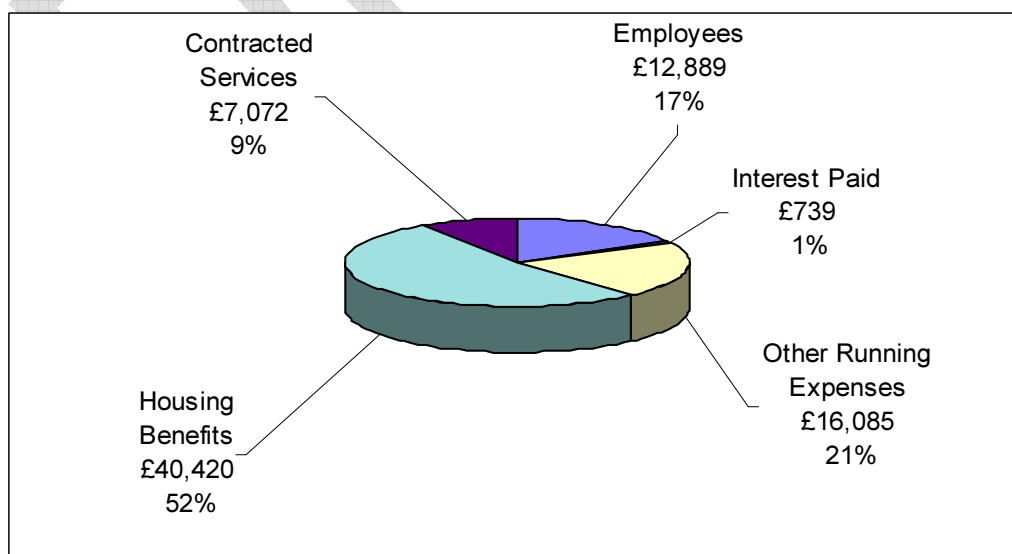
The following summarises East Herts Council's statement of accounts for the financial year from 1 April 2012 to 31 March 2013¹⁸.

**Where the money comes from
Sources of income to the council
£000**



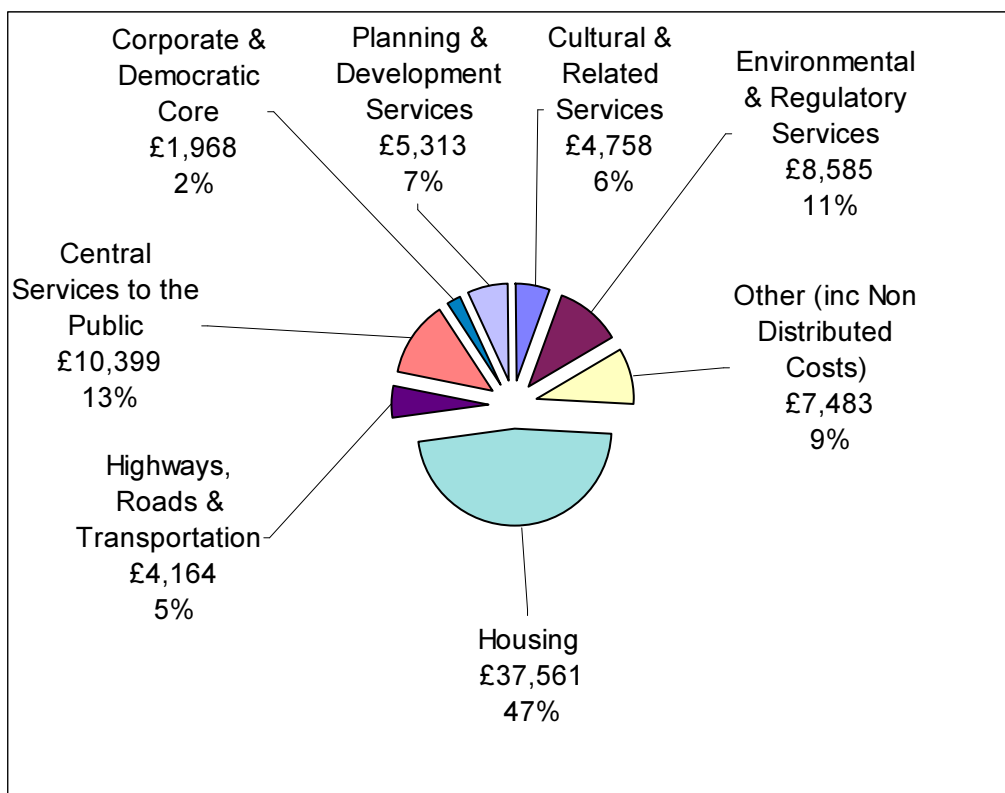
It can be seen that the largest source of the Council's income is from Government Grants.

**How the money is spent
£000**



¹⁸ Draft accounts prior to audit

**The services provided
£000**



The cost of "The Services Provided" includes capital charges, impairments, revenue funded from capital under statute and capital government grants totalling £3,027k which have been excluded from the chart "How the money is spent". It also includes expenditure on investment properties not included in the "Net Cost Of Services" shown in the Comprehensive Income and Expenditure statement.

The full statement of account can be found at www.eastherts.gov.uk along with a full set of previous years audited accounts.

Section 8: Statement on Contracts

In making changes to the way in which services are delivered, there will be times when the council awards contracts that involve the transfer of employees out of council employment. In 2012/13 there were no transfers of employees.

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ESSENTIAL REFERENCE PAPER 'B'

Section 9: Performance Indicators

Corporate priority performance measures for 2012/13.

For information the following data will be provided:

Code	Indicator	Past performance	Current performance				Lead Service
		2011/12	2012/13		Performance		
		Outturn	Target 2012/13	Outturn	Short term trend	Status	
Indicators then sorted by priority							

Appendix A Contact your councillor

Contact details for all 50 councillors can be found on the council's website - www.eastherts.gov.uk or by contacting Democratic Services on 01279 655261.

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Inserted on the back of the report

We welcome your feedback on this Annual Report.

Getting in Touch

Telephone: 01279 655261

Email: performance@eastherts.gov.uk

Bishops Stortford Office: Charringtons House, The Causeway,
Bishop's Stortford, Herts, CM23 2EN

Hertford Office: Wallfields, Pegs Lane, Hertford, SG13 8EQ

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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 27 AUGUST
2013

EXECUTIVE – 3 SEPTEMBER 2013

REPORT BY THE LEADER OF THE COUNCIL

8. CORPORATE STRATEGIC PLAN 2014/15 – 2017/18

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

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

RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY:

That:

(A)	The 2014/15 – 2017/18 Corporate Strategic Plan be recommended to Executive for approval.
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RECOMMENDATION FOR EXECUTIVE: That:

(A)	The 2014/15 – 2017/18 Corporate Strategic Plan be approved.
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1.0 Background

- 1.1 The council is required to produce details in the public domain of what it plans to do and this is achieved by publishing a four year Corporate Strategic Plan.
- 1.2 The Corporate Strategic Plan play's a key role in the council's performance management framework. It feeds into the council's four-year budget-planning model, to ensure expenditure is planned effectively and that financial resources are available to fund actions in priority areas.
- 1.3 The Corporate Strategic Plan is a forward-looking document. Details of how the Council has performed against its proposed

outcomes will continue to be reported through the Annual Report published every September.

2.0 Report

- 2.1 The Corporate Strategic Plan sets out the overall vision and direction for the council over the next four years. It highlights the high level priorities and identifies the key outcomes that will be achieved.
- 2.2 The draft 2014/15 - 2017/18 Corporate Strategic Plan is attached in **Essential Reference Paper 'B'**. Changes are highlighted in 'green'.
- 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 and refine outcomes where changes occur. It should therefore be seen as a rolling document.
- 2.4 Once agreed the Plan will be used to support the development of the 2014/15 Service Plans. A working paper has been attached in **Essential Reference Paper 'C'** to illustrate some of the planned service activity that will be undertaken in support of the draft 2014/15 - 2017/18 Corporate Strategic Plan.
- 2.5 In conclusion members are asked to review the draft of the 2014/15 - 2017/18 and recommend it to the Executive.

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 A P Jackson – Leader of the Council.

Contact Officer: Simon Chancellor – Head of Finance and Performance, Extn: 2050.
simon.chancellor@eastherts.gov.uk

Report Author:

Ceri Pettit – Corporate Planning and Performance
Manager, Extn: 2240. ceri.pettit@eastherts.gov.uk

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	<p>People</p> <p>This priority focuses on enhancing the quality of life, health and wellbeing, particularly for those who are vulnerable, and delivering strong services.</p> <p>Place</p> <p>This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p>Prosperity</p> <p>This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	The senior management team were consulted on the draft 2014/15 – 2017/18 Corporate Strategic Plan.
Legal:	There are no legal implications. Specific legal implications relating to actions set out in the plan will be considered as part of their implementation.
Financial:	There are no financial implications at this stage, but will be considered as actions are brought forward.
Human Resource:	There are no human resources implications.
Risk Management:	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.

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ESSENTIAL REFERENCE PAPER 'B'

East Herts Council Corporate Strategic Plan 2014/15 – 2017/18

	Page Number
1. Introduction	2
2. East Herts Council – Context and Summary	3
3. Organisation and Culture – Here to Help You	5
4. Delivering Your Priorities	7
5. Measuring Success – How we plan and manage what we do	10

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1. Introduction

This is East Herts' Corporate Strategic Plan 2014 – 2018.

East Herts is 'Here to Help' you with good quality services focused on the areas that you've said are important to you.

The weekly waste and recycling collections are probably the most visible and well-known of the services we provide. But this is only the tip of the iceberg in terms of what we do.

Residents and businesses want quick and easy access to a broad range of support and advice from planning applications to housing benefit. We're also beginning to play a bigger role in working with local health services to improve facilities for residents.

At the same time local government faces ever increasing challenges and demands requiring more efficiencies and cuts. We know that local authorities will be facing further significant reductions in the funding we receive from central Government.

So we'll need to become more creative and innovative around the way we use our resources.

Our financial ethos is about getting the best from the income that we receive so that we can generate the greatest overall benefit for our residents. For example we'll be looking at ways to improve returns on our investment portfolio through longer-term projects.

Your councillors have been developing their leadership skills so that they are better placed to take on a more central role in improving the communities where we live.

Working together we will continue to shape East Herts and deliver better outcomes for everyone.

Councillor Anthony Jackson

Leader of the Council

George A Robertson

***Chief Executive and Director
of Customer & Community
Services***

2. East Herts Council in Context and Summary

Our Vision:

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

Our Strategic Priorities:

East Herts Council is here to help you. We are committed to the communities we serve and delivering good quality services that reflect local priorities and resources. In pursuit of that vision your elected councillors have identified three **PRIORITIES** to provide focus in those endeavours.

They are:

People – Fair and accessible services for those that use them and opportunities for everyone to contribute

Place – Safe and Clean

Prosperity – Improving the economic and social opportunities available to our communities

The relevance of our priorities has been tested through regular formal and informal consultation with local residents, businesses and partners. Importantly, our priorities are informed by the vision and priority themes of the East Herts Local Strategic Partnership, which brings together the views and talents of a wide range of groups and organisations.

The council's District Plan provides the framework to shape the district's built environment. It supports the council's and the Local Strategic Partnership priorities, whilst at the same time balancing the many external pressures that impact on the plan.

The Council's Developing Roles: Here to help you

Supporting residents and communities to get the best access to the services and advice that they need means the council's role is much more than a service provider.

We realise that *how* we will make a difference to the communities we serve, will be by fulfilling a mix of any of the five main roles we have identified:

Community Leadership	<ul style="list-style-type: none">• inspiring and coordinating others' efforts with us and whichever partners can best help; helping communities to achieve their local ambitions
Partner	<ul style="list-style-type: none">• actively engaging with others and jointly committing time, money, intelligence and resources
Service Provider / Commissioner / Manager	<ul style="list-style-type: none">• ensuring the delivery of good quality services that reflect local priorities and resources; having responsibility and resources for consistent delivery will provide the bedrock for an organisation that continues to be here to help you
Influencer	<ul style="list-style-type: none">• lobbying, listening, communicating and campaigning
Enabler	<ul style="list-style-type: none">• making connections and removing barriers

3. Organisation and Culture - Here to Help You

Our organisation:

We are 'Here to help you' our residents and to make a difference. We want to deliver the outcomes that local residents and communities want, so we will always endeavour to:

- Provide efficient and joined-up services, easily accessible to you the customer
- Be a gateway for access. If you need help and don't know who to ask, we will try to help you or put you in touch with someone else who can
- Provide excellent customer service ensuring that our customers get the services or support they need whether provided directly by us or through our partners
- Work in partnership with others across the district through the East Herts Local Strategic Partnership
- Create an environment where communities feel empowered and supported to provide their own solutions

Our Culture:

Our culture focuses on the ethos of being 'Here to help you'. This lies at the root of our organisational values and behaviours demonstrated by the actions of councillors and staff.

The councillors' roles:

Your local councillors are elected to make council policy, take up issues and represent their ward and district communities. The role of councillors has been changing, with more emphasis placed on greater community engagement and stronger local advocacy. We see our councillors being **Strong Community Leaders** who:

- Are in touch with their local community
- Understand what the local issues are
- Support and champion their local issues by seeking to balance conflicting needs or providing the conduit to get things delivered, without losing sight of the strategic context of the district as a whole.

Every district councillor plays a role in ensuring this plan is delivered, whether they are an Executive, scrutiny or regulatory committee member and of course as an elected ward member.

Democratic Representation and Decision Making

East Herts has 50 councillors representing 30 wards and each councillor serves for four years. Following the district council elections in May 2011 and four by-elections in 2013 the breakdown of the political representation is:

Conservative: 45

Independent: 3

Liberal Democrat: 2

The council operates a Leader and Executive model, with key executive decisions taken by an Executive of seven councillors with decisions and other issues reviewed by three scrutiny committees. Separate committees undertake other specific functions, for example, in relation to Planning and Licensing. Full details of the council's decision making process are available at: www.eastherts.gov.uk.

Our People:

The council knows that its most important asset is its people. Our workforce planning has a central role in delivering improved services and has been developed to:

- Help colleagues 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
- Support colleagues to be flexible and resilient; able to respond to service changes and developments
- Support management information

4. Delivering Your Priorities

The priorities and objectives recognise the challenges faced by residents and the council. They reflect the high level outcomes we and our partners want to deliver for the district and its residents.

<i>People</i> – Fair and accessible services for those that use them and opportunities for everyone to contribute	
This priority focuses on delivering strong services and seeking to enhance the quality of life, health and wellbeing, particularly for those who are vulnerable.	
Therefore we want to:	Our role will be as a:
Reduce health inequalities, for example, by addressing obesity, smoking and physical inactivity	Community Leader, Influencer, Partner and Enabler
Reduce fuel poverty	Community Leader, Influencer, Partner and Enabler
Increase community engagement	Community Leader, Partner and Enabler
Deliver strong and relevant services	Provider/Commissioner /Manager
Improve outcomes for vulnerable families and individuals	Community Leader, Influencer, Partner and Provider / Commissioner / Manager

ESSENTIAL REFERENCE PAPER 'B'

Place – Safe and Clean	
This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.	
Therefore we want to:	Our role will be as a:
Reduce residual waste and increase our recycling rate	Community Leader, Influencer and Provider / Commissioner / Manager
Reduce the carbon dioxide emissions from our own operations by 25% by 2020 and work with partners to reduce the emissions of households and businesses	Community Leader, Influencer and Provider / Commissioner / Manager
Maintain our clean streets and reduce litter	Community Leader and Provider / Commissioner / Manager
Maintain our parks, play areas and open spaces in good order	Community Leader, Partner and Provider / Commissioner / Manager
Reduce anti social behaviour and the fear of crime	Community Leader, Partner and Enabler
Ensure future development best meets the need of the district and its residents	Community Leader, Influencer and Provider / Commissioner / Manager

ESSENTIAL REFERENCE PAPER 'B'

***Prosperity* – Improving the economic and social opportunities available to our communities**

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

Therefore we want to:	Our role will be as a:
Deliver value for money and reduce our reliance on central government funding	Partner and Provider / Commissioner / Manager
Enhance the economic well being of East Herts	Community Leader, Influencer and Enabler
Deliver sustainable rural business growth	Community Leader, Influencer and Enabler
Protect the environment	Community Leader, Influencer and Provider / Commissioner / Manager

5. Measuring Success – a golden thread – How we plan, manage and deliver what we do

- **East Herts Local Strategic Partnership** developed and agreed a Sustainable Community Strategy as the overarching partnership plan for East Herts. Informed by the community it serves, it articulates shared aims and aspirations for the district. For 2012/13 East Herts Local Strategic Partnership reviewed and revised its priorities to three priority outcomes –

- community safety
- promoting economic well being
- supporting the vulnerable

Working groups supporting the original themes have been brought together and partnership actions have been agreed for each priority theme.

- **East Herts Council's Corporate Strategic Plan** (this plan) sets out the overall vision and direction for the council. Refreshed annually it looks forward over the next four years and links to the shared priorities of the Local Strategic Partnership. The Strategic Plan highlights the high level priorities for the council and identifies some of the key outcomes that will to be achieved. The plan sets the direction for the organisation and forms the basis for the council's performance management activities and steers the distribution of resources.
- **Service Plans** are produced every year by Heads of Service, agreed by the council's elected members. They set out what key development type 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 **Medium Term Financial Plan** considers the resources needed to deliver the council's priorities and ambitions. Development of service plans and a challenge process with elected members feeds into a four-year budget-planning model. The council uses the model to plan its expenditure

and make sure that financial resources are available to fund actions in priority areas.

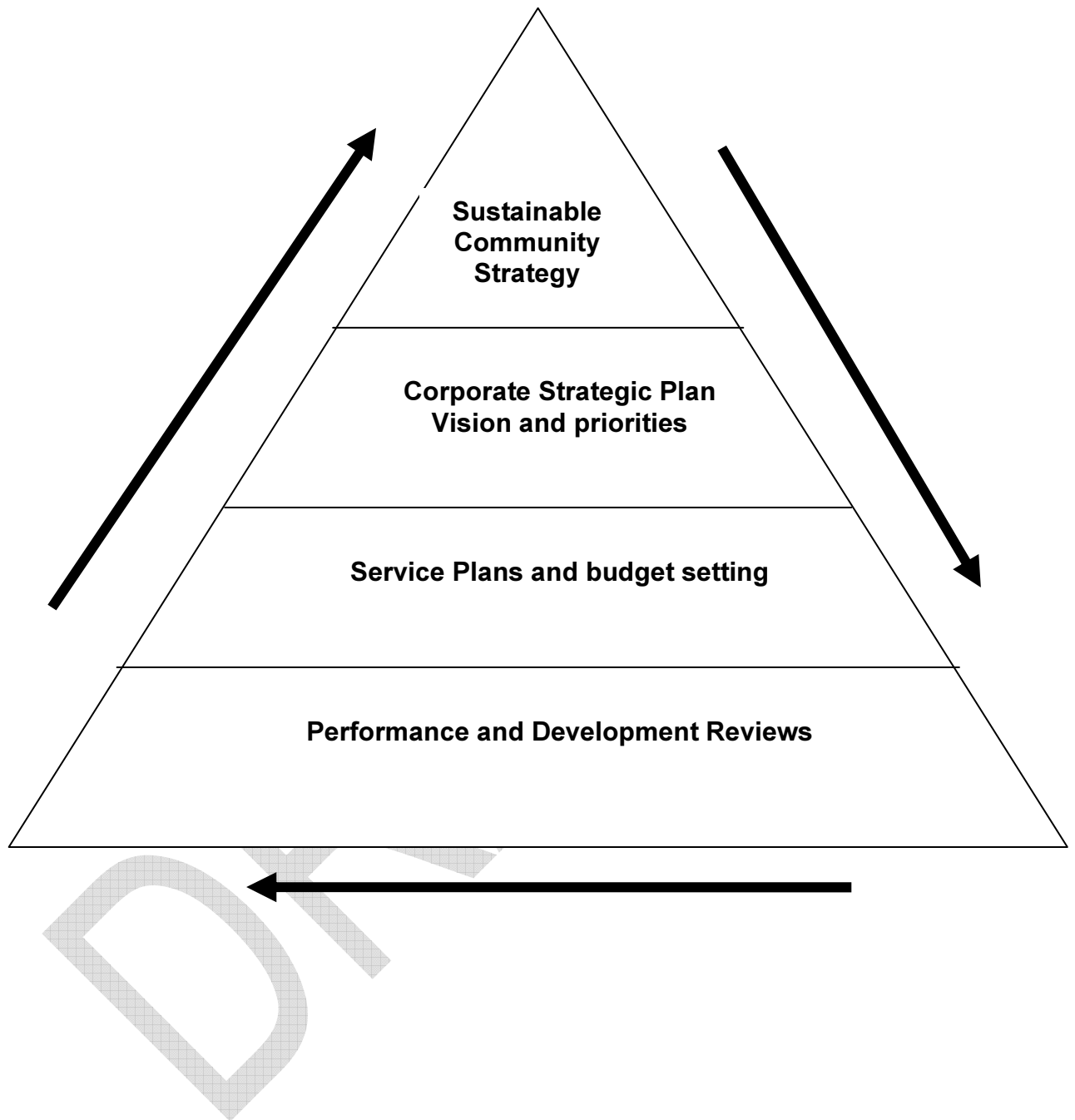
- The **People Strategy** is the council's framework for the delivery of people management, ensuring the council has a high quality workforce delivering good quality services. The strategy contains seven key people objectives, which are aligned to the council's priorities. They are:

- Organisational development
- Learning and development
- Resourcing
- Equality and diversity
- Employee relations and reward
- Health and safety
- HR and payroll service

Overarching these is the organisation's commitment to the 'Here to Help' ethos and behaviours.

- **Performance and Development Reviews** set out individual's personal objectives that a member of staff needs to achieve to deliver their Service Plan and which contribute to the achievement of the council's priorities. This process helps ensure every member of staff has the opportunity to develop their learning and personal development plan.
- The **Performance Management Framework** delivers timely monitoring of the council's priorities and delivery of outcomes. Financial and performance information and analysis is made available in the form of a regular **Corporate Healthcheck** and half yearly **Service Plan Monitoring Reports**. They are considered both by the **Corporate Management Team** and reported formally to the council's **Executive Committee** and **Scrutiny Committees**. Scrutiny meetings are open to all and we strongly encourage the public to attend.

East Herts Performance Management Framework:



NOTE: This is a working paper only, it will not form part of the published Corporate Strategic Plan

Service planning – People, Place and Prosperity

<i>People</i>		
This priority focuses on delivering strong services and seeking to enhance the quality of life, health and wellbeing, particularly for those who are vulnerable.		
Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Reduce health inequalities , for example, tackling obesity, smoking and physical inactivity	Community Leader, Influencer, Partner and Enabler	<p>Projects and initiatives as part of the East Herts Public Health Action Plan.</p> <p>Leisure services supporting and encouraging physical activity through its varied operations. Ongoing sustained approach.</p> <p>Enabling and supporting our Community Sports Network.</p> <p>Delivering grants programmes.</p>

ESSENTIAL REFERENCE PAPER 'C'

Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Reduce fuel poverty	Community Leader, Influencer, Partner and Enabler	Working to reduce fuel poverty (e.g. the 'Green Deal')
Increase community engagement	Community Leader, Partner and Enabler	<p>Delivering member training on engagement and providing support services</p> <p>Administering Community Capital Grants to support community projects</p> <p>Administering of new homes bonus grant to support community projects</p> <p>Corporate communication</p>

ESSENTIAL REFERENCE PAPER 'C'

Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Deliver strong and relevant services	Provider, Commissioner and Manager	<p>Sustaining leisure services.</p> <p>Sustaining statutory services (where no specific objective) e.g. EH inspections, DC processing of applications, BC inspections</p> <p>Implementing shared services, improving resilience, providing efficient and value for money services</p> <p>Ensuring that appropriate governance arrangements and internal controls are in place particularly in relation to shared services and partnerships</p> <p>Ensuring that due consideration is given to all risks</p> <p>Compiling the Annual Governance Statement & Action Plan to address any identified control weaknesses across the Council as well as the future monitoring</p> <p>Updating the Business Continuity Plan</p>

ESSENTIAL REFERENCE PAPER 'C'

Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
<p>Improve outcomes for vulnerable families and individuals</p>	<p>Community Leader, Influencer, Partner and Provider/Commissioner</p>	<p>Securing 200 new affordable homes per year.</p> <p>Processing Housing Benefit/Council Tax Support claims and change events within an average of 15 days.</p> <p>Commissioning more advice from CAB and debt advice to support people.</p> <p>Sustaining homelessness service and adapt advice and service to changes with the benefit system.</p> <p>Engaging private landlords to house people on benefits.</p> <p>Delivering the grants scheme</p> <p>Providing leadership for the LSP to deliver projects aimed at the vulnerable e.g. transport, mental health, community safety and 'getting people back to work'</p> <p>Embracing the 'Ageing Well' agenda e.g. housing for older people.</p> <p>Support the Thriving Families programme.</p>

<i>Place</i>		
This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.		
Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Reduce residual waste and increase our recycling rate	Community Leader, Influencer and Provider/Commissioner	Increasing recycling rate - removing cardboard from the organic waste stream Reducing residual waste
Reduce the carbon dioxide emissions from our own operations by 25% by 2020 and work with partners to reduce the emissions of households and businesses	Community Leader, Influencer and Provider/Commissioner	Implementing the East Herts Climate Change Action Plan
Maintain our clean streets and reduce litter	Community Leader and Provider/Commissioner	Sustaining environmental cleanliness e.g. littering, graffiti, fly posting, abandoned vehicles, abandoned dogs

ESSENTIAL REFERENCE PAPER 'C'

Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Maintain our parks, play areas and open spaces in good order	Community Leader, Partner and Provide/Commissioner	Encouraging participation in outdoor sports and healthier lifestyles Sustaining two Green Flag awards Sustaining current standards of parks and open spaces
Reduce anti social behaviour and the fear of crime	Community Leader, Partner and Enabler	Continue to work with the Community Safety Partnership and the Police and Crime Commissioner - in particular tackling anti social behaviour
Ensure future development best meets the need of the district and its residents	Community Leader, Influencer and Provider / Commissioner / Manager	Programme and completion of the District Plan.

<i>Prosperity</i>		
This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic opportunities and delivering cost effective services.		
Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Deliver value for money and reduce our reliance on central government funding	Partner and Provider/Commissioner	<div>Delivering planned efficiency savings</div> <div>Re-tendering of key contracts that are due for renewal</div> <div>Facilitating the delivery of a sustainable and balanced MTFP</div> <div>Supporting the effective management and monitoring of the Council's Revenue and Capital budgets to ensure that scarce resources are directed in line with Council priorities</div> <div>Developing a strategy to significantly improve investment returns</div>

ESSENTIAL REFERENCE PAPER 'C'

Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Enhance the economic well being of East Herts	Community Leader, Influencer and Enabler	<p>Implementing the industrial estates modernisation programme</p> <p>Providing/facilitating business advice</p> <p>Providing advice on procurement regulations in respect to possible initiatives to promote small and medium enterprises (SMEs)</p> <p>Establish another "My incubator" a business start up facility</p> <p>Car Parking improvements</p>
Deliver sustainable rural business growth	Community Leader, Influencer and Enabler	Implementing the Eastern Plateau Rural Development Programme.

ESSENTIAL REFERENCE PAPER 'C'

Therefore we want to:	Our role will be as a:	2014/15 Service plan activity needs to cover the following issues
Protect the environment	Community Leader, Influencer and Provider/Commissioner	Targeting campaigns to encourage resident participation on improving the local environment e.g. green travel

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EAST HERTS COUNCIL

CORPORATE BUSINESS COMMITTEE – 27 AUGUST 2013

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

9. FINANCIAL STRATEGY AND MEDIUM TERM FINANCIAL PLAN TO 2017/18

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- For Scrutiny to consider revisions to the Financial Strategy including policy on reserves and the proposed planning assumptions to be used to update the Medium Term Financial Plan (MTFP).
- To make recommendations to the Executive.

<u>RECOMMENDATIONS FOR CORPORATE BUSINESS SCRUTINY:</u> that	
(A)	The proposed Financial Strategy be recommended to the Executive for approval; and
(B)	The Executive be advised that the planning assumptions set out in this report should be adopted by the Council as the basis for framing the 2013/14 budget and Medium Term Financial Plan to 2017/18.

1.0 Background

1.1 This report sets the context for the future financial position at East Herts Council. The Financial Strategy is a statement on the Council's approach to management of its financial resources to meet its priority delivery areas. The strategy also considers the appropriate level of reserves that the Council holds to mitigate current and longer term risks.

1.2 Medium term financial planning must make assumptions about the future course of demand and cost pressures on spending and on the factors which affect future income. In June 2013, announcements were made from the Comprehensive Spending Review that impact on the levels of Government funding that

change some of the previous assumptions that were in the medium term financial plan from 2015/16 onwards. This plan addresses the outcomes of those announcements.

- 1.3 In 2013/14, the way in which Local Government is funded has fundamentally changed, this was reflected in the Medium Term financial plan considered in February 2013 and continues to be reflected here.

2.0 Report

- 2.1 This report considers outlines the underlying assumptions within the Medium Term Financial plan (MTFP) and addresses the following key areas:

1. Identification of the impact of funding changes and identifies the risks with some assessment of sensitivity analysis
2. Review of the financial strategy including the current level of reserves
3. Considers underlying assumptions around inflation, savings and growth
4. Other factors that need to be considered

Funding Changes

- 2.2 In 2013/14 the way that Local Government is funded has fundamentally changed, with the introduction of the “Retention of Business Rates” scheme whereby the Business rates that we collect in as a Council are now shared between us and Central Government. If the Council is able to grow business rate yield above the rate that Government assume we will collect, then we will be able to retain 50% of that growth. If we do not collect as much as they anticipate, then this impacts upon our funding until a safety net kicks in at 7.5%.
- 2.3 The actual rate that is charged is set by Central Government and the Valuation Office determines how much each business must pay. We do not have influence over these amounts but some businesses may be eligible for discounts and exemptions that reduce their burden. Any discounts awarded, impact upon our funding levels as do any revaluations that businesses are awarded on appeal. The rate of tax is indexed to each

Septembers RPI.

- 2.4 The scheme has been running since 1 April 2013 and at this stage we are assuming that the predictions made by Central Government are accurate and have reflected this in the Medium Term Financial Plan. The monitoring of levels of business rate collection and the forecast of future levels is in early stages this year, but forms part of the monthly Healthcheck budget monitoring process. Significant deviations will be reported.
- 2.5 From 1 April 2013, Council Tax Benefit was replaced with a Council Tax support scheme that was consulted on during 2012/13. The shared Revenues and Benefits service has been administering this scheme since that time. The scheme was devised so that for non-pensioners (who were protected from the changes in the scheme), all recipients of Council Tax support had to pay at least 8.5% of their liability.
- 2.6 Any increase in the cost of discounts above our original estimates would impact upon our funding. A 1% increase in the cost would cost us in the region of £7k. At this stage of the financial year, we are not anticipating additional burdens and have not reflected this in the MTFP but we continue to consider this risk through the monthly Health Check process.
- 2.7 In June 2013, there were announcements around the funding for Local Government in the Comprehensive Spending review. The key points from those announcements are as follows:
- 10% funding reduction in 15/16 with notes that similar reductions expected in future years. This is on our total funding and not just the grant element that we receive from Central Government
 - Up to 40% top-slice from our New Homes Bonus Grant although it is unclear on how this will be calculated or how this will be administered as this is subject to consultation.
 - An overall Welfare spending cap for all of Government. At this stage it is unclear what impact this could have on East Herts directly.
- 2.8 The impact of the Comprehensive Spending Review has been included in the MTFP and so our overall funding levels have been reduced in each year from 2015/16 onwards as part of our

planning assumptions.

- 2.9 The funding levels for 2014/15 were announced in December 2012 as part of the 2013/14 settlement. The funding that we are due to receive is an indicative amount and could be subject to change later this year.
- 2.10 The proposed MTFP includes a specific contingency item of £200k in 2014/15 to meet any changes in funding should these be forthcoming.

Review of the financial strategy and current level of reserves

- 2.11 **Essential Reference Paper ‘C’** is the current Financial Strategy which has been refreshed to reflect the changes in Central Government funding.
- 2.12 The financial strategy and the MTFP have a 5 year focus and for the purposes of the Strategy this remains sound. However, modelling on a longer term basis, considering potential scenarios around further changes in the scope and amount of Central Government funding are being developed to assist with longer term planning. The types of scenario include:
- Changes in population numbers
 - Potential changes in Household numbers
 - Potential changes in Business growth
 - Sustainability of other Government grants such as New Homes Bonus
 - Longer term investment decisions
- 2.13 A review of the level of reserves has been carried out as at 31st March 2013 based on the draft final accounts (**Essential Reference Paper ‘D’** refers). This indicates that reserves are above the ceiling set out in the strategy by £805k. Consideration does need to be given to the potential release of reserves to reduce the overall general reserve which will be reviewed as part of the integrated resource and service planning currently underway.
- 2.14 At 31 March 2013 earmarked reserves totalled £6.052m. Additions to Earmarked reserves in 2012/13 totalled £2.692m. A number of these will be released in year for specific purposes.

- 2.15 There was an underspend in the financial year 2012/13 which meant that resources could be set aside for earmarked purposes. To ensure that any ongoing financial implications are identified early, a specific “Budget Challenge” session is being run examining financial trends in all budget areas to identify any resource that can be reallocated to priority areas. The results of these challenge sessions will assist with identifying new savings plans necessary to meet the new savings requirements identified in this MTFP when setting the budget for 2014/15 in January 2014.

Underlying Assumptions around Inflation, Savings and Growth

- 2.16 **Essential Reference Paper ‘C’** refers to the underlying assumptions that have been made in terms of inflation and other price increases during the medium term planning and the summary model of the MTFP shows how these have been included in the plan.
- 2.17 The model assumes that all savings and growth that have previously been identified are all delivered, and this is included within the detail sheets behind the summary model.
- 2.18 The MTFP also indicates that there are new savings that have to be identified, specifically for 2016/17 and 2017/18. To be able to deliver this level of savings planning needs to be underway to ensure that these can be fully met in those years.
- 2.19 During this planning round, further review needs to be undertaken to ensure that the assumptions around the Localisation of Council Tax Support and Business Rate growth are valid and especially understanding the impact on the Council Tax Base. Given the fact that both of these schemes are new from 1 April 2013, detailed modelling is already being considered but with only a few months’ data available on which to forecast, this is an area that needs to be kept under detailed review.
- 2.20 Recent decisions on the Shared Service for ICT, Print and Design and Business Improvement which indicated significant savings from 2014/15 have also been included in this refreshed model.

Other factors that need to be considered

- 2.21 There will be a triennial review of Pensions that will report in November 2013. At this stage no assumptions have been made about potential increase in contributions above and beyond those already included in the model after the last review. However, there is a risk that further contributions will need to be made. Once the review has been undertaken, the Council will need to consider the best way of funding any additional contributions, either through additional revenue funding, or where appropriate, through a one-off payment to protect on-going revenue commitments. Decisions will have to be made by the Council once detailed information is available to assess the best way of dealing with this issue.
- 2.22 The Council had no unused capital receipts at 31 March 2013. Significant Capital development would be a cost to investment income and the Council needs to consider any additional Capital proposals and the total cost of any decisions. Invest to save proposals and externally funded projects need to take into account total costs to the Council as and when decisions are made on whether to undertake these projects.

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

Local Government Finance Settlement December 2012.

Contact Member: Councillor Michael Tindale – Executive Member for Finance. michael.tindale@eastherts.gov.uk

Contact Officer: Adele Taylor – Director of Finance and Support Services, Extn: 1401. adele.taylor@eastherts.gov.uk

Report Author: Adele Taylor – Director of Finance and Support Services, Extn: 1401. adele.taylor@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

Contribution to the Council's Corporate Priorities/ Objectives	<p>The budget and MTFP apply resources to achieve all the Council's priorities:</p> <p>People This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</p> <p>Place This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</p> <p>Prosperity This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	Corporate Business Scrutiny are contributing to consultation on the budget with further contribution planned when setting the budget.
Legal:	None at this stage but there are legal implications when the Council sets its budget for 2014/15.
Financial:	This report does not propose any spending or income but establishes priorities for future budgets from 2014/15.
Human Resource:	Where savings options may cause redundancy the relevant HR policies will apply and those savings remain subject to the outcome of the application of those policies.
Risk Management:	<p>Financial forecasts are inherently uncertain particularly given uncertainty around future funding.</p> <p>Risks around sensitivity of the information used has been identified and risk management includes:</p>

	<ul style="list-style-type: none"> • Making best estimates on the most relevant and up to date information • Adoption of the financial strategy • Proposed contingency sums • Adequate levels of earmarked and general reserve • Clearly defining assumptions made
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ESSENTIAL REFERENCE PAPER 'B'

Planning assumptions for August 2013 MTFP update:

Factor	Note	2014/15	2015/16	2016/17	2017/18
Council Tax Increase		0%	0%	2.00%	2.00%
Pay settlement (including allowance for increments and local award)	1	1.75%	1.75%	3.25%	3.25%
Members allowances	2	1%	1%	2.5%	2.5%
Price Inflation	3	2.3%	2.1%	2.00%	2.00%
Contract Inflation (general)	4	2.3%	2.1%	2.00%	2.00%
Council Tax Base	5	0.5%	0.5%	0.5%	0.5%
Pension Contributions	6	+1%	+1%	+1%	+1%

Notes:

1. Based on pay restraint ceilings to 2015/16 then average earnings less 2%. Includes an annual 0.75% increase to take account of increments and local award
2. Members allowances are set by Independent remuneration Panel but for planning purposes only, have included up rating in line with assumptions around pay.
3. Price inflation is based upon OBR predictions around inflation in future years
4. Contract inflation is based upon OBR predictions around inflation in future years
5. Council Tax base increases have been calculated using trend information. Further revisions may apply once more data on the impact of Council Tax support has been analysed.
6. Currently using assumptions from the last triennial review in 2010. Review results are due in November 2013 which may revise assumptions for final budget setting.

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ESSENTIAL REFERENCE PAPER 'C'

THE FINANCIAL STRATEGY 2014/15 TO 2017/18

What is it and why is it important?

The medium term financial strategy is a statement of the objectives and principles that underpin the Council's approach to managing its resources 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.

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. This allows the Council to take decisions about prioritising the resources it has. Included in those resources is income from council tax as well as funding from Business rates, grants and other income streams from fees and charges. The future is inherently uncertain and the strategy considers that uncertainty and how the council can mitigate the risks.

Business rates retention and local council tax support were introduced from April 2013 and the risk profile of our funding changed. In the medium the term the pace and strength of economic recovery, indicate a longer period of spending restraint. In this context the proposed strategy is to maximise the Council's financial resilience and consider ways to become more self sufficient where possible.

What outcomes is the strategy designed to achieve?

The objectives of the strategy are

- 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 ensure that increases are within any limits set by the government, and 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. In particular consider options that enable a greater self-reliance on our own funding and reduce the reliance on Central Government funding.
- 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.

What principles underpin the strategy?

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

- 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.

ESSENTIAL REFERENCE PAPER 'D'

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 2013 the above limit was as follows;

(a) 40% of £9.330m (2012/13) =	£ 3.732m
(b) 2.5% of £128.538m (31/3/2012) =	£ 3.213m
(c) Future withdrawals from the general reserve	£0.200m
(d) Final accounts 31 March 2012	<u>-£ 0.010m</u>

Total	£7.135m
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The actual net aggregate balance March 2013	£7.940m
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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.

16. At 31 March 2013 earmarked reserves totalled £6.052m.
Additions to Earmarked reserves in 2012/13 totalled £2.692m

Reporting of reserves

17. 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 Finance and Support Services as

S151 officer will comment on the adequacy of reserves in those reports.

18. 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

19. 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.
20. 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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GENERAL FUND - MEDIUM TERM FINANCIAL PLAN						
SUMMARY Model August 2013						
	2012/13 Actual	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cost of Services	12,776	13,359	14,519	15,017	15,714	16,434
Interest Payments	660	662	662	662	662	662
Interest & Investment Income	-1,193	-996	-817	-670	-872	-1,302
Pensions Interest/Return on Assets	1,029	1,043	1,043	1,043	1,043	1,043
Fees & Charges			-118	-237	-352	-479
Growth Items			40	58	76	76
Special Items			122	2	3	1
Efficiency Savings - Existing plans			-492	-735	-883	-883
Efficiency Savings - New					-571	-1,512
One off Savings			-15			
Known Changes			766	1,297	1,021	1,149
Planning Contingency		590	692	34		
Funding change Contingency			200			
Council Tax Support Scheme: grants to town and parish		255				
RCCO/Internal Interest	25	25	25	25	25	25
Net Expenditure	13,297	14,938	16,629	16,495	15,865	15,214
Contribution to / from Earmarked Reserves	1,443	-166	-67	-361	39	89
Contribution to/ from Interest Equalisation reserve	1,249	600	-112	-195	-125	
Use of General Reserve	97		-200			
Movement on Pension Reserve	-911	-550	-550	-550	-550	-550
Net Expenditure after reserves	15,175	14,822	15,699	15,389	15,229	14,753
Formula Grant/NNDR	-5,537	-5,940	-5,174	-4,657	-4,191	-3,772
Council Tax Freeze Grant	-233	-94	-94	-94		
Other general grants	-13	-16	-16			
New Homes Bonus*			-1,693	-1,873	-2,053	-1,818
Transfer (from)/to Collection Fund	-62	-95				
Demand on Collection Fund	9,330	8,677	8,722	8,765	8,985	9,164
Council Taxbase	58,628	55,084	55,359	55,636	55,914	55,914
Council Tax at Band D	159.13	157.54	157.54	157.54	160.69	163.90

Sheet Reference

A

C

C

K

J

G

H

B

D

E

F

Percentage Increase -1.00% 0.00% 0.00% 2.00% 2.00%

*New Homes Bonus income of £840k for 2012/13 and £1,393k for 13/14 is already built into Net Cost of Services

GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SHEET A

SUB - SUMMARY August 2013

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000	£'000	£'000
Director of Neighbourhood services	126	120	122	124	128	132
Corporate Support	99	104	105	107	111	114
Planning & Building Control	1,262	1,185	1,223	1,261	1,329	1,400
Housing Services	423	539	539	549	564	580
Community Safety & Health	1,361	1,530	1,506	1,540	1,595	1,652
Director of Customer & Community	142	134	136	139	143	148
Welfare Reform	2	170				
Environment	4,792	5,648	5,820	5,975	6,145	6,320
Customer & New Media	-706	-1,048	-981	-914	-832	-747
Economic Development	115	93	109	124	141	159
Community Engagement	746	741	716	730	749	767
Hertford Theatre	201	216	232	248	269	290
Director of Internal Services	142	132	134	137	141	145
Governance Support	351	605	622	639	666	694
People, ICT & Property Services	2,481	2,376	2,453	2,500	2,581	2,665
Financial Support Services	555	569	579	590	608	627
Revenues & Benefits	202	168	117	151	221	293
Corporate Risk	338	353	360	367	377	386
Other	327	-87	785	797	815	834
Non Distributed Costs						
Capital Salaries	-172	-188	-26	-26	-26	-26
Adjustment	-10		-33	-21	-11	
Net Cost of Services	12,776	13,359	14,519	15,017	15,714	16,434
Interest Payments	660	662	662	662	662	662
Interest & Investment Income	-1,193	-996	-817	-670	-872	-1,302
Pensions Interest/Return on Assets	1,029	1,043	1,043	1,043	1,043	1,043
Known Changes			766	1,297	1,021	1,149
Contribution to Earmarked Reserves	1,620	99	189	189	189	189
Contribution to/ from Interest Equalisation reserve	1,249	600	-112	-195	-125	
Contribution from Earmarked Reserves	-177	-265	-256	-550	-150	-100
Funding change Contingency			200			
Council Tax Support Scheme: grants to town and parish		255				
Planning Contingency		590	692	34		
Savings 2014/15			-492	-492	-492	-492
Savings 2015/16				-244	-244	-244
Savings 2016/17					-148	-148
Savings 2017/18						
Efficiency Savings - New					-571	-1,512
One Off Savings			-15			
Growth 2014/15			40	40	40	40
Growth 2015/16				18	18	18
Growth 2016/17					18	18
Growth 2017/18						
Special Item			122	2	3	1
RCCO/Internal Interest	25	25	25	25	25	25
Use of General Reserve	97		-200			
Movement on Pension Reserve	-911	-550	-550	-550	-550	-550
Car Parking Fees & Charges			-80	-160	-235	-321
Other fees & Charges			-38	-77	-117	-158
Net Expenditure	15,175	14,822	15,699	15,389	15,229	14,753

Formula Grant/NNDR	-5,537	-5,940	-5,174	-4,657	-4,191	-3,772
Council Tax Freeze Grant	-233	-94	-94	-94		
Other general grants	-13	-16	-16			
New Homes Bonus			-1,693	-1,873	-2,053	-1,818
Transfer (from)/to Collection Fund	-62	-95				
Demand on Collection Fund	9,330	8,677	8,722	8,765	8,985	9,164
Council Taxbase	58,628	55,084	55,359	55,636	55,914	55,914
Council Tax at Band D	159.13	157.54	157.54	157.54	160.69	163.90
Percentage Increase		-1.00%	0.00%	0.00%	2.00%	2.00%

Pay and Price Assumptions for Medium Term Financial Plan

Data Table	2013/14	2014/15	2015/16	2016/17	2017/18
Overall salary increase (Inclusive of everything)*	1.75%	1.75%	1.75%	3.25%	3.25%
Members Allowances	1.00%	1.00%	1.00%	2.50%	2.50% **
Inflation	2.00%	2.30%	2.10%	2.00%	2.00%
NNDR	2.50%	2.80%	3.20%	3.60%	3.90%
Fuel	2.50%	2.30%	2.10%	2.00%	2.00%
Contract Index - All Contracts	3.20%	2.30%	2.10%	2.00%	2.00%
Contract Index - Street Cleansing	¹ 2.60%	2.30%	2.10%	2.00%	2.00%
Contract Index - Refuse Only	² 2.60%	2.30%	2.10%	2.00%	2.00%
Contract Index - Parking	³ 3.10%	2.30%	2.10%	2.00%	2.00%
Contract Index - Leisure	⁴ 3.10%	2.80%	3.20%	3.60%	3.90%
Income					
Increase for Fees & Charges	2.50%	2.50%	2.50%	2.50%	2.50%
Increase for car parks	0.00%	2.50%	2.50%	2.50%	2.50%

1. Street cleansing / Grounds Maintenance - CPI

2. Refuse & Recycling - CPI

3. Parking - April CPI applied in January

4. Leisure - January RPIx applied in January

*Salary Increase

Pay award	1.00	1.00	1.00	2.50	2.50
Pay allowance - increments and local award	0.75	0.75	0.75	0.75	0.75
	1.75	1.75	1.75	3.25	3.25

** Subject to IRP recommendation

OTHER KNOWN REDUCTIONS AND INCREASES

SHEET B

	2014/15	2015/16	2016/17	2017/18
	£'000	£'000	£'000	£'000
Increase in pension costs	97	194	291	388
Changes to Terms and Conditions	-258	-352	-352	-352
Hertford Theatre Hydro Income		-11	-11	-11
National Insurance rebate (exact date uncertain)			222	222
Waste: Alternate Financial Model (AFM) income reduction	32	32	32	32
Application of New Homes Bonus - 25% to parish and towns	423	468	513	454
Application of New Homes Bonus - priority spending capped at 2012/13	210	210	210	210
LDF Public exam/Green belt review	140	390	90	40
Housing Condition survey	50			
Future Council elections		100		
Reduction in housing benefit over recovery	61	122	183	244
Adjust council tax admin grant	79	158	237	316
Causeway lease reversal of accrual			-380	-380
Data Protection Officer - (Salaries - Customer Svs & NM)	-30	-30	-30	-30
Auto Enrolment (pensions)	77	77	77	77
DCLG New Burdens income (Revs & Bens)		53.5	53.5	53.5
New Recycling Scheme - Ongoing Annual operating savings	-25.8	-25.8	-25.8	-25.8
New Recycling scheme - Revenue cost from loss of investment interest	36.5	36.5	36.5	36.5
New Recycling scheme - Additional income from Recycling credits	-146.2	-146.2	-146.2	-146.2
New Recycling scheme - Loss of income from mixing material	20.9	20.9	20.9	20.9
Total	766	1,297	1,021	1,149

Investment Income

SHEET C

Investment Income - 12/12/2012

	2013/14	2014/15	2015/16	2016/17
total cash	62	61	60	59
Fixed term				
Lloyds rate 3.72	10	10	10	10
	372	372		
rolled over rate 2.0			200	200
Natwest rate 2.25	5	5	5	5
to Apr 13				
rolled over rate 1.5	75	75		
rolled over rate 1.75			88	88
Lloyds rate 3%	10	10	10	10
Jul-13				
Income	87			
rolled over rate 1.55	103	155		
rolled over rate 1.8			180	180
Barclays	5	5	5	5
to Aug 14 rate 2%	100	30		
rolled over rate 1.5%		44	75	75
Investec	21.8	22	22	22
Rate 0.75%	164	165		
1.00%			220	
1.50%				330
Short term	10	9	8	7
rate	0.7	0.7	0.9	1.2
Income	70	63	72	84
In house cash flow	25	25	30	40
total	996	929	865	997

	£million		Maturity
Lloyds min return	10	3.72%	Apr-15
Nat west	5	2.25%	Apr-13
Lloyds	10	3%	Jul-13
Barclays	5	2%	Aug-14

Using Office Budget Responsibility (OBR)

13/14	0.70%
14/15	0.70%
15/16	0.90%
16/17	1.20%

Investment Income - 24/07/2013

	2013/14	2014/15	2015/16	2016/17	2017/18
total cash	64	63	62	61	61
Fixed term					
Lloyds rate 3.72	10	10	10	10	10

		372	372			
rolled over rate 1.1				110		
rolled over rate 1.4					140	
rolled over rate 2.0						200
Natwest rate 2.25 to Apr 13	5	5	5	5	5	
rolled over rate 0.8	40					
rolled over rate 0.7		35				
rolled over rate 1.00			50			
rolled over rate 1.4				70		
rolled over rate 2.0						100
Lloyds rate 3% Jul-13	10	10	10	10	10	
Income	75					
rolled over rate 0.92	70					
rolled over rate 0.75		75				
rolled over rate 1.1			110			
rolled over rate 1.4				140		
rolled over rate 2.0						200
Barclays to Aug 14 rate 2%	5	5	5	5	5	
rolled over rate 0.7%	100	30				
rolled over rate 1.1%		23				
rolled over rate 1.4%			50			
rolled over rate 2.0%				70		
Barclays Until April 14 rate 0.88%	5	5	5	5	5	
rolled over rate 0.7%	40					
rolled over rate 1.1%		35				
rolled over rate 1.4%			50			
rolled over rate 2.0%				70		
Investec Rate 0.70%	21.8	22	22	22	22	
1.00%	114	165				
1.60%			220			
2.10%				352		
Short term	10	6	5	5	5	
rate	0.7	0.7	0.9	1.2	1.9	
Income	40	42	45	60	95	
In house cash flow	45	40	35	40	45	
Total	896	817	670	872	1302	
Total - Feb 2012 MTFP	996	929	865	997	0	
Difference (2014/15 - 2016/17 to be funded from Reserves)	100	112	195	125	0	-1302

	£million		Maturity
Lloyds min return	10	3.72%	Apr-15
Nat west	5	2.25%	Apr-13
Lloyds	10	3%	Jul-13
Barclays	5	2%	Aug-14

Using Office Budget Responsibility (OBR)

13/14	0.70%
14/15	0.70%
15/16	0.95%
16/17	1.40%
17/18	2.05%

FORMULA GRANT AND RETAINED NNDR**SHEET D**

EHC Summary - Figures from AM 07/08/12

Like for like on formula grant basis

add council tax support grant

total = start up funding allocation

NNDR retained business rates = base line funding level

RSG and central share and ctax support

Settlement December 2012

NNDR

RSG

*note-totals include Council Tax Support grant for both EHC and Parishes***Indicative NNDR figures**

Billing Authority Baseline

EHC Baseline (80%)

EHC Baseline Funding Level

Tariff

EHC NNDR 1

Billing Authority Baseline

EHC Baseline (80%)

EHC Baseline Funding Level - **Budget Figure**

Tariff (as above)

BUDGET TOTALS

RSG

NNDR

CSR 2013

Less 10% 15/16 onwards

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
5,537	5,321	4,851	4,678	4,678	
	674	674	674	674	
<u>5,537</u>	<u>5,995</u>	<u>5,525</u>	<u>5,352</u>	<u>5,352</u>	
	2,637	2,430	2,354	2,354	
	3,358	3,095	2,998	2,998	
	2,377	2,450			
	<u>3,573</u>	<u>2,746</u>			
	5,950	5,196			
	21,556				
	17,245				
	2,377	2,450			
	14,868	15,324	15,783	16,256	
	21,544	22,190	22,856	23,543	
	17,235	17,752	18,285	18,834	
	2,367	2,428	2,502	2,578	
	14,868	15,234	15,783	16,256	
	3,573	2,746	2,540	2,350	
	<u>2,367</u>	<u>2,428</u>	<u>2,502</u>	<u>2,578</u>	
	5,940	5,174	5,042	4,928	4,928
		5,174	4,657	4,191	3,772
		-	385	737	£'000

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

SHEET E

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
New Homes Bonus 11/12 (to be received 11/12 to 16/17)	(415)	(415)	(415)	(415)	(415)	
New Homes Bonus 12/13 (to be received 12/13 to 17/18)	(425)	(425)	(425)	(425)	(425)	(425)
New Homes Bonus 13/14 (to be received 13/14 to 18/19)		(553)	(553)	(553)	(553)	(553)
New Homes Bonus 14/15 (to be received 14/15 to 19/20)			(300)	(300)	(300)	(300)
New Homes Bonus 15/16 (to be received 15/16 to 20/21)				(180)	(180)	(180)
New Homes Bonus 16/17 (to be received 16/17 to 21/22)					(180)	(180)
New Homes Bonus 17/18/ (to be received 17/18 to 22/23)						(180)
Built into Estimates	840	1,393				
	-	-	(1,693)	(1,873)	(2,053)	(1,818)

Revised tax base - AM 07/08/12	13/14	14/15	15/16	16/17
Current	58,774	58,950	59,127	59,304
council tax support scheme	-4608	-4608	-4608	-4608
growth in cases 1% 2014/15		-46	-46	-46
Reduction in empty discounts	377	377	377	377
revised tax base	54,543	54,673	54,850	55,027
	13/14	14/15	15/16	16/17
ST Figures 14/12/12				
Eligible chargeable properties	59,354			
Council tax benefit scheme	(4,639)			
Estimated growth 0.89%	487			
Non collection allowance 1.25%	(690)			
Increase - CT reduction scheme	175			
Increase - Wider CT reforms	397			
Assume increase of 0.5% per annum (SC 18/12/2012)		275	277	278
	55,084	55,359	55,636	55,914

Planning & Building Control

Reduction in budget		(61,000)		
Building control fees - Loss of Income				
Building Control Reduced Spending	(50,000)	(50,000)		
Development Control BPI led savings	(22,000)			
DC miscellaneous costs				
Planning administration	(34,000)	(34,000)		
LDF funding				
Planning policy resources				

Community Safety & Health

Set taxi licence fees to recover full costs	(5,000)			
Restructuring the services delivered by Licensing, Community Safety and Environmental Health leading to a reduction in resources	(106,000)			
Continuation of funding Housing Improvement Agency				

Environmental Services

Waste services contract transition	(100,000)			
Leisure Savings	155,000			
Grounds Maintenance Contract Extension	(12,500)	(37,500)		

Community Engagement

C&C - MOW				
Hertford Theatre - new business plan	(45,000)	(14,300)	(9,500)	

People, ICT & Property

Reduce HR support - Shared Support Services	(2,000)	(5,000)	(4,000)	
Reduction in corporate training budget pro rata to staff reduction	(3,000)			
ICT - Shared Services Savings				
Printing - Shared Services Savings				
FM - Shared Services Savings				
Phased reduction in hours of estates staffing	(14,000)			
Estimated Shared services Savings	(208,000)			
SBC Contribution to EHC retained recharges	(9,560)			

Revenues & Benefits

Shared service efficiencies		(15,000)		
Invest to save option				

Democratic & Legal Services

Reduction in Legal third party payments budget		(27,000)		
Land Charges - staffing reductions	(23,000)			
Efficiency measures for electoral canvass	(12,500)			

2016/17 Savings -			(134,500)	
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Total to be built into estimates

(491,560)	(243,800)	(148,000)	0
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One Off Savings

2014/15	2015/16	2016/17	2017/18
£	£	£	£

SHEET H

Customer & Community**Community Engagement**

Public Consultation & Research

(14,700)

Total to be built in

(14,700)	0	0	0
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Already built in**Total already built in**

0	0	0	0
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Total One Off Savings

(14,700)	0	0	0
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Special Items

2014/15	2015/16	2016/17	2017/18
£	£	£	

Welfare Reform

120,000

People, ICT & Property

EHC disturbance Costs (Less SBC contribution)

2200

2450

2700

1200

Total Special Items**122,200****2,450****2,700****1,200**

Growth

2014/15 £	2015/16 £	2016/17 £	2017/18
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Environment

Waste Services - Property Growth

22,000

Customer & New Media

Improved Cleansing of Multi Storey Car Parks

Locking of Grange Paddock Car Park

Revenue effect of new Parking vehicle (Net)

Parking - Pay by Phone

8,000

8,000

8,000

Parking - VMS Sign Maintenance

IT

Growth from IT Capital Programme

10,000

10,000

10,000

Communication, Engagement & Cultural Services

Govdelivery - coordinated digital communications tool

Total growth

40,000	18,000	18,000	0
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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 27 AUGUST 2013

EXECUTIVE – 3 SEPTEMBER 2013

AUDIT COMMITTEE – 18 SEPTEMBER 2013

REPORT BY THE LEADER OF THE COUNCIL

10. ANNUAL GOVERNANCE STATEMENT 2012/13

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- This report presents the 2012/13 Annual Governance Statement at **Essential Reference Paper 'B'** and the 2013/14 Annual Governance Statement Action Plan at **Essential Reference Paper 'C'**.

RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY: that

(A)	The proposed Annual Governance Statement and Action Plan be scrutinised; and
(B)	The Executive be advised of any recommendations.

RECOMMENDATION FOR THE EXECUTIVE: that:

(A)	The comments of Corporate Business Scrutiny Committee be received; and
(B)	The Audit Committee be advised of any comments from the Executive.

RECOMMENDATION FOR AUDIT COMMITTEE: that

(A)	The comments of the Corporate Business Scrutiny Committee and the Executive be received; and
(B)	The Annual Governance Statement 2012/13 and Action Plan 2013/14 be approved.

1.0 Background

- 1.1 The Annual Governance Statement is necessary to meet the requirements set out in the Accounts and Audit Regulations 2011 that requires authorities to carry out an annual review of the effectiveness of its system of internal control.

2.0 Report

- 2.1 The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, used economically, efficiently and effectively.
- 2.2 The Council should undertake regular, at least annual, reviews of its governance arrangements by means of an Annual Governance Statement, to ensure continuing compliance with best practice. It is important that such reviews are reported both within the Council, to the Audit Committee and externally with the published accounts, to provide assurance that:
- governance arrangements are adequate and operating effectively in practice, or
 - where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future.
- 2.3 The process of preparing the governance statement should itself add value to the corporate governance and internal controls framework of the Council.
- 2.4 A governance statement should include the following information:
- an acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control)
 - an indication of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide
 - a brief description of the key elements of the governance framework, including reference to group activities where those activities are significant.

- a brief description of the process that had been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:
 - ◇ the Council
 - ◇ the Executive
 - ◇ the Audit Committee/ overview and scrutiny function/ Standards Committee
 - ◇ Internal Audit
 - ◇ other explicit review/ assurance mechanisms.
- an outline of the actions taken, or proposed, to deal with significant governance issues.

2.5 It is important to recognise that the governance statement covers all significant corporate systems, processes and controls, spanning the whole range of the Council's activities, including in particular those designed to ensure that:

- the authority's policies are implemented in practice.
- high quality services are delivered efficiently and effectively.
- the authority's values and ethical standards are met.
- laws and regulations are complied with.
- required processes are adhered to.
- financial statements and other published performance information are accurate and reliable.
- human, financial, environmental and other resources are managed efficiently and effectively.

2.6 Grant Thornton, the Council's External Auditors, have previously highlighted that to add real value the Annual Governance Statement should:

- have greater status within the council's management and reporting processes as the key document that records the planned and obtained assurances around the achievement of the vision and strategic objectives.
- be owned from the top and used to plan and monitor internal and external assurance gathering throughout the year.
- be fundamentally reviewed each year so that it highlights what is significant and excludes what is not.
- have only significant weaknesses recorded with SMART action planning.

- provide a robust, transparent and honest assessment of the year's governance framework.
- 2.7 Those areas of the Annual Governance Statement that are considered to be static have been added to the Constitution as Part 8. The statement outlines the Governance Framework through the six core principles published by CIPFA.
- 2.8 In order to add real value to the Annual Governance Statement officers have considered the current Annual Governance Statement Action Plan, External and Internal Audit reports, Risk registers, Ombudsman reports, 3 C's reports, National Fraud Initiative reports and the Annual Report.
- 2.9 The Audit Committee has monitored the 2012/2013 Annual Governance Statement Action Plan throughout the year. At the Audit Committee on 10 July 2013, it was reported that six significant governance issues remained outstanding and showed their status as "Amber".
- 2.9.1 Two of these issues are now considered to be complete:
- CCTV governance issues are now in place following the Executive's approval of the incorporation of a new company to conduct the commercial trading affairs of the Hertfordshire CCTV Partnership.
 - Shared Support Services governance arrangements are now in place as a shared service partnership with Stevenage Borough Council to deliver ICT, Business Improvement, Print and Design services came into operation from 1 August 2013.
- 2.9.2 Some progress has been made during the period on the issue to "Improve arrangements for Members to report on their services on outside bodies" such that this is no longer considered significant enough to remain on the Action Plan and has therefore been removed.
- 2.9.3 The issue previously headed as "Pro-actively seek opportunities to improve performance" has now been revised to cover the one outstanding action from that issue as "Asset Management Plan".
- 2.9.4 The two outstanding issues carried forward from the 2012/13 Action Plan to the 2013/14 Action Plan are:

- Risk of failure to deliver an effective, efficient and economic IT service.
- Hertford Theatre future governance arrangements.

2.9.5 The following new issues have been identified and added to the Action Plan:

- IT Risk Diagnostic.
- Impact of Welfare Reform changes.
- Operating effectively in Shared Services.
- Risk that Section 106 Monies remain unspent.

2.10 Any items that are considered to be significant governance issues that have come to light in the past year have been discussed by the Monitoring Officer, the Chief Finance Officer and the Manager of Corporate Risk and an Annual Governance Statement and 2013/2014 Action Plan that identifies required enhancements to internal control arrangements has been drawn up.

2.11 The static part of the Annual Governance Statement can be found at **Essential Reference Paper 'B'**. This document shows tracked changes made to last year's statement. Changes have been made that update the Council's governance arrangements to ensure the current position is reflected.

2.12 The Annual Governance Statement Action Plan 2013/2014 can be found at **Essential Reference Paper 'C'**. The seven issues identified will continue to be monitored through Audit Committee. As in previous years, the final certificated Action Plan will not detail the current position or RAG status of each of the seven issues.

2.13 These documents will be considered by Corporate Business Scrutiny Committee on 27 August 2013 and the Executive on 3 September 2013. Responsibility for approval of the Annual Governance Statement rests with the Audit Committee, as part of the approval of the Annual Accounts. The results of on-going consultations will be reported verbally to each Committee as part of the process.

3.0 Implications/Consultations

3.1 Consultation documents were sent to the Leader and Executive Members, Chairmen of Committees, Directors and senior managers, the Shared Internal Audit Service and External Audit. Corporate

Management Team considered the Annual Governance Statement and Action Plan on 13 August 2013.

- 3.2 The Annual Governance Statement and Action Plan will be considered by Corporate Business Scrutiny Committee and the Executive, prior to approval by Audit Committee.
- 3.3 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

Annual Governance Statement 2012/13 – Audit Committee 10 July 2013.

Contact Member: Councillor Tony Jackson, Leader of the Council, Extn: 1642. anthony.jacksonr@eastherts.gov.uk

Contact Officers: Adele Taylor, Director of Finance and Support Services, Extn: 1406. adele.taylor@eastherts.gov.uk
Simon Drinkwater, Director of Neighbourhood Services, Extn: 1405.
simon.drinkwater@eastherts.gov.uk

Report Author: Chris Gibson, Manager of Corporate Risk, Extn: 2073.
chris.gibson@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

Contribution to the Council's Corporate Priorities/ Objectives	<p><i>People</i> This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</p> <p><i>Place</i> This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</p> <p><i>Prosperity</i> This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	Consultation has taken place with Councillors, Senior Management, Internal and External Audit.
Legal:	There are no additional legal implications to those already contained in this report.
Financial:	There are no additional financial implications to those already contained in this report.
Human Resource:	There are no additional human resource implications to those already contained in this report.
Risk Management:	There are no additional risk management implications to those already contained in this report.

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PART 8

**ANNUAL GOVERNANCE
STATEMENT**

ANNUAL GOVERNANCE STATEMENT

Scope of responsibility

East Hertfordshire District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (CIPFA 2007).

This statement explains how the Council has complied with the code and also how it meets the requirements of regulation 4(2) of the Accounts and Audit (England) Regulations 2011~~103 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 that requires authorities to carry out an annual review of the effectiveness of its system of in relation to the publication of a statement on~~ internal control.

~~Further copies of this statement are available on the Council's website www.eastherts.gov.uk/, alternatively paper copies can be obtained from:~~

~~East Hertfordshire District Council~~

~~Director of Internal Services~~
~~Wallfields~~
~~Pegs Lane,~~
~~Hertford~~
~~SG13 8EQ~~

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and by which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Controls cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify risks to the achievement of the council's policies, aims and objectives. It evaluates the likelihood of those risks being realised and the impact should they be realised, and it prioritises and manages them efficiently, effectively and economically.

The Governance Framework

The Council's governance framework derives from the six core principles identified by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The Commission used work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007.

The six core principles are:

- a. focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area;
- b. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- c. promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- d. taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- e. developing the capacity and capability of Members and officers to be effective; and
- f. engaging with local people and other stakeholders to ensure robust public accountability.

The key elements of East Herts Council's application of each of these core principles are as follows:

a) Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area

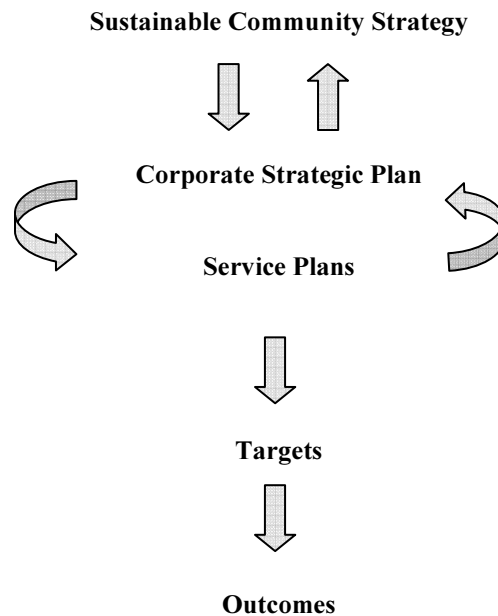
The Sustainable Community Strategy outlines the vision, aims and priority themes for the district. It was produced in conjunction with the East Hertfordshire Local Strategic Partnership, which brings together all relevant stakeholders, including those that deliver services in the area.

The Council's aims and objectives are set out in the annually updated Corporate Strategic Plan. This sets out what the Council expects to deliver over the next four years and, in many cases, beyond this timeframe. The details of how the Council will get there are incorporated in the individual service plans. The Plan will be updated each year to include new service developments and to remove outcomes once they are achieved. The Plan sets the direction for the financial planning of the Council based on the Council's priorities.

The Executive receives the Medium Term Financial Strategy covering a four-year period, which is used to set initial parameters for the

coming budget process to ensure that spending proposals are affordable and sustainable over the medium term.

The diagram below sets out the various links in the process of establishing and subsequently monitoring the achievement of the Council's ambitions. It shows the links between the Sustainable Community Strategy and Corporate Strategic Plan which then feed into, and are informed by, service plans, service targets and individual employees via specific areas of responsibility allocated to them.



The Council has an effective performance management framework using a dedicated IT system to record and report performance. The system is driven by the Service Plans which focus on activities that will deliver the Council's ambitions and priorities. This is cascaded through individual employee appraisals.

This process monitors how the Council is meeting its performance targets and triggers corrective actions where targets are proving

challenging, through the Corporate Healthcheck report and Service Plan monitoring reports.

The Council's Executive and its Scrutiny Committees monitor and scrutinise progress against targets and performance in priority areas affecting relevant service areas, and consider and approve corrective action where necessary. For ease of interpretation performance graphs are reported. There are reports which include the results of monthly and quarterly budget monitoring reports covering the revenue expenditure, capital projects, key performance indicators and absence monitoring.

The monitoring process has enabled the Council to concentrate on areas which require particular attention.

The Council is therefore able to monitor all key measures on a monthly basis and respond quickly and effectively to changes at an early stage.

The Council maintains an objective and professional relationship with external auditors and statutory inspectors, as evidenced by the Annual Audit Letter.

Through reviews by external auditors, external agencies, Shared Internal Audit Service (SIAS), and internal review teams, the Council constantly seeks ways of securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness in the use of resources. The Council has regularly reviewed Financial Regulations and has ~~adopted Procurement~~adopted Procurement Regulations to ensure proper arrangements are in place for procurement of goods and services.

All budget cost centres are allocated to a named post holder, who is responsible for controlling spend against those budgets, and who is also responsible for maximising the benefits from assets used in the provision of their service.

b) Members and officers working together to achieve a common purpose with clearly defined functions and roles

The Council has adopted a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people.

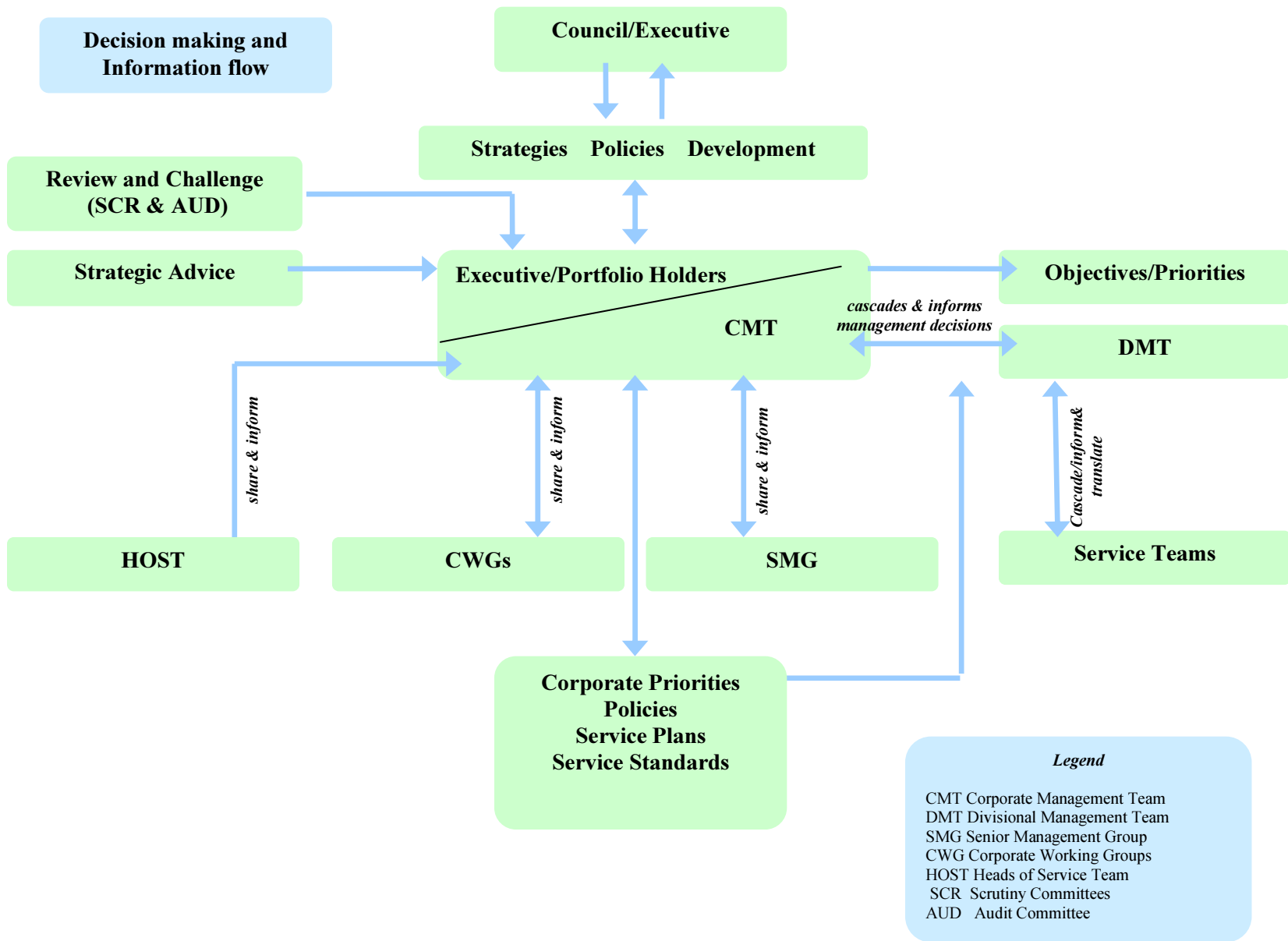
The Council adopted the Leader and Cabinet Executive model. The main features are:

- The Council's Executive consists of a Leader and between two and nine other Councillors.
- The Leader is elected by full Council and will hold office in accordance with the Local Government and Public Involvement in Health Act 2007.
- The other Executive Members will be appointed by the Leader who will decide their portfolios and also which executive functions will be discharged by full Executive, any of its Committees or any individual Executive Member or officers.
- There are currently ~~seven~~^{ix} Councillors on the Executive.

The Council's Corporate Management Team (CMT) consisting of the Chief Executive and Director of Customer and Community Services, Directors and the Head of People, ~~ICT~~ and Property Services ~~Services~~ meets on a fortnightly basis to develop policy issues commensurate with the Council's aims, objectives and priorities. CMT also considers internal control issues, including risk management, performance management, compliances, efficiency and value for money, and financial management. Members of CMT meet with Portfolio Holders on a monthly basis to review progress in achieving the Council's ambitions, priorities for action, budget monitoring, performance management and forward planning for major issues. CMT has a corporate responsibility for the messages that the Council produces, both internally and externally.

~~During 2010/11 the Chief Executive had an extended period of absence and all her functions and responsibilities were shared between the three Directors, enabling strong governance arrangements to remain in place.~~

Below CMT the management structure is well defined. The chart below indicates how decisions are implemented and cascaded:



The Council has adopted a number of codes and protocols that will govern both Member and officer activities. These are:

- Members' Code of Conduct
- Officers' Code of Conduct
- Members' Planning Code of Good Practice
- Member/Officer Relations Protocol

c) Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting the Chief Executive and Section 151 Officer he will report to the full Council if he considers that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

Under Section 5 of the Local Government and Housing Act 1989 it is the duty of the Council's Monitoring Officer to report to Council if it appears that the Authority, a Committee or Officer of the Authority has made a decision which is contrary to law.

The Council has responsibility for responding to Freedom of Information Requests (FOI) promptly and within 20 working days.

The Council has taken action to improve its speed of response to FOI's. An important element of that plan is to shift the Council from waiting for FOI requests to proactively reducing the need for individuals to request information by making a wider range of information more easily available through the Council's website.

The Council recognises that expenses of politicians have come under serious scrutiny. The current Members Allowances scheme is published in the Constitution.

All Council services are delivered by trained and experienced people. All posts have a detailed post profile and person specification. Training needs are identified through the Personal Development Review Scheme and addressed via the Human Resources service and/or individual services as appropriate.

The Council achieved re-accreditation for a further three years from April 2012 under the Investors in People Standard, which is a

quality framework to ensure that the Council's employees have the right knowledge, skills and motivation to work effectively.

The financial management of the Council is conducted in accordance with the Constitution and with Financial Regulations.

The Director of ~~Finance and Support~~Internal Services is the statutory Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972.

The Council has a Treasury Management Strategy Statement and Annual Investment Strategy in place. Investments are made in accordance with the Council's approved policy. All investment transactions and transfers undertaken in house are supported by appropriate documentation and are properly authorised. External fund managers are subject to strict regulation by the FSA. The Portfolio holder and the Leader of the Council receive regular updates from the Director of ~~Finance and Support~~Internal Services. The Chairman of the Audit Committee is invited to participate in review meetings with Fund Managers.

The Council shares an Internal Audit service with ~~seven~~five other Councils. This service operates to the standards set out in the CIPFA ~~Public Sector Code of Practice for Internal Audit~~ Standards which came into effect on 1 April 2013~~in Local Government in the United Kingdom 2006~~. An Anti-Fraud and Anti-Corruption Strategy and a Disclosure (Whistleblowing) Code are in place. A Whistleblowing hotline and email facility operates and has been well publicised. Each year all staff are required to complete Annual Declaration forms. The Council has adopted a policy on bribery. The Council does not tolerate bribery committed by Council employees or its contractors or partners and will take consistent and swift action against those persons committing bribery.

Individual services have produced Service Plans that are updated each year so that services know what they are required to do to achieve the Council's priorities and ambitions.

At individual employee level the Council has established a Personal Development Review Scheme so as to jointly agree individual employee objectives and identify training and development needs. The Scheme provides for a mid-year review as well as an annual appraisal at which past performance is reviewed.

d) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

The Council has several committees which carry out regulatory or scrutiny functions. These are:

- Overview and Scrutiny committees (Corporate Business Scrutiny, Community Scrutiny and Environment Scrutiny) review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions, developing the capacity and capability of members and officers to be effective.
- Audit Committee provides assurance about the adequacy of internal controls, financial accounting and reporting arrangements, and that effective risk management is in place. Its work is intended to enhance public trust in the corporate and financial governance of the Council;
- Development Control Committee determines planning applications and related matters;
- Licensing Committee monitors and reviews the effectiveness of the Council's licensing policy and procedures;
- The Human Resources Committee's functions relate to all aspects of the Council's role as an employer. This includes the monitoring and strategic overview of Human Resources activities.
- Standards Committee promotes and maintains high standards of conduct for the Council's Members, and advises and assists Parish Councils and Councillors to maintain high standards of conduct;

The Council has data protection policies, [a Data Protection Action Plan](#) and a data sharing protocol in place to ensure that personal data is maintained securely and used correctly. [There is a Data Protection Compliance Governance Framework which involves the Corporate Business Scrutiny Committee in the governance structure. The Committee will take a strategic oversight of the completion of the Data Protection Plan and Data Protection compliance through a formal annual report.](#)

The Risk Management Strategy defines risk management, explains the benefits of a strategic approach, outlines how it will be implemented, identifies roles and responsibilities and formalises the process. The Strategy sets out the links between risk management, emergency planning and business continuity. It recognises that risk management is a key part of the management

The Strategy highlights how risk management supports strategic planning, financial planning, policy making and review and performance management.

The Corporate Management Team is responsible for ensuring that the key risks on the strategic risk register are managed. Strategic and service risk registers are reviewed four times a year. Risks will be amended so that they reflect the current situation, obsolete risks deleted and new risks added. This will ensure that the risk register and the resulting risk mitigation measures are appropriate for corporate objectives and services.

Members have received risk management training.

The Council also has a Partnership Protocol in place. ~~The Council is one of four partners in the Stevenage CCTV Partnership.~~

The Council is represented on the Joint Committee and the Joint Management Board following the introduction of a shared Revenues and Benefits service with Stevenage Borough Council.

A shared service partnership with Stevenage Borough Council to deliver ICT, Business Improvement, Print and Design services came into operation on 1 August 2013. A Partnership Board with Director representation is responsible for making the key decisions about the way that the partnership operates.

The Shared Internal Audit Service (~~SIAS~~) ~~came into being in July 2011 and~~ is a partnership of ~~eightsix~~ Hertfordshire Authorities. The Council is represented on the Board that provides strategic direction and oversight for the partnership. The ~~Manager~~Director of ~~Corporate Risk~~Internal Services is the Audit Champion for the Council and has monitoring meetings every two months with the Director of Finance and Support Services and Shared-Internal Audit Service managers. Progress reports are submitted to four Audit Committee meetings per year.

The Council is one of four partners in the Hertfordshire CCTV Partnership. Approval has been given for the incorporation of a new company to conduct the commercial trading affairs of the Hertfordshire CCTV Partnership.

e) Developing the capacity and capability of Members and officers to be effective

The Council plans and provides training for members in carrying out their roles effectively including their responsibilities for governance, challenge, scrutiny and review. The Council holds accreditation for the Charter for Member Development.

The Council's vision is to empower Members to be more self sufficient, confident in their community leadership roles and responsive to local issues, problems and challenges in a variety of ways by drawing on existing skills, knowledge, strength, resources and expertise from within. This vision is being taken forward through Action Learning Sets.

The Council is taking forward the concept of 'Here to Help'. This includes outlining the stages by which it will be implemented. It will be shaped around the needs and demands of individual services. IT should be a significant enabler of this future approach.

The Council has an infrastructure in place to support members' needs in respect of ICT requirements and the Council's Democratic Services team provide advice and assistance.

Protocols have been adopted to ensure clarity of the respective roles of officers and members.

The Council's recruitment process is designed to ensure only well qualified applicants are employed and the subsequent induction process is robust so that employees are effective. The Performance Development Review process ensures individual contributions are effective in meeting corporate priorities and capability issues addressed by training. Internal communications methods and processes are reviewed to ensure staff remain well informed and their feed back is responded to. A biennial staff survey leads to action plans to improve effectiveness.

The Council reviews its organisation and capacity as part of its annual service planning to ensure its staffing is commensurate in both quantitative and qualitative terms with its business plans. The Council is committed to taking forward the shared services agenda which will ensure more effective use of scarce skills by sharing across boundaries.

The Council's HR People Strategy seeks to ensure its pay and terms and conditions are adequate to attract and retain sufficient staff and to encourage staff to invest in their own development.

The Council seeks to maintain effective ~~employee~~industrial relations to enable a high standard of service to the public to be maintained. Staff are fully consulted on proposed changes to terms and conditions. The Council engages with the trade union and staff to manage issues arising from pay settlements and changes to the organisation including the Local Joint Panel and the Human Resources Committee. The Council also utilises Staff Surveys.

~~Extensive~~Use is made of the Intranet to provide staff with ready access to learning material and best practice via a series of tool kits.

f) Engaging with local people and other stakeholders to ensure robust public accountability.

The Council encourages all members of the local communities to contribute to, and participate in, the work of the Council. The Council achieves this through Residents' Surveys and budget consultation exercises, to ensure that what it is doing meets the needs of its residents. In 2012/ 2013 informal budget consultation took place with businesses. Engagement events around specific issues will be considered where they provide a proportionate and cost effective model for engagement.

The Council's Communications Strategy has identified a need to engage more through social media and reconfirmed the use of the LINK magazine quarterly as a communications and engagement tool.

Individual members are active in their localities and with local groups and serve on a number of external bodies.

The Hertfordshire County LSP and the East Herts District LSP are forums for active engagement with wider stakeholders and a mutual holding to account in delivering the Community Plans.

The Council publishes an Annual Report setting out progress on its priorities in the prior year. ~~Going forward there may be an opportunity to combine the Annual Report and the Annual Governance Statements and officers will look into the viability of this during 2012/13.~~

An Annual Report on Overview and Scrutiny is also presented to Council and published every year.

There is a strategic approach to consultation to ensure the information returned is reliable – the Council has adopted a Consultation Toolkit setting out best practice.

The Council's web site is under constant review to ensure it is of a good standard and that information is easily accessed. A consultation section has been introduced so members of the public can easily access open consultations and information on closed consultations.

The Council manages freedom of information requests effectively to ensure transparency including the corporate governance arrangements. Information is made available on the website to reduce the need for requests. The Council has procedures in place to engage with members of the public to receive Comments, Compliments and Complaints. The Local Government Ombudsman reported on complaints made about the authority for the year ended 31 March 2013³² that there were no concerns about response times and no issues arising from complaints.

As part of the Council's drive to increase the transparency of its spending, the Council publishes all payments on a weekly basis as opposed to the Government's expectation that spend over £500 is detailed.

The Council has approved a Pay Policy Statement as required under section 38 of the Localism Act. The statement follows three principles when publishing data; responding to public demand; releasing data in open formats available for re-use: and releasing data in a timely way.

Review of Effectiveness

This statement explains the Council's overall governance arrangements. Each year, the Council reviews its governance framework including the system of internal control. The Council produces and monitors an Action Plan each year. The process is detailed below:

- All Directors, Heads of Service, Members of the Executive and Chairmen of Committees given the opportunity to make contributions.
- Consideration by the Audit Committee.
- Production of a draft Annual Governance Statement.
- Consideration by Corporate Management Team
- Consideration by the Audit Committee.

- Consideration by the Corporate Business Scrutiny Committee.
- ~~Consideration by Corporate Management Team~~
- Consideration by the Executive
- Approval by the Audit Committee.

The review of effectiveness is informed by the work of the Directors within the Council who have responsibility for the development and maintenance of the governance environment, the reports by the ~~Shared Internal Audit Service~~ and also by comments made by the Council's External Auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework includes:

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution annually to incorporate any necessary changes.

The Council has three overview and scrutiny committees. The committees can establish 'task and finish' groups, which can look at particular issues in depth, taking evidence from internal and external sources, before making recommendations to their 'parent' Scrutiny Committee and on to the Executive. Four Members can "call-in" a decision which has been made by the Executive but not yet implemented, to enable it to consider whether the decision is appropriate. In addition the Corporate Business Scrutiny Committee can exercise its scrutiny role in respect of Executive functions, Scrutiny Committees will conduct regular performance monitoring of all services, with particular attention to areas identified as under-performing.

The Council complies with the Regulation of Investigatory Powers Act (RIPA) 2000:

The Audit Committee

Seven Councillors sit on the Audit Committee. The Committee's terms of reference are detailed below:

Audit Activity

1. To consider the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.

2. To consider summaries of specific Internal Audit reports as requested.
3. To consider reports dealing with the management and performance of the providers of Internal Audit services.
4. To consider reports from Internal Audit on agreed recommendations not implemented within a reasonable timescale.
5. To consider the External Auditor's annual letter, relevant reports and the report to those charged with governance.
6. To consider specific reports as agreed with the External Auditor.
7. To comment on the scope and depth of external audit work and to ensure it gives value for money.
8. To liaise with the Audit Commission over the appointment of the Council's External Auditor.
9. To commission work from internal and external audit.

Regulatory Framework

10. To maintain an overview of the Council's Constitution in respect of rules of procedure relating to contracts, financial regulations and financial procedures and codes of conduct and behaviour.
11. To review any issue referred to it by the Chief Executive or a Director or any Council body.
12. To monitor the effective development and operation of risk management and corporate governance in the Council.
13. To monitor Council policies on "Confidential Reporting" and the anti-fraud and anti-corruption strategy and the Council's complaints process.
14. To oversee the production of the Authority's Annual Governance Statement and to recommend its adoption.

15. To consider the Council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
16. To consider the Council's compliance with its own and other published standards and controls.
17. To review arrangements for delivering value for money.
18. To review the Council's finances including borrowing, loans, debts investments and banking arrangements.

Accounts

- To approve the annual statement of accounts. Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.
- To consider the External Auditors' report to those charged with governance on issues arising from the audit of the accounts.

The Audit Committee's work programme and the minutes of its meetings are public documents and are published on the Council's web site.

The Shared Internal Audit Service (SIAS) has responsibility for delivery of the Internal Audit Plan at the Council. The SIAS also delivers a service to Hertfordshire County Council, Hertsmere Borough Council, North Hertfordshire District Council, Stevenage Borough Council, Welwyn Hatfield Borough Council, Watford Borough Council and Three Rivers District Council. The three main drivers for this partnership are seen as providing greater resilience, higher levels of performance and greater efficiencies.

The ~~SIAS~~ ~~Internal Audit~~ is responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate an annual audit plan. A model for assessing risk against desirability of audit work is used across SIAS and allows for the prioritisation of potential audit projects. Future risks are identified as appropriate and a forward plan for future audit work is in operation.

The reporting process for ~~SIAS~~ ~~Internal Audit~~ requires a report of each audit to be submitted to the relevant chief officer and service manager. The report includes recommendations for improvements

that are included within an action plan (and graded as high, medium or merits attention). This requires agreement or rejection by relevant chief officer and/or service manager. The process includes follow-up reviews of high priority recommendations by SIAS and reports to the Audit Committee as part of the SIAS update report. The Audit Champion monitors all other recommendations which are also followed up by SIAS at the time of their next audit to ensure that they are acted upon, usually within six months. All ~~SIAS~~ Internal Audit reports include an opinion on the quality and effectiveness of internal control within the Council's systems, and an assurance assessment.

All ~~SIAS~~ Internal Audit reports are circulated to members of the Audit Committee. All reports for the key financial systems audits are also sent to and the progress reports on the work of Internal Audit address issues arising from these ratings.

~~The Internal Audit service is subject to regular inspection by the Council's External Auditors who place reliance on the work carried out by SIAS the section. In order to comply with the requirements of the Public Sector Internal Audit Standards, SIAS will be required to have an independent external review of performance at least every five years.~~

~~The Hertfordshire Shared Internal Audit Service has responsibility for delivery of the Internal Audit Plan. The Shared Internal Audit Service (SIAS) also delivers a service to Hertfordshire County Council, Hertsmere Borough Council, North Hertfordshire District Council, Stevenage Borough Council and Welwyn Hatfield Borough Council. The three main drivers for this partnership are seen as providing greater resilience, higher levels of performance and greater efficiencies.~~

For performance management, a traffic light monitoring and reporting system is in place. Performance data is reported to the Scrutiny committees on a frequent basis, with corrective action plans put in place for any under-performing areas.

Significant governance issues are reviewed each year and required enhancements to internal control arrangements are identified. These required enhancements form an Action Plan that is monitored through the Audit Committee.

The Annual Governance Statement is certificated by the Council Leader and the Head of Paid Service.

Further copies of this Statement and the Action Plan are available within the Annual Statement of Accounts on the Council's website www.eastherts.gov.uk, alternatively paper copies can be obtained from:

East Hertfordshire District Council
Manager of Corporate Risk
Wallfields
Pegs Lane,
Hertford
SG13 8EQ

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ESSENTIAL REFERENCE PAPER 'C'

ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2013/14

Significant governance issues

The following required enhancements to internal control arrangements were identified during 2012/13 as a result of the review of arrangements and by the work of external and internal audit:

Required enhancements to internal control arrangements:

Issue	Resp. Off.	Initial Target Date	Actions needed to achieve milestone	Current position	RAG status
Risk of failure to deliver an effective, efficient and economic IT service (from 2010/11 Action Plan)	Director of Finance and Support Services/ Head of ICT	March 2014	<ul style="list-style-type: none">• All outstanding high risk IT audit recommendations implemented.• Resilient IT business continuity arrangements in place.	<ul style="list-style-type: none">• SIAS continue to monitor.• IT business continuity arrangements will be picked up within the Shared Service.	AMBER

IT Risk Diagnostic (Highlighted by SIAS during 2012/13)	CMT	March 2014	<ul style="list-style-type: none"> • Develop an IT strategy which is aligned with the business objectives of the Council and sets out the vision and core priorities for ICT over the next 3 years. • Implement a governance committee to focus on strategic decision making and prioritisation within IT and assign the monitoring of ICT delivery to more operational committees. • Define performance indicators for ICT which are aligned with the business need and with ICT capacity to deliver. On a periodic basis, monitor and report them to business stakeholders. 	<ul style="list-style-type: none"> • Shared ICT Service to take forward all actions. 	AMBER
Hertford Theatre future governance arrangements (from 2011/12)	CMT	March 2014	<ul style="list-style-type: none"> • Options to be developed to consider financial and other risks during a period of transition. 	<ul style="list-style-type: none"> • Executive Member and a relevant councillor met with officers and agreed that current business 	AMBER

Action Plan)				<p>plan was working well. Still only two full years into ten year plan and therefore no early decisions would be made to move to alternative governance arrangements.</p> <ul style="list-style-type: none"> • This position will be reviewed annually and is scheduled for Community Scrutiny Committee in September 2013. 	
<p>Asset Management Plan {formerly- Pro-actively seek opportunities to improve performance Plan} (from 2012/13 Action Plan)</p>	CMT	March 2014	<ul style="list-style-type: none"> • Review assets held by the Council. 	<ul style="list-style-type: none"> • Asset Management Plan 2013-17 approved by CMT but has been put on hold pending senior management review of viability of investing in property to generate revenue for the Council. 	AMBER

Impact of Welfare Reform changes (Identified as a new strategic risk)	CMT	March 2014	<ul style="list-style-type: none"> New Legislation will have an adverse financial impact on a significant number of residents. Provide residents more support for services across the Council to staffing levels, manage the budget and the public expectations. Implement Council policies effectively. 	<ul style="list-style-type: none"> The workload in Revenues and Benefits service continues to increase. Services across the Council including Housing and Customer Service continue to also experience an increase in demand. Services are working together to work efficiently and effectively to manage workload. 	AMBER
Operating effectively in Shared Services (taken forward from 2012/13 Action Plan)	CMT	March 2014	<ul style="list-style-type: none"> Complete a review of the operation of all shared service partnership arrangements 	<ul style="list-style-type: none"> Review planned. 	AMBER

Risk that S106 Monies remain unspent (Highlighted by SIAS during 2012/13)	Head of Comms, Engagement and Cultural Services/ Head of Planning and Building Control	March 2014	<ul style="list-style-type: none"> Ensure that funds are spent on appropriate schemes in accordance with the terms of the Section 106 agreement which provide value for money for the community. 	<ul style="list-style-type: none"> Regular reports are made to CMT identifying projects and tracking outstanding payments. 	AMBER
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We propose to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Certification by the Leader of the Council and the Head of Paid Service:

<u>Name</u>	<u>Position</u>	<u>Date</u>	<u>Signature</u>
Councillor A P Jackson	Leader of the Council		
George A Robertson	Chief Executive and Director of Customer and Community Services		

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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 27 AUGUST 2013

AUDIT COMMITTEE – 18 SEPTEMBER 2013

EXECUTIVE – 1 OCTOBER 2013

REPORT BY THE LEADER OF THE COUNCIL

11. RISK MANAGEMENT STRATEGY

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- The Risk Management Strategy has been updated to reflect current best practice.

<u>RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY COMMITTEE : that</u>	
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(A)	The updated Risk Management Strategy be scrutinised; and

(B)	The Executive be advised of any recommendations.
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<u>RECOMMENDATION FOR AUDIT COMMITTEE: that:</u>	
---	--

(A)	The comments of Corporate Business Scrutiny Committee be received; and

(B)	The Executive be advised of any recommendations.
-----	--

<u>RECOMMENDATION FOR THE EXECUTIVE: that</u>	
--	--

(A)	The comments of Corporate Business Scrutiny Committee be received; and

(B)	The updated Risk Management Strategy be approved.
-----	---

1.0 Background

- 1.1 The Risk Management Strategy has been updated to reflect current best practice.

2.0 Report

- 2.1 Risk management can be defined as:
The process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of their success and reducing the likelihood of their failure. (Source: The Institute of Risk Management).
- 2.2 By managing risks effectively, the Authority is in a stronger position to deliver services in accordance with corporate priorities. By managing opportunities, it is better positioned to provide continuous improvement in its services and better value for money.
- 2.3 The Director of Neighbourhood Services, the Manager of Corporate Risk and the Risk Assurance Officer have revised the Strategy to reflect current legislation, best practice, and to simplify policy and procedures. The review was delayed pending an Internal Audit report, and also release of a toolkit from ALARM, the Association of Local Authority Risk Managers. Both documents are reflected in the revised strategy. The Strategy will in future be reviewed annually and any significant amendments will be reported to Corporate Business Scrutiny Committee, Audit Committee and The Executive.
- 2.4 Key changes to the previous version of the strategy are detailed in the following paragraphs (2.5 to 2.11). The strategy document is attached as **Essential Reference Paper 'B'**.
- 2.5 **Scoring** – The risk scoring matrix has been simplified, and now clearly defines the Council's 'risk appetite', i.e. the level of service disruption, financial loss or reputation damage that the authority can tolerate. More consistent scoring can be expected in future, and it is hoped that Members and officers will receive more assurance regarding the likelihood or levels of exposure, particularly financial.
- 2.6 **Timetable** – Risk reporting periods have been following the Audit Committee timetable as best as possible. This was originally requested to ensure that risk registers were received in a timely

manner shortly after the reporting period. However, these timing issues have continued.

2.7 Other negative consequences of following the Audit Committee timetable are:

- Risk registers are not produced quarterly. Two reports span a period of two months and two reports span four months. There can be limited information to capture due to the short time span between service planning and risk report preparation, or report preparation and the next round of risk discussions at team meetings.
- The risk year commences in May so does not mirror the financial year. This causes confusion and Covalent has frequently been updated with controls for the wrong period.
- Consequently we have reverted to a quarterly reporting cycle for 2013/14, commencing April 2013.

2.8 **Frequency of monitoring** – Risk management will become a standing item on monthly Departmental Management Team meeting agendas in order that critical risks ('red risks') can be discussed regularly. Covalent will be updated quarterly unless there has been significant movement.

2.9 All strategic and operational risks, including control commentary completed by officers, can be viewed at any time on Covalent by all Members.

2.10 **Operational Risk Management Group** – The group was not as productive as originally envisaged; membership has therefore been reconsidered. More senior officers will attend in future so that the group can:

- manage corporate risks, e.g. IT performance, data protection, contract management, and determine the level of risk facing the Authority.
- produce consistent policies across the Authority, e.g. land management and inspection, lone working arrangements.
- advise on and support reviews of existing policy or new initiatives, e.g. HR and IT policies, health and safety, anti-

fraud measures, internal controls, data protection, business continuity planning and project management.

- monitor existing procedures, e.g. receive health and safety or data protection compliance reports.

- 2.11 It is expected that the first meeting of the new Operational Risk Management Group will consider lone working, front line staff safety and land inspection regimes.
- 2.12 There has been **no** changes to the way in which risks are explained to Members in committee reports, but any weak commentary should be challenged and assurance sought.
- 2.13 The risk identification process is considered to be robust, and remains **unchanged**. Service planning requires completion of a risk register, which is scrutinised by a panel of officers and also at Departmental and Corporate Management Team meetings. Risk registers are compared with other local authorities, emerging trends and guidance from professional bodies.

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.

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Contact Officer: Simon Drinkwater, Director of Neighbourhood Services, Extn: 1405.
simon.drinkwater@eastherts.gov.uk

Report Author: Graham Mully, Risk Assurance Officer, Ext: 2166.
graham.mully@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	<p>People This priority focuses on enhancing the quality of life, health and wellbeing of individuals, families and communities, particularly those who are vulnerable.</p> <p>Place This priority focuses on the standard of the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean.</p> <p>Prosperity This priority focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic and social opportunities.</p>
Consultation:	There are no specific consultation implications arising directly from this report.
Legal:	There are no specific legal implications arising directly from this report.
Financial:	There are no specific financial implications arising directly from this report. However the risk matrix has been updated to include potential financial exposure.
Human Resource:	There are no specific human resource implications arising directly from this report.
Risk Management:	There are no additional risk management implications to those already contained in this report. However, it should be noted that if East Herts did not have a risk management monitoring process, the Authority would be seen to be not managing risks appropriately, which would have a significant negative impact on recommendations made by the External Auditors through the Annual Audit Letter.

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Risk Management Strategy

2013/14

Agreed at CMT on 10th June 2013.

SMG 30th July 2013.

**To Corporate Business Scrutiny Committee, Audit Committee
and The Executive.**

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Section 1 - Context

Policy statement

Risk is present in everything that we do, so it is our policy to identify, assess and manage the key areas of risk.

East Herts Council recognises that risk management is a vital activity, and we seek to embed risk management into the culture of the Authority. This includes the strategic decision making process, service planning, project management, partnerships, audit, procurement and contracts.

In order to obtain a clear picture of the risks that threaten the Council's ability to achieve its objectives, it is important that the Council determines its 'risk appetite' – the level of risk that is considered acceptable for the organisation to be exposed to. The Risk Management Strategy reflects our 'risk appetite', the size of the Authority and the nature of our operations.

The processes in place should provide assurance to all stakeholders that the identification and management of risk plays a key role in the delivery of our strategy and related objectives.

The objectives of this strategy are: -

- Define what risk management is about and what drives risk management within the Council.
- Set out the benefits of risk management and the strategic approach to risk management.
- Outline how the strategy will be implemented.
- Identify the relevant roles and responsibilities for risk management within the Council.
- Formalise the risk management process across the Council.

Approval, Communication, Implementation and Review of the Risk Management Strategy

The Risk Management Strategy is on the intranet, and is specifically issued to:

- The Executive
- Audit Committee
- CMT
- Senior managers

To demonstrate how risk management contributes to the achievement of the Council's and service objectives, training is provided to those listed above, and members of staff who prepare committee reports and / or those who should consider risk in the roles that they perform.

The strategy is reviewed internally each year, and following key changes in central or local policies. Risk management is also subject to frequent audit by the Shared Internal Audit Service (SIAS).

Section 2 - What is risk management and why do we do it?

Risk Management can be defined as:

The process which aims to help organisations understand, evaluate and take action on all their risks with a view to increasing the probability of their success and reducing the likelihood of their failure. (Source: The Institute of Risk Management).

Risk management therefore is essentially about identifying all the obstacles and weaknesses that exist within the Council. The approach is vital to ensuring that all elements of the organisation are challenged including decision making processes, working with partners, consultation processes, existing policies and procedures and also the effective use of assets – both staff and physical assets.

Once the obstacles have been identified, the next stage is to prioritise them to identify which are key to the Council moving forward. It is essential that steps are then taken to manage these effectively. The result is that major risks / obstacles that exist can be mitigated / controlled, providing the Council with a greater chance of being able to achieve objectives. Included within this should also be a consideration of the positive or 'opportunity' risk aspect.

National drivers behind strategic risk management

- The CIPFA/SOLACE framework on Corporate Governance requires the Council to make a public assurance statement annually, on amongst other areas, the Council's risk management strategy, process and framework. The framework requires the Council to establish and maintain a systematic strategy, framework and processes for managing risk.
- Risk management is best practice in both the public and private sectors.
- The coalition government have announced a number of changes in order to reduce bureaucracy and central government burdens and to save money. At the heart of all these changes is the government's ambition to decentralise – to transfer power from central government to local authorities and the communities and individuals they represent.

As set out in the Localism Act, work has already started to progress decentralisation. For example:

- The Comprehensive Area Assessment has been abolished and the Audit Commission disbanded.
- Central monitoring of targets associated with Local Area Agreements has ended.
- The national indicator framework has been deleted.

This means that going forward local authorities are in control of their systems and processes to allow them to fulfil their commitment to deliver their priorities and to account to their local communities for their performance.

Therefore it is essential that the Council's business planning and performance management processes are relevant and fit for purpose to support the delivery of the council's three key priorities – People, Place and Prosperity. Within this framework it

is important that risk management continues to be a key discipline that is carried out. The Council's risks are managed by having a clear strategy and effective arrangements in place, including appropriate resources to manage the risk of fraud and corruption and partnership working.

Local drivers behind strategic risk management

The Council's vision is:

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

The Council's Strategic Priorities:

'East Herts Council is here to help you. 'We are committed to the communities we serve; delivering good quality services that reflect local priorities and resources'.

In order to strive to meet the vision and priority, East Herts Council has recognised the need to further embed its risk management arrangements. The desired outcome is that risks associated with these objectives can be managed and the potential impact limited, providing greater assurance that the Vision will be achieved.

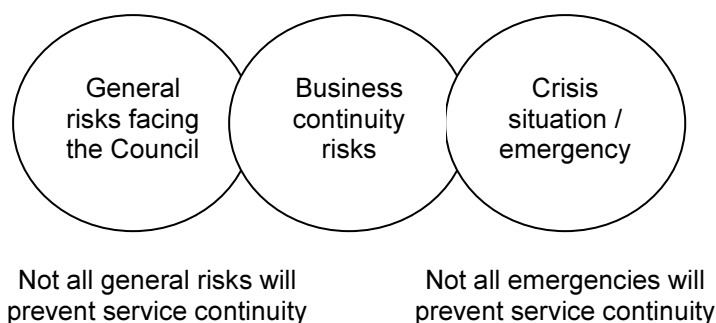
Benefits of risk management

Implementation of risk management produces many benefits for the Council including:

- Improved efficiency of operations.
- Protection of budgets from unexpected financial losses.
- Protection of reputation.
- Reduced losses arising from accidents and illnesses.
- Increased chance of achieving strategic objectives as key risks are minimised.
- The possibility of becoming less risk averse because risks are understood.
- Improved performance (accountability and prioritisation) - feeds into performance management framework.
- Better governance can be demonstrated to stakeholders.

Risk management, emergency planning and business continuity

There is a link between these areas; however it is vital for the success of risk management that the roles of each, and the linkages, are clearly understood. The diagram below sets out to demonstrate the differences.



Risk management is about trying to identify and manage those risks which are more than likely to occur and where the impact on our strategic objectives can be critical or even catastrophic.

Business continuity management is about trying to identify and put in place measures to protect priority functions against catastrophic risks that can stop the Council in its tracks. There are some areas of overlap e.g. IT infrastructure and resilience features as a strategic risk, but is a key element of business continuity plans.

Emergency planning is about managing those incidents that can impact on the community (in some cases they could also be a business continuity issue) e.g. a plane crash is an emergency, it becomes a continuity event when significant numbers of Council staff are required to provide support.

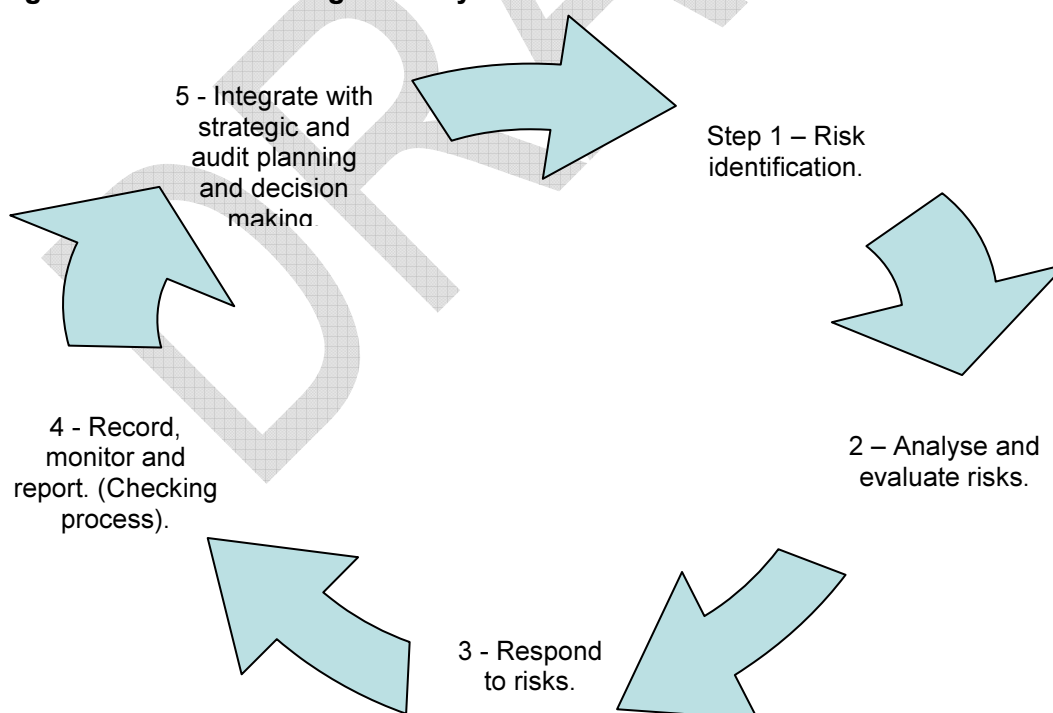
The Council recognises that there is a link between Risk Management, Business Continuity Management and Emergency Planning. Corporate Management Team leads in all three areas and strategies are developed concurrently.

Section 3 - Implementation of risk management

The risk management process

Implementing the strategy involves a 5-stage process as shown in figure 1.

Figure 1: The risk management cycle



Stage 1 – Risk identification

The first step is to identify the risks that could have an adverse affect or prevent key business objectives from being met. It is important that those involved with the process clearly understand what the Council wants to achieve in order to be able to identify the barriers.

When identifying risks it is important to remember that risk management is also about making the most of opportunities, e.g. making bids for funding, pursuing beacon status or other awards, taking a national or regional lead on policy development, savings that may be achievable if a project goes to plan etc.

Using appendix 1 as a prompt, various techniques can then be used to begin to identify 'key' or 'significant' business risks including:

- A 'brainstorm' session
- Own (risk) experience
- Challenge within team meetings
- 'Strengths, Weakness, Opportunities and Threats' analysis or similar
- Experiences of others - can we learn from others mistakes?
- Exchange of information / best practice with other authorities, organisations or partners.

The process for the identification of risk should be undertaken for projects (at the start of each project stage), partnerships, service planning and at a strategic / corporate level. Details of who contributes to these stages are explained further in the roles and responsibilities section.

Stage 2 – Analysing and evaluating the risks

The risk should be given a clear and concise title. A fuller description to include the root cause and the possible consequences of the risk if it occurs should be provided separately, e.g.

Title	Description
Response to changes to the Civil Procedure Rules governing the handling of liability (insurance) claims.	The timeframe to handle liability claims below £25,000 will reduce from 111 days to 30 / 40 days in April 2013. Failure to meet deadlines could result in financial penalties.

It is prudent to combine risks from more than one service that share common causes and consequences, e.g. IT network performance, data protection, staff recruitment and retention, health and safety etc. An appropriate officer or the Operational Risk Management Group will review such risks and recommend controls and devise policy where possible. These corporate risks will feature on DMT risk registers to keep services informed, and to ensure that comments and ideas are recorded and Council policy followed.

Following identification and analysis, risk scoring is agreed at DMT and / or in a facilitated workshop. Participants review risk scenarios, rate the potential likelihood of occurrence and the impact if it were to occur. A matrix is used to plot risks to illustrate priority. Impact and likelihood scoring criteria have been revised for 2013/14, and are detailed in the following matrix.

Risk appetite

A material risk is deemed to be any risk rated higher than 2:2. This is the Council's 'risk appetite' i.e. the level of risk that it is prepared to tolerate. Where a risk rating exceeds this 'control' area of tolerance, demonstrable evidence of how risks are being mitigated will be required, together with proposals for future controls.

Stage 3 – Respond to risks

This is the process of turning 'knowing' into 'doing'. It is assessing whether to control, accept transfer or terminate the risk on an agreed 'risk appetite'. Risks may be able to be: -

Controlled - It may be possible to mitigate the risk by 'managing down' the likelihood, the impact or both. The control measures should, however, be commensurate with the potential frequency, severity and financial consequences of the risk event.

Accepted - Certain risks may have to be accepted as they form part of, or are inherent in, the activity. The important point is that these risks have been identified and are clearly understood.

Transferred - to another body or organisation i.e. insurance, contractual arrangements, outsourcing, partnerships etc.

Terminated - By ending all or part of a particular service or project.

It is important to recognise that, in many cases, controls will already be in place. It is therefore necessary to look at these controls before considering further action. They may be out of date or not complied with.

The potential for controlling the risks identified will be addressed through service plans. Most risks are capable of being managed – either by managing down the likelihood or impact or both. Relatively few risks have to be transferred or terminated. These service plans will also identify the resources required to deliver the improvements, timescale and monitoring arrangements.

Existing controls, their adequacy, new mitigation measures and associated action planning information are all recorded on the risk register, including ownership of the risk and allocation of responsibility for each mitigating action. Full details of the risk mitigation measures that are to be delivered are likely to be recorded in the respective service plans and cross reference should be made to this in the risk registers.

Consideration should also be given here as to the 'Cost-Benefit' of each control weighed against the potential cost / impact of the risk occurring. N.B. 'cost / impact' here includes all aspects including financial, resourcing, but also reputational.

Stage 4 – Recording, monitoring and reporting

Corporate Management Team (CMT) is responsible for ensuring that key strategic risks are managed.

Directors and senior managers are responsible for ensuring that key risks in their service are managed.

Risk owners should update descriptions, scores, controls and planned controls on Covalent. See Appendix 3 for details and an example.

CMT then undertakes a review of the strategic risk register and receives updates from Directorate Management Teams (DMT). Operational risks affecting more than one service within the Council can be referred to the Operational Risk Management Group for controls to be devised.

A comprehensive review of risk registers is undertaken annually by the Risk Assurance Office, Manager of Corporate Risk and the Director of Neighbourhood Services following receipt of service plans. A comparison is made between risks identified in the service plan, existing risk registers, and new risks and trends identified elsewhere. Risk ratings will be moderated where necessary, and proposals for the following year's risk registers are then presented at DMT meetings for amendment and final approval before addition to Covalent. (Proposed strategic risks are also presented to CMT).

All operational and strategic risks are reviewed and challenged at least quarterly at DMT healthcheck meetings, with controls discussed and agreed.

During the year new risks are likely to arise that have not previously been considered. The environment in which risks exist will change making some more critical, and others less important or obsolete. Risk registers and scores should be updated to reflect these changes, ensuring that risk registers and resulting mitigation measures are appropriate for the current service and corporate objectives. (Addition of new risks to and deletion of obsolete risks from Covalent can only be carried out by the Risk Assurance Officer).

If any risks require corporate ownership and management then they should be incorporated into the strategic risk register or referred to the Operational Risk Management Group, as appropriate.

Risks scored 'critical' (red) will be reviewed monthly at DMT meetings, although Covalent need not be updated unless significant movement occurs.

CMT will report strategic risks to the Executive quarterly as part of the Corporate Healthcheck report. Audit Committee will receive four monitoring reports each year.

Stage 5 - Integrate with strategic and audit planning and decision making

In order to formalise and structure risk management at the Council, it is recognised that there are obvious and clear links between risk management and strategic planning; financial planning; policy making and review and performance management. The linkages are as follows:

- Risk management is a key part of the business planning process and therefore forms one of the key elements of the integrated **Strategic and Financial Planning framework**. Guidance on the framework is issued annually to senior managers with the publication of the Medium Term Financial Strategy. The guidance includes a section on risk assessments, which clearly explains that services need to recognise risk not just in relation to planned activity coming out of the service planning process (that supports the Council's priorities) but also in terms of the broader objectives of the service.
- Risks that have been identified that have a potential financial impact need to be considered as part of the preparation of the Medium Term Financial Plan (MTFP). Sources of funding the mitigation of risks, or the consequences of risk assessment need to be clearly identified within the MTFP, either as specific budget lines, provisions or use of general reserves. In addition, consideration of the Council's ability to withstand shocks from external factors is included as part of the Consolidated Budget report annually, which stress tests the MTFP and ability to withstand unexpected events.
- Financial Regulations apply to every Member and officer of the Council, and anyone acting on its behalf. As a modern Council, East Herts encourages innovation, providing this is within the framework laid down by the Financial Regulations, and the necessary risk assessment and approval safeguards are in place.
- The Council's **performance management framework** supports the monitoring of strategic and operational risks through the Council's **Corporate Healthcheck Report**. This encourages greater ownership and accountability by service heads in managing budgets, more prudent and focused management of service performance and risk management.
- The Council's **Performance Development Review (PDR) scheme** flows through the organisation from the Chief Executive to staff and ensures that all employees have clear accountabilities and objectives linked to those of the service and the Council.
- Annually the Shared Internal Audit Service review service plans and risk registers with the Corporate Risk Team to produce the risk based audit plan for the next financial year.

The Council's **performance management system – Covalent** – also serves to strengthen the linkages. All performance and risk monitoring reports are generated from the system and the features of Covalent enable us to demonstrate the link between our corporate priorities, key activity, performance indicators and risks.

Section 4 - Risk management in projects and partnerships

Risk management needs to be a key part of the ongoing management of projects and partnerships, including shared services.

Project / Programme management

There is a consistent and robust approach to risk management used in projects, both at Project Initiation stage and throughout the entire project. This is based largely on the approach used across the authority. Written guidance is available on the intranet.

The approach to risk management defined within this strategy document and within the project management system, is exactly the same.

Partnerships

Reduced funding is leading to more public services and community projects being delivered through partnerships between the public, private and third sectors. Partnerships are essential to deliver benefits to residents, businesses, and visitors, but they bring risks as well as opportunities.

The Council's 'Partnership Protocol', which is available on the intranet, provides guidance on governance, including risk management, and the key processes that can be followed to establish and maintain effective partnerships. A review of these arrangements is undertaken annually and reported to Corporate Business Scrutiny Committee each November.

Section 5 - Roles and responsibilities

The following describes the roles and responsibilities that Members and officers have in introducing, embedding and owning the risk management process:

Members

Elected Members are responsible for governing the delivery of services to the local community. Members have a responsibility to understand the strategic risks that the Council faces, and will be made aware of how these risks are being managed through the annual strategic and service planning process, and through reports to the Executive and Audit Committee.

All Members will have the responsibility to consider the risks associated with the decisions they undertake and will be informed of these risks in the reports that are submitted to them. They cannot seek to avoid or delegate this overall responsibility, as it is key to their stewardship responsibilities. Awareness training will be available for all Members when specific training needs are identified.

All Members can access all strategic and operational risks on Covalent.

Full Council

Full Council recognises the importance of effective risk management and considers risk management issues when making decisions.

Executive

- To receive regular reports, covering implementation of the Council's risk management policy and strategy to determine whether corporate risks are being actively managed.
- Agree the Risk Management Policy and Strategy on an annual basis, or if significant changes require a revision.
- Agree / set the Council's risk appetite.
- Allocate sufficient resources to address top risks.
- The Portfolio Holder for Risk Management is recognised as the Member champion for Risk Management

Audit Committee

- To monitor the effective development and operation of risk management and corporate governance in the Council.
- Receive updates regarding the mitigation and control of strategic risks four times per year, and gain assurance that risk management is properly undertaken.

Corporate Business Scrutiny Committee

- To develop policy options and to review and scrutinise the policies of the Council including Risk Management.

Chief Executive and Corporate Management Team (CMT)

- To ensure that effective systems of Risk Management and internal control are in place to support the Corporate Governance of the Council.
- Take a leading role in identifying and managing the risks and opportunities to the Council and to set the example and standards for all staff. (The Director of Neighbourhood Services is recognised as the Officer Champion for Risk Management).
- Advise the Executive and Council on the risk management framework, policy, strategy and processes.
- Advise on the management of strategic and other significant risks.
- Ensure that the Policy and Strategy are communicated, understood and implemented by all Members, managers and staff and fully embedded in the Council's service planning and monitoring processes.
- Identify, analyse and profile high-level corporate and cross-cutting risks on a regular basis as outlined in the monitoring process. Refer key corporate and service specific operational risks to the Operational Risk Management Group for action.
- To report to Members on the management of strategic risks.
- Ensure that appropriate risk management skills training and awareness is provided to all Members and appropriate staff.

Directors

- To be individually responsible for proper monitoring of the relevant service risk registers and the embedding of risk management into the business and service planning of their relevant services.
- To ensure that the risk management process is part of all major projects, partnerships and change management initiatives.

- To ensure that all reports of a strategic nature written for Members include risk commentary.
- To ensure that new and existing risks are reviewed, challenged and updated quarterly at DMT meetings. Critical risks will be reviewed monthly.
- Report quarterly to CMT on the progress being undertaken to manage strategic risks.

Senior Managers

- To be individually responsible for proper monitoring of their service risk register, and the embedding of risk management into the business and service planning of their relevant service.
- Be actively involved in the identification and assessment of service risks resulting in an up to date service risk register and matrix.
- Ensure that all reports of a strategic nature written for Members include risk commentary.
- To maintain the awareness of risks and the risk identification process.
- To implement the detail of the Risk Management Strategy and risk related corporate policies, e.g. Health and Safety, Data Protection.
- Share / exchange relevant information with colleagues in other service areas.

Operational Risk Management Group

- To review operational risks that affect numerous teams within the authority. Plan mitigation activity and produce procedures / policies. Provide feedback to services and committees where necessary.
- To monitor health and safety compliance and land management standards.
- To act as a forum for the sharing of best practice.
- To receive minutes from the Council's Safety Committee and Business Continuity Group and update / act on risks as appropriate.

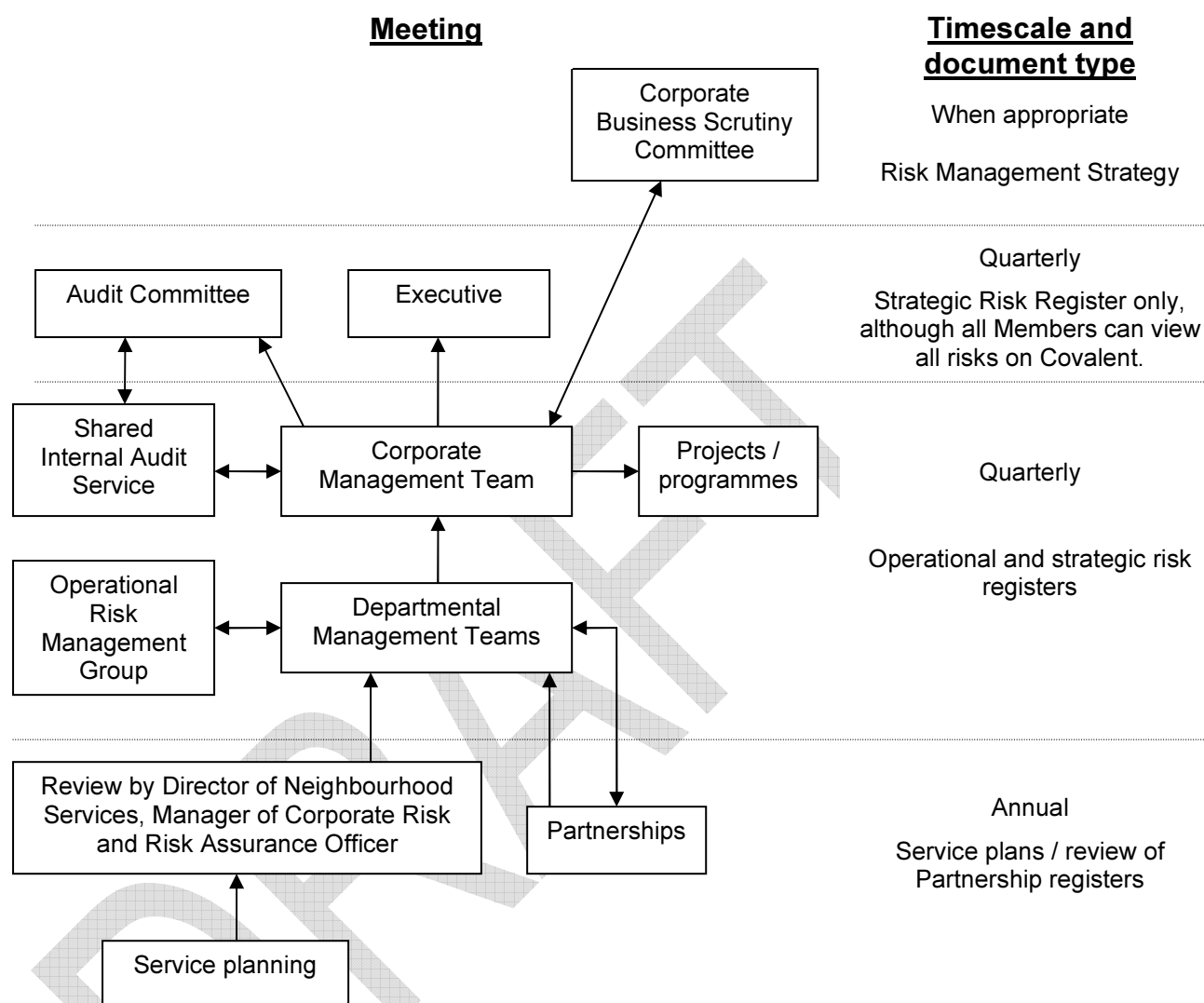
Corporate Risk Team

- Co-ordinate risk management activities and prepare related reports for management and Members.
- Review and develop the Risk Management Strategy and processes.
- Facilitate risk discussion workshops and support and assist the maintenance of risk registers. Gain assurance on the process being conducted.
- Facilitate / arrange risk management training for staff and Members.
- To play an active role within the Operational Risk Management Group.
- Pass experiences of strategy implementation to the appropriate services.
- Maintain awareness of risks and feed them into the risk identification process.
- Support the risk based audit planning process.

Shared Internal Audit Service

- To provide assurance to the Council through an independent and objective opinion on the control environment comprising risk management, control procedures and governance.
- To provide an annual Audit Plan that is based on a reasonable evaluation of risk, and to provide an annual assurance statement to the Council based on work undertaken in the previous year.
- Review and challenge the effectiveness of the risk management framework.

The following table shows the risk management reporting arrangements:



Section 6 - Conclusion

This strategy will set the foundation for integrating risk management into the Council's culture. It will also formalise a process to be applied across the Council to ensure consistency and clarity in understanding the role and benefits of strategic risk management.

The reporting and escalation of risks from Services to CMT should interlock with the existing quarterly healthcheck for performance reporting, through Covalent. The intention being that the management of risks is incorporated into business plans so that by reporting on performance naturally reports progress on the mitigation of risks.

Appendix 1 – Categories of risk

Risk	Definition	Examples
Political	Associated with the failure to deliver either local or central government policy or meet the local administration's manifest commitment.	New political arrangements. Political personalities. Political make-up. Policy and decisions.
Economic	Affecting the ability of the Council to meet its financial commitments. These include internal budgetary pressures, external macro level economic changes or consequences of proposed investment decisions.	Financial climate. Cost of living. Changes in interest rates. Inflation. Poverty indicators.
Social	Relating to the effects of changes in demographic, residential or socio-economic trends on the Council's ability to meet its objectives.	Ageing population. Health statistics. Crime rates.
Technological	Associated with the capacity of the Council to deal with the pace/scale of technological change, or its ability to use technology to address changing demands. They may also include the consequences of internal technological failures on the Council's ability to deliver its objectives.	E-Gov.. IT infrastructure. Staff/client needs. Security standards.
Legislative	Associated with current or potential changes in national or European law.	Human rights. TUPE regulations
Continuity / service delivery	Ability to deliver services.	Loss of key staff, building, documents or IT.
Environmental	Relating to the environmental consequences of progressing the Council's strategic objectives.	Land use. Recycling. Pollution.
Competitive	Affecting the competitiveness of the service (in terms of cost or quality) and/or its ability to deliver best value.	Fail to win quality accreditation. Alternative service providers.
Customer/ Citizen	Associated with failure to meet the current and changing needs and expectations of customers and citizens.	Managing expectations. Extent of consultation.
Managerial/ Professional	Associated with the particular nature of each profession, internal protocols and managerial abilities.	Staff restructure. Internal capacity.
Financial	Associated with financial planning and control.	Budget overspends. Level of Council tax. Level of reserves.
Legal	Related to possible breaches of legislation.	Client brings legal challenge.
Partnership/ Contractual	Associated with failure of contractors and partnership arrangements to deliver services or products to the agreed cost and specification.	Contractor fails to deliver. Partnership agencies do not have common goals. Shared services.
Physical	Related to fire, security, accident prevention and health and safety.	Land / facility management. Use of equipment.

Appendix 2 – Risk Register

Part A – risks related to Section 3a and b of the service planning template.

(Service Title) Service Plan 2013/14

Risk No.	Risk title and detail	Consequence	Impact (1 to 4)	Likelihood (1 to 4)	Risk owner	Mitigation actions past quarter (if relevant)	Planned mitigating actions
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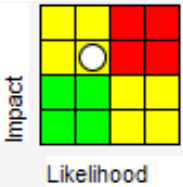
Quarter 1: xxxxxx

Quarter 2: xxxxxx

Quarter 3: xxxxxx

Quarter 4: xxxxxx

Appendix 3 – Covalent screen

Code	Title	Description	Current Risk Matrix	Impact	Likelihood	Managed By	Latest Note
13 – IS1	Response to changes to the Civil Procedure Rules governing the handling of liability insurance claims	The timeframe to handle liability claims below £25,000 will reduce from 111 days to 30 / 40 days in April 2013. Failure to meet deadlines could result in financial penalties.		3	2	Manager of Corporate Risk	<p>Mitigating actions April to June 2013:</p> <p>Procedure manual drafted and new methods of working introduced.</p> <p>Training provided to all teams.</p> <p>Planned mitigating actions:</p> <p>Monitor numbers of claims and response times. Meet teams when investigating claims. Further training as rules develop.</p>

Concise title. See guidance on page xxxx.

Description of root cause and potential consequence.

Code allocated by Corporate Risk Team. Year followed by individual code, then reference number. Codes are:
 SR = Strategic Risk
 CCS = Customer and Community departmental risk
 IS = Internal Services
 NS = Neighbourhood Services

Latest assessment of risk.

The likelihood of a risk occurring during the year may increase or decrease, and the impact similarly too. This should be reflected in the scoring.

The matrix will update automatically.

The risk owner. (A Director or senior Manager).

The controls / mitigating actions for the reporting period should be listed here, along with the actions that you plan to implement in future.