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Jeff Hughes
*Head of Democratic and Legal
Support Services*

MEETING : CORPORATE BUSINESS SCRUTINY COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 26 AUGUST 2014
TIME : 7.00 PM

MEMBERS OF THE COMMITTEE:

Councillors G Jones (Chairman), S Bull, J Mayes, W Mortimer, T Page, M Pope, J Ranger, G Williamson (Vice-Chairman), J Wing and J Wyllie.

Conservative: Councillors G Cutting and C Rowley.

Liberal Democrat: Councillor M Wood.

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

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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 – 8 July 2014

To confirm the Minutes of the meeting of the Committee held on Tuesday 8 July 2014 (Previously circulated as part of the Council Minute book for 30 July 2014).

3. Chairman's Announcements

4. Declarations of Interest

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

5. 2013/14 Annual Governance statement (Pages 5 – 38).

6. Annual Report 2013/14 (Pages 39 – 80).

7. Monthly Corporate Healthcheck – April to June 2014 (Pages 81 – 140).

8. Corporate Strategic Plan 2015/16 – 2018/19 (Pages 141 – 166).

9. Financial Strategy 2015/16 – 2018/19 and Medium Term Financial Plan Update (Pages 167 – 200).

10. Scrutiny Work Programme (Pages 201 – 208).

11. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 26 AUGUST 2014

EXECUTIVE – 2 SEPTEMBER 2014

AUDIT COMMITTEE – 24 SEPTEMBER 2014

REPORT BY THE LEADER OF THE COUNCIL

ANNUAL GOVERNANCE STATEMENT 2013/14

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- This report presents the 2013/14 Annual Governance Statement at **Essential Reference Paper ‘B’** and the 2014/15 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 2013/14 and Action Plan 2014/15 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 2013/2014 Annual Governance Statement Action Plan throughout the year. At the Audit Committee on 16 July 2014, it was reported that seven significant governance issues remained outstanding and showed their status as "Amber". All these issues are considered to remain significant and have been carried forward to this year's Action Plan with target dates updated to reflect any changes of circumstances.
- 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 2014/2015 Action Plan that identifies required enhancements to internal control arrangements has been drawn up.
- 2.11 The following new issues have been identified and added to the Action Plan:
- Implementation of the Investment Strategy.
 - Development of a District Plan.
 - The effectiveness of the delivery of the Here to Help programme.
 - Increased levels of demand for our services.
- 2.12 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.

- 2.13 The Annual Governance Statement Action Plan 2014/2015 can be found at **Essential Reference Paper 'C'**. The eleven issues identified will continue to be monitored through Corporate Management Team and Audit Committee.
- 2.14 These documents will be considered by Corporate Business Scrutiny Committee on 28 August 2014 and the Executive on 2 September 2014. 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 12 August 2014.
- 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 2013/14 – Audit Committee 16 July 2014.

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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

Contribution to the Council's Corporate Priorities/ Objectives	<p>People – Fair and accessible services for those that use them and opportunities for everyone to contribute</p> <p>This priority focuses on delivering strong services and seeking to enhance the quality of life, health and wellbeing, particularly for those who are vulnerable.</p> <p>Place – Safe and Clean</p> <p>This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p>Prosperity – Improving the economic and social opportunities available to our communities</p> <p>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>
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 resources implications to those already contained in this report.
Risk Management:	There are no additional risk management implications to those already contained in this report
Health and wellbeing – issues and impacts:	There are no additional health and wellbeing implications to those already contained in this report.

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ANNUAL GOVERNANCE STATEMENT

20132/20134 AND ACTION PLAN 20143/20154

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 of the Accounts and Audit (England) Regulations 2011 that requires authorities to carry out an annual review of the effectiveness of its system of internal control.

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:

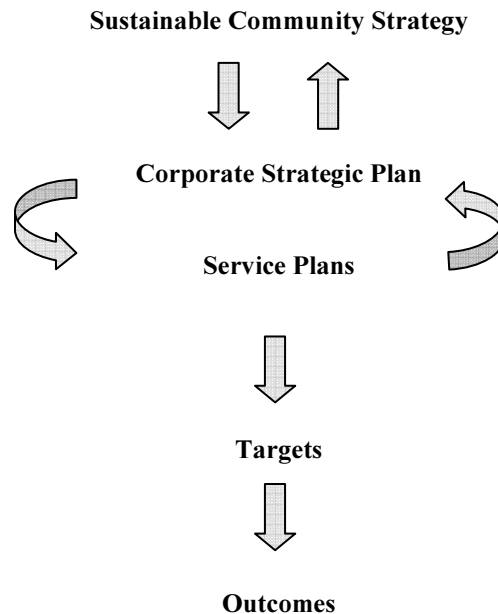
a) Focusing on the purpose of the Council and on outcomes for the community and creating and implementing a vision for the local area

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, [the](#) 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 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 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 and Property 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.

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

Decision making and Information flow

Council/Executive

Strategies Policies Development

Review and Challenge (SCR & AUD)

Strategic Advice

Executive/Portfolio Holders
CMT

Objectives/Priorities

DMT

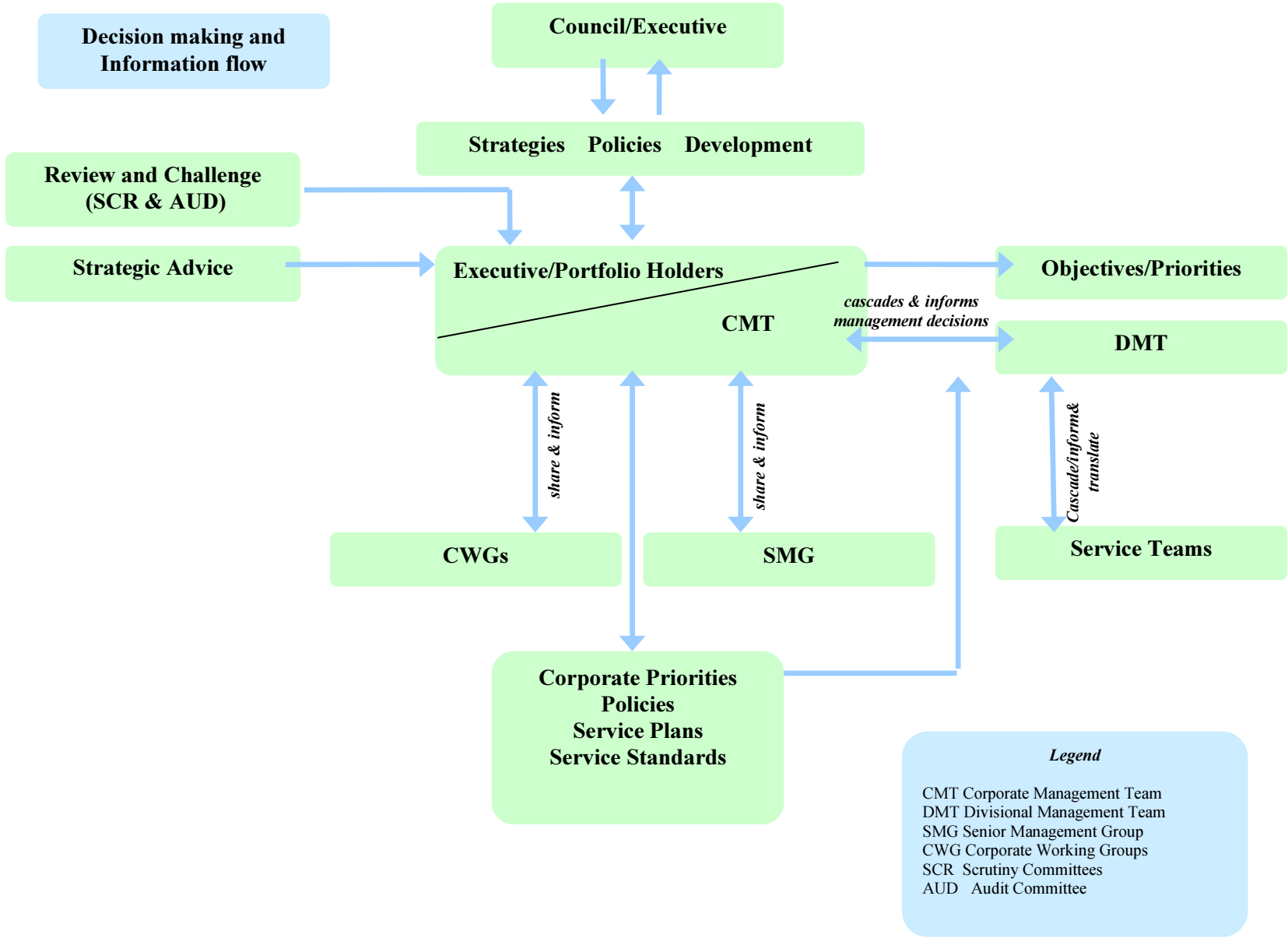
CWGs

SMG

Service Teams

Corporate Priorities
Policies
Service Plans
Service Standards

Legend
CMT Corporate Management Team
DMT Divisional Management Team
SMG Senior Management Group
CWG Corporate Working Groups
SCR Scrutiny Committees
AUD Audit Committee



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 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 Services. The Chairman of the Audit Committee is invited to participate in review meetings with Fund Managers.

The Council ~~shares~~ utilises an Internal Audit ~~service~~ Service delivered under a shared partnership with seven other Councils. This service operates to the standards set out in the CIPFA Public Sector Internal Audit Standards which came into effect on 1 April 2013. 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 ~~ManagementControl~~ 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 Action Plan and Data Protection compliance through a formal annual report. Data Protection risk assessment is also part of the service planning process.

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 of projects and partnerships.

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 ~~quarterly~~~~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 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) is a partnership of eight Hertfordshire Authorities. The Council is represented on the Board that provides strategic direction and oversight for the partnership. The Manager of Corporate Risk is the Audit Champion for the Council and has monitoring meetings every two months with the Director of Finance and Support Services and SIAS 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~~ Aa new company to conduct the commercial trading affairs of the Hertfordshire CCTV Partnership has been created.

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 a comprehensive Member Development programme overseen by a Members' Development Charter Group. A key aspect of peer- peer support for local problem solving is the use of Action Learning Sets.

The Council is taking forward the concept of 'Here to Help' which is an organisational development activity which has been developed in-house to allow managers and staff to contribute to the development of the Council's performance, values and behaviours. The purpose of 'Here to Help' is celebrating what is good, sharing good practice, making things better and unlocking barriers to better working. It is about giving employees greater opportunity to think about improvements to their ways of working together to deliver a high quality customer experience every time. ~~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 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.

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 follow-up focus groups~~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

StrategiesPlans.

The Council publishes an Annual Report setting out progress on its priorities in the prior year. 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 2014⁴³ 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 Corporate Business Scrutiny Committee.
- 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 SIAS 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 Community Housing Trust](#), 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 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 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 and reports progress to Corporate Management Team on a quarterly basis~~which are also followed up by SIAS at the time of their next audit~~. All SIAS reports include an opinion on the quality and effectiveness of internal control within the Council's systems, and an assurance assessment.

All final versions of SIAS reports are circulated to members of the Audit Committee. All reports for the key financial systems audits are also sent to the Council's External Auditors who place reliance on the work carried out by SIAS. 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.

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,

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
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 <u>Business and Technology Services ICT</u>	<u>March</u> <u>October</u> 2014	<ul style="list-style-type: none"> • All outstanding high risk IT audit recommendations implemented. • Resilient IT business continuity arrangements in place.
IT Risk Diagnostic (Highlighted by SIAS during 2012/13)	CMT	<u>March</u> <u>October</u> 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

			<p>delivery to more operational committees. Actioned</p> <ul style="list-style-type: none"> 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. Actioned
Hertford Theatre future governance arrangements (from 2011/12 Action Plan)	CMT	March <u>October</u> 2014	<ul style="list-style-type: none"> Review to identify options for alternative governance models and the financial implications of adopting those models. Options to be developed to consider financial and other risks during a period of transition.
Asset Management Plan {formerly-Pro-actively seek opportunities to improve performance Plan} (from 2012/13 Action Plan)	CMT	March <u>Dec</u> 2014	<ul style="list-style-type: none"> Review assets held by the Council.
Impact of Welfare Reform changes (Identified as a new <u>2013/14</u> strategic risk)	CMT	March 201 <u>54</u>	<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.
Operating effectively in <u>Revenues and Benefits and Business and Technology</u> Shared Services (taken forward from 2012/13 Action Plan)	CMT	<u>March Dec</u> 2014	<ul style="list-style-type: none"> • Complete a review of the operation of all shared service partnership arrangements
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	<u>March Dec</u> 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.
<u>Implementat'n of the Investment Strategy with sufficient levels of governance and due diligence (Identified as a new strategic risk)</u>	<u>CMT</u>	<u>March 2015</u>	<ul style="list-style-type: none"> • <u>Find the optimum position of balancing risk and return and having financial strength to contribute to the local economy.</u>
<u>Development of a District Plan that is acceptable to the community and the planning inspectorate. (Identified as</u>	<u>CMT</u>	<u>March 2015</u>	<ul style="list-style-type: none"> • <u>Plan to be agreed within required timeframe.</u>

<u>a new strategic risk)</u>			
<u>The effectiveness of the delivery of the Here to Help programme (Identified as a new strategic risk)</u>	<u>CMT</u>	<u>March 2015</u>	<ul style="list-style-type: none"> • <u>Ensuring challenges are met, particularly staff engagement, communications and adequate resources.</u>
<u>Increased levels of demand for our services. (Identified as a new strategic risk)</u>	<u>CMT</u>	<u>March 2015</u>	<ul style="list-style-type: none"> • <u>Demonstrate ability to adequately manage increased volume of contact from the public.</u> • <u>Demonstrate improvements, removal of barriers and increased capacity.</u>

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:

Signed.....Dated.....

**Councillor A P Jackson
Leader of the Council**

Signed.....Dated.....

**George A Robertson
Chief Executive and Director of Customer and Community Services**

ESSENTIAL REFERENCE PAPER 'C'

ACTION PLAN 2014/15

Significant governance issues

The following required enhancements to internal control arrangements were identified during 2013/14 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
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 Business and Technology Services	October 2014	<ul style="list-style-type: none">• All outstanding high risk IT audit recommendations implemented.• Resilient IT business continuity arrangements in place.
IT Risk Diagnostic (Highlighted by SIAS during 2012/13)	CMT	October 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.
Hertford Theatre future governance arrangements (from 2011/12 Action Plan)	CMT	October 2014	<ul style="list-style-type: none">• Review to identify options for alternative governance models and the financial implications of adopting those models.
Asset Management Plan {formerly- Pro-actively seek opportunities	CMT	Dec 2014	<ul style="list-style-type: none">• Review assets held by the Council.

to improve performance Plan} (from 2012/13 Action Plan)			
Impact of Welfare Reform changes (2013/14 strategic risk)	CMT	March 2015	<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.
Operating effectively in Revenues and Benefits and Business and Technology Shared Services (taken forward from 2012/13 Action Plan)	CMT	Dec 2014	<ul style="list-style-type: none"> Complete a review of the operation of all shared service partnership arrangements
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	Dec 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.
Implementat'n of the Investment Strategy with sufficient levels of governance	CMT	March 2015	<ul style="list-style-type: none"> Find the optimum position of balancing risk and return and having financial strength to contribute to the local economy.

and due diligence (Identified as a new strategic risk)			
Development of a District Plan that is acceptable to the community and the planning inspectorate. (Identified as a new strategic risk)	CMT	March 2015	<ul style="list-style-type: none"> • Plan to be agreed within required timeframe.
The effectiveness of the delivery of the Here to Help programme (Identified as a new strategic risk)	CMT	March 2015	<ul style="list-style-type: none"> • Ensuring challenges are met, particularly staff engagement, communications and adequate resources.
Increased levels of demand for our services. (Identified as a new strategic risk)	CMT	March 2015	<ul style="list-style-type: none"> • Demonstrate ability to adequately manage increased volume of contact from the public. • Demonstrate improvements, removal of barriers and increased capacity.

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:

Signed.....Dated.....

**Councillor A P Jackson
Leader of the Council**

Signed.....Dated.....

**George A Robertson
Chief Executive and Director of Customer and Community
Services**

EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 26 AUGUST 2014

EXECUTIVE – 2 SEPTEMBER 2014

REPORT BY LEADER OF THE COUNCIL

2013/14 ANNUAL REPORT

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- This report provides a draft of the council's Annual Report for 2013/14.

<u>RECOMMENDATION FOR CORPORATE BUSINESS SCRUTINY:</u>	
That:	
(A)	The 2013/14 Corporate Annual Report be recommended to Executive for approval.

<u>RECOMMENDATION FOR EXECUTIVE: That:</u>	
(A)	The 2013/14 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 2013 – 2017 Corporate Plan but looks back on performance rather than offering any forward looking planning.

1.3 This is the seventh 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 2013/14 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 council's website.
- 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:

<p>Contribution to the Council's Corporate Priorities/ Objectives:</p>	<p><i>People – Fair and accessible services for those that use them and opportunities for everyone to contribute</i></p> <p>This priority focuses on delivering strong services and seeking to enhance the quality of life, health and wellbeing, particularly for those who are vulnerable.</p> <p><i>Place – Safe and Clean</i></p> <p>This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p><i>Prosperity – Improving the economic and social opportunities available to our communities</i></p> <p>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>Consultation:</p>	<p>The senior management team were consulted on the draft 2013/14 Annual Report.</p>
<p>Legal:</p>	<p>There are no legal implications.</p>
<p>Financial:</p>	<p>There are no financial implications.</p>
<p>Human Resource:</p>	<p>There are no human resources implications.</p>
<p>Risk Management:</p>	<p>Effective performance management arrangements helps to ensure that the council's priorities and objectives are met and supports greater transparency and increases local accountability. The Annual Report is one tool designed to help deliver this.</p>
<p>Health and wellbeing – issues and impacts:</p>	<p>There are no direct Health and Wellbeing implications in regard to this report.</p>

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Annual Report

2013/14

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Section 1: Introduction

Message from the Leader and the Chief Executive

2013/14 has been a year of further developing and delivering already sound services, keeping any eye on the future and the challenges it inevitably brings.

As you read this annual report, you will learn about the improvements to the recycling services, what we are doing to make sure streets are clean and your parks and open spaces are well maintained and welcoming places. We know these things are important to you and you have told us that satisfaction levels are high. You will also read about some of the innovative ways we work in the community to help improve the longer term health of residents by encouraging exercise and good life habits and how our efforts have been recognised by our health professional partners.

Although we know that East Herts is a relatively healthy and affluent area, we are proud of the work and resources we have put in to help and support the more vulnerable of our residents. In particular our significant work with the Citizens Advice Bureau offering support to those with a range of issues; making sure that applications for benefits are processed quickly; working with partners to develop young person's accommodation in the district are just some examples.

At the same time as delivering services and support, we have been looking to ourselves to see how we can deliver ever more effective services and better value for money. By sharing services with other councils and by finding ways of reducing costs we have maintained a strong financial position such that we were able to reduce council tax for 2013/14 having already had no increase for 4 years!

Importantly, a draft new District Plan was prepared and went out to consultation during the year; a mammoth task which has stretched the capacity of ourselves and councils across the country. A 12 week consultation using a variety of methods to reach as many people as possible commenced in February 2014 which will be used to further inform its development.

The challenges facing the council and the public sector show no sign of easing, but as we look forward to the future residents and businesses can be reassured that East Herts Council will continue to do its utmost to deliver optimum quality and value in everything it does on behalf of its residents.

Councillor Anthony Jackson

Leader of the Council

George A Robertson

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

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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 141,076¹ 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 (£589.90 gross weekly pay for full-

¹ Mid 2013 Population Estimates, ONS

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 £518.10 for the whole of the country³). Unemployment is very low (1.3%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 2014 for the period April to June the average property price was £338,000⁶ while the average salary in 2013 was £31,548 compared to £31,949 in Hertfordshire. 29.9% of properties are semi-detached in East Herts, followed by 27.9% which are detached⁷. There is a shortage of affordable housing.

The People

A fifth of people are under 16 and a fifth of people are over 60. The average age in the district is 39.5⁸.

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 widowed⁹.

Over 89% of people were born in England, 3% were born in other countries in the European Union and 4% in other countries¹⁰. The main religion is Christianity but almost a fifth of people have no religion¹¹.

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%¹².

The people of East Herts enjoy very good health and 9% provide unpaid care¹³.

³ 2013 Annual Survey of Hours and Earnings - Resident Analysis, NOMIS, ONS

⁴ April 2014, 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 2014, Hertfordshire Local Information System Atlas (Herts LIS)

⁷ 2011 Census - Dwellings, Household spaces and Accommodation type (KS401EW), NOMIS

⁸ 2011 Census - Age Structure (KS102EW), NOMIS

⁹ 2011 Census - Marital and Civil Partnership Status (KS103EW), NOMIS

¹⁰ 2011 Census - Country of Birth (KS204EW), NOMIS

¹¹ 2011 Census - Religion (KS209EW), NOMIS

¹² 2011 Census - Ethnic Group (KS201EW), NOMIS

¹³ 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)¹⁴.

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 van¹⁵. 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 home¹⁶. 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 2013/14:

- Cleaned 36,592, 923 linear kilometres of roads and streets – That's the same as flying to Rio de Janeiro in Brazil 3,952 times.
- Processed 2,326 planning and related applications.
- Carried out 15,570 building control inspections – That's 60 inspections (on average) every working day of the year.
- Supported 6,361 housing benefit customers and 6,961 council tax support customers in East Herts. Across the shared revenues and benefits service for both East Herts Council and Stevenage Council the service administered housing benefit and council tax support to almost 30,000 accounts.
- Processed 110,574 changes in housing benefit and council tax support circumstances across East Herts and Stevenage – That's 425 cases processed (on average) every working day of the year.
- Processed 3,098 land charge search enquiries – that is a 24% increase compared to the previous year.
- 156,245 people visited Hertford Theatre – That's just about enough to fill the O2 arena eight times over.
- On average every 'Monday' 1,000 people visit the council website and the most popular search term our visitors use is

¹⁴ 2011 Census - Qualifications and Students (KS501EW), NOMIS

¹⁵ 2011 Census - Car or Van availability (KS404EW), NOMIS

¹⁶ 2011 Census - Method of travel to work (QS701EW), NOMIS

“planning”.

- The council is making more use of video and is building a presence on YouTube – this year our council videos, not including the committee webcasts, have had over 5,000 views with a total of more than 200 viewing hours.

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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 is underpinned by three corporate priorities which reflect local needs as identified through public consultation and feedback.

These priorities in 2013/14 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 2013 - 2017. 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 2013/14 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: Reduce health inequalities, for example, by addressing obesity, smoking and physical inactivity</p>	<ul style="list-style-type: none"> • Increased the overall number of swimmers accessing the council's pools by 2.2% when compared to performance in the previous year. This is due to a successful promotion of junior swims by SLM (Sports and Leisure Management – Everyone Active) and their investment in equipment (inflatables) to encourage junior fun swims as well as adding several additional fun swim sessions aimed at younger swimmers. • Raised awareness of the dangers and social impact of tobacco to young people as part of an East Herts Council project to reduce smoking. The campaign is set to be rolled out to schools across Hertfordshire from the Autumn term in 2014. As part of the campaign students will be able to use an interactive website to watch films about the exploitation of children in tobacco plantations, see how friends and family can be affected by smoking related illness and take part in a range of activities designed to encourage a smoke-free life.
<p>Objective: Reduce fuel poverty</p>	<ul style="list-style-type: none"> • Considered options for a partnership model to support the introduction of the Green Deal in 2013. However, national uptake of the Green Deal (GD) scheme remains very low, so developing a Hertfordshire option is not considered viable at this stage. In the interim, East Herts Insulation Grants, which can be used by customers as a useful adjunct to the Green Deal scheme, were re-launched in October 2013. In total four insulation grants were awarded during the year. This low figure is due to a free cavity /wall and loft scheme that was just starting across the district and therefore the council has been directing customers to it in conjunction with an energy insulation company (funded through the Energy Company Obligation and at no cost to East Herts). The existing East Herts grants scheme has been used to provide any loft/cavity measures that could not be provided for within the free scheme.

	<ul style="list-style-type: none"> • Successfully promoted “Keep Warm Stay Well” (KWSW) last winter and it is intended that an enhanced KWSW scheme will operate again from October 2014. KWSW is a scheme that offers support to vulnerable residents who are struggling with the cold or with paying their fuel bills. To help reduce residents vulnerability KWSW provides a range of free support that includes insulation and draught-proofing, emergency heaters and advice on making their home more energy efficient. There is also advice on paying bills, including entitlement to grants and benefits that could help.
<p>Objective: Increase community engagement</p>	<ul style="list-style-type: none"> • Worked in partnership with Inspirational Arts and the Hertfordshire Music Service to give young performers the opportunity to step into the limelight with the 3music project. Over the years 3Music has successfully acted as a starting block for many young performers seeking a career in the theatre and music industry. • Held the third annual Community Sports Awards event to recognise local sporting talent and celebrate achievements of East Herts Schools in Herts School & Youth Games. 16 awards were presented in 9 categories with individuals winning Sports Performer of the Year (over & under 18), Volunteer of the Year (over & under 18), Coach of the Year (over & under 18) and Service to Sport Award and clubs winning Sporting Achievement of the Year and Club of the Year. Award winners came from across the district - Bishops Stortford Canoe Club winning Coach of the Year and Bury Rangers Football Club winning Club of the Year and individual performers in swimming, cycling, badminton and canoeing coming from Hertford, Ware, Great Amwell and Bishops Stortford. There was good press coverage of the Awards. These awards help to support the council’s priorities in relation to health and well-being. • Revised all councillor role descriptions to highlight the requirements of community engagement as well as providing a programme of support to help members respond

to this increasing role. In addition three community engagement grants have been allocated to councillors to support public engagement meetings within their constituency.

- Facebook 'likes' have increased slowly but the number of twitter 'followers' has almost doubled and this channel is now being used as a primary communication tool. The council has also started to make use of video and is building a presence on YouTube. The videoclips will be used to give the public information (e.g. about specific wards), demonstrate changes to services (e.g. sorting of recycling) or provide a record of consultation events. The development of these social media channels is important as new ways of communicating and customer preferences are changing.

Objective: Deliver strong and relevant services

- Undertook our biennial residents' survey which showed 70% of residents were satisfied with the way the council runs things. This is an increase of 19% when comparison is made to the 2011 level of 51%. (2013 and 2011 residents' survey). However there were some key services which fell into the 'high priority/most in need of improvement' category which were not the responsibility of the council. These areas will be shared with relevant partners and feedback concerning East Herts as a council and as a service provider will be explored further through a series of focus group sessions.
- Customer satisfaction with face to face contact continues to improve, with 80% (2013/14) of customers rating the contact as 'Good' compared to 79% in 2012/13 and 77.2% in 2011/12. For the second year running the most cited reason was the response time, with nine in ten customers choosing this option.
- Scrutiny committees reviewed the council's basket of performance indicators to ensure they were fit for purpose and supported the council's priorities. The review

resulted in a number of indicators being deleted and new measures being introduced, for example new performance indicators to support the shared service revenue and benefits service. Scrutiny committees play a key role in ensuring the council is accountable in the delivery of its priorities and that it produces the right information to be able to demonstrate this.

- Ensured information was easily accessible and transparent for our customers by:
 - Redesigning the council's website and greatly reducing the number of mouse clicks needed to get through to priority pages/tasks. The new redesigned site is now deemed Level 1 'accessible' by the RNIB and we are working towards gaining Level 2.
 - Enhancing the information publication and freedom of information self-service by the establishment of East Herts Council information 'Home Page' with self-service links. Over the last year there have been 4953 visits to individual FOI (Freedom of Information) case records/responses published on the council website, from visitors outside of the council network, covering 1467 case records (obviously, some cases have had more visits than others). The online "Make an FOI Request" e-form has seen 43 visits. There have been 144 visits to the council Publication Scheme, and 785 visits to the Spending Disclosure. Although visits to these self-service links does not mean that an FOI request was avoided in its own right, it does demonstrate how effectively the council is making information accessible.
- Launched an online permit renewal system as part of the council's ongoing programme to provide customers with self-service options. Residents in controlled permit zones are no longer required to visit council offices in normal opening hours to

purchase their permits. Since the facility went 'live' on 13 November 2013, the council has have issued 648 renewal letters and in that same period 302 permit holders have used the online renewals facility. This would indicate a take-up rate of approx. 47%.

Objective: Improve outcomes for vulnerable families and individuals

- Reduced the amount of time it takes to process new housing benefit claims or change of events from 18 days to 9 days by investing more resources to support the growing demand of the benefits service.
- Contributed, as part of the East Herts Local Strategic Partnership to jointly funding a new time banking scheme in Buntingford in partnership with Hertfordshire County Council. The scheme is run by the North Herts Centre for Voluntary Service. Participants who sign up are able to donate time towards helping others in any way they feel they are able. In return they receive an equivalent amount of time back from somebody helping them. The scheme is aimed at engaging some of the most vulnerable members of society, but is open to anybody to join in. The scheme will help to raise the awareness of the value of giving time and inspire a new generation of volunteers.
- Helped a group of widows and widowers aged 70 plus develop their cooking skills and to reduce social isolation that is increasing in this age group. A seven week course held at Dixon Place sheltered housing, facilitated a supportive atmosphere for people to develop their cooking skills, consider portion size, increase their confidence and build friendships.
- Developed a three-year agreement which will provide East Herts Citizens Advice Service with £129,000 on an annual basis, subject to a yearly review. This will help to ensure a wide range of support on many issues affecting people's lives continues to

be provided, specifically housing debt, benefits and housing advice.

- Built a young persons supported accommodation in Hertford. The new accommodation provides 14 flats to support up to 28 East Herts residents aged 16 - 24 that are in housing need. In addition residents also receive training and support whilst living there. The accommodation opened on 18 October 2013. This scheme is the result of a joint project between Hertfordshire County Council and East Herts which identified the need for supported accommodation for young people in the Hertford and Ware area. Hertfordshire County Council provided the revenue funding, East Herts Council provided the land and Aldwyck Housing Association funded the capital cost of the building.
- Agreed a new Homeless Review and Strategy at full Council on 11 December 2013 as required under the Homelessness Act 2002. The strategy is now published and its purpose is to address homelessness by ensuring suitable accommodation, support and advice is available and accessible to all client groups and to encourage a multi-agency approach to preventing homelessness. The council's Housing Options approach is prevention focussed and relies heavily on the residents of East Herts being able to access timely, high quality advice and assistance to help them resolve their housing problems well before their situation reaches crisis point and homelessness. There has been a reduction in the number of homelessness presentations (30%) and acceptances (17%) over the last 3 years for East Herts which is indicative of an effective preventative Housing Options Service.
- Financially supported, through the discretionary grants programme, 134 voluntary and community organisation and youth athletes. 68 grants were awarded to small voluntary and community organisations ranging from grass roots groups to parish councils and health and social care charities. More than 2,000 individuals benefitted

from this pot alone. Of the projects funded, 43% supported older or vulnerable people, combatting loneliness and helping them live more fulfilling and independent lives. Additional monies were awarded to organisations to improve well-loved community assets such as village halls, sports pavilions and play areas and to arts and sports organisations and other groups to deliver activities for young people over the summer holidays. This helped organisations to improve their cultural offer, thus improving diversity and access.

Case Study 1: Shared Services

The council provides good services however we cannot be complacent and financial challenges will grow in future years. We will need to be creative and innovative to be able to maximise what we can do with our resources. We have already joined up with Stevenage Borough Council to provide housing benefit, council tax, business rates and benefit fraud investigations and have continued to explore a range of shared service provision with other councils to help improve service continuity, resilience and quality as well as secure cost savings and efficiencies through economies of scale. In 2013/14 we have:

- Joined forces with Stevenage Borough Council to provide ICT (Information Communication Technology), Business Improvement, Print and Design Services in partnership. As well as delivering financial savings, the shared service will strengthen resilience and improve the efficiency of the services we provide to our customers.
- Jointly procured a new cleaning contract with Stevenage and North Herts Council so that we can improve the level of cleanliness in council offices within the budget we have and now share a Payroll and HR system with Stevenage Council, to improve resilience and ensure we are RTI (Real Time Information) compliant.
- Ensured the monitoring arrangements for the Shared Internal Audit Service (SIAS) are well-embedded through the Director of Financial Support Services, the Manager of Corporate Risk (Audit Champion) and Audit Committee with

regular reporting arrangements. Savings envisaged of £9.3k from the original SIAS budget for 2013/ 14.

In the future we are considering the possibility of the provision of Building Control services through a Social Enterprise Partnership. This is likely to include a number of the district and borough councils across Hertfordshire. The aspiration is that it will enable Building Control services to be more responsive to customer need providing a flexible range of services and at the same time be more resilient both financially and because of the attractive professional roles it will be able to provide.

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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
<p>Objective: Reduce residual waste and increase our recycling rate</p>	<ul style="list-style-type: none"> • Launched SPARC (Separate Paper and Recycling Collections) to remove cardboard from the organic waste stream due to the changes in EU standards applied to compost and provide residents with more recycling opportunities with the introduction of the blue lidded bin for cardboard, glass, plastics, cans and tins. Recycling tonnages are up with 49% of waste recycled or composted an increase of 1.5% on the previous year. The recent residents' survey shows an increase in public satisfaction with waste and recycling services from 77% in 2011 to 80% in 2013.
<p>Objective: 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</p>	<ul style="list-style-type: none"> • Introduced measures and changes to ensure the council is on target to reduce carbon dioxide emissions from its own buildings and the services it provides. Changes that have been introduced include: <ul style="list-style-type: none"> ➤ Pool covers at Fanshawe and Ward Freeman leisure centres as well as motion sensor lighting to reduce lighting use. Energy-efficiency glazing has been installed at Grange Paddocks to reduce heating costs. ➤ Solar reflective blinds in the council's Wallfields offices in Hertford. ➤ Sensor-controlled lighting and new glazing at Hertford Theatre. ➤ Newer more efficient vehicles as part of the waste contract and the rescheduling

	<p>of collection rounds to maximise efficiency by using mapping software</p> <p>All these initiatives have contributed to a 13% reduction in CO₂ emissions since 2009.</p> <ul style="list-style-type: none"> • Put forward plans for a small scale micro hydro scheme that would harness the power of one of the weirs close to Hertford Theatre to generate electricity for use by the theatre. The local community were invited to see the plans at an afternoon exhibition in January 2014. A planning application is expected to go forward in summer 2014.
<p>Objective: Maintain our clean streets and reduce litter</p>	<ul style="list-style-type: none"> • Continued to maintain clean streets with the level of detritus being reduced by 2% when comparison is made with the level last year and met cleanliness targets for graffiti and flyposting. • Supported litter picking campaigns across the district to help improve environment cleanliness, encourage as many people as possible to pick up litter and promote policies that will stop people littering. For example: <ul style="list-style-type: none"> ○ Ware Beavers took part in a litter pick in Ware and the council provided each Beaver with a litter picking set. ○ Staff from Hanbury Manor Hotel and Country Club in Ware walked along the River Lea towpath from Ware to St Margarets collecting litter. • Worked with local housing associations and the Dogs Trust to provide free micro chipping as part of a campaign associated with a national drive to encourage responsible pet ownership. Micro chipping pets ensures they can be reunited with owners quickly should they stray and helps reduce kennelling and re-homing costs. During the campaigns 148 dogs were 'chipped'. From 2016 it will be a legal requirement for owners to have their dogs micro chipped.

	<ul style="list-style-type: none"> • Won the silver footprint RSPCA award, which is a national scheme that recognises local authorities that have clear procedures and policy on stray dogs. Up to end of March 2014 the council received 326 reports of stray dogs (both lost and found). 114 were collected by the council of which 70 were reunited with their owners. The remainder were rehomed.
<p>Objective: Maintain our parks, play areas and open spaces</p>	<ul style="list-style-type: none"> • Consulted on the Parks and Open Spaces Strategy for the next five years, to ensure that our green spaces, parks and playgrounds continue to be looked after. Consultation was held with 30 external stakeholders and 42 other interest groups. Responses and comments were integrated into the strategy and it was approved at the Executive on 1st October 2013. • Hartham Common joined a national scheme - the Queen Elizabeth II Fields Challenge - to provide a permanent legacy of the Diamond Jubilee 2012 and the London 2012 Olympics. The green space is one of 2,012 sports pitches, woodlands, play areas, gardens and parks across Britain joining the challenge which has committed to ensuring these sites are preserved for the future. • Raised awareness and use of open spaces by marking Love Parks Week, at Southern Country Park and Pishiobury Park. The Get Park Active events are designed to promote outdoor leisure and healthy lifestyles. • 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 sixth year running).
<p>Objective: Reduce anti-social behaviour and the fear of crime</p>	<ul style="list-style-type: none"> • Launched 'Who should I call?' leaflet in partnership with Hertfordshire Police and Hertfordshire County Council. It lists the most common subjects that people are unsure about from potholes and street lights to anti-social behaviour and includes

telephone, website and Twitter contact details.

- Grant funded 20 projects in partnership with CVS (Community Voluntary Services) to provide summer activities for young people. The activities ranged from outdoor games and sports, holiday play schemes, gardening for people with learning difficulties, dance, drama and podcasting activities to den building, educational events, fun days and trips out. For the first time, we were able to expand our popular Play Ranger project into Sawbridgeworth and Bishop's Stortford. In 2013, more than 2,800 children and young people took part. This is slightly lower than the participation level in 2012 of 2,980 children and young people. The reduction is due to fewer providers putting forward high volume programmes in 2013.
- Contributed, as part of the East Herts Community Safety Partnership to the reduction of recorded crime and anti-social behaviour across the district. Recorded crime in East Herts has fallen by 11% 8,261 in 2012/13 to 7,362 in 2013/14 and anti-social behaviour has reduced by 28% 3,039 in 2012/13 to 2,175 in 2013/14. However the first quarter of 2014/15 is showing that figures are starting to increase for the first time in a number of years. This coincides with the upturn in the economy and the pressure upon police forces to make savings. East Herts reputation for being a safe and fairly crime free area attracts criminals from areas where policing is much more intense, with many of our victims homes being left unlocked and property unattended and insecure. However when our 2013/14 performance is compared with our Home Office Benchmarking Group we were the fourth safest area overall for all crime, with Mid Sussex, West Oxford and the Vale of the White Horse performing better than us. We have the lowest weapons and drugs crime rates of the entire group; the rate for criminal damage, burglary, theft, violence and sexual offences is well below the average and our crime rates for shoplifting and theft from vehicles are average.

Objective: Ensure future development meets the need of the district and its residents

- Increased the percentage of major, minor and other planning applications that have been processed within the agreed timescales. For example the processing of minor applications has increased by 3%, when compared to performance in 2012/13.
- Agreed proposals for up to 2,200 homes and related infrastructure, known as Bishop's Stortford North. As part of the proposals developers will contribute £53.8m to new infrastructure in the area which includes £30m towards primary and secondary school provision, £3m for sports facilities and £2m for community buildings.

Case Study 2: Draft District Plan

The Local Plan 2007 is the current plan for the district, along with other plans prepared by Hertfordshire County Council. It includes a number of locations where the council has planned for significant new development to go, as well as policies that explain what type of development should take place in these locations and elsewhere. National planning policies have changed since this plan was put in place and so it needs to be updated. The council's new plan will be the East Herts District Plan.

The new District Plan is similar but will allow us to plan to 2031. It maps where the council thinks new development should go and the type of development this should be. It provides a framework for what new development should provide, such as new homes, schools, parks and playgrounds and places for people to work.

Consultation on the draft District Plan commenced in February 2014 and finished in May 2014.

The Plan affects everyone who lives in East Herts and therefore we made sure that everyone in East Herts got a chance to tell us whether they think we have got the plan right or not. Printed copies of the draft Plan were made available at local libraries, at East Herts Council offices and at local Town Council offices and leisure centres. Also summary brochures were sent out to every home in the district.

2014/15 will focus on analysing all the comments made on the draft Plan and making changes to it, where necessary. Once we have produced the final plan we will then send it to a Planning Inspector for an examination in public, before the council can adopt the Plan.

What we were unable to do:

- We had hoped to implement a project to reduce recycling contamination at communal properties however due to the changes in EU standards for compost the council had to prioritise the delivery of a new recycling service, SPARC, during 2013/14. Following successful implementation of the scheme work has started to look at expanding the new recycling service to as many communal properties (flats) as possible in 2014/15. This will also include the introduction of compostable bags in kitchen caddies to increase food capture and the removal of soft plastics (like plastic bags) from the comingled recycling to help improve quality, reduce recycling contamination and hence value of the material.
- The number of affordable homes delivered for 2013/14 was 76. The figure is lower than our target of 200 for two reasons. Firstly the number of new private developments being built directly affects the number of affordable homes as this is the primary route for accessing new affordable homes. There have been private development sites that have been slower on site than previously predicted and some significant delays. Secondly a number of asset sites that the housing associations proposed to build new homes on have been delayed or postponed and it is now anticipated that those with planning permission will be completed in 2014/15.

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
<p>Objective: Deliver value for money</p>	<ul style="list-style-type: none"> • Launched the ‘Here to Help’ programme to allow managers and staff to contribute to the development of the council’s values and behaviours and to help identify ways to improve the way we work. This development programme commenced in January 2014 and will continue in 2014/15. It will play a key role in helping to support the council in the future as resources continue to reduce, whilst at the same time demand in the council’s services increase. • Reduced the total number of sickness absence days per FTE (full time equivalent) staff in post by 0.37 days from 6.26 days in 2012/13 to 5.89 days in 2013/14. • As a result of identifying further efficiency savings, the council agreed to a reduction of 1% in its council tax for 2013/14. The reduced council tax requirement is due in part to changes in the Government’s funding regime. In addition, changes in the benefits system have resulted in a change to the way the tax base is calculated. • Taken robust action against fraud and during 2013/14 have prosecuted 11 people, issued 31 administration penalties and 17 cautions. This means that the council is recovering a combined total of Housing Benefit/Council Tax Benefit/Support overpayments of £278,673.81 against these 59 sanctions and other overpayments determined as fraudulent. A further £35,854.48 in overpayments of Department for

	Work & Pensions benefits was also identified.
<p>Objective: Enhance the economic well-being of East Herts</p>	<ul style="list-style-type: none"> • Contributed, as part of the East Herts Local Strategic Partnership to the development of a Work Club. Hertford Fire and Rescue Service in partnership with Jobcentre Plus formed a work club at their Hertford based headquarters to help support the Get East Herts Working Initiative. Championed and awarded funding by the Local Strategic Partnership (LSP), the scheme is aimed at helping people who are looking for work who do not have access to IT facilities at home, get online and find employment. • Supported the Love Your Local Market initiative by showcasing locally grown produce regularly available at Hertford's markets in May 2013. • Made additional short stay parking available at Gascoyne Way car park in Hertford on Saturdays, making visits to the Town easier. All four levels of the car park will give customers the option of parking for 1, 2, 3, 4, or 5 hours on Saturday. The change comes in response to public feedback, backed up by the council's own findings, that the bottom two floors are sometimes unable to meet short stay parking demand on Saturdays.
<p>Objective: Deliver sustainable rural business growth</p>	<ul style="list-style-type: none"> • Implemented, in partnership with North Herts and Uttlesford District Councils and Essex and Hertfordshire County Councils, £2.1 million funding to help rural enterprises. Since the start of the programme 19 projects in East Herts have been allocated funding totalling £1,226,086.55 and 49.5 new jobs have been created. Projects supported include for example five farm diversification projects, three tourism projects and three community based projects. In addition 77 micro –enterprises were supported and businesses developed as part of the rural advice scheme. The council has successfully bid for transition funding to enable preparation to bid for a further

	programme for 2015/16.
Objective: Protect the environment	<ul style="list-style-type: none"> Facilitated a habitat restoration project to protect the wet grassland and botanical species at Thorley Wash Nature Reserve (a Site of Special Scientific Interest). The project was awarded money from a number of agencies, including £64,288.80 from the Rural Development Programme for England (RDPE), managed by East Herts Council. Funding was also secured from Growth Area Funding via Harlow Council, the Environment Agency, and the Highways Department of Hertfordshire County Council.

Case Study 3:

The central government funding that we receive directly for services has continued to reduce and is predicted to reduce further in future years. In order to mitigate the risk of having to make significant service reductions as funding reduces, there is a need for East Herts to identify new and/or additional sources of revenue income. While the council will continue to find new efficiencies and more joined up and innovative ways of working, greater self-reliance in terms of income generation can assist with ensuring key services are secured.

As a part of this work, the council agreed an investment strategy in November 2013 that considers how to make the best use of our assets, be they cash in the bank or property that we own or could invest in. Through our Treasury Management strategy, we consider where we place our money to get the best return whilst securing our money and have been successful at earning interest on our money despite the reducing interest rates available. In addition, we own a number of properties and do our best to secure lease income from them and ensure we make a good rate of return to invest back into other services. We are also considering investing money into other funds, such as Property Funds and into further direct property, in order to secure further returns on investment to invest back into our services and secure them in the longer

term.

What we were unable to do:

We had hoped to implement a self-service project, based on 'Fix My Street' which is a fault-reporting website. Unfortunately there have been delays in developing the "self-service" project due to technical difficulties with IT systems, however, Environmental Services is continuing to work with the ICT Team to develop a solution which will allow residents to report problems in their local environment using a mobile phone based 'app'.

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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 2013/14 amongst others the council consulted on the:

- 2014/15 Budget with local businesses
- Parks and Open Spaces Strategy
- Homeless and Homeless Prevention Strategy
- Draft District Plan
- Conservation Assessments for Bishop's Stortford, Green Tye, Hertingfordbury, Hunsdon, Much Hadham, Puckridge, Stanstead Abbots, Standon and Watton-at-Stone

The council also undertook its biennial residents' survey. The results showed that the percentage of residents very or fairly satisfied has increased by 19% from 51% in 2011 to 70% in 2013. The findings from the survey will help inform the development of the 2015/16 Corporate Strategic Plan.

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.

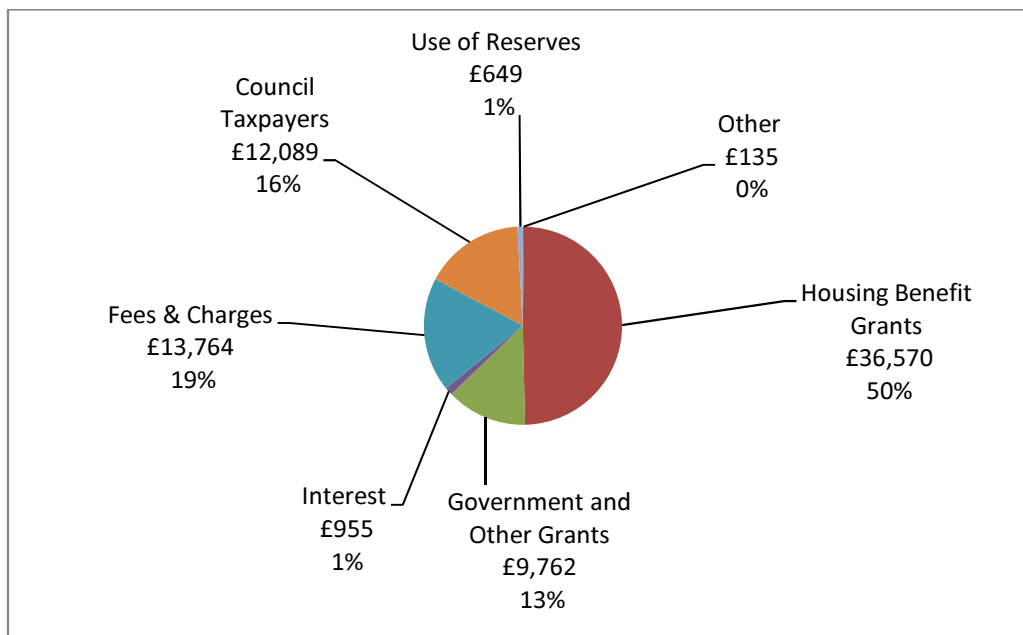
The East Herts Council Comprehensive Corporate Equality Policy 2012-2015 supports and drives the council's commitment to better meeting the needs of the district's diverse communities and delivering better services for our customers and ensuring access is fair and reasonable for all.

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Section 7: Financial Information

The following summarises East Herts Council's statement of accounts for the financial year from 1 April 2013 to 31 March 2014¹⁷.

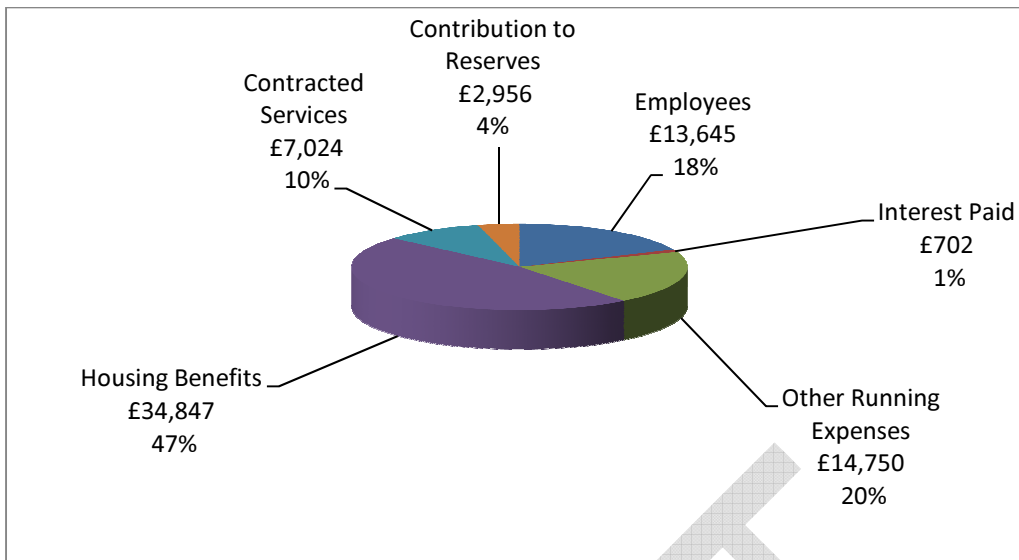
Where the money comes from Sources of income to the council £000



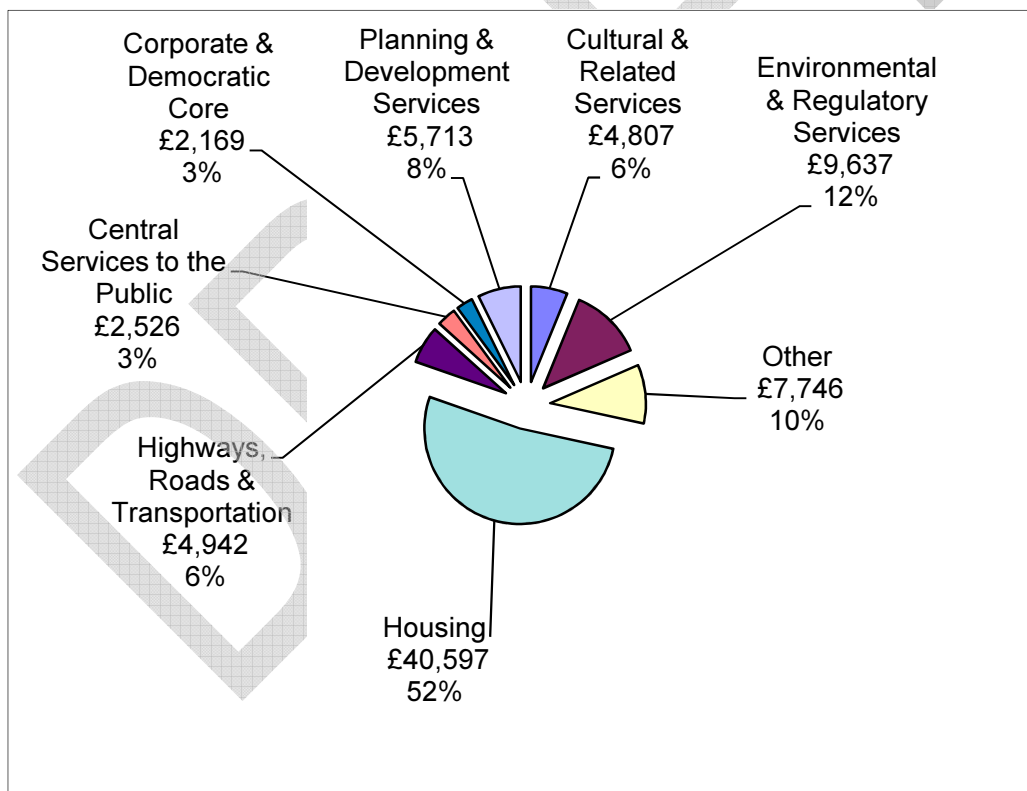
It can be seen that the largest source of the council's income is from Housing Benefit Grants.

How the money is spent £000

¹⁷ 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 £ 4,213k which have been excluded from the chart "How the money is spent".

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

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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 2013/14 there was a shared service initiative with one other council to provide ICT, Business Improvement, Print and Design Services. Staff were transferred through TUPE (Transfer of Undertakings (Protection of Employment) regulations) to the appropriate council.

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Section 9: Performance Indicators

Corporate priority performance measures for 2013/14.

The 2013/14 performance indicator outturns will be inserted here at the design stage.

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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

If you would like a translation of this document in another language, large print, Braille, audio or an electronic format, please contact Communications at East Herts Council on 01279 655 261 or email communications@eastherts.gov.uk

If you need any further information please contact us:
Office Opening Times: 9.00am to 5pm Monday to Friday.

We welcome your feedback on this Annual Report.

Web: www.eastherts.gov.uk

Phone: 01279 655261

Write: East Herts Council, Wallfields, Pegs Lane, Hertford SG13 8EQ

Email: performance@eastherts.gov.uk

Visit:

- Charringtons House, Bishop's Stortford
- Wallfields, Hertford

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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 26 AUGUST 2014

REPORT BY THE DIRECTOR OF FINANCE AND SUPPORT SERVICES

MONTHLY CORPORATE HEALTHCHECK – APRIL 2014 TO JUNE 2014

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 period June/Quarter 1 for 2014.

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

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 'Red' and 'Amber' that would ordinarily be reported to Environment Scrutiny and Community Scrutiny. This is because of CBS's overall responsibility for performance management.

1.2 The report contains a breakdown of the following information by corporate priority:

- 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).

1.3 **Essential Reference Paper 'B'** shows the Dashboard performance indicator summary analysis.

Essential Reference Paper ‘C’ shows the full set of performance indicators that are reported on a monthly/quarterly basis.

Essential Reference Paper ‘D’ shows summarised information on salary costs.




Essential Reference Paper ‘E’ shows detailed information on the capital programme.



Essential Reference Paper ‘F’ shows explanations of variances on the Revenue Budget reported in previous months.

Essential Reference Paper ‘G’ shows the council’s 2014/15 savings.

Essential Reference Paper ‘H’ Provides guidance notes and definitions for the performance indicators relating to Corporate Business Scrutiny.

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 2014 to June 2014.

Following closure of the 2013/14 accounts Carry Forward Budgets were approved by the Executive on 1 July 2014. These will now be incorporated into the 2014/15 budgets.

The financial figures detailed below, are best estimates for the first quarter of the new financial year. Finance Staff and Budget holders will continue to monitor budgets through the year, and report any exceptions where necessary.

	Position as at 30.06.14				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						
Land Charge Income	10	0	2	0	50	0
Staff salaries (Essential Reference Paper 'D').	110	0	17	0	55	0
B and B Charges	1	0	0	0	3	0
Renovation Grant – Repayment	8	0	0	0	8	0
(2) Place						
Community Safety	0	0	0	0	0	17
DCLG Grant Income (Housing Options)	0	0	0	0	0	50
Kerbside Dry Recycle Collection	0	19	0	3	0	80

Trade Bin Disposal	51	0	0	2	0	3
Parking Enforcement Contract	95	0	0	48	54	0
RinGo Expenses	0	0	0	5	0	16
(3) Prosperity						
Environmental Health	0	0	0	0	0	3
Jackson Square Car Washing	0	0	0	0	6	0
Development Management Charges	206	0	0	0	200	0
Development Management Charges Pre Application Advice	5	0	0	0	15	0
TOTAL:	486	19	19	58	391	169
Net Projected Variance - Favourable						222
Contingency Projected Underspend						245
Total Favourable Variance						467

- 2.2 Subject to all other conditions being equal, this would result in underspend of approximately £222,000 against service budgets and if the rest of the contingency budget is not required. This would be £467,000 underspend.
- 2.3 A summarised salaries monitoring report for the period April to June 2014 is attached to this report in **Essential Reference Paper 'D'**. A favourable variance of approximately £55,000 has been identified comparing projected salary costs for the financial year with the approved annual budget. The variance reflects the following:
- Vacancies within the Planning Section
 - 15 members of staff have opted out of the auto enrolment for the pension scheme which equates to approximately £45,000 of the under spend. Whereas the assumptions included in the budget were that all staff would be in the pension scheme following auto enrolment.

FINANCIAL ANALYSIS AND PERFORMANCE ANALYSIS

People

Financial analysis

- 2.4 Income is being received from the repayment of renovation grant which was not expected this year. At the end of June, £8,290 had been received.
- 2.5 Income from Bed and Breakfast charges is expected to exceed budget by approximately £3,000.

Performance analysis

- 2.6 **EHPI 3b – Usage: number of swims (16 – under 60 year olds).** Performance was 'Red' for Quarter 1. Performance is below target this quarter. There is a downturn in adult swimming. This is in part due to increasing gym membership (as gym members can have a swim without this being recorded). Everyone Active has been seeking to stem the decline by adding additional early morning swims at Grange Paddocks and are looking at other promotional activities.

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

Place

Financial analysis

- 2.7 Trade bin disposal is likely to overspend by £3,000 due to an under accrual in 2013/14.
- 2.8 Enforcement contract contingency budget of £25,000 which is held for the purpose of bedding in the contract is no longer required. Also the Mobile ANPR camera implementation (£29,000) is impacted by the status of County Traffic Regulation Orders on Schools Zigzags. Delay has become necessary to ensure that Orders are in place.
- 2.9 Ringo use increased by 106% between 2012/13 to 2013/14. Additional use increases the cost to the Council, as it is provided as a free service to the motorist
- 2.10 The original 2014/15 budget includes a contingency sum of £513,000 which allows for unforeseen events to be funded in-year. Currently there is a balance of £245,000 which if not required during the year will result in a further favourable variance in addition to £222,000 underspend reported for the period. Future Healthcheck reports will consider if there are further calls on this sum. These budgets are mainly for one-off areas of spend; however, some service growth has been identified (detailed below) for inclusion in the 2015/16 base budget.

	£000	Comment
Contingency budget at the start of the financial year Less Committed Budget:	513	
People and Organisation	5	One-off Funding to support one HR officer to August 2014. This has now been extended to August 2015 with additional £20k funding approved as Special Item for 2014/15 only.
Facilities	12	One-off funding to support one temporary position and also to bridge funding gap in an existing role that has been graded upwards from Grade 6 to Grade 9 in Facilities Services.

Procurement	7	Procurement Officer now employed full time by EHDC, contingency to fund 14/15 shortfall only. Growth item needed for future
Housing	12	To Fund permanent increase in Housing Manager Hours. This is a growth item required for future years
Environmental Health	34	One-off funding to support 4 posts of different grades in Environmental Health. Could potentially affect 2015/16 contingency budget depending on start dates.
Environmental Health	18	£3k to support Waste Services Manager and £15k to support Assistant Waste Services Manage posts
Head of Customer Services	14	On-going funding to support full time replacement of Customer Service Manager from August 2014/15. Growth Item needed for future years
The Web Team	13	One-off cost to support the role of Information analyst within the Web Team for 6 months only.
Parking Services	30	One-off funding to support Car Park Consultancy and signage cost
Parking Services	52	On-going funding to support evening enforcement contract. Growth Item needed for future years
Business and Technology Services	11	On-going funding for Microsoft Software Licence. Growth Item needed for future years
HR	40	On-going funding to support LGA Graduate Trainee Scheme for a 2year term. Further funding required for 2015/16 with implications for 2016/17 depending on start date
Accountancy Services	20	One-off funding to support the strategic review of the financial Services function.
Citizen Advice	20	On-going funding to support The Citizen Advice Bureaux Service for 2 years. Further

Bureaux		funding required for 2015/16.
Contingency still to be utilised	225	

Performance analysis

- 2.11 **EHPI 2.4 – Fly-tips: Removal.** Performance was ‘Amber’ for June 2014. Performance in June was not as good as in May due to some larger fly tips, which required a specialist contractor.

Please refer to **Essential Reference Paper ‘C’** for full details.

Prosperity

Financial analysis

- 2.12 It is anticipated that income target for Development Management Charges in 2014/15 will be exceeded by some £200,000.
- 2.13 Pre application fee income is expected to exceed target by approximately £15,000 in the current year.

Performance analysis

- 2.14 **EHPI 9.2 - Percentage Resolution of Incidents Within 4 Hours and EHPI 9.5 - Percentage of Calls Resolved at First Point of Contact.** Performance was ‘Red’ for Quarter 1. It is envisaged that new service desk staff will be employed following the forthcoming restructure and that performance will improve. Performance in month 1 was so poor possibly because of a bias that resulted from under-logging of calls.
- 2.15 **EHPI 9.6 - Satisfaction with ICT Services.** Performance was ‘Red’ for Quarter 1. A concern being dealt with in a number of ways including through ‘here to help’.
- 2.16 **EHPI 9.7 - Delivery of Key ICT Projects and EHPI 9.8 - Delivery of Key Milestones in the ICT Strategy.** Performance not currently available as the New Development programme and ICT Strategy is due to be discussed by ITSG. Performance is expected to commence from Quarter 2 or Quarter 3.

2.17 Quarter 1 performance data is not currently available for the complaints indicators listed below. This is due to the system for logging complaints was changed at the start of the 2014/15 financial year from LAGON to INFREEMATION and teething problems with the new system meant that the data cannot be extracted. The issue is currently being reviewed and will be resolved by early September 2014. Quarter 1 data will be reported in the next healthcheck report along with Quarter 2 data.

- EHPI 5.1 - % of complaints resolved in 14 days or less.
- 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.

2.18 The following indicators were 'Green', meaning that targets were either met or exceeded for June/Quarter 1 for 2014. They were:

- EHPI 8 – % of invoice paid on time.
- EHPI 9.1 – Percentage availability of core systems during supported hours.
- EHPI 9.3 – Average Incidents per day.
- EHPI 9.4 – Percentage of Calls Abandoned on ICT Service Desk.
- EHPI 10.2 – Council tax collection, % of current year liability collected.
- EHPI 10.4 – NNDR (Business rates) collection, % of current year liability collected.

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

CAPITAL FINANCIAL SUMMARY

2.19 The table below sets out projected expenditure to 31 March 2015 against the Capital Programme. Members are invited to consider the overall position. **Essential Reference Paper 'E'** contains details of the 2014/15 Capital Programme. Comments are provided by the Project Control Officers in respect of individual schemes.

	Column 1	Column 2	Column 3	Column 4
Summary	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Projected Final Outturn	Variance Col 3 – Col 2
	£'000	£'000	£'000	£'000
People	1,970	2,005	1,999	(6)
Place	874	1,111	1,111	0
Prosperity	671	1,251	1,138	(113)
Re-profiling potential slippage	(250)	(250)	(250)	0
Total	3,265	4,117	3,998	(119)

2.20 Executive are asked to approve/note:

- The merging of IT systems within the Licensing and Environmental Health divisions will not go ahead in its original form. It is proposed that the budget of £15,000 be vired to support the funding for the applications scheme.
- There is agreement in principle to surrender the Car Park Lease at Bircherley Green MSCP. Therefore, the refurbishment work there will not be necessary. The budget of £55,000 for that refurbishment is no longer required.
- The resurfacing of footpath and retainment works at Cricketfield Lane, Bishop's Stortford has been reviewed and a reduced scheme planned for summer holidays. This is expected to achieve a savings of about £55,000.

2014/15 SAVINGS

- 2.21 The external auditor requires the Council to establish whether the 2014/15 savings offered up by Heads of Service and Managers and agreed by Members to set the 2014/15 council tax, have actually been achieved. This is monitored and reported on a quarterly basis. **Essential Reference Paper 'G'** 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.
- 2.22 As at the end of the first quarter, 79% of the total savings have been classified as 'Green' or 'Amber' or alternative action taken.

CONCLUSION

- 2.3 In conclusion Members are asked to:
- Note the performance indicator analysis for the period April 2014 to June 2014 in **Essential Reference Paper 'C'**
 - Agree the recommendations at the start of this report.
- 3.0 **Implications/Consultation**
- 3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers:

2013/14 Estimates and Future Targets Report, **Essential Reference Paper 'B'** – For complete list of performance indicators that are being monitored for 2013/14

<http://online.eastherts.gov.uk/moderngov/ieListDocuments.aspx?CId=119&MId=2311&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

Joseph Abraham–Koranteng – Principal Accountant
Extn: 2138.
joseph.abraham-koranteng@eastherts.gov.uk

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

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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.
Health and wellbeing – issues and impacts:	There are no Health and Wellbeing implications.

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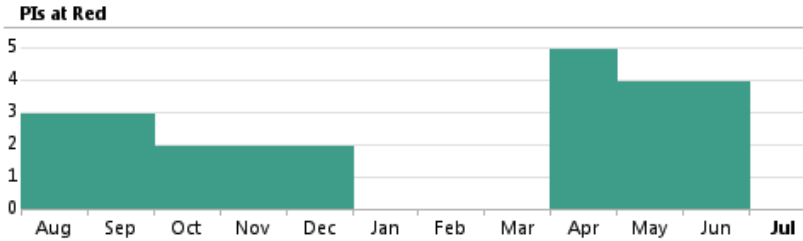
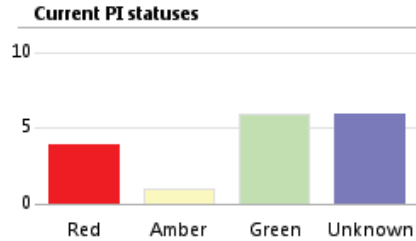
Corp Business Scrutiny Dashboard - Essential Reference Paper B

4 PIs at Red

1 PIs at Amber

6 PIs at Green

17 Total number of PIs



Best Performing (PIs)	Value	Target	Gauge
EHPI 10.4 NNDR (Business rates) collection, % of curr...	29.9%	24.9%	
EHPI 9.3 Average Incidents per day (MINIMISING INDI...	8.85	20.00	
EHPI 9.4 Percentage of Calls Abandoned on ICT Servi...	6.82%	9.50%	
EHPI 9.1 Percentage availability of core systems durin...	99.43%	99.00%	
EHPI 8 % of invoices paid on time. (MAXIMISING INDI...	98.64%	98.50%	
EHPI 10.2 Council tax collection, % of current year lia...	29.6%	29.6%	
EHPI 2.4 (47) Fly-tips: removal. (MINIMISING INDICAT...	2.16 da...	2.00 da...	
EHPI 3b Usage: number of swims (16 – under 60 year ...	24,968	27,000	
EHPI 9.6 Satisfaction with ICT Services (MAXIMISING I...	53.67%	60.00%	
EHPI 9.2 Percentage Resolution of Incidents Within 4...	50.22%	65.00%	
EHPI 9.5 Percentage of Calls Resolved at First Point o...	40.63%	55.00%	
EHPI 5.1 % of complaints resolved in 14 days or less. (...		70.00%	
EHPI 5.2a % of complaints about the Council and its ...		30.00%	
EHPI 5.2b % of complaints about the Council and its ...		25.00%	
EHPI 5.4 % of complaints to the Local Government O...		.00%	
EHPI 9.7 Delivery of Key ICT Projects (MAXIMISING IND...		75.00%	
EHPI 9.8 Delivery of Key Milestones in the ICT Strateg...			

Worst Performing (PIs)	Value	Target	Gauge
EHPI 9.5 Percentage of Calls Resolved at First Point o...	40.63%	55.00%	
EHPI 9.2 Percentage Resolution of Incidents Within 4...	50.22%	65.00%	
EHPI 9.6 Satisfaction with ICT Services (MAXIMISING I...	53.67%	60.00%	
EHPI 3b Usage: number of swims (16 – under 60 year ...	24,968	27,000	
EHPI 2.4 (47) Fly-tips: removal. (MINIMISING INDICAT...	2.16 da...	2.00 da...	
EHPI 10.2 Council tax collection, % of current year lia...	29.6%	29.6%	
EHPI 8 % of invoices paid on time. (MAXIMISING INDI...	98.64%	98.50%	
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EHPI 10.4 NNDR (Business rates) collection, % of curr...	29.9%	24.9%	
EHPI 5.1 % of complaints resolved in 14 days or less. (...		70.00%	
EHPI 5.2a % of complaints about the Council and its ...		30.00%	
EHPI 5.2b % of complaints about the Council and its ...		25.00%	
EHPI 5.4 % of complaints to the Local Government O...		.00%	
EHPI 9.7 Delivery of Key ICT Projects (MAXIMISING IND...		75.00%	
EHPI 9.8 Delivery of Key Milestones in the ICT Strateg...			

Improving (PIs)	Value	Target	History
EHPI 10.2 Council tax collection, % of current year lia...	29.6%	29.6%	
EHPI 10.4 NNDR (Business rates) collection, % of curr...	29.9%	24.9%	
EHPI 9.4 Percentage of Calls Abandoned on ICT Servi...	6.82%	9.50%	
EHPI 9.5 Percentage of Calls Resolved at First Point o...	40.63%	55.00%	
EHPI 8 % of invoices paid on time. (MAXIMISING INDI...	98.64%	98.50%	
EHPI 9.1 Percentage availability of core systems durin...	99.43%	99.00%	

Deteriorating (PIs)	Value	Target	History
EHPI 2.4 (47) Fly-tips: removal. (MINIMISING INDICAT...	2.16 da...	2.00 da...	
EHPI 9.6 Satisfaction with ICT Services (MAXIMISING I...	53.67%	60.00%	
EHPI 9.2 Percentage Resolution of Incidents Within 4...	50.22%	65.00%	
EHPI 3b Usage: number of swims (16 – under 60 year ...	24,968	27,000	

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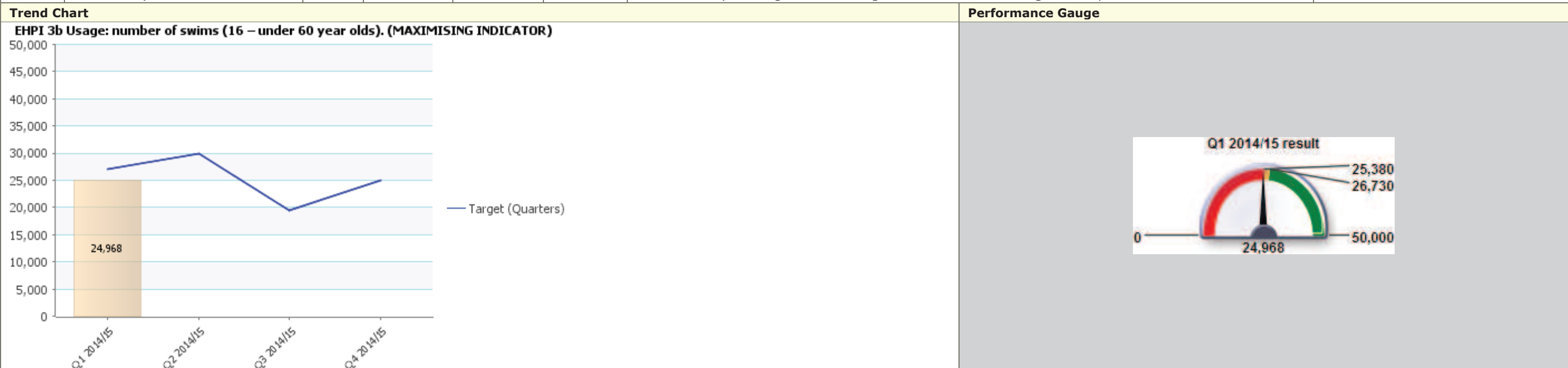


April to June Corporate Business Scrutiny Healthcheck 2014/15

Traffic Light Red
Corporate Priority: People



Environment Services

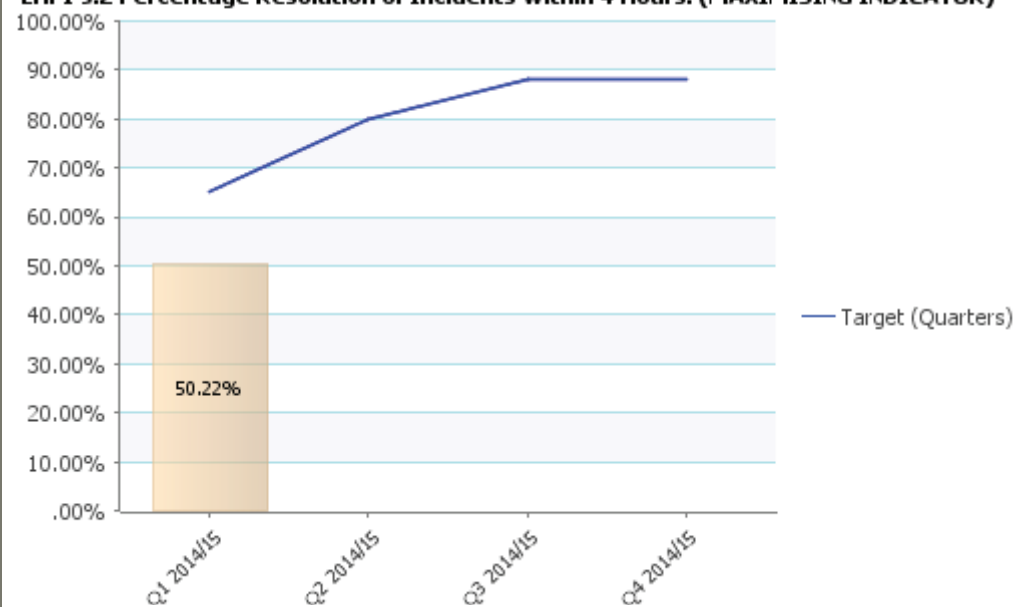
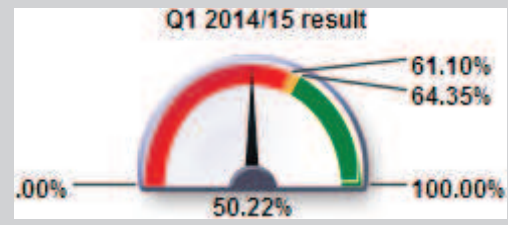
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 3b	Usage: number of swims (16 – under 60 year olds). (MAXIMISING INDICATOR)		24,968	27,000		There is a downturn in adult swimming. This is in part due to increasing gym membership (as gym members can have a swim without this being recorded). Everyone Active has been seeking to stem the decline by adding additional early morning swims at Grange Paddocks and are looking at other promotional activities.	None

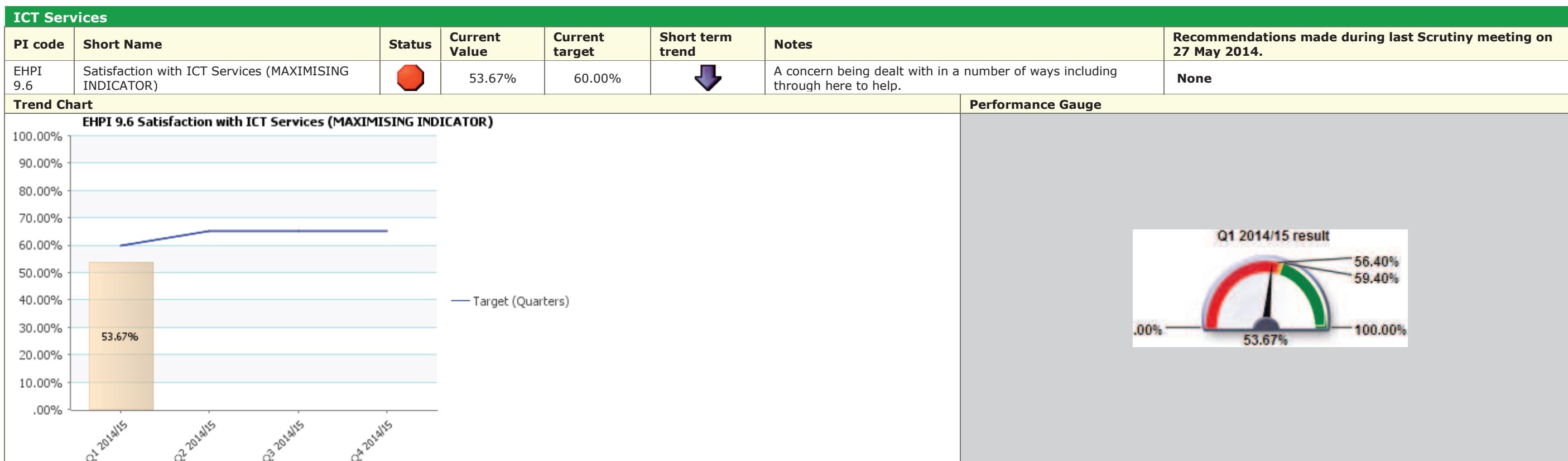
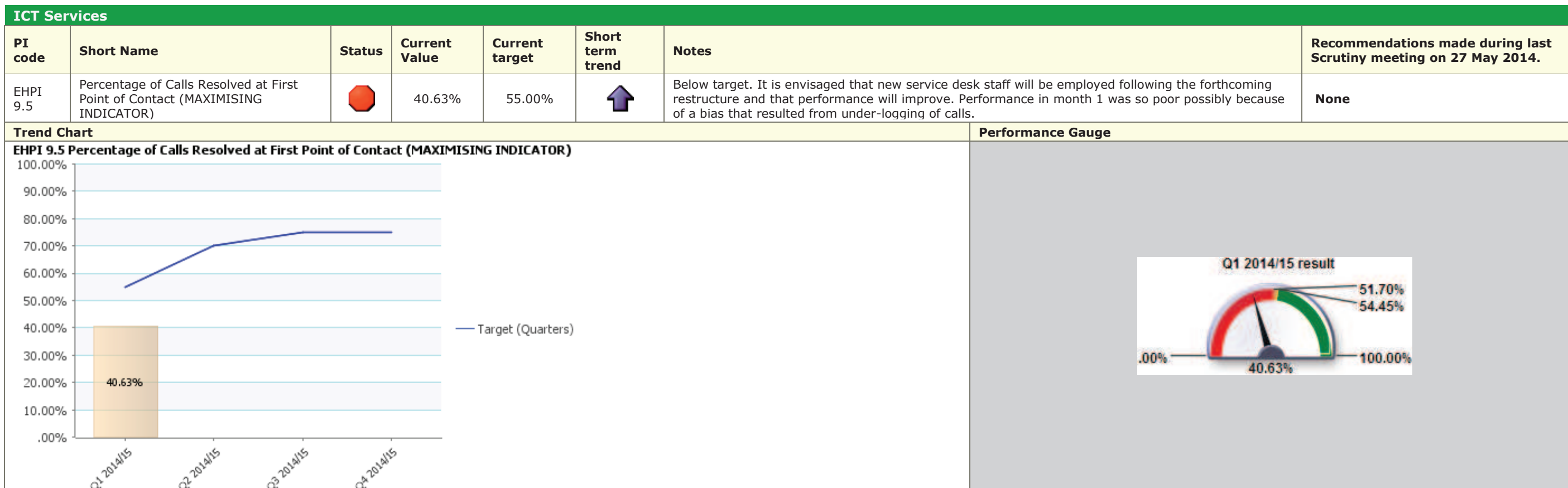


Traffic Light Red
Corporate Priority: Prosperity

ICT Services



PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 9.2	Percentage Resolution of Incidents Within 4 Hours. (MAXIMISING INDICATOR)		50.22%	65.00%		Below target. It is envisaged that new service desk staff will be employed following the forthcoming restructure and that performance will improve. Performance in month 1 was so poor possibly because of a bias that resulted from under logging of calls	None

Trend Chart	Performance Gauge																		
<p>EHPI 9.2 Percentage Resolution of Incidents Within 4 Hours. (MAXIMISING INDICATOR)</p>  <table border="1"> <caption>Target (Quarters) Data</caption> <thead> <tr> <th>Quarter</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Q1 2014/15</td> <td>~65.00%</td> </tr> <tr> <td>Q2 2014/15</td> <td>~80.00%</td> </tr> <tr> <td>Q3 2014/15</td> <td>~88.00%</td> </tr> <tr> <td>Q4 2014/15</td> <td>~88.00%</td> </tr> </tbody> </table>	Quarter	Target (%)	Q1 2014/15	~65.00%	Q2 2014/15	~80.00%	Q3 2014/15	~88.00%	Q4 2014/15	~88.00%	 <p>Q1 2014/15 result</p> <table border="1"> <thead> <tr> <th>Value (%)</th> <th>Color / Status</th> </tr> </thead> <tbody> <tr> <td>50.22%</td> <td>Red (Current Result)</td> </tr> <tr> <td>64.35%</td> <td>Green (Target)</td> </tr> <tr> <td>61.10%</td> <td>Yellow (Intermediate Target)</td> </tr> </tbody> </table>	Value (%)	Color / Status	50.22%	Red (Current Result)	64.35%	Green (Target)	61.10%	Yellow (Intermediate Target)
Quarter	Target (%)																		
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Q3 2014/15	~88.00%																		
Q4 2014/15	~88.00%																		
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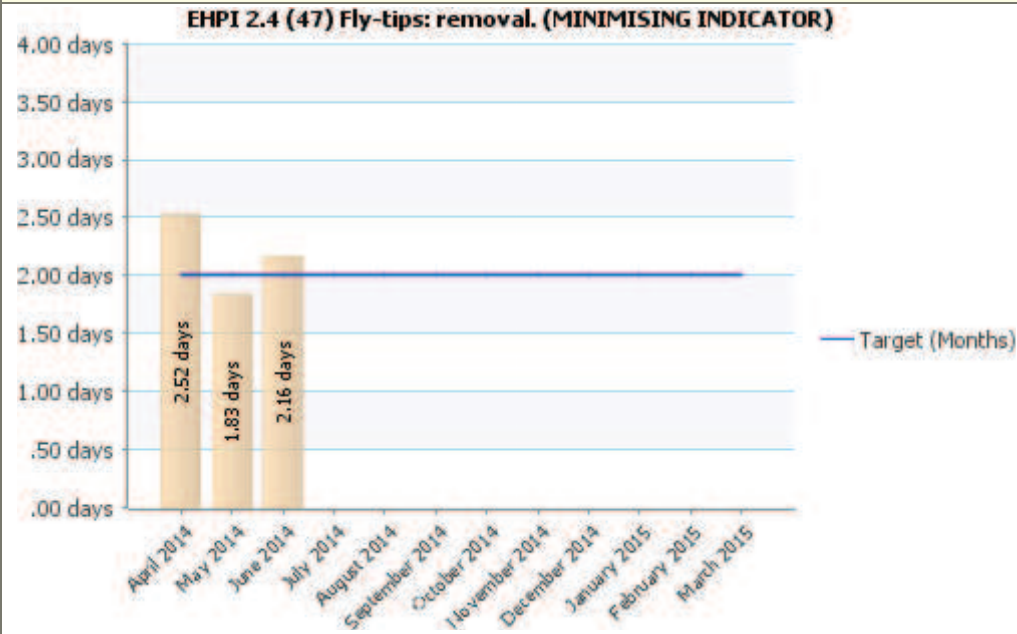


Traffic Light Amber
Corporate Priority: Place

Environmental Services

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 2.4 (47)	Fly-tips: removal. (MINIMISING INDICATOR)		2.16 days	2.00 days		Performance in June was not as good as in May due to some larger fly tips, which required a specialist contractor.	None

Trend Chart



Performance Gauge

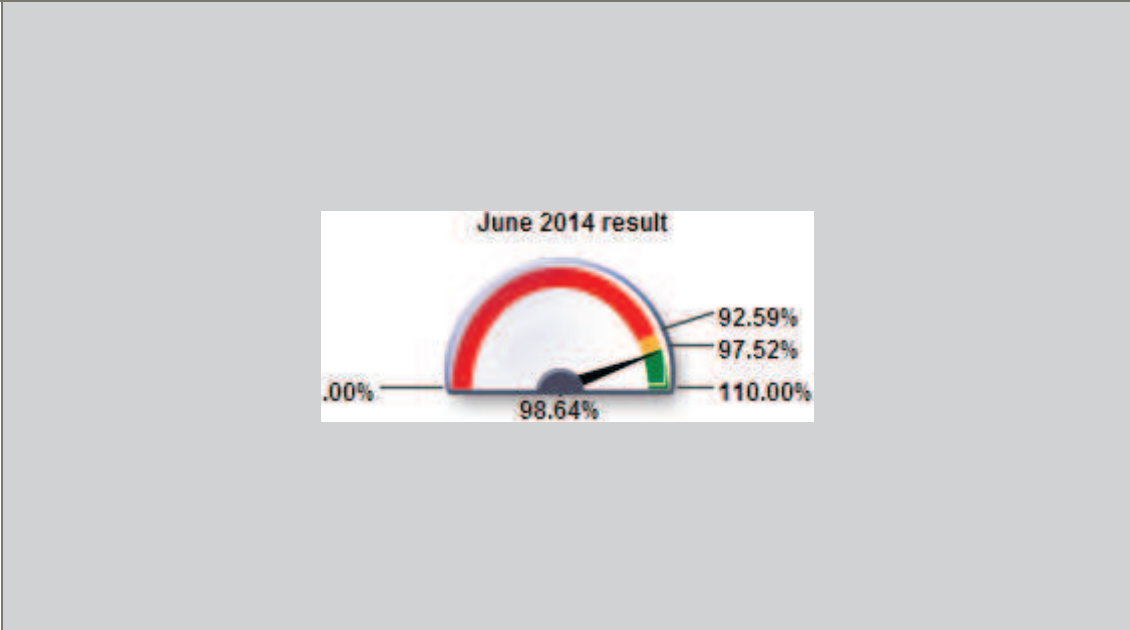
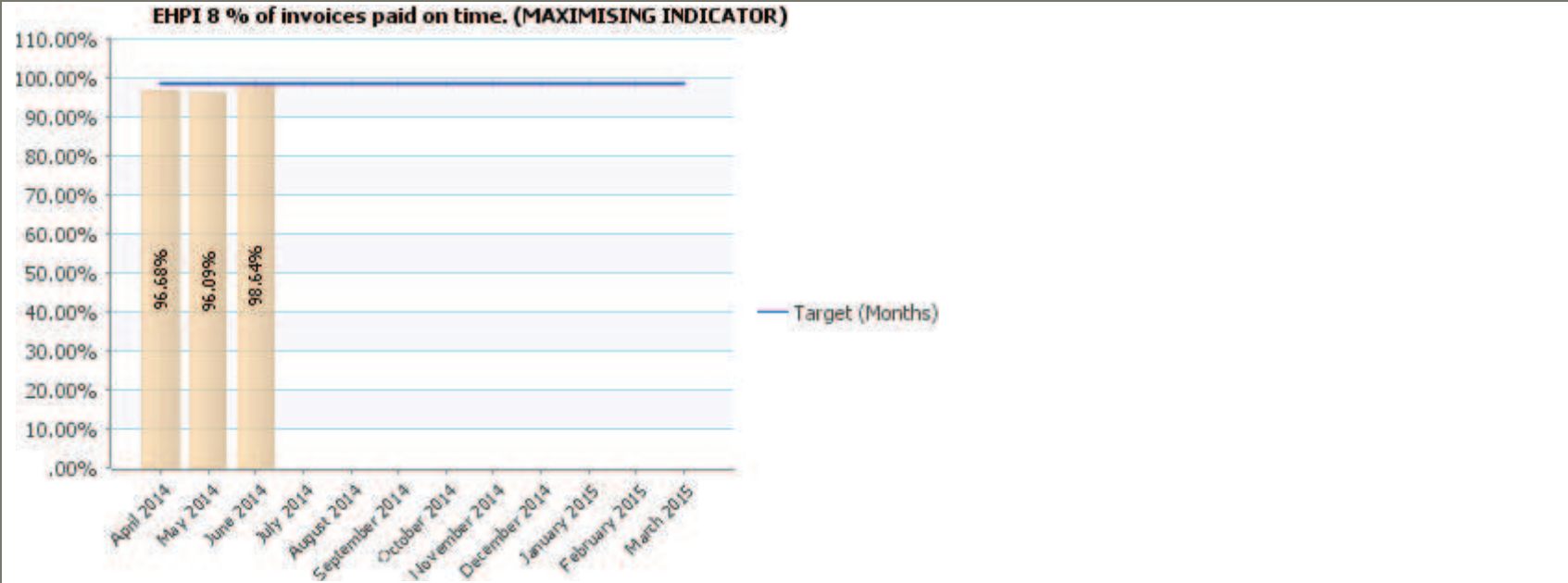


Traffic Light Green
Corporate Priority: Prosperity

Financial Support Services

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 8	% of invoices paid on time. (MAXIMISING INDICATOR)		98.64%	98.50%		Performance on target. The number of invoices paid on time in June is just above target. Of the 735 invoices paid, 725 were paid on time.	None

Trend Chart **Performance Gauge**



ICT Services																												
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.																					
EHPI 9.1	Percentage availability of core systems during supported hours. (MAXIMISING INDICATOR)		99.43%	99.00%		Performance exceeding target. This stat does not include system downtime which resulted from failures outside the control of the ICT Service, notably the cutting of the dark fibre link and the failure of a Virgin Media cable in London. Had these been included then performance would have been 97.75% for the quarter	None																					
Trend Chart						Performance Gauge																						
<p>EHPI 9.1 Percentage availability of core systems during supported hours. (MAXIMISING INDICATOR)</p> <table border="1"> <caption>EHPI 9.1 Trend Chart Data</caption> <thead> <tr> <th>Quarter</th> <th>Value (%)</th> <th>Target (%)</th> </tr> </thead> <tbody> <tr> <td>Q1 2014/15</td> <td>99.43%</td> <td>99.00%</td> </tr> <tr> <td>Q2 2014/15</td> <td>-</td> <td>99.00%</td> </tr> <tr> <td>Q3 2014/15</td> <td>-</td> <td>99.00%</td> </tr> <tr> <td>Q4 2014/15</td> <td>-</td> <td>99.00%</td> </tr> </tbody> </table>						Quarter	Value (%)	Target (%)	Q1 2014/15	99.43%	99.00%	Q2 2014/15	-	99.00%	Q3 2014/15	-	99.00%	Q4 2014/15	-	99.00%	<table border="1"> <caption>EHPI 9.1 Performance Gauge Data</caption> <thead> <tr> <th>Value (%)</th> </tr> </thead> <tbody> <tr> <td>0.00%</td> </tr> <tr> <td>93.06%</td> </tr> <tr> <td>98.01%</td> </tr> <tr> <td>99.43%</td> </tr> <tr> <td>100.00%</td> </tr> </tbody> </table>		Value (%)	0.00%	93.06%	98.01%	99.43%	100.00%
Quarter	Value (%)	Target (%)																										
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ICT Services																												
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.																					
EHPI 9.3	Average Incidents per day (MINIMISING INDICATOR)		8.85	20.00	N/A	Performance exceeding target. Low overall numbers of incidents	None																					
Trend Chart						Performance Gauge																						
<p>EHPI 9.3 Average Incidents per day (MINIMISING INDICATOR)</p> <table border="1"> <caption>EHPI 9.3 Trend Chart Data</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Q1 2014/15</td> <td>8.85</td> <td>20.00</td> </tr> <tr> <td>Q2 2014/15</td> <td>-</td> <td>20.00</td> </tr> <tr> <td>Q3 2014/15</td> <td>-</td> <td>20.00</td> </tr> <tr> <td>Q4 2014/15</td> <td>-</td> <td>20.00</td> </tr> </tbody> </table>						Quarter	Value	Target	Q1 2014/15	8.85	20.00	Q2 2014/15	-	20.00	Q3 2014/15	-	20.00	Q4 2014/15	-	20.00	<table border="1"> <caption>EHPI 9.3 Performance Gauge Data</caption> <thead> <tr> <th>Value</th> </tr> </thead> <tbody> <tr> <td>0.00</td> </tr> <tr> <td>8.85</td> </tr> <tr> <td>20.20</td> </tr> <tr> <td>21.20</td> </tr> <tr> <td>100.00</td> </tr> </tbody> </table>		Value	0.00	8.85	20.20	21.20	100.00
Quarter	Value	Target																										
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ICT Services																											
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.																				
EHPI 9.4	Percentage of Calls Abandoned on ICT Service Desk (MINIMISING INDICATOR)		6.82%	9.50%		Performance is considerably above target	None																				
Trend Chart						Performance Gauge																					
<p>EHPI 9.4 Percentage of Calls Abandoned on ICT Service Desk (MINIMISING INDICATOR)</p> <table border="1"> <caption>EHPI 9.4 Trend Chart Data</caption> <thead> <tr> <th>Quarter</th> <th>Current Value</th> <th>Target (Quarters)</th> </tr> </thead> <tbody> <tr> <td>Q1 2014/15</td> <td>6.82%</td> <td>9.50%</td> </tr> <tr> <td>Q2 2014/15</td> <td>-</td> <td>9.50%</td> </tr> <tr> <td>Q3 2014/15</td> <td>-</td> <td>9.50%</td> </tr> <tr> <td>Q4 2014/15</td> <td>-</td> <td>9.50%</td> </tr> </tbody> </table>						Quarter	Current Value	Target (Quarters)	Q1 2014/15	6.82%	9.50%	Q2 2014/15	-	9.50%	Q3 2014/15	-	9.50%	Q4 2014/15	-	9.50%	<p>Q1 2014/15 result</p> <table border="1"> <thead> <tr> <th>Value</th> </tr> </thead> <tbody> <tr> <td>10.07%</td> </tr> <tr> <td>9.60%</td> </tr> <tr> <td>6.82%</td> </tr> <tr> <td>30.00%</td> </tr> </tbody> </table>		Value	10.07%	9.60%	6.82%	30.00%
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Revenues and Benefits																																																			
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.																																												
EHPI 10.2	Council tax collection, % of current year liability collected. (MAXIMISING INDICATOR)		29.6%	29.6%		Performance is on target.	None																																												
Trend Chart						Performance Gauge																																													
<p>EHPI 10.2 Council tax collection, % of current year liability collected. (MAXIMISING INDICATOR)</p> <table border="1"> <caption>EHPI 10.2 Trend Chart Data</caption> <thead> <tr> <th>Month</th> <th>Current Value</th> <th>Target (Months)</th> </tr> </thead> <tbody> <tr> <td>April 2014</td> <td>11.8%</td> <td>29.6%</td> </tr> <tr> <td>May 2014</td> <td>20.7%</td> <td>29.6%</td> </tr> <tr> <td>June 2014</td> <td>29.6%</td> <td>29.6%</td> </tr> <tr> <td>July 2014</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>August 2014</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>September 2014</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>October 2014</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>November 2014</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>December 2014</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>January 2015</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>February 2015</td> <td>-</td> <td>29.6%</td> </tr> <tr> <td>March 2015</td> <td>-</td> <td>29.6%</td> </tr> </tbody> </table>						Month	Current Value	Target (Months)	April 2014	11.8%	29.6%	May 2014	20.7%	29.6%	June 2014	29.6%	29.6%	July 2014	-	29.6%	August 2014	-	29.6%	September 2014	-	29.6%	October 2014	-	29.6%	November 2014	-	29.6%	December 2014	-	29.6%	January 2015	-	29.6%	February 2015	-	29.6%	March 2015	-	29.6%	<p>June 2014 result</p> <table border="1"> <thead> <tr> <th>Value</th> </tr> </thead> <tbody> <tr> <td>27.8%</td> </tr> <tr> <td>29.3%</td> </tr> <tr> <td>29.6%</td> </tr> <tr> <td>38.0%</td> </tr> </tbody> </table>		Value	27.8%	29.3%	29.6%	38.0%
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Revenues and Benefits

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 10.4	NNDR (Business rates) collection, % of current year liability collected. (MAXIMISING INDICATOR)		29.9%	24.9%		Performance is exceeding target.	None



Traffic Light Unknown Corporate Priority: People

Customer Services

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 5.1	% of complaints resolved in 14 days or less. (MAXIMISING INDICATOR)	TBD	TBD	70.00%	TBD	There is currently no Quarter 1 performance data available. This is due to the system for logging complaints was changed at the start of 2014/15 from LAGON to INFREEMATION and teething problems with the new system meant that the data can not be extracted. The issue is currently being reviewed and will be resolved by early September 2014.	None

Customer Services

PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 5.2a	% of complaints about the Council and its services that are upheld: 1st stage (MINIMISING INDICATOR)	TBD	TBD	30.00%	TBD	There is currently no Quarter 1 performance data available. This is due to the system for logging complaints was changed at the start of 2014/15 from LAGON to INFREEMATION and teething problems with the new system meant that the data can not be extracted. The issue is currently being reviewed and will be resolved by early September 2014.	None

Customer Services





PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 5.2b	% of complaints about the Council and its services that are upheld: 2nd stage - appeal (MINIMISING INDICATOR)	TBD	TBD	25.00%	TBD	There is currently no Quarter 1 performance data available. This is due to the system for logging complaints was changed at the start of 2014/15 from LAGON to INFREEMATION and teething problems with the new system meant that the data can not be extracted. The issue is currently being reviewed and will be resolved by early September 2014.	None

Customer Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 5.4	% of complaints to the Local Government Ombudsman that are upheld (MINIMISING INDICATOR)	TBD	TBD	.00%	TBD	There is currently no Quarter 1 performance data available. This is due to the system for logging complaints was changed at the start of 2014/15 from LAGON to INFREEMATION and teething problems with the new system meant that the data can not be extracted. The issue is currently being reviewed and will be resolved by early September 2014.	None

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 27 May 2014.
EHPI 9.7	Delivery of Key ICT Projects (MAXIMISING INDICATOR)	N/A	N/A	75.00%	N/A	Performance not currently available as the New Development programme is due to be discussed by ITSG. Performance is expected to commence from Quarter 2 or Quarter 3.	None

ICT Services							
PI code	Short Name	Status	Current Value	Current target	Short term trend	Notes	Recommendations made during last Scrutiny meeting on 27 May 2014.
EHPI 9.8	Delivery of Key Milestones in the ICT Strategy (MAXIMISING INDICATOR)	N/A	N/A	N/A	N/A	Performance data not currently available as new ICT Strategy is due to be discussed by ITSG.	None

PI Status	
	Alert
	Warning
	OK
	Unknown

Short Term Trends	
	Improving
	No Change
	Getting Worse

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SALARIES/AGENCY/APPOINTMENT OF STAFF

Essential Reference Paper 'D'

SECTION	APPROVED BUDGET	APPROVED BUDGET PROFILE To 30.06.2014	ACTUAL EXPENDITURE To 30.06.2014	VARIANCE TO PROFILE AT 30.06.2014	PROJECTED OUTTURN 2014/15	Outturn Variance To Approved Budget 2014/15
	£	£	£		£	£
Finance & Support Services	4,952,710	1,238,182	1,165,888	(72,294)	4,925,560	(27,150)
Neighbourhood Services	3,939,490	984,876	933,212	(51,664)	3,860,260	(79,230)
Customer & Community	2,871,070	717,771	731,730	13,959	2,922,090	51,020
Summary	11,763,270	2,940,829	2,830,830	(109,999)	11,707,910	(55,360)

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Exp. To 30/06/14

Essential Reference Paper E

SUMMARY	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 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	1,969,700	2,005,560	40,314	1,998,670	(6,890)
Place - focuses on sustainability, the built environment and our neighbourhoods and ensuring our towns and villages are safe and clean	874,140	1,111,100	98,630	1,111,180	80
Prosperity - focuses on safeguarding and enhancing our unique mix of rural and urban communities, promoting sustainable, economic opportunities & delivering cost effective services	671,120	1,250,780	(19,050)	1,138,500	(112,280)
TOTAL	3,514,960	4,367,440	119,894	4,248,350	(119,090)
RE-PROFILING POTENTIAL SLIPPAGE (71264/7501)	(250,000)	(250,000)		(250,000)	0
	3,264,960	4,117,440	119,894	3,998,350	(119,090)
Reconciliation of Original to Revised Estimate					
Slippage from 2013/14		334,290			
Other Amendments		518,190			
		4,117,440			

CAPITAL MONITORING 2014/15

PEOPLE

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Exp. To 30/06/14

Exp Code	2014/15 Approved Schemes	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	COMMENTS
		£	£	£	£	£	
Leventhorpe Swimming Pool *							
72338 -	Renew Air Handling Plant	25,000	25,000	0	25,000	0	Specification stage. Awaiting approval to spend. Meeting held 27.6.14 C. Cardoza, & M. Kingsland. Further meeting to be held with Leventhorpe School 17.7.14.
Hartham Swimming Pool							
72339 -	Replacement Fire Exit Doors & Frames	0	0	(1,272)	(1,270)	(1,270)	Completed, saving achieved.
72340 -	Replace Main Pool Circulating Pumps	16,960	5,620	0	0	(5,620)	Completed, saving achieved.
72349 -	Pool Hall Air Handling Renewal	100,000	100,000	0	100,000	0	Due to programming with SLM, works are programmed for Xmas closedown 2014.
Grange Paddocks Swimming Pool							
72343 -	Renew Pool Calorifiers	0	17,840	0	17,840	0	Design stage, still looking at options. Programmed for Xmas closedown 2014.
Fanshawe Swimming Pool *							
72345 -	Refurbish or Replace Pool Filters	20,000	20,000	0	20,000	0	Specification stage. Awaiting approval to spend. Meeting held 27.6.14 C. Cardoza, & M. Kingsland. Further discussions needed with Head of People & Property Services.
72346 -	Replace Pool Circulating Pumps	20,000	20,000	0	20,000	0	Specification stage. Awaiting approval to spend. Meeting held 27.6.14 C. Cardoza, & M. Kingsland. Further discussions needed with Head of People & Property Services.
Private Sector Improvement Grants							
72602 -	Disabled Facilities (Note 1)	595,000	606,760	22,769	606,760	0	Budget reflects likely need according to previous trends, but referral rate from HCC currently very low, so there is already potential to slip some of this budget to 2015/16 as that budget is currently less than anticipated demand. Residents' enquiries to this dept are up following some promotional work, so there is potential for some to lead to HCC referrals.
72605 -	Disabled Facilities - Discretionary	50,000	50,000	0	50,000	0	No Discretionary schemes identified for this year yet.

PEOPLE

Exp. To 30/06/14

Exp Code	2014/15 Approved Schemes	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	COMMENTS
		£	£	£	£	£	
72606	- Decent Home Grants	120,000	120,000	0	120,000	0	3 potential Decent Home Grants currently being considered.
72604	Energy Grants	20,000	40,000	0	40,000	0	Budget increased to £40k to allow wider range of incentives to be included in Assistance Policy.
72685	Future Social Housing Schemes	820,740	820,740	0	820,740	0	No current commitments. Registered Providers are currently awaiting the outcome of bids to the HCA. If unsuccessful they may approach the Council for funding. First priority is to spend S106 sums which have been collected for affordable housing.
71201	Capital Salaries	26,000	26,000	0	26,000	0	
72442	Community Capital Grants	156,000	142,680	18,817	142,680	0	Of the 20 projects awarded a grant in 13/14 and now rolled over, 5 have been paid or partly paid out. Others are still being completed and one has withdrawn its claim. £80k of new money is available for allocation in 14/15 with a deadline of 6 June 2014. We predict that if the grants are awarded in July and they have a year to spend, most will not claim until the following financial year, hence £40k slippage at this stage (agreed at 1.7.14 Exec).

PEOPLE

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Exp 2014/15
Code Approved Schemes

Exp. To 30/06/14

COMMENTS

	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate £	
	£	£	£	£	£	
72582 LSP Capital Grants (Note 2)	0	1,520	0	1,520	0	LSP board determines when grants are going to be awarded. Sum of £30,790 held in Capital Grants in Advance.
72545 Presdales - Replace Pavilion	0	9,400	0	9,400	0	Remaining budget to be spent on further works required to pavilion & car park & partitioning works to Boiler room. Property organising works.
TOTAL	1,969,700	2,005,560	40,314	1,998,670	(6,890)	

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

Note 1. Government funding of £240,174 in 14/15 and assumed £175,000 from Better Care Fund in both 15/16 and 16/17.

Note 2. Expenditure to be funded from PRG

PLACE

Exp. To 30/06/14

Exp Code	2014/15 Approved Schemes	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	COMMENTS
		£	£	£	£	£	
72705	Hertford Theatre Seating Refurbishment	0	109,000	19,879	109,000	0	Programmed to commence July/August.
72594	Hertford Theatre - Renew Boilers		0	80	80	80	Small overspend i/r 13/14 commitments.
74102	Historic Building Grants	55,000	49,070	10,106	49,070	0	Anticipated that total spend will be within budget.
	Refuse Collection & Recycling						
75165	Containers Replacement Programme	100,000	100,000	51,853	100,000	0	Spend is as expected. Budget will be fully spent by year end, if not before.
75167	Prov.For Containers-ARC for Communal Props						
75145	Standardise Litter Bins	5,500	5,500	4,370	5,500	0	Initial new stock ordered as planned. Will spend full budget.
75152	Commercial Waste	33,500	33,500	6,635	33,500	0	Expenditure is under expectancy but will spend to budget.
75170	Comingled Recycling Service - Wheeled Bins	0	5,160	4,712	5,160	0	Will spend remaining budget.
72504	Provision of Play Equipment	50,000	50,000	0	50,000	0	
72506	Art in Parks Project (Note 1)	0	5,000	800	5,000	0	Local artist commissioned to produce chainsaw sculptures at Pishiobury Park using fallen timber at the site. Work coincided with the Friends of the Park's "ParkFest" event in May.
72585	The Bourne, Ware - Play Area Development Programme (Note 2)	40,760	40,760	0	40,760	0	Currently working with Hertfordshire Groundwork on the design prior to procurement

CAPITAL MONITORING 2014/15

PLACE

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Exp. To 30/06/14

Exp Code	2014/15 Approved Schemes	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	COMMENTS
		£	£	£	£	£	
72507	Pishiobury Park Wetland Habitat Project (Note 3)	0	12,180	0	12,180	0	First stage complete. Non-Key decision for land swap with local fishing club now approved. The fishing club have raised further queries and this is delaying the land swap.
72508	Hartham Common-Parks Development Plan Project (Note 4)	25,000	25,000	0	25,000	0	Currently working with the Countryside Management Service to lever in external funding.
72509	Installation of Multi Use Games Area (MUGA) at Gt. Innings, Watton-at-Stone (Note 5)	80,000	80,000	0	80,000	0	Project at the procurement stage
72510	Boardwalk installation across balancing pond at Southern Country Park, B/S (Note 6)	80,400	80,400	0	80,400	0	Project is at the design stage
72514	3G Artificial Turf Pitch development at Hartham Common, Hertford (Note 7)	85,000	85,000	195	85,000	0	Consultation on the proposals now complete. Currently reviewing feedback received.
75168	Energy Efficiency & Carbon Reduction Measures (Note 8)	45,000	45,000	0	45,000	0	Programme work to commence early autumn 2014. The works would include the web based smart metering to cover electric/gas (+ water if proves practicable) to as many metered sites as possible to build on that within Wallfields. We will also be recommending the solar pv scheme. Regarding costs these 2 schemes are likely to take the bulk of the funding available, if not all – and we are seeking revised detailed costings.
72591	Castle Weir Micro Hydro Scheme	203,980	203,980	0	203,980	0	Water Framework Directive study now complete. Work to date shows the scheme will result in no increase in flood risk or damage to ecology. However, Environment Agency are seeking upstream improvements and this is subject to further negotiations. Application currently subject to consultation.

PLACE

Exp. To 30/06/14

Exp Code	2014/15 Approved Schemes	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	COMMENTS
		£	£	£	£	£	
72513	Bell Street Public Conveniences modernisation	70,000	70,000	0	70,000	0	Currently in discussions with Town Council and Facilities
74105	Town Centre Environmental Enhancements	0	66,250	0	66,250	0	The Town Council's participating have made some progress with the regulatory requirements necessary for their schemes. However, some underspend seems likely given the expectation that schemes will complete by the end of the calendar year.
74106	Heart of Bishop's Stortford - Market Improvement Scheme	0	45,300	0	45,300	0	This budget will provide most impact if included as part of a longer term plan for the market. This might mean linking spend to progress with the Henderson's development
TOTAL		874,140	1,111,100	98,630	1,111,180	80	

Note 1. Provision to attract external funding.

Note 2. £5,000 funded from Riversmead Housing Association S106

Note 3. This project will require match funding to maximise the potential of this project and this sum reflects provision for this.

Note 4. Currently working with the Countryside Management Service to lever in external funding

Note 5. Fully funded from S106 monies

Note 6. £70,400 funded from S106 monies

Note 7. Agreed annual management fee reduction of £17,000 over 8 years

Note 8. Relates to provision for energy efficiency measures following C3W. This is subject to bids for grant funding.

CAPITAL MONITORING 2014/15

PROSPERITY

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Exp. To 30/06/14

Exp Code	2014/15 Approved Schemes	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	COMMENTS
		£	£	£	£	£	
	IT						
71442	Revenues & Benefits Programme	0	18,600	0	18,600	0	This budget will support the implementation of new Capita modules, work is scheduled in 14/15.
71395	EDM - Corporate	11,070	16,070	0	16,070	0	Need to establish any urgent works, the budget will be adjusted accordingly once this has been established. Possible slippage/viement.
71414	Hardware Funding (Note 1)	5,000	12,980	0	12,980	0	Balance slipped from 14/15 to fund the need for equipment replacement.
71431	Establishment of LES & internet links to replace MPLS	0	34,640	0	34,640	0	Hope to be completed by September.
71443	Civica ICON Upgrade	0	25,770	18,351	25,770	0	System upgraded May 2014. Still have to purchase Chip & Pin stands.
71444	BACS Software	0	21,980	0	21,980	0	BACS still to be implemented. Hope to be completed by August.
71435	Funding for Applications	350,000	410,120	0	425,120	15,000	See comment on 71416.
71437	Windows Server Licensing	5,000	10,000	0	10,000	0	
71416	Merging IT systems - Licensing & Env Health	15,000	15,000	0	0	(15,000)	Scheme not to go ahead in it's original form, therefore, request to transfer into Applications scheme until a solution to this is found.
71418	Mayrise Upgrade	0	2,050	0	2,050	0	Final invoices still due
71420	Integrated Dev Mgt and Bldg Ctrl Systems	0	153,200	0	153,200	0	In progress.
71438	EH 50% share of technical/project management costs	0	23,110	(31,890)	23,110	0	Balance slipped from 13/14 as project is not yet complete and there will be a further draw on the funding in 14/15. Invoice i/r 13/14 paid in July.

CAPITAL MONITORING 2014/15

PROSPERITY

Exp. To 30/06/14

Exp Code	2014/15 Approved Schemes	2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	COMMENTS
		£	£	£	£	£	
71439	Service Desk & Utilities	0	27,170	0	27,170	0	Service desk decision is imminent. There may also be further hardware rationalisation that we will draw upon from this budget.
71440	Shared service print investment costs 50%	0	20,500	0	20,500	0	Work not yet undertaken, scheduled for 14/15. Work is crucial to establish a print hub for the shared service.
71441	Shared service accommodation costs 50%	0	7,000	(55,000)	7,000	0	Invoice for £55k i/r 13/14 paid in July. Balance of £7k to be utilised on works to old Wallfields building for shared IT staff.
Car Parks:-							
75240	Bircherley Green MSCP - Major Refurb. & Repairs	0	55,950	0	0	(55,950)	Car Park lease surrendered, agreed in principle. Therefore, budget now not required.
75269	Bell Street - Resurfacing & Lining	0	1,200	(130)	(130)	(1,330)	Completed, saving achieved.
Council Offices:-							
71274	Wallfields Boiler Room Works	60,000	60,000	28,496	60,000	0	Works commenced.
71269	Wallfields Security Gates & Fencing to Boiler House	15,000	15,000	0	15,000	0	Options being reviewed, will be completed this year.
71275	New Refurbishment Works to Wallfields Old Building	0	6,730	(86)	6,730	0	Further works to be carried out/equipment to be purchased.
71276	Wallfields Card Control to Doors		0	0	0	0	Commitment still outstanding from 13/14, awaiting invoice
71277	Wallfields - Lift Improvements	25,000	25,000	1,160	25,000	0	Works hopefully to commence in August.
71278	Wallfields - Refurbishment of Windows	15,000	15,000	0	15,000	0	Programmed for this year.
72598	Cricketfield Lane B/S-Resurface Footpath & Retainment Works	75,000	75,000	10,824	20,000	(55,000)	Scheme has been reviewed. Reduced scheme planned for summer holidays, orders placed. Saving will be achieved.
71445	Compliance Software System	10,000	10,000	0	10,000	0	Need to liaise with IT.

CAPITAL MONITORING 2014/15

PROSPERITY

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Exp Code	2014/15 Approved Schemes	Exp. To 30/06/14					COMMENTS
		2014/15 Original Estimate	2014/15 Revised Estimate	2014/15 Total Spend to Date	2014/15 Projected Spend	2014/15 Variance between Proj Spend and Approved Estimate	
		£	£	£	£	£	
71203	Replacement of Chairs & Desks	10,000	8,820	2,063	8,820	0	
75157	New Footbridge over the River Stort	0	87,400	0	87,400	0	Work to rectify the defects/repairs on the Stort bridge is progressing and anticipate spending the remaining money in next 6 months.
72568	North Drive - reconstruct road & drainage	14,750	13,970	600	13,970	0	Unable to resolve this at the moment as the money available is not enough to upgrade the road properly, however there are a couple of private planning schemes that may come forward that we hope to be able to include the road in.
75160	River & Watercourse Structures	47,500	65,720	1,420	65,720	0	Flood alleviation works have been completed in Bishops Stortford. Quotes have been received for works on the weir gate in Hertford Castle Grounds. Documentation is being prepared for the EA consent required. Awaiting quotes for structural bridge surveys which will be carried out in 2014/2015.
71251	Automated Telling Machines at Hertford & B/S	12,800	12,800	5,142	12,800	0	
TOTAL		671,120	1,250,780	(19,050)	1,138,500	(112,280)	

Note 1. Funding for future years as follows (as agreed at 23.7.13 Exec):-

2017/18 - £35,000

2018/19 - £154,950

2019/20 - £67,010

2020/21 - £74,000

ESSENTIAL REFERENCE PAPER F

SUMMARY OF PREVIOUSLY REPORTED VARIANCES ON THE REVENUE BUDGET

		Projected Outturn 30 June 2014 £'000		
1.1	April	0		
	May	35	Adverse	
	June	222	Favourable	
	ITEM (in order of Corporate Priority)			MONTH(S) REPORTED
	People			
1.2	TURNOVER There are no financial issues this month regarding this priority.			April
1.3	TURNOVER The Forecast Outturn for 2014/15 is expected to result in a favourable variance of £59k. The projection includes vacancies within the Planning Section and the opting out of the Pension Auto Enrolment Scheme by fifteen (15) members of staff (Para 2.... of report)			May
1.4	CITIZENS ADVICE BUREAUX Demand for advice increases significantly during periods of recession, placing added pressure on resources. In response to this, an additional £20,000 will be required in each of the financial years 2014/15 and 2015/16, to be met from contingency in support of the Citizen's Advice Bureau.			May
1.5	CAPITAL PROGRAMME Re-profile of Capital Programme for Portfolio as follows: to 30 May 2014: People – Community Capital Grant -Slippage of £40k.			May

ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
<p>Place</p> <p>1.6 PLANNING CONTINGENCY</p>	May
<p>The original 2014/15 budget includes a planning contingency sum of £513,000 which allows for unforeseen events to be funded in-year. Currently there is a balance of £282,000 which if not required during the year will result in an additional favourable variance to absorb the £35,000 overspend reported for the period. The current assumptions are that the remainder of this budget are also fully utilised in 2014/15.</p> <p>Future Healthcheck reports will consider if there are further calls on this sum</p>	
1.7 DRY RECYCLING	May
<p>The decision to haul materials to the re-processor in exchange for a higher material price, has resulted in a projected overspend of £80,000. It is expected that this will be offset by additional income over time; however it is too early to estimate how much additional income will be made at this stage.</p>	
1.8 DCLG (HOUSING OPTIONS GRANT)	May
<p>Following changes to the Government's 2014/15 funding arrangement, the assumed £50,000 DCLG (Housing Options) grant has been incorporated within the Council's Revenue Support Grant.</p>	
1.9 VIREMENT FROM CREDIT UNION TO RENT DEPOSITS BUDGET	May
<p>CMT are asked to approve a request to vire £30k from Credit Union to rent Deposits. The Council gave £26,000 to the credit union in 2013/14, of which they have carried over £15,000 to this financial year. To date, they have given out approximately £11,000 in loans of which they have received £1,500 in loan repayments. Currently therefore, they do not need any top up of grant. This will be reassessed in January 2015. (This virement has been approved by Executive on 1 July 2014).</p>	

ITEM (in order of Corporate Priority)	MONTH(S) REPORTED
1.10 CAPITAL PROGRAMME There are no Re-profile request for this portfolio	May
Prosperity	
1.11 NOISE POLLUTION Cost relating to noise pollution at the Standon Calling Festival is expected to exceed budget by £3,400.	May
1.12 PARKING INCOME With the award of the Jackson Square Car wash contract, the Parking Service expects to achieve additional income of £18,000 per annum. However only £6,000 is deemed achievable in 2014/15 financial year as the contract only comes into effect on 31 July 2014.	May
1.13 CAPITAL PROGRAMME CMT are asked to note possible underspend of the Future Social Housing Scheme (Budget of £820k). Registered Providers are currently awaiting the outcome of bids to the HCA. If unsuccessful they may approach the Council for funding. First priority is to spend S106 sums which have been collected for affordable housing.	May
1.14 CAPITAL PROGRAMME CMT are asked to approve a request to slip £40,000 of Community Capital Grant into 2015/16. £80,000 of Community Capital Grant is available for allocation in 2014/15 with a deadline of 6 June 2014. We anticipate that if the grants are awarded in July and beneficiaries have a year to spend, most will not claim until the following financial year, hence £40,000 slippage is estimated at this stage.	May

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Essential Reference Paper 'G'

Ledger Code	Savings	Responsible officer	2014/15 £	Red/Amber/ Green	COMMENTS	Q1
Planning & Building Control						
Various	Planning Administration	KS	(34,000)	GREEN	There are currently no apparent issues which should prevent the delivery of the identified saving.	
Community Safety & Health						
17107/3878	Set taxi licence fees to recover full costs	BS	(5,000)	RED	As per last year, the remainder of this saving is now considered unachievable without serious impact upon the licensed taxi trade	
	Restructuring the services delivered by Licensing, Community Safety and Environmental Health leading to a reduction in resources	BS	(106,000)	GREEN	The new restructured service can deliver this ongoing saving	
Community Engagement						
20603/variou	Hertford Theatre - new business plan	WO	(45,000)	AMBER	The number of ticket sales etc. that can be achieved is uncertain at this stage. We will continue to monitor ticket sales and other income streams and update accordingly.	
Environmental Services						
	Waste services contract transition	CC	(100,000)	GREEN	Waste Service Contract transition has already been taken out of the 2014/15 budget estimate. Every effort is being made to achieve the savings.	
	Grounds Maintenance Contract Extension	CC	(12,500)	GREEN	The Grounds Maintenance contract extension takes effect from Jan 2015. This has been allowed for in 2014/15 Budget Estimates.	

ICT - Shared Services Savings

The ICT Shared service is in the process of identifying full year service savings of approximately £407k, just below the target for the shared service as a whole of £420k. The timing of the savings has yet to be determined and agreed. These result from reductions in the revenue cost of the ICT Infrastructure and from staff savings arising from the management restructuring of the service completed last year and the staff restructuring which is now underway. There is potential for further savings in the East Herts managed budgets and the cost of implementing the shared service. The service management team are working closely with the Accountancy Teams in both Councils and expect a definitive position to emerge by the end of the 2nd quarter. At which point both councils' monitoring reports and medium term financial plans will be updated.

HL (208,000) AMBER

Estimated Shared services Savings

SBC contribution to EHC retained recharges

HL (9,560) GREEN See Above

People & Property

17411/0110 Phased reduction in hours of estates staffing

GB (14,000) AMBER

This was based on a member of staff retiring but is now not planned and therefore saving will need to be achieved within other areas of the Estates Management budget or by increased income.

Reduce HR support - Shared Support Services

GB (2,000) RED

Shared services did not proceed for HR, and therefore Savings will not be achieved

Reduction in corporate training budget pro rata to staff reduction

GB (3,000) GREEN

Learning and Development Plan 2014/15 agreed by HRC based on revised budget for corporate training including saving

Democratic & Legal Services

Land Charges - staffing reductions

JH (23,000) GREEN

Not implemented due to increase demand for service. Target met through favourable income position.

Revenue Effects on Capital

Bell Street Public Conveniences modernisation	CC	(5,600)	AMBER	Subject to service level agreement with Sawbridgeworth Town Council. Staff vacancies and other higher priority projects have delayed this project.
3G Artificial Turf Pitch development at Hartham Common (Management fee reduction)	CC	(17,000)	RED	Business Case agreed by CMT in April 2014. This included a revised part year saving of £9,900 for 2014/15. Subsequent public consultation yielded results which showed residents did not support the proposed scheme and this is now being revised and is subject to CMT agreement of a revised business case and Planning approval.
Total Savings		<u>(584,660)</u>		

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For information only: Performance indicators guidance

EHPI 8 – % of invoices paid on time (MAXIMISING INDICATOR)
PI Definition
Percentage of invoices for commercial goods & services paid by the Authority within 30 days of receipt or within the agreed payment terms
Data Source
Financial Support and performance Services

EHPI 5.1 – % of complaints resolved in 14 days or less. (MAXIMISING INDICATOR)
PI Definition
'total number of complaints resolved during the period in 14 days or less by the Council' / 'total number complaints resolved during the period' x 100
Data Source

Information, Parking and Customer Service
Other Guidance
This indicator will enable the effectiveness of the Council's Complaints system to be monitored across the Council. This is an indicator to monitor the effectiveness of our customer feedback process.
EHPI 5.2a – % of complaints about the Council and its services that are upheld: 1st stage (MINIMISING INDICATOR)
PI Definition
'Total number of complaints upheld during the period by the Council / 'total number of complaints determined during the period by the Council (this is not the same number as those received as not all received are determined within the period monitored) x 100
Data Source
Information, Parking and Customer Service
Other Guidance
This indicator has been established to show a negative impact when the Council has identified that it has failed to deliver a service it should have or that the way in which the service was delivered fell short of the service standards that we would expect. Previous indicators LPI 5.2a and 5.2b are deleted as they show as negative indicators when a complaint is resolved as opposed to whether the complaint was upheld and the Council made a mistake. Any customer has the right to complain but their appeal may not be upheld. This is a positive

outcome for the authority.

EHPI 5.2b – % of complaints about the Council and its services that are upheld: 2nd stage - appeal
(MINIMISING INDICATOR)

PI Definition

'total number of complaints upheld during the period by the Council / 'total number of complaints determined during the period by the Council (this is not the same number as those received as not all received are determined within the period monitored) x100

Data Source

Information, Parking and Customer Service

Other Guidance

This indicator has been established to show a negative impact when the Council has identified that it has failed to deliver a service it should have or that the way in which the service was delivered fell short of the service standards that we would expect. Previous indicators LPI 5.2a and 5.2b are deleted as they show as negative indicators when a complaint is resolved as opposed to whether the complaint was upheld and the Council made a mistake. Any customer has the right to complain but their appeal may not be upheld. This is a positive outcome for the authority.

EHPI 5.4 – % of complaints to the Local Government Ombudsman that are upheld (MINIMISING INDICATOR)

PI Definition

'Total number of complaints upheld (with maladministration) during the period by the LGO / 'total number of complaints determined during the period by the LGO (this is not the same number as those received as not all received are determined within the period monitored) x100

Data Source

Information, Parking and Customer Service

Other Guidance

This indicator has been established to show a negative impact when the Ombudsman has found maladministration with the authority in replacement of LPI 5.1a. Previous indicators LPI 5.1b to 5.1f are deleted as they show as negative indicators when the Ombudsman has received a complaint yet had not investigated or indeed found maladministration. Any customer has the right to appeal to the LGO but their appeal may not be upheld. This is a positive outcome for the authority.

EHPI 9.1 – Percentage availability of core systems during supported hours. (MAXIMISING INDICATOR)
PI Definition
Number of hours lost during major incidents as a proportion of total time available during period in question.
Data Source
ICT Services

EHPI 9.2 – Percentage Resolution of Incidents Within 4 Hours. (MAXIMISING INDICATOR)
PI Definition
Total number of incidents resolved within 4 hours as a proportion of the total number of incidents recorded in the period in question. Time starts from the moment that the incident is reported or identified proactively by the IT service.
Data Source
ICT Services

EHPI 9.3 – Average Incidents per day (MINIMISING INDICATOR)**PI Definition**

Total number of incidents resolved within 4 hours as a proportion of the total number of incidents recorded in the period in question.
Time starts from the moment that the incident is reported or identified proactively by the IT service.

Data Source

ICT Services

EHPI 9.4 – Percentage of Calls Abandoned on ICT Service Desk (MINIMISING INDICATOR)**PI Definition**

Total number of calls where the caller hangs up after 5 seconds as a proportion of all calls received in the period in question.

Data Source

ICT Services

EHPI 9.5 – Percentage of Calls Resolved at First Point of Contact (MAXIMISING INDICATOR)

PI Definition

Total number of incidents dealt with at first point of contact as a proportion of total number of incidents reported during the period in question.

Data Source

ICT Services

EHPI 9.6 – Satisfaction with ICT Services (MAXIMISING INDICATOR)

PI Definition

Scores are first calculated by an average of all commissioners and staff scores. The overall score is then calculated by weighting the staff response at 2/3 the weighting of the commissioners average response. This reflects the larger population of the staff group on one hand and the relative priority of the questions put to commissioners on the other.

Data Source

ICT Services

Other Guidance

Questions were originally taken from a standard set provided by CIPFA. They have subsequently been amended to more clearly differentiate between the adequacy of the technology and the adequacy of the service delivered by ICT.

EHPI 9.7 – Delivery of Key ICT Projects (MAXIMISING INDICATOR)

PI Definition

Performance will be reported on a cumulative basis for all projects completed in the year in question, according to the overall weightings assigned for individual projects.

A series of tolerances will be established and agreed by ITSG to allow different levels of performance to be categorised.

Data Source

ICT Services

EHPI 9.8 – Delivery of Key Milestones in the ICT Strategy (MAXIMISING INDICATOR)

PI Definition

Performance will be reported on a cumulative basis by calculating a score for the percentage delivery of the overall programme. In any quarter this will be all milestones delivered in the programme to date against those milestones due for delivery by the period in question. The overall percentage score for delivery of the overall

programme will be 100% over the lifetime of the strategy.

No changes to the due dates for the delivery of milestones will be made without the agreement of the Shared Services Partnership Board.

Data Source

ICT Services

EHPI 10.2 – Council tax collection, % of current year liability collected. (MAXIMISING INDICATOR)

PI Definition

Extract of data from 1st of the month. Data is extracted from CT6560 capita system.

Data Source

Revenues and Benefits

Other Guidance

Reported on CT6560 capita system.

EHPI 10.4 – NNDR (Business rates) collection, % of current year liability collected. (MAXIMISING INDICATOR)

PI Definition
Extract of data from 1st of the month. Data is extracted from NR6297 capita system.
Data Source
Revenues and Benefits
Other Guidance
Reported on NR6297 capita system.

EHPI 2.4 (47) – Fly-tips: removal
PI Definition
This PI is measured by the total time taken to clear fly-tips divided by number of fly-tips recorded on Mayrise, plus those reported and cleared same day by MRS.
Data Source
Environmental Services

EHPI 3b – Usage: number of swims (16 – under 60 year olds)
PI Definition
Total number at all pools
Data Source
Community and Cultural Services
Other Guidance
SLM – Sport & Leisure Management Ltd – contact made through the Leisure Services Manager.

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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 26 AUGUST
2014

EXECUTIVE – 2 SEPTEMBER 2014

REPORT BY THE LEADER OF THE COUNCIL

CORPORATE STRATEGIC PLAN 2015/16 – 2018/19

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 2015/16 – 2018/19 Corporate Strategic Plan be recommended to Executive for approval.
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RECOMMENDATION FOR EXECUTIVE: That:

(A)	The 2015/16 – 2018/19 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 2015/16 – 2018/19 Corporate Strategic Plan is attached in **Essential Reference Paper ‘B’**. There have been three main changes to the plan as follows:

- Two objectives have been changed under the ‘People’ objective:

From:	To:
Reduce health inequalities, for example, by addressing obesity, smoking and physical in activity	Improve the health and well-being of our residents
Deliver strong and relevant services	Deliver customer focused services

- An additional column has been added to provide context against each objective so our focus and what we hope to achieve is clearer.

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.

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:

<p>Contribution to the Council's Corporate Priorities/ Objectives:</p>	<p><i>People – Fair and accessible services for those that use them and opportunities for everyone to contribute</i></p> <p>This priority focuses on delivering strong services and seeking to enhance the quality of life, health and wellbeing, particularly for those who are vulnerable.</p> <p><i>Place – Safe and Clean</i></p> <p>This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p><i>Prosperity – Improving the economic and social opportunities available to our communities</i></p> <p>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>Consultation:</p>	<p>The senior management team were consulted on the draft 2015/16 – 2018/19 Corporate Strategic Plan.</p>
<p>Legal:</p>	<p>There are no legal implications. Specific legal implications relating to actions set out in the plan will be considered as part of their implementation.</p>
<p>Financial:</p>	<p>There are no financial implications at this stage, but will be considered as actions are brought forward.</p>
<p>Human Resource:</p>	<p>There are no human resources implications.</p>
<p>Risk Management:</p>	<p>Effective performance management arrangements helps to ensure that the council's priorities and objectives are met and supports greater transparency and increases local accountability. The Corporate Strategic Plan is one tool designed to help deliver this.</p> <p>Specific risk management implications relating to actions set out in the plan will be considered as part of their implementation.</p>

<p>Health and wellbeing – issues and impacts:</p>	<p>There are no direct Health and Wellbeing implications in regard to this report. However one of the council’s objectives does support the health and wellbeing agenda.</p>
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East Herts Council Corporate Strategic Plan 2015/16 – 2018/19

		Page Number
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2.	East Herts Council – Context and Summary	4
3.	Organisation and Culture – Here to Help	6
4.	Delivering Your Priorities	9
5.	Measuring Success – How we plan and manage what we do	18

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1. Introduction

This is East Herts' Corporate Strategic Plan 2015 – 2019.

The Plan sets out what East Herts Council aims to achieve over the next four years for the people of East Herts.

Our vision is to **improve the quality of peoples' lives and preserve all that's best in East Herts**. We know from our recent residents' survey that you share this ambition and feel that key factors such as more affordable housing, clean streets, better shopping facilities and job prospects and good quality recycling and waste services are important.

We are also aware that you would like to see service improvement in priority areas such as road and pavement repairs, traffic congestion, public transport and health services.

The government's reduction in funding and changes in existing funding streams means that we need to become more creative and innovative in the way we deliver services, so we can maximise what we can do with the limited resources we have. For example this might be achieved by developing more shared service models with other local authorities.

Our partners are also facing financial pressure with reduction in their funding and we need to consider how we can pool our resources together to better support you.

Coupled with this we have seen demand in some key services grow, linked closely to the welfare reforms that have been introduced and further changes are still to come with the introduction of Universal Credit.

The next four years is not just about changing the way we deliver services but is also about creatively building capacity within our workforce to be able to respond to the challenges we face, so we can continue to be 'here to help'.

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. 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 who 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 – houses and related infrastructure. It supports the council's and the Local Strategic Partnership's priorities, whilst at the same time balancing the many external pressures that impact on the plan.

The Council's Developing Roles: Here to Help

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.
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

Our organisation:

Our message to our residents is that we are 'Here to help' 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'. This lies at the root of our organisational values and behaviours demonstrated by the actions of councillors and staff.

Our three core values are:

- Here to help
- We work together to support each other
- We aim high to make a difference

The councillors' roles:

Your local councillors are elected to make council policy, take up issues and represent their 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 and one by-election in 2014 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 (which includes the Leader) 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 and behaviours required to deliver them
- Ensure the council's values and behaviours are at the heart of everything we do
- 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

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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.

People – 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:	Why:	Our role will be as a:
Improve the health and well-being of our residents	The health of people in East Herts is generally better than the England average. For example the estimated levels of adult smoking, adults who are obese and hospital stays for alcohol related harm are all better than the England average. We want to ensure this continues to be the case by focusing on providing early support and joined up services with our partners. Priorities in East Herts include addressing obesity and promoting increased physical activity levels, helping	Community Leader, Influencer, Partner and Enabler

	the expanding older population maintain their health and continuing to reduce the levels of smoking ¹ .	
Reduce fuel poverty	National surveys have suggested that because of the range of factors affecting fuel poverty, households most affected can be spread throughout the community, often as isolated pockets within relatively affluent areas. Across the UK there is a significant proportion of the fuel poor in more rural communities, off mains gas and living in “hard to treat” properties. The council’s House Condition Survey in 2009 found that 24.4% of households in social housing were in fuel poverty, compared with 35.5% of owner-occupiers. Rural housing was found to be less energy efficient than housing in our towns. Improving energy efficiency is an important priority for us.	Community Leader, Influencer, Partner and Provider / Commissioner / Manager
Increase community engagement	Effective engagement with local residents, partners and the voluntary and community sector is key for East Herts. Reductions in public sector spending has meant that we have had to make spending reductions in some service areas. Our partners have also been affected by savings requirements. Therefore it is important we work with our communities and partners, which may	Community Leader, Partner and Enabler

¹ East Hertfordshire Health Profile 2014 – Public Health England.

	include enabling services to be delivered by others.	
Deliver customer focused services	<p>Providing good customer service is important to us. We need to understand what services our residents and customers want and how they would like them to be provided. Our recent residents' survey showed that telephone was residents preferred contact channel, with the preference for email contact increasing. Our Customer Services Strategy plays a key role at setting out our approach to customer service and the range of access routes available. We will be revisiting our strategy during 2014/15 which will look at our residents' needs now and in the future so we can continuously improve and shape the services we provide.</p> <p>Our 'Here to Help' programme supports the Customer Service Strategy. It is about celebrating what is good, sharing good practice, making things better and unlocking barriers to change.</p>	Provider / Commissioner / Manager
Improve outcomes for vulnerable families and individuals	<p>Significant welfare reform has meant that we have experienced an increase in the demand for support across a range of services particularly with households with lower incomes. We want to achieve improved life chances for vulnerable families and individuals by continuing to provide good quality services from Housing and Benefit advice to the provision of</p>	Community Leader, Influencer, Partner and Provider / Commissioner / Manager

	<p>Disabled Facilities Grants.</p> <p>We need to ensure targeted affordable housing is delivered, empty homes and Houses in Multiple Occupation are dealt with so our residents can continue to live in their local area.²</p>	
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² 2007 – 2014 Economic Development Strategy

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:	Why:	Our role will be as a:
Reduce residual waste and increase our recycling rate	Sending waste to landfill is not sustainable for a number of environmental, financial and practical reasons and we believe that it is better to minimise the amount of waste being produced. Our 2013 residents' survey showed that our residents had high levels of satisfaction with our waste and collection services and we wish to maintain this and seek opportunities to develop services even further ³ .	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	One of the major contributors to climate change is carbon dioxide (CO ₂). Increasing the energy efficiency of our buildings, reducing the impact of environmental pollution and working with our partners to reduce their emissions will help us reduce CO ₂ and to improve the air quality we live in.	Community Leader, Influencer and Provider / Commissioner / Manager
Maintain our clean streets	The appearance of the local environment is a major	Community Leader

³ 2013 East Herts Residents Survey

and reduce litter	factor for residents in determining what makes somewhere a good place to live. Well maintained and clean streets and green spaces, free from litter, graffiti, fly tips and abandoned vehicles are ranked as important to our residents ⁴ . Working with our partners and the local community will help us to ensure we continue to achieve this.	and Provider / Commissioner / Manager
Maintain our parks, play areas and open spaces in good order	<p>Parks and open spaces are invaluable natural resources which help to provide space to relax and to exercise, as well as understand nature. An audit and assessment of public open space provision by all providers identified 566 open spaces and outdoor sports facilities that are either owned by the council, parish or town councils, private landowners, housing associations or community groups in East Herts. Of these, 312 are considered parks and gardens, natural and semi-natural green space, amenity green space and provision for children and young people⁵.</p> <p>It is important that we make sure they are managed and developed in a responsible and effective way to be welcoming places for leisure time.</p>	Community Leader, Partner and Provider / Commissioner / Manager
Reduce anti-social	Hertfordshire is one of the safest counties in the	Community Leader,

⁴ 2013 East Herts Residents Survey

⁵ Parks and Open Spaces Strategy 2013 – 2018

behaviour and the fear of crime	<p>country, and East Herts is amongst the safest districts within it. It has the second best lowest recorded crime figures (RAG report - All crime 1st April 2013 – 6th July 2014 10.91 crimes per person per 1,000 population).</p> <p>Since 2008, there has been a significant fall for ‘all crime’. Burglary reduced around 40%, similarly personal robbery and thefts from cars and damage to vehicles. Holding the Chair of the Community Safety Partnership (CSP), East Herts Council has been a significant partner in helping the police achieve these reductions. We work closely together on joint operations, such as huge multi agency cross border stop and search events where rogue taxis, unlicensed trade waste carriers and benefits fraudsters are the focus. We join the police to conduct drugs raids, where pubs are involved, and this contributes to excellent detection rates. Our first rate CCTV network is so successful that it is becoming a council run ‘arms-length’ company to maximise business opportunities.</p> <p>The start of 2014 has seen an emerging increase in some crime types which the CSP is working on. Some of this can be explained by more rigorous crime recording but in-line with the upturn in the economy we are starting to see an increase in acquisitive crime.</p> <p>Seven in ten residents report that they feel safe in their</p>	Partner and Enabler
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	<p>local area after dark, while around a fifth said they feel unsafe. However three of the four main neighbourhood issues reported by residents as being a fairly or very big problem in their local area were people drunk or rowdy in public places (23%), people using or dealing drugs (22%) and groups/teenagers hanging around streets (22%)⁶.</p> <p>The council and police work side by side to target persons responsible for anti-social behaviour whilst at the same time facilitating youth diversionary activities to keep those who might be at the fringe of anti-social behaviour occupied.</p>	
<p>Ensure future development best meets the need of the district and its residents</p>	<p>Nine in ten residents are satisfied with their local area as a place to live⁷ and East Herts is ranked fifth out of the top 50 Local Authority Districts in the UK to live⁸. We want to ensure that new development continues to achieve outcomes that are positive for our residents, the local economy and the environment. Our Local Plan which is currently being updated in 2014/15 to become the district plan provides the framework to shape the district's built environment for the future.</p>	<p>Community Leader, Influencer and Provider / Commissioner / Manager</p>

⁶ 2013 East Herts Residents Survey

⁷ 2013 East Herts Residents Survey

⁸ Halifax Quality of Life Rankings, 2013 Annual Quality of Life Survey by Halifax

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:	Why:	Our role will be as a:
<p>Deliver value for money and reduce our reliance on central government funding</p>	<p>Central government funding for local authorities is on a downward trend. In both the short and medium term there is a growing need for us to identify new and/or additional sources of income.</p> <p>While we will continue to find new efficiencies and more joined up and innovative ways of working for example in 2013/14 we met our savings target, however greater self-reliance in funding will be required. Therefore we need to plan for and manage this.</p> <p>Alongside this we also need to support our staff in managing these service challenges and developing their skills and capacity and ensuring that infrastructure in terms of ICT needs is robust and fit purpose.</p>	<p>Partner and Provider / Commissioner / Manager</p>
<p>Enhance the economic well-being of East Herts</p>	<p>We want to create a more business friendly environment in our towns so they become more vibrant.</p>	<p>Community Leader, Influencer and Enabler</p>

	<p>A thriving knowledge based economy is at the heart of economic success – in the sense of skills levels of residents and the nature of businesses. Therefore we want to ensure our residents are able to access appropriate education, employment and training opportunities and that we seek to attract new high-tech niche industries into appropriate existing or new locations.</p>	
<p>Deliver sustainable rural business growth</p>	<p>East Herts has a significant rural economy compared to other authorities within Hertfordshire. We want to prioritise the economic and social inclusivity of our rural communities by retaining local rural employment and services⁹.</p>	<p>Community Leader, Influencer and Enabler</p>
<p>Protect the environment</p>	<p>We want to ensure that our environment is protected and safe. This ranges from us ensuring that the food we eat is safe, managing the licensing of taxi vehicles and the regulation of licensing regimes to the protection of conservation areas and listed buildings.</p>	<p>Community Leader, Influencer and Provider / Commissioner / Manager</p>

⁹ 2007 – 2014 Economic Development Strategy

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. In 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 plan highlights the high level priorities for the council and identifies some of the key outcomes that will to be achieved. It 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 strands, which are aligned to the council's priorities. They are:

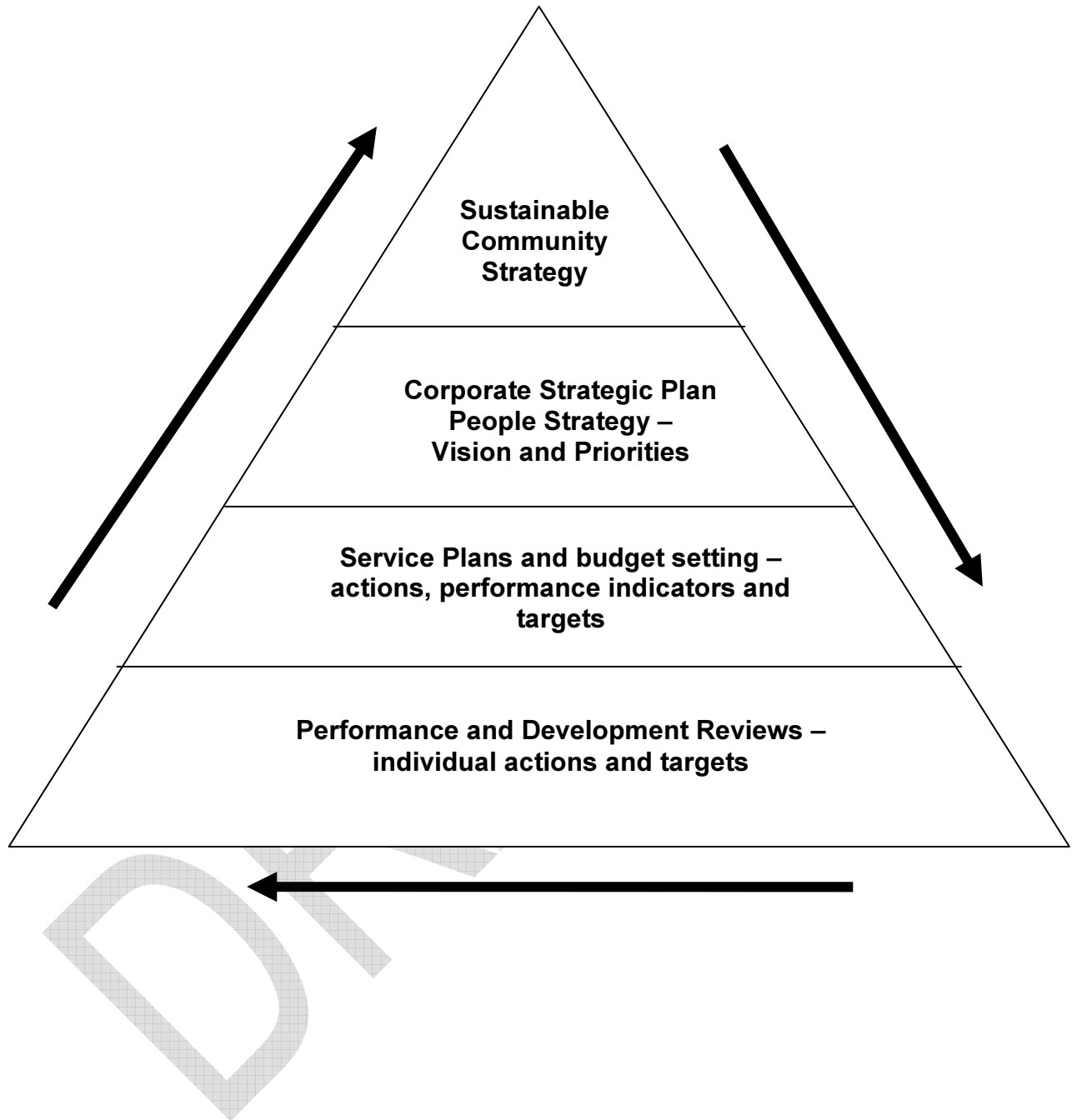
- Organisational development
- Learning and development
- Resourcing
- Equality and diversity
- Employee relations and reward
- Health and safety
- HR and payroll service

Overarching these is the organisation's commitment to the 'Here to Help' values 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, values and behaviours. 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:



EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 26 AUGUST
2014

EXECUTIVE – 2 SEPTEMBER 2014

COUNCIL – 1 OCTOBER 2014

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE

FINANCIAL STRATEGY AND MEDIUM TERM FINANCIAL PLAN FROM
2015/16 TO 2018/19

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- To consider revisions to the Financial Strategy for the years 2015/16 to 2018/19. This includes the policy on reserves and the proposed planning assumptions to be used to update the Medium Term Financial Plan in preparation for annual budget setting.

RECOMMENDATIONS FOR CORPORATE BUSINESS SCRUTINY:
that

(A)	The proposed Financial Strategy be recommended to the Executive for approval; and
(B)	The Executive be advised of any revisions that should be considered in respect of the planning assumptions set out in the report.

RECOMMENDATIONS TO EXECUTIVE: that:

(A)	Executive consider any revisions to the Medium Term Financial Plan from 2015/16 to 2018/19 arising from Corporate Business Scrutiny Committee.
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RECOMMENDATIONS TO COUNCIL: that:

(A)	The proposed Financial Strategy be adopted;
(B)	The planning assumptions set out in this report be

	adopted by the Council as the basis for framing the 2015/16 budget and Medium Term Financial Plan to 2018/19.

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, wherever that income is derived.

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

2.0 Report

2.1 This report considers and 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 considers sensitivity analysis around income levels and potential costs.
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

Government Grant and External Support

- 2.2 In the 2014/15 Local Government finance settlement, there was a reduction for the Council of 21% in its Revenue Support Grant. At that time a provisional 2015/16 figure was given of £1.95m which is a further reduction of 30% from 2014/15. The Council wishes to become more self-reliant rather than having to rely on Central Government support by considering how to grow business rates and increase other income streams to be able to protect the services that residents and local businesses require.

Business Rates

- 2.3 In 2013/14 the way that Local Government is funded 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 Local Authorities (District and County Council) and Central Government. The system considers whether an authority is a “Top-Up” or “Tariff” authority (having to either take an extra share back or pay over more, like East Herts) and there are also provisions for a safety net, should the amount of business rates the Council is able to collect reduce.
- 2.4 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.
- 2.5 The scheme has been running since 1 April 2013. The Council fell into the safety net position during 2013/14, mainly due to the way in which appeals are treated. Appeals can be backdated until the last review, and are determined by the Valuation Office (VOA) and can in some cases take some time to be determined. The Council is compensated for these potential losses.
- 2.6 During 2013/14 and already in 2014/15, a number of new reliefs have also been introduced by Central Government, including flood relief for affected businesses, extensions on small rate relief and other measures intended to support economic growth. We pass on these reliefs but are then compensated for the impact of these

through the application of specific “Section 31” grants, which have an impact on the way that cash flows into the Council through the collection fund.

- 2.7 Given the number of changes to the way the system is working, sometimes with little notice, modelling the future impact on the Councils finances presents a high level of risk. The model being considered as part of this strategy assumes that the original funding assumptions by Central Government are correct, but further work in this area over the coming few months is important to ensure that the impact of all of these changes are fully understood.

Council Tax

- 2.8 From 1 April 2013, Council Tax Benefit was replaced with a Council Tax support scheme. 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.
- 2.9 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.
- 2.10 In December 2013, the funding for Local Government was announced following the Autumn Statement. 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
 - It was announced that there would be a review of New Homes Bonus, although as yet there are no indications of any changes to this funding regime
 - An overall Welfare spending cap for all of Government. At this stage it is unclear what impact this could have on East Herts directly.
- 2.11 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 throughout the life of the MTFP.

- 2.12 Indicative funding levels for 2015/16 were announced in December 2013 as part of the 2014/15 settlement. The funding that we receive could be subject to change later this year, although experience from the last few years has shown that any changes are not usually significant.

Review of the financial strategy and current level of reserves

- 2.13 **Essential Reference Paper 'D'** is the current Financial Strategy which was refreshed to reflect the changes in Central Government funding last year.
- 2.14 The financial strategy and the MTFP have a 5 year focus and for the purposes of the Strategy this remains sound. However, we will always look to model the impact of financial decisions over a longer period of time, and in particular look to consider scenarios that are likely to impact upon the District. 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
- 2.15 A review of the level of reserves has been carried out as at 31st March 2014 based on the draft final accounts (**Essential Reference Paper 'E'** refers). This indicates that reserves are above the ceiling set out in the strategy by £1.374m. 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.
- 2.16 In 2013/14, a payment was made as part of the triennial review of Pensions, to reduce the revenue impact of the Pensions deficit over 4 years. This smooths the impact on the MTFP going forward. It was intended that this would be made from general reserves, but given the in-year underspend against service budgets, this did not reduce the level of general reserves overall.

- 2.17 At 31 March 2014 earmarked reserves totalled £8.374m. Additions to Earmarked reserves in 2013/14 totalled £2.322m. It should be noted that some of these relate to grants received in respect of Business Rates, where the impact will not be felt in the collection fund until 2015/16 at the earliest, due to the way the accounting treatment of this account works. A number of other earmarked reserves will be released in year for specific purposes.
- 2.18 During the last few years, the service budgets of the Council have underspent. Where possible, these underspends are either used to mitigate risks in future years through the creation of specific earmarked reserves, or are reviewed to determine if there are on-going sustainable savings that can reduce the need to find alternative savings.
- 2.19 To ensure that any ongoing financial implications are identified early, a specific “Budget Challenge” session was held in 2013/14 which reduced the level of savings that needed to be found during budget setting rounds. In 2014/15, a similar review will be undertaken to identify financial trends in all budget areas and 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 2015/16 in January 2015.

Underlying Assumptions around Inflation, Savings and Growth

- 2.20 **Essential Reference Paper ‘B’** 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.
- 2.21 A number of changes have been made in the underlying assumptions in the model and these include:
- Updates on expected levels of investment income including the release of some of the interest equalisation reserve into the MTFP model
 - Increase in Council Tax base growth assumptions to take account of the latest trends on growth in the District
 - Updated inflationary assumptions as per the Office of Budget Responsibility (OBR) latest updates

- Changes in salary inflation over the life of the model
- Change in assumptions around Member allowances (to match salary inflation assumptions)
- Reflection of updated Pension deficit payments following the triennial review in 2013/14.
- Reflection of potential future impacts from the next triennial review of Pensions
- Updates on Savings, Growth and Known changes built into the model

2.22 The model assumes that all savings and growth detailed will be delivered, and this is included within the sheets behind the summary model.

2.23 The MTFP also indicates that there are new savings that have to be identified, specifically for 2016/17 onwards. To be able to deliver this level of savings planning is underway to ensure that these can be fully met in those years.

2.24 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. More detailed modelling will continue throughout the year to ensure the most up-to-date data is used in setting the budget for 2015/16.

2.25 During this planning period, the following are other areas that need to be assessed:

- Review of impact of underspends in 2013/14 and predicted underspends in 2014/15 and whether these are longer-term sustainable savings
- Consideration of any pressures and growth that are identified
- Consideration of any revenue costs and/or savings arising from Capital works identified either through Council funding or external funding (including Section 106 monies)
- Review of impact of investment strategy
- Further review of both earmarked and general reserves

Other factors that need to be considered

2.26 During 2013/14, a triennial review of Pensions was carried out, and the assumptions arising from this review are now included in the model. A number of other changes are also happening over the period of the budget and MTFP in relation to Pensions

including auto enrolment, changes in national insurance contributions following the introduction of a new national state pension in 2016 and the next triennial review of the Pensions.

2.27 The Council had no unused capital receipts at 31 March 2014. 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 2013.

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:

<p>Contribution to the Council's Corporate Priorities/ Objectives</p>	<p>The budget and MTFP apply resources to achieve all the Council's priorities:</p> <p>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>
<p>Consultation:</p>	<p>Consultation on the budget happens through a number of sources, including the input of Scrutiny committees and through more targeted consultation.</p>
<p>Legal:</p>	<p>None at this stage but there are legal implications when the Council sets its budget for 2015/16</p>
<p>Financial:</p>	<p>This report does not propose any spending or income changes but establishes priorities for future budgets from 2014/15</p>
<p>Human Resource:</p>	<p>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.</p>
<p>Risk Management:</p>	<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

	<p>up to date information</p> <ul style="list-style-type: none"> • Adoption of the financial strategy • Proposed contingency sums • Adequate levels of earmarked and general reserve • Clearly defining assumptions made
<p>Health and Wellbeing:</p>	<p>There are no specific implications in regard to Health and Wellbeing that need to be considered as part of this report. Health and Wellbeing is one of the Councils priorities and as such funding for activities will be included when budgets are set</p>

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUMMARY Model - August 2014 version to Scrutiny

	2013/14 Actual	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Net Cost of Services	14,629	14,406	14,311	14,863	15,426	16,003
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-942	-895	-893	-1,130	-1,472	-1,915
Fees & Charges			-44	-165	-289	-416
Growth Items			376	402	402	402
Special Items			65	3	1	
Efficiency Savings - Existing plans			-165	-270	-270	-270
Efficiency Savings - to be Identified				-244	-787	-821
One off Savings						
Known Changes			341	193	171	-95
Application of New Homes Bonus *	358	1,095	1,370	1,660	1,676	1,736
Contingency		513	125			
RCCO/Internal Interest	25	25	25	25	25	25
Net Expenditure	14,731	15,806	16,175	15,999	15,546	15,311
Contribution to / from Earmarked Reserves	1,749	-95	-454	-78	-35	-35
Contribution to/ from Interest Equalisation reserve	574	-34	-220	-200	-178	
Use of General Reserve	-13					
Movement on Pension Reserve (Deficit Contribution)	672	600	600	600	800	800
Net Expenditure after reserves	17,713	16,277	16,100	16,321	16,133	16,076
Formula Grant/NNDR	-6,700	-5,238	-4,439	-3,995	-3,596	-3,236
Council Tax Freeze Grant	-93	-94	-94			
Other general grants	-672	-16				
New Homes Bonus	-1,414	-2,190	-2,740	-3,321	-3,353	-3,472
Transfer (from)/to Collection Fund	-157		-			
Transfer (from)/to NNDR Collection			-			
Demand on Collection Fund	8,678	8,738	8,827	9,004	9,184	9,369
Council Taxbase	55,084	55,469	56,023	56,584	57,149	57,721
Council Tax at Band D	157.54	157.54	157.55	159.12	160.71	162.32

Percentage Increase

0.00% 0.00% 1.00% 1.00% 1.00%

* 2014/15 onwards NHB application split between Priority Spending and Parish & Town Councils (as shown on the Known changes sheet)

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

SUB - SUMMARY August 2014 version to Scrutiny

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000	£'000	£'000
Director of Neighbourhood Services	125	116	119	122	124	127
Corporate Support	96	108	110	112	115	118
Planning & Building Control	1,184	1,136	1,179	1,233	1,277	1,333
Housing Services	596	476	508	520	533	545
Community Safety & Health	1,419	1,453	1,412	1,455	1,489	1,534
Chief Executive and Director of Customer & Community Services	176	150	154	157	161	164
Welfare Reform	70	120				
Project Co-ordinator	2					
Environmental Services	5,955	5,392	5,553	5,711	5,874	6,040
Customer & Parking Services	-1,060	-757	-789	-721	-651	-580
Economic Development	131	82	88	94	100	106
Community Engagement	752	741	709	731	746	762
Hertford Theatre	250	218	236	254	273	292
Director of Finance and Support Services	131	131	131	134	137	140
Governance Support	499	556	575	595	615	635
People & Property Services	1,202	1,093	1,069	1,107	1,122	1,162
Business and Technology Services	1,457	1,281	1,313	1,333	1,398	1,410
Finance and Performance	610	552	564	577	590	603
Revenues & Benefits	-244	345	295	342	385	440
Corporate Risk	335	336	343	351	358	366
Other	1,131	902	768	782	807	832
Capital Salaries	-189	-26	-26	-26	-26	-26
Net Cost of Services	14,629	14,406	14,311	14,863	15,426	16,003
Interest Payments	661	662	662	662	662	662
Interest & Investment Income	-942	-895	-893	-1,130	-1,472	-1,915
Car Parking Fees & Charges				-76	-154	-234
Other fees & Charges			-44	-89	-135	-182
Growth 2015/16			376	376	376	376
Growth 2016/17				26	26	26
Growth 2017/18						
Growth 2018/19						
Special Item			65	3	1	
Savings 2015/16			-165	-165	-165	-165
Savings 2016/17				-105	-105	-105
Savings 2017/18						
Savings 2018/19						
Efficiency savings - to be identified				-244	-787	-821
One Off Savings						
Known Changes			341	193	171	-95
Application of New Homes Bonus *	358	1,095	1,370	1,660	1,676	1,736
Contingency		513	125			
RCCO/Internal Interest	25	25	25	25	25	25
Contribution to Earmarked Reserves	2,384	39	39	39	25	25
Contribution from Earmarked Reserves	-635	-134	-493	-117	-60	-60
Contribution to/ from Interest Equalisation reserve	574	-34	-220	-200	-178	
Use of General Reserve	-13					
Movement on Pension Reserve (Deficit Contribution)	672	600	600	600	800	800
Net Expenditure	17,713	16,277	16,100	16,321	16,133	16,076
Formula Grant/NNDR	-6,700	-5,238	-4,439	-3,995	-3,596	-3,236
Council Tax Freeze Grant	-93	-94	-94			
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Transfer (from)/to Council Tax Collection Fund	-157					
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Demand on Collection Fund	8,678	8,738	8,827	9,004	9,184	9,369
Council Taxbase	55,084	55,469	56,023	56,584	57,149	57,721
Council Tax at Band D	157.54	157.54	157.55	159.12	160.71	162.32
Percentage Increase		0.00%	0.00%	1.00%	1.00%	1.00%

* 2014/15 onwards NHB application split equally between Priority Spending and Parish & Town Councils (as shown on the Known changes sheet)

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

Data Table	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Overall salary increase (Inclusive of everything)*	1.75%	1.75%	2.25%	2.25%	2.25%	2.25%
Members Allowances	0.00%	1.00%	1.50%	1.50%	1.50%	1.50% **
Inflation	2.00%	2.30%	2.10%	2.00%	2.00%	2.00%
NNDR	2.50%	2.00%	3.00%	3.00%	3.00%	3.00%
Fuel	2.50%	2.30%	2.10%	2.00%	2.00%	2.00%
Contract Index - All Contracts	3.20%	2.30%	2.10%	2.00%	2.00%	2.00%
Contract Index - Street Cleansing	¹ 2.60%	2.30%	2.10%	2.00%	2.00%	2.00%
Contract Index - Refuse Only	² 2.60%	2.30%	2.10%	2.00%	2.00%	2.00%
Contract Index - Parking	³ 3.10%	2.30%	2.10%	2.00%	2.00%	2.00%
Contract Index - Leisure	⁴ 3.10%	2.80%	3.30%	3.60%	3.80%	3.90%
Income						
Increase for Fees & Charges	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
Increase for car parks	0.00%	0.00%	0.00%	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	1.50	1.50	1.50	1.50
Pay allowance - increments and local award	0.75	0.75	0.75	0.75	0.75	0.75
	1.75	1.75	2.25	2.25	2.25	2.25

** Subject to IRP recommendation

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

	2014/15		2015/16		2016/17		2017/18		2018/19		Assumptions	
	Principal - £'000	Interest - £	Principal - £'000	Interest - £	Principal - £'000	Interest - £	Principal - £'000	Interest - £	Principal - £'000	Interest - £		
Balance as at 30.06.2014	78,471		77,772		76,515		75,907		75,297		2017/18 and 2018/19 estimated internal borrowing Re Updated MTFP August 2014.	
Financing of capital programme	-665		-887		-548		-560		-550			
Contribution from reserves	-134		-370		-60		-60		-60			
Total Investment Balance Forecast	77,772		76,515		75,907		75,297		74,687			
Treasury Fixed Term Investments												
Lloyds to Apr 2015	10,000	372,000										
rolled over - 364 days			10,000	95,000								
rolled over - 364 days					10,000	95,000						
rolled over - 364 days							10,000	150,000				
rolled over - 364 days									10,000	175,000		
Lloyds to 4.7.2014	10,000	23,693										
to 6.7.2015		70,534										
rolled over - 364 days			10,000	95,000								
rolled over - 364 days					10,000	95,000						
rolled over - 364 days							10,000	150,000				
rolled over - 364 days									10,000	175,000		
Barclays to 11.8.14	5,000	36,164										
rolled over - 364 days		30,322										
rolled over - 364 days			5,000	19,792								
rolled over - 364 days				27,708	5,000	47,500						
rolled over - 364 days							5,000	75,000				
rolled over - 364 days									5,000	87,500		
Total Treasury Fixed Term	25,000	532,714	25,000	237,500	25,000	237,500	25,000	375,000	25,000	437,500		
Treasury Variable Investments												
Morgan Stanley MMF	9,500	33,250										
rolled over - 3 months			9,500	8,788							Investment for 3 months and transferred to Property Funds.	
Nat West SIBA (For Day to Day Cash Balances)	11,345	33,119									£10m disinvested part way through 2018/19.	
rolled over - 3 months			12,015	30,038	9,480	23,700	10,297	36,040	4,687	26,222		
Natwest 95 days notice	5,000										95 Days Notice	
to July 14		9,288										
to April 2015		13,808										
rolled over - 364 days			5,000	20,000	5,000	20,000						
rolled over - 364 days							5,000	45,000				
rolled over - 364 days									5,000	45,000		
rolled over - 364 days												
New Investment	5,000	25,000	5,000	32,500	5,000	32,500	5,000	32,500			Transferred to SIBA account for short term cash.	
rolled over - 6 months												
Investec	21,927	90,540	21,927	105,390	11,427	85,703	11,427	42,851	0	0	Part disinvest in July 2015	
rolled over - 6 months											Part Year disinvestment to Direct property investment 2016/17	
Non Treasury Investments												
LAMS	1,000	42,800	1,000	42,800	1,000	42,800	1,000	42,800	1,000	42,800	Funds placed in 2013/14	
Property Funds	0	0	20,000		20,000		20,000		20,000		To be financed from Morgan Stanley Investment and Investec MMF	
Assumed to take effect from 1.07.2015.			For 9 Months									
Assumed Funds selected have waiting lists				450,000		640,000		700,000		800,000	Income for 9 months 2015/16	
Rate 3.0%												
Rate 3.2%												
Rate 3.5%												
Rate 4.0%												
Direct Property Investment							10,000	150,000		20,000	480,000	Assumed part year impact
With Effect from 2017/18												Second investment tranche assumed part year impact.
Rate 3.0%												
Rate 3.2%												
Rate 3.5%												
Pinders Lodge Lease to 2056		13,000		13,000		13,000		13,000		13,000		
In House cashflow				35,000		35,000		35,000		35,000		
Total Investment Income	78,772	793,519	77,515	975,015	76,907	1,130,203	76,297	1,472,191	75,687	1,914,522		
To be finalised as part of the business case evaluation for the Property Funds.												
Property Funds Entrance Fees				82,000								
Forecast Estimate	794,000		893,015		1,130,000		1,472,000		1,915,000			
Version 1	794,000		881,015		1,110,000		1,414,000		1,915,000			
MTFP February 2014	895,000		1,113,000		1,330,000		1,650,000					
VARIANCE		-101,000		-219,985		-200,000		-178,000				
Comprises:				£'000		£'000		£'000				
Assumptions on property Fund changed to 2 Quarter 2015/16				117		60		100				
Rates tapered from 1.1% to 0.95%				25	1.4% to 0.95%	113	2% to 1.75%	115				
LAMS assumptions revised				-13		-13		-13				
Barclays Loan matured April 14				70		70		100				
Initial estimates excluded Pinders lodge				-13		-13		-13				
Cash balances reduced from rate of 0.4% to 0.35%				8		8		-5				
Impact of increased cash balance				-10		-76		-40				
Investment in Direct property purchase								-150				
Investec matured for property fund								32				
Natwest 95 day notice revision to rate				35		50		55				
Property Funds Entrance fees				82								
Total variance				222		198		181				

Interest Rates based on Capita Advice 31.07.2014

	June 2014	Oct 2014	Jan 2015	April 2015	July 2015	Oct 2015	Jan 2016
Bank rate forecast	0.50%	0.50%	0.75%	0.75%	1.00%	1.25%	1.25%
12 MONTH Investment rate 0.95%							

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

Proposed ongoing growth against base budgets. These items will increase the net cost of services from the year indicated and for future years

	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
Customer & Parking Services				
Parking - Pay by Phone	16,000	16,000		
IT				
Growth from IT Capital Programme	10,000	10,000		
Organisational capacity - linked with Here to Help	350,000			
Total growth	376,000	26,000	-	-

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

Proposed growth items that will only impact the base budget in the year indicated. These items will increase the net cost of services

	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
Business & Technology Services				
EHC disturbance Costs (Less SBC contribution)	2,450	2,700	1,200	
People & Property				
Compliance Surveys	30,000			
Customer & Parking Services				
Southmill Area Resident Permit Scheme	30,000			
Finance & Performance				
Controlled Stationery - cheques	3,000			
Total Special Items	65,450	2,700	1,200	-

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

Proposed ongoing savings against base budgets. These items will reduce the net cost of services from the year indicated and for future years

	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
Planning & Building Control				
Reduction in budget		(61,000)		
Building Control Reduced Spending	(50,000)			
Planning administration		(34,000)		
Environmental Services				
Grounds Maintenance Contract Extension	(37,500)			
Community Engagement				
Hertford Theatre - new business plan	(14,300)	(9,500)		
Democratic & Legal Services				
Reduction in Legal third party payments budget	(7,600)			
Revenue effects of capital				
Bell Street Public Conveniences modernisation	(5,600)			
Total	(115,000)	(104,500)	-	-
Savings from review of 2013/14 underspend				
Customer & Parking services				
Enforcement contract - contingency reduction	(50,000)			
Savings to be Identified				
Total savings to be built into estimates	(165,000)	(104,500)	-	-

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

Proposed savings items that will only impact the base budget in the year indicated. These items will decrease the net cost of services

One Off Savings	2015/16	2016/17	2017/18	2018/19
	£	£	£	£

Total to be built in	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
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Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

Future adjustments to Net Cost of Services, which are as a result of decisions previously made and approved

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000
Changes to Terms and Conditions	-92	-92	-92	-92
Hertford Theatre Hydro Income	-11	-11	-11	-11
National Insurance rebate (exact date uncertain)		222	222	222
LDF Public exam/Green belt review	250	40	40	40
Future Council elections	100			
Housing benefit subsidy	-155	-160	-165	-170
Adjust council tax admin subsidy grant		48	140	175
Causeway lease reversal of accrual				-380
Causeway car park - loss of net income				36
Leisure Contract reduction in contract expenditure			-48	
CAB contribution	20			
DCLG - Housing Grant	50	50	50	50
Parking - additional reports	1			
 Known Changes following CMT decisions				
Procurement office - full time	11.1	11.1	11.1	11.1
Increase in Housing Manager's hours	21.4	21.4	21.4	21.4
Customer Services Manager - full time	2.5	2.5	2.5	2.5
Licensing post - (Grade 1/2 17.25hrs 2015/16 only)	2			
Environmental Health (2 x Grade 4 - part year 2015/16 only)	10.3			
Environmental Health (1 Grade 4 - 2 years only, 2015/16 & part 2016/17)	3.7	3.7		
Ass. Waste Service Manager - (full time - 1 year only)	4.4			
Graduate Trainee Positions (funded through Cost of Change Reserve)	40			
Project co-ordinator (funded through cost of change reserve)	42	42		
Leisure Development Manager (funded through cost of change reserve)	41	15		
	341	193	171	(95)
 For information				
Application of New Homes Bonus - 25% to parish and towns	685	830	838	868
Application of New Homes Bonus - priority spending	685	830	838	868
	1,370	1,660	1,676	1,736

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
New Homes Bonus 11/12 (to be received 11/12 to 16/17)	(415)	(415)	(415)	(415)		
New Homes Bonus 12/13 (to be received 12/13 to 17/18)	(425)	(425)	(425)	(425)	(425)	
New Homes Bonus 13/14 (to be received 13/14 to 18/19)	(553)	(553)	(553)	(553)	(553)	(553)
New Homes Bonus 14/15 (to be received 14/15 to 19/20)		(797)	(797)	(797)	(797)	(797)
New Homes Bonus 15/16 (to be received 15/16 to 20/21)			(550)	(550)	(550)	(550)
New Homes Bonus 16/17 (to be received 16/17 to 21/22)				(581)	(581)	(581)
New Homes Bonus 17/18 (to be received 17/18 to 22/23)					(447)	(447)
New Homes Bonus 18/19 (to be received 18/19 to 23/24)						(544)
Built into Estimates	1,393	2,190				
	-	-	(2,740)	(3,321)	(3,353)	(3,472)

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Settlement December 2012						
NNDR	2,377	2,450				
RSG	3,573	2,746				
	<u>5,950</u>	<u>5,196</u>				
Settlement December 2013						
Indicative NNDR figures						
Billing Authority Baseline	21,556	21,976	22,583			
EHC Baseline (80%)	17,245	17,581	18,066			
EHC Baseline Funding Level	2,377	2,423	2,490			
Tariff	14,868	15,158	15,576			
EHC NNDR 1 Note 1						
Billing Authority Baseline	21,544	21,975	22,583	23,260	23,958	24,677
EHC Baseline (80%)	17,235	17,580	18,066	18,608	19,166	19,741
EHC Baseline Funding Level - Budget Figure	2,367	2,423	2,490	2,565	2,642	2,721
Tariff (as above)	14,868	15,158	15,576	16,043	16,525	17,020
BUDGET TOTALS Note 2						
RSG	3,573	2,815	1,949	1,430	954	515
NNDR	2,367	2,423	2,490	2,565	2,642	2,721
	<u>5,940</u>	<u>5,238</u>	<u>4,439</u>	<u>3,995</u>	<u>3,596</u>	<u>3,236</u>
CSR 2013						
Less 10% 16/17 onwards		5,238	4,439	3,995	3,596	3,236

Note 1 - Figures for 2014/15 onwards based on indicative settlement figures pending completion of East Herts NNDR1 return
 Figures for 16/17, 17/18 & 18/19 assume a 3% uplift

Note 2 - Budget figures shown in bold

Note 3 - 16/17 & 17/18 & 18/19 RSG are assumed figures

Essential Reference Paper 'B' - GENERAL FUND - MEDIUM TERM FINANCIAL PLAN

	13/14	14/15	15/16	16/17	17/18	18/19
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	
Revised Tax base 13/12/2013 From Final Tax base report		55468.63				
Assume increase of 1% per annum (AT 07/08/2014)				555	560	566
						571
		55,469	56,023	56,584	57,149	57,721

ESSENTIAL REFERENCE PAPER 'B'

Planning assumptions for August 2014 MTFP update

Factor	Note	2015/16	2016/17	2017/18	2018/19
Council Tax Increase		0%	1.00%	1.00%	1.00%
Pay settlement (including allowance for increments and local award)	1	2.25%	2.25%	2.25%	2.25%
Members allowances	2	1.50%	1.50%	1.50%	1.50%
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	1.0%	1.0%	1.0%	1.0%
Fees and Charges (General)	6	2.5%	2.5%	2.5%	2.5%

Notes

1. Based on a continued pay restraint ceiling through the life of the MTFP. 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. Fees and Charges income levels assumed to increase by 2.5%. This may be through generation of additional income or where appropriate price increases

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THE FINANCIAL STRATEGY 2015/16 TO 2018/19

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 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 input 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 'E'

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 issues guidance on reserves and balances. Updated guidance (superseding that issued in 2008) was issued in July this year. This reflects arrangements arising from the IFRS based Accounting Code of Practice as well as the impact of emergency events (e.g. Flooding/storms) and the current period of financial austerity; 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.
12. 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.
13. 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 2014 the above limit was as follows;

(a) 40% of £8.678m (2013/14) = £ 3.471m

(b) 2.5% of £130.41m (31/3/2013) =	£ 3.260m
(c) Future withdrawals from the general reserve	£0
(d) Insurance Reserve 31 March 2013	<u>-£ 0.010m</u>

Total £6.721m

The actual net aggregate balance March 2014 £8.016m

14. 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

15. 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.
16. 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.
17. At 31 March 2014 earmarked reserves totalled £8.374m. Additions to Earmarked reserves in 2012/13 totalled £2.322m

Reporting of reserves

18. 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.
19. 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 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

20. 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.
21. 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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EAST HERTS COUNCIL

CORPORATE BUSINESS SCRUTINY COMMITTEE – 26 AUGUST
2014

REPORT BY CHAIRMAN OF CORPORATE BUSINESS SCRUTINY
COMMITTEE

SCRUTINY WORK PROGRAMME

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- To review and determine Corporate Business Scrutiny (CBS) 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 The draft agenda for 2014/15 meetings of Corporate Business Scrutiny Committee is shown in **Essential Reference Paper 'B'**. The timing of some items shown may have to change depending on availability of essential data (e.g. from central government).
- 2.2 Members are asked whether they wish to extend an invitation to one or more of the Executive members to attend a particular meeting or for a specific future agenda item.
- 2.3 Members are also asked to decide on the use/format of the October 2014 CBS meeting to allow adequate forward notification to:
- The public/press, if this is to be cancelled as a Corporate Business Scrutiny Committee meeting

- Other Members, if the time slot is to be used for training and development.

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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ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS:

<p>Contribution to the Council's Corporate Priorities/ Objectives</p> <p>(2014/15 version)</p>	<p>People – 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.</p> <p>Place – Safe and Clean. This priority focuses on sustainability, the built environment and ensuring our towns and villages are safe and clean.</p> <p>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.</p> <p>Effective use of the scrutiny process contributes to the Council's ability to meet one or more of its corporate objectives.</p>
<p>Consultation:</p>	<p>Potential topics for scrutiny are always invited from the Executive and all Members and the public are asked through an annual item in the 'council tax' edition of LINK magazine which is delivered to every household. Members of each scrutiny committee (and the HWP) are consulted at every meeting as their work programme is a standing item on the agenda.</p>
<p>Legal:</p>	<p>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.</p>
<p>Financial:</p>	<p>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.</p>
<p>Human Resource:</p>	<p>None.</p>

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.
Health and wellbeing – issues and impacts:	<p>The broad remit of scrutiny is to review topics which are of concern to the public, many of which have an indirect impact on the general wellbeing of residents of East Herts.</p> <p>The Health and Wellbeing Panel is set up to specifically focus in on issues and topics which have a direct and immediate impact on the health and wellbeing of all those who live, work or study in the District.</p>

Essential Reference Paper 'B'

Corporate Business Committee Work Programme 2014/15

2014/15				
meeting	date	topic	Report author	Next Exec
4 in 14/15	21 Oct 2014 Report deadline 8 Oct	<ul style="list-style-type: none"> • ? • ? • ? • Work programme 	<p>Decision to be made on this meeting – suggestion is to use it for “Cross Council pre-budget setting” training for <u>all</u> Members in preparation for Joint Scrutiny sessions in Jan and Feb 2015</p>	4 November 2014
5 in 14/15	25 Nov 2014 Report deadline 12 Nov	<ul style="list-style-type: none"> • Member training: Finance and Decision making - questions to ask when considering the 'business case' • Partnership register – risk monitoring • East Herts Customer Service Strategy (2015-2020) • Work programme • Service Plan April 2014 – Sept 2014 monitoring • Healthcheck through to Sept 2014 	<ul style="list-style-type: none"> • Director of Finance and Support Services • Lead Officer • Head of Information, Customer and Parking Services • Scrutiny Officer • Lead Officer (Corp Planning) • Lead Officer (Performance) 	2 December 2014

2014/15				
meeting	date	topic	Report author	Next Exec
6 in 14/15 JOINT	20 Jan 2015 TBC	BUDGET <ul style="list-style-type: none"> Capital Programme 2014/15 (Revised) to 2017/18 Fees and Charges 2015/16 Revenue Estimates, Services – 2014/15 Probable, 2015/16 Estimate Consolidated Budget report 2015/16 and Medium Term Financial Plan 	<ul style="list-style-type: none"> Director of Finance and Support Services (exact wording of report titles subject to confirmation)	3 Feb 2015
7 in 14/15 JOINT	10 Feb 2015 TBC	<ul style="list-style-type: none"> 2015/16 Service Plans 2014/15 Estimates and 2015/16 Future targets 	<ul style="list-style-type: none"> Lead Officer (Corp Planning) Lead Officer (Performance) 	3 Mar 2015
8 in 14/15	17 Mar 2015 TBC	<ul style="list-style-type: none"> Provisional: update on Local Enterprise Partnership spending plans (following financial settlement in July 2014) ? Healthcheck through to Jan 2015 Work programme – planning for 2015/16 	<ul style="list-style-type: none"> Lead Officer (Economic Development) X Lead Officer (Performance) Scrutiny Officer 	2 June 2015

The CfPS 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 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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