



Kevin Williams,
Interim Head of Legal and
Democratic Services

MEETING : JOINT MEETING OF SCRUTINY COMMITTEES
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : TUESDAY 14 FEBRUARY 2017
TIME : 7.00 PM

MEMBERS OF CORPORATE BUSINESS SCRUTINY COMMITTEE

Councillors M Allen (Chairman), R Brunton, M Casey, B Deering, J Kaye (Vice-Chairman), P Phillips, M Pope, M Stevenson, J Wyllie, Vacancy.

MEMBERSHIP OF COMMUNITY SCRUTINY COMMITTEE

Councillors P Moore (Chairman), I Devonshire (Vice-Chairman), H Drake, J Goodeve, D Oldridge, P Phillips, M Pope, P Ruffles, C Snowdon, N Symonds.

MEMBERSHIP OF ENVIRONMENT SCRUTINY COMMITTEE

Councillors J Wyllie (Chairman), P Boylan, Mrs R Cheswright, K Crofton, G Cutting, H Drake (Vice-Chairman), M Freeman, R Henson, M McMullen, S Reed.

MEMBERSHIP OF HEALTH AND WELLBEING SCRUTINY COMMITTEE

Councillors A Alder (Chairman), D Abbott, P Ballam, P Boylan, S Bull, S Cousins (Vice-Chairman), D Hollebbon, Jeff Jones, S Stainsby, M Stevenson.

Substitutes

Conservative Group: Councillors D Andrews, I Devonshire,
R Henson, D Oldridge, R Standley,
C Woodward.

(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.)

Public Attendance

East Herts Council welcomes public attendance at its meetings and will provide a reasonable number of agendas for viewing at the meeting. Please note that there is seating for 27 members of the public and space for a further 30 standing in the Council Chamber on a “first come first served” basis. When the Council anticipates a large attendance, an additional 30 members of the public can be accommodated in Room 27 (standing room only), again on a “first come, first served” basis, to view the meeting via webcast.

If you think a meeting you plan to attend could be very busy, you can check if the extra space will be available by emailing committee.services@eastherts.gov.uk or calling the Council on 01279 655261 and asking to speak to Democratic Services.

Audio/Visual Recording of meetings

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

AGENDA

1. Appointment of Chairman

2. Apologies

To receive apologies for absence.

3. Minutes – 17 January 2017 (Pages 5 – 12)

To approve the Minutes of the meeting held on Tuesday 17 January 2017.

4. Chairman's Announcements

5. Declarations of Interest

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

6. 2017/18 Corporate Service Plans (Pages 13 – 40)

7. Proposed Changes to Scrutiny (Pages 41 – 60)

8. Quarterly Corporate Healthcheck – Quarter 3 December 2016 (Pages 61 – 100)

9. Diversification of Investments: Establishment of a Property Investment Company (Pages 101 – 122)

10. Urgent Business

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

MINUTES OF A MEETING OF THE
JOINT MEETING OF SCRUTINY
COMMITTEES HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 17 JANUARY 2017, AT 7.00 PM

PRESENT: Councillor Mike Allen (Chairman)
Councillors D Abbott, A Alder, P Ballam,
P Boylan, R Brunton, M Casey,
Mrs R Cheswright, S Cousins, K Crofton,
G Cutting, B Deering, I Devonshire, H Drake,
M Freeman, J Goodeve, R Henson, J Jones,
J Kaye, M McMullen, D Oldridge, M Pope,
S Reed, P Ruffles, C Snowdon, M Stevenson
and J Wyllie.

ALSO PRESENT:

Councillors E Buckmaster, L Haysey,
A Jackson, G Jones, G McAndrew, T Page,
S Rutland-Barsby and G Williamson.

OFFICERS IN ATTENDANCE:

Fiona Corcoran	- Scrutiny Officer
Jonathan Geall	- Head of Housing and Health
Philip Gregory	- Head of Strategic Finance and Property
Peter Mannings	- Democratic Services Officer
Tess Michaels	- Legal and Democratic Services Apprentice
Helen Standen	- Director

523 APPOINTMENT OF CHAIRMAN

It was proposed by Councillor P Ruffles and seconded by
Councillor J Jones that Councillor M Allen be appointed

Chairman for the joint meeting.

RESOLVED – that Councillor M Allen be appointed Chairman for the joint meeting.

524 APOLOGIES

Apologies for absence were submitted on behalf of Councillors Mrs D Hollebon, P Moore, R Standley and N Symonds.

525 MINUTES – 9 FEBRUARY 2016

RESOLVED – that the Minutes of the joint meeting held on 9 February 2016 be confirmed as a correct record and signed by the Chairman.

526 CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Scrutiny Members to the joint meeting.

527 BUDGET REPORT AND MEDIUM TERM FINANCIAL PLAN 2017/18 – 2020/21

The Executive Member for Finance and Support Services submitted a report which set out proposals in respect of the following:

- The 2016/17 revenue budget forecast outturn
- The 2017/18 revenue budget
- The 2017/18 Schedule of Charges
- The 2016/17 (revised) to 2020/21 Capital Programme
- The Medium Term Financial Plan 2017/18 – 2020/21
- The Council's Reserves

The Head of Strategic Finance and Property detailed a number of key points in respect of the 2017/18 revenue budget. He highlighted a number of useful sections of the

report and provided a detailed breakdown of the overall format of the report and supporting Essential Reference Papers.

The Head responded to a number of questions that had been submitted to Officers in advance of the meeting. The Ambassador and Executive Member for Shared Services responded to a query from Councillor M Casey regarding long term loans and associated repayments that were detailed in the Medium Term Financial Plan (MTFP).

Officers and the Executive Member for Development Management and Council Support responded to queries from Councillor M Pope regarding Charringtons House, agency costs in Planning and Building Control and the price reduction for recycling and the cost that was passed on to East Herts Council.

The Head of Strategic Finance and Property responded to a query from Councillor M Casey regarding the annual pension fund deficit payment and the limited influence had by the Authority over what was part of a County Council Pension Scheme.

Following a comment from Councillor K Crofton, the Head of Strategic Finance and Property confirmed that whilst Heads of Service were responsible for delivering against budgets, there was a culture of honesty with Heads of Services declaring any potential budget deviations. He confirmed that many projects would not have gone ahead without the use of reserves.

Members had a general debate on the merits of increasing or decreasing Council Tax and they also discussed ongoing efficiency savings. Councillor I Devonshire proposed and Councillor J Wyllie seconded, a motion that the Executive be advised that the joint meeting of Scrutiny Committees recommends a 2% increase in Council Tax. After being put to the meeting and a vote taken, this motion was declared CARRIED.

Members received the report and supported the recommendations now detailed.

RESOLVED – that (A) the report be received; and

(B) the Executive be advised that the joint meeting of Scrutiny Committees recommends a 2% increase in Council Tax.

528 HOUSING COMPANY BUSINESS PLAN

The Head of Housing and Health and the Head of Strategic Finance and Property submitted a joint report that covered the establishment of a housing company, wholly owned by East Herts Council, to provide revenue income to offset diminishing government support and grants and meet the Council's objectives in terms of providing quality housing opportunities.

Councillor T Jackson made a number of contextual comments by way of an introduction to the report. He explained that a number of Councils had set up a housing company as a vehicle for generating income. The Head of Housing and Health confirmed that the housing company would act as an investment vehicle and he provided a detailed explanation of the cost modelling and cost estimates that had been carried out since Corporate Business Scrutiny Committee had met in November 2016.

Members were advised that the report included a 30 year business plan for this first stage of the proposed company's operation drawing on advice provided by Trowers and Hamlins and PricewaterhouseCoopers (PwC). The proposal did not cover housing development. The Head of Housing and Health stressed that the principal aim was to generate an additional income stream for the Authority.

The Head of Housing and Health emphasised that it would be for Members to direct the use of the income

stream. Members were advised that the modelling had been stress tested and was sufficiently flexible to deliver income in a flexible housing market. Members were invited to scrutinise the business case.

At this point, the joint meeting resolved to exclude the Press and Public on the grounds that open discussion of Essential Reference Paper 'B' would result in the disclosure of exempt Information as defined by paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

The Head of Housing and Health answered a number of queries regarding the exempt Essential Reference Paper 'B'. He made some explanatory points.

Officers responded to a number of other detailed questions and concerns from Members on a wide range of topics. Members questioned whether Officers had access to the necessary skills set for the management of a housing company. Councillor K Crofton expressed his disappointment that this was the only commercial option for Members to consider. He felt that there might be better returns from entering the commercial property market.

Councillor G Cutting referred to the different start up position of South Cambs in that he believed there was an existing portfolio of 200 properties. Councillor M Casey stated that he would like to see more information regarding the financial return on the Council's equity that was proposed to be deployed to the company.

The Director confirmed that the performance of the housing company would be reviewed yearly to ensure it delivered what was expected by Members and Officers.

Councillor G Cutting proposed and Councillor K Crofton seconded, a motion that the Executive be requested to give more consideration to the setting up of a housing company and alternatives to the proposed business plan

be explored.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The joint meeting supported the recommendations now detailed.

RESOLVED – that (A) the report be received;

(B) the Executive be requested to give more consideration to the setting up of a housing company; and

(C) alternatives to the proposed business plan be explored.

529 TREASURY MANAGEMENT STRATEGY STATEMENT
2017/18

The Executive Member for Finance and Support Services submitted a report on the Treasury Management Strategy and Annual Investment Strategy for 2017-18 including the 2017-18 Prudential Indicators.

The Head of Strategic Finance and Property responded in detail to a number questions submitted in advance by Members as well as a number of other minor queries raised by the joint meeting. Councillor M Casey was assured that Audit and Governance Committee received regular training items although there was a limit to how much training could be provided to Members.

Members received the report and supported the recommendations now detailed.

RESOLVED – that (A) the report be received;

(B) the Treasury Management Strategy and Annual Investment Strategy detailed in paragraphs 2.1 – 2.2 be recommended to the Audit and Governance Committee, Executive and Council;

(C) the prudential indicators detailed in paragraph 2.3 be agreed for submission to elected Members for approval by Council; and

(D) the counter party listings detailed in paragraph 2.4 be agreed for submission to elected Members for approval by Council.

The meeting closed at 9.32 pm

Chairman
Date

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EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 14 FEBRUARY 2017

REPORT BY THE EXECUTIVE MEMBER FOR FINANCE AND SUPPORT SERVICES

2017/18 CORPORATE SERVICE PLANS

WARD(S) AFFECTED: ALL

Purpose/Summary of Report:

- To present a draft of the council's service plan which outlines its priorities for the next year (2017/18) and going forward those key outcomes it is looking to achieve.

<u>RECOMMENDATION FOR JOINT MEETING OF SCRUTINY COMMITTEES:</u> The Executive be advised that the Joint Meeting of Scrutiny Committees supports:

(A)	The approval of the draft 2017/18 Service Plans as detailed in Essential Reference Paper 'B'.
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1.0 Background:

1.1 The attached draft service plan (as set out in **Essential Reference Paper B**) details actions and initiatives planned for 2017/18 which will ensure delivery of Member priorities set out in the Corporate Strategic Plan. The process of agreeing this service plan has been aligned to the Medium Term Financial Plan process to ensure 2017/18 activity is within budget

2.0 Report

2.1 The draft service plan was agreed by the Leadership Team on 16th January 2017.

2.2 The draft service plan sets out planned progress in relation to on-going key actions and initiatives carried forward from 2016/17 in addition to new actions and initiatives planned for 2017/18 and beyond. Many of the actions are operational and detailed in nature. Those shaded in blue are high profile actions which are

directly relevant to the Corporate Strategic Plan. It is these actions that will be regularly reported to Members through a performance report on a quarterly basis to Corporate Business Scrutiny and Executive. A more detailed narrative on performance, key actions and projects will also be provided every six months.

2.3 Financial resourcing of the draft service plan is contingent on setting of the Annual Budget by the Full Council on 1st March 2017.

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 G Williamson – Executive Member for Finance and Support Services.

Contact Officer: Benjamin Wood – Head of Communications, Strategy and Policy, Extn: 1699.
benjamin.wood@eastherts.gov.uk

Report Author: Adrian Neighbour – Corporate Policy Officer, Extn: 1556. adrian.neighbour@eastherts.gov.uk

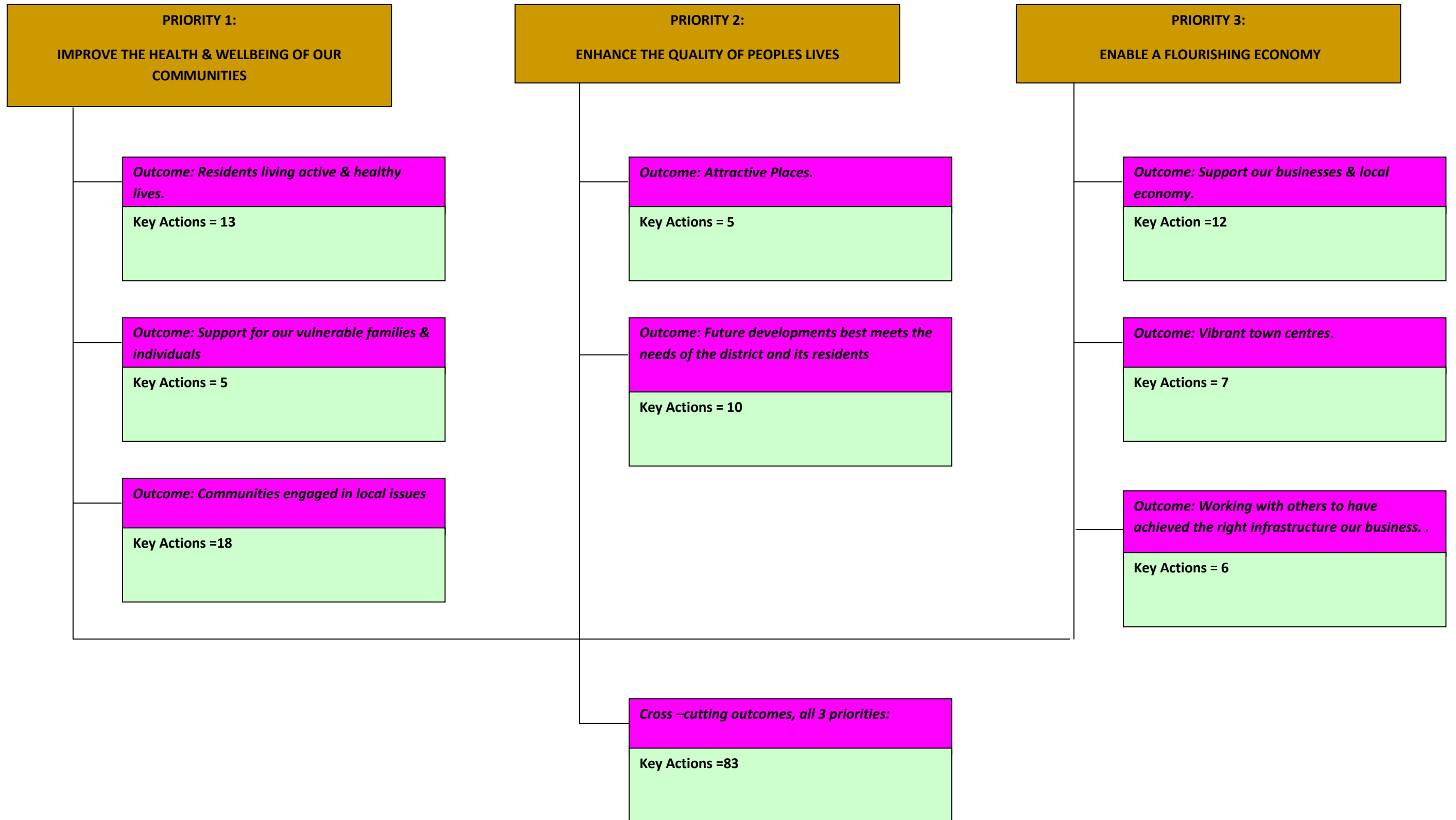
ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i>	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	The draft service plan was agreed by the Leadership Team on 16th January 2017
Legal:	N/A
Financial:	Financial resourcing of the draft service plan is contingent on setting of the Annual Budget by the Full Council on 1st March 2017.
Human Resource:	N/A
Risk Management:	The draft service plans have been subject to formal scrutiny by the Council's Corporate Risk Management Function.
Health and wellbeing – issues and impacts:	The draft service plan sets out those on-going and proposed delivery actions in support of the Council's priorities and outcomes in respect of Health and Wellbeing.

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PEOPLE / PLACES / PROSPERITY



SERVICE PLANS 2017/18 – 2019/20

CORPORATE PRIORITY: IMPROVE THE HEALTH AND WELLBEING OF OUR COMMUNITIES					
Outcome: Residents living active and healthy lives					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.1	Set up a shared service Home Improvement Agency (HIA)	Commence HIA in shadow form Complete TUPE arrangements if/where applicable Commence full shared service MEHPI 132 – % of full applications for Disabled Facilities Grant (DFG) approved within 7 weeks – collected Monthly	April 2017 September 2017 September 2017	Head of Housing and Health	HH2.1
KA.2	Register of East Herts land drainage assets	Complete the register of assets Identify essential works arising from the review and complete works in line with allocated resources	April 2017 March 2018	Service Manager – Environmental Health	HH3.1
KA.3	Align various grant programmes with Health and Wellbeing priorities	Review all East Herts grant programmes' eligibility criteria and priorities Amend grant programmes in line with Health and Wellbeing priorities	June 2017 August 2017 (<i>or sooner if necessary to meet bidding timescales</i>)	Service Manager – Community Wellbeing and Partnerships	HH4.1
KA.4	With partner agencies, review and monitor the Air Quality Action Plan	Member approval of revised Air Quality Action Plan Submit annual monitoring report to DEFRA Deliver key actions for 2017/18 in the Action Plan	June 2017 September 2017 March 2018	Service Manager – Environmental Health	HH14.1
KA.5	Maximise impact of Prevent Agenda	Ensure publically owned venues do not provide a platform for extremists and/or forced gender segregation and are not used to discriminate extremist views by distribute safer bookings leaflet to council owned venues. Contribute to Prevent training of personnel of partner agencies	April 2017 March 2018	Service Manager – Community Wellbeing and Partnerships	HH15.1

	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.6	Raise awareness of Safety Advisory Group	Engage with Parish and Town Councils in regards to the safety Advisory Group process and how it works.	June 2017		HH17.1
KA.7	Assess the feasibility of a social prescribing project in East Herts	Outcome of feasibility study with recommendations reported to members	June 2017	Service Manager – Community Wellbeing and Partnerships	HH5.1
KA.8	Produce a leisure strategy to determine future direction and planning for the council's two Leisure Centres and three joint use swimming pools.	<p>Milestones:</p> <p>Member Task and Finish Group report</p> <p>Outline proposals to Executive</p> <p>Agree principles of Sports and Physical Activity Strategy approved</p> <p>Contract procurement</p> <p>New contract starts</p>	<p>February 2017</p> <p>April 2017</p> <p>March 2017</p> <p>July 2017</p> <p>January 2019</p>	Leisure Services Development Manager	O1.1

KA.9	Ensure cost-effective maintenance of leisure facilities	Review business critical maintenance/capital works at leisure centres	March 2018	Leisure Services Manager	O1.2
KA.10	Invest in our parks and open spaces to encourage health and fitness including improvements to Grange Paddocks, Hartham Common and Presdales Recreation Ground.	<p>Deliver management plan for Hertford Castle Grounds in partnership with the Town Council.</p> <p>New play area and footpath improvements at Grange Paddocks.</p> <p>Continue process to deliver connected links between open spaces.</p> <p>Improve Hartham Common by:</p> <p>a) Commissioning initial stages of a project to improve Hartham Common entrance area</p> <p>b) Delivering a new destination play area at Hartham Common</p> <p>Seek grant funding from Heritage Lottery fund (HLF) to commission an archaeological and access project at Pishiobury Park, Sawbridgeworth.</p> <p>Deliver car park, footpath improvements & health/play facilities at Bishops Park.</p> <p>Presdales Recreation Ground, Ware - Installation of a circular walk, car park improvements and woodland restoration.</p>	<p>March 2017</p> <p>March 2017</p> <p>March 2017</p> <p>TBC</p> <p>March 2018</p> <p>March 2018</p> <p>March 2018</p> <p>March 2018</p>	Parks and Open Space Manager	O2.1

KA.11	Deliver successful Heritage Lottery Fund (HLF) Stage 1 bid for Waytemore Castle, Bishop's Stortford.	Attract external funding c. £1.2m+ to develop the site to destination status. Provide improve facilities for the local community of Bishop's Stortford in partnership with the Town Council. Improve the attractiveness of the town as a place to visit. Milestones: Development Phase. Implementation Phase.	2017 – 2018 2019 – 2020	Parks and Open Space Manager	O2.2
KA.12	Re-tendering of Grounds Maintenance Contract	Project plan Procurement timetable Contract Start	April 2017 July/Aug 2017	Parks and Open Spaces Manager	O2.3
KA.13	Hertford Theatre – Develop business models for expansion	Approved direction of travel via Executive	September 2017	Theatre Director	O7.1

Other Performance Indicators that support Corporate Outcome: Residents living active and healthy lives

AEHPI 130 - Number Of Green Flag awards. Collected Monthly

QEHPI 140 – Number of over 50s participating in Forever Active programme- Collected Quarterly- Change from 2016/17

CORPORATE PRIORITY: IMPROVE THE HEALTH AND WELLBEING OF OUR COMMUNITIES					
Outcome: Support for our vulnerable families and individuals					
Key Action No	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.14	Review of temporary accommodation	Complete review of current provision (commenced in 2016/17 Gain member approval for actions Seek resources through the Medium Term Financial Plan as appropriate Revise procedures and policies regarding the allocation of suitable temporary accommodation QEHPI 151 – Number- of homeless households living in temporary accommodation [This is now reported Quarterly instead of annually change from 2016/17}	April 2017 June 2017 September 2017 March 2018	Service Manager – Housing Services	HH1.1
KA.15	Process new housing benefit claims and changes in circumstances within 10 working days	MEHPI 181 – Time taken to process Housing Benefit new claims and change events achieved. [Collected monthly]	March 2018	Head of Revenues and Benefits	RB3.1
KA.16	Work with partners to provide support to customers in difficulty.	Customers appropriately signposted to support agencies and partners.	31 March 2018	Head of Revenues and Benefits	RB3.4
KA.17	Utilise discretionary Housing Payments to alleviate transitional difficulties.	Customers assisted with additional short term awards to transition between changes in circumstances.	31 March 2018	Head of Revenues and Benefits	RB3.5
KA.18	Work with partners to assist customers through the transition into universal credit.	Customers assisted and signposted appropriately when transitioned into universal credit.	31 March 2018	Head of Revenues and Benefits	RB3.6
Other Performance Indicators that support Corporate Outcome: Support for our vulnerable families and individuals QEHPI 150 – Number of prevented homeless applications [Collected Quarterly]					

CORPORATE PRIORITY: IMPROVE THE HEALTH AND WELLBEING OF OUR COMMUNITIES					
Outcome: Communities engaged in local issues					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.19	Work with local community groups to develop community energy schemes in East Herts.	Number of community groups delivering local energy projects. Actual measure of energy generated (kWhrs) and reinvestment (£). Milestones: Develop a scheme of renewable energy in relation to the Council's estate and act as a source of publicity, information and advice on community energy schemes through appropriate media	31 March 2018	Environmental Strategy and Development Manager	O3.1
KA.20	Implement the climate change action plan	Actions reflecting work wider than Council assets - TBC. Nature reserve status achieved.	March 2018	Environmental Strategy and Development Manager	O3.2
KA.21	Establish Local Nature Reserve Status for Pishiobury Park		March 2018	Environmental Strategy and Development Manager	O3.3
KA.22	Co-ordination and promotion of the arts and cultural offer in East Herts.	Local network to be established/attended by East Herts Theatre and Cultural team' promoting the range of arts and cultural activities which promote health, social and the economic well-being of East Herts Residents. Identify and plug potential gaps in provision to increase engagement in arts and cultural activities. *Dependant on resource discussions.	March 2018	Theatre Director	O6.1
KA.23	Support ward councillors in rural areas to facilitate installation of super-fast broadband and continue marking options available to maintain interest.	AEHPI 5.11 – % of superfast broadband in the district to homes and businesses (measured as over 30 Mb/s). Collected Annually Support residents in Hertford Heath with accessing rural broadband.	May 2017	Economic Development Manager	CSP1.1
KA.24	Work with the Ware Society to take on full ownership of the Grotto.	Successful asset transfer.	March 2018	Economic Development Manager	CSP2.1
KA.25	Implement new website for the council.	MEHPI 5.13c Customer satisfaction with the website. Collected Monthly.	May 2017	Head Comms, Strategy & Policy.	CSP3.1
KA.26	Supporting deployment and implementation of self-service tools in all services as part of the digital East Herts programme.	Focused and prioritised creation and deployment of self service solutions based on best practice.	March 2018	Improvement and Insight Manager	CSP3.2

KA.27	Provision of efficient, easy to use payment facilities avoiding the need to queue or assisted service.	Procure replacement kiosks for payment in our Customer Service Centres. Explore potential of remote service kiosks to enable customers to access services without travelling to our major towns.	March 2018	Customer Service Manager	CSP3.3
KA.28	Develop a new Target Operating Model (TOM) for the Council that will deliver an improved digital offer for our customers. Undertake process reviews to ensure that our digital offer is efficient, effective and responsive	Increased digital access for our customers, process reviews of our key services to ensure that services are delivered to most effective digital standards and embracing new technology to shape our customer service offer	June 2016-June 2018	Director (AT)	D.1
KA.30	Provision of efficient, easy to use telephony facilities to access services and for staff to have the tools required to support efficient working.	Delivery of the Telephony Improvement Project Phase 2.	March 2017	Customer Services Manager	CSP4.2
KA.31	Provision of efficient, effective face to face services ensuring customers can access the services they need as quickly as possible when visiting our offices.	Re-configuration of physical Customer Service Centres to support assisted digital self-service and encourage channel shift. Proposals for technology and physical environment.	March 2017	Customer Services Manager	CSP4.3
KA.32	Review of licensing policies and procedures	Agree timetable for completing review of all licensing policies and procedures Complete review and gain member approval where required	May 2017 December 2017	Service Manager – Licensing and Enforcement	HH6.1
KA.33	Support the administrative processes to deliver lawful decision making.	Compliance with statutory requirements. Failure to do so could lead to judicial review of decisions with the potential for significant unplanned costs and reputational damage.	Ongoing	Head of Democratic and Legal Services	DLS1.1
KA.34	Delivery of County Council Elections, any by-elections and Referendums	Elections held without challenge and in accordance with Electoral Commission performance standards.	Ongoing	Head of Democratic and Legal Services	DLS1.2
KA.36	Publication of Register of Electors.	Individual electoral registration processes comply with statutory requirements. Failure to do so could lead to election petitions and non-compliance with Electoral Commission performance standards that would both have a significant impact on the Authority's reputation.	December each year but updated monthly and three times prior to each election	Head of Democratic and Legal Services	DLS1.4
KA.37	Support for the review and rationalisation of scrutiny committees	A scrutiny committee structure that meets Members' needs	May 2017	Head of Legal and Democratic Services	DLS1.5

KA.39	Provision of advice and guidance on the standards regime for local councillors within East Hertfordshire.	Local councillor adherence to Code of Conduct provisions. Failure to deliver guidance and training would reflect negatively on the Authority and could lead to an increase in substantiated complaints of code breaches.	Ongoing	Head of Legal and Democratic and Services	DLS1.7
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Other Performance Indicators that support this Corporate Outcome: Communities engaged in local issues

MEHPI 5.13a- Customer Satisfaction (GovMetric) Face to Face. Collected Monthly

MEHPI 5.13b- Customer Satisfaction (GovMetric) Telephone. Collected Monthly

QEHPI 141 - East Herts Residents & East Herts employees registered with Team Herts volunteering scheme { Change of wording from 2016/17}

CORPORATE PRIORITY: ENHANCE THE QUALITY OF PEOPLE'S LIVES					
Outcome: Attractive places					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.40	Implement the Council Environmental Crime Strategy and associated Public Space Protection Orders (PSOPs).	Raised awareness of effects of environmental crime; its impact on the environment and penalties for offenders. Milestones: Media Campaign on environmental crime including fly, tipping, dog fouling, new measures and penalties. Review fixed penalty notices pilot	March 2017 February 2016 – March 2017 August 2017	Environmental Inspection Team Manager	O4.1
KA.41	Develop a Shared Service for Waste and Street Cleansing with North Herts District Council.	Efficiency savings delivered. Milestones: Contract award. Contract commences.	April 2017 July/Aug 2017 May 2018	Head of Operations	O5.1
KA.42	Increase domestic recycling volumes	Communication strategy and targeted project planning	Aug 2017	Waste Services Manager	O5.2
KA.43	Provision of a proactive service, delivering advice and guidance to customers on heritage and urban design issues	Completion of 35 or more conservation area assessment reports, review of Heritage at Risk Register, production of heritage guidance information and provision of an urban design advice service	Ongoing – throughout year with completion by end Mar 18	Head of Planning and Building Control and Conservation and Urban Design Officer	PBC3.1
KA.44	Appropriate control in relation to unauthorised development in the district.	Ensure delivery in relation to Planning Enforcement performance measures Customer service expectations met by achieving targets : <ul style="list-style-type: none"> • MEHPI 205 – Percentage of site visits undertaken in relation to urgent cases within 2 workings days of 'start date'. Collected monthly REMOVE 206 + 207 • EHPI 206 – Percentage of site visits undertaken in relation to all other cases within 15 workings days of 'start date' • EHPI 207– Percentage of decisions made, within five weeks of 'start date', whether it is expedient to either undertake or not undertake formal action or it is determined that it is not possible to make a decision 	Ongoing – throughout year	Development Manager and Principal Planning Enforcement Officer	PBC4.1

Other Performance Indicators that support this Corporate Outcome: Attractive places

QEHPI 2.4 Fly Tip Removals. Collected Quarterly

AEHPI 195a – Improved Street & Environmental cleanliness: Litter. Collected Annually

AEHPI 195b – Improved Street & Environmental cleanliness: Detritus . Collected Annually

MEHPI 191- Residual Household waste per household. Collected monthly

MEHPI 192 - % of household waste sent for reuse, recycling and composting. Collected monthly

MEHPI 2.2 – Missed collections per 100,000 collections of households waste

CORPORATE PRIORITY: ENHANCE THE QUALITY OF PEOPLE'S LIVES					
Outcome: Future developments best meets the needs of the district and its residents					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.45	Ensure that an appropriate policy framework is in place to enable residential and commercial development and to support key infrastructure decisions.	Progress to examination and adoption of District Plan (DP). AEHPI 159 – Supply of ready to develop housing sites achieved. Collected Annually EHPI 154 – Net additional homes provided. Collected Annually Target	Examination by end June 2017 and adoption by end Dec 17	Planning Policy Manager	PBC1.1
KA.46	Requirement to manage and proactively respond to key development proposals to enable acceptable development to be delivered.	Key development proposals include: - Goods yard, BS - Old River Lane, BS - Hertford Town Centre - Birchall Garden Suburb, East of WGC - Gilston - East of Stevenage Management of development proposals in relation to these and other key sites in agreement with landowner and promoter parties. MEHPI 157a – Processing of planning applications: Major applications. Collected Monthly MEHPI 157b – Processing of planning applications: Minor applications. Collected Monthly MEHPI 157c – Processing of planning applications: Other applications. Collected	Ongoing	Development Manager	PBC2.1
KA.47	Identify ways to encourage downsizing in all tenures	Identify potential to encourage downsizing Seek resources through the Medium Term Financial Plan as appropriate Agree actions to encourage downsizing HEHPI 148 – Number of applicants on the housing register broken down by demand for property sizes – Collected every 6 months	June 2017 September 2017 September 2017	Service Manager – Housing Services	HH8.1

Key Action No	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.48	Undertake feasibility work on setting up a company to build new homes	Subject to member approval, Company to commence acquisition of properties Determine feasibility of housing development by a Company Subject to there being a feasible business case, seek member approval for development	April 2017 September 2017 November 2017	Head of –Housing and Health	HH9.1
KA.49	Support and maximise the provision of additional affordable housing in association with developers and registered providers	Review options for maximising affordable housing delivery in light of the Housing and Planning Act 2016, new products, the Housing Company and the like Revise the Affordable Housing Supplementary Planning Document in line with the District Plan timetable QEHP 155 – Number of affordable homes delivered – Collected quarterly QEHP 149c - % Affordable homes delivered on section 106 developments in Towns. Collected Quarterly QEHP 149d Affordable homes delivered on section 106 developments in Villages. Collected Quarterly	June 2017 March 2018	–Service Manager – Housing Services	HH9.2
KA.50	Work with owners to return long-term empty properties back into use	Promote and publicise our approaches to bringing long-term empty properties back into use so as to increase returns QEHP 64 – Number of long-term private sector vacant dwellings that are returned into occupation or demolished. Collected Quarterly – Change from 2016/17.	June 2017	Service Manager – Housing Services	HH10.1

Key Action	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.51	Sustainable Drainage Systems (SuDS)	Review the approach to assessing developers' SuDS proposals	June 2017	Service Manager – Environmental Health	HH11.1
KA.52	To provide legal support in relation to the publications and adoption of the District Plan	Adoption of the District Plan 2031	2017	Head of Legal and Democratic Services	DLS2.1
KA.53	To provide legal support development proposals for key sites in the district and deliver corresponding legal agreements	Key sites are developed in line with the District Plan	Ongoing but will vary with each site	Head of Legal and Democratic Services	DLS2.2
KA.54	Providing legal support to the council to enable empty properties are brought back into use	Decrease of empty properties in the district	Ongoing but will vary with each site	Head of Legal and Democratic Services	DLS2.3

CORPORATE PRIORITY: ENABLE A FLOURISHING LOCAL ECONOMY					
Outcome: Support for our businesses and the local economy					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.55	Review the Environmental Health 'offer' to local businesses	Review opportunities and produce options paper	September 2017	Service Manager – Environmental Health	HH12.1
KA.56	Conduct cross-boundary licensing enforcement activity	Carry out at least one licensing enforcement exercise with neighbouring districts	September 2017	Service Manager – Licensing and Enforcement	HH12.2
KA.57	Strengthen networks with local businesses.	Number of businesses on East Herts Council local directory (new measure).	March 2018	Economic Development Manager	CSP5.1
KA.58	Review business start-up provision.	Number of businesses supported through WENTA contract.	July 2017	Economic Development Manager	CSP5.2
KA.59	Liaise with LEP Growth Hub to ensure East Herts businesses benefit.	Number of East Herts registered businesses supported by the Growth Hub programme.	March 2019	Economic Development Manager	CSP5.3
KA.60	Ensure successful delivery of the Rural Development Programme.	Number of businesses supported by the RDP.	March 2019	Economic Development Manager	CSP6.1
KA.61	Support Visit Herts with delivery of a destination management programme.	(1) Spend in the district relating to day trips and overnight stays (2) Number of jobs in the district related to the visitor economy	March 2018	Economic Development Manager	CSP6.2
Other Performance Indicators that support this Corporate Outcome: Support for our businesses and the local economy QEHPI 11a – Number of active businesses with their registered office in East Herts. Collected Quarterly QEHPI 11b – Number of active businesses with their registered office & a trading address in East Herts. Collected Quarterly QEHPI 32 % planned premises licencing enforcement visits due that were undertaken. Collected quarterly QEHPI 184 - % of food premises in the area those are broadly compliant with food hygiene law. Collected Quarterly					

CORPORATE PRIORITY: ENABLE A FLOURISHING LOCAL ECONOMY					
Outcome: Vibrant town centres					
	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.62	Support delivery of a Business Improvement District in Bishop's Stortford.	1. Feasibility testing stage 2. Development phase (contingent to feasibility phase approval) 3. Campaign phase	Jul- Dec 2017 Jan-Jul 2017 Aug- Oct 2017	Economic Development Manager	CSP7.1
KA.63	Implementations of the Planning framework for Bishop's Stortford Town Centre, focusing on Old River Lane and key ad joining town centre sites and develop a master plan for Old River Lane.	Completed Framework for BS town centre Completion of master planning for the Old River Lane site	March 2017 December 2017	Head of Planning and Building Control	PBC5.1
KA.64	Implementation of Hertford Urban Design Study	Progress in relation to initial significant scheme identified in the Study – public realm in Maidenhead Street/ The Wash/ Bull Plain	March 2018		PBC5.2
Other Performance Indicators that support this Corporate Outcome: Vibrant town centres MEHPI 11.6 – Town Centre footfall (Using Wi-Fi connections as a proxy). Collected Monthly					

CORPORATE PRIORITY: ENABLE A FLOURISHING LOCAL ECONOMY					
Outcome: Support for our businesses and the local economy and Vibrant town centres					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.65	Delivery of a cost effective on-street and off-street enforcement function that fulfils the objectives of the Traffic Management Act 2004 - e.g. in keeping the highway safe and clear for all users - at the lowest possible cost to the taxpayer.	Engagement of consultants to support the Council in the preparation of a Specification and manage arrangements for the re-rendering of the parking enforcement contract. Confirmation of new Agency Agreements from partner councils. Task and Finish/Scrutiny Committee input into development of new Specification Compilation of Specification and all other tender documents. Issue ITT	March 2017 April 2017 September 2017 February 2018 April 2018	Parking Manager	O8.1
KA.66	Optimisation of on-street parking for all user groups within existing Resident Permit Zones.	Detailed survey of 12 existing Resident Permit Zones to identify opportunities to minimise on-street restrictions for the benefit of all motorists. Any opportunities to extend use of underutilised parking space in controlled zones presented to members.	September 2017	Parking Manager	O8.2

CORPORATE PRIORITY: ENABLE A FLOURISHING LOCAL ECONOMY					
Outcome: Working with others, to have achieved the right infrastructure for our businesses and communities					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.67	Support a Task and Finish Group to review options for sustainable transport in the district.	Recommendations to Environment Scrutiny Committee	7 th March 2017	Head of Communications, Strategy and Policy	O8.2
KA.68	Work with key partners such as the County Council on sustainable transport solutions for East Herts, including community transport and green travel planning.	Review opportunities for developing community transport to further the council's Health and Wellbeing objectives	September 2017	Service Manager – Community Wellbeing and Partnerships	HH7.1
KA.69	Review CCTV	Review the need for replacement/upgrade of existing cameras Review coverage Seek resources through the Medium Term Financial Plan as appropriate Review client and governance arrangements regarding the shared CCTV service	June 2017 June 2017 September 2017 December 2017	Service Manager – Community Wellbeing and Partnerships	HH13.1

CORPORATE PRIORITY: ENABLE A FLOURISHING LOCAL ECONOMY					
Outcome: Support for our businesses and the local economy and Vibrant town centres and to have achieved the right infrastructure for our businesses and communities					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.70	To provide legal support to develop a Shared Service for Waste and Street Cleansing with North Herts District Council	Shared Service in place successfully	Ongoing	Head of Legal and Democratic Services	DLS3.1
KA.71	To provide legal support for the re-tendering of key contracts (such as parking enforcement and ground maintenance) to ensure value for money.	Contracts successfully appointed	Ongoing	Head of Legal and Democratic Services	DLS3.2
KA.72	Develop the role of legal services to deliver advice and guidance in a timely and cost effective manner and reducing the council spend on external legal advice	Increase in staff and decrease in external reliance for legal support	April 2017	Head of Legal and Democratic Services and Legal Services Manager	DLS3.3

Service Plan actions that cut across all priorities and outcomes

CORPORATE PRIORITY: IMPROVE THE HEALTH AND WELLBEING OF OUR COMMUNITIES ENHANCE THE QUALITY OF PEOPLE'S LIVES ENABLE A FLOURISHING LOCAL ECONOMY					
Outcome: All Outcomes					
Key Action No:	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.73	Demonstrate financial stewardship through proper accounting policies and treatments during the previous financial year.	Accounts approved by Audit Committee with an unqualified audit opinion from the External Auditor.	30 September 2017	Head of Strategic Finance & Property	SFP1.1
KA.74	Model future income and expenditure with clearly defined assumptions over the next four years.	Medium Term Financial Plan (MTFP) approved by Scrutiny, Executive and Council.	January/February 2018	Head of Strategic Finance & Property	SFP2.1
KA.75	Produce a balanced budget for the following financial year.	Budget approved by Scrutiny, Executive and Council.	January/February 2018	Head of Strategic Finance & Property	SFP2.2
KA.76	Monitor financial performance against budget during the current financial year.	Performance Report presented to Leadership Team each month and to Scrutiny and Executive each quarter.	Performance Report presented to Leadership Team each month and to Scrutiny and Executive each quarter.	All Heads of Service	SFP2.3
KA.77	Model the inflow and outflow of cash to ensure that cash balances held are minimised optimising liquidity and investment yield.	Produce a Cash-flow forecast on a regular basis.	Quarterly cash-flow report to Heads of Service.	Principal Accountant	SFP3.1
KA.78	Maximise yield through a spread of financial instruments, maturity dates and counterparties whilst considering the risk of each investment in accordance with the Investment Strategy.	Interest income performance against budget monitored through Healthcheck reports and full year performance reported annually.	Treasury Management Outturn report: September 2017	Principal Accountant	SFP3.2
KA.79	Monitor the council's investment in the Capital programme to ensure that resources are delivering the assets required to deliver services/benefit to local taxpayers.	The progress in delivering each capital scheme, financial and timeframe, will be reported through the quarterly performance reports.	Quarterly Performance report approved by Leadership team, Scrutiny and Executive each quarter	Finance Officer	SFP3.3
KA.80	Provide financial advice to support strategic and operational decision making.	Finance are represented on project teams at the outset of any project.	Ad-hoc	Various dependant on project.	SFP4.1
KA.81	Ensure reports and business cases demonstrate clear economic cost/benefit analysis and identified sources of funding where appropriate.	Finance sign-off each report to LT, Scrutiny, Executive and Council.	Ad-hoc	Various dependant on project.	SFP4.2

	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.82	Fully Electronic processing of accounts payable and receivable payments.	E-invoicing implemented to ensure a fully automated payment method is in place. MEHPI 8 - % of invoices paid on time met. Collected Monthly Target for % of invoices paid on time to SME's.	30 September 2017 30 September 2017 30 September 2017	Head of Strategic Finance & Property alongside Procurement Officer	SFP5.1
KA.83	Improved procurement knowledge and standard processes used across the council.	Further Procurement training delivered. Greater engagement with SME's and local suppliers to enable them to bid for work in line with the National Procurement Strategy and EU Directive. Full use of e-sourcing tool embedded. Quarterly spend analysis report to Leadership Team to be delivered (Q1 2017)	31 May 2017 31 March 2017 31 July 2017	Procurement Officer Procurement Officer Procurement Officer	SFP6.1
KA.84	Improved contract management	Analysis of and engagement with contractors to identify and negotiate efficiencies. In-house contract management training	31 March 2017	Procurement Officer	SFP6.2
KA.85	Manage the insurance portfolio following cover commencing on 31 May 2016.	Insurance arrangements in place.	31 March 2018	Risk Assurance Officer	SFP7.1
KA.86	Optimum balance between retained and insured risk.	Establishment of insurance fund enables consideration of significant levels of excess	31 March 2018	Risk Assurance Officer	SFP7.2
KA.87	Review of Shared Audit Service.	Adequate & effective audit arrangements in place.	March 2018	Head of Strategic Finance and Property	SFP8.1
KA.88	Review of Shared Anti-Fraud Service.	Adequate and effective anti-fraud arrangements in place.	March 2018	Head of Strategic Finance and Property	SFP8.2
KA.89	Review Local Government Transparency Code	Compliance with the requirements of the Code.	31 March 2019	Head of Strategic Finance & Property	SFP8.3
KA.90	Compliance surveys identify issues that must be addressed to ensure compliance with Health & Safety and Building Regulations.	Quarterly report to Leadership Team with Compliance action plan update.	Each Quarter	Property Manager	SFP9.1
KA.91	Provide property management advice to support strategic and operational decision making.	Property Services are represented on relevant project teams at the outset of any project.	Ad-hoc	Property Manager	SFP9.2
KA.92	Planned, Preventative Maintenance ensures that plant and equipment are adequately maintained.	A PPM programme is updated and monitored throughout the year.	Throughout year	Property Manager	SFP10.1
KA.93	The corporate capital programme ensures that assets are upgraded to enhance their operational life at the appropriate time.	Capital programme monitored through Performance Reports to LT each month and Executive each quarter.	Performance Report presented to LT each month and Scrutiny and Executive each quarter.	Property Manager	SFP10.2

	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.94	The corporate property revenue budgets ensure assets are correctly maintained.	Revenue budgets monitored through Performance Reports to LT each month and Executive each quarter.	Performance Report presented to LT each month and Scrutiny and Executive each quarter.	Property Manager	SFP10.3
KA.95	Property asset holdings are constantly reviewed to ensure that assets are fit for purpose and utilised to their full potential.	Undertake negotiations for the acquisition, disposal, and leasing of property to secure best value and maximise returns.	Ad-hoc	Assets and Estates Manager	SFP11.1
KA.96	Provide asset management advice to support strategic and operational decision making.	Asset Management are represented on relevant project teams at the outset of any project.	Ad-hoc	Assets and Estates Manager	SFP11.2
KA.97	Properties are valued to comply with legal and audit requirements and accounting practices.	Undertake, supervise and commission the valuation of property for all purposes including sale, purchase, leasing, insurance, rating and capital accounting.	Ad-hoc	Assets and Estates Manager	SFP11.3
KA.98	Minor Works Contract (5 Years)	Collaborative contract with schedule of rates from Property Services Agency (PSA) now Carillion that reflects VFM	30 June 2017	Procurement Officer, Facilities Manager and Property Team	SFP12.1
KA.99	Archive/Storage Contract (7 years)	Corporate contract in place, one site local storage facility with scanning option and confidential waste.	31 August 2017	Facilities Manager and Procurement Officer	SFP12.2
KA.100	Mobile Phone Contract	Corporate contract in place. Business process in place for authorisation.	1 December 2017	Facilities Manager/ IT supported by Procurement Officer. Specific roles and responsibilities to be clarified.	SFP12.3
KA.101	Webcasting Contract Review	Corporate Contract in place and appropriate contract management arrangements in place.	12 May 2018	Facilities Manager/ IT and Comms, supported by Procurement. Officer. Specific roles and responsibilities to be clarified.	SFP12.4
KA.102	Deliver the milestones for 2017/18 set out in the four year ICT Strategy.	EHPI 9.8 – Delivery of Key Milestones in the ICT Strategy	March 2018	Head of Business & Technology Services	SBT1.12
KA.103	Provide a strong foundation for digital delivery	<ul style="list-style-type: none"> • Harmonisation of applications across both councils • EHPI 9.1 – % availability of core systems during supported hours • EHPI 9.2 – % resolution of incidents within 4 hours • EHPI 9.3 – % reduction in the number of incidents • EHPI 9.4 – % of calls abandoned on ICT Service desk • NEW EHPI 9.5 – Responsiveness to IT Service requests • EHPI 9.6 – Satisfaction with ICT Services 	31 March 2018	Head of Business & Technology Services	SBT1.2
KA.104	Training and developing ICT staff	<ul style="list-style-type: none"> • Implement revised L&D programme for BATS staff 	31 March 2018	Head of Business & Technology Services	SBT1.3

	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.105	Support Digital East Herts	<ul style="list-style-type: none"> Establish an ICT architecture to support DEH that is scalable, high performing and resilient Work with colleagues to facilitate greater use of modern ICT devices and applications to deliver business benefits to customers 	TBI TBI	Head of Business & Technology Services Head of Business & Technology Services	SBT1.4

KA.106	More efficient and resilient Print Services	Consolidate the implementation of new print arrangements	31 March 2018	Print and Graphic Design Manager	SBT2.1
KA.107	Review and deploy new communication technologies and methods.	Support member and officer working group on new ways of communicating. QEHPI 5.12a – Social Media: Number of followers (twitter followers)- Collected quarterly QEHPI 5.12b – Social Media: Number of followers (Facebook likes) Collected quarterly	March 2017	Communications and Digital Media Manager	CSP9.1
KA.108	Deliver successful legacy campaigns for the Council.	Positive/ negative media coverage	May 2019	Communications and Digital Media Manager	CSP9.2
KA.109	Support delivery of key projects.	Project days available Manager feedback	On-going	Improvement and Insight Manager	CSP10.0
KA.110	Ensure performance metrics, data and user experience data is made available.	Manager feedback	On-going	Improvement and Insight Manager	CSP10.2
KA.111	Ensure regular analysis of national and regional policy agenda.	Manager feedback	On-going	Policy Officer	CSP10.3
KA.112	Graduate support.	Feedback from heads of service	September 2018	Head of Comms, Strategy & Policy	CSP10.4
KA.113	To deliver the Organisational Development (OD) Strategy 2015-2019.	As set out in the OD Strategy. Prioritisation of OD Strategy action and capacity of HR team. MEHPI 12a – Number of short – term sickness absence days per FTE staff in post. Collected Monthly MEHPI 12b – Number of long – term sickness absence days per FTE staff in post. Collected Monthly MEHPI 12c – Total number of sickness absence days per FTE staff in post. Collected Monthly	2015 – 2019	Head of HR and OD	HROD1.1
KA.114	To deliver the learning and development plan(L&D) 2016-2018	Delivery of programmes as detailed in the L&D plan and annual report	31 March 2018	HR Officers	HROD1.2
KA.115	Launch of the new HR and Payroll system including self-service and future modules (e.g. recruitment)	Roll out of self-service and modules	2016/2017	Head of HR and OD/Project team	HROD1.3
KA.116	To continue implementation of the Recruitment Review 2015 recommendations and action plan	Action plan completed	2015-2017	Head of HR and OD HR Officers	HROD1.4
KA.117	To complete Policy Review Plan, developing and reviewing policies in terms of best practice and legislation changes	Policy Review Plan completed	2015-2017	HR Officers	HROD1.5
KA.118	To support the council by providing HR business partner support	As set out in the OD Strategy	Ongoing	Head of HR and OD HR Officers	HROD1.6
KA.119	To implement reward programme	Reward and benefit packages that give choice to our workforce and support work life balance. Support recruitment, retention and workforce planning	2016-2017	Head of HR and OD	HROD1.7

	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.120	Grow commercial side of the service - selling services to small parties e.g. Hertford Town Council	Delivering value for money.	Ongoing	Head of HR and OD	HROD1.8
KA.121	Equal pay audit	Pay audit completed	2017	Head of HR and OD	HROD1.9
KA.122	Embedding the council's values and behaviours	As set out in the OD Strategy	Ongoing	Head of HR and OD HR Officers	HROD1.10
KA.123	Middle managers have the tools, skills, development and space to lead and be viewed as role models	Create middle managers group	2016 - 2017	Head of HR and OD Leadership team	HROD2.1
KA.124	Develop a leadership and management development programme	Working with managers to create a meaningful programme	2016 - 2017	Head of HR and OD HR Officers	HROD2.2
KA.125	Develop Apprenticeship programme 2017	Implement Apprenticeship levy April 2017	Ongoing	Head of HR and OD HR Officers	HROD3.1
KA.124	Continue engagement with local schools	Career fayres, work experiences, takeover challenge, dragons apprentice challenge	2017	Head of HR and OD HR Officers	HROD3.2
KA.125	Develop and implement workforce planning actions that support the delivery of the OD Strategy focusing on succession planning, recruitment challenges and pay issues.	As set out in the OD Strategy	2015-2019	Head of HR and OD HR Officers	HROD3.3
KA.126	Deliver the development programme for Digital EH	Employees and councillors have the skills/knowledge to work in a digital environment	2016-2018	Head of HR Digital EH Steering Group	HROD3.4
KA.127	Process monthly payroll including changes and temporary variations changes to reward	Processing employee payroll (approximately 400 employees – including casuals) Processing members payroll (50 Councillors) Processing elections payroll (up to 400 employees)	Monthly Monthly As required	Payroll Manager	HROD4.1
KA.128	Submit pension information to London Pension Fund Authority (LPFA)	Submit details for new starters, changer and leavers	Monthly and annually (year- end)	Payroll Manager	HROD4.2
KA.129	Submit Real Time Information (RTI)	Tax and National Insurance information submitted	Monthly and annually (year- end)	Payroll Manager	HROD4.3
KA.130	Process review - Streamline and automate processes	Processes are constantly reviewed to ensure an efficient service is delivered (Teal)	2016-2017	HR service	HROD4.4
KA.131	Support services to adopt best practice and react to changes in legislation	The potential to further reduce accidents to staff, public and contractors, and the consequential impacts.	Ongoing	Health and Safety Officer	HROD5.1
KA.132	Complete H&S audit and peer review to ensure compliance and best practice	Implement recommendations from the H&S audit and peer review action plan	2016 - 2017	Health and Safety Officer	HROD5.2
KA.133	To complete policy review, developing and reviewing policies, procedures in terms of best practice and legislation changes	Policies, procedures, guidance documents are up-to-date	2016 - 2017	Health and Safety Officer	HROD5.3
KA.134	To proactive promote health and safety to employees, councillors, partners and to report to Committee	The potential to further reduce accidents to staff, public and contractors, and the consequential impacts.	Ongoing	Health and Safety Officer	HROD5.4

	Action	Measure/Key milestone/KPI	Deadline	Lead Officer	Service Ref
KA.135	To work with Officers on accommodation review ensuring health and safety compliance	To ensure all office accommodation meets health and safety requirements	2016 - 2017	Director Facilities Manager Health and Safety Officer	HROD5.5
KA.136	To support Officers on delivery of the Health and Wellbeing Safety	To support the wider agenda of health and wellbeing for employees and councillors	Ongoing	Health and Safety Officer	HROD5.6
KA.137	Maximisation of in-year council tax collection.	MEHPI10.2 – Council tax collection, % of current year liability collected achieved. Collected Monthly	March 2018	Head of Revenues and Benefits	RB1.1
KA.138	Maximisation of collection of prior year arrears.	Level of outstanding arrears reduced.	31 March 2018	Head of Revenues and Benefits	RB1.2
KA.139	Provision of support and advice to customers experiencing difficulty in paying their liability.	Customer sustain repayment arrangements thus avoiding enforcement action.	31 March 2018	Head of Revenues and Benefits	RB1.3
KA.140	Proactive anti-fraud and avoidance activity to minimise loss of liability.	Reliefs and discounts are reviewed and monitored using data matching etc. where appropriate.	31 March 2018	Head of Revenues and Benefits	RB1.4
KA.141	Maximisation of new liability.	Regular monitoring of all localities to identify and verify the timely inclusion of new builds and other developments into the rating list is carried out throughout the year.	31 March 2018	Head of Revenues and Benefits	RB1.5
KA.142	Provision of a professional and appropriate service to all customers needing to engage with the service.	Customer satisfaction levels.	31 March 2018	Head of Revenues and Benefits	RB1.6
KA.143	Maximise collection of overpaid benefits within the constraints of government controls.	Level of overpayment recovery increased	31 March 2018	Head of Revenues and Benefits	RB3.2
KA.144	Proactively work to avoid fraud and to ensure suspected cases are investigated	Level of referrals to SAFS and SIFS increased	31 March 2018	Head of Revenues and Benefits	RB3.3
KA.145	Maximisation of in-year Business Rates collection.	MEHPI 10.4 – NNDR (business rates) collection, % of current year liability collected achieved. Collected Monthly	March 2018	Head of Revenues and Benefits	RB2.1
KA.149	Maximisation of collection of prior year arrears.	Level of outstanding arrears reduced.	31 March 2018	Head of Revenues and Benefits	RB2.2
KA.150	Provision of support and advice to customers experiencing difficulty in paying their liability.	Customer sustain repayment arrangements thus avoiding enforcement action.	31 March 2018	Head of Revenues and Benefits	RB2.3
KA.151	Proactive anti-fraud and avoidance activity to minimise loss of liability.	Reliefs and discounts are reviewed and monitored using data matching etc. where appropriate.	31 March 2018	Head of Revenues and Benefits	RB2.4
KA.152	Maximisation of new liability.	Regular monitoring of all localities to identify and verify the timely inclusion of new builds and other developments into the rating list, is carried out throughout the year.	31 March 2018	Head of Revenues and Benefits	RB2.5
KA.153	Provision of a professional and appropriate service to all customers needing to engage with the service.	Customer satisfaction levels.	31 March 2018	Head of Revenues and Benefits	RB2.6
KA.154	Provision of timely and accurate information to relevant parties in relation to the Business Rates values and appeals.	Officers provided with appropriate information to support their areas of work.	March 2018	Head of Revenues and Benefits	RB2.7
KA.155	Respond to customers desire to access services 24/7 using e technology.	Increase in self-service options for customers.	March 2018	Head of Revenues and Benefits	RB4.1

Other Performance Indicators that support ALL Corporate Outcomes:

QEHPI 5.1 – Complaints dealt with within 10 working days. Collected Quarterly

QEHPI 5.2a -% of complaints about the council that are upheld at stage 1

QEHPI 5.2b -% of complaints about the council that are upheld at stage 2

Key:

	Activity that has been shaded highlights the key actions that feature in the Executive Summary of Service Plans and will be monitored six monthly to ensure the council's corporate strategic plan is being delivered.
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EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 14 FEBRUARY 2017

REPORT BY CHIEF EXECUTIVE

PROPOSED CHANGES TO SCRUTINY

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To recommend changes to the way in which East Herts Council undertakes scrutiny, in order to deliver high-quality and value for money scrutiny.

RECOMMENDATIONS FOR DECISION:

(A)	Confirm the two key proposals in the report: <ul style="list-style-type: none">• to improve the way scrutiny work plans are set and• to reduce the number of scrutiny Committees (from five to two);
(B)	Confirm the further proposals for ways to improve scrutiny, as detailed in paragraph 3.17 of the report;
(C)	Contribute suggestions as to any further opportunities to improve the way scrutiny is carried out, to be included in the final report to Council on 1 March 2017.
(D)	Note the plans to set up a Community Wellbeing Forum, as detailed in paragraph 3.19 of the report.

1.0 Background

- 1.1 Overview and Scrutiny is a function of local government in England and Wales. It was introduced by the Local Government Act 2000, as a measure to check the power of a council's executive (following the abolition of the 'old' Committee structure).
- 1.2 Councils operating executive arrangements (such as East Herts) are required to create an Overview and Scrutiny Committee which is composed of councillors who are not on the Executive. The Overview and Scrutiny Committee is required to meet the rules on proportionality defined in the Local Government and Housing Act

1989 (i.e. the Committee must reflect the respective sizes of the political groups on the council)¹.

1.3 The current scrutiny arrangements have been in place since 2007. Prior to that, the council had two scrutiny Committees (Policy Development Scrutiny and Performance Scrutiny) and a system of Executive Advisory Panels.

1.4 At the end of each civic year, scrutiny Members are asked to submit their feedback about scrutiny work during the past year. Member evaluation of the 2015/16 scrutiny year was that it was time for an overall review of the scrutiny function.

2.0 The review

2.1 The review was led by the Chief Executive with support from Scrutiny Officers and one of the graduate trainees. Two meetings were held with the Chairs and Vice-Chairs of each Committee, after which a set of initial proposals was set out and a briefing was delivered to Members. Following this a number of individual meetings were held with Members who expressed an interest in particular parts of the review.

2.2 A summary of the main issues raised by Members is set out below:

- Committees currently receive work that is ‘finished’ – and therefore feel they have little opportunity to change anything
- Scrutiny doesn’t feel able to influence what they can/can’t scrutinise
- Hard to work as a team with only four meetings a year – this means people aren’t always confident to ask questions
- Attendance of the executive sometimes feels as though scrutiny are being ‘checked’
- Chair’s briefings aren’t effective – don’t need all the Officers there as this tends to start the debate outside of the meeting itself
- Lack of an opposition means that scrutiny needs to act as the group’s own opposition
- Backbenchers don’t currently feel as though scrutiny holds the Executive to account.

¹ East Herts has only one political group currently, although the council decided to allocate seats to ‘non-group independent Members’ (there is currently one of these) on the basis of proportionality.

3.0 The Proposals

3.1 There are two key recommendations, the first relating to the Work Programme and the second relating to the number and role of each Scrutiny Committee. There are a number of other changes proposed set out at paragraph 3.17. All of these proposals are designed to give scrutiny a clearer agenda, more control over what they scrutinise, more ability to interact with the Executive through scrutiny and therefore produce a better overall outcome in terms of the value that Scrutiny Members can add to the work of the council.

3.2 The Work Programme

The first step in effective scrutiny is having a clear work programme which identifies issues that will benefit from scrutiny. In most Councils there are a number of 'routes' into scrutiny, summarised as:

- (i) issues identified by Members or Officers themselves
- (ii) issues raised through the work of the Executive (using the forward plan² as an indicator of the key decisions the Executive is proposing to take).

3.3 For some time in East Herts, nearly every report to the Executive has followed a route through one of the scrutiny Committees, regardless of whether that Committee has expressed a wish to scrutinise the report. This has reduced time available for scrutiny Committees to select their own topics for scrutiny. A longer term work plan³ set by the Committee itself would give the scrutiny Committee more control and should generate more valuable scrutiny outcomes by focusing on issues of significance.

3.4 Many Councils successfully use a more formal approach to ensure that there is real focus on the purpose of each piece of

²The Forward Plan is a legal document requiring every council to publish any 'key decisions' (a legal term) four months in advance. This should be used by Scrutiny Committees to decide which of the Executive 'key decisions' they choose to scrutinise.

³ A Scrutiny Committee Workplan would be devised by the Committee itself, with support from the Scrutiny Officer; this is a different document from the Forward Plan, which sets out the key decisions to be made by the Executive.

scrutiny⁴. **Essential Reference Paper ‘B’** sets out a sample form.

3.5 Some Scrutiny Committees are devoting significant time to informing and training Members and consideration should be given to whether such items may be better placed in dedicated briefing or training sessions rather than scrutiny meetings. Current Member information services include weekly information and policy bulletins, training sessions (beginning with an intensive induction period, followed by optional sessions – monthly on average), and information pages on the Member’s Extranet (including technical guidelines, updates, policies and strategies, training information, mapping of external representation and Members responsible, links to external information sources). East Herts takes Member training very seriously, and should continue to do so, but using scrutiny as a medium for delivering training dilutes the purpose of scrutiny and potentially the focus of the training.

3.6 **The number of Committees**

3.7 In order to respond to the feedback set out in section 2.2 above, it is proposed to have fewer Committees, meeting more often, with slightly larger Membership.

3.8 ***Overview and Scrutiny (14 Members)***

3.9 The first Scrutiny Committee would be ‘forward-looking’, shaping new policies at an early stage of their development, and undertaking major reviews of existing policies or service delivery models in order to look to make future improvements, having recourse to Task and Finish groups where appropriate (which could include Non-Members of the Committee where they have a particular interest in the topic or have a particular skill set to bring to the group). The Members of this Committee would ideally be creative and strategic thinkers, with a broad perspective of the local and public sector landscape.

3.10 Sample items for this Committee are listed below:

⁴ ‘A Cunning Plan? Devising a Scrutiny Work Programme’, CFPS, 2011

- **Executive Key Decisions** which are of interest to the Committee, or which the Executive request the Committee to scrutinise (for example decisions relating to significant projects such as Hertford Urban Design Strategy (HUDS) and the Bishop's Stortford Town Centre Planning Framework).
- Current **service delivery models** (our own and those of our partners) with a view to identifying gaps, exploring innovative solutions to delivery issues (for example, the development of the Joint Waste Partnership with North Herts District Council).
- **Draft strategies** or strategies for review (for example, the Housing and Health Strategy, 2014; Environmental Crime Enforcement Strategy, 2015, the Fuel Poverty Strategy 2015)
- Issues or areas in which Members feel they could shape **future policy direction**, such as Health and Wellbeing work with Public Health and how best the district can contribute to this agenda (eg. Social prescribing.)

3.11 **Performance, Audit and Governance Scrutiny (14 Members)**

3.12 This scrutiny Committee could review progress on delivery of the corporate strategic plan, the Medium Term Financial Plan, the key performance metrics of the council, etc. It would also have the opportunity to set up Task and Finish groups where appropriate, and would also have a Sub-Committee to deal with Member code of conduct issues.

3.13 Sample items for this Committee are listed below:

- Budgets, Medium Term Financial Strategy, Treasury Strategy
- Annual Accounts and Annual Governance Statement
- Corporate Annual Report
- Corporate Healthchecks
- Risk Management
- Service Plans Monitoring of Progress and Exceptions
- Review of capital programme delivery
- Reviewing effectiveness of changes to service delivery models (for example, examining the Revenues and Benefits shared service two years on).

- 3.14 An analysis of the last two years' worth of scrutiny topics and how they would be treated under this proposed two-Committee system is set out at **Essential Reference Paper 'C'**.
- 3.15 The table at **Essential Reference Paper 'D'** compares the current number of scrutiny meetings per year for a Councillor; with the number under the proposed system (exact numbers will vary depending on the Committee Membership of each individual councillor.)
- 3.16 **Other recommendations**
- 3.17 A number of other recommendations are set out below, which while not necessarily ones that need to be formally recommended to council, set out important changes to the ways of working which should improve the quality of the scrutiny at East Herts.
- a) Members who are champions for specific areas of work to ensure these areas receive appropriate scrutiny.
 - b) Executive Members to present an annual report on their portfolio to the relevant scrutiny Committee and take questions from the Committee annually.
 - c) The 'critical friend' role of scrutiny and how it can help with outcomes to be emphasised to Officers. Scrutiny should see earlier drafts of papers so that they can shape the direction (as long as there were enough meetings to avoid slowing down the work of the council by having to wait for the next quarterly date)
 - d) The most appropriate and effective method of scrutinising each subject to be selected by the Committee. Task and Finish groups will be the most effective method for large pieces of scrutiny work to 'deep-dive' into subjects and can report the findings back to the Committee. Some subjects, such as an executive report, may be better scrutinised by the whole Committee at the Committee meeting. If appropriate, all day Task and Finish group meetings could be held.
 - e) The strengths and weaknesses of councillors on each Committee – and direct skill sets should be used more effectively (noting that sometimes the skill of 'knowing nothing' about the subject but having the customer experience perspective is important in itself).
 - f) Scrutiny and training to be separate to ensure the purpose of both is clear and focussed.

- g) A substitution system similar to that used by Development Management Committee (but without Executive involvement) to be implemented, whereby any Member unable to attend must inform the Scrutiny Committee Chairman who would organise the substitute.
- h) Committee Members to be able to meet outside formal Committee meetings to research subjects and become more informed on subjects for scrutiny. Ways of ensuring this is possible without compromising transparency to be considered. For example, the informal meetings to be held at Wallfields with the scrutiny Officer in attendance to take notes (for recording rather than publishing) that could be made available if there was an FOI request.
- i) Scrutiny Committee Chairmen to create email groups for the Committee Members to communicate any questions/additional info relating to scrutiny, ensuring transparency with the email threads which could be made available if there was an FOI request. Members to be encouraged to interact with Officers (report writers) individually before the Committee meeting to ask questions. If this is done via email, all Committee Members can be copied in to the response.
- j) Scrutiny Committee meetings to take place in less formal room settings (if additional space needed, the Council Chamber will be used.) As previously, the public would be welcome to attend to observe the meetings.
- k) Chairman's briefing to be shorter and with the Scrutiny Officer only to run through logistics of the meeting. Invite Officers only if the Chairman wishes to discuss a specific matter arising.
- l) Consideration be given to Chairman *and* Vice-Chairman of scrutiny Committees to receive an allowance⁵.
- m) Members should be encouraged to contact an Officer in advance if there is something they don't understand in the report, so that they can take part in the meeting confidently.

3.18 **Community Wellbeing Forum**

3.19 During the review a number of councillors took the opportunity to consider whether the council is getting the most out of the

⁵ If agreed, there would be a need to put in place new arrangements for selecting Vice-chairmen.

resources we invest in the Health and Wellbeing Agenda, particularly in the context of councillor inputs. While the Health and Wellbeing Scrutiny Committee had served a purpose in raising the profile of the issue, (and Health and Wellbeing is one of the council's three key priority areas of work⁶), councillors expressed a desire to be able to develop their own work programme of delivery (rather than scrutiny), particularly making use of the Member champion roles, all of which relate to this agenda. It is proposed to initiate a Community Wellbeing Forum, which will consist of all Member champions operating in the Health and Wellbeing space, plus any other Members who have a desire to become more involved in delivery of the Health and Wellbeing agenda in their own communities. This group will be outcome-focused, setting clear goals and ensuring that they are delivered for the benefit of our communities. It will be supported by an Officer, but will be primarily a councillor led group and will link into the other existing Health and Wellbeing Fora to ensure there is consistency, avoid duplication and aim to add value to the work of the council through sharing of knowledge, experience, and best practice.

4.0 Implications/Consultations

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

Background Papers

None.

Contact Member: Councillor L Haysey, Leader of the Council. linda.haysey@eastherts.gov.uk

Contact Officer: Liz Watts – Chief Executive, Extn: 1410. liz.watts@eastherts.gov.uk

Report Author: Liz Watts – Chief Executive, Extn: 1410. liz.watts@eastherts.gov.uk

⁶ Priority 1: Improve the Health and Wellbeing of our Communities

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

<p>Contribution to the Council's Corporate Priorities/ Objectives:</p> <p>2016/17 wording</p>	<p>Priority 1 – Improve the health and wellbeing of our communities</p> <p>Priority 2 – Enhance the quality of people's lives</p> <p>Priority 3 – Enable a flourishing local economy</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 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>
<p>Risk Management:</p>	<p>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.</p>
<p>Health and wellbeing – issues and impacts:</p>	<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>

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Scrutiny Proposal form

Suggestion from:

What would you like to suggest for investigation / review?
Please continue on a separate sheet if necessary

What are the main issues / concerns to be considered?
Please continue on a separate sheet if necessary

Essential Reference Paper 'B'

Who is responsible for providing this service, or tackling the issue in question?

Have you spoken to them, and if so, what was the response?

What is the Portfolio Holder's view on this issue?

What would be the likely benefits and outcomes of carrying out this investigation / review?

Estimated Committee and officer resource implications (e.g. research group, one-off report, dedicated meeting etc.)

Suggested witnesses, documentation and consultation

Essential Reference Paper 'B'

Will this investigation / review contribute to one or more of the Council's Strategic Priorities? If so, which (please tick)?	
Improve the health and wellbeing of our communities	
Enhance the quality of people's lives	
Enable a flourishing local economy	

Will this investigation / review contribute to the achievement of one or more of the commitments within the Council's Strategic Plan 2016/17 – 2019/20? If so, which (please tick)?	
Improve the health and wellbeing of our communities	
Residents living active and healthy lives	
Support for our vulnerable families and individuals	
Communities engaged in local issues	
Enhance the quality of people's lives	
Attractive places	
Future development best meets the need of the district and its residents	
Enable a flourishing local economy:	
Support for our businesses and the local economy	
Vibrant town centres	
Working with others, to have achieved the right infrastructure for our businesses and communities	

Essential Reference Paper 'B'

Will this investigation hit one of the essential elements of a scrutiny review when analysing potential scrutiny reviews? If so, which (please tick)?	
Public Interest: The concerns of local people should influence the issues chosen by overview and scrutiny	
Impact (Value): Priority should be given to issues that make the biggest difference to the social, economic and environmental wellbeing of the area, and which have the potential to make recommendations which could lead to real improvements. The outcome must also be proportionate to the cost of carrying out the review in terms of staff and councillor time.	
Relevance: Overview and scrutiny must be satisfied that an issue identified for review is relevant and does not duplicate existing work being undertaken elsewhere by various working groups, steering groups, partners etc.	
Partnership working or external scrutiny: The focus of scrutiny is moving towards joint action and community leadership, so anything which offers this opportunity should be given serious considerations	

Would you like to be involved in the investigation / review?	
Yes	No
Date of request	Signed

Please return this form to the:
 Scrutiny Officer, East Herts Council, Wallfields, Pegs Lane, Hertford, SG13 8EQ
 Email: fiona.corcoran@eastherts.gov.uk

Analysis of last two years’ of scrutiny topics, and how they would be treated under proposed two-committee system.

	Agenda item	Overview and Scrutiny	Audit, Performance and Governance	Briefing/MIB /Community Wellbeing Forum
E N V I R O N M E N T A L C O M M U N I T Y E	Changes to Recycling Services: Review of Implementation and Analysis Results		✓	
	Environment Scrutiny Healthcheck		✓	
	Update on Fuel Poverty in EH			✓
	EH Climate Change Action Plan Review of Progress			✓
	Impact of ASB Crime and Policing Act 2014 on EH Environmental Crime Policies	✓		
	Service Plans Monitoring		✓	
	Update on Community Energy			✓
	Contract Performance – Environmental Operations		✓	
	Strategic Case for Joint Working with NH Council on Waste/Street Cleansing	✓		
	Resident Permit Parking Scheme Policy Review	✓		
	Planning Performance – Enforcement Targets		✓	
	Procurement of Car Park Management System	✓		
	Review of Fees and Charges	✓		
	Climate Change Strategy – Report on Progress			✓
	Community Energy Update			✓
	Footway and Grassed Verge Parking Enforcement Policy	✓		
	Car Parking Fees and Charges	✓		
	Planning and Enforcement Review		✓	
	Waste and Street Cleansing Contract – Future Service Considerations	✓		
	Performance Reporting Contract Performance		✓	
	Shared Waste Service - Arrangements	✓		
	Shared Waste Service – Progress report			✓
	Conservation Area Management Plans – Progress and Problems		✓	
Review of Climate Change Action Plan			✓	
Proposal for T and F on Sustainable Transport	✓			

Essential Reference Paper 'C'

	Agenda item	Overview and Scrutiny	Audit, Performance and Governance	Briefing/MIB/Community Wellbeing Forum
H E A L T H A N D W E L L B E I N G	Introduction to Public Health			✓
	Joint Strategic Needs Assessment – Setting the Evidence			✓
	EH Health and Wellbeing Strategy – Progress Report			✓
	Integration of Public Health Information into Housing Benefit/Council Tax Correspondence	✓		
	Ageing Well Updates			✓
	HCC Health Scrutiny Updates			✓
	LSP Health and Wellbeing officer's Group Updates			✓
	LSP Ageing Well/Dementia Project Steering Group Updates			✓
	EH Draft Fuel Poverty Strategy	✓		
	Integration of Public Health info into Housing Benefit/Council Tax Correspondence Update			✓
	Public Health Training Video Viewing			✓
	Statement on Licensing Policy Draft	✓		
	Disabled Facilities Grants Programme			✓
	Health and Wellbeing Progress – Year 1 funding		✓	
	Draft EH Health and Wellbeing Action Plan	✓		
	Presentation: Dementia Friendly Homes			✓
	Presentation: Exercise to Wellbeing			✓
	Rural Isolation in EH report	✓		
	Planning and Health and Wellbeing	✓		
	Supporting Independent Living – Home Improvement Agency Proposals	✓		
C O R P O R A T E B U S I N E	Annual Governance Statement		✓	
	Annual Report		✓	
	Corporate Strategic Plan 2015/16-2018/19	✓		
	Financial Strategy 2015/16-2018/19	✓		
	Monthly Corporate Healthcheck		✓	
	Member Training: Finance and Decision-making			✓
	Council Tax Reduction Scheme 2014/15	✓		
	Annual Review of Partnership Register		✓	
	Service Plans – Summary of Progress and Expectations		✓	
	Herts LEP Update			✓
	EH IT Strategy 2015-2018	✓		
	Corporate Strategic Plan – The Process	✓		
Financial Strategy and Medium-Term Financial Strategy 2016/17-2019/20	✓			

Essential Reference Paper 'C'

	Agenda item	Overview and Scrutiny	Audit, Performance and Governance	Briefing/MIB/Community Wellbeing Forum
E S S	Implementing the Customer Service Strategy			✓
	Data Protection Annual Review		✓	
	Council Tax Reduction Scheme 2016/17	✓		
	Quarterly Corporate Healthcheck		✓	
	Review of Fees and Charges		✓	
	Partnership Register – Risk Monitoring		✓	
	Service Plan Monitoring		✓	
	Council Tax Reduction Scheme 2017/18	✓		
	Economic Development – Options and Opportunities	✓		
	Asset Management Plan 2016/17	✓		
	Data Protection – Governance Training			✓
	Review of Comments, Compliments and Complaints		✓	
	Performance Indicator Outturns		✓	
	Service Plan Monitoring		✓	
	Member Briefing – Changes to the Council’s Performance Management Framework 2016/17			✓
	Net Cost of Services – Revenue and Capital Outturn		✓	
	Residents Survey 2015	✓		
	Community Lettings Policy	✓		
	Medium-term Financial Strategy 2017/18 to 2020/2021	✓		
	Hertford Urban Design Strategy	✓		
	Proposal for Hertford Home Improvement Agency	✓		
	Proposal for EH Housing Company	✓		
	C O M M U N I T Y	Health and Wellbeing Panel Updates		
Hertford Theatre – Annual Report			✓	
Update on Ageing Well Initiative				✓
Annual Performance Report – Riversmead, Circle Housing/South Anglia Housing Associations			✓	
Monitoring and Review of Housing Strategy Action Plan			✓	
Service Plans Summary of Progress and Exceptions Report			✓	
Corporate Healthcheck			✓	
Implementation of ASB, Crime and Policing Act - Impacts		✓		
SLM Contract – Year 6			✓	
Annual Report B and EH CVS			✓	
Annual Report Discretionary Community			✓	

Essential Reference Paper 'C'

	Agenda item	Overview and Scrutiny	Audit, Performance and Governance	Briefing/MIB/Community Wellbeing Forum
	Grants			
	Updating Shared Ownership Local Priorities Cascade	✓		
	Service Plan and Key Projects Monitoring Report		✓	
	East Herts Leisure Strategy	✓		
	Registered Housing Providers – Repair Services		✓	
	Draft Housing and Health Strategy	✓		
	Review of Empty Homes Strategy	✓		
	Delivering Forever Active in East Herts	✓		
	Leisure Facility Strategy	✓		
	Discretionary Community Grants Review Programme	✓		
	Sub-total (number of items over 2 years)	41	33	26
	Total (over 2 years)	100		

Comparison of attendance (current scenarios and proposed scenarios)

Numbers are based on the Overview and Scrutiny and the Performance, Audit and Governance committees each meeting 6 times per year under the proposed new system and do not include task and finish group meetings.

	Total number of meetings per year	Breakdown of meetings
Councillor on 2 scrutiny committees (including CBS) under the current system	12	6 x Corporate Business Scrutiny 4 x Environment Scrutiny 2 x Joint scrutiny
Councillor on 2 scrutiny committees (not including CBS) under the current system	9	3 x Audit Committee 4 x Environment Scrutiny 2 x Joint scrutiny
Councillor on 2 scrutiny committees (including HWB) under the current system	10	4 x Health and Wellbeing Scrutiny 4 x Environment Scrutiny 2 x Joint scrutiny
Councillor on 1 scrutiny committee under the proposed new system	8	6 x Overview and Scrutiny/Performance, Audit and Governance 2 x Joint scrutiny
Councillor on Licensing Committee and 1 Scrutiny committee under the current system	9	3 x Licensing 4x Community Scrutiny 2x Joint Scrutiny
Councillor on Licensing and 1 scrutiny committee under the proposed new system	11	3x Licensing 6 x Overview and Scrutiny/Performance, Audit and Governance 2 x Joint scrutiny
Councillor on Development Management and 1 scrutiny committee under current system	18	12x DM 4x Community scrutiny 2x Joint Scrutiny
Councillor on Development Management and 1 scrutiny committee under proposed new system	20	12x DM 6x Overview and Scrutiny/Performance, Audit and Governance 2x Joint Scrutiny

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EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 14 FEBRUARY 2017

QUARTERLY CORPORATE HEALTHCHECK – QUARTER 3 DECEMBER 2016

REPORT BY THE HEAD OF STRATEGIC FINANCE AND PROPERTY AND HEAD OF COMMUNICATIONS, STRATEGY AND POLICY

WARD (S) AFFECTED: All

Purpose/Summary of Report:

- To provide a report on finance and performance monitoring for East Herts Council for 2016/17 as at December 2016.
- The revenue budget for 2016/17 is £14.134m. The forecast position as at 31 December 2016 shows an overspend of £89k in 2016/17.
- The revised capital budget for 2016/17 is £6.157 m. The forecast position shows a variance of £1.122m underspent.
- 13 of the 16 indicators that had a target against them achieved or exceeded their targets. There were two were not concluded as their monthly/quarterly figures were unavailable
- Of the 8 Performance Indicators that are trend only data:
 - a) Five indicators are new for 2016/17 and are reporting data for the first time so there is no previous period data to produce a trend comparison.
 - b) One indicator is a long established indicator which has no target
 - c) Two indicators have not provided there monthly position.

RECOMMENDATIONS FOR JOINT MEETING OF SCRUTINY COMMITTEES: That

(A)	The revenue budget forecast overspend of £89k in 2016/17 (paragraph 2.1) be noted.
(B)	The capital budget forecast underspend of £1.122m (paragraph 6.1) be noted.
(C)	The reported performance for the period October 2016 to December 2016 be noted.

1.0 BACKGROUND

- 1.1 This is the finance and performance monitoring report for the council.
- 1.2 In February 2016 Council agreed a balanced budget for the 2016/17 financial year. This report sets out the financial position for the year to date and provides forecasts for the outturn position.
- 1.3 Following the Senior Management restructure in April 2016 the 2016/17 revenue and capital budgets have been realigned in line with the new structure.
- 1.4 In 2014 Council approved the performance measures that would be monitored. This report sets out the year to date performance against those targets
- 1.5 This report contains the following sections and Essential Reference Papers:

REPORT SECTIONS	
2	Revenue budgets
3	Corporate budgets
4	Reserves
5	Financing
6	Capital budgets
7	Debtors
8	Performance monitoring

ESSENTIAL REFERENCE PAPERS	
B	Revenue budget
C	Capital Monitor
D	Debtors, aged debt profile
E	Performance monitoring

2.0 REVENUE BUDGET

- 2.1 The Council is forecast to overspend in 2016/17 by £89k. Table 1 below shows the current forecast outturn position as at 31 December 2016 by Head of Service followed by variance explanations for each service.
- 2.2 In the budget report approved by Executive in February 2016 the budgeted use of reserves to fund revenue services was £936k (38% of the total use of reserves). The forecast use of reserves as at 31 December 2016 is £1,067k. Further information on the use of reserves can be found in section 4 below.
- 2.3 In the report at the end of Quarter Two (September 2016) an overspend of £177k was reported to Corporate Business Scrutiny and Executive. The Councils budgets are monitored on a monthly basis and the information included in this report represents the position as at the end of Quarter Three.

Table 1: Revenue forecast outturn

	Original Budget 2016/17	Forecast outturn	Variance
	£'000	£'000	£'000
Chief Executive & Directors	466	430	(36)
Communications, Strategy & Policy	1,165	1,177	12
HR & Organisational Development	469	481	12
Strategic Finance & Property	1,445	1,839	394
Housing & Health	2,407	2,558	151
Democratic and Legal	1,102	1,200	98
Planning & Building Control	1,044	1,132	88
Operations	4,490	4,577	87
Shared Revenues & Benefits Service	273	198	(75)
Shared Business & Technology Services	1,298	1,318	20
Total Net Cost of Services	14,159	14,910	751
Corporate Budgets (Section 3)	1,436	1,282	(154)
Contributions to reserves	1,227	829	(398)
Contributions (from) reserves	(2,174)	(2,284)	(110)
TOTAL:	14,648	14,737	89

2.4 The main variances in the forecast outturn are set out below by Head of Service.

Strategic Finance and Property

2.5 Following the senior management restructure the salary budget has been aligned with the new structure resulting in a £177k predicted underspend. Redundancies and pension strain costs of £317k will be partially funded from this underspend, the balance will be funded from the Transformation Reserve.

- 2.6 The Council is looking to replace its financial management system, consultants have been bought in to provide guidance and assistance. This will cost £39k in 2016/17 and will be funded through use of the Transformation reserve.
- 2.7 Consultation costs for the Bishops Stortford town centre planning framework is £95k in 2016/17. This will be funded through use of the priority spend earmarked reserve.
- 2.8 The management fees for the property funds that the Council has invested in are lower than budgeted, resulting in a £50k underspend in 2016/17. This is a saving item on the MTFP for future years.
- 2.9 In 2015/16 the Council sublet part of the office space that it uses in Charringtons House. This arrangement came to an end after the 2016/17 budgets were set. This results in a £55k overspend against the budget.

Housing and Health

- 2.10 An underspend of £169k is reported against the Environmental Health Promotion budget. Part of this budget is funded by a contribution from HCC and part from EHC, the profile of this expenditure has altered from when the budget was set in February 2016 resulting in an underspend in 2016/17.
- 2.11 The total fee for the Pole hole site works has increased this is due to the requirements of additional equipment at the site as ground conditions were worse than originally anticipated and an increase in time taken for works to be carried out. This has resulted in a £35k cost in 2016/17.
- 2.12 A government grant was received to support local businesses following flooding damage in 2013/14, the unspent element of this grant was transferred to a reserve in 2014/15. £37k will be spent in 2016/17 to support businesses which will be funded from this reserve.
- 2.13 The forecast outturn figures exclude the Disabled Facilities Grant income for 2016/17 as this is income that is used to fund capital activities. This results in a £244k overspend against the 2016/17 budget.

Democratic and Legal

- 2.14 There are increased salary costs of £70k in Democratic and Legal Services due to the use of agency staff, staff appointment expenses, overtime payments and redundancy costs.
- 2.15 Income from land charges is expected to be £33k below the 2016/17 budget due to less activity in the housing market.

Planning and Building Control

- 2.16 An overspend of agency staff costs of £163k in Development management are partially offset by a £50k underspend against the salary budget and £31k additional fee income.

Operations

- 2.17 It is anticipated that pay and display income from car parks will be 5% above the 2016/17 budget, resulting in an additional £143k of income. This is due to car park usage being greater than assumed when the budget was set. This increase in income is in line with the 2015/16 outturn position.
- 2.18 Consultants have been engaged to carry out an off street parking need survey in Bishop's Stortford, Hertford and Ware to identify future parking provision requirements. The total cost is estimated to be £33k and is to be funded through the additional pay and display income as per paragraph 2.13.
- 2.19 It is anticipated that £70k less income will be distributed to EHC from HCC in 2016/17 with regards to the Alternate Financial Model (AFM) which allocates funding to the districts across Hertfordshire based on the level of waste diverted from landfill. This is a complex formula based on the levels of waste recycled and sent to landfill at East Herts and the other districts, which results in variations from the budget. A growth proposal has been included in the 2017/18 budget to reflect this reduction in income on an ongoing basis.
- 2.20 A change to the disposal of dry recyclable materials resulting in transport cost rather than income being generated is expected to lead to an overspend of £74k in 2016/17.

Shared Revenues and Benefits

- 2.21 An increase in the summons costs recovered will result in £77k

additional income in 2016/17. This is in line with the outturn position for 2015/16 and is reflected in the changes to the MTFP for 2017/18.

Shared Business and Technology Services

2.22 A overspend of £19k is reported against the IT licences budget this relates to the licence for the HR system and is a one off cost.

3.0 CORPORATE BUDGETS

3.1 Corporate budgets are costs and income received by the Council that are not service specific these include income from the Councils investments, pension deficit contributions and New Homes Bonus grants to Town and Parish Councils.

3.2 Table 2 below shows the forecast outturn position against the corporate budgets. Details of movements against the original budget are shown in the paragraphs below.

Table 2: Corporate budgets forecast outturn

	Original Budget 2016/17	Forecast outturn	Variance
	£'000	£'000	£'000
NHB Grants to Town & Parish Councils	901	901	-
Contingency Budget	150	14	(136)
Interest Payments	662	662	-
Interest & Investment income	(902)	(920)	(18)
RCCO (Revenue Contribution to Capital Outlay)	25	25	-
Pension Fund Deficit contribution	600	600	-
Corporate Budgets Total:	1,436	1,282	(154)

3.3 Currently £14k has been committed from the contingency budget in 2016/17; £2k is allocated to fund posts in Environmental Health and £12k is allocated to fund the external lone working solution, a growth proposal for which has been included in the 2017/18 budget on an ongoing basis. Any balance on this budget at the end of the year will be transferred to the transformation reserve.

3.4 Income from investments and interest is difficult to predict following

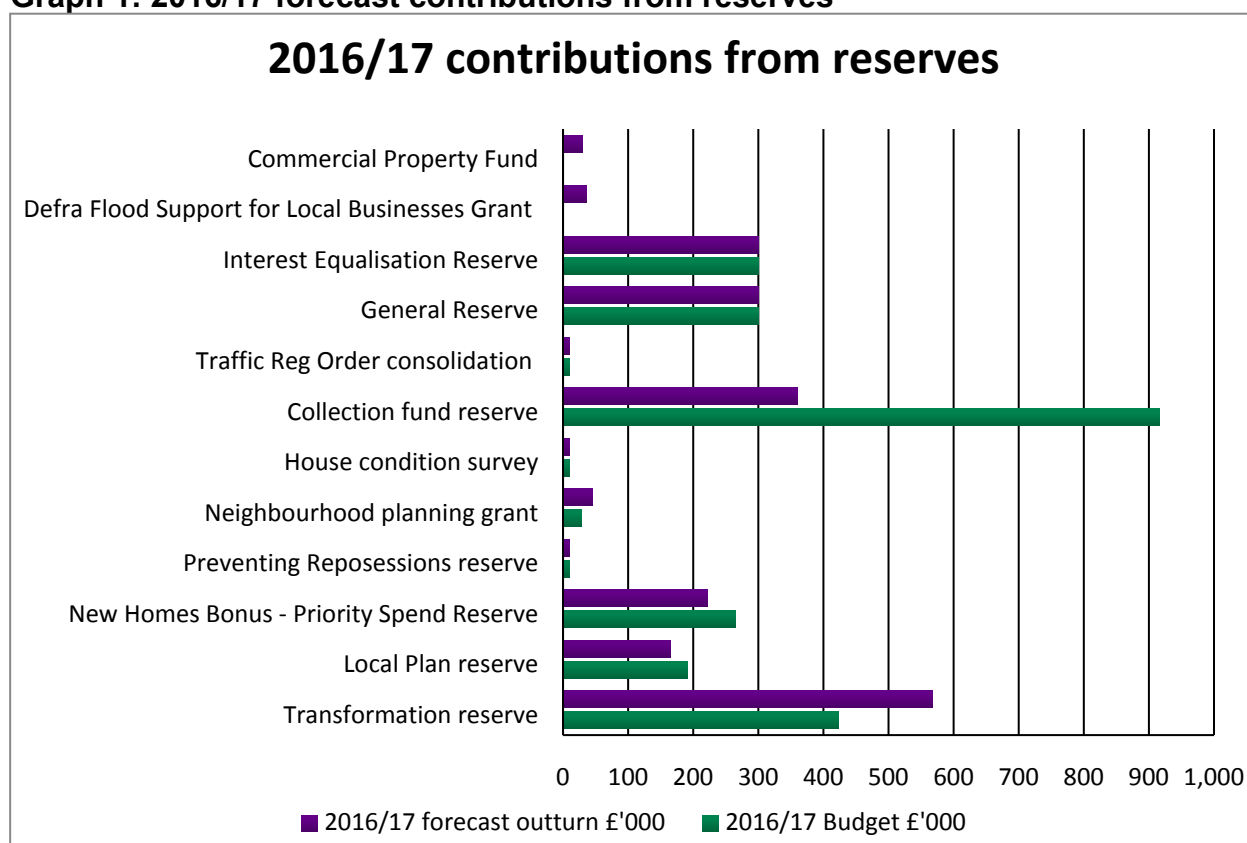
Brexit and continued uncertainty over the Bank of England interest base rate. The £18k favourable forecast outturn position represents additional income from the Councils investment in two property funds, this is slightly below the 2015/16 outturn position.

4.0 RESERVES

4.1 The Council holds earmarked reserves to fund unpredictable financial pressures and to smooth the effect of known spending over time. Graphs 1 and 2 below reflect the forecast outturn position as at 31 December 2016.

4.2 Funding from reserves will offset expenditure shown in section 2 of this report whilst a contribution to reserves will be shown as income in the revenue forecast outturn.

Graph 1: 2016/17 forecast contributions from reserves



4.3 As at 31 December 2016 it is forecast that there will be contribution from reserves of £2.284m in 2016/17 this is £110k higher than approved as part of the 2016/17 budget setting process. The significant variances are reported in the following paragraphs.

4.4 The transformation reserve was created to fund transitional staffing costs and service improvements. The total use of reserve is £146k

above 2016/17 budget. This is made up of:

- £39k funding for costs relating to consultants for the procurement of a new financial system
- £16k to fund a new graduate from October 2016
- £30k funding for Building Control project
- £200k reduced use of reserve relating to a review of Community Safety Service
- £20k to fund temporary posts in Environmental Health
- £17k to fund apprentice salaries in 2016/17
- £31k to fund leisure consultants
- £149k to fund pension strain costs and redundancies

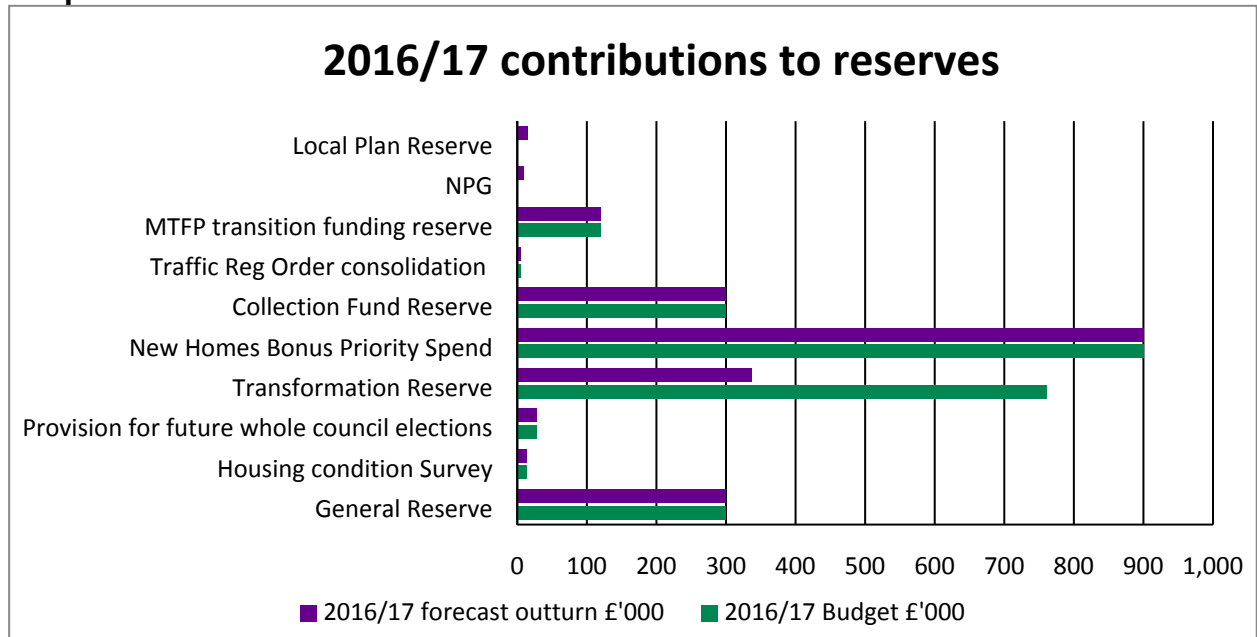
4.5 The New Homes Bonus – Priority spend reserve was established from unspent New Homes Bonus monies and utilised to fund items agreed by Leadership Team and Executive. The use of this reserve is £43k below budget. The main items are:

- £200k reduced use of reserve for Old River Lane Planning costs, £95k of the reserve will be used to fund Bishop's Stortford consultation costs.
- £100k to fund East Herts contribution to Public Health projects, to match funding received from Hertfordshire county Council.
- £10k to fund consultants for setting up a Business Improvement District
- £25k to fund consultants with regards to East Herts Digital Transformation.

4.6 The DEFRA flood support for local business was established from an unspent element of a DEFRA grant received to enable the Council to support local businesses following flooding in 2013/14. It is anticipated that £37k (the balance on the reserve) will be spent in 2016/17.

4.7 The Collection Fund Reserve was set up to smooth the impact of surplus's and deficits from the Council Tax and Non Domestic Rates Collection Funds on the budget. The anticipated use of this reserve has been reviewed which resulted in a £360k use in 2016/17 rather than the £917k that was budgeted.

Graph 2: 2016/17 forecast contributions to reserves

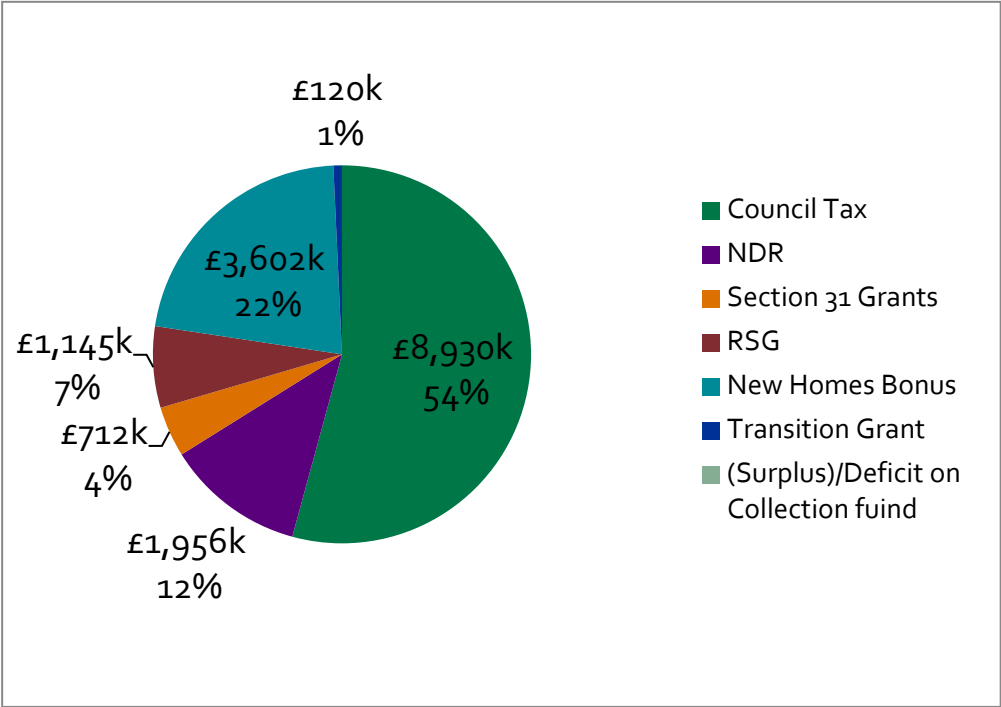


4.8 The forecast outturn contribution to reserves has decreased by £398k to £829k from the 2016 /17 budgeted position. This is due to:

- £10k – Neighbourhood Planning Grant received from the DCLG in relation to Bishop’s Stortford south referendum which will be transferred to the Neighbourhood Planning Grant reserve.
- £15k – contribution from Harlow Council to be distributed to partners across the Housing Market Area. This will be transferred to the Local Plan reserve.
- A reduction in the estimated surplus at the end of the year from £761k to £337k

5.0 FINANCING

5.1 These income budgets are general and non-service specific income sources. The following pie chart shows the value and percentage split of these budgets.



6.0 CAPITAL PROGRAMME

6.1 The revised 2016/17 budget has increased from £5.58m to £6.157m. This is an increase of £577k, this relates to grants for Network Homes for the Ridgeway scheme and Gladstone Road scheme. As at 31 December 2016 an underspend of £1.122m is reported. Details of the movements against budget that make up this underspend can be found in the following paragraphs.

6.2 The 2016/17 capital forecast expenditure is summarised in Table 3 below. **Essential Reference Paper 'C'** sets out the detailed forecast on each scheme.

Table 3: Capital forecast outturn

	2016/17 Original Budget	2016/17 Revised Budget	2016/17 Total to Date	2016/17 Forecast Outturn	Variance between Forecast Outturn & Revised Budget
	£'000	£'000	£'000	£'000	£'000
Strategic Finance & Property	764	929	293	1,207	278
Shared Business & Technology Services	675	1,076	109	971	(105)
Operations	1,030	1,325	340	1,019	(306)
Housing & Health	2,028	2,711	308	1,162	(1,549)
Planning & Building Control	92	68	54	68	-
Communications, Strategy & Policy	20	48	9	41	(7)
Director	-	-	29	567	567
TOTAL	4,609	6,157	1,142	5,035	(1,122)

6.3 A £278k overspend is predicted against the capital schemes that sit under the Head of Strategic Finance and Property. This includes:

- an estimated £600k for demolition of Number 1 The Causeway building. This was not included in the original capital programme for 2016/17 as is a result of decisions taken in year. This will be funded from the Commercial Property Reserve.
- £230k underspend against the operational building rolling programme.
- Capital works at the Council's swimming pools are part of a leisure review that is currently taking place, revised schemes are expected to be submitted for 2017/18, a £92k underspend in 2016/17 is reported.

6.4 The rolling programme budget to be utilised on ICT projects is showing a £105k underspend. £293k of the £398k budget has been committed by ITSG (IT Steering Group) in 2016/17.

6.5 A £306k underspend is reported against the budgets that come under the Head of Operations. This includes:

- The scheme to provide a small hydro-electricity turbine at the castle weir in Herford is currently under discussion with the Environment Agency. Project completion is anticipated in early 2017 and the project will not slip into 2017/18. An underspend of £201k is reported in 2016/17.

- Progress on the capital scheme to modernise the public conveniences at Bell Street in Sawbridgeworth is being made at a very slow pace. Project completion is not expected in 2016/17, a £67k underspend is reported.
- An overspend of £36k is reported on the refurbishment of Hartham Pavillion, as the priced specification came in over the budgeted amount. This overspend will be fully funded from section 106 contributions.
- The capital scheme for Hartham common major play works will be reviewed in 2017/18 pending the review of Leisure facilities. A £25k underspend is reported.
- A £42k underspend is reported on the markets improvement budget. Options appraisals for markets will be taken to Scrutiny in March 2017.

6.6 Underspends of £1.549m are reported against the capital schemes under Housing and Health. These include:

- A countywide review of Disabled Facilities Grants is underway. However the outcomes of this review are not expected to impact on referral rates until 2017/18. In line with the 2015/16 outturn this budget is expected to be £294k underspent in 2016/17. Total grant funding of £530k has been received in 2016/17.
- There is currently only £3k committed against the Decent Homes Grant capital scheme. It is unlikely that more than £50k will be required in 2016/17, resulting in an underspend of £50k.
- There are only a few cases in the pipeline in respect of the capital Energy Grants, a maximum spend in 2016/17 of £100k is anticipated, this will leave £50k unspent.
- Underspend of £289k against the £577k grants to Network Homes (mentioned in paragraph 6.1) as 50% of the grant is to be paid on completion (not expected until 2018).
- The capital budget for future social housing schemes of £821k remains unspent as the first priority in 2016/17 has been to utilise Section 106 funds for affordable housing in the district.

6.7 Capital grants totalling £67k to town and parish councils will be fully funded from section 106 contributions in 2016/17, these are:

- Watton-at-Stone Parish Council - new tennis courts (£38k)
- Bishops Stortford Town Council – path works on Sworders Field

6.8 A Council contribution of £500k for improvements to Hertford Town Centre (The Wash, Maidenhead Street and Bull Plain) will be funded

from unallocated capital funds.

7.0 DEBTORS

7.1 Total Outstanding debt as at 31st December 2016 is £1.252m. This is a 15% decrease from the previous quarter.

7.2 The outstanding debt over 120 days old totals £609k. Of this debt, over 90% relates to disputed invoices where negotiations are ongoing to collect the debt owed on a complex lease arrangement for a property ground lease in Bishop's Stortford. The remainder of the debts over 120 days are invoices relating to environmental health enforcement, where a charge is held against property to pay the debt once the property is sold, or housing debts where repayments are being made with a payment plan over several months.

7.3 **Essential Reference Paper 'D'** analyses the profile of aged debtors

8.0 PERFORMANCE ANALYSIS

Performance against targets

8.1 Please refer to performance indicator summary analysis in **Essential Reference Paper 'E'** for full performance indicator analysis.

8.2 Q3 results show 24 performance indicators that are divided into the three corporate priorities and supporting priorities (corporate health). The performance of these indicators are discussed below:-

8.3 **Corporate priority 1: Improve the health and wellbeing of our communities (10 Performance Indicators)**

Performance indicators for this priority are generally being met when targets have been set and are improving in trend only performance indicators. The only exceptions to these are:-

- **EHPI 5.13b % Good Satisfaction (GovMetric) - Telephone.**
There was no data gathered from Gov Metric on satisfaction with phone calls in any of the months within the quarter. How our telephone system informs customers of a satisfaction survey at the end of the phone call needs to be reviewed and there is potential for trying to make it a more customer friendly experience.

- **EHPI 5.13c – Customer Satisfaction (GovMetric) – Website.** Performance was ‘Red’ in all three months of this quarter, missing its target of 35% by varying margins. This is a reoccurring trend and with the new website in the process of being developed, it is hoped that the new improved website will help users to navigate and address many of the issues often raised in comments.

8.4 **Corporate priority 2: Enhance the quality of people’s lives (8 Performance Indicators**

Of the 8 performance indicators that are reported in this quarter, six were within or meeting their targets

The remaining indicators gather data from external sources, thus the data is always a month or more in arrears. The latest data for those indicators is shown below:

- **EHPI 191 Residual household waste per household** - The latest results are from November and show year on year reductions in household waste but there is no set target
- **EHPI 192 % of household waste sent for reuse, recycling and composting** – The latest results are from November and show year on year reductions in % terms of waste sent to recycling but there is no set target

8.5 **Corporate priority 3: Enable a flourishing local economy (2 Performance Indicators)**

Of these two indicators, one achieved above its target whereas the other trend indicator showed a decline month by month but reflects the time of the year

8.6 **Corporate priority: Corporate Health (4 Performance Indicators)**

Of the 4 performance indicators, two met their target, two missed:-

- **EHPI 5.1 – % of complaints resolved in 14 days or less.** 51.85% of complaints were resolved within 14 days (10 working days). This mirrored the previous quarter results and misses the 70% target.

- **EHPI 5.2a % of complaints about the Council and its services that are upheld: 1st stage**
39% of complaints were upheld, this was above the 30% target for the fourth consecutive quarter. A great deal of these related to waste management where we accept responsibility on our Contractors behalf.

9.0 IMPLICATIONS/CONSULTATIONS

- 9.1 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

Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate)</i> :	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	Discussions have taken place with Chief Executive, Directors, Heads of Service and external partners to construct an accurate revenue and capital financial forecast and performance report.
Legal:	There are no legal implications.
Financial:	Financial implications are included in the body of the report.
Human Resource:	There are no Human Resources implications.
Risk Management:	The Healthcheck report considers emerging risks to the in-year delivery of the Council budget and performance targets and sets out the mitigation of those risks.
Health and wellbeing – issues and impacts:	There no direct Health and Wellbeing issues arising as a result of the recommendations in this report.

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		Original Budget 2016/17	Budget to date	Actual to date	Variance to date	Forecast outturn	Variance	Variance
		£'000	£'000	£'000	£'000	£'000	£'000	%
Net Cost of Services	Chief Executive & Directors	466	305	274	(31)	430	(36)	-7.7%
	Communications, Strategy & Policy	1,165	768	884	116	1,177	12	1.0%
	HR & Organisational Development	469	316	314	(2)	481	12	2.6%
	Strategic Finance & Property	1,445	930	2,398	1,468	1,839	394	27.3%
	Housing & Health	2,407	1,778	1,141	(637)	2,558	151	6.3%
	Democratic and Legal	1,102	724	830	106	1,200	98	8.9%
	Planning & Building Control	1,044	644	603	(41)	1,132	88	8.4%
	Operations	4,490	3,332	2,217	(1,115)	4,577	87	1.9%
	Shared Revenues & Benefits Service	273	25,467	24,426	(1,041)	198	(75)	-27.5%
	Shared Business & Technology Services	1,298	866	1,105	239	1,318	20	1.5%
	Total Net Cost of Services	14,159	35,130	34,192	(938)	14,910	751	5.3%
Corporate Budgets	NHB Grants to Town & Parish Councils	901	901	-	(901)	901	-	0.0%
	New Homes Bonus Priority Spend	901	901	-	(901)	901	-	0.0%
	Contingency Budget	150	150	-	(150)	14	(136)	-90.7%
	Interest Payments	662	662	-	(662)	662	-	0.0%
	Interest & Investment income	(902)	(902)	-	902	(920)	(18)	2.0%
	RCCO	25	25	-	(25)	25	-	0.0%
	Pension Fund Deficit contribution	600	600	-	(600)	600	-	0.0%
	Corporate Budgets Total:	2,337	2,337	-	(1,737)	2,183	(154)	-6.6%
Use of Reserves	Contributions to Earmarked reserves	1,227	1,227	-	(1,227)	829	(398)	-32.4%
	Contributions from Earmarked reserves	(2,174)	(2,174)	-	2,174	(2,284)	(110)	5.1%
	Net Use of Reserves:	(947)	(947)	-	947	(1,455)	(508)	
Net Cost of Services Total:		15,549	36,520	34,192	(2,328)	15,638	89	0.6%
Funding	RSG	(1,145)	(1,145)	-	1,145	(1,145)	-	0.0%
	NDR	(1,956)	(1,956)	-	1,956	(1,956)	-	0.0%
	Section 31	(712)	(712)	-	712	(712)	-	0.0%
	(Surplus)/Deficit on Collection fund	917	917	-	(917)	360	(557)	-60.7%
	Other General Grants	(120)	(120)	-	120	(120)	-	0.0%
	New Homes Bonus	(3,602)	(3,602)	-	3,602	(3,602)	-	0.0%
Non Departmental Budgets Total:		(6,618)	(6,618)	-	6,618	(7,175)	(557)	8.4%
Total:		8,930	29,902	34,192	4,290	8,463	(468)	

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2016/17 CAPITAL MONITORING DECEMBER 2016

Exp Code	2016/17 Approved Schemes	Project Manager	Original Completion Date	Expected Completion Date	Project RAG Status	2016/17 Original Budget	2015/16 Slippage	2016/17 Amendments	2016/17 Revised Budget	2016/17 Actual to Date	2016/17 Commitment to Date	2016/17 Total to Date	2016/17 Forecast Outturn	Variance between Forecast Outturn & Revised Budget	Outturn RAG Status	COMMENTS
						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
TOTAL						4,609	291	1,256	6,156	864	257	1,121	5,036	(1,120)		
RP - ROLLING PROGRAMME																
Head of Strategic Finance & Property																
72356/7502	Fabric Improvements to Swimming Pools	S. Whinnett	Not known	2017/18	RED	40			40	19	3	22	40	-	GREEN	Works commenced. Estimated spend as budget.
72357/7502	Glazing & equalities access works to Swimming Pools	S. Whinnett	Not known	2018/19	RED	40			40			-	0	(40)	RED	Slip to 18/19
72355/7502	Grange Paddocks Teaching Pool - Replace existing handrail & tiles to walls, steps & base of pool	S. Whinnett & M. Kingsland	Jan-16	Dec-16	RED			34	34		22	22	34	-	GREEN	Works programmed for Xmas closedown. Start date panned for 12/12/2016
72338/7502	Leventhorpe Swimming Pool - Renew main supply fan to the main pool area	S. Whinnett	Sep-13	2018/19	RED	25			25			-	0	(25)	RED	Slip to 18/19
72352/7531	Hartham Swimming Pool - Refurbishment of Pool Filters to ensure the efficiency of the pools filtration plant operation & to maintain the pools water quality	S. Whinnett	Dec-16	Feb-17	AMBER	25			25			-	25	-	GREEN	Works due to commence Feb half term.
72353/7502	Fanshawe Swimming Pool - Joint Provision Pools (Ward Freman, Leventhorpe & Fanshawe) - Replacement Air Conditioning to Offices	S. Whinnett	Apr-14	2018/19	RED	15			15			-	0	(15)	RED	Slip to 18/19
72345/7531	Fanshawe Swimming Pool - Refurbish/Replace Pool Filters, to maintain efficient operation of the pool filter & pool water quality	S. Whinnett	Not known	Mar-17	RED	20			20			-	28	8	AMBER	Works planned for Xmas closedown. Filters need replacing not refurbishing. Scheme will overspend as costs have increased since the PID was submitted.
72346/7531	Fanshawe Swimming Pool - Replace Pool Circulating Pumps	S. Whinnett	Dec-13	2017/18	RED	20			20			-	0	(20)	RED	Slip to 17/18
OPERATIONAL BUILDINGS																
71280/7502	Rolling programme for planned preventative capital maintenance of operational buildings	S. Whinnett & J. Earley	RP	RP		195		85	280			-	50	(230)	RED	Budget in place to allow appropriate schemes to go forward upon provision of appropriate business case. No further planned schemes this year, but will leave £50k in the budget in case of emergency works
Hertford Theatre																
72706/7502	Entrance Lobby Roof - to replace the existing defective roof with new leak free, energy efficient roof and reduce overheating in the entrance lobby / foyer area in summer months	S. Whinnett & J. Earley	Sep-15	Sep-16	RED	19			19	18		18	18	(1)	GREEN	Completed
72711/7502	Hertford Theatre - Flood Alleviation Works to Sump Pumps - To modify the existing sump pump installation to reduce the likelihood of any future flooding of the Theatre	S. Whinnett & J. Earley	Aug-16	Mar-17	RED	20			20	4		4	20	-	GREEN	1st phase of work completed. 2nd phased 17/18.

Page 82 Exp Code	2016/17 Approved Schemes	Project Manager	Original Completion Date	Expected Completion Date	Project RAG Status	2016/17 Original Budget	2015/16 Slippage	2016/17 Amendments	2016/17 Revised Budget	2016/17 Actual to Date	2016/17 Commitment to Date	2016/17 Total to Date	2016/17 Forecast Outturn	Variance between Forecast Outturn & Revised Budget	Outturn RAG Status	COMMENTS
						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
71286/7502	Hertford Theatre - Emergency Lighting works to backstage areas	S. Whinnett & J. Earley		Aug-16	GREEN			11	11	10		10	10	(1)	GREEN	Completed.
71284/7502	Buntingford Service Centre - Energy Saving Lighting - To replace the existing lighting in the recycling, workshop and storage area with energy efficient/low maintenance LED lighting	S. Whinnett & J. Earley	Jun-16	Oct-16	RED	35		10	45	47		47	47	2	GREEN	Completed.
75272/7502	Library Car Park, Ware - to carry out drainage & resurfacing works to the annexe area of the public car park	S. Whinnett & J. Earley	Oct-16	Aug-16	GREEN			20	20	20		20	20	-	GREEN	Completed.
71203/7531	Replacement of Chairs & Desks	T. Smith	RP	RP		10	(6)		4	3	1	4	4	-	GREEN	
Charringtons House 2nd Floor Suite Refurbishment																
71285/7502	Maximise return from Council assets by generating rental income & business rates income from Charringtons House for the Council once the suite is refurbished	A. Osborne	Apr-16	Dec-16	RED	300			300	103		103	300	-	GREEN	First phase of refurbishment complete and paid, second phase now complete with invoice for £48k received for processing. 3rd phase being drawn up with LSH.
71287/7502	Demolition 1 The Causeway, B/S	S. Whinnett		Mar-17					-	29	14	43	600	600	GREEN	Planning application stage. Funded from Commercial Property Fund
72568/7502	North Drive, Ware - reconstruct road & drainage	A. Osborne	Mar-10	Not known	RED		(2)	12	10			-	10	-	GREEN	Planning Enforcement negotiating with developer to try and resolve outstanding issues
Total Strategic Finance & Property						764	(8)	172	928	253	40	293	1,206	278		
Head of Shared Business & Technology Services																
									-							
71414/7531	Replacement Infrastructure	P. Wain	RP	RP		35	12		47	7		7	47	-	GREEN	SHARED SCHEME w/Stevenage BC A 5yr investment programme for the shared ICT Infrastructure is being developed and proposals will be brought forward shortly.
71416/7531	Merging IT systems - Licensing & Env Health	J. Geall		Aug-16			9	40	49	30		30	49	-	GREEN	Additional draw down from rolling programme for consultancy to support transition to the new system
71416/7513	Merging IT systems - Licensing & Env Health. Capital Salaries	J. Geall						25	25			-	25	-	GREEN	Budget drawn down from rolling programme to fund contract extension in Env Health to support the implementation project. Additional costs in relation to IDOX project to be incurred, contract further extended for existing member of staff. To be drawn down from Rolling Programme.
71431/7531	Establishment of LES & internet links to replace MPLS	H. Lewis		Oct-16			24		24	2		2	24	-	GREEN	Work to migrate the data connections is now completed. Planning to migrate the telephony connections is now underway with the majority of remaining spend expected in Q3.
71435/7531	Funding for Applications	P. Tyler	RP	RP		40		(40)	-			-	-	-	GREEN	This scheme has been superseded by the Rolling programme to fund ICT projects (71450/7531)
71439/7531	Service Desk & Utilities	H. Lewis		Mar-17			25		25			-	25	-	GREEN	Work to harmonise security software is ongoing with implementation expected March 2017
71440/7531	Shared service print investment costs 50%	H. Lewis						21	21			-	21	-	GREEN	SHARED SCHEME w/Stevenage BC Work is currently being undertaken to review the way forward, as a number of new opportunities have been identified. A business case will be presented in the near future, clear identifying the investment required
71449/7531	New Desktop Software	H. Lewis					4	(4)	-			-	-	-	GREEN	Funds transferred to Rolling programme (71450/7531).

Exp Code	2016/17 Approved Schemes	Project Manager	Original Completion Date	Expected Completion Date	Project RAG Status	2016/17 Original Budget	2015/16 Slippage	2016/17 Amendments	2016/17 Revised Budget	2016/17 Actual to Date	2016/17 Commitment to Date	2016/17 Total to Date	2016/17 Forecast Outturn	Variance between Forecast Outturn & Revised Budget	Outturn RAG Status	COMMENTS
						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
71453/7531	New HR & Payroll System	N. Roberson		Mar-17				55	55			-	55	-	GREEN	SHARED SCHEME w/Stevenage BC NGA selected as preferred solution and project kick off taking place in July. First payroll on new system anticipated in Apr-17, although some HR self-serve elements may be launched sooner.
71459/7531	New Finance System	P. Gregory		Mar-17		175			175			-	175	-	GREEN	Tender to go out Aug/Sept, update on prices once offered. Predict most will be in 16/17
71460/7531	New Asset Management System	P. Gregory	Sep-16	Dec-16		20			20			-	20	-	GREEN	System is the next in line for implementation following the upgrade of Uniform to v10, anticipated completion by Dec-16
71456/7531	Client Equipment	H. Lewis	RP	RP			5	10	15	11		11	15	-	GREEN	Budget used to service new and replacement equipment needs identified within year
71458/7531	Electoral Management Software							75	75			-	75	-	GREEN	The procurement documentation is complete, and the formal procurement process can start when it fits in with the service's timetable (the european referendum has delayed matters).
71461/7531	Revs & Bens EDM Solution	R. Brock		Dec-17				110	110	37		37	110	-	GREEN	Northgate I@W selected as the preferred solution and the project kick-off taking place in July.
71462/7531	Car Park Data Warehousing	P. Tyler						22	22	22		22	22	-	GREEN	Drawn down from rolling programme. Work is progressing with the supplier to define the data requirements
71463/7531	Audio & Visual Equipment Council Chamber Wallfields	P. Wain						5	5				5	-	GREEN	Drawn down from rolling programme
71464/7531	Audio & Visual Equipment Hertford Theatre	P. Wain						10	10				10	-	GREEN	Drawn down from rolling programme
71450/7531	Rolling programme to be utilised on ICT projects subject to ITSG review	H. Lewis	RP	RP		405	171	(178)	398			-	293	(105)	AMBER	Additional draw down anticipated for infrastructure investment and any early projects to support the digital strategy
Total Shared Business & Technology Services						675	250	151	1,076	109	-	109	971	(105)		

Page 84 Exp Code	2016/17 Approved Schemes	Project Manager	Original Completion Date	Expected Completion Date	Project RAG Status	2016/17 Original Budget	2015/16 Slippage	2016/17 Amendments	2016/17 Revised Budget	2016/17 Actual to Date	2016/17 Commitment to Date	2016/17 Total to Date	2016/17 Forecast Outturn	Variance between Forecast Outturn & Revised Budget	Outturn RAG Status	COMMENTS
						£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
	Head of Operations															
71253/7531	Car Park Management System - To implement a cost effective car park management system for the Council to manage its car parks for the next 10 years	A. Pulham	Sep-16	Oct-16	AMBER	340			340	14	6	20	340	-	GREEN	Order raised for new tariff board signs. Completion of scheme in October 16
	Refurbishment of Hertford Theatre Café/Bar								-							
72712/7502	The layout, design and equipment provision is in need of upgrade in order to meet the needs of our customers and maximise the potential for revenue generation	B. Cannell	Sep-16	Dec-16	AMBER	50			50			-	50	-	GREEN	Final designs received 19.9.16. Completion in December
72710/7531	Hertford Theatre replacement of 6 lighting hoists	B. Cannell	Dec-15	Aug-16	RED			13	13	11	2	13	13	-	GREEN	Partly completed in 15/16, however, due to timescales of events at the Theatre, the remaining work had to be completed in August 2016 when the Theatre closed for 2 weeks
	Refuse Collection & Recycling											-				
75165/7531	Containers Replacement Programme	D. Allen	RP	RP		100	19	(10)	109	70	-	70	109	-	GREEN	Rolling programme for containers - on target
75145/7531	Replacement Litter Bins	D. Allen	RP	RP		6	3	(1)	8	5		5	8	-	GREEN	Rolling programme for litter bins - on target
75152/7531	Commercial Waste Bins	D. Allen	RP	RP		34	11	12	57	7	4	11	57	-	GREEN	Rolling programme for commercial bins - on target
72513/7502	Bell Street, Sawbridgeworth - Modernise the public convenience facilities, in preparation for transferring the operation to Sawbridgeworth Town Council under an agency agreement	D. Allen	Sep-15	2017/18	RED			67	67	(2)	2	-	0	(67)	RED	Progress is being made at a very slow pace. The Service Level Agreement is has been sent to STC however they have asked to revisit plans. Head of Ops exploring options. Scheme will slip.
72517/7502	Hartham Pavilion Refurbishment - Replace public toilets, redevelop existing café area, create functional changing area for footballers & incorporate meeting/training room.	M. Kingsland & S. Whinnett	Dec-15	Mar-17	RED		1	58	59		91	91	95	36	RED	Additional S106 funding of £36k approved at Leadership Team to cover priced specification that came in above initial estimate. Contractor selected, works have commenced.
72522/7531	Play Area Grange Paddocks, B/S - Install new play area, to include new activity equipment & surfacing. New footpath & installation of new seating.	I. Sharratt	Mar-17	Feb-17	GREEN	95			95		81	81	95	-	GREEN	Officers carried out desktop assessment of project in June. Concept plans have been drawn up and the consultation with residents is underway. The consultation is complete & consultees have all been responded to. Some minor areas were modified. Contract has been awarded . Works are now due to start January 2017 with completion by end February. 2017.
72504/7531	Play equipment & infrastructure replacement	I. Sharratt	RP	RP		50			50			-	50	-	GREEN	A project is underway with CMS to design the Hartham Common & Beyond scheme part of which will be funded through this budget along with a range of play area and access improvements across the district to be finalised by the end of October 16 and delivered by March 17
72516/7531	Play Area, The Bourne, Ware (Phase 2) - Installation of a fitness & play facility for older children & open space access improvements.	I. Sharratt	Mar-16	Nov-16	RED			41	41	43	2	45	48	7	AMBER	All works are now completed satisfactorily. A final sign off meeting will be conducted by the end of October 16. Full payment has now been made, less 5% retention.
72508/7531	Hartham Common, Hertford - Preliminary works associated with the development of the major play site development project to be undertaken in 2016/17 in accordance with Hartham Common Development Plan	I. Sharratt	Mar-13	2017/18	RED	25			25			-	0	(25)	RED	This project is to be delayed & reviewed in 2017/18 pending decisions on plans for the leisure centre. The play area revamp is still an important improvement but may benefit from being considered as part of a larger project. A draft brief has been created & is ready to modify in line with any new objectives. Scheme will slip.
72521/7502	Open Space improvements Bishop's Park, B/S - Installation of a car park, footpath improvements & health/play facilities	I. Sharratt	Mar-17	Mar-17	GREEN	106			106			-	106	-	GREEN	Discussions are underway with County officers to explore Rights of Way further and opportunities for joined up approach with Safer Routes to School. The impact of access improvements on school routes and the technical element of negotiating the road across the park need to be established before consulting with the public. The Council's Health & Safety Officer has provided his feedback on the scheme. Preliminary designs have been considered and public engagement was delayed until October 16. Public consultation has now finished and tenders will be put together week commencing 12th December 2016. Project to be delivered by March 17.

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72507/7531	Pishiobury Park, Sawbridgeworth - Wetland Habitat Project - improvements to boardwalk/paths permitting safe access to the wetland area of the park	I. Sharratt	Mar-13	Dec-16	RED		12		12			-	0	(12)	GREEN	Plans still temporarily on hold due to delays in completing agreement with current owners of the Osier Bed woodland. EHDC legal documents to secure the transfer have now been issued following agreement from the owners who are currently instructing their solicitors. Works were not possible over the summer due to bird nesting. EHDC now have the land on a long term lease. However significant consultation to take place around tree work to install the boardwalk. Therefore this will now slip to 2017/18.
72511/7531	Buryfield Recreation Ground, Ware - Installation of play area to encourage healthy activity for younger children	I. Sharratt		Oct-16	GREEN		3		3		3	3	3	-	GREEN	Retention only

Page 88 Exp Code	2016/17 Approved Schemes	Project Manager	Original Completion Date	Expected Completion Date	Project RAG Status	2016/17 Original Budget	2015/16 Slippage	2016/17 Amendments	2016/17 Revised Budget	2016/17 Actual to Date	2016/17 Commitment to Date	2016/17 Total to Date	2016/17 Forecast Outturn	Variance between Forecast Outturn & Revised Budget	Outturn RAG Status	COMMENTS
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75168/7502	Energy Efficiency & Carbon Reduction Measures - Installation of solar panels at Wallfields, Hertford	D. Thorogood/S. Whinnett	Mar-12	Nov-16	RED			45	45			-	45	-	GREEN	Potential contractors are being asked to provide revised costings and estimated FIT paybacks for the project (after revisions to government tariff payments). Assuming paybacks are satisfactory scheme start anticipated winter 2016.
72591/7502	Castle Weir Micro Hydro Scheme - To provide a small Hydro-electricity turbine in the river Lee at Hertford Weir. This is an invest to save project and will generate electricity providing power for Hertford Theatre and for sale to the Grid. The scheme is subject to a rigorous approval process by the Environment Agency for flood risk and protection of biodiversity.	D. Thorogood	Mar-12	2017/18	RED	201			201			-	0	(201)	RED	Currently in discussion with EA to agree with EA consultants the final operating protocols together with revised water flow data following improvement works and automation of the main weir gates, which impacts upon flood risk modelling for the hydro scheme. Once data confirmed this will allow revised modelling and paybacks to be completed and scheme to progress. Project completion currently anticipated early 2017/18 year.
74106/7531	Market Improvement Scheme	N. Kirby		2017/18	RED	23		21	44	2		2	2	(42)	RED	Options appraisal for markets going to Community Scrutiny March 2017, therefore, slip. Funds could support HUDS work potentially.
Total Head of Operations						1,030	49	246	1,325	150	191	341	1,021	(304)		
Head of Housing & Health																
72442/7601	Community Capital grants - to provide the right tools for people to get involved with projects that improve facilities such as green spaces or community buildings – inspiring ownership and pride.	C. Pullen	RP	RP	AMBER	120	(24)	41	137	54		54	92	(45)	AMBER	Of the 9 awards allocated in June 2016, 5 of those have now made a claim. Of the 28 awards made in 15/16, 21 have now claimed payment and others are expected in by the end of December. In the 2nd funding round, 11 organisations were awarded a grant. There is still funds remaining to be allocated so a 3rd deadline will be set. Note: spending this budget is always dependant on successful applicants being able to complete their project within the 1 year time frame or 6 months in case of a small capital grant. Still anticipate spending the all the budget but will chase successful applicants for status check on their project.
72685/7601	Future Social Housing Schemes	L. Harris				821			821			-	0	(821)	RED	No current commitments. First priority is to spend S106 sums which have been collected for affordable housing.
72685/7601	Ridgeway Scheme, Hertford (Network Homes)	L. Harris		Dec-16				500	500			-	250	(250)	RED	Grant to be paid to Network Homes - fully funded from S106 commuted sum. To build 120 new build properties which will all be affordable housing units, expecting payment to be made December when work on site commences. EHDC contributing to Phase 1, major project should be completed late 2018. 50% to be paid when work commences on site & 50% on completion. Invoice for £250k received for payment.
72686/7601	Gladstone Road, Ware (Network Homes)	L. Harris						77	77				38	(39)	RED	Grant to be paid to Network Homes - fully funded from S106 commuted sum. To build 10 affordable housing units. Scheme should be completed by early 2018. 50% to be paid when work commences on site & 50% on completion. Invoice for £38k received for payment.
Private Sector Improvement Grants																
72602/7601	Disabled Facilities (Govt funding of £530,136 rec'd for 16/17)	S. Winterburn	RP	RP		694			694	149		149	400	(294)	AMBER	Government funding through Better Care Fund has increased for 2016/17 to £530,136. This exceeds recent (though not historic) spend. Only £321K was spent on DFG in previous year. A county wide review of DFG services is underway, but is not expected to affect referral rates until next year. HCC's DHCS has confirmed that unspent BCF allocation can be carried forward to next year. Discussions underway to resolve OT waiting list, but currently expect max spend to be £400k. Current commitment (i.e., approved, unpaid grants) is £126k.
72605/7601	Disabled Facilities - Discretionary	S. Winterburn	RP	RP		100			100			-	50	(50)	RED	Current commitment on DDFG budget is only £31.6k. Unlikely to need more than £50k.
72606/7601	Decent Home Grants	S. Winterburn	RP	RP		150			150	12		12	100	(50)	AMBER	A few cases in pipeline. Current commitment +spend is £15k. Anticipate max spend of £100k.
72604/7601	Energy Grants	S. Winterburn	RP	RP		20		38	58			-	58	-	GREEN	Scope to expand range of measures was identified in energy strategy, to include higher cost measures enabling spend of budget.
71201/7513	Capital Salaries	P. Gregory	RP	RP		26			26			-	26	-	GREEN	

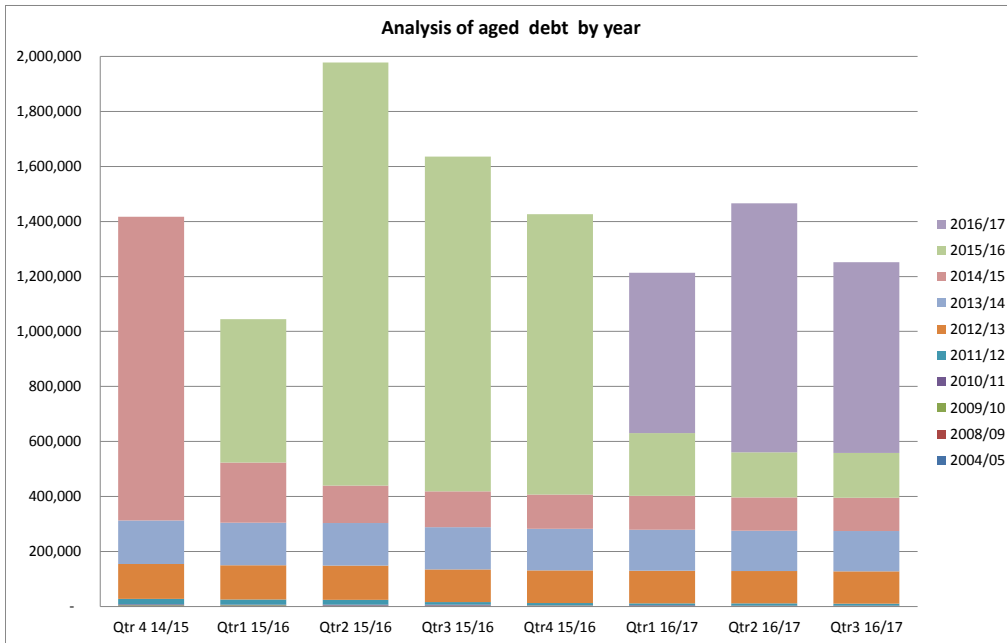
KEY: Project RAG status: Green = on schedule; Amber = 1-3 months delay; Red = over 3 months delay

KEY: Outturn RAG status: Green = up to 10% variance; Amber = 10-50% variance; Red = over 50% variance

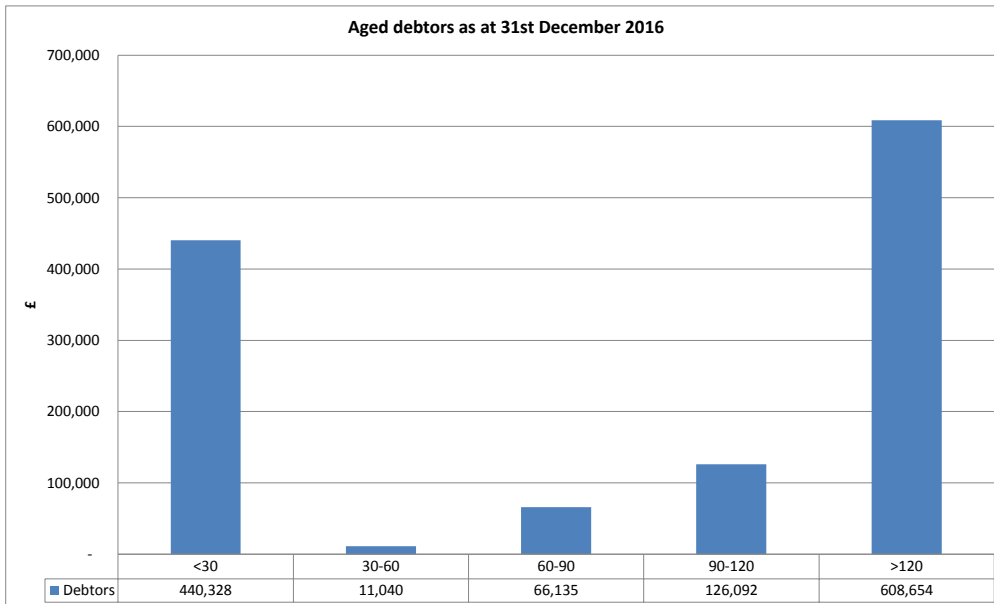
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75160/7502	River & Watercourse Structures - Improve, maintain & renew structures along rivers and watercourses to alleviate possible flooding throughout the district.	G. Field	RP	RP		47	8		55	8	4	12	55	-	GREEN	Bridge surveys on East Herts owned bridges have now been completed. We are waiting for the Report and if remedial works are identified these will be carried out depending on priority & budget available. The new grille and headwall at a flood site in Bishops Stortford has now been installed and will be added to the monthly inspection & clearance programme. Quotes have been requested for flood modelling for a site in Ware to assess flood alleviation works required as part of a Surface Water Management Plan area (SWMP)
75172/7502	Air Quality Capital Grant Scheme - Subway improvement works in Hertford to include bespoke artwork & signage	G. Field					1		1	1		1	1	-	GREEN	Small underspend from 15/16 (from DEFRA Grant of £31,320), to be used to install information signage.
75163/7502	Land Management Programme - Land Management Asset Register & Associated Works	G. Field	RP	RP		50	(4)	18	64	25	13	38	64	-	GREEN	Works are ongoing. Many assets have been identified and surveyed with areas still to investigate. The data will be correlated and any remedial and/or major works that are identified will be carried out depending on priority & budget available. Some safety works have been identified and work carried out.
75163/7513	Land Management Programme - Land Management Asset Register & Associated Works. Capital Salaries	G. Field	RP	RP				8	8			-	8	-	GREEN	To fund 7 1/2 hour post until September 16. Contract extended to March 2017
75173/7531	Air Pollution Monitoring Equipment	G. Field	Feb-16	Jul-16	RED		20		20	20		20	20	-	GREEN	Fully funded from HCC Contribution
Total Housing & Health						2,028	1	682	2,711	269	17	286	1,162	(1,549)		
Head of Planning & Building Control																
74102/7601	Historic Building Grants - Enable grants to be offered to the owners of historic buildings to encourage their maintenance and upkeep.	K. Steptoe	RP	RP		92	(1)	(23)	68	54		54	68	-	GREEN	Claimants have 6 months from grant offer date to complete works. Maximum payment now £2,000. However, if a grant is approved for a property on the Buildings at Risk Register, maximum payment will be £10,000.
Head of Communications, Strategy & Policy																
71252/7531	Device Responsive Template - Revised website templates including new navigation, enhanced accessibility and device responsiveness	A. McWilliams	Not known	Oct-16	AMBER	20			20		9	9	13	(7)	AMBER	Negotiated delivery of new templates for public website to be bundled with existing project for delivery of new Intranet Templates – expected saving of at least £7,000
74105/7601	Environmental Enhancements to East Herts town centres	P. Pullin	Not known	Mar-17	RED			28	28			-	28	-	GREEN	This scheme was expected to complete last year but there have been delays in the delivery of the Tudor Square project by Ware Town Council. Town Council have given reassurances that the scheme will be delivered this year.
Total Communications, Strategy & Policy						20	0	28	48	0	9	9	41	(7)		
Director																
72523/7502	Watton-at-Stone Parish Council - New Tennis Courts	A. Taylor							-			-	38	38	GREEN	Fully funded from S106 as agreed at CMT 9.2.16
72524/7502	Bishops Stortford Town Council - path works on Sworders Field	A. Taylor							-	29		29	29	29	GREEN	Fully funded from S106 as agreed in May 2014

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The following graph shows the Council's aged debt by year that the debt was raised. This position is shown for the most recent period and the preceding 7 periods. The debt outstanding as at 31st December 2016 is £1.3m




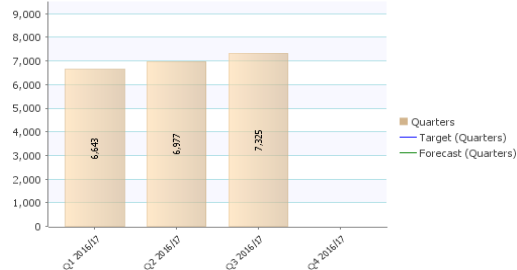

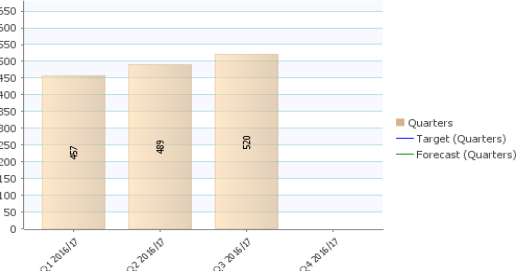

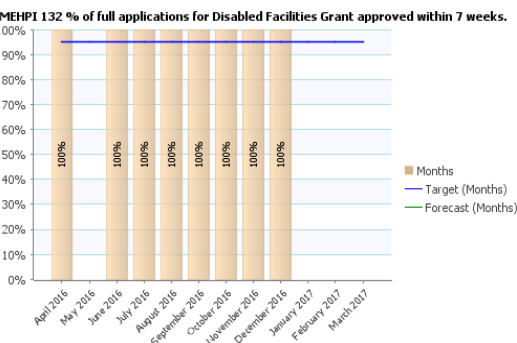
The following graph shows the age of the £1.5m of debts outstanding as at 31st December 2016.



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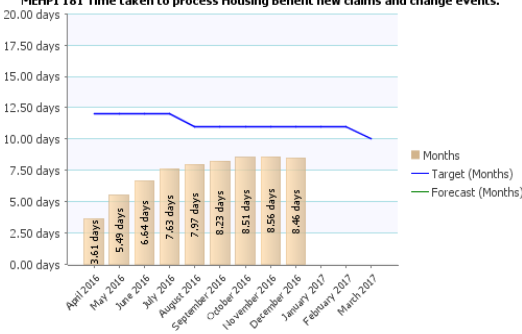

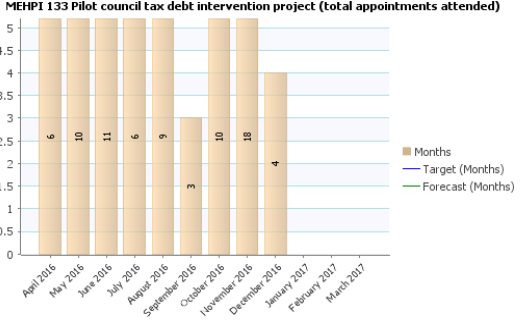
Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report

PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note
Service Area Communications, Strategy and Policy. Priority 1: Improve the health & wellbeing of our communities						
MEHPI 5.13a % Good Satisfaction (GovMetric) - Face to Face.		83%	80%	↓		83% or 130 people gave a 'Good' score with F2F. 6% gave a medium while 11% gave a poor score. 157 people in total rated during this month.
MEHPI 5.13b % Good Satisfaction (GovMetric) - Telephone.	?	N/A	90%	n/a		There were no records received during this month. This PI and its collection needs to be reviewed to ensure we are enticing customers to take time out to rate their experience.
MEHPI 5.13c % Good Satisfaction (GovMetric) - Website.		26%	35%	↓		As with most months throughout its collection, satisfaction remains very low. There are major improvements planned for the internet going forward which will hopefully improve the user experience

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PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note																										
QEHPI 5.12a Number of Twitter followers	Trend only	7,325	none set		<p>QEHPI 5.12a Number of Twitter followers</p>  <table border="1"> <caption>QEHPI 5.12a Number of Twitter followers</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q1 2016/17</td> <td>6,648</td> </tr> <tr> <td>Q2 2016/17</td> <td>6,977</td> </tr> <tr> <td>Q3 2016/17</td> <td>7,325</td> </tr> <tr> <td>Q4 2016/17</td> <td>Forecast</td> </tr> </tbody> </table>	Quarter	Value	Q1 2016/17	6,648	Q2 2016/17	6,977	Q3 2016/17	7,325	Q4 2016/17	Forecast	The Number of Twitter followers rose a further 348 followers in the last quarter to 7,325																
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QEHPI 5.12b Number of Facebook followers (Facebook likes).	Trend only	520	none set		<p>QEHPI 5.12b Number of Facebook followers (facebook likes).</p>  <table border="1"> <caption>QEHPI 5.12b Number of Facebook followers (facebook likes).</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q1 2016/17</td> <td>457</td> </tr> <tr> <td>Q2 2016/17</td> <td>489</td> </tr> <tr> <td>Q3 2016/17</td> <td>520</td> </tr> <tr> <td>Q4 2016/17</td> <td>Forecast</td> </tr> </tbody> </table>	Quarter	Value	Q1 2016/17	457	Q2 2016/17	489	Q3 2016/17	520	Q4 2016/17	Forecast	The number of people following or 'liking us' on Facebook rose a further 31 in the Q3 period. As Twitter is currently the most prominently used social method tool the Council uses, this small increase is of no great surprise																
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MEHPI 132 % of full applications for Disabled Facilities Grant approved within 7 weeks.		100%	95%		<p>MEHPI 132 % of full applications for Disabled Facilities Grant approved within 7 weeks.</p>  <table border="1"> <caption>MEHPI 132 % of full applications for Disabled Facilities Grant approved within 7 weeks.</caption> <thead> <tr> <th>Month</th> <th>Value</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>100%</td></tr> <tr><td>May 2016</td><td>100%</td></tr> <tr><td>June 2016</td><td>100%</td></tr> <tr><td>July 2016</td><td>100%</td></tr> <tr><td>August 2016</td><td>100%</td></tr> <tr><td>September 2016</td><td>100%</td></tr> <tr><td>October 2016</td><td>100%</td></tr> <tr><td>November 2016</td><td>100%</td></tr> <tr><td>December 2016</td><td>100%</td></tr> <tr><td>January 2017</td><td>100%</td></tr> <tr><td>February 2017</td><td>100%</td></tr> <tr><td>March 2017</td><td>100%</td></tr> </tbody> </table>	Month	Value	April 2016	100%	May 2016	100%	June 2016	100%	July 2016	100%	August 2016	100%	September 2016	100%	October 2016	100%	November 2016	100%	December 2016	100%	January 2017	100%	February 2017	100%	March 2017	100%	December 2016 - Target exceeded. 100% of housing grant applications processed within target times. This represents 28 approved in target times since April 2016.
Month	Value																															
April 2016	100%																															
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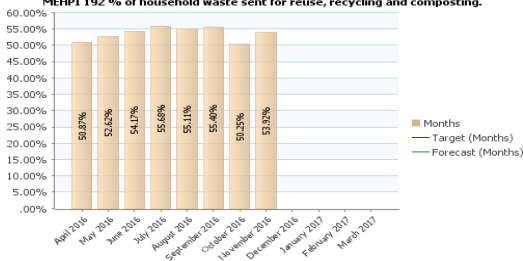

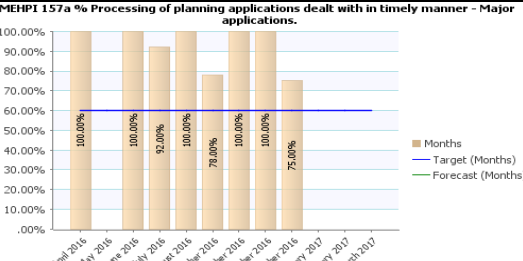

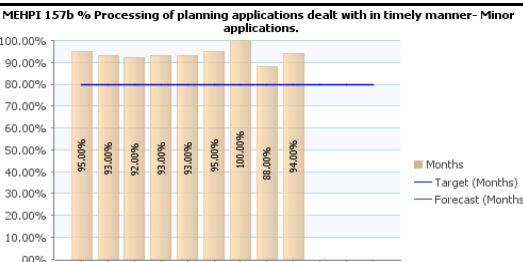
PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note								
QEHPI 151 Number of homeless households living in temporary accommodation at the end of the quarter.	Trend only	10	none set	↓	<p>QEHPI 151 Number of homeless households living in temporary accommodation at the end of the quarter.</p> <table border="1"> <caption>QEHPI 151 Data</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q1-2016/17</td> <td>13</td> </tr> <tr> <td>Q2-2016/17</td> <td>13</td> </tr> <tr> <td>Q3-2016/17</td> <td>10</td> </tr> </tbody> </table>	Quarter	Value	Q1-2016/17	13	Q2-2016/17	13	Q3-2016/17	10	<p>At end of December 2016 there were 10 households in temporary accommodation. The council owned temporary accommodation (hostel) were occupied with 6 households. No households were in B&B. Two households were in temporary supported accommodation due to mental health issues and two were in longer-term private sector leased accommodation.</p> <p>This is a low number of households in temporary accommodation and reflects the low number of homeless presentations in December and the increased rehousing opportunities from the 110 new affordable homes developed since April 2016.</p>
Quarter	Value													
Q1-2016/17	13													
Q2-2016/17	13													
Q3-2016/17	10													
QEHPI 150 Number of prevented homeless applications		96	50	↑	<p>QEHPI 150 Number of prevented homeless applications</p> <table border="1"> <caption>QEHPI 150 Data</caption> <thead> <tr> <th>Quarter</th> <th>Value</th> </tr> </thead> <tbody> <tr> <td>Q1-2016/17</td> <td>63</td> </tr> <tr> <td>Q2-2016/17</td> <td>50</td> </tr> <tr> <td>Q3-2016/17</td> <td>96</td> </tr> </tbody> </table>	Quarter	Value	Q1-2016/17	63	Q2-2016/17	50	Q3-2016/17	96	<p>The council prevented 96 households from becoming homeless by the provision of advice to relieve homelessness or securing alternative accommodation through the housing register, supported accommodation or actively assisting the household secure accommodation in the private rented sector. The cumulative number of preventions since April 2016 is 207 households.</p>
Quarter	Value													
Q1-2016/17	63													
Q2-2016/17	50													
Q3-2016/17	96													
<p>Service Area Revenues and Benefits - Priority 1: Improve the health & wellbeing of our communities</p>														

Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report																																
PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note																										
MEHPI 181 Time taken to process Housing Benefit new claims and change events.		8.56 days	11.00 days		<p>MEHPI 181 Time taken to process Housing Benefit new claims and change events.</p>  <table border="1"> <caption>MEHPI 181 Time taken to process Housing Benefit new claims and change events (Days)</caption> <thead> <tr> <th>Month</th> <th>Value (Days)</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>5.49</td></tr> <tr><td>May 2016</td><td>5.49</td></tr> <tr><td>June 2016</td><td>6.44</td></tr> <tr><td>July 2016</td><td>7.63</td></tr> <tr><td>August 2016</td><td>7.97</td></tr> <tr><td>September 2016</td><td>8.22</td></tr> <tr><td>October 2016</td><td>8.51</td></tr> <tr><td>November 2016</td><td>8.56</td></tr> <tr><td>December 2016</td><td>8.46</td></tr> <tr><td>January 2017</td><td></td></tr> <tr><td>February 2017</td><td></td></tr> <tr><td>March 2017</td><td></td></tr> </tbody> </table>	Month	Value (Days)	April 2016	5.49	May 2016	5.49	June 2016	6.44	July 2016	7.63	August 2016	7.97	September 2016	8.22	October 2016	8.51	November 2016	8.56	December 2016	8.46	January 2017		February 2017		March 2017		
Month	Value (Days)																															
April 2016	5.49																															
May 2016	5.49																															
June 2016	6.44																															
July 2016	7.63																															
August 2016	7.97																															
September 2016	8.22																															
October 2016	8.51																															
November 2016	8.56																															
December 2016	8.46																															
January 2017																																
February 2017																																
March 2017																																
MEHPI 133 Pilot council tax debt intervention project (total appointments attended)	Trend only	4	none set		<p>MEHPI 133 Pilot council tax debt intervention project (total appointments attended)</p>  <table border="1"> <caption>MEHPI 133 Pilot council tax debt intervention project (total appointments attended)</caption> <thead> <tr> <th>Month</th> <th>Value (Appointments)</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>6</td></tr> <tr><td>May 2016</td><td>10</td></tr> <tr><td>June 2016</td><td>11</td></tr> <tr><td>July 2016</td><td>6</td></tr> <tr><td>August 2016</td><td>9</td></tr> <tr><td>September 2016</td><td>3</td></tr> <tr><td>October 2016</td><td>10</td></tr> <tr><td>November 2016</td><td>18</td></tr> <tr><td>December 2016</td><td>4</td></tr> <tr><td>January 2017</td><td></td></tr> <tr><td>February 2017</td><td></td></tr> <tr><td>March 2017</td><td></td></tr> </tbody> </table>	Month	Value (Appointments)	April 2016	6	May 2016	10	June 2016	11	July 2016	6	August 2016	9	September 2016	3	October 2016	10	November 2016	18	December 2016	4	January 2017		February 2017		March 2017		Project has now ended
Month	Value (Appointments)																															
April 2016	6																															
May 2016	10																															
June 2016	11																															
July 2016	6																															
August 2016	9																															
September 2016	3																															
October 2016	10																															
November 2016	18																															
December 2016	4																															
January 2017																																
February 2017																																
March 2017																																

Service Area Operations **Priority 2: Enhance the quality of people's lives**


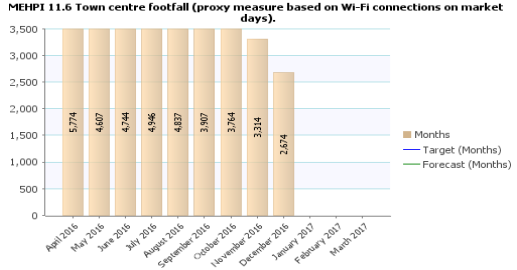

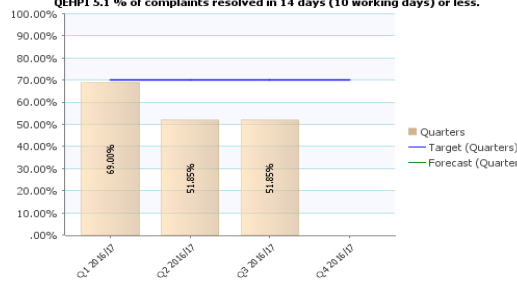
Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report

PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note																				
QEHP1 2.4 Fly-tips: removal.		1.45 days	2.00 days	↓	<p>QEHP1 2.4 Fly-tips: Time taken for removal.</p> <table border="1"> <thead> <tr> <th>Quarter</th> <th>Time taken (days)</th> </tr> </thead> <tbody> <tr> <td>Q1 2016/17</td> <td>1.88</td> </tr> <tr> <td>Q2 2016/17</td> <td>1.55</td> </tr> <tr> <td>Q3 2016/17</td> <td>1.45</td> </tr> </tbody> </table>	Quarter	Time taken (days)	Q1 2016/17	1.88	Q2 2016/17	1.55	Q3 2016/17	1.45	Q3 performance continues to be well within target even though the number of fly tips removed is greater than for the same period last year (Fly tips removed Q1-Q3, 841 in 2016/17 compared to 708 in 2015/16)												
Quarter	Time taken (days)																									
Q1 2016/17	1.88																									
Q2 2016/17	1.55																									
Q3 2016/17	1.45																									
MEHPI 2.2 Waste: missed collections per 100,000 collections of household		29.59	30	↑	<p>MEHPI 2.2 Waste: missed collections per 100,000 collections of household.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Missed collections per 100,000</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>26.02</td></tr> <tr><td>May 2016</td><td>27.02</td></tr> <tr><td>June 2016</td><td>22.02</td></tr> <tr><td>July 2016</td><td>26.06</td></tr> <tr><td>August 2016</td><td>24.82</td></tr> <tr><td>September 2016</td><td>26.05</td></tr> <tr><td>October 2016</td><td>34.94</td></tr> <tr><td>November 2016</td><td>24.78</td></tr> <tr><td>December 2016</td><td>29.59</td></tr> </tbody> </table>	Month	Missed collections per 100,000	April 2016	26.02	May 2016	27.02	June 2016	22.02	July 2016	26.06	August 2016	24.82	September 2016	26.05	October 2016	34.94	November 2016	24.78	December 2016	29.59	Although the missed collection rate remains under target we are disappointed that its has not fallen as expected for this time of year. This is a result of the changes in rounds settling down.
Month	Missed collections per 100,000																									
April 2016	26.02																									
May 2016	27.02																									
June 2016	22.02																									
July 2016	26.06																									
August 2016	24.82																									
September 2016	26.05																									
October 2016	34.94																									
November 2016	24.78																									
December 2016	29.59																									
MEHPI 191 Cumulative Annual Residual household waste per household.	Trend only	295kgs	none set	N/A	<p>MEHPI 191 Residual household waste per household.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Residual household waste (kg)</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>78</td></tr> <tr><td>May 2016</td><td>112</td></tr> <tr><td>June 2016</td><td>147</td></tr> <tr><td>July 2016</td><td>179</td></tr> <tr><td>August 2016</td><td>220</td></tr> <tr><td>September 2016</td><td>254</td></tr> <tr><td>October 2016</td><td>295</td></tr> </tbody> </table>	Month	Residual household waste (kg)	April 2016	78	May 2016	112	June 2016	147	July 2016	179	August 2016	220	September 2016	254	October 2016	295	As per the PI, this is a cumulative figure so, month by month the figure will always rise but year on year, waste per household remains down on last year which was 316kgs at this stage of the year				
Month	Residual household waste (kg)																									
April 2016	78																									
May 2016	112																									
June 2016	147																									
July 2016	179																									
August 2016	220																									
September 2016	254																									
October 2016	295																									


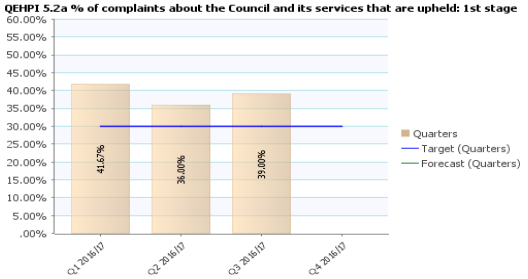
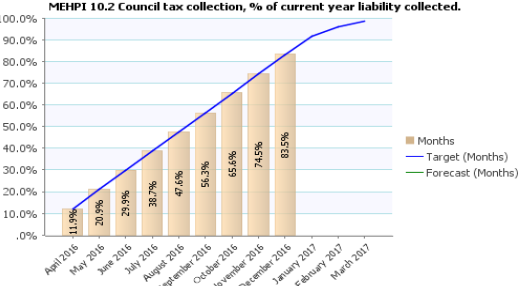
Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report																												
PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note																						
MEHPI 192 % of household waste sent for reuse, recycling and composting.	Trend only	50.25	none set		<p>MEHPI 192 % of household waste sent for reuse, recycling and composting.</p>  <table border="1"> <caption>MEHPI 192 % of household waste sent for reuse, recycling and composting</caption> <thead> <tr> <th>Month</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>50.47%</td></tr> <tr><td>May 2016</td><td>52.62%</td></tr> <tr><td>June 2016</td><td>54.17%</td></tr> <tr><td>July 2016</td><td>55.68%</td></tr> <tr><td>August 2016</td><td>55.11%</td></tr> <tr><td>September 2016</td><td>55.40%</td></tr> <tr><td>October 2016</td><td>50.23%</td></tr> <tr><td>November 2016</td><td>53.02%</td></tr> </tbody> </table>	Month	Value (%)	April 2016	50.47%	May 2016	52.62%	June 2016	54.17%	July 2016	55.68%	August 2016	55.11%	September 2016	55.40%	October 2016	50.23%	November 2016	53.02%	This continues to be high as a result of reduce waste tonnage and increased comingled tonnages. We anticipate hitting the 50% annual target.				
Month	Value (%)																											
April 2016	50.47%																											
May 2016	52.62%																											
June 2016	54.17%																											
July 2016	55.68%																											
August 2016	55.11%																											
September 2016	55.40%																											
October 2016	50.23%																											
November 2016	53.02%																											
Service Area Planning and Building Control <input type="checkbox"/> Priority 2: Enable a flourishing local economy																												
MEHPI 157a % Processing of planning applications dealt with in timely manner - Major applications.		75.00%	60.00%		<p>MEHPI 157a % Processing of planning applications dealt with in timely manner - Major applications.</p>  <table border="1"> <caption>MEHPI 157a % Processing of planning applications dealt with in timely manner - Major applications</caption> <thead> <tr> <th>Month</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>100.00%</td></tr> <tr><td>May 2016</td><td>100.00%</td></tr> <tr><td>June 2016</td><td>100.00%</td></tr> <tr><td>July 2016</td><td>92.00%</td></tr> <tr><td>August 2016</td><td>100.00%</td></tr> <tr><td>September 2016</td><td>78.00%</td></tr> <tr><td>October 2016</td><td>100.00%</td></tr> <tr><td>November 2016</td><td>100.00%</td></tr> <tr><td>December 2016</td><td>100.00%</td></tr> <tr><td>January 2017</td><td>75.00%</td></tr> </tbody> </table>	Month	Value (%)	April 2016	100.00%	May 2016	100.00%	June 2016	100.00%	July 2016	92.00%	August 2016	100.00%	September 2016	78.00%	October 2016	100.00%	November 2016	100.00%	December 2016	100.00%	January 2017	75.00%	3 out of 4
Month	Value (%)																											
April 2016	100.00%																											
May 2016	100.00%																											
June 2016	100.00%																											
July 2016	92.00%																											
August 2016	100.00%																											
September 2016	78.00%																											
October 2016	100.00%																											
November 2016	100.00%																											
December 2016	100.00%																											
January 2017	75.00%																											
MEHPI 157b % Processing of planning applications dealt with in timely manner- Minor applications.		94.00%	80.00%		<p>MEHPI 157b % Processing of planning applications dealt with in timely manner- Minor applications.</p>  <table border="1"> <caption>MEHPI 157b % Processing of planning applications dealt with in timely manner- Minor applications</caption> <thead> <tr> <th>Month</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>95.00%</td></tr> <tr><td>May 2016</td><td>93.00%</td></tr> <tr><td>June 2016</td><td>92.00%</td></tr> <tr><td>July 2016</td><td>93.00%</td></tr> <tr><td>August 2016</td><td>93.00%</td></tr> <tr><td>September 2016</td><td>95.00%</td></tr> <tr><td>October 2016</td><td>100.00%</td></tr> <tr><td>November 2016</td><td>88.00%</td></tr> <tr><td>December 2016</td><td>94.00%</td></tr> </tbody> </table>	Month	Value (%)	April 2016	95.00%	May 2016	93.00%	June 2016	92.00%	July 2016	93.00%	August 2016	93.00%	September 2016	95.00%	October 2016	100.00%	November 2016	88.00%	December 2016	94.00%	30 out of 32		
Month	Value (%)																											
April 2016	95.00%																											
May 2016	93.00%																											
June 2016	92.00%																											
July 2016	93.00%																											
August 2016	93.00%																											
September 2016	95.00%																											
October 2016	100.00%																											
November 2016	88.00%																											
December 2016	94.00%																											

Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report

PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note																										
MEHPI 157c % Processing of planning applications dealt with in timely manner- Other applications.		95.00%	90.00%	↓	<p>MEHPI 157c % Processing of planning applications dealt with in timely manner- Other applications.</p> <table border="1"> <caption>MEHPI 157c % Data</caption> <thead> <tr><th>Month</th><th>Value</th></tr> </thead> <tbody> <tr><td>April 2016</td><td>95.00%</td></tr> <tr><td>May 2016</td><td>95.00%</td></tr> <tr><td>June 2016</td><td>95.00%</td></tr> <tr><td>July 2016</td><td>97.00%</td></tr> <tr><td>August 2016</td><td>94.00%</td></tr> <tr><td>September 2016</td><td>95.00%</td></tr> <tr><td>October 2016</td><td>95.00%</td></tr> <tr><td>November 2016</td><td>86.00%</td></tr> <tr><td>December 2016</td><td>95.00%</td></tr> <tr><td>January 2017</td><td>95.00%</td></tr> <tr><td>February 2017</td><td>95.00%</td></tr> <tr><td>March 2017</td><td>95.00%</td></tr> </tbody> </table>	Month	Value	April 2016	95.00%	May 2016	95.00%	June 2016	95.00%	July 2016	97.00%	August 2016	94.00%	September 2016	95.00%	October 2016	95.00%	November 2016	86.00%	December 2016	95.00%	January 2017	95.00%	February 2017	95.00%	March 2017	95.00%	113 out of 119
Month	Value																															
April 2016	95.00%																															
May 2016	95.00%																															
June 2016	95.00%																															
July 2016	97.00%																															
August 2016	94.00%																															
September 2016	95.00%																															
October 2016	95.00%																															
November 2016	86.00%																															
December 2016	95.00%																															
January 2017	95.00%																															
February 2017	95.00%																															
March 2017	95.00%																															
MEHPI 205 % of site visits undertaken in relation to urgent cases within 2 workings days of 'start date'.		100%	100%	↔	<p>MEHPI 205 % of site visits undertaken in relation to urgent cases within 2 workings days of 'start date'.</p> <table border="1"> <caption>MEHPI 205 % Data</caption> <thead> <tr><th>Year</th><th>Value</th></tr> </thead> <tbody> <tr><td>2016/17</td><td>100%</td></tr> </tbody> </table>	Year	Value	2016/17	100%	1 out of 1																						
Year	Value																															
2016/17	100%																															
Service Area Governance and Risk Management ☐ Priority 3: Enable a flourishing local economy																																
MEHPI 8 % of invoices paid on time.		99.68%	98.50%	↓	<p>MEHPI 8 % of invoices paid on time.</p> <table border="1"> <caption>MEHPI 8 % Data</caption> <thead> <tr><th>Month</th><th>Value</th></tr> </thead> <tbody> <tr><td>April 2016</td><td>98.12%</td></tr> <tr><td>May 2016</td><td>98.33%</td></tr> <tr><td>June 2016</td><td>98.99%</td></tr> <tr><td>July 2016</td><td>99.08%</td></tr> <tr><td>August 2016</td><td>99.31%</td></tr> <tr><td>September 2016</td><td>98.42%</td></tr> <tr><td>October 2016</td><td>97.50%</td></tr> <tr><td>November 2016</td><td>99.68%</td></tr> <tr><td>December 2016</td><td>99.68%</td></tr> <tr><td>January 2017</td><td>99.68%</td></tr> <tr><td>February 2017</td><td>99.68%</td></tr> <tr><td>March 2017</td><td>99.68%</td></tr> </tbody> </table>	Month	Value	April 2016	98.12%	May 2016	98.33%	June 2016	98.99%	July 2016	99.08%	August 2016	99.31%	September 2016	98.42%	October 2016	97.50%	November 2016	99.68%	December 2016	99.68%	January 2017	99.68%	February 2017	99.68%	March 2017	99.68%	Target reached and exceeded
Month	Value																															
April 2016	98.12%																															
May 2016	98.33%																															
June 2016	98.99%																															
July 2016	99.08%																															
August 2016	99.31%																															
September 2016	98.42%																															
October 2016	97.50%																															
November 2016	99.68%																															
December 2016	99.68%																															
January 2017	99.68%																															
February 2017	99.68%																															
March 2017	99.68%																															
Service Area Communications, Strategy and Policy ☐- Priority 3: Enable a flourishing local economy																																

Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report						
PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note
MEHPI 11.6 Town centre footfall (proxy measure based on Wi-Fi connections on market days).	Trend only	3,764	none set		<p>MEHPI 11.6 Town centre footfall (proxy measure based on Wi-Fi connections on market days).</p> 	There were 2,674 distinct Clients for the December period with an average of 229 clients daily. This was a big drop in the previous month but this reflected the public holidays and days where many shops were shut
Supporting these Priorities: Service Area Communications Strategy and Policy.						
QEHP1 5.1 % of complaints resolved in 14 days (10 working days) or less.		51.85%	70.00%		<p>QEHP1 5.1 % of complaints resolved in 14 days (10 working days) or less.</p> 	14 out of 27 complaints were dealt with within 14 days/ 10 working days with Q3. Performance has been below target since the start of this year which is a concern. This has been raised at the council's leadership team and weekly reports on open complaints are being sent to all heads of service to ensure they are being dealt with in a timely manner. We hope to see an improvement in performance in Q4.

Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report

PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note																												
QEHP1 5.2a % of complaints about the Council and its services that are upheld: 1st stage		39.00%	30.00%		<p>QEHP1 5.2a % of complaints about the Council and its services that are upheld: 1st stage</p>  <table border="1"> <caption>QEHP1 5.2a % of complaints about the Council and its services that are upheld: 1st stage</caption> <thead> <tr> <th>Quarter</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr> <td>Q1-2016/17</td> <td>41.5%</td> </tr> <tr> <td>Q2-2016/17</td> <td>36.0%</td> </tr> <tr> <td>Q3-2016/17</td> <td>39.0%</td> </tr> <tr> <td>Target (Quarters)</td> <td>30.00%</td> </tr> </tbody> </table>	Quarter	Value (%)	Q1-2016/17	41.5%	Q2-2016/17	36.0%	Q3-2016/17	39.0%	Target (Quarters)	30.00%	<p>7 out of 18 complaints were upheld at stage 1 in Q3. 4 of the 7 related to missed bin collections which were always investigated in collaboration with the contractor. Performance on missed bin collections (EHPI 2.2) seldom falls over our set target of 30 per 100,000 households. One of the 7 related to a member of agency staff who was found to be rude towards a resident in the District. The other two related to a planning complaint and a Council Tax dispute. As per the above, performance has been below target since the start of this year which is a concern. This has been raised at the council's leadership team and weekly reports on open complaints are being sent to all heads of service to ensure they are being dealt with appropriately and to ensure we are learning from complaints where the council was at fault. We hope to see an improvement in Q4 of this year.</p>																		
Quarter	Value (%)																																	
Q1-2016/17	41.5%																																	
Q2-2016/17	36.0%																																	
Q3-2016/17	39.0%																																	
Target (Quarters)	30.00%																																	
Supporting these Priorities: Service Area Revenues & Benefits																																		
MEHPI 10.2 Council tax collection, % of current year liability collected.		83.50%	83.00%	N/A	<p>MEHPI 10.2 Council tax collection, % of current year liability collected.</p>  <table border="1"> <caption>MEHPI 10.2 Council tax collection, % of current year liability collected.</caption> <thead> <tr> <th>Month</th> <th>Value (%)</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>11.9%</td></tr> <tr><td>May 2016</td><td>20.1%</td></tr> <tr><td>June 2016</td><td>29.9%</td></tr> <tr><td>July 2016</td><td>38.7%</td></tr> <tr><td>August 2016</td><td>47.6%</td></tr> <tr><td>September 2016</td><td>56.3%</td></tr> <tr><td>October 2016</td><td>65.6%</td></tr> <tr><td>November 2016</td><td>74.5%</td></tr> <tr><td>December 2016</td><td>83.5%</td></tr> <tr><td>January 2017</td><td>83.5%</td></tr> <tr><td>February 2017</td><td>83.5%</td></tr> <tr><td>March 2017</td><td>83.5%</td></tr> <tr><td>Target (Months)</td><td>83.00%</td></tr> </tbody> </table>	Month	Value (%)	April 2016	11.9%	May 2016	20.1%	June 2016	29.9%	July 2016	38.7%	August 2016	47.6%	September 2016	56.3%	October 2016	65.6%	November 2016	74.5%	December 2016	83.5%	January 2017	83.5%	February 2017	83.5%	March 2017	83.5%	Target (Months)	83.00%	<p>PI slightly above targets which were based on 2015/16 period</p>
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Essential Reference Paper E: Q3 Leadership Team, Exec & CBS Quarterly report																																
PI Code & Name	Status	Latest Value	Target	Movement since last update	Performance Data Trend Chart	Notes & History Latest Note																										
MEHPI 10.4 NNDR (Business rates) collection, % of current year liability collected.		83.80%	83.40%	N/A	<p>MEHPI 10.4 NNDR (Business rates) collection, % of current year liability collected.</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Collection %</th> </tr> </thead> <tbody> <tr><td>April 2016</td><td>9.4%</td></tr> <tr><td>May 2016</td><td>20.0%</td></tr> <tr><td>June 2016</td><td>30.4%</td></tr> <tr><td>July 2016</td><td>38.9%</td></tr> <tr><td>August 2016</td><td>47.5%</td></tr> <tr><td>September 2016</td><td>55.0%</td></tr> <tr><td>October 2016</td><td>64.4%</td></tr> <tr><td>November 2016</td><td>75.5%</td></tr> <tr><td>December 2016</td><td>83.8%</td></tr> <tr><td>January 2017</td><td></td></tr> <tr><td>February 2017</td><td></td></tr> <tr><td>March 2017</td><td></td></tr> </tbody> </table>	Month	Collection %	April 2016	9.4%	May 2016	20.0%	June 2016	30.4%	July 2016	38.9%	August 2016	47.5%	September 2016	55.0%	October 2016	64.4%	November 2016	75.5%	December 2016	83.8%	January 2017		February 2017		March 2017		PI slightly above targets which were based on 2015/16 period
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PI Status

Performance is 6% or more off target	
Performance is on target or exceeding target	
No target to set performance against	Trend Only
Latest data unavailable - last data shown	

Movement since last period

Value is higher than previous period & this is positive movement	↑
Value is higher than previous period but this is negative movement	↑
Value is lower than previous period but this is positive movement	↓
Value is lower than previous period & this is negative movement	↓
Value is the same as previous period	▬
N/A -Cumulative so will always be above previous period	n/a

EAST HERTS COUNCIL

JOINT MEETING OF SCRUTINY COMMITTEES – 14 FEBRUARY 2017

REPORT BY THE HEAD OF HOUSING AND HEALTH AND HEAD OF STRATEGIC FINANCE AND PROPERTY

DIVERSIFICATION OF INVESTMENTS: ESTABLISHMENT OF A PROPERTY INVESTMENT COMPANY

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- This report discusses the case for diversifying East Herts Council's investment portfolio by establishing a property investment company, wholly owned by East Herts Council.
- The company would form part of the council's overall portfolio of investments aimed at generating a revenue income stream to fund the council's priorities in the context of diminishing subsidy and grants from government.
- A property investment company would act in the market place to acquire properties and let them at market rents. Although principally conceived of as a vehicle for renting out residential properties, the company could, if financially advantageous, acquire and let commercial properties.
- It is envisaged that while a commercial endeavour, investment in property could yield a number of wider community benefits, notably:
 - providing income to protect existing council services and/or fund emerging priorities
 - acting as a good private sector landlord, putting increasing pressure on poorer landlords to improve
 - providing a potential 'last resort' action to tackle poor standards in the private sector and/or remedy empty properties where both informal advice and enforcement have failed
 - increasing the availability of good quality private rented accommodation for those on short-term placements with local employers.

RECOMMENDATION FOR JOINT MEETING OF SCRUTINY:

That:

(A)	The case for establishing a property investment company be considered and Members' comments be forwarded to the Executive for when it considers the proposal to set up a company.
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1.0 Background: the financial challenges facing the council

1.1 East Herts Council, like many local authorities, is facing reductions in subsidy and grants from central government and so is finding it increasingly challenging to fund both existing services and emerging priorities.

1.2 The Medium Term Financial Plan has highlighted:

- Revenue Support Grant funding from central government reduces from £1,145k in 2016/17 to £351k in 2017/18 and then reduces to zero from 2018/19. This is a significant loss in funding within the MTFP.
- New Homes Bonus reforms have reduced the amount of grant received and have added a baseline amount which puts future funding at risk.
- DCLG include in their assumptions that Council Tax will be increased by at least the referendum limit amount, £5 for East Herts Council, each year until 2019/20
- The proposed move to 100% Business Rates Retention will place additional risk to the future funding of local government from 2019/20. The tariff/top-up system will remain in the reformed scheme limiting the amount of Business Rates income that East Herts Council retains.
- The funding formula which DCLG use to determine the baseline funding need for each Local Authority will also be revised significantly from 2019/20. This may also have a significant effect on the Business Rates income that East Herts Council retains.

1.3 Within this context, Officers will need to identify options to put to Members to increase returns on assets held and maximise the opportunities for revenue generation.

Investing to generate income

- 1.4 The council has made a number of investment decisions to date with the aim of securing a revenue return on assets held. The council's approach to investment is laid out in its Treasury Management Strategy, devised to be compliant with CIPFA's Prudential Code. CIPFA defines effective treasury management as:
- The management of the Local Authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 1.5 The Council's Investment Strategy is contained within the Treasury Management Strategy. The Investment Strategy is set with regard to the CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes. The Council's investment priorities are security first, liquidity second, then return.
- 1.6 In accordance with the above guidance from the DCLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk, detailed in the Investment Strategy.
- 1.7 Holding diversified forms of investment is a well-established way of mitigating risk. At present, the council has deployed its resources in a number of ways, principally:
- holding cash on deposit in the bank/short term investments
 - investing in property funds
 - investing directly in commercial property.
- 1.8 Each form of investment has a different profile in terms of security, liquidity and yield offered. For example, holding money in the bank is both secure and liquid, but yields are currently extremely low. Property funds, on the other hand, are more volatile and less liquid but offer higher yields.
- 1.9 These investments provide revenue resources for the council to direct towards its priorities, rather than providing community benefits in themselves, as detailed in the MTFP.

Diversifying the council's investment portfolio further through investment in residential property

- 1.10 This paper proposes to further mitigate the inherent risk, however slender, associated with higher yield investments by investing in property, principally residential, through a wholly-owned company.
- 1.11 In the first instance, the company would receive five properties owned by the council. This would ensure these properties are held and managed on a sound footing avoiding any confusion as to whether they could be counted as 'council houses' subject to the various inherent controls and conditions this would imply. The company would then acquire residential properties on the open market and let them at market rents.
- 1.12 If financially advantageous, the company could propose to its shareholder, that is, the council, the acquisition of commercial property too.

2.0 A property investment company: how would it work?

- 2.1 The respective roles of the council and the company would be as follows.

	Council's responsibility	Company's responsibility
Sets up the company	✓	
Appoints directors	✓ <i>acting as the shareholder</i>	
Drafts annual business plan covering proposals for: <ul style="list-style-type: none"> • acquiring properties in the coming year • financial resources required from the council • use of profits within the company or paid as dividends to the shareholder 		✓
Approves (or otherwise) the annual business plan for the company	✓ <i>acting as the shareholder</i>	
Provides financial resources and defines the terms of loans, equity	✓ <i>acting as the</i>	

	Council's responsibility	Company's responsibility
investment, shareholder loans of similar	<i>shareholder (for equity investment / shareholder loans) acting as 'banker' (for commercial loans)</i>	
Negotiates property purchases		✓ <i>the company may purchase this service from the council</i>
Lets, manages and maintains properties on a day-to-day basis (through agents unless more cost-effective to do so directly)		✓
Determines whether / when to dispose of properties	✓ <i>acting as the shareholder based on recommendations from the company</i>	
Determines use of revenue income to the council stemming from lending and recharges to the company and dividends from the company	✓	

- 2.2 The table above indicates that although the company would be managed on a day-to-day basis by its board of directors, decisions on key aspects of the company's operations would be reserved for the shareholder, that is, the council.
- 2.3 The principle mechanism by which the shareholder would guide its company is through the approval, or otherwise, of the company's annual business plan. The exact contents and format of this business plan would be governed by the Articles of Association and Shareholder Agreement. Both are legal documents to which the council and company would adhere.

Potential community benefits derived from a property investment company

- 2.4 The primary role of a property investment company as proposed is to generate revenue income and capital growth. The nature of the company's operation would, however, also generate community benefits in the following ways:
- providing revenue income to combine with that from the council's property bonds and other investments to protect existing council services and/or fund emerging priorities
 - acting as a good landlord in the private housing rental market. East Herts is not immune to the activities of poor private landlords. For example, the Environmental Health team are currently dealing with 27 private sector housing complaints / cases of proactive action, including seven actions against houses in multiple occupation and four actions against particularly 'rogue' private landlords. This workload covers significant fire risks and instances of poor quality heating (excess cold risk). Anything to provide higher quality private rental alternatives is to be welcomed
 - providing a means of 'last resort' when working with poor private landlords and/or the owners of empty properties where engagement and enforcement action has failed to remedy the situation
 - providing good quality private lettings for professionals on short-term placement with East Herts' major employers, for example, GSK, Tesco and local hospitals.

- 2.5 The above community benefits would not, however, fetter the shareholder in using the company to acquire property outside of East Herts should this be considered financially beneficial for the council.

Legal basis of the company

- 2.6 Trowers and Hamblins provided detailed advice on the legal aspects of establishing a company as proposed; the information in this section of the report has been taken from the advice provided.
- 2.7 Section 1 of the Localism Act 2011 provides local authorities with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the 'general power of competence'. A Local Authority may exercise the general power

of competence for its own purpose, for a commercial purpose and/or for the benefit of others.

- 2.8 In exercising this power, a Local Authority is still subject to its general duties, such as the fiduciary duties it owes to its rate and local tax payers and to the public law requirements to exercise the general power of competence for a proper purpose.
- 2.9 Section 4 of the Localism Act 2011 requires that where a Local Authority exercises the general power of competence for a commercial purpose it **must** do this through a company.
- 2.10 Section 95 of the Local Government Act 2003 is also of relevance. The associated regulations, Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009, require a business case to be prepared and approved by the council before a company starts trading. The financial business case would form part of a future report seeking resources for the company. This is outside of the matter under consideration in this report, that is, the case for establishing a property investment company.

Form of company and proposed governance arrangements

- 2.11 The Localism Act 2011 defines which forms of company a Local Authority can use to trade. These are; a company limited by shares, a company limited by guarantee and a community benefit society. Of note, a limited liability partnership is not an available legal structure.
- 2.12 The legal advice provided by Trowers and Hamlins is that the company should be a company limited by shares. This form of company complies with the ability to trade provisions set out within the Localism Act 2011. East Herts Council would own the entire share capital. There are certain requirements that would apply to the company, some of which are statutory such as the obligation to file annual returns and accounts, while others the council would be able to determine itself, including the governance arrangements.
- 2.13 It is proposed that the governance of the housing company would be as follows.

Body	Role
East Herts Council would be the sole	Full Council making decisions reserved for the shareholder in the company's articles of association and shareholder

Body	Role
shareholder	agreement. Such decisions would include the approval of the company's business plan on an annual basis
A group of three elected Members would form a shareholder advisory group	Appointed by the Leader of the Council acting in consultation with the Chief Executive, this group would exercise oversight of the company's reports and performance, provide strategic guidance and advise to full Council when it is exercising its rights and responsibilities as the shareholder
The company's Board of Directors	This body would manage the affairs of the company on a day-to-day basis. It is proposed that in the first instance all directors would be Officers of the council, who would not receive any additional remuneration for this role. In time, there may be provision for additional independent directors appointed for their expertise in regard to property management, finance and the like; independent directors would probably require some remuneration

2.14 While the company's Board of Directors would manage the company's affairs on a day-to-day basis, the council would have a number of ways in which it could legitimately guide the activity of the company, including:

- as the shareholder – appointing and removing directors, signing off the company's annual business plan, and signing off any changes to the company's Memorandum and Articles of Association, and making any other decisions reserved for the shareholder in the articles and shareholder agreement
- as a funder – deciding whether or not to make loans to the company and setting the terms of these loans
- as an owner of properties and/or land – making available properties and/or land to the company.

2.15 It is envisaged that the company would not employ its own staff during its early stages of operation, and indeed perhaps not

unless approval is given in future to embark on housing development. It is believed that the necessary skills, at the initial stages, are available in-house or readily available in the local market, notably regarding property management.

2.16 For avoidance of doubt, the company would only be able to purchase properties in line with the annual business plan approved by the shareholder, that is, the council. In this way, the shareholder has the ability to approve, or otherwise:

- whether the company procures any properties in the forthcoming year, including perhaps setting minimum or maximum caps on the number of properties acquired
- whether the company divests itself of any properties
- gross rental yields that would be acceptable to the shareholder
- the circumstances in which finance will be provided and the conditions attached to this.

2.17 The company's directors would, of course, be obliged under the Companies Act 2007 to ensure that the company's financial circumstances are sound. It is envisaged that through on-going dialogue between the directors of the company and the council, principally represented through the shareholder advisory group, the company would be able to frame its draft annual business plan in line with the aims of its shareholder.

3.0 Financial matters

3.1 Once established, a financial business case would need to be made to full Council to identify and allocate capital resources. This business case would form the company's first annual business plan. The scale of investment would be solely the decision of the shareholder (the Council).

3.2 As noted above, Section 95 of the Local Government Act 2003 and the associated regulations, Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009, require a business case to be prepared and approved by the council before a company starts trading.

- 3.3 In pursuance of establishment of a property investment company, modelling by the Housing and Health and Finance services, acting on advice from PwC, indicates that property purchase and rental can generate revenue returns for the council from interest on loans from the council to the company, recharges to the company for Officer time and profits made available as dividends.
- 3.4 The future request for capital allocation will be subject to scrutiny and consideration at the time. The matter under consideration in this report, the case for establishing a property investment company, does not fetter Members later consideration of whether or not to provide funding and, if so, how much.

Financial viability

- 3.5 Initial modelling conducted by the Housing and Health and Finance departments indicates that a property investment company as proposed would be financially viable under a series of scenarios.
- 3.6 Financial viability details would be presented to Members, should the decision have first been taken to establish a company, at the time at which the company's first business plan is submitted for scrutiny and approval. See **Essential Reference Paper 'B'** for a summary of questions raised to date about financial viability and others issues along with answers.
- 3.7 For the avoidance of doubt, regular reviews of the company and the market would take place at which time the council (shareholder) could decide to invest more, invest less, diversify or sell the portfolio depending on the market conditions. The shareholder would retain full control with the ability to respond quickly to opportunities as they arose.

4.0 Implications/Consultations

- 4.1 Information on 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 (delete as appropriate):</p>	<p>Priority 1 – Improve the health and wellbeing of our communities</p> <p>Priority 2 – Enhance the quality of people's lives</p> <p>Priority 3 – Enable a flourishing local economy</p> <p>The proposal is to set up a property investment company which will deliver quality homes in the private rental market and then consider the feasibility of building homes, including affordable homes in line with the council's planning policies.</p> <p>The provision of quality housing in all tenures plays a crucial role in meeting all three priorities, particularly, enhancing people's lives.</p>
<p>Consultation:</p>	<p>The proposals have been developed internally.</p>
<p>Legal:</p>	<p>Trowers and Hamblins solicitors have provided detailed advice on the legal aspects of establishing a housing company. Of note, Section 1 of the Localism Act 2011 provides local authorities with the power to do anything an individual may do, subject to a number of limitations. This is referred to as the 'general power of competence'. Section 4 of the Localism Act 2011 requires that where a local authority exercises the general power of competence for a commercial purpose it must do this through a company.</p> <p>Section 95 of the Local Government Act 2003 is also of relevance. The associated regulations, Regulation 2 of the Local Government (Best Value Authorities) (Power to Trade) (England) Order 2009, require a business case to be prepared and approved by the Council before a company starts trading. This report includes the first draft of a business case for the housing company.</p>
<p>Financial:</p>	<p>Financial modelling has been developed by the Heads of Housing and Health and Finance and Property. Assumptions regarding tax have been included based on advice from PwC. The model is</p>

	<p>based on the acquisition of 25 properties over the first five years of the company's operation.</p> <p>Further financial information will be provided following the approval to set up a company</p>
Human Resource:	<p>There are no TUPE implications.</p> <p>It is envisaged that the company would not employ its own staff during its early stages of operation, and indeed perhaps not unless approval is given in future to embark on housing development.</p>
Risk Management:	<p>The overall project group has considered the risks of the project and risk log is regularly reviewed.</p>
Health and wellbeing – issues and impacts:	<p>The proposal is to set up a property investment company that will deliver quality homes in the private rental market and then consider the feasibility of building homes, including affordable homes in line with the council's planning policies.</p> <p>The provision of quality housing in all tenures plays a crucial role in meeting all three priorities, particularly, enhancing people's lives.</p>

Essential Reference Paper B: Answers to key questions raised about the proposals

Question	Answer
<p>Have any other Councils set up such a company?</p>	<p>Yes.</p> <p>While there is no central record of the number of such companies, a recent article by Trowers and Hamlins law practice, which has advised a number of councils on setting up housing companies (including East Herts Council) suggests around 40-50 companies have been set up (investment and development companies) with some 20-30 already having provided properties.</p>
<p>How would the council generate revenue income by setting up a property investment company?</p>	<p>There is now an established model for how councils generate income from property companies. Income would come from three sources:</p> <ul style="list-style-type: none"> • interest on money lent by the council to the company – this is the primary source of income • recharges to the company for time spent by council staff on company business – essentially, the council would sell its services to the company • dividends from the company to the council from the profits made by the company.

Question	Answer
How many properties would the company need to acquire to make it viable?	<p>The company provides a revenue income to the council of around £10,000 per year per property owned, with potential capital growth on the value of the assets.</p> <p>The model is scalable starting with the transfer of the five properties currently held by the council.</p> <p>A larger portfolio would enable greater opportunities for economies of scale in terms of costs and thus higher revenue income to the council per property held by the company.</p> <p>Through the shareholder's (council's) approval of the company's business plan each year, the number of properties to be acquired in the coming year(s) would be set.</p>
What is the modelled return?	<p>The 30 year business plan is based on realistic figures for property acquisition and maintenance costs, rental income, costs of management, inflation and so on.</p> <p>A portfolio of 25 properties acquired over five year could give an implied annual rate of return to the council of 5.86%.</p>
How does the modelled rate of return compare with other investments?	<p>Cash held in the bank currently earns 0.7% interest a year.</p> <p>Property bonds held by the council received a rate of return of 7% gross in the last 18 months. This is a variable rate of return and is not guaranteed, furthermore this excludes the 1% cost of bond acquisition and 2% cost of disposal. Note: the figures quoted for the proposed investment company are net of the costs of entry to and exit from the bond market.</p>

Question	Answer
<p>What if the costs to company rise more sharply than expected without income rising to same degree? Would the company still be viable?</p>	<p>Various pessimistic scenarios of higher than anticipated cost inflation and lower than expected income inflation have been modelled. In these circumstances the council is still able to generate revenue income, largely because the primary income stream – interest on the loan(s) to company – remains unchanged. The level of income is, of course, reduced to a degree by adverse inflationary movement but the company remains viable.</p> <p>Residual property is a relatively liquid asset when compared with, say, commercial property holdings, and so if financially expedient the shareholder could require the company to dispose of some/all of its assets.</p>
<p>Would there be any wider community benefits to setting up a property investment company?</p>	<p>Yes.</p> <p>While the primary aim of the proposed company is to provide revenue income for the council, investing in the property market, particularly the residential property market, has community benefits, notably:</p> <ul style="list-style-type: none"> • providing income to protect existing council services and/or fund emerging priorities • acting as a good private sector landlord, putting increasing pressure on poorer landlords to improve • providing a potential ‘last resort’ action to tackle poor standards in the private sector and/or remedy empty properties where both informal advice and enforcement have failed • increasing the availability of good quality private rented accommodation for those on short-term placements with local employers.

Question	Answer
<p>Would tenants of the company have the right-to-buy?</p>	<p>No.</p> <p>The tenants would have a tenancy agreement with a private landlord. Private tenants do not have the right-to-buy, nor are officers aware of any consideration being given nationally to extending the right-to-buy to tenants of private landlords.</p> <p>The right-to-buy is a 'condition' of secure tenancies offered by councils – that is, the default tenancy for council housing. In addition, more recently, housing associations are able on a voluntary basis to offer the right-to-buy to their tenants. In this latter case, the government has agreed to compensate the associations for the impact of the right-to-buy discount offered.</p>
<p>Would it be better for the company to buy properties in lower value areas, rather than East Herts?</p>	<p>Should the shareholder (the council) wish, it could agree to the company purchasing properties outside of East Herts. Modelling indicates that slightly higher returns could be achieved by acquiring residential properties in nearby towns.</p>

Question	Answer
<p>Could the council simply provide a loan covering 100% of the company's needs rather than investing money without any interest accruing?</p>	<p>The council would be obliged under Market Economy Investor (and Lender) Principle and State Aid regulations to make loans to a company to which it is connected (that is, a company it owns) in a way a third party lender would. It is extremely unlikely that a new company without any financial equity or track record could access a loan covering 100% of its needs. Advice suggests a 65% loan would be advisable, although this could be slightly higher if the company could meet the repayment costs.</p> <p>Other councils have reported making 100% loans to their companies. In fact, this '100% loan' consists of a loan with 0% interest coupled with a loan at commercial interest rate. The overall interest rate is then a combination of the 0% rate and the commercial rate, that is, the council receives a below market rate on its overall commitment.</p> <p>In terms of interest payable by the company to the council, this approach is identical to East Herts proposed approach of more clearly differentiating equity and debt. East Herts' proposed approach has the added benefit of avoiding the problem of the company's finances being based on thin capitalisation (that is, too much debt) which would compromise its tax position. Furthermore, more detailed tax advice would be sought to ensure the most advantageous tax arrangements are put in place.</p>
<p>Could the council invest in other ventures and vehicles?</p>	<p>So long as the investment is not prohibited by CIPFA's Prudential Code, the council could invest in other ventures and vehicles and indeed it is anticipated that in coming years other opportunities will be brought to members' attention.</p> <p>All options will need to be closely scrutinised in terms of liquidity, security and yield along with their compatibility and compliance with the council's Treasury Management and Investment Strategies.</p>

Question	Answer
<p>If the proposal is primarily a lending business, what is our scope for lending to other bodies and what sort of yield could we achieve?</p>	<p>A council does have the ability to lend to other bodies. The council must be satisfied that appropriate legal advice has been obtained for several reasons.</p> <p>The council must ensure that State Aid obligations are not being breached. The council must act in line with the Market Economy Investor Principle. The Council would need to assess the yield on each loan on its own merits to demonstrate that the loan is a prudent use of the council's resources and such that any other lender (e.g. banks) would have a provided a loan on similar terms.</p> <p>The council must act within the scope of its investment strategy which determines acceptable credit ratings for investments/lending.</p> <p>There may be a need to register with the Financial Conduct Authority if there is not an exemption under the Financial Services and Markets Act 2000 (Regulated Activities) Order 2001.</p> <p>In addition to these considerations the council must also ensure that it has acceptable security against any loan to provide mitigation in the event of default on the loan.</p>
<p>Could the company invest in commercial property?</p>	<p>Yes, the articles of association could allow this.</p>
<p>Would it be better to just sell the five residential properties the council owns?</p>	<p>While possible, arguably this approach has its disadvantages given the location of the properties – two are within parks – and the loss of control over the future use of the properties.</p> <p>In addition, disposal would only give a one-off capital receipt; rental through a property investment company would provide a revenue income stream to the council of around £10,000 a year.</p>

Question	Answer
What is the expected performance review period?	It is proposed that the company would be required to produce an annual business plan which would require the shareholder's (council's) approval. In this way, the shareholder can legitimately guide the activities of the company. In addition, performance would be reviewed quarterly by members on the proposed Shareholder Advisory Group.

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