INTEGRATED PLAN

PART F – CAPITAL AND INVESTMENT MANAGEMENT STRATEGY AND INVEST TO TRANSFORM

Capital and Investment Strategy

1 Introduction

This Strategy sets out how HCC will use its resources (capital grants and contributions; revenue including reserves; surplus assets; capacity to borrow) to invest in capital and other schemes that will provide:

- **Maintenance of Infrastructure** – to support service delivery. May range from major highways or schools expansion projects, to programmes for equipment replacement. All bids are subject to business case, and should support new ways of delivering services;
- **Invest to Reduce / Avoid Costs** – projects which will reduce running costs, or avoid costs (capital or revenue) that would otherwise arise;
- **Invest to Generate Return –** either revenue streams or enhanced capital receipts. These in turn will help meet budget pressures and/or provide future capital resources;
- **Invest to Enable** – spend that supports transformation in the way services are provided, to achieve improved outcomes and/or generate efficiencies;
- **Invest to Invest** – projects that will unlock future service potential, asset values or funding streams.

These are delivered via:

- the Capital Programme
- Invest to Transform Fund
- Invest to Achieve Capital Receipts fund
- Revenue projects met within service budgets or from grants/contributions.

Details of the Capital Programme and its funding are set out in IP Overview (part A). All schemes in programme years 2017/18 to 2018/19 have been reviewed to confirm that the budget is still required for its original purpose, and to make adjustments for changes in external funding and cashflow profiles. The table overleaf shows all new schemes and increases in existing schemes.

New and Additional Capital Bids

a) New Capital Bids

Scheme	Total Additional Cost 2017/18	HCC Funding 2016/17	External Funding 2017/18	Total Additional Cost 2017/18 - 2019/20	Total HCC funding 2017/18 - 2019/20	Total External funding 2017/18 - 2019/20
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	£'000
Telecare Equipment	**300**	300	-	**900**	900	-
Primary Expansion Programme Phase 7	**2,917**	-	2,917	**8,750**	-	8,750
New School Developments	**1,843**	-	1,843	**44,343**	-	44,343
Energy Performance Certificate Property Improvements	**200**	200	-	**550**	550	-
Acquisition of Assets, Hertford (Leahoe)	**2,500**	2,500	-	**2,500**	2,500	-
Acquisition of land, Stevenage	**7,870**	7,870	-	**8,370**	8,370	-
Reduced office accommodation "25 by 20" Project	**250**	250	-	**750**	750	-
A120 – Standon Highway Improvements	**100**	100	-	**1,600**	1,500	100
Broadband Delivery Project Phase 3	**-**	-	-	**1,855**	807	1,048
LED Street Lighting Programme Phase 4	**6,167**	6,167	-	**18,500**	18,500	-
Replacement of Belisha Beacons	**84**	84	-	**84**	84	-
	22,231	**17,471**	**4,760**	**88,202**	**33,961**	**54,241**

b) Revised Capital Bids

Scheme	Total Additional Cost 2017/18	HCC Funding 2017/18	External Funding 2017/18	Total Additional Scheme Cost	Total additional HCC funding	Total External funding
	£'000	*£'000*	*£'000*	*£'000*	*£'000*	*£'000*
Loss of Adult Social Care grant –funds Health & Community programme excluding Quantum re-provision	**2,400**	2,400	-	**7,200***	7,200	-
Day Services Modernisation	**2**	2	-	**2**	2	-
Accommodation for Independence (A4IP)-conversion of residential care premises	**(200)**	(200)	-	**100***	100	-
A120 Little Hadham Bypass	**(12,205)**	500	(12,705)	**-**	500	(500)

Scheme	**Total Additional Cost 2017/18**	**HCC Funding 2017/18**	**External Funding 2017/18**	**Total Additional Scheme Cost**	**Total additional HCC funding**	**Total External funding**
– re-phasing						
Croxley Rail Link	**0**	-	-	**52**	52	-
Fire Vehicle Replacement Programme	**453**	453	-	**1,600***	1,600	-
Fire Equipment Replacement Programme	**62**	62	-	**256***	256	-
Community Protection ICT Equipment	**303**	303	-	**939***	939	-
Fire Duty Officer Vehicle Capital Procurement Replacement Scheme	**41**	41	-	**52***	52	-
ICT Refresh budget and Refresh Mobile Computing Devices	**789**	789	-	**2,967***	2,967	-
Touchdowns - deliver new and upgrade existing facilities	**150**	150	-	**150**	150	-
HBS Vehicles	**-**	-	-	**581***	581	-
Maintenance of carriageway assets to prolong serviceable life	**3,685**	2,392	1,293	**8,469***	7,176	1,293
Highways Drainage Resilience	**1,000**	1,000	-	**3,000***	3,000	-
Footway & Cycleway Maintenance	**900**	900	-	**2,700***	2,700	-
Rail Improvement Projects	**(86)**	(86)	-	**414**	414	-
Street lighting refurb and emergency maintenance	**318**	318	-	**2,685**	2,685	-
TOTAL	**(2,388)**	**9,024**	**(11,412)**	**31,167**	**30,374**	**793**

*****for annual provisions, additional costs are those over 2017/18 – 2019/20 levels

The current position on the Invest to Transform Fund and Spend to Achieve Capital Receipts Fund are set out in sections 5 and 6 below.

2. Funding

2.1 Overview

Capital and investment projects may be funded by external grants and contributions, borrowing (external or by using internal balances), capital receipts, reserves and from the revenue budget. These are limited by the availability of each resource and its affordability.

The first call for financing should be against external resources:

a) Ringfenced grants and contributions; and

b) Non-ringfenced grants, S106 and other contributions – as there is some discretion on the use of these, services will provide robust business cases that show how the scheme meets overall Capital Programme priorities.

The balance of funding will come from the county's internally generated resources: capital receipts, borrowing, and/or revenue and revenue reserves. In recent years the Council's policy has been to generate receipts from its surplus assets and use 100% of these to fund capital spend. Revenue underspends and reserves have also been used to fund capital and minimise borrowing and its associated revenue costs. There has been no new long term borrowing since 2011, and any borrowing requirement has been met from internal borrowing i.e. the use of the Council's cashflow balances to fund capital spend.

2.2 Affordability of funding sources – capital receipts and borrowing

Current lower interest rates make borrowing relatively attractive, particularly where capital investment will generate revenue benefits through additional income or reduced costs. At the same time, the Property Company project has identified surplus sites that may be suitable for development to generate a revenue income stream, with the possibility of future capital receipts (see section 3 Asset Management Strategy below).

In the short term, this approach will reduce the level of capital receipts available to fund the capital programme and increase the need to borrow. The affordability of these funding options will depend on the balance of borrowing costs (both interest and the provision required for the repayment of principal) against these revenue streams. Borrowing is a relatively expensive option for short life assets, because of the requirement to provide for repayment of principal over the life of the asset. Assets with lives of 10 years or less comprise £9 - £10m of each year's programme: it is advisable to finance these from capital receipts or reserves, to minimise the short term impact on the revenue budget.

For every £1m borrowing, there is a revenue charge for actual interest payable, and a charge for the repayment of principal over the life of the asset (the Minimum Revenue Provision or MRP). This can be significant, especially for short life assets:

Annual MRP per £1m asset with 5 year life	£200,000 pa for 5 years
Annual MRP per £1m asset with 35 year life	£28,570 pa for 35 years

Decisions on the use of surplus assets therefore need to balance the costs and gains of generating a capital receipt against the costs and gains of using the asset to generate revenue.

The Council's current strategy is to use capital receipts to fund short life assets (typically up to £10m pa of the capital programme). In addition, the 2016/17 IP assumed an annual topslice of £3m capital receipts for the Invest to Achieve Receipts fund, for spending that enhances the value /deliverability of future receipts. Spend to this level is already planned for 2017/18 (see section 6).

2.3 Affordability of funding sources – revenue and reserves

Pressures on the revenue budget mean that there will be very limited availability of revenue resources and reserves during this Integrated Plan period.

Proposed changes to Minimum Revenue Provision (MRP) Policy, outlined in the Treasury Management Strategy (Part D of the IP pack), will generate an estimated one-off revenue saving of £19m. It is proposed that this is set aside in an Investment Reserve to be used for capital financing or related investment, hence reducing future years' MRP. The proposed Capital Programme funding assumes £10m pa use of capital receipts, with any shortfall in available receipts being met from this reserve. The reserve will also be used to fund Invest to Achieve capital receipts schemes: £3m is proposed for 2017/18, with subsequent years to be agreed in future Integrated Plans.

The Council will receive £10m repayment of advances made under the Local Authority Mortgage Scheme (LAMS) across 2017/18 and 2018/19, and which are required to be treated as capital receipts. It is proposed that these be used for capital spend to establish the Property Company and to provide funds to be able to respond more rapidly to property or other investment opportunities, including via the Invest to Transform fund (section 5) .

The summary capital programme funding for 2017/18 -2019/20 is shown in the table below.

	2017/18	**2018/19**	**2019/20**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Borrowing	75,448	71,463	61,216	**208,127**
Capital Receipts	10,000	10,000	10,000	**30,000**
Grant	94,966	74,219	60,555	**229,740**
Contributions	36,037	58,860	43,594	**138,491**
Reserves	2,836	1,000	1,750	**5,586**
Total	**219,287**	**215,542**	**177,115**	**611,944**

3 Asset Management Strategy

The Council's Asset Management Strategy sets a framework to ensure that current assets are the right fit for current service delivery, and that opportunities are taken to generate reduced costs or create revenue streams. Approaches for the different asset types are set out below.

3.1 Property

The Hertfordshire estate includes:

- 4 large office sites;
- 240 smaller properties for direct service delivery;

- 440 assets let for service use, for example rented to strategic partners (eg Quantum) or 3rd sector partners;
- 300 assets in the rural estate (over 11,000 acres) let for rural business use and public access to green space; and
- 450 assets held with no anticipated service use.

In managing these properties. the Council has set a target 25% reduction in office space by 2020 (the "25 by 20" project) and work is under way to develop touchdowns, adapt office space and relocate staff, supported by Smartworker technologies and ways of working.

It is also working with other local bodies in the "One Public Estate", a cross county programme of developments, focussing on reducing and renewing service assets and delivering housing opportunities.

Property Development Programme

Through the Property Development Programme, the Council has been investigating options to develop a number of small and large assets to deliver housing and business / commercial premises, using appropriate delivery vehicles. This approach is facilitated by the Localism Act 2011, which provided wide ranging powers, including the general power of competence, which allows councils to act on a more commercial basis, including through the use of corporate vehicles.

The Programme proposes a new approach to the disposal and development of the council's assets, which would allow the council to benefit from the development proceeds, as opposed to securing upfront land value only. This is likely to provide stronger capital returns and offer the opportunity to retain some of the built assets, which would be transferred into a property investment company, with the objective of generating a new long term revenue stream for the council.

The Property team, supported by external advisers, have identified a good market appetite to work with the council in the development of its surplus asset portfolio. The recommended approach is a joint venture partnership, and soft market testing for 12 initial sites will take place early in 2017.

3.2 Highways Infrastructure

The Council is responsible for maintaining **5,112 km** of roads. The underlying strategy for maintaining the network is:

- To discharge HCC's statutory duty under the Highways Act to maintain the public highway in a safe condition, thus ensuring the safe and efficient movement of people and goods in line with the hierarchy.
- To extend the life of public highway assets and ensure they reach their full service potential as efficiently and effectively as possible by adopting an asset management approach that seeks to minimise whole life costs for a given level of service and maximise the benefits gained from the available investment.

A well-maintained and effective highway network supports economic wellbeing by allowing the fast and efficient movement of people and goods around the County. It also allows vehicles to operate more efficiently and reduces disruption to the network, reducing operating costs and the carbon footprint. A target level of maintenance is set which will provide optimal returns in reduced future maintenance, lower risk of accident and minimised disruption to the roads network.

The Council has invested in an extensive programme of streetlighting, converting to LEDs which reduce energy consumption and also allow for more efficient maintenance and for lighting levels to be adjusted as appropriate.

3.3 Vehicles

The Council maintains a fleet of 345 vehicles ranging from fire appliances and library vans to cars, minibuses etc. While an indicative useful life is set for each vehicle type, the Council's policy is to assess individual vehicles to determine the optimal economic replacement time. New vehicles are purchased or leased, and selected for suitability, sufficiency (providing capacity but with regard to level of utilisation) and environmental impact.

3.4 Equipment including ICT

The Council's ICT strategy is to support effective service delivery which is truly digital by default through providing efficient, responsive, cost effective, high-quality and secure ICT services, with the flexibility to enable new ways of working for staff and to transform our ability to serve citizens and service users . ICT provides essential tools to support a smarter, more agile and dynamic way of working for staff, and seeks to deliver savings via digital transformation and more effective/efficient modern ways of working. All investment is supported by a business case to demonstrate how spending will deliver these outcomes.

4 Borrowing Strategy

4.1 Capital Financing operates within the Prudential Framework for Borrowing and is agreed as part of the Treasury Management Strategy. Based on the proposed funding outlined in section 2, the 2017/18 Capital Programme assumes an increased borrowing requirement of £75.4m in 2017/18, £71.5m in 2018/19 and £61.2m in 2019/20.

4.2 Officers have been in discussion with Arlingclose, the Council's Treasury Advisors, on the most appropriate method of funding this borrowing requirement, which can be met from external or internal borrowing. As HCC already has relatively high levels of internal borrowing, further internal borrowing would require liquidation of some elements of investment balances held. Further analysis is underway to consider what instruments could be made available for liquidation if the returns they generate are lower than borrowing costs, in order to minimise cost to the authority. Instruments which are likely to be considered include investments in Variable Net Asset Value Money Market Funds (VNAV MMFs) and deposits in notice accounts.

4.3 The remaining borrowing requirement will be met by a prudent balance of the below borrowing types:

Short Term Borrowing:

Given the availability of cash in the short term market, and low prevailing interest rates which are forecast to continue given the current economic climate, it will be possible to manage a large element of the borrowing requirement via a rolling portfolio of short-term borrowing (1-2 year loans) from other Local Authorities. Prevailing interest rates for loans of 1 year are c.1.00%, meaning that it will be possible to secure an element of the overall requirement at significantly reduced interest costs compared to longer-term deals – minimising revenue budget pressure of new interest costs.

Long-Term Borrowing:

Long-term borrowing provides more certainty around interest rates, however interest on 20 year loans from the PWLB are currently charged at around 3.00%. The risk of using short-term borrowing is that should rates begin to rise, then the costs of long term borrowing will be more over the life of the overall loan than any short-term savings achieved. In order to mitigate this risk and maximise low rates, HCC will manage much of its need using short-term borrowing described above, but also ‘forward dealing’ (committing to borrow an agreed sum, at an agreed date in the future, at an agreed and fixed rate) a long-term element. Forward dealing will enable HCC to take advantage of current low rates, whilst protecting against future rate rises which would increase the cost of long term borrowing in subsequent years.

HCC’s Treasury Team will work with Arlingclose to deliver the most cost effective balance of these two borrowing types to fund the proposed capital programme.

5 Invest to Transform

5.1 The Invest to Transform Fund (ITT) was created in 2010, to fund projects that would achieve service transformation and/ or efficiency savings. Bids have been considered by officers and approved by the Director of Resources in consultation with the Executive Member R&P (if under £150k); by Cabinet if over £150k.

Initially projects were required to repay the investment from revenue savings generated, although more recently the fund has been topped up from general revenue underspends and other funds.

5.2 The operation of the ITT Fund has been reviewed and refreshed, to encourage innovative thinking and provide investment to support this, including encouraging a smaller scale “dragon’s den” approach; to ensure that each project has a robust business case with clear costs/ benefits and details of how and when outcomes will be measured; and to put in place effective monitoring of these outcomes. The new process includes:

- Bids over £150k to be reviewed by an Investment Board

- Bids to be submitted twice yearly, to allow better comparison and investment in those areas which generate the best returns in both outcomes and revenue
- Formal monitoring of all projects via the quarterly Performance monitor to improve visibility and tracking of benefits and outcomes
- Replenishment of the fund to be reviewed annually as part of IP process

5.3 Forecast balances on the fund, based on current approved bids, are as follows:

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Balance of fund at start of year	16,466	13,526	11,936	13,132
Committed projects	(4,136)	(2,786)*	*	*
Repayments	1,196	1,196	1,196	1,196
Available balance at year end	13,526	11,936	13,132	14,328

*Plus further bids to be approved from February 2017.

Bids approved in 2016/17 include resource for the Families First programme; the development of an e-allowances system; and due diligence work for an alternative model of delivery for Herts Fullstop.

Further bids are being considered by the Investment Board in February 2017 and, subject to business case, will then be put forward for approval. They include bids to take forward the Property Development Programme; projects to support further savings through increased digital services; and bids for initial work to scope alternative methods of service delivery, including options for in-house provision of some social care.

5.4 Outcomes of completed projects were reported in Part G of the 2016/17 Integrated Plan. The table below sets out the current position and outcomes for schemes that were in progress or which have come forward since last year's report.

Description of Scheme	ITT investment £’000	Project Dates	Actual Outcomes & Savings
Preventative Telecare	2,000	2013/14 - 14/15 and ongoing	This investment has funded the provision of preventative telecare to a cohort of 1,000 people with current low to moderate needs. While it is difficult to isolate the benefits of this technology from other interventions and policies, it is supporting the delivery of savings of £400k in the 16/17 IP, rising to £1.2m by 2018/19. A review of the experience of other local authorities indicates that efficiencies / savings can be realised through the application of assistive technology. There is scope to consider more systematic and targeted investment in ‘niche’ areas where benefits appear to be significant: for example in relation to high cost packages in Supported Living settings. There is also scope to increase the general numbers of service users assisted by Telecare: other large authorities are operating larger schemes than in Hertfordshire. Also, work to understand the most beneficial package type could be of value to avoid ‘over-prescribing’. The council is setting a new strategy on Assistive technology which will bring in all these aspects.
Day Crewing + – accommodation provided to support conversion to day crewing at Baldock & Letchworth	425	2014/15	Baldock and Letchworth Fire Station – the business case assumed annual savings of £300k, which was taken from the 2015/16 budget (part year in 14/15). However a review undertaken at the start of this financial year has identified additional savings such that it is possible to reduce the budget for this station by a further £65k pa. This has been achieved whilst maintaining previous levels of crew availability.
LED Street lighting Phase 1	6,477	2014/15 – 15/16	Annual cost reduction from Business Case : Phase 1 - electricity £436k; Carbon reduction £38k; Maintenance £200k = total £674k pa. A review in 2015/16 calculated that the Phase 1 project had saved £658k in energy, £219k in maintenance and £36k in carbon tax. Phase 2 is currently in progress and due to be completed in March 2017. Expected annual cost reductions: electricity £515k; Carbon reduction £45k; Maintenance £245k = total £805k pa.
LED Street lighting Phase 2	7,530	2015/16 -	Actual costs avoided will be higher, as inflation increases the price of

Description of Scheme	ITT investment £'000	Project Dates	Actual Outcomes & Savings
		16/17	electricity that would have been consumed had LED lighting not been installed. For example, in the 2017/18 budget, a 28% increase in the cost of electricity has been forecast, based on latest market data. For both phases, pilot projects are currently underway to see how much the LED lights can be dimmed and 'trimmed' (making the dusk switch-on as late as possible and the dawn switch-off as early as possible), which will reduce energy consumption still further.
E Invoicing – suppliers	265	2015/16 to 2016/17	A new Supplier Portal was implemented in April 2016 and HCC is working with the provider to transition suppliers, and with services to increase the use of Purchase Orders, on which the new processes depend. E invoicing means suppliers' invoice handling and postage costs are reduced, and also reduces data entry in SERCO Accounts Payable. These changes facilitate the prompt payment of invoices. During 2017/18, it is proposed to negotiate prompt payment discounts from suppliers, where appropriate; an annual saving of £80k is included in the 2017/18 IP, and the project will measure achievement against this. The portal also provides a basis for more efficient Accounts Payable processing, although these benefits will not be fully realised until supplier transition is closer to completion.
Inspiring Libraries Strategy	£137k in 2015/16; £568k in 16/17; total approved £3,978k	2015/16 – 19/20	The Inspiring Libraries programme was set up to ensure that Hertfordshire's Library Service remains relevant and sustainable into the future, delivering against the strategy themes of a vibrant community space, digital library and enhanced gateway to reading, information and wellbeing. The investment is supporting the delivery of the £2.5m savings over three years 2015/16 – 2017/18. Spend to date is providing for new "Creatorspace" facilities in Watford and Hemel Hempstead; a pilot of Open + in Croxley Green, that allows swipe card access to the library outside core opening hours; and other technology developments, for example cloud based software that will ensure that the software on public access ICT remains robust and current, achieving

Description of Scheme	ITT investment £'000	Project Dates	Actual Outcomes & Savings
			savings against current arrangements and delivering 'Library Link' (virtual librarian) at the volunteer libraries. ITT funding is also supporting project management to give capacity to deliver these changes and developments.
Adults with Complex Needs	120	2015/16 – 17/18	Project work to bring together partners and determine a better solution for supporting adults with complex needs – this is multi agency project and benefits unlikely to accrue directly to HCC, but form part of our collaborative partner working.
0-25 Integration	100	2015/16	This funded specialist consultancy in setting up the 0-25 service to integrate care for children and young adults between Children's Services and adult Care. The project has improved services delivered to Children with SEND statement and care plans leading to the introduction of Education Health and Care (EHC) Plans. It has also allows us to progress work on further developing and implementing the SEND Pathfinder model to support independence and self-reliance by exploring opportunities to improve efficiencies and removing duplication across services. Specific initiatives include the introduction of the 0-25 Together Service, introduction of the Disabled Children's Charter as well as our Local Offer; and the development and promotion of the Children's Services Outcome Framework. Together these initiatives have contributed to savings of £355k in 2017/18, rising to £500k by 2020; as well as supporting the delivery of savings from the reduction in numbers of CLA.
Stevenage Acquisition (Abel Smith)	1,866	2015/16	The purchase of this office building in Stevenage provides necessary future office accommodation for the County Council in light of leasehold expiry and emerging shared service delivery accommodation pressures. Acquisition and fit out of the premises was met from existing capital budgets, supplemented from ITT. The Council now holds an asset that is well located adjacent to Farnham and Robertson Houses, the value of which is expected to increase as the local market for office space develops. It is currently occupied by the Customer Service Centre who moved in on the expiry of their previous lease,

Description of Scheme	ITT investment £'000	Project Dates	Actual Outcomes & Savings
			and the remaining space is let out to commercial tenants. These arrangements are generating a rental income of £650k pa, although this will be offset in 2017/18 by an estimated shortfall of £130k service charge income against running costs.
LD Accommodation for Independence	1,650	2015/16 – 18/19	The objective of this project is to convert residential care accommodation to supported living. By end 2016/17, £688k is expected to have been spent on project management, care assessment and welfare benefits support; and property and commissioning support for capital works. The original business case estimated that converting 50% of current residential care accommodation into supported living would save approximately £7m per annum in fees. However the programme is being reassessed following benefit changes that will impact these savings.
Website upgrade	987	2015/16 to 2016/17	Creation of Hertfordshire.gov.uk to replace Herts Direct, providing a next generation website that will enable more self-service by customers, reducing queries to the Customer Service Centre; releasing efficiencies in technology costs; and providing more opportunities to develop new and improved digital services, releasing further efficiency savings across the whole Council. This includes reduced phone calls (£105k pa) and lower technology costs (£125k pa) – savings were taken in the 2016/17 IP; together with an improved the customer experience (94% reduction in pages, so easier to navigate to desired content).
Broxbourne Land Acquisition	600	2016/17 – 17/18	This greenbelt land of some 330 acres is jointly owned by the Council and Broxbourne BC and has the potential to be developed as an urban extension of some 1,700 new homes and supporting infrastructure. At present the land is held in the Rural Estate and provides a modest rental income. The land is being promoted in the Broxbourne emerging Local Plan.

Description of Scheme	ITT investment £'000	Project Dates	Actual Outcomes & Savings
Enabling Posts	503	2014/15 – 16/17	This budget has provided start-up funding for project management for Families First and for the intranet upgrade, to enable these initiatives to proceed; for in house legal staff to reduce the need for buying in more expensive legal advice; and initial funding for a post to assess the impact of the Community Infrastructure Levy on income from developers.
E Commerce (income)	225	2016/17	Implementation is taking place in late 2016/17. The new solution will provide far greater functionality, allow customers to access and pay for goods and services through multiple devices, create an account, review their transactions, help to streamline and improve our internal processes and make it far cheaper to collect income through reduced transaction costs. It is complementary to the work in developing the new web technology and should also provide environmental benefits through decreased use of paper. It is expected to deliver payback within 4-5 years from the initial migration from existing e commerce systems, and cashable savings(from reduced merchant card provider costs as well as savings as existing software is taken out of use) will be tracked following implementation.
Herts Full Stop – due diligence	150	2016/17	This bid provided for external financial, property, legal and actuarial advice to assess a potential merger of the Herts Fullstop business with another organisation. If this proceeded, the investment would be recovered via costs avoidance of investment in upgrading ICT systems and developing marketing, that would otherwise be required. However, this first phase of investigation demonstrated significant risk and so it was decided not to proceed further. Other options are now being explored by officers.
Approved bids for future spend:	700	2016/17 – 18/19	Investment will primarily fund additional local management and operational capacity during the set-up and parallel running of district level triage and

Description of Scheme	ITT investment £'000	Project Dates	Actual Outcomes & Savings
Families First			governance of early help provision for families. The objective of the new arrangements is to ensure families are helped more effectively through simpler pathways and stronger links between services. It is anticipated that this will result in a reduction in the number of Children In Need, those requiring Child Protection or become Looked After (CLA)– reducing demand against these budgets, and significantly improving outcomes and life chances for Hertfordshire's vulnerable children and their families, by supporting them to be more resilient and providing more effective, co-ordinated multi-agency early help support. It is expected that savings will also be generated through a reduction in the number of contacts into the Customer Service Centre (CSC). Benefits will be measured through CLA numbers and volumes of referrals through the CSC.
E Allowances (foster care etc)	102	2016/17	The objectives of this system are to provide an easy to use, centralised system for managing the annual review of allowances and payments processing associated with the payment of allowances for Adoption, Special Guardianship and other care orders; allowing carers to interact electronically; reducing manual processing by HCC and streamlining with Customer Service Centre processes; and improving the reporting and management information provided, to facilitate more effective decision-making and forecasting of expenditure. The project will deliver some small cashable savings for postage and stationery, and there will be time savings in Children's Services and SERCO. Moving from the existing system negates the need for essential upgrade works (£22k) and saves support costs (£3kpa). Other non cashable benefits include an improved customer experience, and efficiencies from data being held in one place. Collaboration with other LA would reduce costs and may

Description of Scheme	ITT investment £'000	Project Dates	Actual Outcomes & Savings
			make it easier for DWP & DfE to grant approval for use of online benefit eligibility checking

6 Spend to Achieve Capital Receipts

The Spend to Achieve Capital Receipts Reserve was created in 2014/15 to fund the costs of works or other requirements to generate capital receipts which are then available to fund future schemes, reducing the borrowing requirement. In the 2016/17 Integrated Plan, it was agreed to top up this reserve by £3m per annum, from capital receipts. This policy will be reviewed annually, and will depend on the availability of receipts and the forward programme of potential schemes.

New schemes funded from this reserve require approval by the Chief Finance Officer, in consultation with the executive member for Resources and Performance, if under £150,000. Schemes over £150,000 require Cabinet approval.

During 2016/17, spend to enable the achievement of a major receipt (£15m) means that the reserve is expected to be fully utilised; and £1.6m has been re-programmed from the 2017/18 allocation, leaving £1.4m to cover spend in that year. It is proposed that this £3m be funded from capital receipts: requirements for 2018/19 and beyond will be reviewed in future Integrated Plans.