

Agenda Reports & Other Papers

Presented to the
Meeting of the
County Council on
Tuesday
22 March 2016



HERTFORDSHIRE COUNTY COUNCIL

THE COUNTY COUNCIL

SUMMONS AND AGENDA

for the meeting to be held on Tuesday, 22 March 2016 at 10.00a.m. in the Council Chamber, County Hall, Hertford.

GROUP MEETINGS

Conservative Group	9.00a.m.	Council Chamber
Liberal Democrat Group	8.30 a.m.	Group Room
Labour Group	9.00 a.m.	Group Room

PRAYERS at 9.50 a.m.

Prayers led by The Rt Revd Dr Michael Beasley, Bishop of Hertford

Members are reminded that all equalities implications and equalities impact assessments undertaken in relation to any matter on this agenda must be rigorously considered prior to any decision being reached on that matter.

PART I (PUBLIC) AGENDA

1. MINUTES

To confirm the minutes of the meeting of the Council held on 23 February 2016 (circulated separately).

2. CHAIRMAN'S ANNOUNCEMENTS

LOCAL GOVERNMENT ACT 1972 – SECTION 85

Under Section 85 of the Local Government Act 1972, if a Member of a local authority fails throughout a period of 6 consecutive months to attend a meeting of the Authority, as defined in the Act, they cease to be a Member, unless the failure is due to a reason approved by the Authority before the expiry of the 6 month period:-

- (a) County Councillor Aislinn Lee is unfortunately unwell, which has meant that she has not been able to attend any meetings since 10 November 2015. She has now formally requested that the Council approve her reason for non-attendance on health grounds, before the six month deadline is reached.
- (b) County Councillor Maxine Crawley is unfortunately unwell, which has meant that she has not been able to attend any meetings since 7 December 2015. She has now formally requested that the Council

approve her reason for non-attendance on health grounds, before the six month deadline is reached.

3. PUBLIC QUESTIONS - STANDING ORDER 8(10)

To deal with questions from any member of the public being resident in or a registered local government elector of Hertfordshire, to the Leader of the Council and Executive Members about the policies and /or strategic priorities of the Council or about any matter over which the Council has power or which directly affects the county.

4. PUBLIC PETITIONS - STANDING ORDER 15

The opportunity for any member of the public, being resident in or a registered local government elector of Hertfordshire to present a petition relating to a matter over which the County Council has control, containing 1,000 or more signatures of residents or business ratepayers of Hertfordshire.

Notification of intent to present a petition must have been given to the Chief Legal Officer at least 20 clear days before the meeting where an item relating to the subject matter of the petition does not appear in the agenda, or at least 5 clear days where the item is the subject of a report already on the agenda.

[Members of the public who are considering raising an issue of concern via a petition are advised to contact their local County Councillor <http://www.hertsdirect.org/your-council/>

The Council's arrangements for the receipt of petitions are set out in [Annex 22 - Petitions Scheme](#) of the Constitution].

If you have any queries about the petitions procedure for this meeting please contact Elaine Shell, Democratic Services Manager, by telephone on (01992) 555565 or by email to elaine.shell@hertfordshire.gov.uk

5. OFFICER REPORTS RELEVANT TO EXECUTIVE PORTFOLIOS

None.

6. EXECUTIVE REPORT TO COUNTY COUNCIL

Report of the Executive (attached).

7. QUESTIONS TO EXECUTIVE MEMBERS

To deal with questions from Members of the Council to the Leader of the Council and Executive Members.

8. HERTFORDSHIRE COUNTY COUNCIL PENSION FUND POOLING OPTIONS

Report of the Director of Resources (attached)

9. PAY POLICY 2016/17

Report of the Director of Resources (attached)

10. DESIGNATION OF CHIEF FINANCE OFFICER (S151 OFFICER)

Joint Report of the Chief Executive & Director of Environment and the Chief Legal Officer (attached)

11. PROGRAMME OF MEETINGS SEPTEMBER 2016 – JULY 2017

(attached)

12. NOTICES OF MOTION – STANDING ORDER 9 (6)

None notified.



**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

Full copies of all reports may be found on the internet at
www.hertsdirect.org/hccmeetings

HERTFORDSHIRE COUNTY COUNCIL

**COUNTY COUNCIL
TUESDAY, 22 MARCH AT 10.00 A.M.**

Agenda Item No.

6

EXECUTIVE REPORT TO COUNTY COUNCIL

LEADER OF THE COUNCIL

This report is made by the Leader of the Council and, together with separate reports from each member of Cabinet, comprises the report under Standing Order 7.

1. Cabinet decisions since the last Executive Report to County Council

1.1 There will have been four Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council on 10 November 2015. Items of business specifically attributed to me were:-

- Changes to the County Council's Petition Scheme (Although discussed at Cabinet on 22 February, at the County Council meeting on 23 February, I did not move the motion on this item and advised Members that further revisions would be made to the Petitions Scheme prior to consideration by Cabinet at its April meeting).
- Council Meeting – Executive Report – this was a procedural item concerning deferring the Executive Report that would otherwise have been presented to the February Council to this meeting.

2. Employment Committee

2.1 On Wednesday 11 November 2015 and Monday 15 February 2016, I chaired the Employment Committee and key agenda items were:

- Appointment of a Director of Resources
- Salary Review April 2016 – Chief Officers, Deputy and Assistant Directors and Heads of Service
- Chief Officer Benchmarking
- Salary Review April 2016 – Chief Executive and Director of Environment

3. Committee of the Regions

3.1 I have participated in Plenary and Commission meetings of the Committee of the Regions. No matters particularly relevant to Hertfordshire have arisen but an e-newsletter on recent activities is available at

<http://cor.europa.eu/en/news/Pages/enewsletter.aspx>

4. The Devolution debate

- 4.1 I have been involved in a number of events and conversations recently where the key focus has been on the 'devolution' debate. As part of this, the second Hertfordshire Public Sector devolution workshop took place on 14 January 2016. It was attended by almost 100 people representing over 26 organisations from across the Public Sector in Hertfordshire.
- 4.2 The devolution workshop re-stated a general enthusiasm for enhanced collaborative working amongst local public services and a pragmatic interest in seeking the transfer of further functions and resources to local level, subject to clarification on the government's expectations on further growth; geographic scale and governance. The outcome of these events is being drawn together into a shared statement of the Hertfordshire approach which will help determine if this becomes the basis of a formal 'bid' to government.

5. Local / Internal events

- 5.1 On Thursday 26 November 2015, I addressed the Leadership Forum, comprising of senior managers from across the organisation giving an overview of the key issues facing the Council and local government generally.
- 5.2 I am delighted that the County Council has been shortlisted for the prestigious Local Government Chronicle Award for 'Council of the Last 20 Years' recognising continuous innovation, sector leadership and high performance over two decades. Being shortlisted (and the only County Council on that list) is a considerable accolade in itself. The winner will be announced on 16 March.

6. Hertfordshire Forward

- 6.1 I chaired a meeting of the Hertfordshire Forward Strategy Group on Tuesday 12 January. The key items for discussion were the Herts Inter Faith Forum, the Syrian refugee relocation scheme, devolution in Hertfordshire and the forthcoming annual Conference, along with the usual strategic updates.
- 6.2 I chaired a meeting of the Hertfordshire Forward Assembly on Tuesday 9 February. Key items on the agenda included an update on the devolution debate in Hertfordshire, the Hertfordshire Skills Strategy and the Year of Mental Health and Health and Wellbeing Strategy.

7. Hertfordshire Leaders' Group (HLG)

- 7.1 Meetings of the HLG took place on Thursday 10 December 2015 and Thursday 18 February 2016. Key items on the agendas for discussion included Hertfordshire's response to the devolution agenda, Health and Social Care Integration, an update on Hertfordshire's response to the Syrian refugee relocation scheme and a presentation from Visit Herts along with the usual strategic updates.

7.2 The next meeting is scheduled to take place on Thursday 21 April.

8. Forward Plan – March 2016

I invite the County Council to receive the updated Forward Plan dated 8 March 2016.

**Robert Gordon, CBE
Leader of the Council
March 2016**

ADULT CARE AND HEALTH**1. Cabinet decisions since the last Executive Report to the County Council**

1.1 There will have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. The items of business specifically attributed to this portfolio were:-

1.2 Cabinet held on 18 January 2016

Amendment to Hertfordshire's care charging policy relating to war veterans - Cabinet agreed to amend the Council's Care Charging Policy so that War Disablement Pensions are not taken into account when assessing the financial contribution paid by war veterans from pre-2005 conflicts who receive adult social care. This leaves veterans who need social care better off.

1.3 Cabinet held on 22 February 2016

HPfT Contract 2016-19 – Cabinet agreed to renew Hertfordshire Partnership NHS Foundation Trust's contract, which is a jointly commissioned contract between the County Council and the three NHS Clinical Commissioning Groups for three years. This consolidates the changes we have asked HPfT to make over the last three years and sets the benchmark for future improvements.

1.4 Cabinet – to be held on 14 March 2016

Future of Community Equipment Services – Cabinet will be asked to agree an improved specification for the purchase and delivery of community equipment to help disabled or older people stay independent in their own homes; with additional investment in the service funded by demography pressure monies already agreed by County Council as part of the Integrated Plan.

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

2.1 None to report.

3. Anticipated / future decisions to be made by Cabinet**3.1 Cabinet to be held on 16 May 2016**

Hertfordshire Compact - At the 16 May meeting, Cabinet will be asked to approve the refreshed countywide Compact Agreement between the Statutory, Voluntary and Community Sectors to work in partnership to achieve common aims and objectives, prior to its publication and launch.

4. Key Partnerships

4.1 Health and Wellbeing Board – recent meetings have considered :-

Annual Safeguarding Adults Report - a report in relation to the work of the Hertfordshire Safeguarding Adults Board (HSAB) and Partnership 2014-15.

Better Care Fund Update - a presentation to update on the 'Better Care Fund in Hertfordshire', along with an update of progress against the national conditions.

Money Advice Unit's Mental Health Project - a report in relation to the Money Advice Unit's contribution to the Year of Mental Health and the progress of the Mental Health Project established in May 2014.

Transforming Care Fast Track Programme - a report outlining the strategic direction of the Learning Disabilities 'Transforming Care' Programme and a briefing on the Hertfordshire's status as a national Fast Track Pilot site.

5. Other comments

5.1 None.

6. Cabinet Panels

6.1 Since the last Executive Report to Council, the Adult Care & Health Cabinet Panel has met on 9 December 2015, 1 February 2016 and 2 March 2016. The matters discussed can be found at the following locations:

[9 December 2015](#)

[1 February 2016](#)

[2 March 2016](#)

**Colette Wyatt-Lowe
Executive Member for Adult Care and Health
March 2016**

CHILDREN'S SERVICES

1. Cabinet decisions since the last Executive Report to the County Council

- 1.1 There have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. The items of business specifically attributed to this portfolio were:
- 1.2 The Ofsted Inspection Improvement Plan was noted, discussed and approved by Cabinet on 22 February 2016. Cabinet will be updated in respect to progress made.

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

- 2.1 Ongoing work will be undertaken within the service in respect to meeting the targets detailed in the Ofsted Inspection Improvement Plan. Cabinet will be updated in respect to progress made.

3. Anticipated / future decisions to be made by Cabinet

- 3.1 Currently no anticipated Cabinet decisions are required in the near future.

4. Key Partnerships

- 4.1 The Executive Member sits on the Health and Wellbeing Board; Children and Young People's Commissioning Executive Group and Hertfordshire's Safeguarding Children Board (HSCB).

5. Other comments

5.1 Ofsted Single Inspection Framework

The report on the 'Inspection of services for children in need of help and protection, children looked after and care leavers' was published on 27 November 2015. Hertfordshire was judged to be good. The report stated "Hertfordshire County Council is led by competent leaders and managers and is now delivering a good service overall to children and their families". The service was also rated good for 'Children Looked After and Achieving Permanence', 'Adoption Performance', 'Experiences and Progress of Care Leavers' and 'Leadership, Management and Governance'. 'Children who need Help and Protection' was rated as Requires Improvement. The same inspection reviewed the effectiveness of the Local Safeguarding Board, which was also judged to be good.

Some of the strengths highlighted included:

- Timely and coordinated early help services;
- Good social care assessments that address need, risk and consider child and parent views;

- Identification of children at risk of Child Sexual Exploitation (CSE) and plans to reduce risk;
- Children looked after receive a good service and the vast majority have better outcomes as a result;
- Families are secured with a sense of urgency for children with a plan for adoption;
- Care leavers say they receive a good service and most are in touch with the local authority;
- Effective partnership working; and
- Performance management and quality assurance arrangements are strong.

A post inspection action plan has been produced to address findings including any areas for improvement from the inspection report. The full inspection report is available here: <http://reports.ofsted.gov.uk/local-authorities/hertfordshire>.

5.2 **The PEEL Police Effectiveness 2015 (Vulnerability) Report** was published in December 2015. There were several observations/recommendations made around safeguarding some of which echoed recommendations in the Ofsted report.

5.3 **'#eyesopen' Child Sexual Exploitation Prevention Campaign**

The **#eyesopen** campaign was launched in February with a group of over 40 young people learning about the signs of sexual abuse and posting support online using **#eyesopen** on social media platforms.

The campaign carried out in partnership between the County Council and Hertfordshire Police is aimed at secondary school aged children and young people using social media to highlight the signs of child sexual exploitation and posing questions that could help a young person to recognise if it is happening to them. Further details are available here:

<http://www.youthconnexions-hertfordshire.org/about-youth-connexions/news/>

5.4 **Young Carers Conference**

This year's annual conference (planned and led by Young Carers up to 18 years old) was held on 18 February 2016 at Watford Football Club and attended by 50 young carers and 49 professionals from across the county. Some of the key areas of work identified by young carers included more support in schools and the need for wider understanding of who young carers are and what they do to support their families etc.

5.5 **Pilot for 30 Hours Free Childcare from September 2016**

The County Council is delighted to have been successful in being chosen as one of only eight local authorities to work with the Department for Education (DfE) to pilot 30 hours free childcare from September 2016. This will be a year before the national roll out in September 2017. Details are still being finalised but it is likely that we will receive funding for approximately 400 three and four years olds whose parents meet a national and local criteria still to be finalised. The pilot will

be focused on four small areas within Hertfordshire and will be a geographical and socio economic mix of the county.

5.6 **Young Commissioners**

During November and December 2015, as part of an innovative joint project between the County Council, North Hertfordshire College and Oakland's College, 16 young people with additional needs undertook a 6-week course to understand commissioning and how they can be part of decision making around services which affect them. A joint celebration event was held on 24 February 2016 at North Hertfordshire College and a work programme for the students is being developed in conjunction with strategic partners such as the Clinical Commissioning Groups.

5.7 **Hertfordshire Interview with BBC Look East Regarding Family Safeguarding**

On 22 February 2016 Cllr Richard Roberts, Lead Member for Children's Services and Sue Williams, Director of Family Safeguarding were interviewed by BBC Look East about how Hertfordshire is using innovation funding from the Government to revolutionise children's social care.

Cllr Roberts and Sue Williams explained during the interview the changes that have been made to the way we work, including the establishment of multi-disciplinary teams of domestic abuse, substance misuse, mental health and social workers to work with the whole family. The entire service has been trained in motivational interviewing to improve practice and help us better engage parents to make changes to improve the care and protection of their children. One of the key messages of the interview was also around how we are working to reduce paperwork and recording so staff have more time to focus on working with families, making Hertfordshire a great place to work in safeguarding.

5.8 **Performance Highlights December 2015**

5.8.1 **Referrals to children's social care** continue to be lower than previous years as more families are supported through early help.

5.8.2 **Numbers of children subject to child protection plans** continue to reduce and remain one of the lowest in the country.

5.8.3 There has been an increase in **the number of children looked after** between September and December 2015, while the number of unaccompanied asylum seeking children has remained static. However Hertfordshire still has one of the lowest rates per 10,000 in England for children looked after at 39.8 compared with 60 nationally and 43 for our statistical neighbours.

5.8.4 The Executive Member and Children's Services Cabinet Panel have asked the Director to carry out a full review into **improving the stability of placements** when in care. There is recognition that this is an area for improvement.

6. Cabinet Panels

- 6.1 Since the last Executive Report to Council, the Children's Services Cabinet Panel has met on 28 January 2016 and 3 March 2016. The matters discussed can be found at the following locations:

[28 January 2016](#)

[3 March 2016](#)

Richard Roberts
Executive Member for Children's Services
March 2016

COMMUNITY SAFETY AND WASTE MANAGEMENT

1. Cabinet decisions since the last Executive Report to the County Council

- 1.1 There will have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. There were two items of business specifically attributed to this portfolio:-

A070/15: Future Direction of the Residual Waste Treatment Programme

A Revised Project Plan, submitted by Veolia ES Hertfordshire Limited (VES) for residual waste treatment was considered by the Community Safety and Waste Management Cabinet Panel at its meeting on 4 March 2016. At its March meeting Cabinet will be invited to consider whether to accept in principle the Revised Project Plan subject to the satisfactory conclusion of various legal drafting matters and ancillary documents. This is for an Energy from Waste plant at Ratty's Lane, Hoddesdon.

A008/16: Proposed Co-Location of Four Libraries with existing Retained Fire Stations

Proposals for the co-location of four libraries with existing retained fire stations were presented to the Community Safety and Waste Management Panel at its meeting on 4 March 2016. At its March meeting Cabinet will be invited to consider whether to approve the co-location proposals.

[NOTE: this paper was drafted prior to the March meeting of Cabinet taking place].

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

- 2.1 A deed of variation to the contract with Veolia ES Hertfordshire Limited was completed. The variation provided additional time for the County Council to complete the evaluation of VES' Revised Project Plan and to reach a decision on whether to accept or reject it. Cabinet will consider a report detailing the RPP and the outcome of the evaluation undertaken on it at its meeting in March 2016.

3. Anticipated/ future decisions to be made by Cabinet

- 3.1 See paragraph 1.1 above.

4. Key Partnerships

- 4.1 Nothing to report.

5. Other comments

- 5.1 The October 2015 Community Safety & Waste Management Cabinet Panel approved a response to a Government consultation on enabling greater collaboration between emergency services. This approved a joint response from Hertfordshire County Council and the Police and Crime Commissioner (PCC) for Hertfordshire. This response was unusual in being a joint response from the Fire Authority and the PCC and was generally supportive of the suggested enabling legislation being passed but was clear that any changes should be on the basis of a robust business case. The consultation has now closed and Government has indicated its intention to draft the enabling legislation.

6. Cabinet Panels

- 6.1 Since the last Executive Report to Council, the Community Safety and Waste Management Cabinet Panel has met on 3 December 2015, 10 February 2016 and 4 March 2016. The matters discussed can be found at the following locations:

[3 December 2015](#)

[10 February 2016](#)

[4 March 2016](#)

Richard Thake
Executive Member for Community Safety and Waste Management
March 2016

ENTERPRISE, EDUCATION AND SKILLS**1. Cabinet decisions since the last Executive Report to the County Council**

- 1.1 There will have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. Items of business specifically attributed to this portfolio are set out below:-

14 December 2015

- 1.2 The following items were considered by Cabinet:

Proposal to close the Primary Support Base (PSB) at Highwood Primary School, Bushey

Cabinet approved the publication of a statutory notice to close the Primary Support Base at Highwood Primary School, Bushey, on 31 March 2016.

Proposal to remove 6th form provision from Cheshunt School, Cheshunt

Cabinet approved the proposal to remove sixth form provision at Cheshunt School, College Road, Cheshunt by September 2017, by means of an alteration of the upper age limit of the school through a change of age range from 11 to 18 years to 11 to 16 years.

Proposal to consult on the removal of Passenger assistants from small vehicles transporting entitled children to mainstream Primary Schools

Cabinet agreed that public consultation be undertaken in January 2016 to remove passenger assistants from all small vehicles transporting mainstream primary aged pupils with phased implementation for infant children currently travelling.

Bishop Stortford North – Primary School Strategy and proposed acquisition of land at Farnham Road Bishop Stortford

Cabinet authorised acquisition of the land at Farnham Road, Bishop's Stortford, on the basis that planning permission has first been granted for the development of a 3FE primary school on that land.

18 January 2016

- 1.3 There were no items of business that were specifically attributed to this portfolio. As part of the decision regarding the Integrated Plan 2016 / 17, Cabinet approved the release of schools budget data/information to the Department for Education (DfE), to meet its deadline of 21 January 2016, and noted that the Chief Finance Officer may make any consequential amendments arising from current uncertainties.

22 February 2016

1.4 The following items were considered by Cabinet:-

School Admission Arrangements 2016 / 17

Cabinet recommended to County Council that Council agrees existing “Relevant Areas” should be retained. In addition it recommended to Council that existing admission arrangements and schemes of coordination (including current Published Admission Numbers (PANs)) are retained for all schools except the following schools where the increases set out below are required to meet local demand:

- William Ransom, Hitchin - increase from 38 to 60
- Tannery Drift, Royston - increase from 45 to 60
- Roman Way, Royston - increase from 45 to 60
- Forres, Hoddesdon - increase from 45 to 60
- Prae Wood, St Albans - increase from 30 to 60
- Giles Junior, Stevenage - increase from 60 to 90
- Almond Hill Junior, Stevenage - increase from 60 to 90.

Council agreed these proposals at its meeting on 23 February 2016.

Additional School places

Cabinet approved the proposed permanent school expansion of Leavesden Green Primary School, Watford, and endorsed the Director of Children’s Services’ intention to consult on it.

In addition it approved £2.0m additional funds for temporary expansions for September 2016, where required and noted the areas for secondary expansion requirements for 2017 and 2018;

Cabinet also approved a contribution of £0.6m for 0.5 forms of entry places at The Herts & Essex High School for Girls from 2017 onwards, conditional upon receipt by the School of sufficient central Government grant for its proposed project and approved the application of S106 funds (as identified in Appendix A to the report for that item of business), subject to the completion of relevant school expansion and town planning statutory processes.

It also agreed in principle to supporting The Broxbourne School in providing enhanced Sixth form capacity through a repayable grant of c£5m for 4 years, conditional on a proposal being developed which meets two criteria – no loss of income and no material risk to the Council.

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

2.1 Nothing to report.

3. Anticipated/ future decisions to be made by Cabinet

- 3.1 Cabinet will consider at its meeting on 14 March 2016 the outcome of the consultation to remove passenger assistants from small vehicles transporting infant children to mainstream primary schools. Enterprise, Education and Skills Panel have agreed to recommend this proposition to Cabinet.

4. Key Partnerships

4.1 Hertfordshire Local Enterprise Partnership (LEP)

- 4.1.1 The Hertfordshire LEP has appointed three new board Members, Mark Bretton, a Managing Director at global professional services company Accenture, is to join as a Business Representative and act as Chair Designate until the current Chair John Gourds steps down in June. Andrew Stroomer, Stevenage Site Director, Airbus Defence and Space, will succeed Martino Picardo as a Business Representative. Tina Barnard, Chief Executive of Watford Community Housing Trust, will fill the Commercial Not-For-Profit Representative vacancy.

- 4.1.2 As part of the Autumn statement, the LEP's bid for an Enviro-Tech Enterprise Zone supported by St Albans City and District Council, Dacorum Borough Council, the Building Research Establishment (BRE) and Rothamsted Research was one of 18 new Enterprise Zones approved.

- 4.1.3 Following the Heseltine Review that put funds under the direct control of business-led LEPs, the government affirmed its commitment to the £12bn Local Growth Fund between 2015-16 and 2020-21. The indicative Local Growth Fund allocations that were made through Growth Deals were confirmed. £5bn remains to be allocated for future deals. LEPs will continue to receive core funding from government on the basis of matched local funding.

- 4.1.4 There have been two meetings of the LEP Board since my last report:

- In November the Board met in Broxbourne and received a presentation from the Borough Council on their economic development ambitions for the area.
- In January the Board met in Watford, toured the Watford Health Campus and received presentations from the Borough Council and its partners on its Health Campus and Business Park projects. The Board also received a presentation on the Skillsmasters initiative from West Herts College.

- 4.1.5 The minutes of the LEP Board meetings are available on the LEP website and the LEP Newsletter is now circulated to all County Councillors.

www.hertfordshirelep.com

4.2 London Stanstead Cambridge Consortium (LSCC)

- 4.2.1 The LSCC's Growth Commission has held a series of events to evaluate the economic potential of the corridor, and to develop a business case for future investment in the corridor. The Commission is due to report later in the year.

www.lsccgrowthcommisson.org.uk

4.2.2 The LSCC have also launched their prospectus to promote the case for investment in the West Anglia Mainline as part of their work to develop a robust business case for four lane tracking and Crossrail 2 in the corridor

4.3 **Skills Strategy**

4.3.1 The Enterprise, Education and Skills Panel received an update on the Hertfordshire Skills Strategy in November. Good progress is being made on the action plan and a further Skills Summit is planned for Autumn 2016.

www.hertsdirect.org/docs/pdf/s/skillstrat.pdf

4.3.2 The LEP, in partnership with Youth Connexions, is now delivering The Careers & Enterprise Company as part of a nationwide network. Its ambition is to inspire and prepare young people for the fast changing world of work and help shape the future workforce to meet local business needs. Senior leadership volunteers from the local business community are being sought to act as Enterprise Advisers in schools/colleges. This is an important element of the Hertfordshire Skills Strategy.

4.4 **Tourism**

4.4.1 The new Destination management service for Hertfordshire, Visit Hertfordshire, is now up and running, with a new Partnership Board established, and a dedicated manager in place. The first campaign of the new service was the Big Weekend (12 and 13 March) when over 40 attractions in Hertfordshire opened their doors to the public, to coincide with Visit England Tourism Week.

4.4.2 My Deputy Morris Bright is the Council's representative on the Tourism Partnership board.

5. **Other comments**

5.1 **School Visits**

I have visited a number of schools since the last Full Council Meeting. These include:

- The Reach Free School at their temporary site in Wolsey Business Park, Rickmansworth ahead of their proposed move to Mill End near M25 J17.
- The Hemel Hempstead School to appreciate their redevelopment and growth aspirations.
- The Broxbourne School regarding their plans to release land for residential development and the complete rebuild of the school.
- Sandringham School St Albans for the opening of a new Maths, Science and Computing Building. This was a £3m investment by the County Council that has enabled the school to expand its permanent capacity by 1 Form of Entry.

- The Bishop's Stortford High School to learn of their aspiration to relocate to a site that is expected to be released from the Green Belt by East Herts District Council's Local Plan.
- Knights Templar in Baldock with Michael Muir to reflect on the impact of the emerging proposals for a significant urban extension of the town.
- Ludwick Nursery in Welwyn Garden City to learn of their early years teaching school status and the day care and Children's Centre services delivered from the site.
- The opening at Holwell Primary School in Welwyn Garden City of a new two storey block to accommodate a second form of entry – a £2.1m investment by the County Council.
- St Clement Danes in Chorleywood to discuss the progress of the new sponsored secondary Free School at Croxley Green.
- The Samuel Ryder Academy in St Albans to appreciate its improvement strategies and transformation to "All Through" provision.

5.2 Schools Performance

Schools' Performance – the 2014/15 school year primary and secondary school performance tables are available on the Department for Education website. Results can be ordered and ranked by phase and measure.

<http://www.education.gov.uk/schools/performance/index.html>

65.1% of students achieved 5 or more GCSEs A*-C grade including English and mathematics. This is above the national figure of 57.3% and puts Hertfordshire in the top fifth of all local authorities in the country.

Detailed analysis of Hertfordshire's strong Standards and Quality performance against national results and statistical neighbours was considered at Panel on 4 February 2016. The report highlights the imperative to improve the attainment of disadvantaged pupils – those in receipt of Free School Meals, with Special Educational Needs and Children Looked After.

5.3 Member Briefings

Workshop / briefings have been provided for Members on (1) Meeting the rising demand for school places and (2) The work of Herts for Learning (HfL) and their work to improve standards in education. Both events were well attended and were well received by the respective audiences.

6. Cabinet Panels

Since the last Executive Report to Council, the Enterprise, Education and Skills Cabinet Panel has met on 7 December 2015, 4 February 2016 and 1 March 2016. The matters discussed can be found at the following locations:

[7 December 2016](#)

[4 February 2016](#)

[1 March 2016](#)

David Williams
Executive Member for Enterprise, Education and Skills
March 2016

ENVIRONMENT, PLANNING & TRANSPORT**1. Cabinet decisions since the last Executive Report to the County Council**

- 1.1 There will have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. The items of business specifically attributed to this portfolio were:-

IMPLEMENTATION OF THE SITE SELECTION METHODOLOGY AND APPROVAL TO UNDERTAKE THE CALL FOR SITES FOR THE MINERALS LOCAL PLAN REVIEW – On 22 February 2016 Cabinet approved the proposed site selection methodology and agreed to undertake the call for sites for the minerals local plan review.

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

- 2.1 None

3. Anticipated/ future decisions to be made by Cabinet

- 3.1 Adoption of the County Council Rail Strategy – due to be considered by Panel on 10 May 2016 and by Cabinet on 16 May 2016.

4. Key Partnerships

- 4.1 Nothing relevant for this period.

5. Other comments

- 5.1 Since the last Executive Report to Council I have attended two meetings of the West Anglia Main Line Taskforce; on 13 November 2015 and 14 January 2016. The Taskforce is preparing the revised business case for improvements to the line from London to Cambridge for submission to Government in the summer.

Also since the last Executive Report to Council there have been two meetings of the newly constituted A414 Group; on the 30 November 2015 and the 18 February 2016. This Group has now agreed a Memorandum of Understanding in terms of the scope of joint work in the corridor. At the next meeting we will be inviting Essex County Council and Harlow District Council to attend.

On 2 December 2015 I attended a special meeting of the London Stansted Cambridge Consortium on strategic planning. The LSCC are seeking to develop a vision for the Corridor to underpin bids for investment in infrastructure such as West Anglian Main Line, Crossrail 2 and improvements to the M11.

On the 11 December 2015 I attended the Wider South East Summit, which was called by the Greater London Authority (GLA) to establish a way forward for discussing strategic planning issues arising out of the next version of the

Mayor's Plan for London. It has been agreed that for the old south east region and the old east of England region, there will be five representatives each, who will meet twice yearly with the GLA.

There have been two meetings of the Hertfordshire Infrastructure and Planning Partnership since my last report. The first meeting on 8 December 2015 focussed on design issues in the County, with presentations on the South East Design Service and the Hertfordshire Design Review Panel. The meeting on the 26 January 2016 considered proposals for joint research on viability and the funding of infrastructure; an update on the Transport Vision work and various rail projects; and an update from the LEP on their recent activities.

I have written to the Secretary of State, Liz Truss, at the Department for Environment, Food and Rural Affairs (Defra) raising concerns about our ability to mitigate and manage flood risk in Hertfordshire. In particular I have raised the lack of powers we, as Lead Local Flood Authority, have and the need to review current national funding schemes so that surface water flooding and the flooding of small numbers of properties is properly addressed.

I have also again raised concerns about regarding Govia Thameslink's level of service and poor reliability in terms of cancellations, late running and delays. This is not the first time I have called the company to account and I will continue to press for improvements.

On the 14 January 2016 I attended a meeting of the Local Transport Body (LTB). This meeting focussed on the future role of this group. It was agreed that the LTB remained a valuable way of meeting with the major national transport providers such as Network Rail and Highways England.

On 15 March 2016 I will be attending the Building Futures Awards at Hatfield House. This biannual event celebrates the quality and sustainability of new development in the County and this year has a record number of submissions.

6. Cabinet Panels

- 6.1 Since the last Executive Report to Council, the Environment, Planning & Transport Cabinet Panel has met on 8 December 2015, 2 February 2016 and 8 March 2016. The matters discussed can be found at the following locations:

[8 December 2015](#)

[2 February 2016](#)

[8 March 2016](#)

Derrick Ashley
Executive Member for Environment, Planning and Transport
March 2016

HIGHWAYS

1. Cabinet decisions since the last Executive Report to the County Council

- 1.1 There will have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. The items of business specifically attributed to this portfolio were:-

Cabinet 18 January 2016 – Revised intervention levels for the Highways Category 1 Service

Decision

Cabinet approved the proposals for:-

- (a) revising the Defect Intervention Level for carriageway defects (i.e. depth of pothole) as detailed within the report, but retaining the 40mm intervention to designated cycle routes on carriageways; and
- (b) reclassifying the severity of missing illuminated traffic bollard shells as set out in the report.

Cabinet 22 February 2016 – Proposed Reclassification of the A4146

Decision

Cabinet approved the reclassification of the Leighton Buzzard Road from 'A' road to 'B' road status

Cabinet 14 March 2016 – Consideration of the Highways Integrated Works Programme for 2016/17 and the Forward Works programme for 2017/18.

Cabinet will be invited to:-

- (a) adopt the proposed Final Integrated Works Programme (IWP) as Hertfordshire's highway works programme for 2016 / 17, Appendices A, B, C and D to the report; and
- (b) adopt the 2017 / 18 Forward Works Programme (FWP), Appendix E to the report as the basis for development of the 2017 / 18 highways works programme.

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

- 2.1 At the Cabinet meeting on 12 October 2015, completion of the agreements necessary to effect the transfer of the Croxley Rail Link scheme to London Underground Limited was authorised. The transfer was successfully completed on 20 November 2015.

3. Anticipated/ future decisions to be made by Cabinet

- 3.1 At its meeting on 18 April 2016 Cabinet will consider proposals for a programme of Highways works aimed at improving the appearance of the Highway asset.

4. Key Partnerships

- 4.1 Nothing to report.

5. Other comments

5.1 Heavy Goods Vehicles and Satellite Navigation Systems

I have written to the Freight organisations encouraging them to promote the fitting and use of commercial Truckers SatNav units in HGV vehicles. These units direct vehicles to the routes which are most appropriate for vehicles of that size, weight etc. It is to be hoped that Hertfordshire's action may prompt a recognition of the problems which occur when large vehicle using car designed SatNav use roads which are simply not suitable.

5.2 Rush Green Roundabout Bridges

Hertfordshire is making great strides in enhancing the management of bridges within the County. A comprehensive inspection programme allows us to identify priority maintenance work, analyse funding scenarios using a Structures Asset Management Toolkit, developed by the County Council to identify cost effective strategies for maintaining our bridges. Officers work with national groups to keep abreast of latest innovations, and to share our initiatives. Furthermore, we are developing collaborative opportunities with the Cambridge University.

With increasing pressure on the network and increasing customer and stakeholder expectations, we have evolved our communication methods. Napsbury Lane (St Albans) Bridge Refurbishment was a potentially disruptive project to carry out essential safety repairs to a deteriorating structure over the A414. Close collaboration between the engineering team, members, communications team and network management allowed a tailored communications strategy to be developed. The use of web and Twitter communication kept the public informed, and allowed increased engagement. The works were completed on time, with traffic restrictions removed early, and no complaints received. On other schemes the team has conducted school safety days to teach children about site safety and inspire the next generation in engineering.

Our most recent bridge refurbishment recent scheme, Rush Green in Hertford, was identified following a review of the bridge stock using the toolkit, supported by additional testing. The scheme is now on site and is on programme for completion on time. Following implementation of another enhanced media and engagement campaign, this scheme has seen, to date, an impressive 110,000 impressions on twitter and 9,000 hits on our website.

As part of our role, we strive to use innovative new construction techniques to reduce construction time, improve health and safety, and provide more durable maintenance repairs. We are currently using hydro-demolition, high pressure water jetting, for demolition and removal of deteriorated concrete, and sprayed

concrete for repair. We are also installing the latest cathodic protection systems to increase the life of the structure, and minimise future maintenance works.

5.3 Street Lighting

Members will recall that this time last year I was reporting the poor performance of the operational street lighting service and committed to ensure that it was turned around. I am pleased to report that the operational street lighting service has been transformed and has consistently been in the performing zone over this winter.

Phase 2 of the LED street lighting project, which is converting all of those lights in full night lighting, is well underway and is almost 30% complete. Phase 3, which will see the conversion of lights on remote footpaths and lights in isolated villages has now been funded in the 2016/17 Integrated Plan and will be integrated with Phase 2.

Officers are also investigating the potential to further reduce energy consumption and carbon emissions using the Central Management System technology on the LED units.

This is being carried out through a structured pilot study, and will consider further dimming options (over and above the existing dimming regime), trimming (reducing the hours of operation by delaying the dusk switch-on by a few minutes and advancing the dawn switch-off by a few minutes) and full switch off. Further part night lighting will be considered on A-roads.

There are a total of 13 sites included within the pilot study in East Herts, North Herts, Stevenage, Three Rivers, Dacorum and Watford.

5.4 Highways Winter Service

The winter service runs from 1 October to the 30 April and is divided into three main periods:

Low Risk	October and April
Medium Risk	November and March
High Risk	December, January and February

In an average winter the first gritting run of the season isn't normally carried out until November and we tend not to undertake any runs in April. Over the past 5 years we have carried out on average 54 runs, although there has been significant variance between years with 79 runs in 2012/13 and only 34 runs the following year.

The weather conditions so far this winter have been relatively mild, with fewer gritting runs compared to the average. By the end of February the average number of runs (last 5 years) was 48. For this year, so far (up to the 25 February) there have only been 32 runs. With a lower number of runs there is potentially a nominal budget saving, but this would be relatively small as most of the cost is associated with the provision of plant and equipment to deliver the service.

So far overall delivery of this year's winter service has very much been in accordance with the Winter Service Operational Plan, which was recommended by Panel in September 2015. Routes have been treated within the target timeframes and there have been no issues with salt supplies or deliveries.

5.5 District/Borough Council Visits to the Highways Integrated Traffic Control Centre

Over the past Months Hertfordshire's ITCC (Integrated Transport Control Centre) has welcomed visitors from several District and Borough Councils including:

Watford BC
North Herts
Welwyn Hatfield Tour
East Herts District
Dacorum Borough Council

The visits, hosted by Daniel Anderton, Hertfordshire's ITCC manager from Ringway, have demonstrated how our Network Management teams use technology to manage Hertfordshire's road network and keep customers informed of highway incidents. District and Borough councillors were also shown how the ITCC or "HUB" is also used to deploy maintenance crews for Category1 emergencies.

Feedback from those shown round include:

"We would like to put on record how interesting we found our visit to Hertfordshire County Council yesterday.

The Chairman and staff were very welcoming, and a behind the scenes look at the Integrated Transport System and Hertfordshire Archives Section was fascinating".

Our planned schedule of visits continued with Stevenage Borough visiting on 2 March 2016.

6. Cabinet Panels

- 6.1 Since the last Executive Report to Council, the Highways Cabinet Panel has met on 8 December 2015, 9 February 2016 and 10 March 2016. The matters discussed can be found at the following locations:

[8 December 2015](#)

[9 February 2016](#)

[10 March 2016](#)

Terry Douris
Executive Member for Highways
March 2016

1. Cabinet decisions since the last Executive Report to the County Council

1.1 There will have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. The items of business specifically attributed to this portfolio were:-

- Cabinet approved:-
 - the strategies for achieving the in-year public health budget savings 2015/16 and those required in subsequent years set out in the report and its appendices.
 - the Voluntary Sector Commissioning Strategy for Hertfordshire 2015-19.

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

2.1 There were no consequences of Cabinet decisions made before the last meeting of the County Council.

3. Anticipated/ future decisions to be made by Cabinet

3.1 A report on Fire and Libraries Co-Location was considered by Panel on 9 March 2016 and will be considered by Cabinet on 14 March 2016.

4. Key Partnerships

4.1 Hertfordshire Lifestyle and Legacy Partnership

The Lifestyle and Legacy Partnership met on 10 December 2015 and 21 March 2016. Amongst the items considered at this meeting were: the collation of inspirational stories and case studies to promote the legacy of the London Olympics and Paralympics in Hertfordshire in advance of this year's Rio Games, which would be featured on the Partnership's web page and shared as good practice around the country showing the benefits to physical and mental wellbeing of partnership working across the public and voluntary sector; the promotion of the benefits of Arts and Culture for wellbeing; and the use of social prescribing including the Arts.

4.2 Hertfordshire Armed Forces Community Covenant Board

The Covenant Board met on 16 December 2015 and 2 March 2016. A new Corporate Covenant Task group has been established to encourage Hertfordshire-based businesses to support reservists and encourage employment of ex-service personnel and their families. Support is also being given to a project at the Mount Prison in Bovingdon to encourage veterans who are serving as prisoners, to access appropriate support relating to their military service.

I was also pleased to support Cabinet's decision to amend the Hertfordshire's care charging policy in regards to War Disablement Pensions.

5. Other comments

5.1 Public Health

Public Health continues to progress across its workstream with most recently the Tobacco Control conference focusing on mental health and tobacco. 64% of tobacco use in England is by people with mental health problems, and we are working closely with mental health services to reduce this.

The Public Health work on the Health and Wellbeing Strategy continues and we are working on the roll out of the £2m Sport England funding to local partnerships for health improvement and physical activity across Hertfordshire.

Our review of drug and alcohol services for children and young people has concluded and the implementation process of improving services has begun.

Hertfordshire created two social enterprises which help get people out of drug and alcohol dependency and back into employment. I'm pleased to say we have won a further capital grant from Public Health England to help buy catering equipment for one of these social enterprises to help take on more people wanting to get back into employment.

Progress with implementing the Child and Adolescent Mental Health Services (CAMHS) review led by Public Health continues and Childrens Services and Public Health are now working with the NHS on a joint CAMHS Board. The NHS has now appointed staff to deliver £2m of new investment secured from Government by the joint CAMHS Board. Hertfordshire has also been successful in obtaining £130,000 for a twenty school programme from the Department for Education, with an additional £3000 for each school represented.

The inaugural Excellence in Hertfordshire Public Health Awards were presented at the 3rd Hertfordshire Public Health Conference on 2 December 2015. The 200 conference attendees chose Hertfordshire Health Walks as the overall winner of the Dr Joan Crawley Award.

5.2 Localism

Consultation on the draft Hertfordshire Compact has now ended and minor amendments are being made in line with comments and suggestions. The final version will go through the governance process in Hertfordshire County Council with a formal launch of the document due to take place in early summer.

As part of the wider review of all the contracts Health and Social Care hold with the voluntary and community sector two new services to provide infrastructure, representation and volunteering support to charities and community based organisations across Hertfordshire have been tendered and awarded. The new services, to be launched in April 2016, will be called the Herts Community Hub and #HertsTeam.

I was honoured to attend the Herts Service to Sport Awards 2015 on 16 December 2015 and present the award for 'Volunteer of the Year – Over 21' which was sponsored by the County Council.

I was also very pleased to be asked to open the recent Hertfordshire Primary Schools PE Conference which attracted head teachers, school governors and Physical Education leads from 128 of Hertfordshire primary schools.

5.3 Libraries and Heritage Services

- In November, I attended a Business Information event at Welwyn Garden City Library, which highlighted the role Hertfordshire Libraries play in supporting the local economy through the provision of business information resources and access to advice services.
- At Welwyn Garden City, I was also able to see a demonstration of the new LibraryLink facility, which provides a video link enabling customers and volunteers in the newly established Community Libraries at Chorleywood and Redbourn to call up assistance from library staff.
- In January, I attended a 'slipper swap' event at Stevenage Library. The aim of these events is to give information and advice to help vulnerable people avoid serious falls. New anti-slip slippers were provided through County Council Healthy Homes Campaign. Simple falls prevention exercises and tips were offered by Occupational Therapists, and library staff and partner organisations provided information stalls. The event formed part of Hertfordshire Libraries contribution to the provision of information and advice to support The Care Act.
- On 6 February 2016 I was interviewed on BBC Three Counties Radio to mark National Libraries Day and promote the events and activities going on in libraries around the County.

5.4 Customer Services

- I am pleased to report the beta (test) website is now live at beta.hertsdirect.org, with content for Blue Badge, adult social care and Libraries live and being used. Feedback from residents, staff and the Customer Service Centre has been positive on these changes. Further services including highways and admissions are being developed now.

6. **Cabinet Panels**

- 6.1 Since the last Executive Report to Council, the Public Health, Localism and Libraries Cabinet Panel has met on 18 November 2015, 29 January 2016 and 9 March 2016. The matters discussed can be found at the following locations:

[18 November 2015](#)

[29 January 2016](#)

[9 March 2016](#)

Teresa Heritage
Executive Member for Public Health, Localism & Libraries
March 2016

RESOURCES AND PERFORMANCE

1. Cabinet decisions since the last Executive Report to the County Council

- 1.1 There will have been 4 Cabinet meetings (14 December 2015, 18 January 2016, 22 February 2016 and 14 March 2016) since the last Executive Report to County Council. The items of business specifically attributed to this portfolio were:-

December 2015

1.1.1 Membership of Hertfordshire Business Rates Pool [Forward Plan ref: A041/15]

Cabinet agreed that the County Council forms a Business Rates Pool with Broxbourne Borough Council, North Herts District Council, Hertsmere Borough Council, Three Rivers District Council and Welwyn Hatfield Borough Council. New governance arrangements will be put in place to include a provision for part of the pooling gains to be set aside into a Growth Fund which will be available for economic development projects in all Hertfordshire districts.

1.1.2 Finance Monitor 2015/16 – Quarter 2

Cabinet agreed, in respect of balances below £1,000, to amend the process for the expenditure of S106 monies established by Cabinet on 20 November 2006; that capital budgets of £30.049m be reprogrammed to 2016/17 or future years; to transfer £250k from the SMS (Shared Managed Services) revenue budget to fund the capital costs relating to the relocation of the customer service centre; and a new capital budget for Public Health of £1.4m in 2015/16, to refurbish 2 sexual health clinics; and that a budget transfer of £0.7m from the Public Health revenue carry forward and £0.7m from capital reserves be approved. The capital reserves will be replenished through contributions made by the service provider.

1.1.3 To Consider the Resolutions of County Council on 10 November 2015 regarding the Former Radlett Aerodrome Site [Forward Plan ref: A077/15]

Cabinet agreed that all parties interested in development of the Council's land at the Former Radlett Airfield site (the 'Council's Land') following written request be allowed access to and information about the Council's Land holding such that they may pursue investigations as to potential alternative uses.

1.1.4 Bishops Stortford North – Primary School Strategy and Proposed Acquisition of Land at Farnham Road, Bishops Stortford [Forward Plan ref: A061/15]

Cabinet authorised acquisition of the land at Farnham Road, Bishop's Stortford, on the basis that planning permission has first been granted for the development of a 3FE primary school on that land.

January 2016

1.1.5 Integrated Plan 2016/17 – 2019/20 (incorporating Strategic Direction and Financial Consequences and the Treasury Management Strategy)

Cabinet approved the release of the draft plans, proposals and options to address pressures and savings requirements for 2016/17-2019/20, ahead of formal consideration by County Council on 22 February. Cabinet approved the release of schools budget data / information to the Department for Education (DfE) and the proposed schools revenue budget for 2016/17 in time for the Department for Education deadline of 21 January 2016.

February 2016

1.1.5 Integrated Plan Proposals 2016/17 – 2019/20

Cabinet recommended budget options for approval by County Council, taking into account comments and conclusions of the Council's Service Cabinet Panels and the report of the Overview and Scrutiny Committee.

1.1.6 ***March 2016***

Proposed Co-Location of four Libraries with Retained Fire Stations

This matter will be considered by Cabinet on 14 March 2016 and will be reported to Resources and Performance Cabinet Panel on 18 March 2016.

2. Consequences of Cabinet decisions before the last meeting of the County Council on 22 February 2016

2.1.1 Membership of Hertfordshire Business Rates Pool [Forward Plan ref: A041/15]

Since December 2015 Hertfordshire has submitted, and the Department for Communities and Local Government has approved, an application to form a revised pool with Broxbourne, Hertsmere, and Welwyn Hatfield Borough Councils and North Herts and Three Rivers District Councils.

3. Anticipated/ future decisions to be made by Cabinet

3.1.1 Land at Chaulden Lane, Hemel Hempstead – to consider the future of the land [Forward Plan ref: A048/15]

3.1.2 Lower Green Farm, Arlesey Road, Ickleford – to consider the future of the farmstead and immediately surrounding land, and a scheme for replacement equestrian facilities [Forward Plan ref: A069/15]

3.1.3 Land at Carpenders Park Farm, South Oxhey, Watford, WD19 5RJ - Potential Purchase by Hertfordshire County Council [Forward Plan ref: TBC]

3.1.4 Review of Financial Regulations [Forward Plan ref: A079/15]

3.1.5 Approval to use Invest to Transform Fund (ITTF) to purchase and implement improved e-commerce platform [Forward Plan ref: A008/16]

4. Key Partnerships

4.1 None

5. Other comments

5.1 The new Director of Resources, Owen Mapley, is to be designated as Chief Finance Officer (Section 151 Officer for the Council) at County Council on 22 March 2016.

I am indebted to Claire Cook for all that she has done in leading the department in an interim capacity and as our Section 151 Officer. Claire is a fantastic Officer and I hope that the County Council will place on record our huge appreciation to her for her services.

6. Cabinet Panels

6.1 Since the last Executive Report to Council, the Resources and Performance Cabinet Panel has met on 10 December 2015 and 12 February 2016. The Panel will also meet on 18 March 2016. The matters discussed can be found at the following locations:

[10 December 2015](#)

[12 February 2016](#)

[18 March 2016](#)

Chris Hayward
Executive Member for Resources and Performance
March 2016

HERTFORDSHIRE COUNTY COUNCIL PENSION FUND POOLING OPTIONS

Report of the Director of Resources

Author: Patrick Towey, Head of Specialist Accounting
(Tel: 01992 555148)

1. Purpose of report

- 1.1 The purpose of this report is to provide members of the County Council with the findings from the independent review of the options for Pension Fund pooling arrangements by Mercer and the recommendations of the Pension Committee to Council of the preferred option for pooling; and to enable Council to consider whether to approve the proposal for the Hertfordshire Pension Fund assets to join the ACCESS Local Government Pension Scheme pool.
- 1.2 This report has also been shared with the Pension Board which has commented on the recommendations proposed by the Pension Committee to Council; contained in paragraph 3.1 of the report.

2. Summary and Background

- 2.1 The Government published guidance in November 2015 setting out its criteria for the pooling of Local Government Pension Scheme (LGPS) assets. In this guidance it directed all 89 LGPS Funds in England and Wales to aggregate their assets to form six distinct asset pools. The Government set two deadlines, the first, on 19 February 2016 was for each LGPS Fund to state its commitment to pooling; the second deadline was for the chosen pools to prepare detailed submissions on pool structure to be delivered to Government by 15 July 2016. The Government will assess each pool against the following criteria:
- Size (at least £25bn in assets under management)
 - Governance
 - Reduced fees and “value for money”
 - An increased capacity for investing in infrastructure
- 2.2 The report titled “LGPS Investment Reform” was presented to the Pensions Committee on 5 February and provided the Committee with details on the development of Local Government Pension Scheme (LGPS) asset pools and the options for pooling available to the Hertfordshire Fund. At the 5 February meeting, it was agreed by the Pension Committee members that an independent review of the options be undertaken by Mercer, the Fund’s investment advisor, and that a report should be prepared with a

recommendation on the preferred pool for consideration by the Pensions Committee at their meeting on 1 March 2016.

2.3 Mercer was asked to review three pooling options in particular:

1. The London Collective Investment Vehicle
2. The Lancashire/LPFA pool
3. ACCESS (A collaboration of Central, Eastern and Southern Shires)

Mercer was asked to assess each particular pool against criteria covering: principles, degree of “like-mindedness”, size of pools and number of participants, governance, costs of set-up and on-going costs, synergies of investment managers and consultants used, external versus internal management, and finally transition.

2.4 The Mercer report, attached as Appendix A to this report, provides an evaluation of the criteria in 2.3 of each pool under consideration, with a view to recommending a final pool for the members of the Pensions Committee to agree upon, and recommend to Full Council on 22 March 2016 as the Committee’s preferred choice.

2.5 Members at the last Pension Committee indicated that they considered the key criteria in the selection of a pool would be influenced by the strategic synergies between the parties in the pool. Partners would need to have ‘like-minded’ interests particularly with regards to equitable rights and strong governance, strategic synergies in terms of size, current structures, investment managers and advisors used, and ability to deploy the Council’s investment strategy. The table below summarises the pros and cons of each option and whether it meets the ‘like-minded’ interests of Hertfordshire.

Option	Pros	Cons
London Collection Investment Vehicle (CIV)	<ul style="list-style-type: none"> • Established FCA company, furthest advanced of the pools • Meets criteria for assets under management (£24bn) • Equitable voting rights • External management 	<ul style="list-style-type: none"> • Governance – one voice amongst many weakens ability to influence • Hertfordshire largest Fund by size • No control over direction of travel • Can’t influence or shape project plan • Transition costs if managers are different • Investment strategy may not be accommodated as investment managers already appointed

Option	Pros	Cons
London Lancashire Pensions Partnership	<ul style="list-style-type: none"> • Regulatory work progressing, expect FCA authorisation in March • No contribution to regulatory capital or set up costs • Equal voting rights if we join as shareholder • Existing relationship with Fund 	<ul style="list-style-type: none"> • Governance –structure and principles already determined. • Investment managers - few synergies across traditional asset classes • Preference for internal management • Does not meet criteria for assets under management (£11bn) • Potential merger with Northern Powerhouse increases future unknowns • Advisors – does not use external advisors
ACCESS (A Collaboration of Central, Eastern and Southern Shires)	<ul style="list-style-type: none"> • Currently similar governance structures (Shires) • Equitable voting rights • Founding member with 'like minded' partners on common principles, can develop and shape the governance and structure of pool • Synergies across investment managers and advisors used by funds • External management • Meets criteria for assets under management (£30bn +) 	<ul style="list-style-type: none"> • In early stages and less well developed than the other two options • Tight timescale to deliver pool proposal to Government. • Future structure unknown • Set up costs unknown

2.6 The Mercer report, at Appendix A, provides further detail on these pools and concludes that, based on the Council's primary criteria of a strong governance structure and strategic fit, then they would recommend ACCESS as the preferred option for the Hertfordshire Fund to join. In addition to the three options that have been considered in this report, Mercers also looked at whether any of the other pools would be worth considering as a viable option for this Fund. The report concludes that these other pools didn't appear to offer any additional benefits/risks from those that have been considered in more detail in this report.

2.7 The Pension Board has also reviewed the Mercer paper and the process followed by the Pension Committee in arriving at the recommendations in this report. The Pension Board agreed that due process was followed by the Pension Committee and supported the conclusion reached by the Pension Committee in recommending ACCESS.

2.8 The Pension Board noted that the report did not yet reflect how any of the pools would address the criteria for an increased capacity for investment in infrastructure. As the pools are in their formative stages the approach to infrastructure investment and whether this is done at a pool level or through a national platform will be developed through the pooling submissions that will go to Government in July 2016.

3. Recommendations

3.1 The Pension Committee agreed to recommend to County Council that County Council agrees, subject to any impact from the Chancellor of the Exchequer's budget announcement on the 16 March 2016, that:-

- (a) the Hertfordshire Pension Fund gives its commitment to join the ACCESS LGPS pool subject to ACCESS meeting the Government's criteria for pooling when ACCESS submits its final proposal in July 2016; and
- (b) authorises the Chief Finance Officer, in consultation with the Chairman of the Pension Committee, to sign the memorandum of understanding with ACCESS members on behalf of the Hertfordshire Pension Fund to:-
 - (i) demonstrate its commitment to LGPS Multi-Asset Pools; and
 - (ii) facilitate the work required to meet the requirement to submit detailed proposals to Government by the 15 July 2016 deadline.

4. Financial Implications

4.1 Initial estimates of the work required to meet the Government's requirements through project pool are in the order of £60k to July 2016; this will be charged to the Pension Fund. The July submission to Government will provide an assessment of more details costs and benefits of the pooling arrangements.

Background Information

<https://www.gov.uk/government/consultations/local-government-pension-scheme-opportunities-for-collaboration-cost-savings-and-efficiencies>

<https://www.gov.uk/government/publications/local-government-pension-scheme-investment-reform-criteria-and-guidance>

<https://cmis.hertsdirect.org/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/307/Committee/11/SelectedTab/Documents/Default.asp>

X

HERTFORDSHIRE COUNTY COUNCIL PENSION FUND ("THE FUND") OPTIONS FOR POOLING

Background

It has been mandated that the 89 LGPS Funds in England and Wales must aggregate their assets to form six distinct asset pools. An initial deadline of 19 February 2016 was set down for each LGPS Fund to state its commitment to pooling, and the Government will be assessing the resultant pools according to the following criteria:

Size (at least £25bn in assets under management)
Governance
Reduced fees and "value for money"
An increased capacity for investing in infrastructure

Once the Government has given the green light to the chosen pools (and at the time of writing the number of pools was 7-8), the next stage will be for detailed submissions on pool structure to be finalised in July.

Options for the Fund

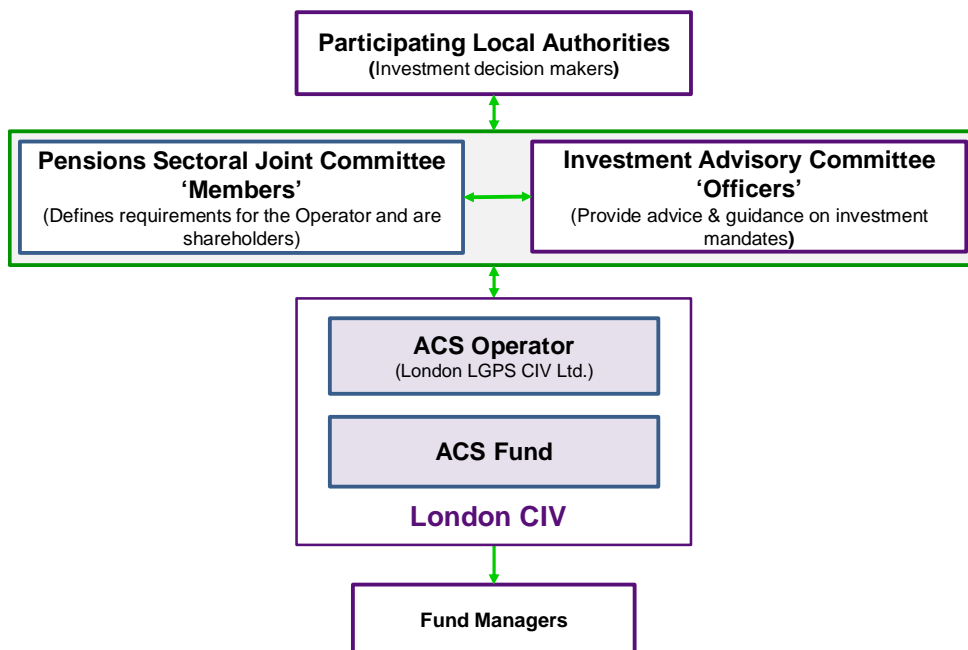
This report considers the three options for asset pooling that have been put to the Fund and makes a recommendation as to which one should be pursued. It should be noted that we make our assessment on the basis of information provided by each pool and with reference to our knowledge of the governance structure and day to day operations of the Fund; we have not conducted detailed due diligence in relation to the operational structure or offerings of each pool (in part because in certain cases, details have not been finalised or published by each pool).

The three options under consideration are:

1. To join the London Collective Investment Vehicle ("the London CIV")
2. To join the Lancashire LPFA pool; the London Lancashire Pensions Partnership
3. To join ACCESS (A Collaboration of Central, Eastern and Southern Shires)

The London CIV

The London CIV is the asset pool for the 32 London Boroughs and the City of London Corporation. It was first established in 2014 by London Councils and involved “building” an investment management company, which has recently been authorised by the Financial Conduct Authority. Its structure is illustrated in the following graphic (diagram provided by the London CIV):



An “ACS” as noted in the diagram above is an Authorised Contractual Scheme, which is essentially a tax-transparent UK based fund, authorised by the FCA in its role as regulator of the UK’s financial markets.

The London CIV is offering a range of funds run by individual managers; the first five funds being global equity via Baillie Gifford and Allianz (both are currently managers for the Fund), passive via Legal & General (also a manager for the Fund) and BlackRock and diversified growth via Baillie Gifford. In short, those managers with a large number of mandates across the London Boroughs have been the first to be transitioned onto the structure, after negotiating terms and conditions. A programme of work is currently underway to decide which asset classes to prioritise in terms of populating a manager line up.

The intention of the London CIV is that LGPS Funds will retain the right to choose which managers they want to use; i.e. there will not be a “London Global Equity Fund” consisting of a number of managers blended together. This raises potential questions in relation to the fee savings that will be achieved; namely whether having a larger number of managers, some of which may only have limited investment by London Boroughs, can be as efficient as a joint decision to invest in a smaller number of managers. It is worth noting that the London CIV was established prior to the Government’s mandatory pooling agenda and this may go some way to explaining the approach being taken.

Every London Borough Fund that has signed up to the CIV is an equal shareholder, and has contributed £125,000 to the regulatory capital of the management company. In addition, each Fund has paid initial costs of £75,000.

An overview of the characteristics of the London CIV, and our comments thereon is provided below:

	London CIV
Description	An FCA regulated management company with a platform of individual manager offerings under an ACS (pooled fund) wrapper.
Principles	One fund, one vote. External management in the first instance. Fee savings expected via economies of scale. Control stays at local level in terms of manager choice.
Participants and degree of “like-mindedness”	London Borough LGPS Funds, managed by London Councils. London Boroughs often not comparable to County Councils in terms of size, governance, and often politics. Difficult to quantify likeminded-ness. The CIV was arguably set up as a defence against merger; 30+ Funds are unlikely to have the same mindset as each other in unison.
Size	30+ London Boroughs with total assets under management in excess of £24bn.
Internal or external management?	External – may explore internal if there is demand later.
Governance	Each Fund is a shareholder. Each Fund has a (Councillor) seat on the Joint Committee. An Officer group advises the Committee. The CIV “Company” makes final manager decisions for regulatory reasons.
Initial Costs	£75,000 per Fund. £150,000 contribution to regulatory capital per Fund.
Ongoing Costs	£25,000 p.a. per Fund (currently).
Synergies - managers	Allianz Global Equity and L&G passive are available via the CIV. Baillie Gifford is currently the Fund’s UK Equity manager; their global strategy

	would be available.
Synergies - governance	Arguably limited. Hertfordshire would be one voice amongst a minimum of 30 other Funds, some of which have very different governance structures and political make-up. Hertfordshire would be the largest Fund by some margin.
Synergies - advisors	The London CIV have to date eschewed the use of investment advisors; although an Investment Consultant Framework is under consideration.
Transition Issues	Indications are that in specie transfers of assets where Fund's existing managers are on the CIV platform may not be possible, so transition costs could result regardless.
Progress to date	FCA authorisation obtained. Chairman, CEO and Investment Oversight Director appointed. 2 global equity managers, 2 passive managers and one diversified growth fund in situ, but significant assets yet to transition across from Funds.
Headline Advantages	Regulatory work and governance structure completed; furthest advanced of the pools. As the first LGPS CIV, "teething problems" have been encountered ahead of the game. Initial costs are known.
Headline Disadvantages	No control over direction of travel; structure already determined. One vote amongst 30+ Funds, which may have different priorities. No guarantees that the Fund's future investment strategy could be accommodated.
Cost savings	Given that manager choice from those on the CIV rests with each Fund, is the potential for fee savings as high as a pool that chooses a small number of managers collectively?
Comments	The CIV has been an easy target for critics, but managing the expectations of 30+ Funds is a significant challenge. It ticks many of the boxes in terms of the Government's criteria for pooling. If the Hertfordshire Fund was to join the London CIV, it would be at the mercy of a large Committee and its existing project plan / timelines in terms of new mandates, although the Fund's Allianz and Legal & General mandates could be immediately accessed at a lower fee. If the Fund wanted to join an established structure that gave immediate fee savings for two of its existing managers and greater certainty of set up costs and there was no desire to be involved in the structure / set up of the pool, then this could be a low maintenance option. However due diligence would be needed, initially via the CIV's prospectus, in relation to operational issues, transition procedures and costs, but also in terms of ongoing costs and future plans.

The London Lancashire Pensions Partnership (“LLPP”)

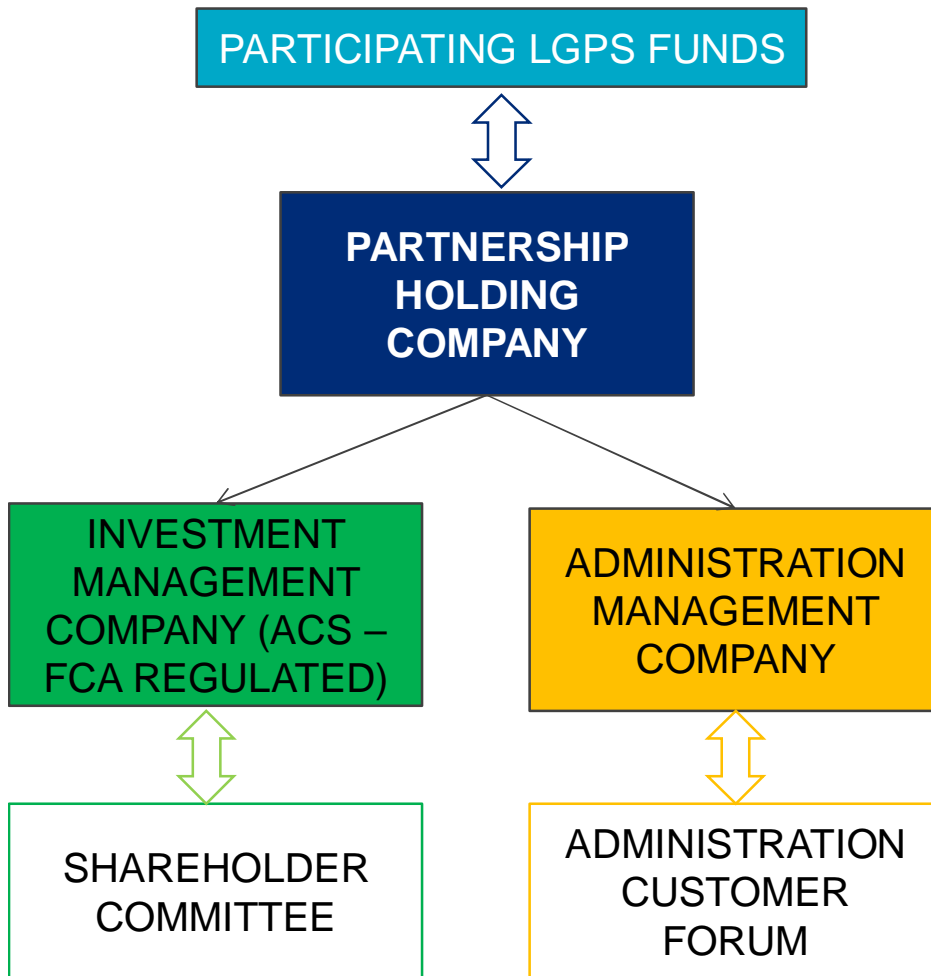
The LLPP was established in 2014 as a joint enterprise between the Lancashire Pension Fund and the London Pension Fund Authority. The venture was termed an “asset liability partnership” and was all about collaborative investment and liability management.

Similarly to the London CIV, the LLPP have been working towards building an investment management company that would invest via an ACS and have FCA authorisation. An independent Chairman has been appointed and other independent Non-Executive Directors (‘NED’) will also be recruited. In addition, each shareholder Fund will have a representative NED.

Participating Funds essentially have two options; join as a shareholder and have a say in the direction of the partnership, or delegate asset and liability management to the LLPP via a fiduciary management option. The LLPP is not looking for participating Funds to contribute to the set up costs or the regulatory capital; both of which have already been funded.

Both Funds currently use external investment management (although the LPFA has an internally managed buy and hold equity mandate) for traditional asset classes and have in house teams building portfolios of alternative investments (via external funds and also direct investments). We understand that the intention would be to further build out the internal management but little detail has been provided as yet.

The structure of the LLPP (using information provided) is as follows:



STOP PRESS – An announcement was made on Friday 19 February, that the LLPP was in early stage talks with Northern Powerhouse pool, comprising of the Greater Manchester, Merseyside, West Yorkshire Pension funds (c£30bn), following acknowledgement of the fact that they alone do not meet the Government’s size criteria.

A great deal of time and resource has been invested in the setting up of the LLPP and it may be the case that a possible joint entity of LLPP and Northern Powerhouse uses this structure. In the absence however of any further detail at this stage, we proceed with an assessment of the LLPP structure below:

	LLPP
Description	An “asset liability partnership”, offering shareholder or non-shareholder participation (the latter being akin to fiduciary management). Investment services include “real time liability management capability”. Option to add additional services such as pensions administration for shareholders. Awaiting FCA authorisation and will utilise an ACS structure.
Principles	Offers the choice of one fund, one vote or fiduciary management. Intended bias to internal management. Liability management sits alongside asset management.
Participants and degree of “likemindedness”	Two large Funds with a preference for internal management and a stated intention for liability management to be at the heart of the pool.
Size	Lancashire and LPFA with assets of c.£11bn. Also in discussions with the Berkshire Pension Fund (£1.7bn). Noting recent announcement that discussions are being held with Northern Powerhouse pool (c. £30bn).
Internal or external management?	Internal predominantly with access to a “rationalised” list of external funds.
Governance	Two models available: shareholder or non-shareholder. Shareholders operate under one fund one non-executive director vote, although independent directors also have voting rights.
Initial Costs	Nil – already covered by Lancashire and the LPFA who are not looking to recover costs from joining Funds.
Ongoing Costs	Not yet known.
Synergies – managers	Little across traditional asset classes.
Synergies - governance	Hertfordshire could either be a shareholder and be one voice amongst several, or delegate investment management entirely to the partnership. The founder Funds have different governance structures to Hertfordshire, with more delegation to Officers and the use of independent advisors.
Synergies - advisors	Neither Fund has a retained consultant; rather independent advisors and internal investment teams dominate.
Transition Issues	No information to date, other than a statement that in-specie transfers will be considered.
Progress to date	Awaiting FCA authorisation of the joint entity. At £11bn, the LLPP falls some way short of the £25bn criterion.
Headline Advantages	Regulatory work and governance structure progressing with FCA authorisation expected in March 2016. Existing relationship for the Fund via pensions administration; indeed the LPFA does have experience of collaborative working and service provision. Independent Chairman with relevant background.

<p>Headline Disadvantages</p>	<p>Unlikely to meet the Government’s size criteria for pooling of £25bn; although talks in progress with Northern Powerhouse. Although the Fund would have an equal vote if joining as a shareholder, the structure and principles have already been determined. (Independent Board members have also been appointed by the two founder Funds). No evidence has been presented to make the case for why this pool will achieve “better” returns or offer the flexibility that the Fund may require depending on its future investment strategy.</p>
<p>Cost savings</p>	<p>Internal management is often heralded as being lower cost, but transparency is sometimes lacking. External managers are utilised, in alternatives for example, and no evidence has been presented suggesting that the LLPF could achieve lower fees than other pools.</p>
<p>Comments</p>	<p>There is a great deal of uncertainty surrounding this pool. As a standalone entity, it appears to be at an advanced stage in terms of structuring the investment management company, but it is unclear how this would fit with the Northern Powerhouse pool. The Hertfordshire Fund would need to be placing a high weighting towards its current relationship with the LPFA and the progress made on the structure for this option to have a realistic chance of consideration.</p>

ACCESS

ACCESS is in the very early stages of development, but is essentially an agreement between 10 County LGPS Funds with assets under management of £30bn to establish a collective asset pool; run by the LGPS for the LGPS. The Fund has been involved in discussions with ACCESS from the outset and if it chose to join would bring the number of funds to 11.

To date, little work has been completed on potential structures; an ACS will likely be required (following feedback from the Government), but whether ACCESS will build its own investment management company, or “rent” the structure from an external provider is yet to be decided. A project plan has been finalised by Hymans Robertson that is intended to get ACCESS to the point of the July submission to Government on structures; this will involve a great deal of work from Officers and will also require external advice on issues such as tax and legal requirements.

Governance is seen as being key, and a set of shared principles has been developed covering:

- collaboration
- risk management
- evidence-based decision-making
- equitable cost sharing
- equitable voice in governance
- professionalism
- evolution and innovation
- value for money
- no unnecessary complexity

An overview of the characteristics of ACCESS, and our comments thereon is provided below:

	ACCESS
Description	An early stage collaboration between 10 LGPS Funds (largely regionally based). No decisions on structure have yet been made, but work has been completed on principles and a memorandum of understanding has been produced.
Principles	Based around collaborative, collective decision-making.
Participants and degree of “likemindedness”	10 County LGPS Funds: <ul style="list-style-type: none"> • Cambridgeshire • East Sussex • Essex • Hampshire • Isle of Wight • Kent • Norfolk

	<ul style="list-style-type: none"> • Northamptonshire • Suffolk • West Sussex <p>Significant work done on determining a collective mindset.</p>
Size	£30bn
Internal or external management?	External; no stated intention to develop an internal management function (partly for reasons of proximity to London and the associated issues of recruitment / retention / remuneration).
Governance	A governance work stream has been initiated.
Initial Costs	Each Fund will commit an equal share of the costs to get to the July submission date. Set up costs for the structure as yet unknown.
Ongoing Costs	Unknown at present.
Synergies – managers	ACCESS have 75% of collective assets across 12 managers.
Synergies - governance	All County Funds, run with very similar Committee structures and Officer teams.
Synergies - advisors	Most Funds have a retained investment consultant; Mercer and Hymans Robertson dominate.
Transition Issues	Not yet known – to be determined collectively.
Progress to date	Principles have been established and a memorandum of understanding agreed. A work plan has been determined and structures will be investigated Feb to July. Work on establishing the chosen structure will begin once Government approval is obtained post July.
Headline Advantages	This option gives the Fund the opportunity to be a founding partner, working with “like-minded” funds with similar governance structures, with arguably much more control over its own destiny than the other options considered.
Headline Disadvantages	There are so many decisions still to be made, that this option arguably represents a leap of faith; structures and costs are unknown and significant Officer time will be required between now and July to get to the point of making the next submission to Government.
Cost savings	Not yet known.
Comments	Although ACCESS represents an early stage pool and is a long way behind the more established London CIV and LLPP, it is not an outlier relative to the other emerging pools. The choice is reasonably stark; join a more established pool that has clear pros and cons or be part of establishing a pool with (arguably) more like-minded partners which in turn could lead to a more favourable balance of pros and cons from a Hertfordshire perspective

Should the Fund consider other pools?

This of course is an option; the other pools being Central (comprising of LGPS funds from the Midlands), Border to Coast (a collection of mostly Northern / Eastern funds plus Warwickshire and Surrey), Brunel (the South West plus Buckinghamshire and Oxfordshire) or Wales. There is also the Northern Powerhouse pool which is in discussion with LLPP.

There is no real reason why discussions shouldn't be held with these pools, but the reasons for so doing are probably no more compelling than the arguments for ACCESS. Most of the pools are at a similar stage (although one or two are more advanced in terms of draft governance arrangements and have carried out a good amount of work on possible pool structure).

Our recommendation

ACCESS is at an early stage, but on the grounds that a strong governance structure will be key for any well-functioning asset pool, the degree of like-mindedness across the participating funds should not be underestimated as a strength. There are many unknowns, but the underlying principles developed by ACCESS are a strong foundation for developing a solution to pooling that will work for the group and it would be our preferred option.

There are several positive arguments for both the London CIV and the LLPP; however there are significant disadvantages too. The London CIV is run by LGPS funds with a very different structure to the Fund (in terms of governance, size, objectives) and there are questions about whether its intention to continue to offer a range of manager options is optimal. The London CIV offers one fund, one vote, but the Fund would be one of 30+ funds and so the power to influence its own destiny amongst many other (sometimes very different) partners could be a frustration.

The LLPP is not a viable option at its current size, and the potential merger with the Northern Powerhouse pool increases the number of unknowns for the Fund.

Next Steps

There is a considerable amount of work to be done between now and July in order that ACCESS has a viable submission to put to Government in relation to the structure of its pool.

A project plan has been devised by Hymans Robertson and the founder funds, and it is expected that external advice will also be required given the complexities of what will essentially be the set-up of an investment management company.

We would strongly recommend that ACCESS considers the appointment of an independent chair or advisor at the outset; ideally someone with operational experience in relation to investment

management. There are many options that could be considered and the right independent chair could help steer a path through a complex area, helping ACCESS focus on prioritising the more valuable actions.

We look forward to discussing this report with the Committee and Officers.

Jo Holden
Mercer
February 2016

Important Notices

References to Mercer shall be construed to include Mercer LLC and/or its associated companies.

© 2016 Mercer LLC. All rights reserved.

This contains confidential and proprietary information of Mercer and is intended for the exclusive use of the parties to whom it was provided by Mercer. Its content may not be modified, sold or otherwise provided, in whole or in part, to any other person or entity, without Mercer's prior written permission.

The findings, ratings and/or opinions expressed herein are the intellectual property of Mercer and are subject to change without notice. They are not intended to convey any guarantees as to the future performance of the investment products, asset classes or capital markets discussed. Past performance does not guarantee future results. Mercer's ratings do not constitute individualised investment advice.

Information contained herein has been obtained from a range of third party sources. While the information is believed to be reliable, Mercer has not sought to verify it independently. As such, Mercer makes no representations or warranties as to the accuracy of the information presented and takes no responsibility or liability (including for indirect, consequential or incidental damages), for any error, omission or inaccuracy in the data supplied by any third party.

This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities and/or any other financial instruments or products or constitute a solicitation on behalf of any of the investment managers, their affiliates, products or strategies that Mercer may evaluate or recommend.

For Mercer's conflict of interest disclosures, contact your Mercer representative or see www.mercer.com/conflictsofinterest.

PAY POLICY 2016/17

Report of the Director of Resources

Author: Emily Austin, HR Manager, Pay and Reward
(Tel: 01707 292751)

1. Purpose of report

- 1.1 To invite County Council to adopt the proposed Pay Policy for the Council for 2016/17.

2. Summary

- 2.1 The Localism Act 2011 (the '2011 Act') requires local authorities to publish a pay policy annually. The purpose of a pay policy is to assist with the drive for greater transparency and accountability in relation to pay. The policy must at a minimum cover the level and elements of remuneration of Chief Officers (as defined by the 2011 Act), but local authorities have the discretion to broaden the policy to cover other terms and conditions and employee groups.
- 2.2 This report sets out the proposed Pay Policy for the Council for 2016/17 and the pay ratio to be published; it also references the data to be released in April 2016 as part of the Council's annual publication of senior manager data, signposted from the Pay Policy.

3. Recommendations

- 3.1 The Employment Committee will consider a report on this item of business at its meeting on 14 March 2016. The Committee will be invited to recommend to County Council:-
1. *That County Council adopts the Pay Policy for 2016/17 as set out in Appendix 1 to the report.*
 2. *That County Council delegates to the Chief Executive and Director of Environment the decision to apply an additional payment to attract or retain a senior manager where appropriate, based on the market, subject to consultation with Group Leaders where the proposed additional payment is to an employee whose salary is already £100,000 p.a. or more, or where the proposed additional payment would result in the employee's salary rising to £100,000 p.a. or more.*
 3. *That Council notes the data release for April 2016 as set out in the report.*

3.2 The Committee's recommendation to Council will be reported orally at the County Council meeting and circulated to Members in the Order of Business sheet.

4. Background

4.1 The Localism Act 2011 requires all local authorities to prepare and publish an annual pay policy statement to articulate the Council's policies on the remuneration of both its highest and lowest paid employees for the following financial year.

4.2 Publication of the Pay Policy is to assist with the drive for greater transparency and accountability of senior managers' pay, providing information to the public about how the Council sets and manages pay for senior managers and also for its lowest paid employees. This is also in line with the Department for Communities and Local Government (DCLG's) 'Local Government Transparency Code 2015'.

5. Scope of the Pay Policy

5.1 The Localism Act 2011 requires the Pay Policy to include information relating to the Head of Paid Service, the Monitoring Officer, Chief Officers (statutory and non-statutory) and Deputy Chief Officers, as defined in the Local Government and Housing Act 1989 and including Public Health. Schools employees are excluded from the scope of the Pay Policy as each school is already required to publish its own pay policy.

6. Recommendations for content of the Pay Policy for 2016/17

6.1 Council is invited to adopt the proposed Pay Policy 2016/17, set out in Appendix 1 to the report. The Pay Policy for 2016/17 remains the same in format as the previous 3 policies. The content is also as per the 2015/16 policy save for the amendments which have been highlighted for ease of reference.

6.2 Within the parameters of the guidance around the Act, the following definitions will be used within the Council's Pay Policy for 2016/17:

- The definition of the Council's lowest paid worker is the lowest national spinal column point (SCP) 6. This is the lowest pay point the Council can appoint to and, therefore, is the Council's lowest pay point. [Note: This is with the exception of Health and Social Care Trainees (previously known as 'Care Cadets') who are paid £110 per week (this is above the National Minimum wage for Apprenticeships)]. As at April 2016, this is a full time value of £TBC (Note: Awaiting national pay settlement for April 2016).

6.3 The definition of the ratio from 1 April 2016 is in line with the DCLG's Local Government Transparency Code 2015 as follows:-

- The ratio between the total remuneration of the Council's highest paid employee (Chief Executive and Director of Environment) on 1 April 2016 and the median earnings figure for the whole of the Council's workforce (exc. schools). The earnings are calculated on remuneration, including

additional payments such as bonuses. This ratio will be calculated based on data in April 2016 and the final figure published thereafter.

- The current published ratio (from April 2015) between the 2014/2015 total remuneration of the Council's highest paid employee (Chief Executive) and the median earnings figure for the whole of the Council's workforce (exc. schools) was **1:6.6**. It is anticipated this will not vary significantly in April 2016.

7. Proposed delegation to the Chief Executive and Director of Environment

- 7.1 Paragraph 5.6 of the Pay Policy provides that in exceptional circumstances the Council retains the discretion to apply an additional payment to attract or retain a senior manager where appropriate based on the market.
- 7.2 Officers recommend that Council delegates authority to the Chief Executive and Director of Environment to approve such additional payments, subject to consultation with Group Leaders where the additional payment is to an employee whose salary is already £100,000 p.a. or more, or where the proposed additional payment would result in the employee's salary rising to £100,000 p.a. or more.

8. Open Data Release for 2016/17

- 8.1 The following information will be published on the Council's website in compliance with The Accounts and Audit Regulations 2015 and The Local Government Transparency Code 2015:
- The number of employees whose remuneration is at least £50,000 in brackets of £5,000 (as set out in the Statement of Accounts).
 - Details of the remuneration and job titles of certain senior employees whose salary is £50,000 or more; employees whose salaries are £150,000 or more are also identified by name (as set out in the Statement of Accounts).
 - A list of responsibilities and bonus payments of certain senior employees whose salary is £50,000 or more, identifying by name the Chief Executive and Director of Environment, his direct reports, Chief Officers (Directors), Deputy Chief Officers (Deputy / Assistant Directors) and the Monitoring Officer (as set out in the Statement of Accounts).
 - Organisation charts; These charts include all staff (irrespective of employment terms) whose annual salary is £50,000 or more and include information on;
 - Grade, job title and local authority department
 - Whether permanent or temporary
 - Contact details (a generic email address)
 - Salary in £5,000 brackets,
 - Salary ceiling (the maximum salary for the grade).

These also identify by name the Chief Executive and Director of Environment, his direct reports, Chief Officers (Directors), Deputy Chief Officers (Deputy / Assistant Directors) and the Monitoring Officer (as set out in the Statement of Accounts).

9. Approval of the Pay Policy

- 9.1 The Pay Policy must be approved by Full Council by 31 March each year. After approval or revision the Pay Policy must be published on Herts Direct in an easily accessible manner and linked to the Open Data release.
- 9.2 Once published, the Council must comply with the Pay Policy for the relevant financial year, and will be constrained by it when making any decisions relating to roles within scope of the policy.
- 9.3 Timetable for approval is as follows;

Action / Approval	Date
Employment Committee	14 March 2016
Full Council	22 March 2016
Publication of Pay Policy & Open Data	April 2016

10. Financial Implications

- 10.1 There are no financial implications of the publication of Pay Policy or the data release.

11. Equalities Implications

- 11.1 There are no equality implications of the publication of Pay Policy or the data release.

Background Information

As per the hyperlinks in the report

The Localism Act 2011 <http://www.legislation.gov.uk/ukpga/2011/20/contents/enacted>

**Hertfordshire County Council
Pay Policy 2016/17**

1. Introduction

- 1.1 This Pay Policy 2016/17 sets out the Council's position in relation to pay for its senior managers and lowest paid employees in compliance with the Localism Act 2011.
- 1.2 The Policy outlines the Council's approach to how it manages pay for its senior managers and also sets out the Council's definition of its lowest paid employees.

2. Scope of Pay Policy

- 2.1 The Pay Policy covers the following roles at Hertfordshire County Council:
- Chief Executive and Director of Environment (Head of Paid Service);
 - Directors (Chief Officer statutory and non statutory);
 - Deputy and Assistant Director roles (this includes the roles of Deputy Chief Officer and Monitoring Officer and NHS Consultants);
 - Heads of Service (where they report to a Director);
 - Chief Fire Officer;
 - Deputy Chief Fire Officer;
 - Assistant Chief Fire Officer.
- 2.2 The following roles form the Council's Strategic Management Board:
- Chief Executive & Director of Environment (Head of Paid Service);
 - Director of Resources (Chief Finance Officer)
 - Director Health and Community Services (Statutory Director of Adult Social Services);
 - Director of Children's Services (Statutory Director Children's Services);
 - Director Community Protection (Chief Fire Officer);
 - Director of Public Health; (Statutory Director Public Health)
 - Deputy Director, Environment (Statutory Traffic Manager)
- 2.3 The terms of the employees referred to in paragraph 2.1 are all set by the Council via individual agreements. They are not covered by any nationally determined collective agreements. The exception to this are NHS Consultants who report to the Director of Public Health. The terms and conditions and pay for Consultants in Public Health are set nationally by the NHS Employers. Pay is reviewed annually by the Doctors and Dentists Review Body.
- 2.4 This Pay Policy does not cover those employed in schools. Each school is already required to publish a separate pay policy.

3. Job Evaluation

- 3.1 All roles are evaluated using the Hay job evaluation methodology to ensure roles are graded fairly, accurately and consistently. This allocates each role a locally agreed grade. These grades are Chief Officer, PMA, PMB or PMC. PMC is split into 3 zones. Each grade is matched to a salary range. These salary ranges are set by the Council.

4. Salary Ranges

- 4.1 All senior managers are paid on spot salaries within a salary range. The salary ranges exist to set a minimum and maximum for each grade. There are no increments in the salary ranges. Salary ranges are reviewed annually in January. The Employment Committee agrees any changes to the Chief Officer salary range and the fixed salary point of the Chief Executive and Director of Environment and makes a recommendation to the Chief Executive and Director of Environment for any changes to the salary ranges for Deputy and Assistant Directors and Heads of Service. These are undertaken against an assessment of the local and national market including an assessment of inflation rates. Any changes to salary ranges are implemented in April. See section 8.1 for further details.
- 4.2 The Chief Executive and Director of Environment is the highest paid role in the Council. The role has a fixed salary point. The current basic salary for the role of Chief Executive and Director of Environment at Hertfordshire County Council is £185,000 (1 April 2016)
- 4.3 All salary ranges and the fixed salary point for the Chief Executive and Director of Environment are published on the Council's website, [Herts Direct](#).

5. Recruitment and retention of Senior Managers

- 5.1 All senior manager vacancies will require an assessment of the market prior to advertisement to make a decision in regard to the 'circa' salary within the salary range, (or zone for PMC) that the role should be advertised at. The entire salary range should not be advertised.
- 5.2 All appointments to senior manager posts are made on a spot salary within the salary range that the role has been allocated to. Spot salaries should be at the lower end of the market indicators. Consideration will be given to:
- The wider recruitment market
 - Relativity of salaries of comparable roles
 - Equality
 - Size and responsibilities of the post and duties to be undertaken.

- 5.3 The decision on the salary of the post prior to an offer being made will be approved by the Assistant Director Human Resources (HR). See section 5.4 with regard to posts with salary packages over £100,000 per annum.
- 5.4 Recruitment to vacancies with salary packages above £100,000 per annum will be in accordance with Annex 14 of the Constitution and this Pay Policy.
- 5.5 The decision on the actual salary over £100,000 per annum within the ranges set by Employment Committee to which an employee is appointed will be made by the Chief Executive and Director of Environment in consultation with Group Leaders following guidance from the Assistant Director of Human Resources (HR). If any Group Leader or Group Leaders who individually or collectively represent 5 or more members of the Council dissent from the proposed salary for an appointment then the salary package for that appointment shall be referred to full Council for decision.
- 5.6 In exceptional circumstances the Council retains the discretion to apply an additional payment to attract or retain a senior manager where appropriate, based on the market. These payments are approved by the Chief Executive and Director of Environment with guidance from the Assistant Director of HR. **Where:**
- (i) the proposed additional payment is to an employee whose salary is already £100,000 p.a. or more, or
 - (ii) the proposed additional payment if approved would result in the employee's salary rising to £100,000 p.a. or more
- the Chief Executive will consult Group Leaders on the proposed increase. If any Group Leader or Group Leaders who individually or collectively represent 5 or more members of the Council dissent from the proposed additional payment then the salary package for that employee shall be referred to full Council for decision.
- 5.7 The Council has made the decision that the approval of salary packages with a salary of £100,000 p.a. or more **and increases in salary as mentioned in paragraph 5.6 above** shall be decided as set out in the preceding paragraphs taking into account that the limited number of times that full Council meets each year that it would not be an efficient use of resources to call full Council to consider an individual appointment **or salary increase**.
- 5.8 The process as set out in the preceding paragraphs enables some flexibility if any negotiation is required with a candidate **on appointment**. It also ensures that all Groups on the Council via their Group Leaders are made aware of proposed salary packages with a salary over £100,000 p.a. **and increases as mentioned in paragraph 5.6 above** and

can express their views to the Chief Executive and if necessary the matter can be considered at a meeting of full Council.

6. Contract for Services

- 6.1 Exceptionally where a senior manager is engaged under a contract for services (as a consultant) the rate of pay will be determined by the nature of the service to be delivered and the market rate for that role. The rate of pay will be agreed by the Assistant Director of HR in consultation with the relevant Director or the Chief Executive and Director of Environment.

7. Remuneration Package

As well as basic salary all senior managers are employed on the following terms of employment:

7.1. Annual Leave

The annual leave year runs from 1 April to 31 March. Annual leave entitlement is dependent on grade and continuous service. In addition to annual leave, employees are entitled to statutory holidays each year. The annual leave entitlement for a full year (pro-rata for part-time staff) is as follows:

Role / Grade	Less than 5 years of continuous service	On the anniversary of 5 years continuous service	On the anniversary of 10 years continuous service
Chief Executive Chief Officer (CO's) Deputy and Assistant Directors (Grade PMA/PMB)	33 days	33 days	33 days
Heads of Service (Grade PMC)	28 days	30 days	31 days

7.2. Cars and Mileage

7.2.1 Lease Cars

- 7.2.1.1 Eligibility for a lease car is based on completing over 2250 average annual business miles per annum. Eligible employees receive a monthly contribution (£50 per calendar month for those completing over 2250 average annual business miles per annum and £100 per calendar month for those completing over 5000 average annual business miles per annum) from the Council towards the cost of the car. All lease cars are limited to those with emissions below 100 g/km of CO₂.

7.2.2 An Extended Lease scheme was introduced in May 2014 offering certain employees who do over 1500 miles and meet the role eligibility criteria (roles that meet a shortage skill requirement i.e. Social Worker) access to a lease car. There is no employer contribution toward the car but the Council does pay for its insurance and maintenance.

7.2.3 All lease car business mileage can be claimed at a rate based on the HMRC's company car advisory fuel rates.

7.2.3 Private Cars

Where an employee uses their own private car for business use all business miles undertaken can be claimed at a rate based on the HMRC's Approved mileage rate.

7.3 Sick Pay

7.3.1 The entitlement to sick pay for all employees is as follows:

First 2 days absence in each period of absence	No pay
During the first 6 months of service	Statutory Sick Pay Only
During the second 6 months service (month 7 – 12)	1 months full pay and 1 months half pay
During the second year of service	2 months full pay and 2 months half pay
During the third year of service onwards	3 months full pay and 3 months half pay
During the fourth year of service onwards	4 months full pay and 4 months half pay

7.4 Additional Payments

7.4.1 Senior managers are not entitled to claim any additional payments, such as overtime, standby or payments for working at the weekend.

7.5 Market Payments

7.5.1 The Council retains the discretion to apply a market payment to attract or retain a senior manager where appropriate. These payments are approved by the Chief Executive and Director of Environment with guidance from the Assistant Director of HR.

7.6 Subsistence Rates

7.6.1 Senior managers are only entitled to claim subsistence for meals if they are required to stay out of the county on business.

7.7 Honoraria payments

- 7.7.1 Honoraria Payments are made in exceptional circumstances where an employee is temporarily taking on additional duties of another post. The value of the payment will be proportionate and based on the amount of work and length of time the additional duties are undertaken. All payments are approved by the Chief Executive and Director of Environment with guidance from the Assistant Director of HR.

7.8 Election Fees

- 7.8.1 The Chief Legal Officer is the Returning Officer for County Council elections and does not receive any election fees.

8. Managing Pay

8.1 Cost of Living Increases for Senior Managers

- 8.1.1 The decision on the setting of a cost of living increase is undertaken annually by the Employment Committee. The Committee decides on the value of any the cost of living award to be paid to the Chief Executive and Director of Environment and the Chief Officers and makes a recommendation to the Chief Executive and Director of Environment, who has the final decision on the value of any cost of living award to be paid to Deputy and Assistant Directors and Heads of Service.
- 8.1.2 Any cost of living increase that is agreed will be paid in April each year and consolidated into pay. In the exceptional circumstance where an individual's pay exceeds the maximum pay for the grade any payments (i.e. cost of living increase) will be made as a non-consolidated payment. Only those senior managers that achieve a performance rating of Fully Achieved or Exceed (see section 8.2 for further details of the performance management scheme) will be eligible for a cost of living award. Any employee who has a 'Not Met' or Partly Met rating will not get cost of living increase consolidated into their pay and therefore their salary may fall below the minimum of the range if the range is increased.
- 8.1.3 Senior managers starting on or after 1 October will receive a consolidated cost of living increase as long as they are assessed as performing within their probation period and have been assessed as such at the milestones within their probationary review.
- 8.1.4 The decision on the value of any cost of living increase will take account of the current market (including inflation rates and affordability).

8.2 Performance Increases for Senior Managers

- 8.2.1 Individual performance of senior managers is assessed via the Council's Performance Management Development Scheme (PMDS). At the end of each performance year their performance is assessed against their objectives and the Council's Values and Behaviours. Each manager is awarded an overall performance rating of Not Met, Partly Met, Fully Achieved or Exceed, reflecting their achievement against their objectives and the Council's Values and Behaviours.
- 8.2.2 Employment Committee will each year agree on the value of a non consolidated performance payment to be paid to the Chief Executive and Director of Environment and the Chief Officers, subject to individuals achieving an Exceed rating, and makes a recommendation to the Chief Executive and Director of Environment, who has the final decision on the value of a non consolidated performance payment to be paid to Deputy and Assistant Directors and Heads of Service that are awarded an Exceed rating.
- 8.2.3 The decisions on the value of any performance payment will take account of the current market including inflation rates and affordability.
- 8.2.4 Any senior manager appointed between the 1 April and the 30 September of the performance year will qualify for the non consolidated performance payment subject to their rating. Senior managers starting on or after 1 October will not qualify for the non consolidated performance payment until the end of the following performance year subject to their performance rating.

8.3 Change to pay mid performance year

- 8.3.1 Where a role significantly varies within the performance year an assessment will be undertaken of any additional duties to decide if an alteration to pay or grade is necessary.
- 8.3.2 All decisions relating to the movement of pay for Deputy and Assistant Directors and Heads of Service are assessed and approved by the Assistant Director of HR in consultation with the relevant Director or the Chief Executive and Director of Environment. Any changes to pay for Chief Officers are approved by the Chief Executive with guidance from the Assistant Director of HR.

8.4 Tax and Bonus Payments

- 8.4.1 Senior Managers may be eligible for a non consolidated performance payment linked to performance each year. The eligibility and value of this payment is set by the Employment Committee as set out in section 8.2.

8.4.2 The Council's remuneration arrangements are designed to ensure payments are in line with taxation rules.

9. Payments on Termination of Employment for Senior Managers

9.1 Redundancy and Other Payments

9.1.1 An employee whose contract of employment is terminated due to redundancy will be eligible for a redundancy payment. Payments are made based on the statutory calculator for age and years of service but use that employee's actual week's pay.

9.1.2 An employee whose contract of employment is terminated may be entitled to other payments (e.g. payment in lieu of notice). Any such payments must be approved by the Assistant Director of HR and the relevant Chief Officer or the Chief Executive and Director of Environment.

9.1.3 In exceptional circumstances, and specifically so as to settle a claim or a potential dispute, the Assistant Director of HR in consultation with the Chief Legal Officer, can agree payment of a termination sum.

9.1.4 Any exceptional payment(s) as part of a severance package that results in the severance package being of a value of £100,000 or more will be approved by the Chief Executive and Director of Environment in consultation with Group Leaders following guidance from the Assistant Director of HR. If any Group Leader or Group Leaders who individually or collectively represent 5 or more members of the council dissent from the proposed payment(s) then that severance package shall be referred to full Council for decision.

9.1.5 The Council has made the decision that the approval of severance packages which include exceptional payment(s) bringing the value of the package to £100,000 or more shall be decided as set out in the preceding paragraph taking into account that the limited number of times that full Council meets each year that it would not be an efficient use of resources to call full Council to consider an individual severance package. The process as set out in the preceding paragraph enables some flexibility to take into account the circumstances at the time of the ending of the individual's employment. It also ensures that all Groups on the Council via their Group Leaders are made aware of proposed severance packages with exceptional payment(s) that take the package to £100,000 or more and can express their views to the Chief Executive and Director of Environment and, if necessary, the matter can be considered at a meeting of full Council.

9.1.6 The Council would not expect to re-employ an individual who has left the organisation as a result of a severance payment. The Council would not expect to re-employ an individual who has left as a result of

Redundancy or retirement immediately after they left unless it is to a vacancy that was not available at the time they left the organisation.

9.1.7 An employee who is made redundant or retires must have a break of at least one month and one day to break their continuous service with the Council before they can be re-employed by the Council in a different position. If they are re-employed before this time they lose entitlement to any redundancy payment or may be liable for taxation on their retirement allowance.

10. Pensions (Local Government Pension Scheme & Firefighters Pension Schemes)

10.1 Membership

10.1.1 Membership of a pension scheme is determined by the employee's conditions of service and is subject to the provisions of the Scheme. All local government employees (including senior managers) are eligible to join the Local Government Pension Scheme (LGPS). The Chief Fire Officer and Deputy and Assistant Chief Fire Officers are entitled to join the Firefighters Pension Scheme.

10.2 Pension Contributions

10.2.1 Employee contributions are set nationally. The following table sets out the employee and employer contribution rates.

	Employee Contributions for those paid above £50k (1 April 2016)	Employer Contributions (1 April 2016)
Local Government Pension Scheme	8.5% / 9.9% / 10.5 / 11.4 or 12.5% depending on individual salary	20.6%
Firefighters Pension Scheme 1992	15.5/ 16% / 16.5% or 17% depending on individual salary	21.7%
New Firefighters Pension Scheme 2006	11.3% / 11.7% / 12.1% or 12.5 % depending on individual salary	11.9%

Firefighters Pension Scheme	13.5 % or 14.5% depending on individual	14.3%
2015	salary	

10.3 Pension Scheme Discretions

10.3.1 County Council and Fire employees are eligible to be members of their statutory pension schemes. The core pension benefits of these schemes are determined by statutory regulations.

10.3.2 The Local Government Pension Scheme incorporates employer discretions and discretionary benefits. The Council has published the Local Government Pension Scheme discretions and the Firefighters Pension discretions on [Herts Direct](#). This sets out the parameters on managing pension decisions with regard to: business efficiency; ill-health retirement; early retirement requests; waiving any actuarial reductions; flexible retirement and request for payment of deferred benefits

10.4 Pension Abatement

10.4.1 Abatement of pension is designed to restrict the income of pensioners who return to employment. This is a [discretion of the administering authority of the Local Government Pension Scheme](#), not the employer. The guiding principle adhered to by the County Council as Administering Authority for the Hertfordshire LGPS is that an employee should not have a bigger income as a result of receiving both a salary and a pension than they would have been paid had they remained in their original job. **Abatement of pension applies to pension benefits built up before 1 April 2014. There are no abatement provisions in the Local Government Pension Scheme 2014.**

10.4.2 The Firefighters' Pension Schemes 1992 / 2006 & 2015 schemes allow the Council to abate pensions of individuals who return to work as a Firefighter. The Firefighters' Pension Scheme 2006 allows the Council to abate pensions of individuals who return to work with a fire authority in any capacity, including one that is subject to the Local Government Pension Scheme.

10.4.3 **The Firefighters 1992 scheme allows members subject to at least 25 years' service, to retire before their protected pension age. For any firefighter who retires before their protected pension age and subsequently re-joins the Fire Authority or a connected employer (which would include another FRA and/or work as a retained firefighter) pension abatement rules do not apply.**

10.4.4 Consultants who are contracted by the Council are either self-employed or employed by bodies who are not scheme employers and, therefore, pension abatement rules do not apply.

11. Lowest paid employees

11.1 The Council's definition of its lowest paid employee for the purposes of this policy is employees paid on the nationally agreed spinal column point 6. As at 1 April 2016 this equates to £TBC (Note: awaiting national pay settlement for April 2016 to confirm this rate) per annum for a full time employee (i.e. working 37 hours a week). This definition has been adopted as Hertfordshire County Council participates in national pay bargaining for all local government employees (excluding senior managers) and utilises the nationally determined spinal column points.

11.2 The Council has a policy on the pay for apprentices, individuals undertaking a work trial, industrial placements and Internships. All jobs are evaluated in line with the Council's Job Evaluation policy and paid on the Council's salary scales. All posts are paid at or above the Council's definition of the lowest paid employee (see section 11.1) with the exception of Health and Social Care Trainees who are currently paid £110 per week as part of a pre-apprentice ship scheme.

12. Pay Ratios

12.1 The Council has revised the ratio it publishes in April 2016 in line with the DCLG Local Government Transparency Code 2015. This ratio is published on the Council's website, [Herts Direct](#).

12.2 The revised definition is the ratio between the total remuneration of the Council's highest paid employee (Chief Executive) and the median total remuneration of all employees in Council Departments (excludes school employees). The Council's ratio is [here](#).

12.3 The earnings are calculated on remuneration including additional payments such as bonuses. This ratio is based on full time equivalent salaries.

13. Pay Transparency

13.1 In order to be transparent, the Council publishes the details of senior manager salaries and senior manager structures for all employees paid £50,000 per annum or more. This is published in line with the DCLG Local Government Transparency Code 2015.

13.2 This data is reviewed and refreshed annually and can be found on Hertfordshire County Council website, [Herts Direct](#) under 'Your Council' then 'Working for You' and then 'Open Data'.

13.3 Information on senior manager salaries is also published in the [Council's Annual Statement of Accounts](#).

DESIGNATION OF CHIEF FINANCE OFFICER (S151 OFFICER)

Joint Report of the Chief Executive & Director of Environment and the Chief Legal Officer

Author: Kathryn Pettitt, Chief Legal Officer (Tel: 01992 555527)

1. Purpose of report

- 1.1 To seek County Council approval to the designation of Owen Mapley, Director of Resources, as Chief Finance Officer (s151 Officer) for the Council.
- 1.2 To inform Council of the allocation by the Leader of the Council of certain Executive functions to the Director of Resources.

2. Summary and Background

- 2.1 Section 151 of the Local Government Act 1972 requires every local authority to make arrangements for the proper administration of their financial affairs and to secure that one of their officers (the Chief Finance Officer) has responsibility for the administration of those affairs.
- 2.2 Upon the Deputy Chief Executive (who was the Council's Chief Finance Officer) leaving the County Council's employment in late summer 2015 Claire Cook, Assistant Director, Finance was designated as Chief Finance Officer (s151 Officer) for the Council as from 1 September 2015.
- 2.3 At its meeting on 11 November 2015 Employment Committee decided that Owen Mapley be appointed as Director of Resources. The recruitment for the post of Director of Resources proposed that the post and postholder would be designated as the Chief Finance Officer (s151 Officer) for the Council.
- 2.4 Section 7.4 of the Constitution provides that the Leader of the Council allocates responsibility for discharging executive functions. Section 12.2 to the Constitution provides that the Chief Legal Officer may make changes to the Constitution which are necessary in order to comply with the law or reflect changes in the responsibility for Executive functions decided upon by the Leader which shall be notified to the Council at its next meeting.

2.5 The Leader of the Council has allocated to the Director of Resources the functions of the Executive as set out in the Annex to this report. The Chief Legal Officer has made amendments to the Constitution to reflect this allocation of executive functions and in accordance with section 12.2 of the Constitution by way of this report she is informing Council of these amendments.

3. Recommendations

3.1 That Council designate with immediate effect Owen Mapley, Director of Resources, as Chief Finance Officer for the Council with responsibility for the proper administration of the Council's financial affairs in accordance with s151 Local Government Act 1972 (in place of Claire Cook, Assistant Director Finance).

3.2 That the following Council functions are delegated to the Director of Resources:

'To exercise the proper administration of the Council's financial affairs under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988.

Functions in relation to pensions as specified in Schedule 1 H of the Regulations.'

3.3 That Council notes the allocation of the Executive responsibilities to the Director of Resources and the amendments that have been made to the Constitution to reflect this allocation as referred to in paragraph 2.5 above.

3.4 That the Council authorises the Chief Legal Officer to make any amendments necessary to ensure that the decision(s) mentioned in 3.1, 3.2 and 3.3 are reflected consistently throughout the Constitution.

4. Financial Implications

None arising from this report.

Background Information

Report to and Minutes, County Council, July 2015

Annex

- (a) To manage the Council's banking arrangements.
- (b) To manage from day to day the:-
 - (i) County Fund and all subsidiary and associated accounts.
 - (ii) Borrowing and Lending Portfolio.
- (c) To implement national and local pay awards and increase payments under the Pension Increase Acts.
- (d) To make leasing arrangements.
- (e) To manage the Council's Insurance arrangements.
- (f) To manage all HR activities including job evaluation, judgement on market forces and employee benefits; and the provision of information technology.
- (g) To authorise acquisition, re-use, appropriation and disposal of land and buildings.

EXCEPT FOR any transaction the value of which is expected to exceed £1M.
- (h) To act as client for all land and buildings.
- (i) The functions of the Executive in relation to Health and Safety.
- (j) To manage the Council's procurement activities
- (k) To manage Hertfordshire Business Services
- (l) To consent to the establishment of local authority and schools companies;
- (m) To agree to the Council becoming a member of a company;
- (n) To appoint directors to companies of which the Council is a member;
- (o) To exercise the rights and responsibilities of the Council as 'supervising authority' for schools companies or appoint another officer of the council to do so; and

- (p) To exercise the rights of the Council as a member of a company or appoint another officer of the Council to do so.

Prior to exercising any of the delegations mentioned in paragraphs (l) to (p) above the Director of Resources must consult the Executive Member for Performance and Resources, and where the proposed company relates to a particular service or function, consultation must also take place with the relevant Chief Officer and Executive Member.

HERTFORDSHIRE COUNTY COUNCIL
PROGRAMME OF MEETINGS FROM SEPTEMBER 2016 TO JULY 2017

Council, Cabinet, Scrutiny Committees, Regulatory and other Committees, Cabinet Panels (CP)

ROOM (subject to possible change)	TIME (unless stated otherwise)	MEETING	2016 SEPT	2016 OCT	2016 NOV	2016 DEC	2017 JAN	2017 FEB	2017 MAR	2017 APR	COUNTY COUNCIL ELECTIONS 4 MAY 2017	2017 MAY	2017 JUNE	2017 JULY
C Ch	10.00	COUNCIL			15			21 (budget meeting)	21			23 (AGM)		18
B	2.00	CABINET	19	17	7	12	23	20	13	10		23 (2pm or on the rising of CC)	19	10
B	10.00	AUDIT COMMITTEE	23		30				1				26	
C Ch	10.00	DEVELOPMENT CONTROL COMMITTEE	22	19	23	21	25	23	22	26		31	22	20
	10.00	D C Site Visits	12 2pm	10	14	12	16	13	13	18		29	12	10
A	2.30	EMPLOYMENT COMMITTEE		17				6				31		10
Focalore Centre WGC	10.00	HEALTH AND WELLBEING BOARD		6		14			2				14	
C Ch	10.00	HEALTH SCRUTINY COMMITTEE	29		8	15	19		16 & 30 (budget scrutiny)				15	19
Ashbourne	10.00	OVERVIEW & SCRUTINY COMMITTEE	2		10	20	26 IPP all day scrutiny	2 (IPP 2 nd session)	28				21	
B	10.00	PENSIONS COMMITTEE	9	5	18			24	31 (2pm)				13	
B	10.00	PENSIONS BOARD (LGPS)	30			6			14					3
B	10.00	PENSION BOARD (HFRS)		28									2	
A	2.00	JOINT STAFF ADVISORY COMMITTEE		20		7			9				8	
B	10.00	ADULT CARE & HEALTH CP	7	20		8		3	8					
Ashbourne	10.00	CHILDREN'S SERVICES CP	15		29		31		6 (2pm)					
B	10.00	COMMUNITY SAFETY & WASTE MANAGEMENT CP	6		1			7	30 (2pm)					
Council Chamber	10.00	ENTERPRISE, EDUCATION & SKILLS CP	8		3	2		8	10					
B	10.00	ENVIRONMENT, PLANNING & TRANSPORT CP	14		2	7		1	29					
Ashbourne	10.00	HIGHWAYS CP	12	21		1		9	7					
B	10.00	PUBLIC HEALTH, LOCALISM & LIBRARIES CP	13		24			1 (2pm)	31					
B	10.00	RESOURCES & PERFORMANCE CP	16	31		9		10	9					

School Terms

1 Sept 2016 – 21 December 2016
 (Half Term Holiday 24 October – 28 October 2016)

January 2017 – 31 March 2017
 (Half Term Holiday 13 February - 17 February 2017)

18 April 2017 – 24 July 2017
 Half Term Holiday 29 May – 2 June 2017)

No scheduled meetings in August

Bank Holidays

Christmas 2016 - 26 & 27 December 2016
 New Year 2017 - 2 January 2017
 Easter 2017 - 14 – 17 April 2017
 May Bank Holiday 2017 - 1 May 2017
 Spring Bank Holiday 2017 - 29 May 2017

HCC Local Elections – 4 May 2017

CCN conference - November 2016 TBC (dates still being reviewed)
LGA conference – 4 – 6 July 2017
Conservative Party conference - 2 – 5 October 2016
Liberal Democrat Party conference – 17 - 21 September 2016
Labour Party conference – 25 – 28 September 2016
Chairman's Garden Party – 16 July 2016