

SCRUTINY OF THE INTEGRATED PLAN PROPOSALS 2016/17 – 2017/18

PORTFOLIO: RESOURCES & PERFORMANCE

INTRODUCTION

The portfolio includes Finance, Hertfordshire Business Services (HBS), Human Resources (HR), Legal Services, Democratic & Statutory Services Improvement and Technology, Property from the Resources and Performance (R&P) department. Additionally R&P provide Assurance services which relate to other Member portfolios. This portfolio includes The Corporate Policy Team and The Corporate Communication Team from the Environment department.

As the provider of Support Services to the organisation, one of the key challenges for the portfolio over the next three years is to ensure that we are keeping up with the ever changing needs of departments. This includes ensuring that where demographic and budget pressures are increasing on departments they receive effective and appropriate support services and the portfolio is resourced to respond and support service delivery changes. Other key pressures and considerations for the portfolio include:

1. Ensuring the organisation is able to use the best technology to improve efficiency, productivity and communication ensuring the right balance of investment in fit for purpose technology such as Smart Worker, mobile, cloud services and interactive tools to enable both staff and citizens.
2. Responding to changes in funding. This is in the context of continuing reductions in public sector spend and the risks and opportunities associated with the Better Care Fund, Council Tax and localisation of Business Rates. In addition, identifying and making best use of all our property assets to deliver capital receipts that can help mitigate funding shortages from traditional sources by using new approaches to deliver both revenue and capital profit.
3. Supporting the delivery of infrastructure and managing risks associated with the move to the Community Infrastructure Levy (CIL) and the potential for this charging system not being implemented in all districts, leading to a reduction in funding.
4. Exploring the implications and possible opportunities for Hertfordshire of the government's devolution agenda.
5. In the context of funding changes and increasing demographic pressure on our budgets, managing high public expectations will be required to conserve the authority's reputation, particularly in relation to value for money.

KEY THEMES AND QUESTIONS

STRATEGY AND CAPITAL INVESTMENT

How do the future service plan priorities contribute to the Corporate Priorities?

Within this portfolio Resources & Performance (R&P) department provide centralised support services to the Council's departments, as well as operating Herts Business Services. The net total departmental budget for 2015/16 was £58.287m, with £20.6m of savings achieved between 2010/11 and 2015/16. A further £1.920m of savings are already assumed in the baseline figures for 2016/17 rising to £2.675m by 2019/20

A significant proportion of the service is carried out through third party providers and managed under contract including pensions' administration, payroll, occupational health, IT support and development, HR and finance transactions, temporary staff recruitment, facilities management and some property services. Approximately 35% of the gross R&P budget is spent on these outsourced services.

R&P also have a key role in supporting the Council's departments to improve services and make savings, enabling the Council to continue to operate within increasingly difficult financial circumstances. In key areas of the service such as technology there is a need to sustain the capacity of teams in order to drive change, and greater efficiencies across the whole of Hertfordshire County Council which may increase the pressure to drive out savings in other areas of the service to meet the authority's funding gap.

Under this portfolio The Corporate Policy and Communications teams within the Environment department lead on ensuring the right strategic partnerships are in place to guide the future direction of the county, the County Council communicates effectively with residents, partners and its staff to ensure its priorities, plans and decisions are understood and that the national and local reputation of the county council is safeguarded and enhanced.

The Corporate Communications team contributes to all of the council's priorities particularly by informing residents about access to services and benefits that are available, by providing advice about safety and good health and how their council tax is sent. We also encourage people to take part in their community by helping them to understand how to get involved in the democratic process, by highlighting what we are consulting on and through helping people to understand how decisions are made.

The 2015/16 budget of the Corporate Policy function (including Member locality budgets and Member allowances and expenses) is £2.9m and the budget of the Corporate Communications in 2015/16 was £1.1m.

Within available resources our priorities over the next three years are to:

1. *Provide continued leadership on organisational transformation.* We will provide leadership, direction and support for transformation. This

includes promoting continuing improvement to procurement and negotiation skills, and supporting the development of robust business cases relating to capital and revenue spend.

2. *Support partnership working and the Cross-Cutting themes.* We will provide support to all areas of cross-cutting activity. We will lead on Enabling the Worker / Smart Worker programme and we will continue to explore the potential to make better use of our buildings and those of our partners to identify wider opportunities to trade and to identify and deliver property opportunities with partners such that all areas of the public realm benefit in either released or refreshed assets.
3. *Ensure that Support Services meet the needs of the organisation and provide best value for money.* We will review our structures and ways of working to ensure that we are as efficient as possible and can effectively support the changing needs of the organisation.
4. *Promote and support the delivery of improved technology throughout the organisation and County.* We will ensure that the right technology is used so that staff can work as efficiently and flexibly as possible including utilising new technologies to drive improvements. We will also continue to lead on the roll out of Superfast Broadband across Hertfordshire to enable at least 98% premises coverage and support individuals and businesses across the county.
5. *Ensure our front line services continue to provide effective service,* continuing to maximise cost recovery and supporting services to drive out further savings.

How are you managing your service to make it more efficient?

Given the scale of the funding gap by 2019/20 there is a requirement to develop other approaches to drive out further savings including explorations with partners and/or across departments which could deliver better outcomes for citizens and reduce costs. This portfolio will have a key role in supporting the organisation in delivering work in this area, contributing to the work in the following areas to deliver further efficiencies:

Partnerships

Shared Anti-Fraud Service - The newly created Shared Anti-Fraud Service partnership has already begun to deliver revenue / savings through prevention and detection of fraud. In 2016/17 this will be enhanced through the introduction of a dedicated data matching service to address potential fraud in areas such as business rates and single person discounts.

Hertfordshire Civil Service – As a result of initial work to explore the viability of shared back office functions in Hertfordshire, further partnership arrangements are being explored with potential pilot in 2016/17.

Internal

Shared Managed Service Contract – Continue to ensure the services meet the changing needs of our business and start the process of identifying the requirements of all services in any new contract (the existing contract ends in March 2019) to ensure best value for money and enhanced and improved service delivery wherever possible.

Improving the efficiency of our back office services such as Electronic Payments and Income Collection – To maximise the use of technology to reduce costs and improve the customer journey for supplier payments, including the potential for suppliers discounting, and the costs of collecting fees and charges.

Legal Services – Work to increase the use of in-house advocacy litigation and project work to reduce reliance (and cost) of external legal support, developing workflows and performance information in the case management system and new ways of working.

Lead on Enabling the Worker (ETW) / Smart Worker and technological improvements – As part of ETW and wider technological improvements we are reviewing and implementing innovative technology and ways of working to ensure that our technology, processes, policies, accommodation and systems help staff work as effectively, flexibly and efficiently as possible and in particular improve the efficiency of our front line services. In 2016/17 we will implement new intranet services and improved mobile technologies alongside roll-out of Office 365 capability.

Property Development Partnerships – during the latter part of 2015/16 we have explored a number of options for securing greater returns from our capital sales. This work will continue and is likely to materialise as a number of joint ventures that will deliver both capital and long term revenue opportunities for Hertfordshire County Council. Traditional routes to achieve capital returns will be maintained. The Property Frameworks were re-let in 2015/16 and though they continue to offer best value for money the increasingly vibrant building and construction market is leading to slightly increased prices and some skill shortages across all forms of planning, development and maintenance type works. However, we continue to challenge both specification and build costs on all projects.

Policy and Communications - Significant savings have been made in the county council's Corporate Policy and Communications functions over the last few years. In particular the Corporate Policy function has been reduced from 16 full time equivalent (FTE) to 9 FTE to reflect the new model for strategic partnership working. Efficiency savings in Corporate Communications have been achieved via channel shift and looking ahead the team are investigating providing traded services to partners.

How are you developing and delivering partnership approaches to make best use of the Hertfordshire pound and improve outcomes for our citizens?

The council's overall approach to partnership working is overseen by the county's strategic partnership, Hertfordshire Forward, which is chaired by the

Leader of the Council. As part of this, the Hertfordshire Forward Strategy Group brings together, on a quarterly basis, the Chairmen of the Hertfordshire Local Enterprise Partnership, the Hertfordshire Health and Wellbeing Board and the Hertfordshire Leaders group along with the Hertfordshire Police and Crime Commissioner and the Leader of the County Council. This provides these key strategic partners with the opportunity to update each other on key developments and ensure that the county is moving strategically in the same direction. Key topics that the Strategy Group have chosen to focus upon include adults with complex needs, thriving families, health and social care integration, skills and employment and the Hertfordshire Civil Service.

Alongside this, the Hertfordshire Assembly meets twice a year to bring together a broad range of partners from across the county to help steer and develop shared views of emerging plans and strategies and gain a collective understanding of key issues and initiatives affecting Hertfordshire.

Hertfordshire Forward also has an annual conference which this year took place on 14 July. The theme for this year's conference was 'Looking to the future'. Delegates were asked to work together to consider significant issues that need to be addressed to ensure Hertfordshire continues to thrive in the future.

Alongside this, work is currently underway to explore the implications of the devolution agenda for Hertfordshire. A partnership event to discuss this issue involving representatives from 20 partner agencies was held on 15 October. A further follow up event was held on 14 January.

The Corporate Communications team also work in partnership with the police and health communication teams, where applicable and are part of the District Councils Communications Network.

As part of, and beyond these partnerships, there a number of focused activities driven through a partnership approach, including;

Business Rate Pooling

Under the business rates retention scheme local authorities are able to come together, on a voluntary basis, to pool their business rates, giving them scope to generate additional growth through collaborative effort and to smooth the impact of volatility in rates income across a wider economic area. Hertfordshire County Council alongside Broxbourne, North Herts, Stevenage, Three Rivers and Welwyn and Hatfield formed a business rates pool in 2015/16 which is expected to return some £300k in 2015/16 to Hertfordshire County Council. A revised pool has been developed for 2016/17 with Broxbourne, Hertsmere, North Herts, Three Rivers and Welwyn and Hatfield which is expected to generate additional income of £500k for 2016/17.

Sharing Accommodation / Best Use of Assets / Joint Venture Property Development

We continue to exploit property sharing opportunities with public sector partners including district councils, health partners, the Police and Ambulance Services, parish and town councils. This includes the replacement of Hertfordshire County Council and partner assets, joint development opportunities of housing and employment sites and the co-location of staff in permanent and touch down

locations as part of the Enabling the Worker programme. Touchdown space enables staff to work in the most appropriate location to deliver their task and reduces travel time. Combined with enhanced technology these sites make a significant contribution to the ETW programme and more will be delivered in 2016/17.

We will continue our work to identify and deliver property opportunities with partners such that all areas of the public realm benefit in either released or refreshed assets.

Shared Anti-Fraud Service

A Shared Anti-Fraud Service which currently serves the County and some of Hertfordshire's Districts and Boroughs has been established. The Service has been designed to provide a robust and resilient fraud prevention, detection and investigation service to its partners, in non-benefit and corporate fraud. Creation of the new service has enabled senior leaders to continue to meet their duties in relation to safeguarding of public funds, minimising the loss to fraud so that we can spend the maximum possible on delivering local services, and providing a return for the investment made. The service has already begun to generate savings through its work in dealing with referrals relating to cases involving: council tax reduction; single person discount; and tenancy fraud. In addition to this client led work the Service will be dealing with cases that arise from its own data matching initiative service whereby the focussed comparison of relevant client data will be used to highlight potential fraudulent activity.

How have you prioritised capital investment and what opportunities have you considered that might mitigate or reduce future capital and/or revenue costs?

The portfolio continues to work with all services to maximise external funding, and so to reduce the cost of borrowing and the impact on revenue budget. Consideration has also been given to options for increasing the returns on the council's investments without an unacceptable increase in risk.

The property service continues to ensure out of use property and land is sold as expediently as possible and to best effect to the public purse.

The work to ensure existing S106 funds are identified and used wherever possible to support development by the County Council continues. We have made submissions to those District Authorities that have introduced the Community Infrastructure Levy (CIL) and continue to work with them on how this will develop in future. We will continue to lobby for change to the CIL management mechanisms in order to increase the contribution this funding stream can make to HCC delivered infrastructure costs.

As previously outlined we plan to take forward a number of joint developments with our public sector partners and private developers in order to make both revenue and capital from suitable land sales.

Have you considered any other investment approaches to reduce future costs to the authority?

In addition to those areas outlined elsewhere in this report, the operation of the Invest to Transform Fund is managed through R&P. This reserve created in 2010 is used to finance innovative projects across the authority, which underpins service transformation, delivering improved service performance as well as future savings. Across the authority the fund is anticipated to generate annual savings of £32m from the projects delivered to date, of which some £9m relate to projects delivered by R&P.

ENGAGEMENT

How have the proposals been informed by staff/public/partner/staff engagement?

The Council's budget and spending priorities for 2016/17 and beyond have been informed by a continuous programme of public engagement and consultation relating to key policy decisions throughout the current financial year.

An online survey has been conducted to gather Hertfordshire residents' views on how the county council should make the financial savings needed and how they would like to see the council's available money spent. A community leader's event was also held on the 1st December 2015 to discuss the financial challenges ahead and opportunities for future collaboration. Engagement with the business community and with young people is also taking place.

The Council continues to encourage public feedback about the financial issues it faces throughout the year. The results of service specific consultations, which often receive a substantial number of responses, are presented to Members throughout the Integrated Planning cycle and ahead of the budget being approved in February.

In addition, the Council asks 1,000 Hertfordshire residents on an annual basis their views on their local area and on council services via a telephone survey. This includes questions about residents' satisfaction with the county council and how they feel services have changed over the last twelve months. It also seeks their views on whether they feel the council provides value for money and is innovative. The council also maintains and seeks views from the Hertfordshire Citizens' Panel, a group of over 1,500 Hertfordshire residents who have agreed to let the County Council contact them to ask their views about council services.

The Strategic Management Board continues to support an active programme of staff engagement across the Council enabling staff to contribute their views. One of the core engagement activities is the Staff Survey. Our overall engagement score remained at 63% in the autumn 2014 'pulse survey', which is significantly higher than many organisations we compare ourselves to. The results from the Survey identified four key themes to help improve engagement, and actions were taken to improve organisational culture, leadership, use of resources and retention initiatives. Actions have now been completed. A new Staff Survey is due to be conducted in the spring 2016 to assess the impacts of actions taken to date and assess new priority actions. Targeted

communications will support departments to raise the profile of the Staff Survey and benefits of engagement.

The following activities are set to continue in 2016/17;

Enabling the Worker Engagement Sessions – the programme group leading this work created a range of ways for staff to engage. The programme has its own internal web pages which provide a toolkit for staff engagement in the programme's various activities. We have also established a "champions" group of representatives across all services who meet regularly to input departmental views and progress on the digital agenda. Our intranet work has established a testbed of 200 staff across the organisation to ensure all views are incorporated into its design and implementation as well as effectively being tested as it is rolled out. A number of tailored events have also been held to ensure the views of staff in specific areas of service are captured including those not based at one of the main Hertfordshire County Council sites or without easy access to electronic communications channels.

Bright Ideas - Bright Ideas continues as a tool to engage all members of staff with service improvement conversations and unlock innovative ideas across the workforce. Staff can access the Bright Ideas page online and see some of the big questions and challenges services are facing as well as input ideas or suggestions. Staff are also invited to attend workshops, known as 'ideas labs', to work through some of the key issues and ideas in further detail.

How do your proposals support engagement with or delivery to local communities including the enhancement of the role and visibility of Members?

The Corporate Policy team continues to provide the strategic lead for the Council's localism agenda through support for the Executive Member for Public Health, Localism and Libraries and the implementation of the Hertfordshire Local Action Plan and support for the Member Locality Budget Scheme (further details are contained in the relevant portfolio report).

A key aim is to encourage residents to make an active contribution to their local area as well as providing effective support for Members in their different roles. This is supported by the work of the Corporate Communications team encouraging people to take part in their community by helping them to understand how to get involved in the democratic process, by highlighting what we are consulting on and through helping people to understand how decisions are made.

The Members Information System (MiS), supported by Business Information Services, was introduced in May 2013 to draw together a range of information into one single tool for elected members to use. The system has undergone a number of updates since being introduced based on feedback from members and now includes information on member locality budgets, Highways, Transport, performance indicators and data from a range of key partners. Where possible, information in the system is personalised to the specific patch for the member.

Small changes have been introduced to the S106 Information System Planning Responses and Obligations Monitoring System (PROMS) to enable better and easier access to information for both members and officers in identifying potential spend opportunities. It includes a geographical display of Hertfordshire County Council assets and S106 agreements by service type and will be rolled out by first quarter 2016/17 to all.

To what extent do your proposals encourage self-reliance e.g. volunteering, accessing services on line etc. enabling people and communities to help themselves?

Support services play a key role in enabling Service strategies and initiatives to be delivered including;

- Ensuring opportunities for volunteering are part of the property strategy e.g. delivering libraries that can be easily accessed out of supported hours and can easily be managed by volunteer staff.
- Using new technologies to enable on-line payment for goods and services purchased from the authority which currently include archives, roads and driving services and invoices.
- Leading the 'Take Part' reputation campaign which aims to encourage people to get involved in their community and to do things for themselves. The communications team does this by highlighting existing good work and ensuring that residents understand how to get involved.
- As part of Enabling the Worker and service initiatives aimed at moving more information and services online we have reviewed and are initiating a range of activities that aim to encourage channel shift where possible in line with the launch of our new website and intranet. We also have this expectation of our third party providers.
- The use of Hertfordshire County Council Volunteering policy to enable staff to engage in community activity.

PERFORMANCE, STANDARDS & TARGETS

What contribution are you making to the broader partnership working both within Hertfordshire County Council and outside?

R&P continues to work with partners to enable greater integration of systems and data including areas such as Health and Social Care Data Integration, Information Management and wider opportunities to broaden back office collaboration. The service continues to work with national bodies to develop approaches to national issues including funding through County Council Network, Local Government Association and Society of County Treasurers. Work is also taking place on a national and regional level through Public Services People Managers' Association to influence the market on Social Workers, to manage agency and permanent worker supply and demand, and the associated costs.

What contribution is your service making towards the efficiency savings Hertfordshire County Council needs to make?

R&P has looked to reduce the costs of its operation, ensuring that it is efficient and fit for purpose. Since 2010 it has delivered savings of £20m rising to £23m by 2019/20. This included working with external partners such as London Pension Fund Agency and SERCO to lever out savings through more efficient ways of working and maximising the use of available technology where appropriate. It continues to review opportunities for joint working with partners to reduce the fixed costs of its operation. In addition to the joint partnership with Shared Internal Audit Service/Shared Anti-Fraud Service, R&P is looking to extend partnership working through opportunities in Legal, HR, Insurance and Risk Management.

Both the County Council's Corporate Policy and Communications function have been reduced in scale significantly over the last four years. The Corporate Policy team have continued to make efficiencies in the operation and management of the Member Locality Budget scheme and in the corporate consultation contract. The Communications team have increased advertising income for Horizons this year and will be looking to extend income generation through the development of a traded service.

The Corporate Policy team have continued to make efficiencies in the operation and management of the Member Locality Budget scheme and in the corporate consultation contract. In light of the new proposal to reduce the funding available through the member Locality Budget Scheme by 50% (£385,000 per annum) from 2016/17 (ENV120), meaning that going forward each member would have £5,000 rather than £10,000 a year to spend on projects in their electoral division, the service will be reviewing the costs of its operation. Further savings will be brought forward from 2017/18.

This portfolio will have a key role in supporting and enabling the organisation to achieve further savings to close the funding gap by 2019/20, including explorations with partners and/or across departments which could deliver better outcomes for citizens and reduce costs and enabling efficiency improvements across the organisation particularly ensuring the delivery of the right infrastructure and technology.

What is your services contribution to the IP cross-cutting themes and how are these impacting on your proposals?

The portfolio's key role is primarily in supporting other departments to deliver on key themes as appropriate. Additionally, this portfolio is leading on a number of key themes, including;

Asset Rationalisation / Shared Accommodation - we continue with our extensive review and rationalisation of office space within Hertfordshire County Council properties and to ensure that teams are making best use of space. Part of this work includes a review of existing touchdown space which has been enhanced during 2015/16 but more are planned and required. We will continue to identify such space within our own and other public service body buildings in 2016/17.

Dacorum Public Sector Quarter - The development of a Public Service Quarter (PSQ) within the borough of Dacorum is a new community focused public service quarter with a modern library and Register Office at its heart, replacing the current Civic Centre on Marlowes. This will be followed soon after by separate proposals for new homes, retirement living accommodation and leisure facilities.

We are also working with a number of district councils and third party providers on an asset review and plans, e.g. Stevenage town centre, Three Rivers, South Oxhey and the Elstree Way corridor.

Enabling the Worker - Enabling the Worker (ETW) is an employee-led programme of improvements to the way we work at Hertfordshire County Council aiming to:

- ensure all staff have access to the technology that best supports them to do their job
- ensure staff are enabled to work in the location that makes the best use of their time
- ensure staff have access to clear and usable council policies, information and advice via our intranet
- minimise the time and effort required to comply with council policy processes
- improve productivity by ensuring we are best equipped for the job (training)
- effectively work together and with others as a programme team to deliver cross-cutting projects

Lead on Hertfordshire Civil Service – Work to test the viability of a civil service and/or increased collaboration in back office services required by all or most public sector bodies in Hertfordshire was initiated in 2015/16 and the outcome of this work and future opportunities will be explored in 2016/17.

How are you continuing to drive service improvement and how do you compare against the top performers in your area?

Services within the portfolio draw on range of approaches to gather information to determine costs, innovations and good practice examples. Generally these include professional networks, contractors, peer authorities and advisers. Income generating services such as Herts Business Services and Registry undertake regular price comparisons and assess market opportunities so as to maximise the income generated for the county council. Partnership work with District Authorities continues to identify potential efficiencies. Further to this, we continue to look at trading activities of all council services that we are good at providing and where appropriate consider offering those services to other councils or organisations. Some examples of recent benchmarking and value for money analyses are:

Serco Midterm Review – We undertook a midterm review of the Serco SMS contract which focused on benchmarking Value for Money and identifying possible service improvements and additional savings. The outcomes of the

benchmarking exercise concluded that the overall contract price still offers good value for money across all service lines, 9% below reference group average. Further savings were identified in relation to paper based processing particularly in the finance area and projects are in place to support this work.

Back office costs joint work with Essex County Council - The service has taken the opportunity to review the level and scope of back office costs through joint work with Essex County Council, and ten other county councils. This exercise identified that we compare relatively favourably on costs and scope of service spending 4.4% of our gross budget on support service with only one of the 10 other councils spending a lower proportion. Detailed information from this survey is being used in reviewing costs within each service. Whilst overall the survey has highlighted that there is limited scope to reduce costs further through re-structuring there may still be opportunities to reduce the cost to the authority by changing the way that we deliver services, or by working with others which we are exploring through the work on Hertfordshire Civil Service.

Legal Services - is continuing to embed and develop the recommendations of the Legal Services Review. This includes undertaking a review of external legal spend and ongoing development of the case management system.

Procurement - the procurement team helps to facilitate cost reductions and efficiencies in external contracting across Hertfordshire County Council. New procurement processes of above EU threshold level are required to provide a procurement business case and commercial challenge is provided throughout the processes. Training courses and best practice guidance are provided for all commissioners and procurers. Best practice from other organisations is gathered to inform these improvement processes via existing networks including the East of England Local Government Association (LGA) procurement network, the Central Buying Consortium and the Society of Procurement Officers. We will be undertaking a review with a view to ensuring we have effective and efficient teams aligned to the needs of our services and partnership agendas for implementation in 2016/17.

Corporate Policy - Councils across the country deliver corporate policy in different ways. As such, there is no benchmarking data available. In the absence of this, work was previously undertaken by the Corporate Policy team to compare and contrast its approach on corporate policy with three authorities that were either of a similar size, were a neighbouring authority and/ or were facing similar challenges. This research showed that the level of capacity and approach that councils dedicate to this area does vary considerably. However, the level of resource that Hertfordshire County Council allocates to this area seems roughly in line with, if not slightly less than, that of the two authorities examined that employ a similar approach. One County Council spent roughly £630,000 and had 10 members of staff working on corporate policy activities. The other spent roughly £730,000 and had 9.33 FTE working on corporate policy activities. Hertfordshire County Council's Corporate Policy team currently has a budget of £611,000 with 9 members of staff (7.8 FTE).

Corporate Communications - The Corporate Communications team belongs to a well-established national benchmarking club of 59 Local Authorities. In 2013/14 the cost of Hertfordshire County Council's Corporate Communications

team was 91p per head of population compared to the average of £2.17 per head amongst 23 large authorities. The copy of Horizons was 8p per copy compared to 10p which is the median average for larger authorities. By increasing advertising revenue, this has now reduced to 6.9p. The Corporate Communications team has also benchmarked its work against other authorities by entering a number of public sector awards this year and has won two awards for its campaigns; Good Care Week and Reducing Scams.

SUSTAINABILITY, DELIVERABILITY & IMPLEMENTATION

How is your service supporting economic growth and prosperity?

Lead on opportunities to Maximise the Return to the Public Purse from the Sale of Land and Property - In the context of Local Strategic Plans, the need for significant housing and infrastructure development, and the potential use of council owned land to deliver this, the service plans to explore the potential to maximise the return to the public purse through the establishment of alternative vehicles such as a property company and the use of joint venture partnerships.

Procurement - We continue to work to encourage a more Small Medium Enterprise (SME) friendly approach to public sector procurement. We have begun a process of reducing the barriers to small businesses and the Third sector by engaging with the market before significant procurements and simplifying our documentation. We have launched a new eTendering system which encourages SMEs to register on to ensure they get access to any suitable opportunities and the new suppliers payment portal is intended to make it easier and cheaper for suppliers to do business with the County Council.

Corporate Communications Thrive & Prosper campaign – This campaign aims to raise the reputation of Hertfordshire as the County of Opportunity. This will promote Hertfordshire as a great place to start or grow your business and Hertfordshire County Council as a business-friendly council. We will also communicate with the business community to ensure that they understand how to access relevant services and benefits.

What effect is the change in the economy and society having on your services? e.g. levels of demand, inflation, charging income etc. and how are these impacts being managed or mitigated?

R&P has responsibility for ensuring that the overall impact of the economic situation has been considered as part of the budget preparation process. The level of budget and reserves has been set taking in to account the uncertainties that exist and are set out in Section Part D, Section 2 Page 203. Cost savings from contracts and income increases are judged to be appropriate and deliverable.

As part of the preparation for the IP, a review of inflation factors is undertaken, using specific inflation rates where this is more relevant. Calculations include a

review of rates assumed in the previous year's IP, compared with actual price changes over the period and any overprovision is adjusted.

While the sale of properties has risen, achieving planning is taking longer. Construction industry prices are rising; last year we saw costs increase by 10%, which may adversely affect build costs. The vulnerability of economic instability of providers is mitigated through the use of frameworks, for example Property and Insurance.

The employment market continues to pick up strength with the number of jobs being advertised nationally outstripping the number of economically active individuals who are seeking work. This potentially impacts on the authority's ability to recruit and retain staff particularly for hard to recruit/skills shortage areas.

In light of the more competitive employment market Hertfordshire County Council's careers website and recruitment process have been re-engineered, including use of social media to recruit. Market force payments have been introduced for hard to recruit roles as well as measures to 'grow your own' through for instance apprentice and graduate recruitment.

The national 1% pay cap for Public Sector for the next 4 years, as announced in the July 2015 Budget, will result in further challenges to how HCC will manage the attraction and retention of employees locally. The use of a total reward approach, promoting the benefits to working for Hertfordshire County Council via Herts Rewards, Enabling the Worker, and where appropriate, the use of market related pay increments, will help to secure and retain Hertfordshire County Council as an employer of choice.

What are the major risks to delivery of your proposals and how are you proposing to manage these? e.g. capacity, time, budget in regard to these proposals.

Major budget related risks are set out in Part D pages 203-205 with a number of these relating to this portfolio. Some key mitigations in place include:

- Continuing to review and manage our overall resource position including changes to grant funding.
- Continued commitment to deliver savings through robust project management and ensuring the focus remains on key priorities.

The council needs to communicate with residents and staff to ensure they understand the context in which decisions are being made and they have an opportunity to have their say on how services are reconfigured for the future. This can have an impact on resources but is being mitigated by implementing a review of how we communicate which is monitored and evaluated to ensure value for money and best practice.

As part of the IP process an overall Equality Impact Assessment (EqIA) is undertaken. The potential for compounded impacts on particular groups are identified in individual equality impact assessments, which generally involve engagement and consultation with a wide range of stakeholders. The process

uses available data from national and local sources identified as relevant to the individual equality impact assessment which includes the results from local consultation. Action planning and monitoring is part of the process which seeks to mitigate potential effects.

What is the basis of your demographic predictions? What effect is demographic change having on your service? How flexible is your budget to demographic changes?

The budget proposals cater for expected activity levels across all services and include pressures for change including demography. The sustainability of the budget relies on the robustness of the estimates relating to service volumes and the risks associated with a number of uncertainties [Part D Section 2 page 203].

It is proposed that general contingency be held at £4m, to cover identified uncertainties, unexpected in-year pressures and the cost of redundancy payments and pension strain costs for staff taking early retirement, alongside the general reserve and balances referred to earlier.

The economy of Hertfordshire is buoyant compared to other parts of the country and there are strong signs of economic recovery, however, a number of services will be impacted by demographic changes. The LEP's Strategic Economic Plan envisages around 70,000 new jobs and 56,000 more homes by 2030, which is anticipated to impact on a number of services.

School Places Planning - the increasing population of Hertfordshire residents indicates continuing growth in anticipated demand for school places. This demand is placing significant pressure on Property services to provide timely and appropriate provision in suitable locations. This continues to be given priority and the service works closely with colleagues in Children's Services to negotiate with schools to identify realistic and affordable solutions.

Strategic planning -The scale of growth that Districts and the County Council now need to plan for is very significant. A key challenge is what role the County Council should have in the future planning of Hertfordshire. Although we are no longer required to produce a Structure Plan, there remains a need to ensure a strategic overview of planning issues across the county to ensure effective management of growth and infrastructure. However, only four Districts currently have up to date local plans and only two have active CIL charging regimes so far running a significant risk of a shortfall in funding available for future infrastructure. A significant number of Strategic Plans from Districts are anticipated to arrive in 2016/17.

Workforce planning -Workforce planning is in place to manage the changing workplace demographics and to help forecast the mix of skills, roles and headcount required. Furthermore, support services will need to continue balancing the need to resource organisational change as well as delivering it.