

Agenda



AGENDA for a meeting of the RESOURCES AND PERFORMANCE CABINET PANEL in COMMITTEE ROOM B at County Hall, Hertford on WEDNESDAY, 6 JUNE 2018 at 10:00AM

MEMBERS OF THE PANEL (13) (Quorum 3)

J Billing, E H Buckmaster, F Button, H K Crofton, R C Deering (Vice-Chairman), T R Hutchings, M D M Muir, R Sangster (Chairman), R H Smith, S J Taylor, A S B Walkington, T J Williams, P M Zukowskyj

Meetings of the Cabinet Panel are open to the public (this includes the press) and attendance is welcomed. However, there may be occasions when the public are excluded from the meeting for particular items of business. Any such items are taken at the end of the public part of the meeting and are listed under "Part II ('closed') agenda".

Committee Room B is fitted with an audio system to assist those with hearing impairment. Anyone who wishes to use this should contact main (front) reception.

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.

Members are reminded that:

(1) if they consider that they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting they must declare that interest and must not participate in or vote on that matter unless a dispensation has been granted by the Standards Committee;

(2) if they consider that they have a Declarable Interest (as defined in paragraph 5.3 of the Code of Conduct for Members) in any matter to be considered at the meeting they must declare the existence and nature of that interest. If a member has a Declarable Interest they should consider whether they should participate in consideration and vote on the matter.

PART I (PUBLIC) AGENDA

1. MEMBERSHIP AND REMIT OF THE PANEL

To note the membership of the Panel as stated above, and the remit which is as follows:

The responsibilities of the Executive Member for Resources and Performance - Finance (revenue and capital); property including operational assets, the Rural Estate and the development programme through Herts Living Ltd, technology including data quality and data protection, human resources, organisational development including member training and equalities, legal, democratic and Member services, procurement, registration and citizenship service, coroner service, external audit, assurance (including health & safety). Customer service including the Customer Service Centre and website. Trading entities including Hertfordshire Business Services, Herts Catering Ltd and Herts Living Ltd, Performance management and reporting.

2. MINUTES

To note the minutes (Part I and Part II) of the former Resources, Property and the Economy Cabinet Panel held on 18 April 2018.

3. PUBLIC PETITIONS

The opportunity for any member of the public, being resident in Hertfordshire, to present a petition relating to a matter with which the Council is concerned, which is relevant to the remit of this Cabinet Panel and which contains signatories who are either resident in or who work in Hertfordshire.

Members of the public who are considering raising an issue of concern via a petition are advised to contact their [local member of the Council](#). The Council's criterion and 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 Stephanie Tarrant, Democratic Services Officer, by telephone on (01992) 555481 or email stephanie.tarrant@hertfordshire.gov.uk.

At the time of the publication of this agenda no notices of petitions have been received.

If you have any queries about the procedure please contact Stephanie Tarrant, Democratic Services Officer, by telephone on (01992) 555481 or email stephanie.tarrant@hertfordshire.gov.uk.

4. RESOURCES MONITOR – QUARTER 4 (JANUARY – MARCH 2018)

[Report of the Director of Resources](#)

5. HERTFORDSHIRE COUNTY COUNCIL PERFORMANCE MONITOR – QUARTER 4 (Q4), 2017-18

Report of the Director of Resources

6. HERTFORDSHIRE COUNTY COUNCIL FINANCE REPORT – OUTTURN MONITOR, 2017/18

Report of the Director of Resources

7. IMPLICATIONS OF THE UNITED KINGDOM’S WITHDRAWAL FROM THE EUROPEAN UNION – AN UPDATE

Report of the Director of Resources

8. DEVELOPER CONTRIBUTIONS TO NEW SCHOOLS

Report of the Director of Children’s Services and the Director of Resources

9. BIDS TO INVEST TO TRANSFORM (ITT) FUND

Report of the Director of Resources

10. PREVENTION INVEST TO TRANSFORM: CHILDREN’S SERVICES SPECIAL EDUCATIONAL NEEDS/DISABILITIES TRANSFORMATION

Report of the Director of Children’s Services

11. HERTS FULLSTOP – INVEST TO TRANSFORM BID

Report of the Director of Resources

12. OTHER PART I BUSINESS

Such Part I (public) business which, if the Chairman agrees, is of sufficient urgency to warrant consideration.

**PART II (‘CLOSED’) AGENDA
EXCLUSION OF PRESS AND PUBLIC**

This agenda includes Part II business. The Chairman will move:-

“That under Section 100(A) (4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item/s of business on the grounds that it/they involve/s the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

1. HERTS FULLSTOP – INVEST TO TRANSFORM BID

Report of the Director of Resources

If you require further information about this agenda please contact Stephanie Tarrant, Democratic Services, on telephone no (01992) 555481 number or email stephanie.tarrant@hertfordshire.gov.uk.

Agenda documents are also available on the internet at:
<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings.aspx>.

**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

Minutes



To: All Members of the Resources,
Property & The Economy
Cabinet Panel, Chief
Executive, Chief Officers, All
officers named for 'actions'

From: Legal, Democratic & Statutory Services
Ask for: Stephanie Tarrant
Ext: 25481

RESOURCES, PROPERTY AND THE ECONOMY CABINET PANEL 18 APRIL 2018

ATTENDANCE

MEMBERS OF THE PANEL

M Bright (Vice-Chairman), R C Deering (substituted for F Button), M D M Muir (substituted for C M Hayward), R G Tindall (substituted for S B A F H Giles-Medhurst), P V Mason, A J S Mitchell, R H Smith, S J Taylor, A S B Walkington, J D Williams (Chairman), P M Zukowskyj

Upon consideration of the agenda for the Resources, Property and the Economy Cabinet Panel meeting on 18 April 2018 as circulated, copy annexed, conclusions were reached and are recorded below:

Note: No conflicts of interest were declared by any member of the Cabinet Panel in relation to the matters on which conclusions were reached at this meeting.

PART I ('OPEN') BUSINESS

	ACTION
1. MINUTES	
1.1 The Minutes (Part I and Part II) of the last meeting held on 15 March 2018 were agreed.	
2. PUBLIC PETITIONS	
2.1 There were no public petitions.	
3. LEP UPDATE [Officer Contact: Neil Hayes, Executive Director, Local Enterprise Partnership]	
3.1 As LEP Board Members, the Chairman, M Bright and S J Taylor declared an interest in this item.	
3.2 Members received a presentation from Neil Hayes, Executive Director, Local Enterprise Partnership (LEP) which provided an update on current issues in relation to the Hertfordshire Local Enterprise Partnership and the current economic	

development related initiatives. The presentation can be viewed here: [LEP Update Presentation](#).

- 3.3 The Panel were provided with an update from the LEP annual conference and on the Local Industrial Strategy. Members noted the change in the gap in GVA per filled job in Hertfordshire against the national average and discussed the work being undertaken to ensure Hertfordshire became more resilient and planned for future growth. The Panel noted the four “grand challenges” that the Hertfordshire LEP were looking to address through the Local Industrial Strategy were Ageing Society, the Future of Mobility, Clean Growth and Artificial Intelligence & Data Economy. It was advised that four groups were to be set up to consider these challenges over Spring/Summer 2018 with feedback to be provided in Autumn 2018. In addition, a session would be held on how the Panel could support the development of the Local Industrial Strategy.
- 3.4 Members discussed the need for more businesses to be located in Hertfordshire and queried if businesses were having difficulty finding suitable sites locally. It was noted that during the most recent developments of Local Plans, housing numbers dominated the debate over commercial development. Members were advised that public sector services were continuing to work together to make best use of publically owned assets. In addition, it was noted that the LEP had commissioned Lambert Smith Hampton to consider business needs across the county. Members noted that a lot of office space was being developed into housing, which in turn put pressure on local services and may impact on companies’ ability to expand locally.
- 3.5 The Panel discussed housing needs across the county and noted that more affordable housing and supported living was required to address the future needs of the county. It was noted that whilst focussing on housing needs was required, having land available for the development of businesses was also essential to ensure a mixed economy. It was noted that a joined up approach was required to consider the needs of the population and the effect on the economy and infrastructure. The importance of science partnerships was also acknowledged for innovation across the county.
- 3.6 Members commented on the amount of under-occupancy in larger homes across the county and it was noted that appropriate sized properties needed to be made available for residents looking to downsize. Members were advised that the Council’s Adult Care Team had undertaken some work in relation to housing for an ageing population and that it would be requested that a briefing note was shared with the Panel. The Panel heard about a housing buy back scheme in Stevenage, where the District Council would buy back properties and assist the tenants with a move to sheltered housing.

David Williams,
Chairman

**CHAIRMAN’S
INITIALS**

.....

- 3.7 Members noted that employment land sites had been realised for housing and suggested that the LEP could relay to government the need to retain industrial sites and recognise its potentially varied uses. Members noted that potential requests for support from government were being considered by the LEP and included issues such as broadband.
- 3.8 The Panel noted the updates given on the LEP's call for projects with £73 million worth of potential schemes submitted for consideration by the LEP. Two projects were approved with a further two projects being approved subject to further clarification. Four additional projects were also under review for potential future support.
- 3.9 Members noted the re-procurement of the Growth Hub in May 2018 and the focus areas of the LEP for June/July 2018.
- 3.10 The Panel were informed that the LEP were recruiting for an additional Business Board Member and for any recommendations to be put forward, with the candidate requiring the commitment and time to engage with the LEP.
- 3.11 Members queried whether there had been any update on governance in relation to the regeneration of Stevenage Town Centre. It was advised that whilst the first round of funding was still going ahead, clarity was still being sought from Government around the governance structure required.

Conclusion

- 3.12 The Cabinet Panel noted the content of the presentation.

4. FUTURE OF TOWER PRIMARY SCHOOL, WARE

[Officer contact: Juliet Whitehead, Education Leadership Team, Tel: 01438 844880]

- 4.1 Members reviewed a report which considered the future arrangements and finances required for managing Tower Primary School, Ware.
- 4.2 Following an inadequate Ofsted rating in March 2017, Tower Primary School was obliged by government rules to either become a sponsored academy or face closure. The Ivy Learning Trust based in Enfield had been approached by the Department for Education to sponsor Tower Primary School. Closure of the school was not deemed feasible for a number of reasons including the subsequent need to accommodate the current pupils at schools a significant distance away and future demand in the area. Members noted that

the planned sponsor would still require agreement from the Regional Schools Commissioner.

- 4.3 Members were notified of a minor change to the wording at recommendation (v).

**PART II ('CLOSED') AGENDA
EXCLUSION OF PRESS AND PUBLIC**

- 4.4 The Panel agreed to move into Part II ('closed' session').
- 4.5 That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.
- 4.6 Following discussion on the Part II Report and recommendation, the Panel moved back into Part I (open session) and agreed the recommendations.

Conclusion

- 4.7 Panel recommended to Cabinet that it agrees:
- (i) that the County Council conclude an agreement with the Ivy Learning Trust Board around the sponsorship of Tower Primary School, Ware as set out in the Part II report.
 - (ii) to delegate to the Director of Children's Services, in consultation with the Executive Member for Education, Libraries and Localism, to agree the required terms and conditions required for the agreement between the County Council and Ivy Learning Trust Board with regards the sponsorship of Tower Primary School, Ware.
 - (iii) that the County Council provide Tower Primary School, Ware with £37,000 of additional capital funding to deal with outstanding building condition and ICT issues.
 - (iv) that an application for an in-year variation to the school's Published Admission Number to reduce it to 15 in September 2019 will be made to the Office of the School Adjudicator.
 - (v) that the revenue funding required as set out in the part II report be agreed by the Director of Resources, in consultation with the Director of Children's Services and the Executive Members for Resources, Property and the Economy and for Education, Libraries and Localism.

Panel noted that there was a target conversion date of September 2018.

5. OTHER URGENT PART I BUSINESS

5.1 There was no other urgent Part I business.

PART II ('CLOSED') AGENDA

1. FUTURE OF TOWER PRIMARY SCHOOL, WARE

Conclusion

1.1 The recommendations on this item of business are recorded at 4.7 above and in the separate Part II minutes.

**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

CHAIRMAN _____

**CHAIRMAN'S
INITIALS**

.....

HERTFORDSHIRE COUNTY COUNCIL**RESOURCES AND PERFORMANCE CABINET PANEL
RESOURCES MONITOR – QUARTER 4 (JANUARY – MARCH 2018)**Report of the Director of Resources

Author: - Alex James, Head of Corporate Policy [Tel: 01992 588259]
Stuart Reynolds, Business Manager – Resources [Tel: 01992 588630]

Executive Member/s: - Ralph Sangster (Resources and Performance)

1. Purpose of report

1.1 The purpose of this report is to provide the Panel with an update on the quarterly performance of the Resources department during the period January – March 2018 (Quarter 4).

2. Summary

2.1 The Resources Performance Report is designed to provide the Panel with information on the performance of the service for which it is directly responsible, in the same way that other panels receive reports on the performance of their services. It is not intended to cover performance of all the council's activities – this is the subject of the Quarterly performance report for the whole council.

3. Recommendation

3.1 The Panel is invited to:

- Comment on the performance, projects, and audit matters outlined within the report
- Suggest further actions to address any performance concerns raised in this report or covered in the detailed electronic monitor

4. Background

4.1 The Report includes key performance information on:

1. Human Resources (HR)	6. Legal, Democratic and Statutory Services
2. Finance	7. Hertfordshire Business Service (HBS)
3. Assurance	8. Community Engagement
4. Property	9. Service-wide Resources indicators
5. Improvement and Technology	

5. Financial Implications

5.1 There are no direct financial implications associated with this report.

6. Equality Implications

6.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making.

- 6.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the county council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 6.3 The Equality Act 2010 requires the county council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 6.4 An Equalities Impact Assessment (EqIAs) has not been completed as this report provides historic performance information for the last quarter (Q4 2017/18).

Background Information

None.

1. HR
Performance remains high within HR with employee relations customer satisfaction ratings (report reference 1.1.1) and both candidates and hiring managers satisfaction with the recruiting process (report references 1.1.2 and 1.1.3) having a positive rating. The percentage of DBS checks processed (report reference 1.1.4) dropped from 100% in Q3 to 99% in Q4.
2. Finance
Performance around E-supplier payments (report reference 2.1) is encouraging through new processes and solutions being put into practice. There was a slight decline in Budget Holder Completion rates from 97.9% in Q3 to 94.4% in Q4.
3. Assurance
The shared internal audit service (report reference 3.1.1) fell 1% below its target of 95% of days delivered due to an internal service restructure.
4. Property
Property performance in meeting emerging priorities identified in the asset management plan (report reference 4.1.1) has a positive RAG rating with the majority of projects either completed or on track.
5. Improvement and Technology
The percentage of logged/complex freedom of information (FOI) requests for information receiving full responses within 20 working days (report reference 5.1.1) declined to 98% against the 100% target. However, the number of subject access requests (report reference 5.1.2) remained at 100%.
6. Legal, Democratic and Statutory Services
During Q4 Legal Services reduced the number of hours of legal advice delivered at 20,575 hours vs 21,741 hours during Q3 (report reference 6.1.1).
7. Hertfordshire Business Services (HBS)
HBS achieved a surplus (report reference: 7.1.1) of £1.201m, however, overall delivery is still short of target.
8. Community Engagement (Customer Service, Communications and Corporate Policy)
Social media engagements (report reference 8.1.1) fell slightly in Q4 compared to Q3 however remained well above the target. Whilst there has been an increase in Update Me followers (80,718 in Q4), this is still below the target of 100,000. The media score (report reference 8.1.3) improved significantly in Q4 to 818 from 468 in Q3.
9. Service-wide Resources Indicators
The percentage of voluntary turnover (report reference 9.1.1) and employees under 25 (report reference 9.1.2) remain above the target (should be below); whilst the average days lost due to sickness absence (report reference 9.1.4) has remained consistent with the previous two quarters. A new KPI based on apprenticeships statistics has also been introduced for Q3 and Q4 (report reference 9.1.5).

1. HR

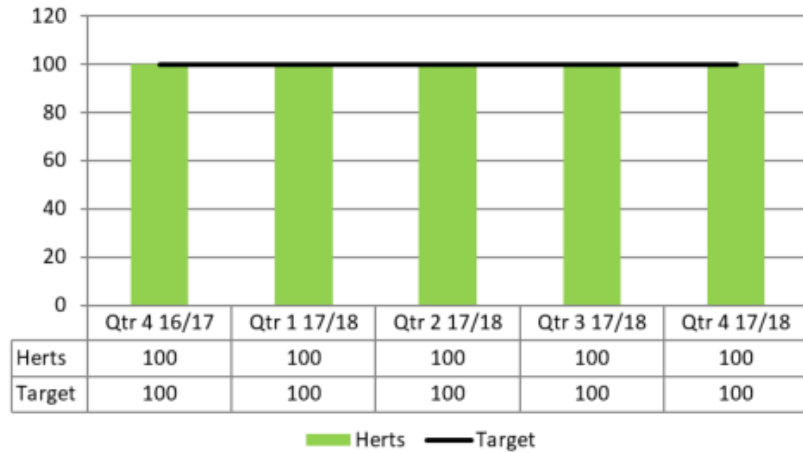
1.1. KPIs

1.1.1. HR Employee Relations customer satisfaction rating (GREEN)

100 

Performance remained at 100% this quarter.

Good to be high.



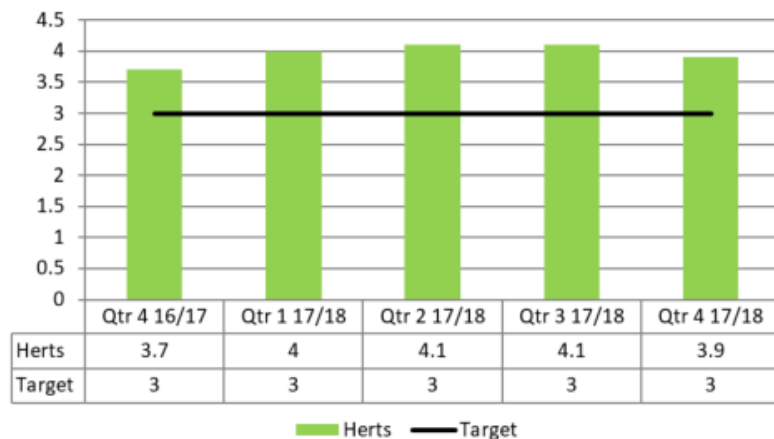
A satisfaction email is sent to managers following completion of support from the Employee Relations team. Feedback is sought about the efficient and professional service from the team. Customer satisfaction remains at 100% in Q4.

1.1.2. Candidate Satisfaction with the Recruitment Process (GREEN)

3.9 

Performance declined from 4.1 last quarter.

Good to be high.



In Q4 candidate satisfaction with the recruitment process moved slightly to 3.9 out of 5.0, from 4.1 in Q3. This remains above the target of 3.0.

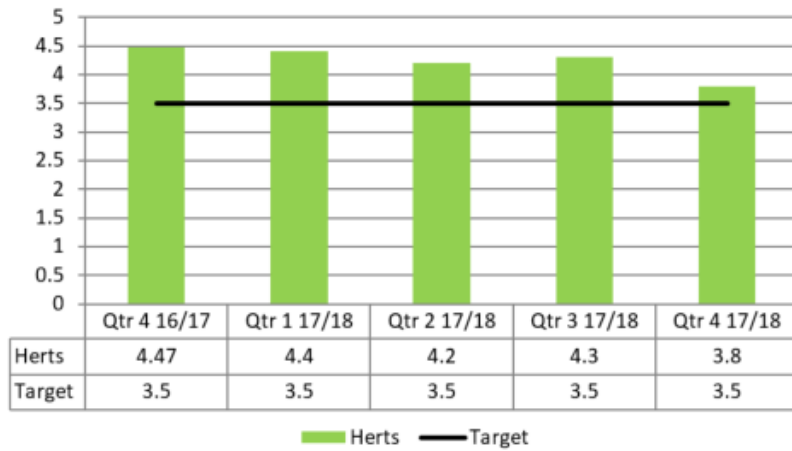
1.1.3. Hiring Manager Satisfaction with the Recruitment Process (GREEN)

3.8



Performance declined from 4.3 last quarter

Good to be high.



Feedback from hiring managers on satisfaction with the recruitment process has moved from 4.3 in Q3 to 3.8 in Q4. This is based upon a potential score of 5.0 and remains above the target of 3.5.

1.1.4. % DBS checks processed within 48 hrs (GREEN)

99



Performance declined from 100 last quarter.

Good to be high.



Performance on this indicator has moved from 100% in Q3 to 99% in Q4 due to system queries and applications that have been unavoidably on-hold.

2. Finance

2.1. Projects, Contracts and Risks

Type and RAG	Name	Progress Update
Project (GREEN)	Business Rates Review	A response was submitted to May consultation, liaising with districts, Local Enterprise Partnership (LEP) and briefing senior members. The County Council has worked effectively with all 10 Districts in applying to form a 100% Retention pilot: unfortunately Hertfordshire, along with a number of other authorities, was not successful. The County Council continue to make use of opportunities to make the case for funding reform, including its response to the Provisional Settlement and a consultation on Fair Funding.
Project (GREEN)	E-supplier payments	<p>Proactis processes have been embedded, take up has increased and SERCO are no longer manually processing Purchase Order (PO) invoices.</p> <p>Regular meetings continue with Proactis to monitor progress and resolve issues. Options for simplifying the PO process had been considered in the SAP Review: following the decision not to upgrade or replace SAP in the immediate future, other options using current systems will be explored.</p> <p>A project to implement full use of PO's (with agreed exceptions) has been initiated as part of the SERCO SMS Service Improvement Plans.</p>
Project (AMBER)	E-commerce	<p>All project initiation process has been completed and implementation has started. All services within scope of phase 1 have been migrated including HALS. Majority of Chip & PIN Machines now deployed and old streamline machines being recalled.</p> <p>Procurement of new Merchant Card provider progressing but at slower pace due to resources constraints. Orange Leaf procurement and implementation completed. Current problem with payment unforeseen and Serco working with Civica to resolve. In the first half of 2018/19, Project Board to close Phase 1 and decide on upgrade and agree scoping for phase 2.</p>

2.2 KPIs

2.2.1 Movement in service expenditure (NO RAG)

Movement:
 Q3 variance: -£3.906m
 Q4 variance: -£5.917m
 Movement (absolute): **£2.011m**

Assessment:

The target is that there should be as small a movement as possible not only between the variance that is reported as at the end of each Quarter, but also the actual outturn position at year end (Quarter 4). Accurate forecasts early in the year allow Senior Management and Members to make better informed financial decisions. Finance Business Partner Teams provide training, review and challenge to help Budget Holders provide a realistic forecast based on the best available information at the time. As events change, then forecasts (and then actual spend) will also change, which means that some movement is inevitable.

Action Required:

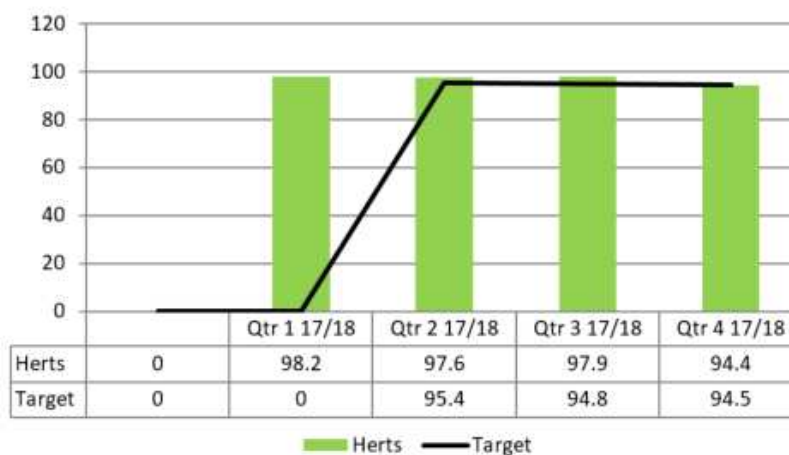
The average movement from Q3 to Q4 in the last 3 financial years is **£6.532m**. The movement for 2017/18 of **£2.011m** is lower than this average, with the largest movements in Older People & Adult Disability (HCS) and Property (Resources).

2.2.2 Budget Holder Completion % (GREEN)

94.4 

Performance declined from 97.9 last quarter.

Good to be high.



Please note that budget holders do not complete a forecast using the emons for March due to this being the end of the financial year and all parties working towards the final outturn.

3. Assurance

3.1. KPIs

3.1.1. Delivery of Hertfordshire County Council Audit Plan (including Schools) % completion (GREEN)

Shared Internal Audit Service (SIAS) delivers the County's Internal Audit Plan and is required to have carried out enough audit work by year end to be able to deliver an overall assurance opinion on the controls that operate around the Council's financial and non-financial systems. This opinion feeds into the County Council's Annual Governance Statement.

Currently the SIAS Board require that the Service delivers 95% of its planned audit days in the period 1st April to 31st March.

Delivery of the audit plan days is not evenly distributed across the twelve months of the year (the target figure shown is indicative and based on the 16/17 actuals profile) and can be affected by:

- Client timing requirements
- Natural groupings i.e. work on the main financial systems
- In year slippage, due to factors such as client availability, development project slippage.

The revised cumulative target for March reflects the value of unallocated contingency balances at the end of the financial year, these standing at 71 days, which are excluded from the delivery target calculations. In 2017/18 the Service was the subject of an internal restructure, something that it was accepted by the SIAS Board would impact on delivery of annual KPIs. Therefore, with performance at year end standing at 94% of billable days delivered (1% below the KPI target) the final figure represents a commendable achievement by the Team and its management.

3.1.2. Customer Satisfaction with the delivery of Hertfordshire County Council Audit Plan (GREEN)

SIAS delivers the County's Internal Audit Plan and upon completion of each assignment issues a customer satisfaction questionnaire to the lead client officer for the audit. The questionnaire covers the areas of engagement planning, delivery of audit fieldwork, reporting and overall value of the audit. A total of 13 questions are asked, with each scored on a satisfaction rating between 5 (excellent) to 1 (unsatisfactory). The overall satisfaction level for each audit is calculated as the total score from all questions as a percentage of the 65 available points, with a percentage of over 60% being deemed as meeting the agreed quality standards.

Any individual questionnaires that have not met the agreed target score will be followed up with the relevant client officer to ascertain the reasons (if not already provided as comments) and such comments will be used to inform improvement activities at Service and individual staff level.

The SIAS Board require that the Service delivers 100% of audit engagements to the customer satisfaction target scores in the period 1st April to 31st March, with the results of this indicator also being reported to the Audit Committee within the SIAS progress reports.

3.1.3. Health and Safety Performance Overview (GREEN)

98 audit reports have been delivered in 17/18 to date with 85.7% demonstrating good overall health and safety management systems.

Compliance levels are commensurate with those in 16/17 (-0.6%)

A cycle of audit revisits is in place to track action plan progress where required, focussed on compliance in higher hazard areas.

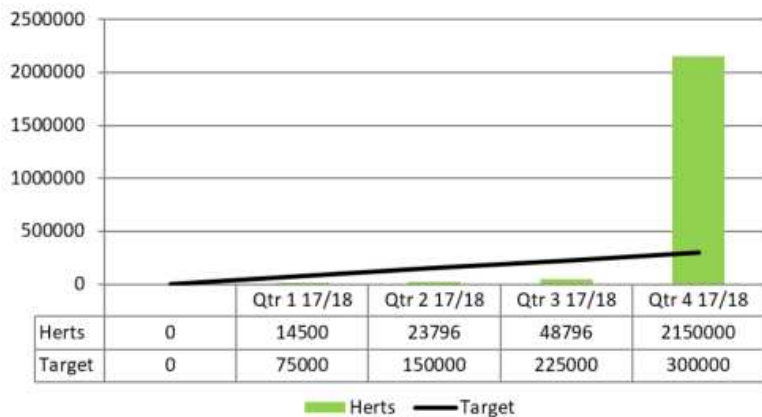
3.1.4. Fraud Performance – Identified Fraud Value (GREEN)

£2.15m



Performance improved from 48,796 last quarter.

Good to be high.



SAFS has completed much of the work required as part of the National Fraud Initiative 2017, which included a significant volume of matches for Blue Badge and Concessionary Bus Passes as well Pensions and Payroll data. All records have been uploaded to the Cabinet Office Portal as required. Other areas of significant savings have been identified from death data for Pensions and enhancement payments to former teachers pensions, as well as some high value fraud cases in adult care. There are still a number of high value cases under investigation across various service but many of these will continue into the 2018/2019 financial year.

4. Property

4.1. KPIs

4.1.1. Property Performance in Meeting Emerging Priorities Identified in the Asset Management Plan (2017-2021) (GREEN)

Projects for completion in:	Q2	Q2 %	Q3	Q3%	Q4	Q4 %
Number for completion in 2017/18:	59		53		54	
Delivered or on track	48	81	47	89	44	81
Minor barriers	4	7	5	9	8	15
Significant barriers	7	12	1	2	2	4
Number for completion in 2018/19:	36		39		54	
Delivered or on track	32	89	31	79	50	93
Minor barriers	3	8	7	18	3	6
Significant barriers	1	3	1	3	1	2
Number for completion in 2019/20:	15		20		26	
Delivered or on track	13	87	18	90	21	81
Minor barriers	2	13	2	10	3	12
Significant barriers	0	0	0	0	2	8
Number for completion in 2020/21:	12		27		36	
Delivered or on track	12	100	22	81	28	78
Minor barriers	0	0	3	11	7	19
Significant barriers	0	0	2	7	1	3

For Year 1, there are 6 projects which although haven't been delivered by year end, are due to complete in the first quarter of 2018/19 (GREEN).

For Year 2 and 4, there is a significant increase in the number of projects, mainly due to the addition of a) new property priorities from Children's Services b) additional property disposal projects not previously included in the Action Plan (GREEN).

Year 4 is rated overall as 'Amber', this is due to a number of large disposal/development sites (including proposed urban extensions at Baldock and Cheshunt) that are predicted to face challenges around planning and delivery. (AMBER)

5. Improvement and Technology

5.1. KPIs

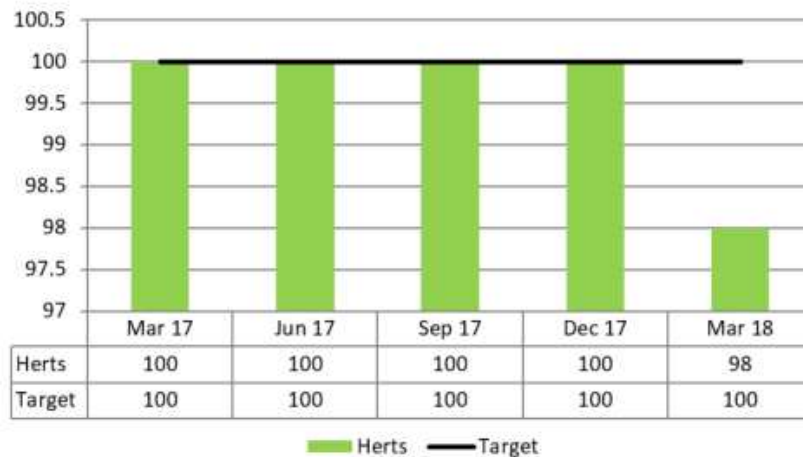
5.1.1. % of logged/complex Freedom of Information (FOI) requests for information to receive full responses within 20 working days (GREEN)

98



Performance declined from 100 last quarter.

Good to be high.



Remains high. The Information Commissioner's Office (ICO) currently investigates performance it believes has fallen below 90% compliance.

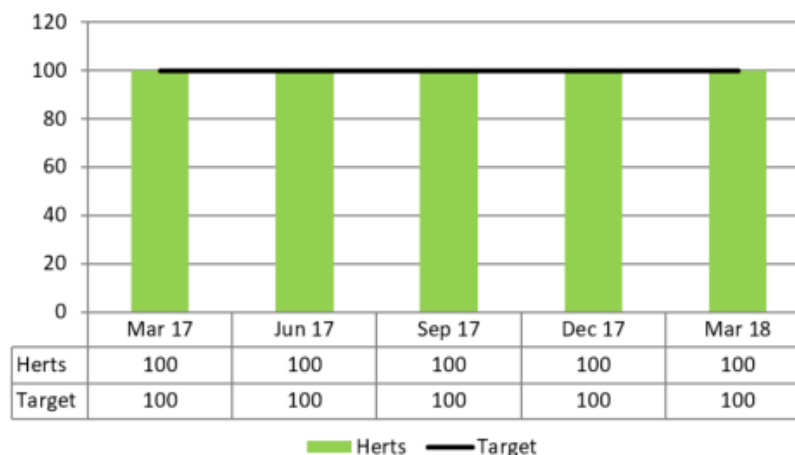
5.1.2. % of Subject Access Requests (SARs) to receive full responses within 40 calendar days (GREEN)

100



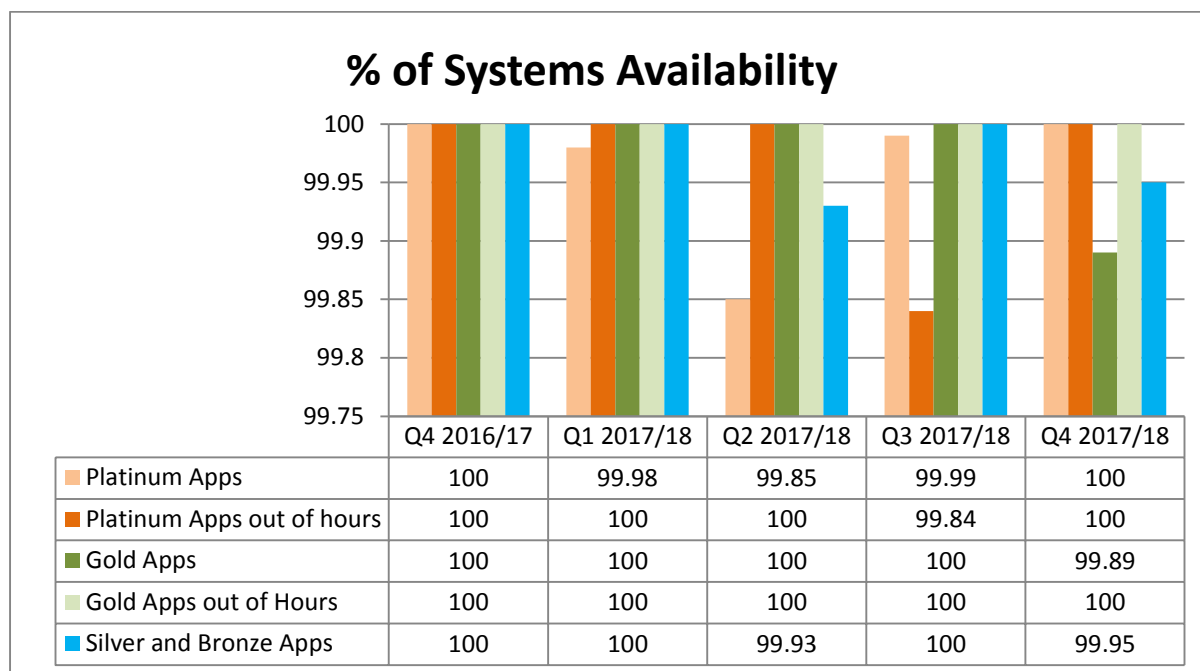
Performance stayed the same since last quarter.

Good to be high.



The percentage of requests handled that received full responses within the statutory timescale remains at 100%. Statutory timescales will change from May 25th 2018 due to General Data Protection Regulation (GDPR), giving one month for short requests but increase to 12 weeks for complex and lengthy requests. Many of the County Council's social care file SARs are complex.

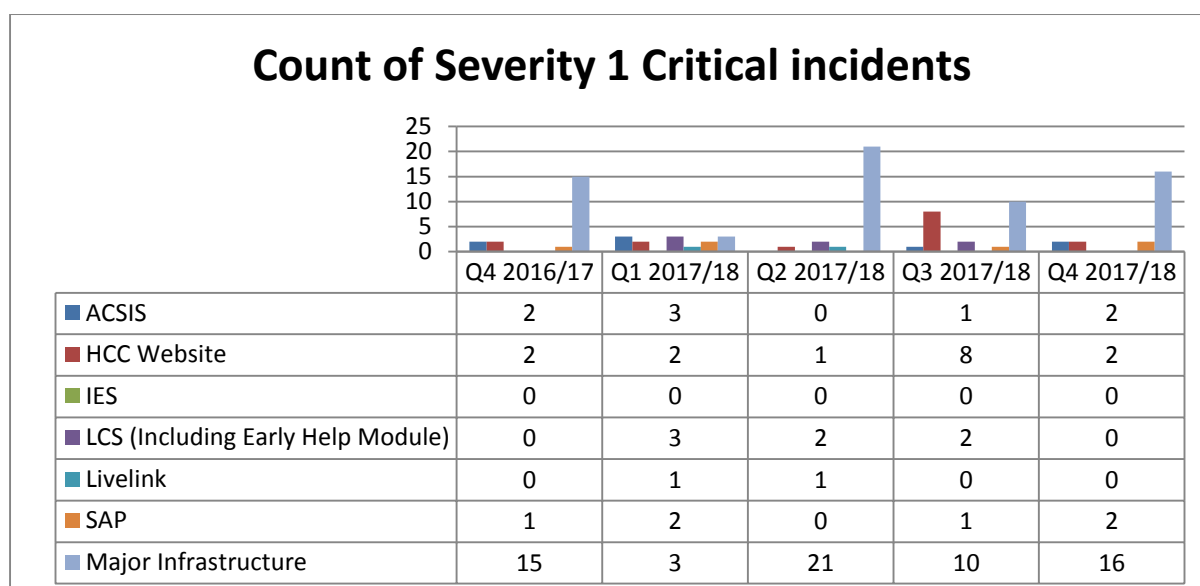
5.1.3. I.T System Availability (%) (GREEN)



Applications are categorized to indicate the varying levels of support available.

The KPI targets set out in the Serco SMS Contract were met for quarter 4.

5.1.4. Monitoring the Number of Significant Incidents (NO RAG)



Only applications classified under the 'platinum' support category and major infrastructure have been presented in the table/graph.

ACSIS issues were resolved within one hour. Hertfordshire County Council Website issues were supplier related, Zengenti. Root cause investigated with recommendations for action. SAP issues were a result of front line services running multiple, excessively large, reports at the same time (outside of normal procedure) and Business Warehouse governance which is

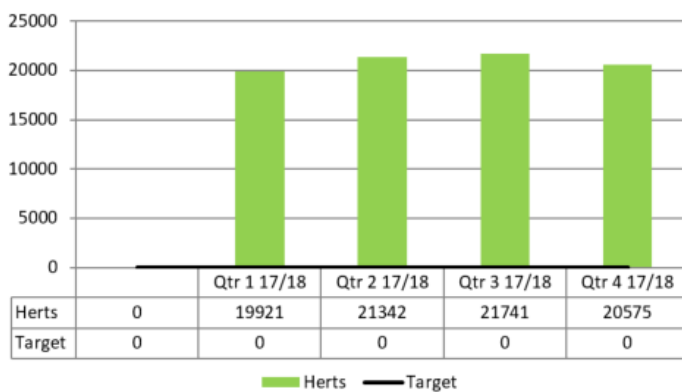
now being addressed by the head of Applications.

Major infrastructure incidents were made up of a variety of hardware/network trafficking issues and also inclusive of Konica Minolta printer issues.

6. Legal, Democratic and Statutory Services

6.1. KPIs

6.1.1. Number of Legal Services hours delivered

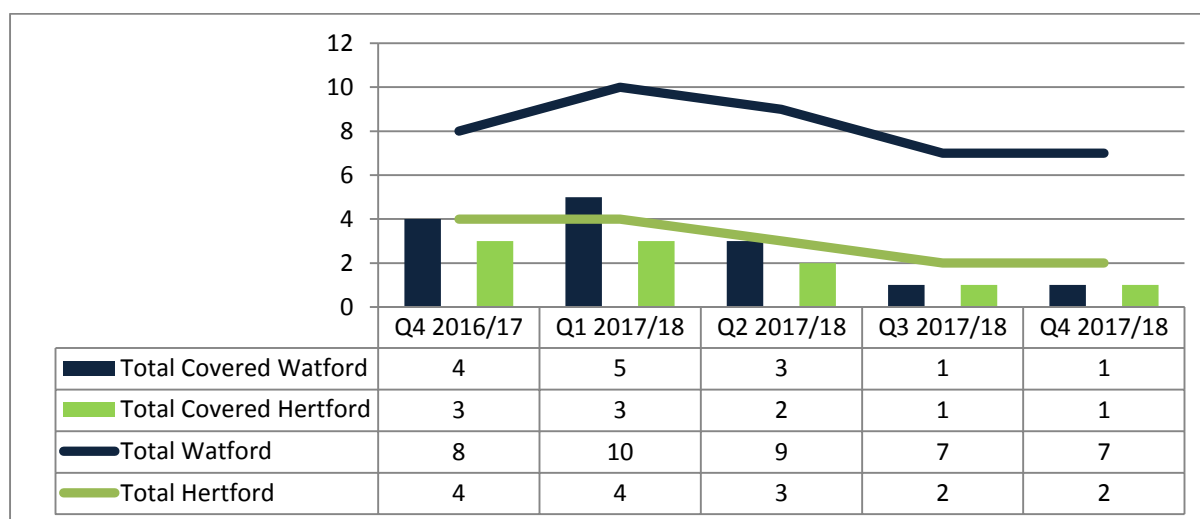


During Q4 Legal Services delivered 20,575 hours of legal advice compared with 21,741 hours during Q3. This is broken down by service department/outside clients as follows:

- Children Services 50% of the total hours (with Children Services CLU work accounting for 43%)
- Environment, Adult Care Services and Resources 37% of the total hours
- Chief Executive, Community Protection, Public Health and Statutory Services 4% of the total hours
- Outside clients 9% of total hours

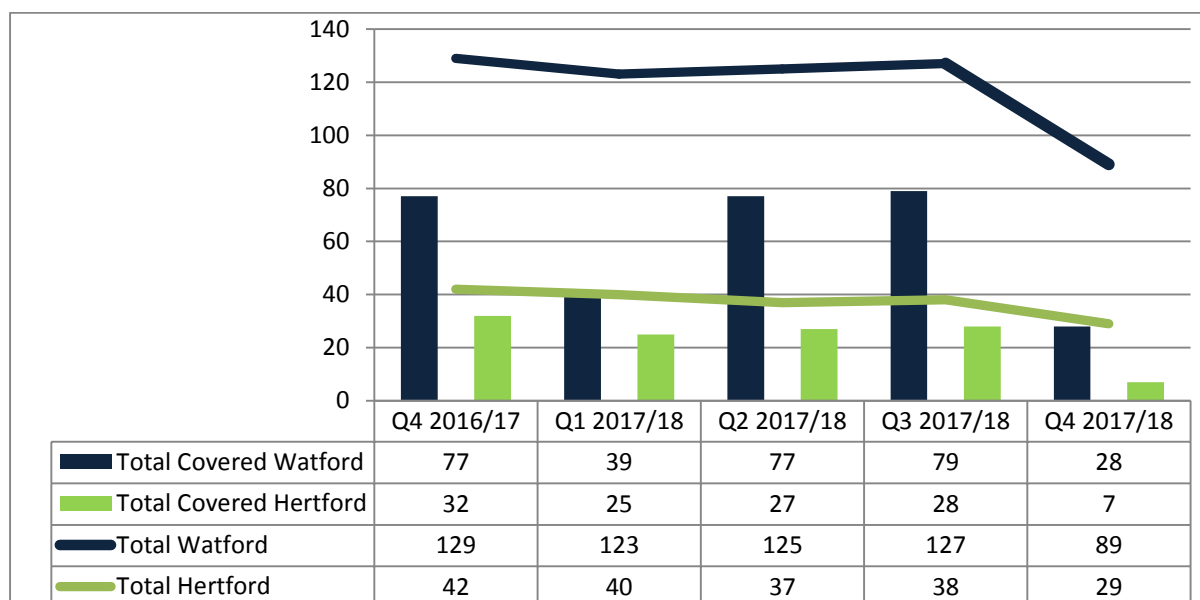
The reasons for the reduction in legal advice hours provided includes reduced availability of staff due to annual leave and staff leaving the Council's employment.

6.1.2. Number of Full Day Hearings Covered (NO RAG)



Lawyers and In-house advocates continue to deal with hearings of longer than 1 day duration; whilst these are only counted as single hearings this quarter accounting for 21 days of court time. Lawyers and Advocates undertaking lengthy hearings (whilst reducing availability for ½ and 1 day hearings) reduces overall external spend and improves service resilience.

6.1.3. Number of Half Day Hearings Covered (NO RAG)



There has been a significant decrease in the number of hearings of half a day or less at both Watford and Hertford, this is due to a number of cases that are now moving into longer fact finding and final hearings (CLU dealt with a total of 203 hearings in Q4). As indicated in the Q3 report a reduction in the overall number of hearings is also a consequence of the work done by CLU and the Court Service to reduce the number of hearings that take place in each section 31 Children Act Application (application for a care or supervision order).

There has been a reduction in the percentage of half day hearings covered at both Watford and Hertford which has been caused by a combination of end of year leave requirements and the resignation of one of the In-House advocates.

6.2. Statutory Services KPIs

6.2.1. Customer Satisfaction with Registration and Citizenship Services (NO RAG)

	Q4 2016/17	Q1 2017/18	Q2 2017/18	Q3 2017/18	Q4 2017/18
Courtesy and Professionalism	99.96	99.91	99.93	99.5	99.3
Information	99.78	99.82	99.82	99.72	99.74
Convenience	99.54	99.82	99.68	99.48	99.72
Accommodation	99.52	99.47	99.38	99.02	99.39
National KPI	96	96	96	96	96

All customer satisfaction rates exceed national key performance indicators. The rates indicate where a customer has recorded service provided as 'satisfactory' or above. 4319 Responses to the survey have been received in 2017/18.

In addition to the satisfaction rates recorded the following percentages indicate where the customer has rated the service as excellent:

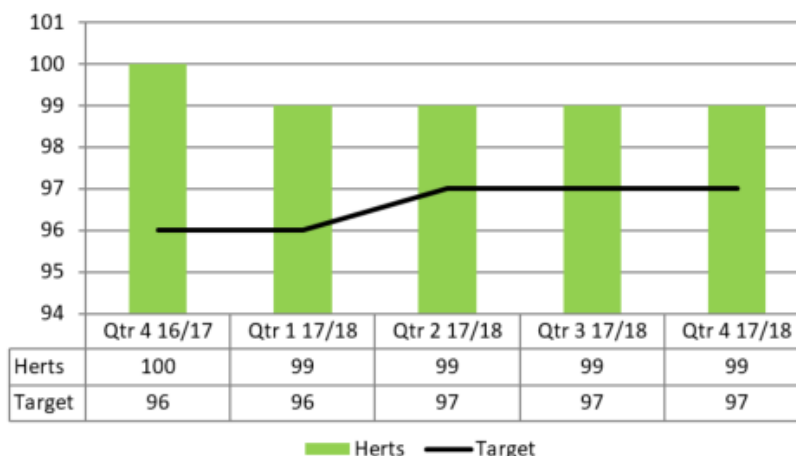
6.2.2. Timeliness of Birth Registrations (%) (GREEN)

99



Performance remained the same since last quarter.

Good to be high.



The Registration Service has continued to exceed the General Register Office key performance indicator and achieve higher levels of timeliness than both the regional and nation benchmarking averages.

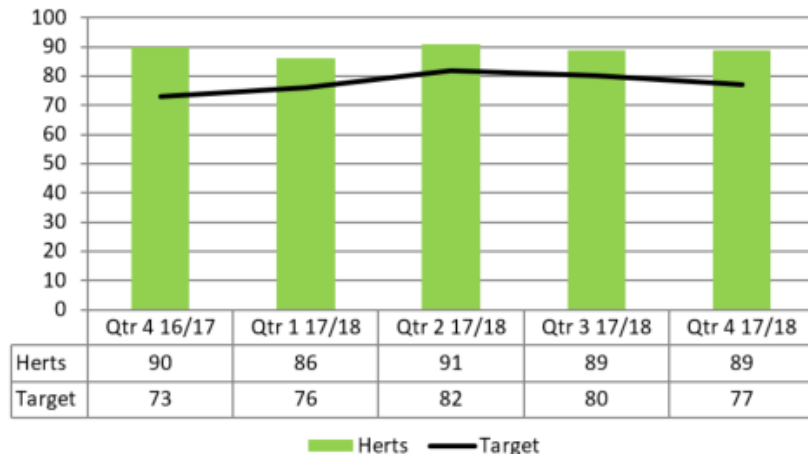
6.2.3. Timeliness of Death Registrations – No Coroner Involvement (%) (GREEN)

89



Performance stayed the same since last quarter.

Good to be high.



Throughout the year 89% of deaths registered where there is no coronial involvement were within the statutory 5-day period. Hertfordshire continues to be outperforming national and regional averages.

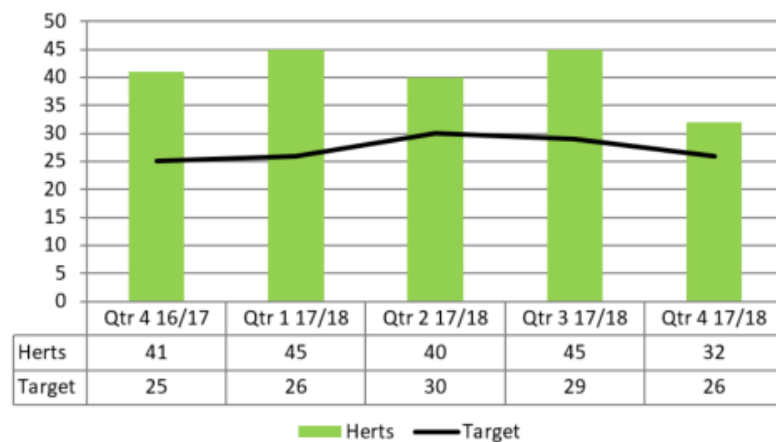
6.2.4. Timeliness of Death Registrations – Inc. Coroner Involvement (%) (GREEN)

32



Performance declined from 45 last quarter.

Good to be high.



Hertfordshire continues to significantly outperform regional and national averages. The Q4 average is 45% fell slightly as the volume of coronial investigations increased over the winter period.

7. Hertfordshire Business Service (HBS)

7.1. KPIs

7.1.1. HBS Performance Overview (RED)

HBS have achieved a surplus of £1.201m. This is £0.558m short of the target of £1.759m, but a £122k improvement compared with the Q2 forecast outturn.

Significant influencing factors:

- The decision that HBS should no longer over-recover print costs (network print previously made a surplus of £0.5m)
- Price increases for 2017/18 did not correctly treat overhead movements
- Fleet Services £90k under contribution – due to reduced demand
- HFS sales are £1.88m (8.7%) higher than last year (YTD), but margins on new sales are lower than forecast

It should be noted that contribution from external trading activities is 27.2% higher than 16/17

8. Community Engagement (Customer Service, Communications and Corporate Policy)

8.1. KPIs

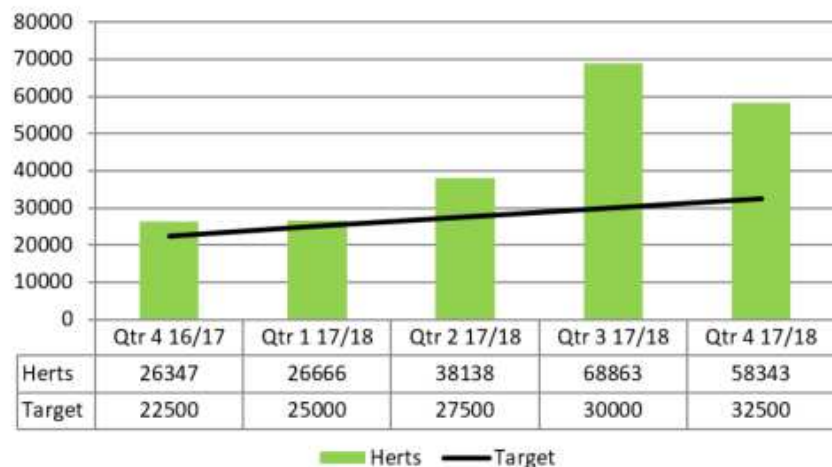
8.1.1. Social Media Engagements (GREEN)

58k



Performance declined from 68,863 last quarter.

Good to be high.



There was decrease in social media engagements this quarter, down from 69k to 58k (+82%) in Q4 compared to Q3, however this still exceeded the target of 32k by a large amount. Q4 has been quieter for big activity such as gritting so this is mainly a seasonal difference in activity rather than a decrease in the quality of the content.

If you look at engagement in line with how many people saw the posts then it is in line with 2.5million impressions in Q3 (a 2.62% engagement rate) and 2.3million impressions in Q4 (a 2.5% engagement rate).

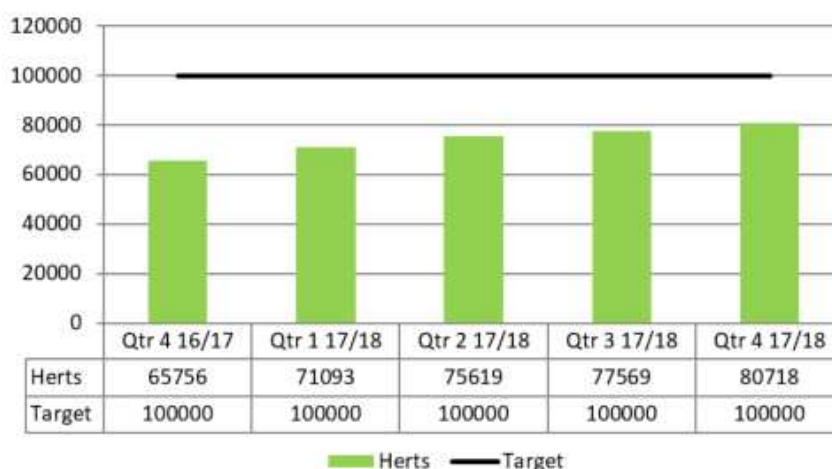
8.1.2. Update Me Subscribers (RED)

80k



Performance improved from 77,569 last quarter.

Good to be high.



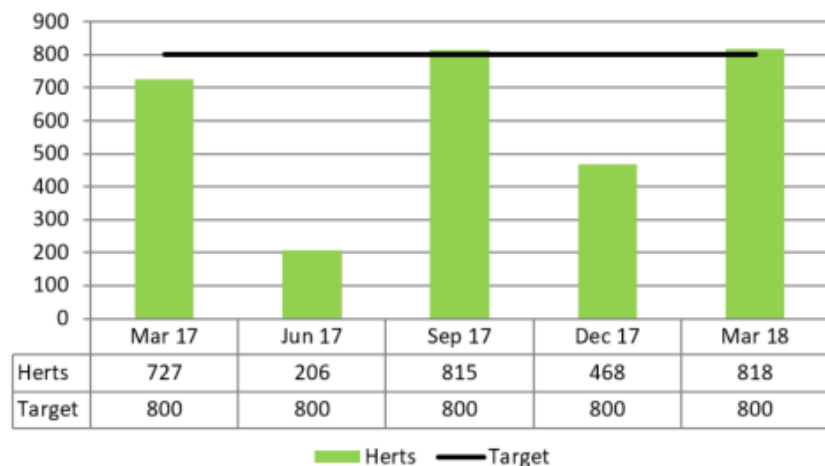
The Update Me system is designed for Herts residents to receive email updates about the services and issues that they are interested in. The system is growing at a faster rate than the previous quarter with an increase of 1,300 this quarter compared to 700 last quarter almost double the growth. Engagement in this quarter was at around 40% across all bulletins which is ahead of the industry average of 20%. The County Council have continued to increase subscribers to the News bulletin which directs subscribers to the News Blog and is ahead of targets. This was through active promotion on social media with direct links to that bulletin and the use of a competition to encourage people to sign up. The County Council also achieved an increase in overall subscribers to the system now reaching 80,000 Hertfordshire residents.

8.1.3. Media Score (GREEN)

818 

Performance improved from 468 last quarter.

Good to be high.



In terms of media sentiment, the team has performed well above the target this quarter due to an ongoing effort to push out positive news stories about the Council. There were 96% positive articles and 4% negative articles in total across the quarter. The average monthly target has been hit every month this quarter which is an improvement on previous quarters.

9. Service-wide Resources Indicators

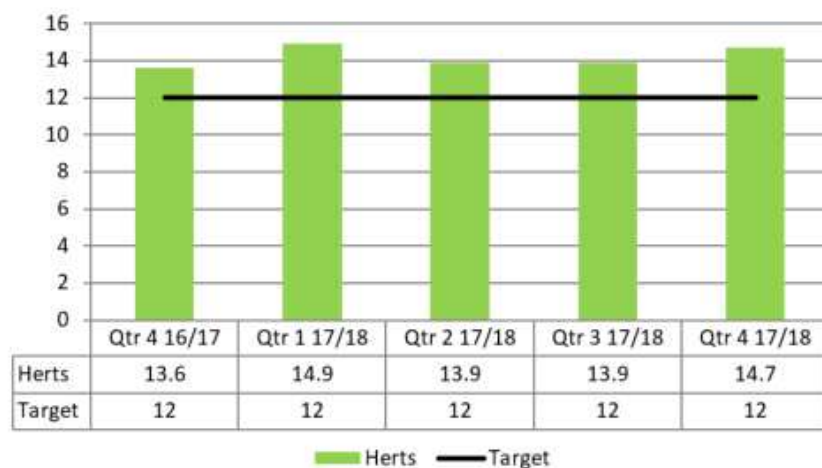
9.1. KPIs

9.1.1. Resources % Voluntary Turnover (RED)

14.7 

Performance declined from 13.9 last quarter.

Good to be low.




Voluntary turnover has reduced this quarter in Resources excluding Hertfordshire Business Service (HBS) and Libraries & Heritage Services (LHS), and stayed the same including HBS and LHS. Excluding HBS and LHS, turnover has reduced by 0.6% from 15.3% in Q3 to 14.7% in Q4. Including HBS and LHS, turnover has remained at 14.7%. Across Council Departments turnover has slightly reduced from 12.9% to 12.5% in the same period. Turnover is based upon 12 month rolling average figures to the end of the quarter.

The most significant overall change was a reduction in voluntary turnover in Community Engagement – from 23.3% in Q3 to 16.9% in Q4 (following a previous reduction in Q3 from 27.2%, indicating greater stability in this area). The most significant increase has been in HBS – a 4.1% increase, followed by a 2.7% increase in Improvement & Technology. It is worth noting that % increases seem more dramatic where the departmental numbers are small.

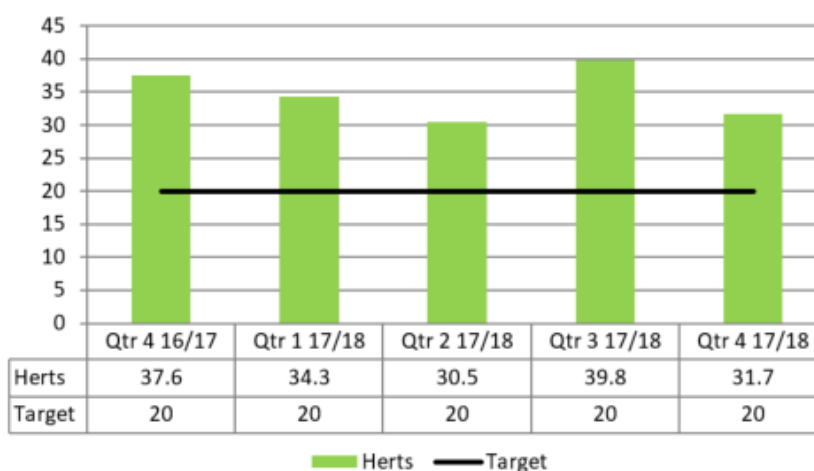
The most significant increase has been in Human Resources – an 8.8% increase following a 14.6% decrease in Q2. There were also increases of 5.3% in Legal Services and 3.9% in HBS, with reductions in Community Engagement, Assurance Services, Democratic & Statutory Services and LHS.

9.1.2. Resources Young People – total turnover % (RED)

31.7 

Performance improved from 39.8 last quarter.

Good to be low.



Turnover figures are based upon a rolling year to the end of the quarter. Turnover of young people across Resources (excluding HBS & LHS) has reduced from 32.8% in Q3 to 19.7% in Q4. This is a difference of 8 leavers when comparing under 25 leavers in the year to December 2017 (19 leavers) with the year to March 18 (11 leavers).

The total for Resources including HBS and LHS has also decreased from 39.8% to 31.7%. This is a difference of 9 leavers (from 37 to 28). Most of the Resources leavers are from LHS: weekend Customer Service Assistant roles and Library Assistant roles. Those young people leaving from the remainder of Resources are spread across roles and service areas.

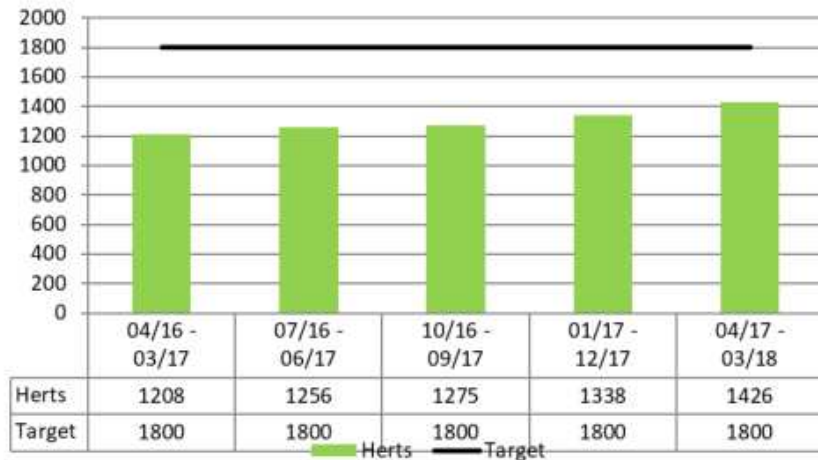
Council Department turnover of young people also reduced from 31.7% in Q3 to 31.3% in Q4.

9.1.3. Resources Agency Spend (£) (GREEN)

£1.43m 

Performance declined from £1.34m last quarter.

Good to be low.




Agency spend data for Q4 is based on a rolling year to the end of February 2018. Agency spend for Resources (excluding HBS and LHS), has increased by £51,208 (5.6%) from £922,398 to £973,606 when compared to the rolling year to the end of November, reported in Q3. This is due to increased spend on Legal roles in January and February 2018. Agency spend represents 3.1% of the total pay bill for Resources, an increase from 2.9% reported in Q3.

Agency spend for Resources (incl. HBS and LHS) has increased this quarter, by £88,684 (6.6%). This is an increase from £1,338,312 to £1,426,996. It is due to Legal roles in Resources and seasonal Warehouse Operative roles in HBS in December 2017. Agency spend reduced in LHS. Agency spend represents 3.2% of the total pay bill for Resources (including HBS and LHS), an increase from 3.0% reported in Q3.

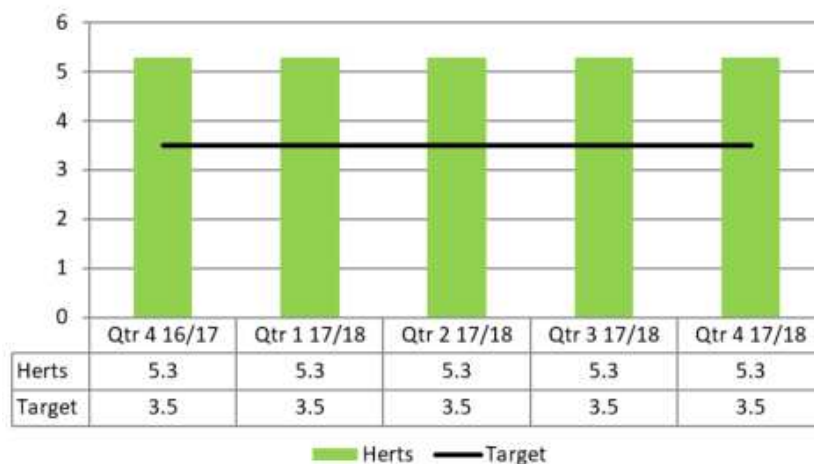
Agency spend in HBS represents 10.1% of the total pay bill, increasing from 9.3% in Q3. Agency spend has increased from £413,802 (rolling year to November 2017) to £451,316 (rolling year to February 2018).

9.1.4. Resources Average Days Lost due to sickness absence (all days) (RED)

5.3 

Performance has remained the same since last quarter.

Good to be low.



Sickness levels in Resources (incl. HBS and LHS) have remained stable at 5.3 days average per employee in Q2, Q3 and Q4. Resources figures excluding HBS and LHS, have started to increase following a previous reduction. They currently stand at 4.7 days, up from 4.4 days in Q3. Both averages compare favourably with the Council Departments average of 7.1 days (a drop from 7.2 days in Q3). Q4's Sickness absence average days data is based upon a rolling year to the end of February 2018.

Between Q3 and Q4 there have been increases in sickness levels across 4 Service areas (Community Engagement 0.6% increase, Property 1.5%, Legal Services 0.1% and Democratic & Statutory Services 1.4%), and reductions across the remaining 6 service areas, with a 1.5% reduction in Property being the most significant. The lowest level of sickness is 2.3 days in Human Resources and Finance.

Managers are asked to continue to actively manage absence and to contact the HR Service Desk if further support is required.

9.1.5. Apprenticeship Performance – Number of Current Employees, Number Externally Appointed and Costs (NO RAG)

	Number of current employees an apprenticeship programme					Number of externally appointed on to an apprenticeship programme employees an apprenticeship programme					Departmental apprenticeship cost to date				
	Q4	Q1	Q2	Q3	Q4	Q4	Q1	Q2	Q3	Q4	Q4	Q1	Q2	Q3	Q4
Adult care services				3	7				13	14				52,100	58,146
Children's Services				20	27				4	4				54,800	70,740
Community Protection				2	2				0	0				6,000	6,000
Environment				1	1				0	3				2,500	7,500
Public Health				0	0				0	0				0	0
Resources				5	21				4	7				49,000	248,625
HCC Total				31	58				21	28				175,400	391,011

These are new indicators which were first reported in Quarter 3. The Apprenticeship Levy liability for the County Council is £932,553 for 2017/18 and £962,000 for 2018/19. To maximise the levy the County Council estimates a requirement for approximately 140 apprentices per annum. To date 86 members of staff will benefit from development from apprentice opportunities, and the County Council has recruited 35 external apprenticeships. These figures should be considered in the context that new apprentice standards are emerging on a regular basis and this is expanding the County Council's ability to identify further apprentice opportunities.

9.1.6. Resources Number of Complaints and Compliments (NO RAG)

During Q4 the Resources department has continued to receive a low amount of stage 1 complaints at just 3 in total, which is consistent with the amount received in Q3. Two of the complaints were received within the Assurance department for issues relating to insurance claims and the Finance department received the remaining complaint. No noticeable trends can be seen between these complaints given the relatively small base number. All 3 of the complaints received were both acknowledged and received a full response within the target timeframe.

Resources received no stage 2 or Ombudsman complaints during Q4.

There were 52 compliments received for the Resources department during Q4 (improving from the 34 received last quarter). The majority of these are for Legal, Statutory and Member Services, with Citizenship Services receiving the majority of compliments (28) followed by Registration Services (13), then Coroner Services (7), Highway Boundary & Land Charges (2) and lastly Environment and Dispute Resolution (1). The Property department also received a compliment within the Building Management service. Higher compliment rates are expected for public facing services such as statutory services than back office functions that primarily act to support County Council services therefore this is not unexpected.

HERTFORDSHIRE COUNTY COUNCIL

**RESOURCES AND PERFORMANCE
CABINET PANEL**

Wednesday 6 June 2018

Agenda Item
No:

X

**HERTFORDSHIRE COUNTY COUNCIL PERFORMANCE MONITOR –
QUARTER 4 (Q4), 2017-18**

Report of the Director of Resources

Authors: Alex James, Head of Corporate Policy

(Tel: 01992 588259)

Martin Aust, Head of Intelligence, Improvement and Technology, Resources

(Tel: 01992 555793)

Executive Member: Ralph Sangster Resources and Performance

I. Purpose of Report

To present the Performance Report for the fourth quarter of the financial year 2017-18 to the Resources and Performance Cabinet Panel.

II. Summary

This report provides context and commentary on key areas of Hertfordshire County Council performance. It has been grouped by Portfolio and the reference numbers for the measures in the electronic dashboard are included in each item heading.

The final version of the performance monitor, referenced by service and portfolio will be made available on the Hertfordshire website

[Click Here to View the Dashboard](#)

III. Recommendation

- The Resources and Performance Cabinet Panel is invited:
 - a) To comment on the recommendations on any performance, project, contract and risk or audit matter outlined in this report.
 - b) To identify further actions to address any performance concerns raised in the performance monitor.

4 Background

The report provides an executive summary and a report highlighting key performance issues for each Portfolio, ordered as follows:

- | | |
|--|--------------------------------------|
| 1) Adult Care & Health | 5) Environment, Planning & Transport |
| 2) Children's Services | 6) Highways |
| 3) Public Health, Prevention & Performance | 7) Education, Libraries & Localism |
| 4) Community Safety & Waste Management | 8) Resources, Property & The Economy |

5 Equalities Impact Assessment (EqIA)

- 1) When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 2) Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 3) The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

No EqIA was undertaken for this report because the Hertfordshire County Council Quarterly Performance Report only provides historic performance information for the last quarter (Q4 2017/18). The report does not impact on equalities or affect any of the protected characteristics which would require an EqIA to be completed.

1. Adult Care & Health

The rate of delayed transfers of care (Section 1.1.6, p7 and 1.1.7, p8) has continued to decrease, particularly for social care. Residential admissions (Section 1.1.6, p7 and 1.1.7, p8) remain relatively low due to continued monitoring of placements and the promotion of alternative forms of support. The proportion of clients remaining at home 91 days after discharge from hospital with enabling style services (Section 1.1.6, p7 and 1.1.7, p8) continues to improve through a number of service initiatives.

2. Children's Services

Referrals into social care (Section 2.1.1, p10) continue to reduce as more families are supported through Families First. Child protection numbers (Section 2.1.2, p10) continue to remain low with Hertfordshire having one of the lowest rates nationally. There has been an increase in social care work supporting children and families through children in need planning as the number of children with a child protection plan has reduced. Numbers of children looked after (Section 2.1.4, p11) have also continued to reduce and the percentage of care leavers in education, employment or training remains higher than national and statistical neighbour averages. In 2018/19, the new Outcome Bees Performance Framework will be implemented. This will include a new range of outcome based performance measures focussed around the six [Outcome Bees](#); Be Safe, Be Ambitious, Be Happy, Be Independent, Be Resilient and Be Healthy.

3. Public Health, Prevention & Performance

Indicators for the 'Ageing Well' life stage (the 65+ age group) are presented this quarter. For men in Hertfordshire both their Healthy Life Expectancy (Section 3.1.3 p14) and Life Expectancy at 65 (Section 3.1.2 p13) have increased, but for women, their Healthy Life Expectancy has slightly decreased and Life Expectancy at 65 has stayed the same. There has been an increase in the level of Dementia Prevalence (Section 3.1.1, p13) but the Ratio of Excess Winter deaths (Section 3.1.4 ,p14) has gone down. There has been a slight fall in the number of NHS Health Checks received. (Section 3.1.6 p15).

4. Community Safety and Waste Management

The number of Safe and Well visits (Section 4.1.9, p20) increased this quarter by 39 (5%). This quarter has also seen improvements in: Deliberate fires (Section 4.1.4, p18), Road Traffic Accidents (Section 4.1.7, p19), Volunteer Hours (Section 4.1.8, p19) and risk based inspections (Section 4.1.10, p20). Year to date figures for primary and secondary fires show mixed trends (Section 4.1.2 & 4.1.3, p17) with the number of primary fires decreasing by 4% but secondary fires increasing by 6%. Performance will continue to be monitored to identify trends and implement appropriate preventative action. Performance for Attendance Standards has decreased in Q4 and was below the target of 90% (Section 4.1.5, p18) for all pumps.

The reporting of waste indicators has moved to a new 6 monthly cycle and data will now appear in Q1 and Q3.

5. Environment, Planning & Transport

Performance for decisions for major county matter planning applications (Section 5.1.1, p21) has improved this quarter to an average of 100%. Data for Herts Health Walks show improved trends this year (Sections 5.1.4 & 5.1.5, p22). There were 4,039 walks delivered against a target of 3,200. There were 56,394 attendances on Health Walks against a target of 52,000.

The percentage of new developments within 30 minutes by public transport of key services increased in 2016/17 (Section 5.1.2, p22). Improved performance is due to a number of office units in the centre of Stevenage being converted to residential.

6. Highways

Overall performance of the Highways Service Term Contract (Section 0, p24) decreased slightly this quarter (93.59%) but remains above the minimum performance requirement of 75%. Performance on street lighting defects rectified within the prescribed response times (Section 6.1.5, p25) response to emergencies (Section 6.1.6 p25) and response to Cat 1 defects (Section 6.1.7 p26) has remained in line with previous quarters. Whilst performance for schemes delivered against the Integrated Works Programme decreased this quarter, (Section 6.1.2, p24) it remains above target at 102%. Data for People Killed or Seriously Injured is not presently available. (Details can be found in Section 6.1.1, p23).

7. Education, Libraries & Localism

The percentage of Hertfordshire schools that are good or outstanding (Section 7.1.1, p27) has decreased this quarter, although still remains above the national and comparative authority average. Providing sufficient school places for a growing population continues to be a priority and this is reflected in the high number of families securing a place in a preferred school (Section 7.1.2 & 7.1.3, p27).

8. Resources, Property & The Economy

Head count (Section 8.1.3, p30) has decreased this quarter by 10 employees. The rolling annual paybill compared to Q3 (Section 8.1.1, p29) has increased by £0.97m largely due to the backdated pay award for uniformed fire staff. Agency spend has continued to decrease by a further £0.28m this quarter bringing agency spend as a percentage of paybill down to 4.5% (Section 8.1.2, p30) The number of complaints is lower than in Q4 last year (Section 8.1.7 p32).

Highlight Report

[For the key to colours and arrows see p34](#)

1 Adult Care & Health

1.1 Service Performance

1.1.1 Percentage of People Receiving Direct Payments (HCS96a)

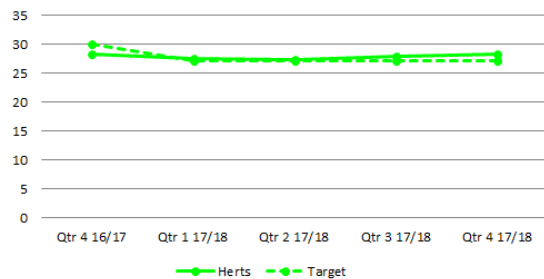


28.3%



Performance improved from 27.9% last quarter
For 2016-17, Northamptonshire were highest at 47.4%

Good to be high



At the end of Q4 7,854 clients received a long term service, of which 2,225 were in receipt of a direct payment. Of these, 1,557 direct payments were for ages 18-64 and 668 were for ages 65 and over. Reviews of long term clients continue to ensure that the most suitable forms of support are provided. Combined with the continued promotion of direct payments, this has seen an improvement in performance from last quarter with the annual target being achieved.

Note that the reported figure is provisional as data validations take place until May as part of the end of year statutory submission process.

1.1.2 Percentage of Carers Receiving Direct Payments (HCS96b)

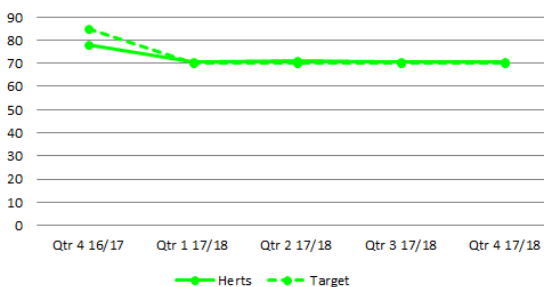


70.4%



Performance has stayed the same since last quarter
For 2016-17, Buckinghamshire were highest at 100%

Good to be high



There are 1,908 carers who have received a carer's specific service in the year, of which 1,343 have received a direct payment. Ongoing reviews of carers ensure that they receive the most suitable form of support available. In some cases this will not be a direct payment which limits the level of improvement in this indicator. Clear guidance continues to be promoted amongst front line teams to ensure that direct payments are used where appropriate. The annual target has been achieved.

Note that the reported figure is provisional as data validations take place until May as part of the end of year statutory submission process.

1.1.3 Percentage of Older people at home 91 days after leaving hospital into reablement (HCS97a)

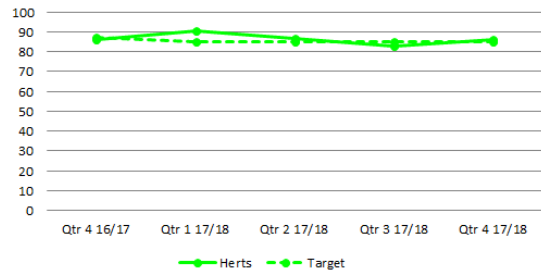


86.3%



Performance has improved from 82.6% last quarter
For 2016-17, Warwickshire were highest at 94.8%

Good to be high



This quarter 631 of 731 clients were still at home after 91 days. Performance has increased from last quarter (677 of 819 clients) and remains above the 2016-17 averages for Hertfordshire’s comparator authorities (81.5%) and for England (82.5%). The annual target of 85% has been met.

The number of clients entering reablement services continues to increase as clients with more diverse and severe needs are offered this form of support. Of the 100 service users who were not at home after 91 days, 25 were readmitted to hospital, 12 went into a residential setting and 63 were deceased. Offering reablement services to people with more significant need will increase the likelihood that they will not be at home 91 days after discharge.

Ongoing initiatives include development of discharge to assess models, recruitment of additional occupational therapists and an increase in the delivery of enablement outside of the clients’ own home.

Note that the reported figure is provisional as data validations take place until May as part of the end of year statutory submission process.

1.1.4 Rate of Permanent Admissions to Care Homes (18-64) (per 100,000 population) (HCS99a)

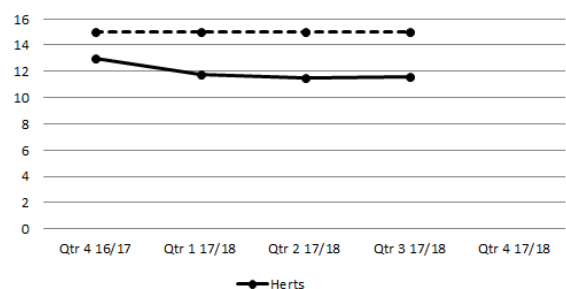


11.6 rate



Performance decreased from 11.5 last quarter
In 2016-17, Kent were lowest on 5.2 per 100,000 population

Good to be low



There were 62 admissions made up to the end of Q3 and the rate of admissions is within target. Continued management oversight of all residential placements and the promotion of alternative forms of care have resulted in the level of residential admissions continuing to reduce.

Note – This indicator is reported a quarter in arrears.

1.1.5 Rate of Permanent Admissions to Care Homes (65+) (per 100,000 population) (HCS99b)

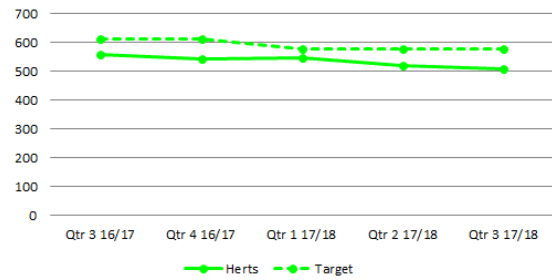


508 rate



Performance improved from 517.2 last quarter
In 2016-17, Essex were lowest on 331.5 per 100,000 population

Good to be low



There were 751 admissions made up to the end of Q3 and the rate of admissions is within target. Continued management oversight of all residential placements and the promotion of alternative forms of care have resulted in the level of residential admissions continuing to reduce.

Note – this indicator is reported a quarter in arrears.

1.1.6 Overall delayed transfer of care from hospital (NHS Social Care Joint) per 10,000 population (HCS100)

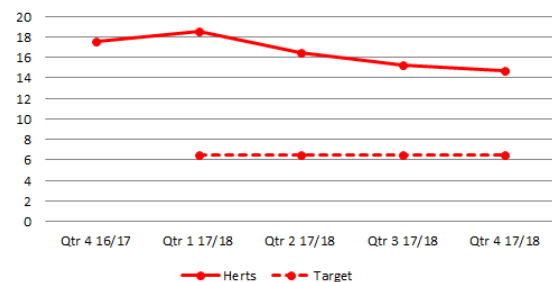


14.7 rate



Performance improved from 15.3 last quarter

Good to be low



Overall delayed transfers of care have continued to reduce from Q3 with 67% attributable to the NHS, 32% Social Care and 1% to both. There have been 44,741 days delayed for Hertfordshire residents in the year to date. This equates to around 133 patients per day. Hertfordshire ranks 6th in its group of 15 CIPFA comparator authorities.

Hertfordshire were set challenging targets to reduce delayed transfers of care from Hospitals. Since April 2017 social care delays have been reduced by 134%.

The greatest percentage of delays has been reported by West Herts Hospital Trust with 28%. Hertfordshire Community Trust (22%) and Hertfordshire Partnership Foundation Trust (16%) report the second and third highest contribution to delays. The main reason recorded for these delays is patients waiting for home care (24%), followed by further non acute NHS care (22%) and then patient family choice (15%).

Current initiatives to reduce delays include continued roll out of the Discharge to Assess scheme to support better patient outcomes and hospital flows, cross organisation reviews of the length of delays and continued relationship building with partners.

Note – data is up to February 2018

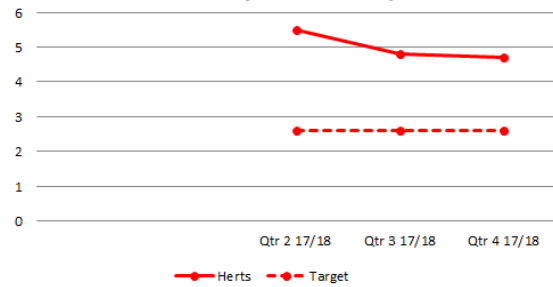
1.1.7 Delayed transfers of care attributable to social services (HCS100a)



4.7 rate

Performance improved from 5.1 last quarter

Good to be low



Delayed transfers of care have continued to reduce from Q3 with 14,107 days delayed for Hertfordshire residents in the year to date. This equates to around 42 patients per day. Hertfordshire ranks 7th in its group of 15 CIPFA comparator authorities. The greatest percentages of Hertfordshire’s social care delays have been reported by West Herts Hospital Trust with 48% of all delays occurring at their hospital. Hertfordshire Community Trust (24%) and Hertfordshire Partnership Foundation Trust (7%) report the second and third highest contribution to delays. The main reason recorded for these delays is patients waiting for home care (55%), followed by Nursing Care (18%) and Residential Care (18%).

Current initiatives to reduce delays include continued roll out of the Discharge to Assess scheme, cross organisation reviews of the length of delays and the scaling up of the post hospital review team.

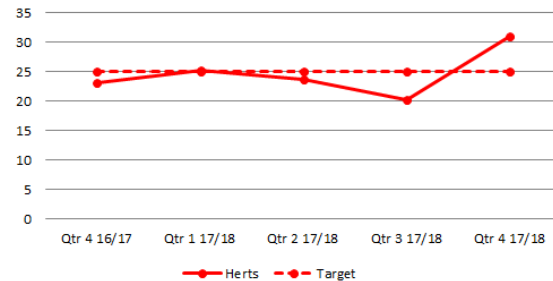
Note - data is up to February 2018

1.1.8 Percentage of Repeat Incidents of Domestic Abuse (HCS105)



30.9%

Performance declined from 20.07% last quarter



Hertfordshire performance remains broadly in line with the national average and other comparable areas. The expected repeat rate for established and effective Multi-Agency Risk Assessment Conferences (MARACs) is 28-40%.

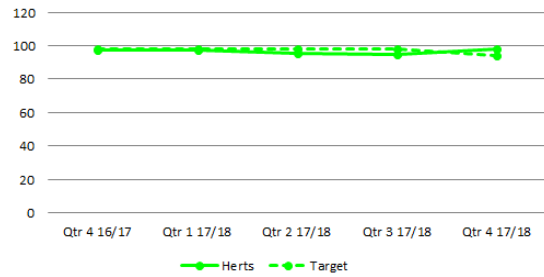
It is too early to fully understand the sudden upward trend in repeats but it is believed that the identification and resolution of errors within the national SafeLives dataset for local MARAC may hold much of the explanation. The Domestic Abuse Executive Board are considering the outcomes of a local audit exercise with a view to reviewing all related processes to inform priorities and work plans.

1.1.9 Percentage of Clients whose desired outcomes were either fully or partially achieved as part of an adult safeguarding enquiry (HCS 106)



94%

Performance declined from 95.1% last quarter



Performance has seen another slight decrease in Q4. A sample of cases where outcomes were not achieved confirmed that this was not due to poor practice but rather that the individual outcomes expressed were not achievable. There is a better understanding and application of recording personal outcomes and practice remains good in trying to achieve these.

1.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Contract HCS33 Amber	Providers commissioned by HCS that are assessed as having at least a 'good' rating	<p>During the quarter 76 providers were visited. 52 providers (68%) achieved a rating of either 'Excellent' (6) or 'Good' (46). The remaining 24 were rated as 'requires improvement' and work continues with these providers to ensure improvement actions are in place and that no client is at risk during the improvement process.</p> <p>For the year to date 233 Providers have been visited with 146 (63%) achieving an Excellent or Good rating.</p> <p>As at November 2017 provider monitoring by the Care Quality Commission reported 85.3% of Hertfordshire's providers achieving Good (84.5%) or Outstanding (less than 1%). This is currently above the averages for Eastern Region (84%) and England (80%).</p> <p>Hertfordshire continues to practice a risk based approach to provider monitoring. Utilisation of the PAMMS monitoring system has introduced a more detailed reporting process for monitoring providers and calculating performance. PAMMS is being used across the country and allows effective regional market oversight and intelligence helping reduce market failures.</p>

<p>Risk HCSCP0001 Red 64 (Severe)</p>	<p>Hertfordshire Care Provider becoming inadequate or failing</p>	<p>The risk score has been raised to reflect current uncertainty in the care provider market, specifically within the Care Quality Commission Market Oversight Programme. Adult Care Services and Resources have developed a cross departmental contingency plan and regular meetings are in place to review and progress this.</p>
<p>Projects</p>	<p>There are no additional updates on projects</p>	
<p>Audit</p>	<p>No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter</p>	

2 Children's Services

2.1 Service Performance

2.1.1 Rate of Referrals to specialised Children's Services (rolling year rate per 10,000) (CS1)

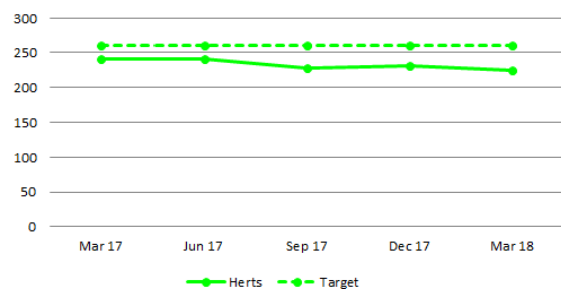


224 rate



Performance improved from 230.8 last quarter
Best comparable authority:-
Cambridgeshire at 294.5

Good to be low



The rate of referrals accepted into Children's Social Care has reduced this quarter and is lower than the 2016/17 rate of 238.2. This is one of the lowest rates in the country and continues to reflect appropriate use of early intervention through Families First preventing cases escalating to statutory services. Repeat referrals into social care have also reduced from 14.3% to 13.8% (Top Quartile)

2.1.2 Number of Children subject to a child protection plan (CS4)

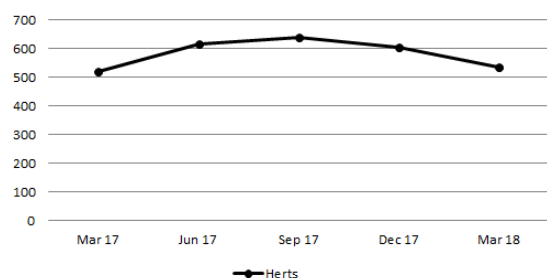


533



Numbers have decreased since last quarter
533 equates to rate of 19.6
Best comparable authority is West Sussex with a rate of 31.9.
Rates are per 10,000 of 0-18 population

Good to be low



The number of children subject to a child protection plan (CPP) has reduced for seven consecutive months and is 533 at the end of Q4. There continues to be work to promote consistency of application of thresholds and to ensure that CPPs are ended when the risks to children have been reduced. Families continue to be engaged in a motivational way, ensuring that the appropriate children are made subject to a CPP.

2.1.3 Percentage of children with ICPC's held within 15 days of S47 enquiry (CS5)

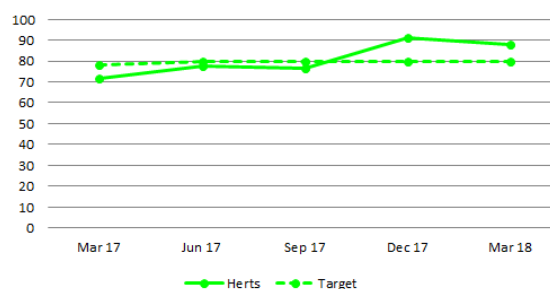


88.10%



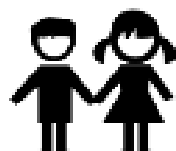
Performance declined from 91.40% last quarter
Best comparable authority
Warwickshire at rate 100%

Good to be high



Initial Child Protection Conference (ICPC) in timescales rates have generally been high this quarter. The work of the Assessment Teams and the Child Protection Unit has seen real improvements in timescales over the past year. End of year performance places Hertfordshire in 2nd Quartile nationally, compared with 3rd quartile in 2016/17.

2.1.4 Number of Children Looked After (as at end of the month excluding Unaccompanied Asylum Seeking Children (UASC) (CS228)

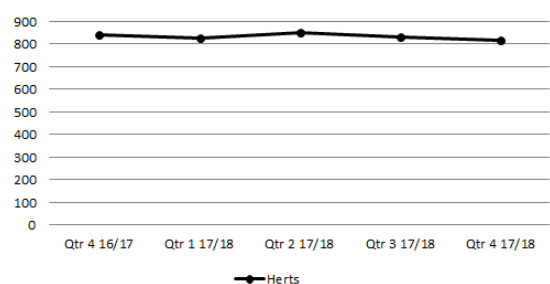


815



The number of children looked after has reduced from 832 last quarter
The current rate is 34.7 per 10,000 (including UASC) which compares to the best neighbour of 35 in Bracknell Forest

Good to be low

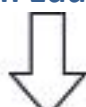


Numbers have now reduced for six consecutive months. Interventions to keep children with their families are continuing to have an impact alongside a reduction in care proceeding as a result of Family Safeguarding input. This ensures children only become looked after where it is not safe for them to remain in their family environment.

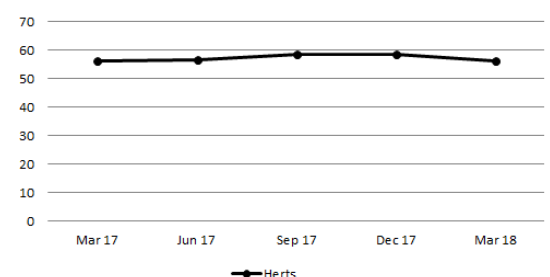
2.1.5 Percentage of 17-21 year olds in Education, Employment or Training (CS197)



56.1%



Performance declined from 58.3% last quarter
Good to be high



The percentage of Care Leavers aged 17-21 who are in Education, Employment or Training (EET) has decreased slightly to 56.1% at the end of Q4 from 58.3% at the end of Q3. Our statistical neighbour average is 49.8% and the national average is 52.3%.

2.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Project CSP10 Green	Families First	<p>Key Outcomes:</p> <ul style="list-style-type: none"> •689 outcome claims submitted for families to DCLG as part of Troubled Families Payment By Results (PBR) system (last 12 months) •68% of Families First Assessments that closed in the last quarter did so with all or most outcomes achieved. Others closed where either the case was stepped up, the family moved to another local authority area or the family disengaged from support.
Contract CSC3 Amber Stable	Independent Foster Placements	<p>Progress made in some areas such as a reduction in numbers in Independent Foster Placements and significant progress is being made in in-house recruitment activity. However, challenges remain sourcing placements local to Hertfordshire that can take children with more complex behaviours. We are near to meeting targets for Independent Residential placements; however, there are pressures on Independent Fostering.</p> <p>In-house fostering is showing an increase in the utilisation of in-house placements. During March, in-house fostering utilisation rate was 83%, which is on target. In the last 4 weeks out of the 44 children placed in foster care 35 were placed in in-house placements. The recruitment for in-house foster carers has been strong during the fourth quarter. The biggest challenge currently is the lack of capacity both in-house and within the independent sector to take teenagers with challenging and complex behaviours. Placement choice is extremely limited and matching is difficult due to limited options increasing risk of placement move. This is a challenge to all local authorities currently and we have recently met with regional neighbours to discuss potential solutions.</p>
Risk	All corporate risks, including any red risks relating to this Portfolio, can be viewed through the electronic dashboard. There have been no significant movements in the last quarter.	

Audit	No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter
-------	--

3 Public Health, Prevention & Performance

3.1 Service Performance

To align this report with the Health & Wellbeing Strategy work, a different life stage will be reported in each quarter. This quarter focuses on the 'Ageing Well' life stage (-65+ age group).

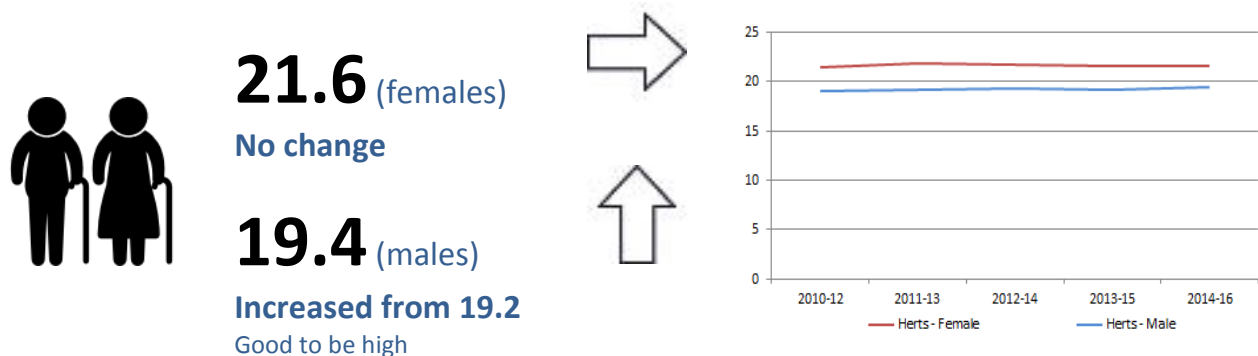
Key indicators are available through the HCC Performance dashboard and the complete set of Public Health Outcome Framework (PHOF) indicators is available at www.phoutcomes.info.

3.1.1 Percentage of Dementia Prevalence (PH15)



The prevalence of dementia in Hertfordshire continues to rise, as would be expected with an ageing population and programmes to identify those living with undiagnosed dementia. The Hertfordshire prevalence is significantly lower than England (0.76%) and two of Hertfordshire's closest three CIPFA neighbours (Hampshire, 0.88%; Essex, 0.79%), it is not significantly different to the other (Oxfordshire, 0.74%). All areas have an increasing prevalence of dementia.

3.1.2 Life Expectancy at 65 (No. of years) (PH16)



Life expectancy at 65 has remained steady over the last five years and the gap between males and females has remained consistent throughout the period. Life expectancy at 65 in Hertfordshire is higher than in England (21.1 female; 18.8 male) . Oxfordshire has a higher life expectancy at 65 (females 21.9; males 19.7) but the difference is not statistically significant. This indicator can be used alongside healthy life expectancy at birth to estimate the number of years living in poor health.

3.1.3 Healthy Life Expectancy at Birth (No. of years) (PH26)

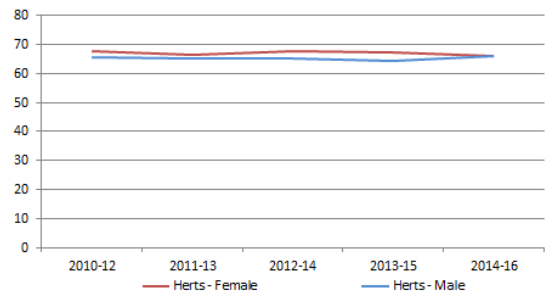


66.1 (females)

Declined from 67.4

66.1 (males)

Increased from 64.3



This indicator shows the overall trends in a major population health measure, setting the context in which local authorities can assess the other indicators and identify the drivers of healthy life expectancy. The healthy life expectancy of females in Hertfordshire remains stable and significantly above the England average (63.9). Male life expectancy has increased substantially and is now significantly better than England (63.3). Hertfordshire's closest CIPFA neighbour is Oxfordshire (female 68.5; male 67.1). Historically and for the majority of areas males have had shorter life expectancy than women but there is no longer a difference in Hertfordshire. This indicator can be used alongside life expectancy at 65 to estimate the number of years living in poor health.

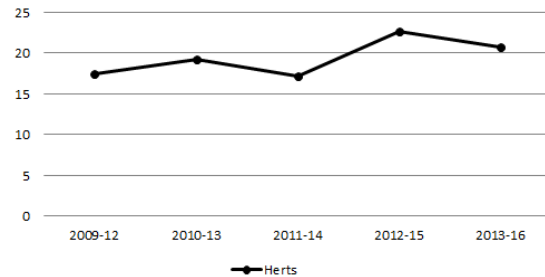
3.1.4 Ratio of Excess Winter Deaths (PH17)



20.7

Performance improved from 22.6 last reporting period

Good to be low



The latest ratio of Excess Winter Deaths (EWD) has fallen slightly since a high in the previous period. There is considerable fluctuation in EWD correlating with colder winters, such as the three year period ending 2014-2015. The latest England ratio (17.9) is lower than Hertfordshire, but not significantly so. Hertfordshire has the highest ratio of its three closest CIPFA neighbours (Oxfordshire, 17.8; Hampshire, 16.0; Essex, 17.2), though is not significantly different to any of them.

3.1.5 Rate of Injuries due to falls (65+) (per 100,000) (PH18)

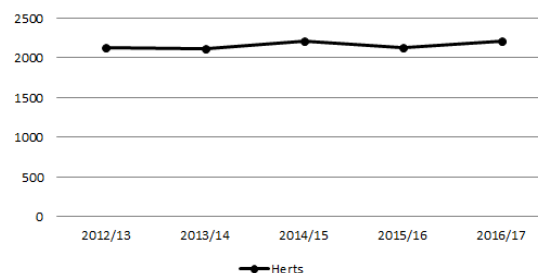
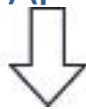


2,206 per 100,000

Performance declined from 2,124 in the previous year

Best performing comparable authority: Essex at 1,899 per 100,000

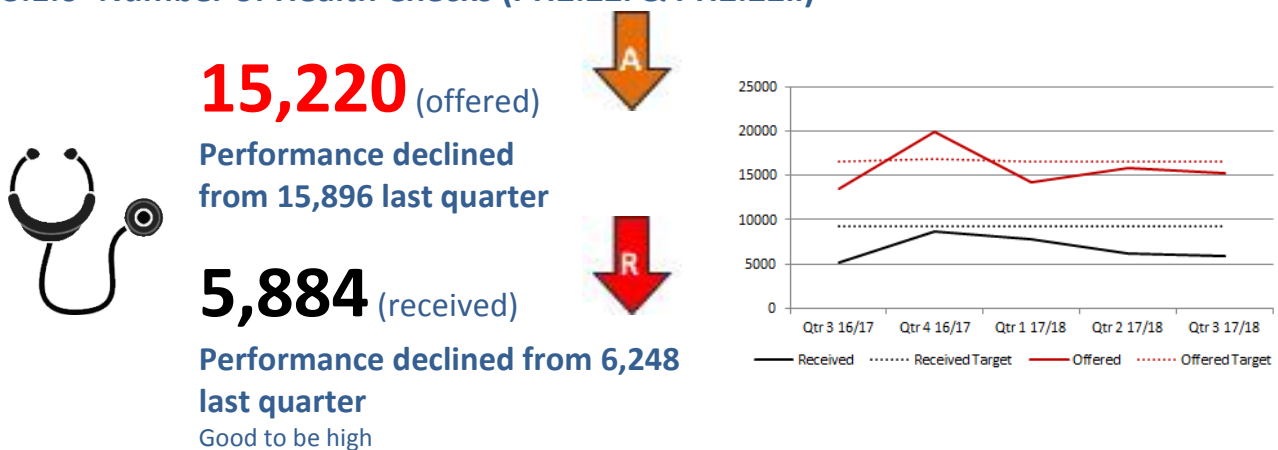
Good to be low



The rate of injuries due to falls in people aged 65 and over per 100,000 in Hertfordshire has increased significantly from 2012/13 (2127) and is now significantly higher than England (2114). Compared to its three closest CIPFA neighbours Hertfordshire is not significantly different to one (Oxfordshire, 2148) and significantly higher than two (Hampshire, 2054; Essex, 1899).

Work to reduce falls admissions is underway. Focussing on identification of risk, proactive community management and improving emergency pathways. Assessment tools, frameworks and training are being developed and detailed work is being undertaken to identify areas for further improvement.

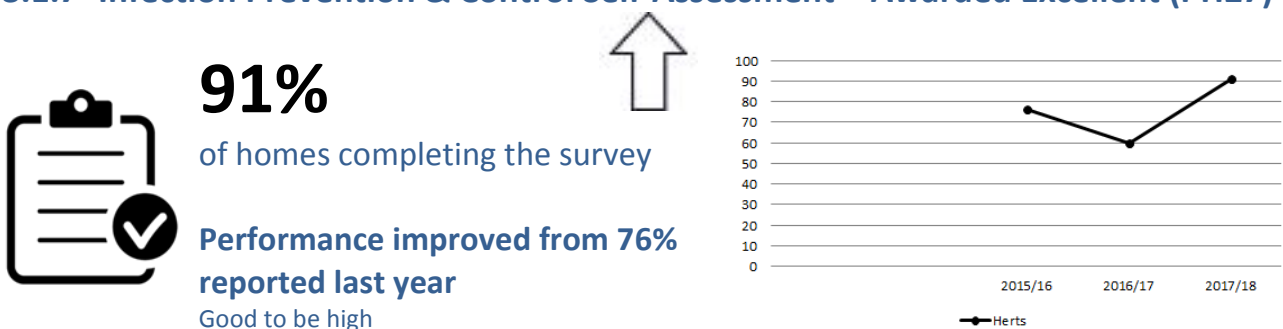
3.1.6 Number of Health Checks (PH2.22i & PH2.22ii)



In Q3, 2017/18, Hertfordshire offered Health Checks to 15,220 individuals (or 92% of target), almost 2,000 more than in in Q3 2016/17. Over the five year programme so far, by Q3 2017/18, 273,377 people have been offered a Health Check. This is 80.5% of the eligible population compared to an England average of 86.4% and a Public Health England target of 95%.

In Q3 2017/18 5,880 individuals received a Health Check an increase on 5,244 checks in Q3 2016/17. Since April 2013 (programme start date), 143,442 people have received a Health Check. This is 42.2% of the eligible population, higher than the England average of 41.9%. From a public health perspective the number of health checks received is more important than the number offered as it reflects the total reach of the programme.

3.1.7 Infection Prevention & Control Self-Assessment – Awarded Excellent (PH27)



The Care Homes Infection Prevention and Control Self-Assessment scheme is an assessment to provide reassurance that care homes in Hertfordshire are aware and following the obligations in relation to Infection Prevention and Control. This year 94 Care Homes completed the self-assessment (83% of those invited), compared to 117 (47%) last

year. The number of Care Homes invited to participate in the scheme in 2017/18 was 283. There is therefore still scope to improve the participation rate. The results show that overall a higher proportion of Care Homes achieved the highest grade of Excellent. No Care Home was awarded a grade of less than Good.

3.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Project PHP4 Green	Reducing the harm from Tobacco in Hertfordshire	<p>We are:</p> <ul style="list-style-type: none"> •Coordinating a multi-agency Tobacco Control Alliance •Working with the NHS and the Sustainability and Transformation Partnership (STP) to embed prevention into the NHS and service delivery •Delivering a suite of training, so partners have the skills to address smoking and other risky behaviours •Delivering specialist stop smoking services in high prevalence groups •Promoting tobacco harm reduction for smokers unable to quit, including swapping to e-cigarettes •Ensuring high risk groups, including adults with long term conditions, prisoners, the unemployed and people with mental health conditions are encouraged and supported to quit smoking using the most effective evidence-based methods •Developing a Smoke free toolkit focusing on routine and manual workplaces <p>Risks:</p> <p>Local health and care systems do not prioritise prevention. Smoking levels remain high in more deprived communities and groups.</p> <p>Mitigation:</p> <ul style="list-style-type: none"> •NHS has health improvement metrics or CQUINS(Commissioning for Quality and Innovation) written into contracts for 2017-2019 •HHIS(Hertfordshire Health Improvement Service) is ensuring that all routes to encourage and support smokers to quit smoking are identified through Making Every Contact Count (MECC) •Tobacco harm reduction, including use of e-cigarettes is being promoted widely •HHIS is embedded within key organisations including the NHS, mental health services and the prison

Contracts	There are no additional updates on contracts
Risk	All corporate risks, including any red risks relating to this Portfolio, can be viewed through the electronic dashboard. There have been no significant movements in the last quarter.
Audit	No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter

4 Community Safety & Waste Management

4.1 Service Performance

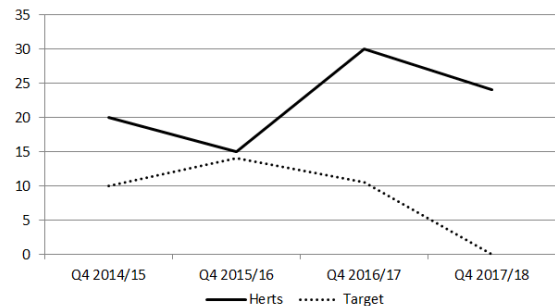
4.1.1 Number of Primary Fire Injuries (CP2)



24

Number has decreased from 30 since last Q4 2016-17

Good to be low



The number of primary fire injuries decreased to 24, this is 7 or 22.6% less than in Q3. In the period to the end of Q4 2017-18 there were 92 injuries which is 22 or 31.4% more than for the same period last year.

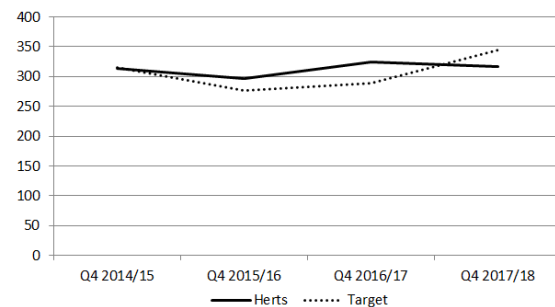
The underlying increase is in line with national trends and there is anecdotal evidence that the recent issues with white goods catching fire has increased the number of primary fires.

4.1.2 Primary Fires (quarterly) (CPT1)



317

Down from 324 recorded in Q4 2016-17



The number of primary fires (a fire which involves property e.g. buildings, crops, equipment etc.) attended decreased by 15% or 58 fires down from 375 in Q3 17/18 to 317 in Q4 17/18.

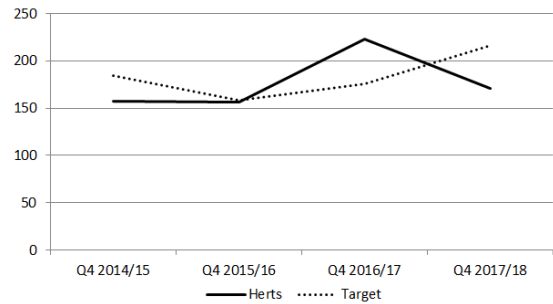
Year to date figures show the number of primary fires for the reporting period has decreased, down from 1475 fires in Q4 2016/17 to 1414 for Q4 2017/18 a decrease of 4% or 61.

4.1.3 Secondary Fires (quarterly) (CPT2)



171

Number has decreased from 223 last quarter Q4 2016-17
Good to be low



The number of secondary fires attended (a fire of no discernible value or ownership i.e. scrubland, grassland, rubbish etc.) decreased by 97 fires or 36% from 268 in Q3 2017/18 to 171 in Q4 2017/18.

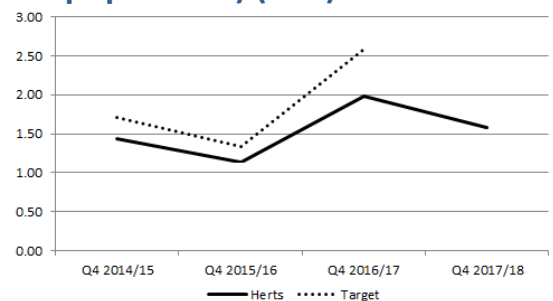
Year to date figures show this reporting period has had 1301 secondary fires compared to 1231 secondary fires for the same period last year an increase of 70 or 6%.

4.1.4 Number of Deliberate Fires (rate per 10,000 population) (CP4)



1.58 rate

Performance improved from 1.97 Q4 2016-17
Good to be low



Deliberate fires have decreased by 1.06 fires per 10,000 of the population from 2.64 fires (305) in Q3 2017/18 to 1.58 fires (183) per 10,000 of the population in Q4 2017/18.

Year to date figures show the reporting period to have 11.34 (1,290) deliberate fires per 10,000 of the population compared to 10.44 (1,205) deliberate fires for the same period last year an increase of 0.9 fires per 10,000 of the population.

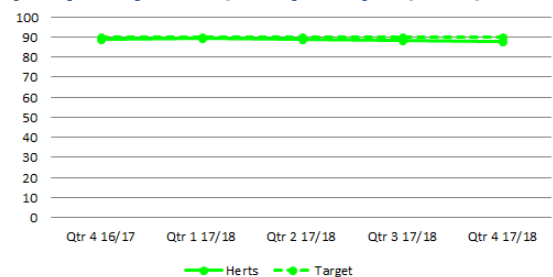
The increase in deliberate fires seen in 2017/18 is in line with increases identified nationally within the fire statistics monitor and appears to be a trend affecting most fire and rescue services.

4.1.5 Percentage of Attendance Standards (all property fires) all pumps (CP3)



87.5%

Performance declined from 88.3% last quarter
Good to be high



At the end of Q4 2017/18 the first appliance to a property fire met the attendance standard on 87.5% or 386 out of 441 occasions over the previous 3 months. This is a 0.8% decrease on the previous quarter and a 0.7% reduction on the same period last year. The target of 90% was not met.

The second appliance to a property fire met the attendance standard on 89.1% or 400 out of 449 occasions over the previous 3 months. This is a 0.7% decrease from the previous

quarter which was recorded at 89.8% and the target of 90% was not met. The third appliance to a property fire met the attendance standard on 88.7% or 86 out of 97 occasions over the previous 3 months. This is a decrease of 1.8% from the previous quarter which was recorded at 90.5% and the target of 90% was met. All three attendance standard targets have been missed in Q4. Poor weather conditions with rain, snow and ice causing slower than expected road speeds and increased congestion hampered response times leading to slower than normal attendance.

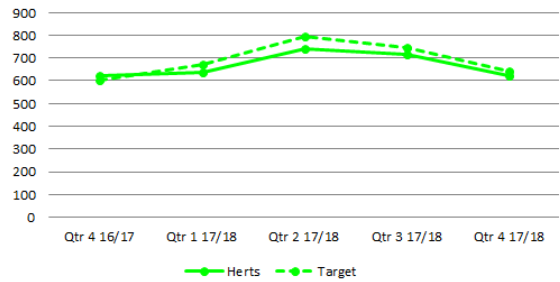
4.1.6 Number of false alarms caused by automatic fire alarms attended by Hertfordshire Fire and Rescue Service (HFRS) (CPT3)



621

Performance improved from 714 last quarter

Good to be low



The number of false alarms attended, caused by automatic fire alarms, decreased by 13% or 93 from 714 in Q3 2017/18 to 621 in Q4 2017/18. When compared to the same period last year, there has been an increase of 1 or 0.2%.

Year to date figures show this reporting period has had 2,711 false alarms caused by automatic fire alarms compared to 2,738 for the same period last year. A decrease of 27 or 1%.

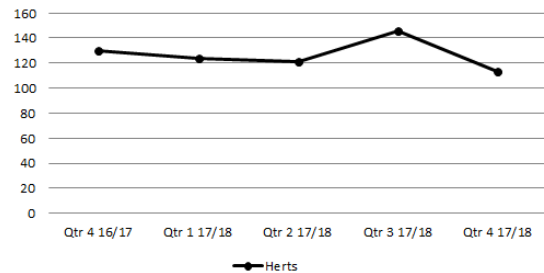
4.1.7 Number of road traffic collisions attended by Hertfordshire Fire and Rescue Service (HFRS) (CPT4)



113

Performance improved from 146 last quarter

Good to be low



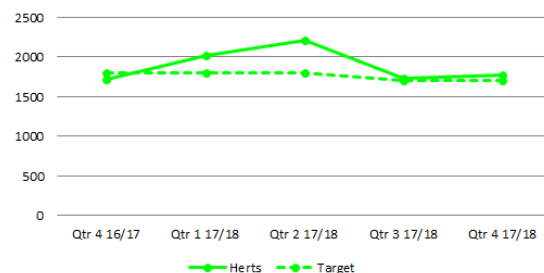
The number of road traffic collisions (RTCs) attended by the Fire and Rescue Service in Q4 2017/18 has decreased by 13% (17) when compared to Q4 2016/17. There is also a 23% (33) decrease in RTCs when compared to the previous quarter down from 146 in Q3 to 113 in Q4.

4.1.8 Number of Volunteer Hours (CP13)




1,769

Performance improved from 1,724 last quarter.


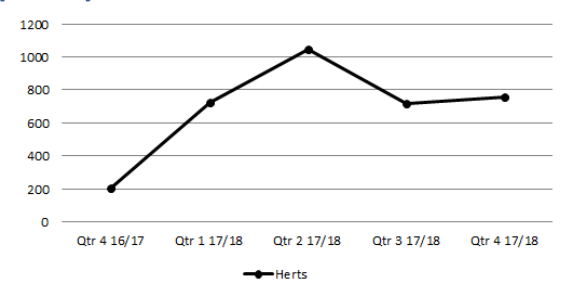


A lot of good volunteering opportunities over the period resulting in over 1,769 hours of contribution to community protection’s work. This is 3% (45 hours) more than in Q3. Safe and Well work by volunteers has continued to be a great success and is proceeding in all districts. A new intake of volunteers joined the scheme during the quarter and are already active deployed on a range of duties.

4.1.9 Number of Safe & Well Initiative Visits (CP14)




757 visits
Performance improved from 718 last quarter
 Good to be high


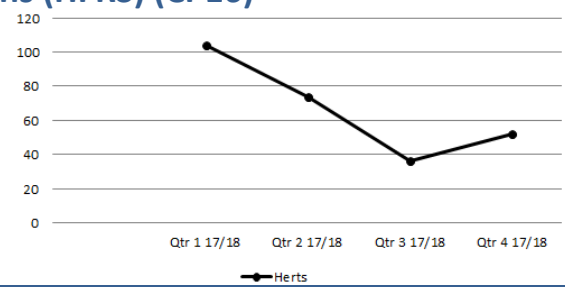



The number of safe and well visits completed in Q4 has increased by 5% (39) when compared to Q3. Throughout the coming year performance should steadily strengthen as crews develop their skills and reach the most appropriate members of the community.

4.1.10 Protection Team – Risk Based Inspections (HFRS) (CP16)



52
Performance improved from 36 last quarter
 Good to be high

There was a 44% increase in the number of Fire Protection Risk Based Inspections closed in Q4 (52) compared to Q3 (36). Fire Protection officers have continued to assist crews with ORIM (Operational Risk Information Management) which involves joint visits with crews on more complex buildings to gather site specific risk information. Overall visits recorded as closed in 2017/2018 is 266, this is a 19% decrease compared to 2016/2017.

4.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Project CPP2 Amber Stable	Joint Command Project	The project plan is being re-baselined and there have been concerns regarding technical issues and software developments causing delays in project delivery. Hertfordshire Fire and Rescue Service have now migrated to the new software with a further software release planned for May. All other services are expected to have migrated by Q3 2018. A Data Sharing Agreement has been agreed and signed by all the partners. A review is currently under way to consider the effects of GDPR.

		Development of business continuity arrangements is on-going and the new Consortium Agreement has been signed (January) enabling Hertfordshire Fire and Rescue Service to adopt the Lead Authority role.
Risk ENV0104: Residual Waste Treatment Red increased from Red 32 (severe) to Red 40 (severe)	In the event of the Residual Waste Treatment Programme being impacted by one of the following scenarios: The Energy Recovery Facility (ERF) at Rye House does not proceed or is delayed Unable to secure suitable, cost effective, alternatives for waste disposal should the contract with Veolia (VES) be terminated. It may result in: Increased costs to HCC	Review Summary: Following the unsuccessful planning application for the Recycling and Energy Recovery facility at New Barnfield, t, Veolia submitted a planning application for a Energy Recovery Facility (ERF) to the waste planning authority in late December 2016. The Development Control Committee, on 20th December 2017, resolved that they were minded to grant planning permission. A letter was received on the 1st February 2018 informing the Waste Planning Authority that the Secretary of State had called in the planning application. A public inquiry has been scheduled, for 20 days, to run in June, July and early August. Veolia are currently considering their options. The risk score probability has now increased to "Almost Certain". Reviewed on 23/03/2018
Contracts	There are no additional updates on contracts	
Audit	No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter	

5 Environment, Planning & Transport

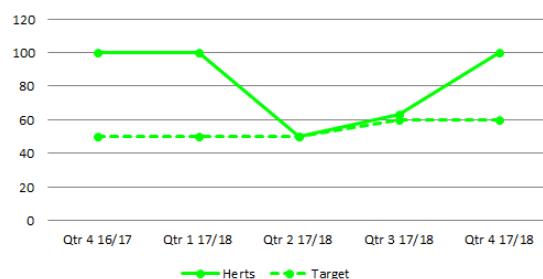
5.1 Service Performance

5.1.1 Percentage of decisions for major county matter planning applications (ENV10)



100%

Performance improved from
63% last quarter
Good to be high



Performance has increased in Q4 to 100% (11) compared to 63% in Q3. Of the applications submitted, 3 were determined within the standard statutory period and extensions were agreed on the remaining applications to fit in with the committee cycle or to allow the applicant to submit additional supporting information.

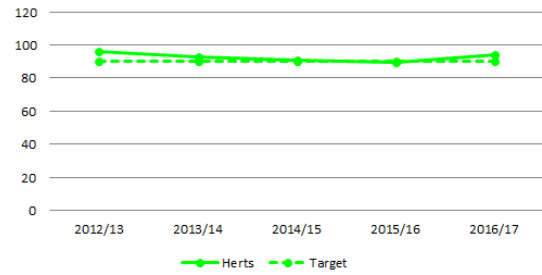
5.1.2 Percentage of new developments within 30 minutes by public transport of key services (ENV59)



94.4%



Performance improved from 89.4% in 2015/16
Good to be high



This indicator is reported a year in arrears

The percentage of new developments within 30 minutes by public transport of key services increased to 94.4% in 2016/17 from 89.5% in 2015/16 and is above the target of 90%. The figures for 16/17 have improved by 5% because Stevenage has had a lot of office to residential conversions in the middle of town. All these homes are obviously much more accessible to nearby services.

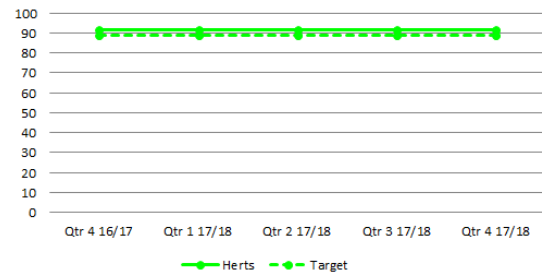
5.1.3 Percentage of bus stops with comprehensive and up to date information (ENV31)



91.6



Performance stayed the same since last quarter
Good to be high



Performance remains high and above the target (89%) while the number of stops with timetable information is the same as last quarter. In general, the aim is to display timetables at all stops but at some stops local constraints and the design of posts/columns can prevent the installation. For passengers with smart-phones or other devices the Intalink App and website provide an alternative method to accessing timetable information.

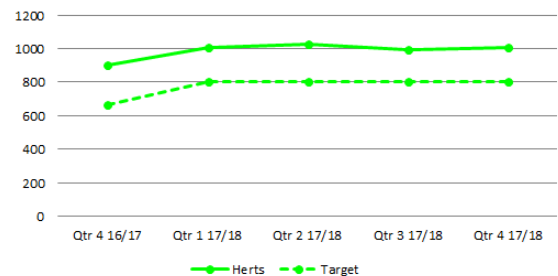
5.1.4 Herts Health Walks – Walks Led (ENV49)



1,010



Performance improved from 991 last quarter
Good to be high



Despite poor recent poor weather Q4 has seen an extra 19 walks led than in Q3 (991). Year to date figures show the number of walks led for the reporting period has increased, up from 3,198 in Q4 2016/17 to 4,039 for Q4 2017/18 an increase of 26% or 841.

5.1.5 Herts Health Walks – Participations (ENV50)

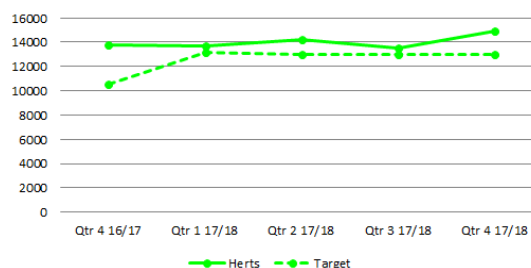


14,922



Performance improved from 13,540 last quarter

Good to be high



The number of walk participations has increased by 10% or 1,382 up from 13,540 in Q3 17/18 to 14,922 in Q4 17/18. Year to date figures show the number of walk participations for the reporting period has increased, up from 54,324 in Q4 2016/17 to 56,394 for Q4 2017/18 an increase of 4% or 2,070. Focus for the year has been growth in inactive people and those with one or more long term ill health issues.

5.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Project	There are no additional updates on projects	
Contract	There are no additional updates on contracts	
Risk	All corporate risks, including any red risks relating to this Portfolio, can be viewed through the electronic dashboard. There have been no significant movements in the last quarter.	
Audit	No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter	

6 Highways

6.1 Service Performance

6.1.1 People killed or seriously injured in road traffic accidents (ENV25)

Q4 figures for People Killed and Seriously Injured is not available yet because of delays in receiving the latest data. The delays are due to the implementation of a new reporting database (shared between Herts/Cambs/Beds Police) and issues with collecting and processing the data before it can be released.

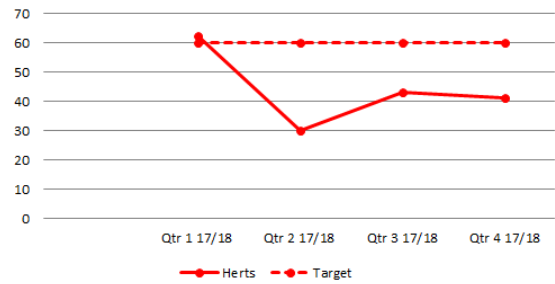
Network Management Theme

6.1.2 Integrated Transport Control Centre (ITCC) Percentage of Network Interventions (ENVB1)



41%

Performance declined from 43% last quarter
Good to be high



In Q4, 41% (36/87) of incidents on the network were proactively managed by the Integrated Transport Control Centre (ITCC) through use of Variable Message Signs (VMS) and CCTV. 87 incidents in total were recorded, of which it was possible to use VMS and CCTV to manage 36 of the incidents, leaving 51 where this was not possible. As with Q3, the significant number of incidents occurred in East Herts and Broxbourne where a smaller VMS and CCTV infrastructure makes it more difficult to proactively manage incidents.

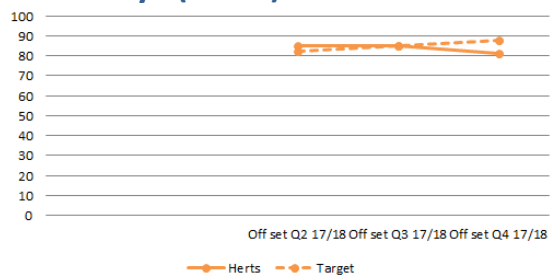
Customer Journey Theme

6.1.3 Response to public correspondence within 10 days (ENB2)



81%

Performance has declined since last quarter
Good to be high



Response to public correspondence within 10 working days for Q4 was below the target of 87.5%, with an average score of 81% (4357/5379). This is against a target that increases by 2.5% every quarter until it reaches 90% for Q1 18/19. This was in part due to the wet and icy weather experienced the quarter, which resulted in the doubling of correspondence received between December 2017 and January 2018.

Operational Delivery Theme

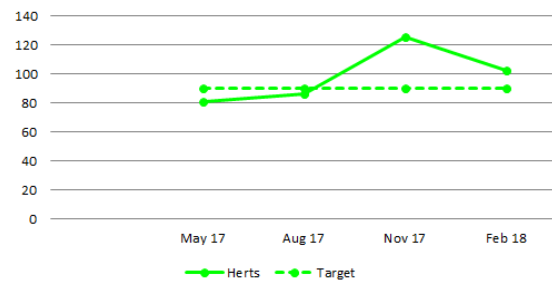
Ringway's overall performance score for February was 93.59%. Although marginally down compared to December and January (93.93% and 95.29% respectively), it is still significantly above the minimum performance requirements of 75%. Overall performance throughout 2016/17 and 2017/18 is one of strong consistency, having not fallen below a score of 90% since September 2015

6.1.4 Percentage of schemes delivered against the Integrated Works Programme (ENVB3)



102%

Performance declined from 130% last quarter
Good to be high



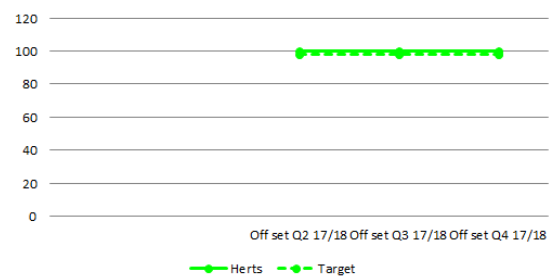
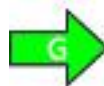
Although performance has decreased this quarter, the Integrated Works Programme (IWP) delivery remains ahead of target and has done since Sept last year. This drop in performance can be attributed to the winter weather, and the deadline for schemes previously completed ahead of schedule now passing. This measure relates specifically to the Cabinet List, comprising 1,221 schemes for 2017/18.

6.1.5 Street lighting defects rectified within the prescribed response times (ENVB4)



100%

Performance remained stable since last quarter
Good to be high



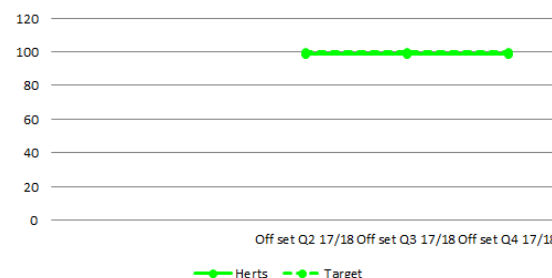
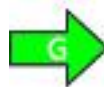
Response to publicly reported street lighting faults on non-A, B and C roads still remains above target since the beginning of 17/18, continually scoring 100% since September 2017. This reflects the overall health of the street lighting service, with the percentage of street lights working on A, B and C roads (picked up via continuous inspection) showing similarly consistent results.

6.1.6 Response to emergency (ENVB5)



99%

Performance stayed the same since last quarter
Good to be high



Response to emergency is in the review zone at 99%, slightly below its target of 100%. The number of emergency incidents is currently in a very low number, and as such, one response outside of the 2 hour timeframe means the target is not met. Nonetheless, the service is reliably very close to target level.

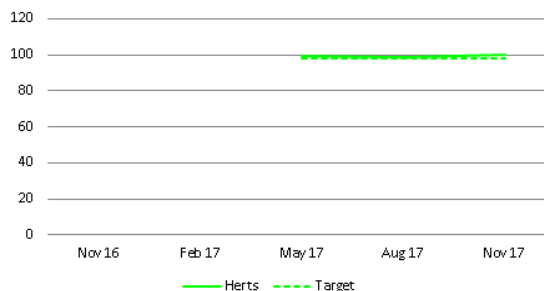
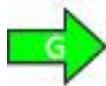
6.1.7 Response to Cat 1 (ENVB6)



99%

Performance stayed the same since last quarter

Good to be high



Response to Category 1 defects to time (24 hours, 5 or 20 working days depending on the nature of the defect) is consistently above its target of 98% (4477/4504), and has been continuously so since April 2016.

This is in spite of the recent weather conditions where January saw the number of potholes reported by the public double with 3634 enquiries received (compared to 1841 in Jan 2017). The key reason for these potholes has been the repeated fluctuations in road temperature causing freeze and thaw conditions. Wet weather caused additional damage, washing away loose surface materials.

6.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Risk Croxley Rail Link cancellation ENV0148 Red (40) Severe	As a result of political changes and escalating costs there is a risk that the Croxley Rail Link scheme is cancelled, which may result in claims to the Council (liability is capped at £3m), difficulties in reclaiming HCC investment sunk into the scheme and reputational loss. This will also have a significant impact on future growth in the area.	There has been no progress on resurrecting the scheme following changes in agreement over the funding. Plans are in hand to develop an alternative scheme and repayments are being sought from Transport For London. As a result the probability has been raised to almost certain, which raised the risk score to 40.
Project	There are no additional updates on projects	
Contract	There are no additional updates on contracts	
Audit	No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter	

7 Education, Libraries & Localism

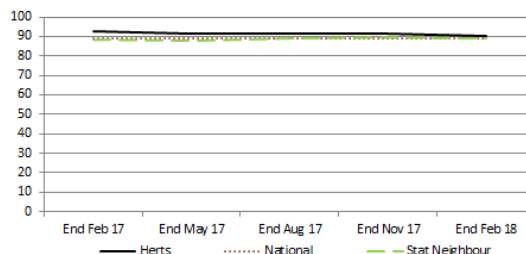
7.1 Service Performance

7.1.1 Percentage of Ofsted judgements – rated good and outstanding (CS17)



90.5%

Performance declined
from 91.8% in November
Comparable authority:-
Buckinghamshire 94.3%
Good to be high



The proportion of good or outstanding schools in Hertfordshire, as judged by Ofsted, has declined this quarter. However Hertfordshire are still above national and comparator averages. Of the county's 525 schools the Ofsted ratings are:

	Outstanding	Good	Requires Improvement	Inadequate
Nov 2017	130	352	37	6
Feb 2018	132	343	41	9

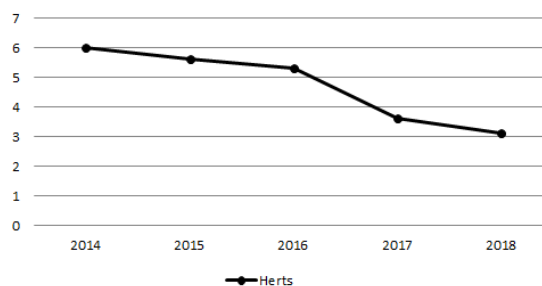
The decline in schools rated 'Good' is being investigated by Herts for Learning.

7.1.2 Percentage of Hertfordshire children not allocated a ranked school (Primary) (CS22)



3.13%

Performance improved from
3.62% last quarter
Good to be low



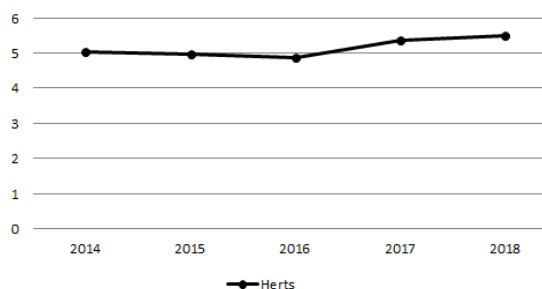
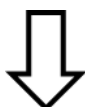
The total number of children applying has decreased (as forecast) and is expected to continue to do so in the short term for reception intake following many years of significant increase in primary population numbers. We do not have any "unplaced" pupils this year.

7.1.3 Percentage of Hertfordshire children not allocated a ranked school (Secondary) (CS23)



5.48%

Performance declined
from 5.37% last quarter
Good to be low



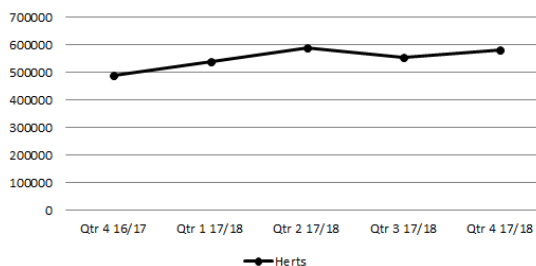
Once again almost 95% of families were offered a ranked school, with just over 78% being offered their first rank. These figures are almost the same as last year even with a large increase in the cohort; an additional 795 applicants (531 from Hertfordshire).

7.1.4 Number of Library Visits (Online/Virtual) (RP127)



577,962

Performance improved from
552,682 last quarter
Good to be high



Visit figure in Q4 is a total of 577,962 virtual visits to Libraries & Heritage Services, and various online services. This is an 18.8% increase on the same quarter in 2016/17
The overall number of physical and virtual visits is 1,406,900. This is an increase of 3% from the same period last year.

7.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Project RPP3a Green	Schools Expansion - Primary	The objective of the project is to deliver both additional permanent and temporary school capacity to meet increased demand for school places which has arisen from 2012 onwards, within budget and of acceptable quality.
Project RPP15 Green	Hertfordshire Localism	To develop Hertfordshire County Councils vision for localism by delivering the Hertford Local action plan.
Project RPP3b Amber Stable	Schools Expansion – Secondary (SEC)	<p>SEC phase 1 delivered. SEC phase 2 approved and on track. SEC phase 3 (2019) approved.</p> <ul style="list-style-type: none"> • Both Harpenden & SW Herts site acquisitions achieved and Education and Skills Funding Agency (ESFA) planning applications submitted. • Harpenden deferred to 2018: interim St. Albans places secured. • Croxley opened in 2017 on sponsor’s home site. • New Bishop’s Stortford North secondary school deferred to 2020.
Project CSP5 Amber Stable	Achievement Levels of Children Looked After (CLA)	The educational progress of Hertfordshire children looked after was improved at all key stages in 2016-17. At key stage 2 progress made in some areas was better than National CLA and in writing only 0.1 behind the National figure for all children. The educational attainment at key stage 4 requires improvement although the prior ability of this group in key stage 2 was low at a mean average of 3.2, where the national

		average to achieve well at key stage 4 would be 4.9. In key stage 2 standards were maintained and the most able children had good outcomes at the higher level. The attainment measures are not able to be compared to past data due to the difference in the assessment framework and curriculum at all key stages. The national data was released at the end of March 2018 Higher education results remain very good and Phonics outcomes are higher than that achieved overall by all children in Hertfordshire
Risk	All corporate risks, including any red risks relating to this Portfolio, can be viewed through the electronic dashboard. There have been no significant movements in the last quarter.	
Audit	No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter	

8 Resources, Property & The Economy

8.1 Service Performance

8.1.1 HR Paybill (RP30 and RP134)

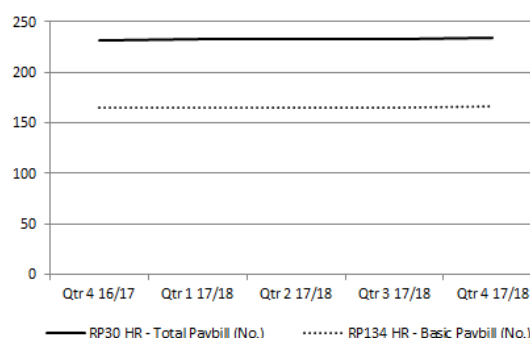


£234.1m (Total)

Up from £233.1m

£165.7m (Basic)

Up from £165.1m



The rolling annual total pay bill (excluding agency spend) has increased by £973,547 from £233.1m in Q3 (year to November 2017) to £234.1m in Q4 (year to February 2018). This represents a 0.4% increase (the increase from Q2 to Q3 was 0.3%). During Q4 a pay settlement of 1% was paid (including 6 months' backdating) to uniformed Fire and Rescue staff and Children's Services staff received Market Forces Payments. The rolling annual basic pay bill for HCC has increased by 0.3% from £165.1m in Q3 (year to November 2017) to £165.7m. The pay award noted above has contributed to this rise. Looking ahead to Q1 2018/19, the basic pay bill will increase due to payment of the NJC National Pay Award and increases to Senior Managers pay in April. The total pay bill will also increase due to Market Forces Payments across a range of roles within Adult Care Services, Children's Services, Resources and Environment. From Q1 2018/19, the pay bill reporting will be more closely aligned with financial reporting. The top level figures will remain consistent with current reporting; however variations may appear by department due to slightly different structures. The output will be monitored on a quarterly basis and variations explained.

8.1.2 Agency Spend (£) (RP13)

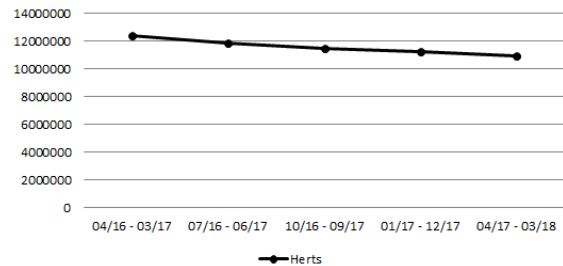


£10.91m



Performance improved from £11.19m last quarter

Good to be low



Agency spend, based on a 12 month rolling year to February 2018, continues to decrease when compared to Q3 figures (rolling year to November 2017). It was £11.19m in Q3 and has reduced by 2.5% (£283,559) to £10.91m in Q4. Agency spend as a percentage of the total pay bill reduced from 4.6% to 4.5%. This compares well with Surrey CC who have an agency rate of 4.4%.

Agency spend continues to decrease in both Children's Services and Adult Care Services with reductions of 4.9% in CS (£4,119,375 down to £3,918,677), and 3.4% in ACS (£5,219,231 down to £5,044,102).

Across the remaining Council Departments there were reductions in Community Protection and Libraries & Heritage Services. There were increases in Environment (due to increased spend on Cycle Instructors in January 2018), Public Health (small increase in temp usage in December 2017), Resources (due to increased spend on Legal roles in January and February 2018) and Hertfordshire Business Services (due to increased spend in December 2017 on seasonal Warehouse Operatives).

8.1.3 Headcount (RP15 & RP16)

8,003 (headcount)

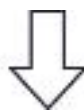


Numbers have reduced from 8,013 last quarter

Good to be low

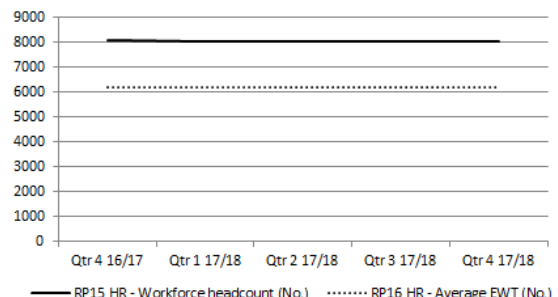


6,193 (EWT)



Numbers increased from 6,182 last quarter

Good to be low



Headcount has reduced by 10 from 8,013 in Q3 to 8,003 in Q4 (0.1%)

The number of Equivalent Whole Time (EWT) employees has increased by 11 from 6,182 in Q3 to 6,193 in Q4. These are small variations, however the slight shift down in headcount and up in average EWT, suggest fewer staff are working more hours

8.1.4 Percentage of Young People-Starters (RP27)

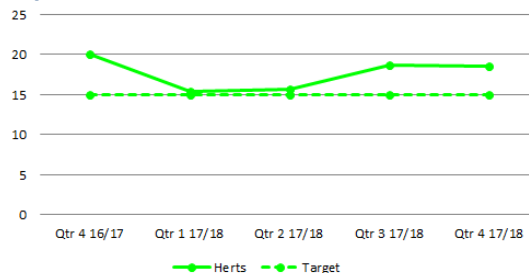


18.5%



Down from 20% in Q4 last year

Good to be high



The percentage of starters under 25 in Council Departments, based on a rolling year to March 2018, is 18.5%, down from 20% in Q4 2016/17. Departments in Q4 with the largest proportion of under 25 starters are: Community Protection (26.3%, 31 starters); Libraries & Heritage Services (22.2%, 18 starters) and Children’s Services (21.5%, 94 starters).

8.1.5 Percentage of Young people Total Turnover (RP28)

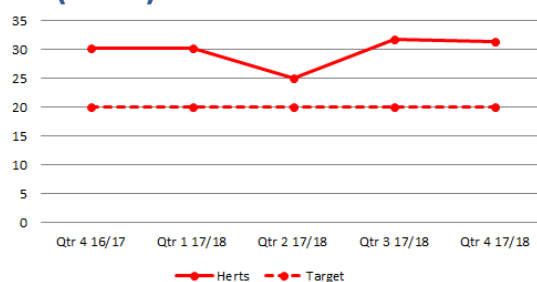


31.3%



Performance declined from 30.2% in Q4 last year

Good to be low

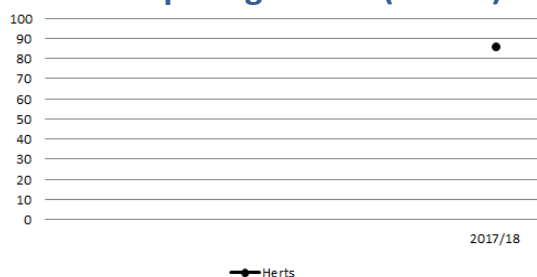


Young people turnover, based on a rolling year to March 2018, when compared to Q4 last year has moved further from the target (20%) from 30.2% to 31.3%. This equates to 135 leavers aged under 25 from a total population of 431. Whilst some exit questionnaires were completed, there were insufficient responses to give a clear indication of reasons for leaving, other than some leavers stated a wish to return to full time education or seek better career/job opportunities.

8.1.6 Number of Current Employees on an Apprenticeship Programme (RP144)



86 (Total)



This is a new indicator. The Apprenticeship Levy liability for HCC is £932,553 for 2017/18 and £962,000 for 2018/19. To maximise the levy HCC estimates a requirement for approximately 140 apprentices per year. To date 86 members of staff will benefit from development from apprentice opportunities, and HCC has recruited 35 external apprentices who will start in 2018/19. New apprentice standards are emerging on a regular basis and this is expanding HCC’s ability to identify further opportunities.

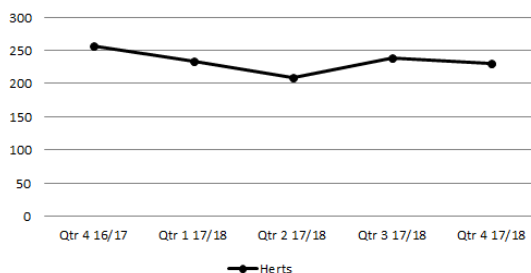
8.1.7 Number of complaints (RP1)



230

Stage 1 & Stage 2 = 230
Performance improved
from 239 in Q3 2017-18

Good to be low



The total number of complaints has reduced by 9 from last quarter and is 27 lower than Q4 2016/17(257).

10 notifications of investigations were received from the Local Government Ombudsman (LGO) – 6 in Children’s Services, 2 in Environment and 2 in Adult Care Services.

8.2 Projects, Contracts & Risks

Type/ID & RAG	Description/Aim	Reason
Project RPP5 Amber	Superfast Broadband	<p>Contract 2 – formally known as Superfast Extension Programme.</p> <ul style="list-style-type: none"> •Herts contract underway with a cumulative contract target 36,627 Total Homes Passed (THP) by June 2018. •Progress to date - at March 2018, THP is 25,404 equating to 176 cabinets and other structures. •Take up: currently 27.3% Fibre to the Cabinet & Fibre to the Premises. <p>Key Issues</p> <ul style="list-style-type: none"> •There is an ongoing issue around balancing the expectation of communities within Hertfordshire for upgraded superfast broadband, alongside an initial under delivering contract 2 with Openreach. Continued high levels of interest from MPs, Councillors and Parish Councils and the need to respond quickly and effectively to those queries. •Continued high levels of correspondence from residents and key stakeholders.
Contract RPC1 Green	Shared Managed Services (SERCO)	<p>A two year extension has now been agreed for all of the services except Hard Facilities Management and Occupational Health.</p> <p>'No Key Risks identified at present</p>
Contract RPC2 Green	Training & Development Services (Capita)	<ul style="list-style-type: none"> •Capita continue to support our staff on the design and development of the new core 'offer'. •The first phase of the revised core 'offer' was

		<p>released in February with the Change Management cluster launched in March.</p> <ul style="list-style-type: none"> •The pre-procurement market engagement documentation was published in OJEU on 12th March.
Contract RPC4 Green	Pensions (London Pension Fund Authority)	<p>The LPFA has entered into a partnership with Lancashire County Council to form the Local Pension Partnership Ltd for the delivery of pension administration services as well as asset pooling. Each party has equal shares in this company. The LPFA has subcontracted delivery of services to HCC via this partnership, permissible under the contract.</p>
HCC Business continuity plans (BCP) Risk Score increased from Amber 16 to Red 32 (severe)	HCC Business continuity plans BCP	<p>In light of recent power failure issues at Farnham House and technical issues with the transformer, the likelihood for this risk has been amended to unlikely from rare. This is to reflect the BCP implications as a result of site closure without a suitable time based control measures in place.</p> <p>Linked to this risk, is a service level risk held by Property in Resources (PROP004 [failure of plant/equipment and closure of site]). This states that the planned timed maintenance programme for this power equipment has been delayed. This has led to the heightened probability of site failure which increases the risk score of both this service level risk and as a result the corporate BCP risk. SMB have agreed £350k investment into an additional generator. However, until this or other measures are in place, the risk of both site failure and BCP plans is heightened.</p>
Audit	No high priority recommendations were made or 'limited' or 'no' assurance Internal Audit opinions issued for this area in the last quarter	

Key & Notes

1 Indicators - Red, Amber & Green Explanation

Within 5% under performing and over performing against target	Between 5 and 10% under performing against target	More than 10% under performing against target	No target specified
--	--	--	----------------------------

Performance improved since last reporting period	Performance stable compared to last reporting period	Performance declining compared to last reporting period

2 Projects & Contracts - Red, Amber, Green Explanation

On target for delivery to time and cost. No concerns about achieving outcomes	Minor concerns, no major delays but some uncertainty/risks to outcome remains	Significant concerns to achieving outcomes, major delays, failure to meet key milestones.
--	--	--

Rating has improved	Rating same as last time	Rating has deteriorated

3 Risks – Additional Information

All corporate risks, including any red risks relating to this report, can be viewed via the dashboard

4 Comparable Authority

To provide a means of benchmarking progress other local authorities (LA's) are identified where they are deemed to have similar characteristics. These designated LAs are known as statistical neighbours (stat neighbours) or comparable authorities.

Any LA may compare its performance (as measured by various indicators) against its statistical neighbours to provide an initial guide as to whether their performance is above or below the level that might be expected.

The term 'comparable neighbour average' (or stat neighbour average) is used when, for that indicator, the individual totals from LA's in the group are combined and divided by the number of LA's in the group.

The sections below list the comparable authorities used by the various HCC Services/departments. We continue to review the appropriateness of these comparators.

Please note: Highways do not benchmark with neighbouring authorities for performance, instead current performance is compared against previous years.

4.1 Health & Community Services

Referred to throughout Section 1

Oxfordshire
Essex
Buckinghamshire
Hampshire
Kent
Cambridgeshire
Surrey
Gloucester
Northamptonshire
West Sussex
Warwickshire
Worcestershire
Staffordshire
Lancashire
Somerset

4.2 Children's Services & Education

Referred to in Sections 2 and 3

Bracknell Forest
Hampshire
Oxfordshire
Central Bedfordshire
Trafford
Buckinghamshire
Cambridgeshire
West Berkshire
West Sussex
Warwickshire
Hertfordshire

4.3 Environment – Bus Information

Referred to in section 5

Cambridgeshire
Essex
Suffolk
Central Bedfordshire
Bedford

4.4 Environment

Referred to in sections 3 and 4

Authority
Buckinghamshire CC
Cambridgeshire
Essex
Gloucestershire
Hampshire
Kent
Lancashire
Northamptonshire
Nottinghamshire
Oxfordshire
Suffolk
Surrey
Warwickshire
West Sussex
Worcestershire

4.5 Public health

PHE now use CIPFA comparators. For Hertfordshire these are the 6 statistically nearest county councils linked in the IMD 2015

Referred to in Section 7

Oxfordshire
Hampshire
Surrey
West Sussex
Cambridgeshire
Buckinghamshire

4.6 Human resources

Referred to throughout section 8

Buckinghamshire
East Sussex
Essex
Hampshire
Kent
Oxfordshire
Surrey
Wiltshire

4.7 Fire & rescue – family group

Family Group comparison data is produced from the Department for Communities and Local Government: Fire Statistics Monitor: England April 2014 to March 2015 and the CIPFA Fire and Rescue Service Statistics 2015. The Family Group is a group of Fire and Rescue Services defined by the Department for Communities and Local Government (DCLG) for comparison purposes, here Hertfordshire is compared to the 13 other English Fire and Rescue Services in Family Group 4 (FG4)

Referred to throughout section 4

Avon
Cheshire
Cleveland
Derbyshire
Essex
Hampshire
Hertfordshire
Humberside
Kent
Lancashire
Leicestershire
Nottinghamshire
Staffordshire
Surrey

HERTFORDSHIRE COUNTY COUNCIL

**RESOURCES AND PERFORMANCE CABINET PANEL
WEDNESDAY, 6 JUNE 2018 AT 10:00AM**

**HERTFORDSHIRE COUNTY COUNCIL FINANCE REPORT – OUTTURN
MONITOR, 2017/18**

Report of the Director of Resources

Author: Steven Pilsworth, Assistant Director - Finance
Tel: 01992 555737

Executive Member: Ralph Sangster (Resources and Performance)



**HERTFORDSHIRE COUNTY COUNCIL
BUDGET MONITOR REPORT
31 MARCH 2018**

Contents

Section 1 – Summary	1
1.1 Revenue Monitor	1
1.2 Capital Monitor	5
1.3 Schools Monitor	7
1.4 Suggested Recommendations to be considered by Cabinet Panel	8
Section 2 – Service Variances/Movements over £250k	9
2.1 Adult Care Services	9
2.2 Public Health	13
2.3 Children’s Services	16
2.4 Environment	24
2.5 Resources	27
2.6 Community Protection	32
2.7 Central Items	33
Section 3 – Capital Monitor	36
Section 4 – Children’s Services (Schools) Variances	47
Section 5 – Other Financial Information	49
Appendices	50
Appendix A– Carry Forward Requests	50
Appendix B – Capital Reprogramming Requests	51
Appendix C – Details of Approved Virements & Technical Adjustments	56
Appendix D – Invest to Transform	60
Appendix E – Prudential Indicators	67
Appendix F – Debt Management Report	80

Section 1 – Executive Summary

1.1 Revenue Monitor

The revenue outturn as at 31st March 2018 is an **underspend of (£5,582k)** after ringfenced underspends, compared with an underspend of (£3,906k) reported last quarter. The budgeted spend for the year was £789,853k.

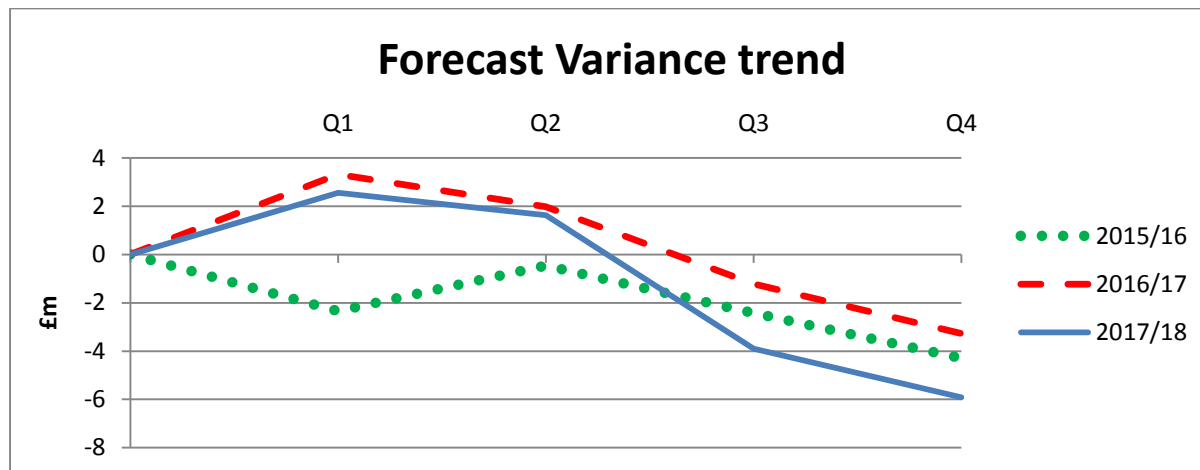
The year-end variance equates to 0.8% of budgeted spend for the year. The year-end position indicates that management action taken to address the risk of overspending at Q1 and Q2 has been effective, this is particularly noted in the health and social care areas. Some increased overspending is evident in environmental services, chiefly as a result of adverse weather conditions and the response to this. Key movements since the last report include grants received in resources and also in highways which will be carried forward to 2018/19. Any increasing pressures are being met by offsetting savings.

Table 1 - Summary Revenue Budget Monitor at 31 March 2018

Summary Revenue Budget Monitor as at 31 March 2018					
SERVICE	Ref	Latest Approved Budget £'000	Final Variance after C/F at Year End £'000	Projected Variance after C/F at Q3 £'000	Quarterly Movement £'000
Adult Care Services	2.1	322,860	(524)	(83)	(441)
Public Health	2.2	49,433	(0)	(0)	(0)
Children's Services	2.3	169,391	572	1,984	(1,411)
Environment	2.4	102,411	1,036	140	896
Resources	2.5	69,003	(2,907)	(1,778)	(1,129)
Community Protection	2.6	35,622	166	135	31
Central Capital Financing and Interest on Balances		14,734	(3,940)	(3,962)	22
(Additional) / less Grant Income		0	(370)	(341)	(29)
Contingency/Special Provision	2.7	3,354	0	0	0
Other Central Items		0	381	0	381
Precepts/Levies		2,112	0	0	0
Apprentice Levy		933	4	0	4
				0	
NET REVENUE BUDGET		769,853	(5,582)	(3,906)	(1,676)
Funded from Balances		17,071	0	0	0
Contribution to Capital		2,868	0	0	0
COUNTY FUND TOTAL		789,792	(5,582)	(3,906)	(1,676)
CS Schools funded by direct government grant		620,975	(16,712)	(15,265)	(1,447)
Schools Grant & Other Funding		(620,975)	8,844	9,501	(657)
Schools Overspend/ (Underspend)		0	(7,868)	(5,764)	(2,104)

Hertfordshire County Council Variance Trend

The graph below show how the variance has moved (post carry forwards) each quarter for the last 2 financial years, in comparison to this year:



Key Movements

Table 2 –Key Movements:

The table below highlights key movements since Q3 before carry forwards:

Area	Movement	Ref
Older People & Adult Disability	(£0.933m)	2.1.2
Winter Maintenance	£1.228m	2.4.2
Property	(£1.360m)	2.5.3
Revenue Financing	£0.998m	2.7.2

Proposed Carry Forwards

The variances shown above are after the proposed carry forwards, which are set out in table 3 below and in more detail in Appendix A. The proposed carry forwards total £12,424k and include ring-fenced grant amounts (Better Care Fund and Improved Better Care Fund in Adult Social Care, and the Public Health Grant) to which specific conditions apply. Other carry forwards relate to general budget amounts.

Of the £12,424k being requested as Carry Forwards, £6,336k is related to ringfenced grants (BCF, IBCF & PH) and the remaining balance relates to provisions proposed to be set aside for future liabilities relating to the outcome of activity during 2017/18. Further details are included in Appendix A. Treatment of the unspent contingency is set out below.

Table 3 – Breakdown of proposed Carry Forwards by Service as at 31 March 2018

SERVICE	Carry Forwards £'000
Adult Care Services	(6,154)
Public Health	(1,312)
Children's Services	(101)
Environment	(321)
Resources	(644)
Community Protection	0
Central Capital Financing and Interest on Balances	0
(Additional) / less Grant Income	(1,103)
Contingency/Special Provision	(2,789)
Other Central Items	0
Precepts/Levies	0
Apprentice Levy	0
TOTAL	(12,424)

In addition to the amounts above, the variances shown in table 1 are net of grants relating to 2018/19 which were received in 2017/18. It is proposed that this be carried forward (£5,425k).

Contingency; amounts committed and proposed to be applied

The final position of the general contingency budget for the 2017/18 year is shown below. Of the £6,314k budget, £3,525k has been committed. The balance of £2,789k is proposed to be applied as set out in table 4. The proposed application of these funds will address known issues that have arisen during 2017/18 but which could not be immediately resolved within the year. This will help ensure that known liabilities are dealt with in a timely way.

Table 3 –Summary of committed contingency

	£'000
Opening Contingency	6,315
Budget transfers	(2,634)
Redundancies/PSC - committed	(0,891)
Balance c/fwd.	2,789

The balance to be carried forward is included within the total proposed carry forwards in Table 2.

Table 4 – Proposed application of unapplied contingency

Item	£'000	Narrative
Potential Tax liabilities	430	Coverage for risk of potential liability from prior years.
Kodak site - works	200	Funding arising from site development discussions to enable proposals to progress if necessary.
ASC Charging shortfall	1,600	ASC charging has noted risks around actual versus anticipated income. This amount will provide against a potential shortfall.
Future back office	250	Further to the recent review of SAP/ERP development, provision for the next stage the project to develop options.
Hertfordshire County Council trading arrangements	259	To provide for initial planning and infrastructure to progress creation of trading companies, including for adult social care.
staff survey	50	Provision for staff survey. This is not currently budgeted for.
Total	2,789*	

*These sums will only be released following approval from the Director of Resources (DoR).

Application of the underspend

The overall level of spending against the agreed budgets for 2017/18 leaves an uncommitted balance of £5,582k. It is proposed that £3,000k of that amount is transferred to the Transition Reserve. This reserve is to support the management of the identified savings gap between 2019/20 and 2021/22, recognising the risk to the Council of the implementation of a new local government financing model. The balance of £2,582k is to be transferred to the Bad Debt Reserve, recognising that current provision is at the lower end of expectation and that enhanced provision would be prudent.

Approved Virements

Details of approved virements and technical adjustments, showing all movements from the Original Budget, can be found in Appendix C.

1.2 Capital Monitor

Capital spend as at 31 March 2018 is £147.2m, summarised below with commentary on key variances.

Significant areas of spending include support to schools (ongoing repairs and maintenance and the expansion of overall capacity in primary and secondary schools) and in highways (including roads maintenance and street lighting).

The capital programme has been funded through grants and third party contributions (60% of investment) and use of County Council funds (19% of investment). Borrowing was originally estimated to be £39,905k, but as at 31 March is now £31,994k.

Significant variances against the latest approved budget are shown below. Details of variances over £100k are shown in section 4.

- **New School Developments & Site Acquisitions:** £11,882k is requested to be reprogrammed due to anticipated timings of land acquisitions.
- **Secondary Expansions (SEC2):** £5,538k is requested to be reprogrammed across the secondary expansion programme as schools have reached milestones slower than previously forecast.
- **Resources land acquisition:** £5,882k is requested to be reprogrammed as discussions are currently being held with the vendor regarding final terms for the acquisition.

It is proposed that £36,676k of approved capital spending is re-programmed to future years to support delivery of agreed capital programmes. Further information is provided in Appendix B. Capital receipts for 2017/18 are £19,874k, which is £5,248k less than the target for the year.

Table 6 – Capital Programme Summary Position

	Latest Approved Budget 2017/18	Underspend	Overspend	Re- programming	Outturn	Total Variance
	£'000	£'000	£'000	£'000	£'000	£'000
Children's Services	74,793	(541)	26	(22,114)	52,164	(22,629)
Environment	73,951	(238)	4	(3,397)	70,320	(3,631)
Fire	3,894	(112)	88	(739)	3,131	(763)
ACS	14,095	(314)	5	(3,310)	10,476	(3,619)
Resources	18,484	(216)		(7,116)	11,152	(7,332)
Public Health	42	(52)	-	-	(10)	(52)
Grand Total	185,259	(1,473)	123	(36,676)	147,233	(38,026)

1.3 Schools Monitor

The Schools' budget is funded from the Dedicated Schools Grant (DSG) and sixth form grant which is received separately from the Education Funding Agency (EFA). The total amount for which Hertfordshire County Council is accountable is £621m, summarised below. This is divided into areas where budget responsibility is delegated to schools, and areas for which Hertfordshire County Council retain responsibility.

A net variance of (£7,868k) underspend is projected against areas within the control of Hertfordshire County Council. Additional details regarding this variance can be found in Section 3 and is summarised below.

As these budgets are funded by ringfenced DSG and 6th Form Grant, they are required to be carried forward to support the schools budget in future years.

The schools position is as at February 2018.

Table 7 – Summary Schools Funding, 2017/18

Schools Funding (£000s)	
DSG Allocation to HCC	909,729
Less: Academies	(311,011)
Add: Carry Forward from previous year	8,560
Less: Reduction in Early Years	(172)
Total DSG	607,106
Sixth Form Funding	13,868
Total Schools Grants & Other Funding	620,975

Table 8 – Summary HCC controlled education budget variances

Key Variances		
	Latest Budget	Variance
	£000s	£000s
Nursery Delegated	33,823	(3,462)
Education Support Centres	12,225	(331)
Private And Voluntary Nurseries	24,385	2,490
Other Non-Delegated	7,943	(1,376)
Central Element of Dedicated Schools Grant		
Family Services Commissioning DSG	20,778	(2,815)
Integrated Services for Learning DSG	30,260	(1,998)
	129,414	(7,492)

1.4 Recommendations:

That the Resources and Performance Cabinet Panel recommend to Cabinet that it approves:

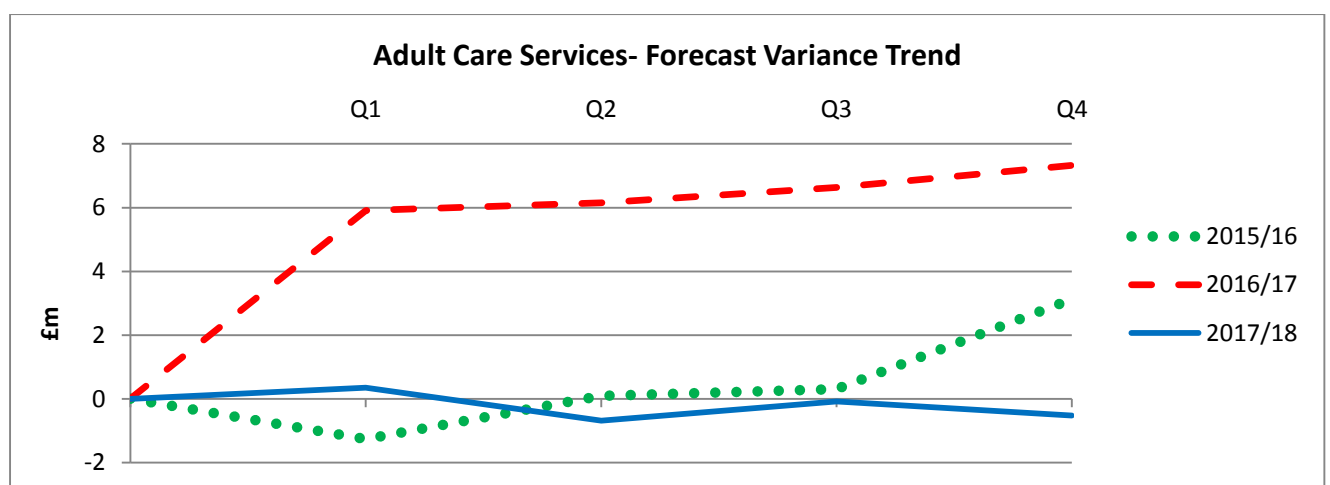
- a) That **£11.031m** of Carry Forwards outlined in Appendix A, be transferred to specific reserves as carry forward of 2017/18 revenue underspends to 2018/19
- b) That **£5.425m** grants relating to 2018/19 which were received in 2017/18 be carried forward to 2018/19.
- c) That new reserves be created from carry forwards of underspends as outlined in appendix A, of **£0.290m** for a Property Revenue Reserve, to fund revenue costs of preparing sites for disposal and of **£1.103m** to be transferred to a new Business Rates equalisation reserve to smooth variation in business rates income in future years.
- d) That £3.000m of the revenue underspend be transferred to the Transition Reserve to support the management of the identified savings gap between 2019/20 and 2021/22, recognising the risk to the Council of the implementation of a new local government financing model.
- e) That the remaining £2.582m of revenue underspend be transferred to the Bad Debt Reserve, recognising that current provision is at the lower end of expectation and that enhanced provision would be prudent.
- f) That **£36.676m** capital budget set out in appendix B is reprogrammed from 2017/18 to future years.

Section 2 – Service Variance/Movements over £250k

The tables below summarise the monitor position for each department, with the graph beneath showing how the variance has moved each quarter for the previous 2 financial years after carry forwards.

2.1 Adult Care Services

ACS	Ref	LAB	Outturn	Variance	Variance Last Quarter	Movement in Quarterly Variance
		£000s	£000s	£000s	£000s	£000s
Better Care Fund & Improved Better Care Fund	2.1.1	40,443	35,389	(5,054)	(5,044)	(10)
Older People & Adult Disability Service	2.1.2	228,270	227,309	(961)	(28)	(933)
Mental Health Services	2.1.3	15,551	15,802	251	251	-
Preventative Services	2.1.4	16,964	16,477	(487)	(445)	(42)
In House Day Care Services & Transport SLA	2.1.5	14,208	13,878	(330)	(93)	(237)
Strategic Centre & Support Services		7,397	7,300	(97)	14	(111)
Grant Funded Projects		27	27	-	-	-
Adult Care Services Total (before c/f)		322,860	316,182	(6,678)	(5,345)	(1,333)
<i>Carry Forward</i>		-	6,154	6,154	5,262	792
Adult Care Services Total (after c/f)		322,860	322,336	(524)	(83)	(441)



2.1.1 Better Care Fund & Improved Better Care Fund

LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last Quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
40,443	35,389	(5,054)	(5,044)	(10)	-	-	-	(5,054)

The main components of the variance are:

- (£1,510k) underspend against budget on the Better Care Fund mainly due to the release of funding which had been earmarked to support winter pressures. The position has been assisted by the favourable position on the older people residential budget. There has also been underspends on various schemes including Rapid Response and Carer Friendly Hospital costs. A request will be made to carry forward the underspend into the next financial year as per the legal agreement.
- (£3,540k) underspend on the Improved Better Care Fund budget. This is attributable to the schemes being funded to part year effect, given the time taken to develop and commission the appropriate services. It was proposed to spread the IBCF across the three financial years, given the significant element of front-loading in the Improved Better Care Fund and to allow schemes to be sustainably funded. The underspend is predicated on planned carry forward of the monies to allow services to be maintained at a similar level in years 2 and 3.

2.1.2 Older People & Adult Disability Services

LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last Quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
228,270	227,309	(961)	(28)	(933)	-	139	-	(1,100)

The main components of the variance are:

- (£610k) underspend on the Herts Equipment Service budget. A one-off investment was made by the NHS and local authority to provide additional staffing to boost performance of the service and provide robust challenge to prescribers. For 2017/18 this one-off investment was no longer required, therefore Adult Care Services' original share of the investment of (£250k) has been shown as a saving in the 18/19 budget plans along with the in-year underspend on equipment.
- (£430k) underspend in the operational team's budget primarily due to vacancies held within the service as

2.1.2 Older People & Adult Disability Services

the new Adult Disability service was embedded. Recruitment plans are now moving forward into 2018/19.

Adult Care Services assess clients for their eligibility to contribute towards the cost of care. There is a risk that not all of the client contributions are fully recoverable and therefore a request will be made to carry forward £1,100k to provide coverage of this risk.

Main reasons for quarterly movement

- (£610k) underspend on the Herts Equipment Service budget as highlighted above.
- (£430k) underspend in the operational team's budget as highlighted above.

2.1.3 Mental Health Services

LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
15,551	15,802	251	251	-	-	251	-	-

The overspend relates to a shortfall in the delivery of the £1,040k IP saving for Mental Health. The project associated with moving clients out of specialist into more mainstream accommodation requires further work between ACS, HPFT and District Councils to identify accommodation and carefully manage the moves.

2.1.4 Preventative Services

LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
16,964	16,477	(487)	(445)	(42)	(174)	(313)	-	-

The variance for the Preventative Services budget is due to:

- (£270k) underspend on the Housing Related Support budget of which (£170k) is as a result of the full year effect of the £1,000k Housing Related Support saving introduced late into the budget for 2016/17. The balance is due to in year savings from reduced growth in flexicare units and reduced occupancy in a provision for Learning Disabilities.
- (£220k) underspend on the Community Wellbeing budget due to a number of delivery based contracts delivering small levels of savings as a result of a reduced level of need in addition to a vacant post held within the team.

2.1.5 In House Day Care Services & Transport SLA

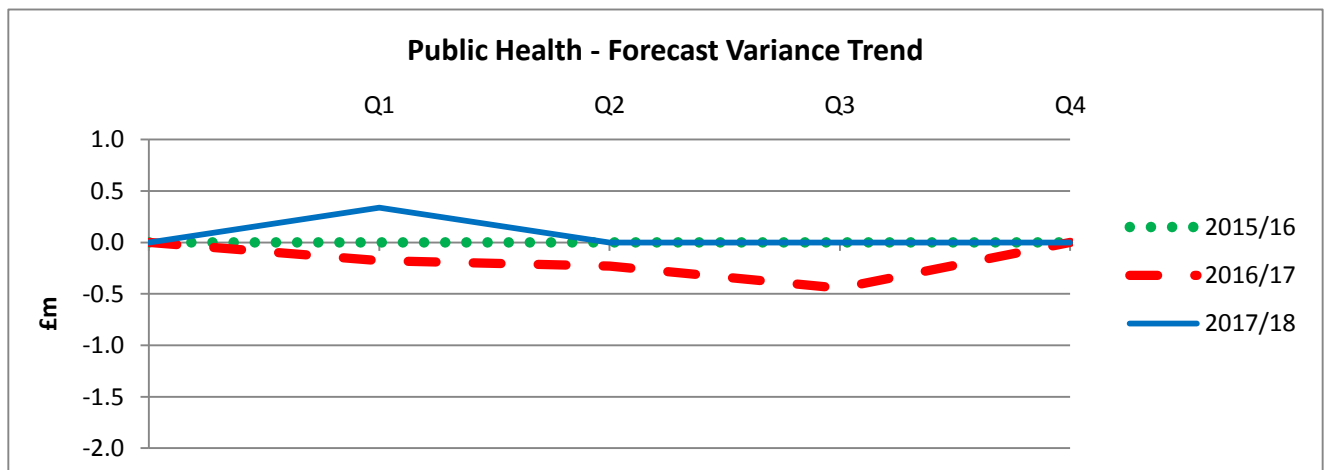
LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
14,208	13,878	(330)	(93)	(237)	-	(330)	-	-

The variance for the In House Day Care & Transport SLA budget is due to:

- (£430k) underspend on the In House Day Care budget as a result of vacancy management and less use of agency to fulfil rotas.
- £100k overspend on the Transport SLA budget as a result of additional contracted taxi commitments.

2.2 Public Health

PH	Ref	LAB	Outturn	Variance	Variance Last Quarter	Movement in Quarterly Variance
		£000s	£000s	£000s	£000s	£000s
Corporate PH	2.2.1	2,770	2,492	(278)	(222)	(56)
Smoking Cessation Service		1,829	1,623	(206)	(11)	(195)
Sexual Health		9,810	9,798	(12)	118	(130)
Drugs & Alcohol		7,479	7,486	7	7	-
Children		19,980	19,772	(208)	(165)	(43)
Adults		1,382	1,349	(33)	1	(34)
District & Partnership Working		1,912	1,665	(247)	(129)	(118)
PH Initiatives & Commissioning	2.2.2	4,271	3,936	(335)	(315)	(20)
Public Health Total (before c/f)	2.2.3	49,433	48,121	(1,312)	(716)	(596)
<i>Carry Forward</i>		-	1,312	1,312	716	596
Public Health Total (after c/f)		49,433	49,433	-	-	-



2.2.1 Corporate PH

LAB £000s	Outturn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
2,770	2,492	(278)	(222)	(56)	-	-	-	(278)

In order to achieve the savings to the Public Health budget, the service has reviewed all positions as they have become vacant and challenged other corporate expenditure lines. This has led to in year savings of (£261k).

The Herts Warmer Homes project has an underspend of (£17k).

2.2.2 PH Initiatives & Commissioning

LAB £000s	Outturn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
4,271	3,936	(335)	(315)	(20)	-	-	-	(335)

The initiatives budget is used for pump priming new schemes within Public Health however given the reduction in Public Health Grant there have been fewer initiatives in 2017/18 than expected leading to an underspend of (£335k).

2.2.3 Overall PH Movement in March

LAB £000s	Outturn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
49,433	48,121	(1,312)	(716)	(596)	-	-	-	(1,312)

There are two significant movements which have led to the increase in underspend of (£596k) in Q4.

Discussions with districts late in quarter three revealed that they would not spend the total value of their district offer in 2017/18. It was therefore necessary to agree values with them to record in the Hertfordshire County Council accounts as a payment in advance (and they recorded a receipt in advance). This led to a movement of (£118k) on the District & Partnership Working line.

2.2.3 Overall PH Movement in March

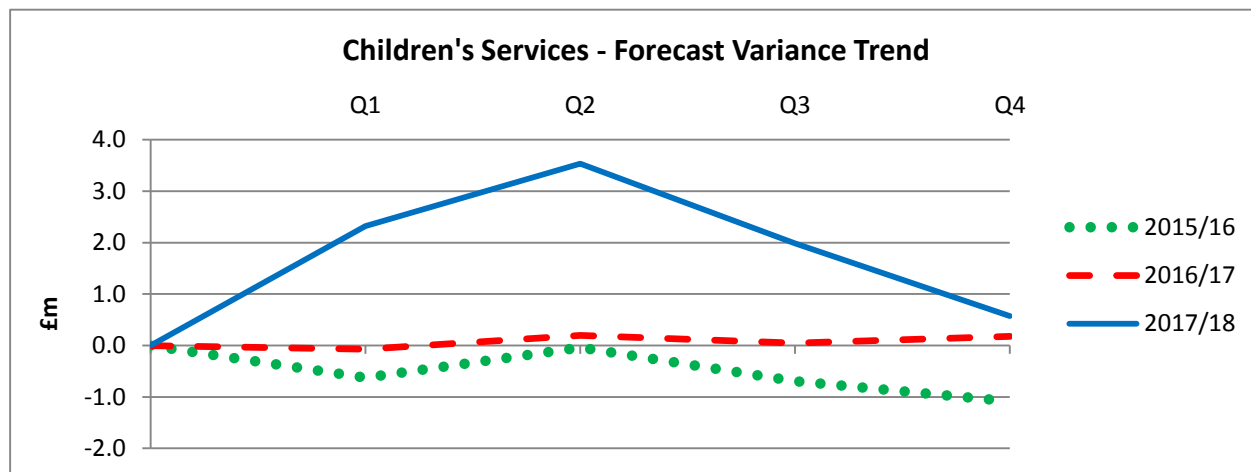
The other significant movement was in the Smoking Cessation Service – a movement of (£195k). The majority of this movement (£167k) was due to a change in Hertfordshire's guidance for the supply of medicines to stop smoking. From 1 October 2017 Nicotine Replacement Therapy (NRT) on prescription from a GP practice would no longer be funded by Public Health instead GPs would have to use the NRT voucher system which enables the patient to get a supply of NRT from a community pharmacy.

As we had no evidence that this would result in an immediate cost saving only a small adjustment was made to the monitor. However when the invoices were received it was clear that CCGs were not recharging for NRT from Q3 onwards reducing the projection by (£167k). Consequently there is an increase in costs for the supply of NRT by community pharmacies of £54k. The remainder of the movement (£82k) relates to claims from GPs and pharmacies for smoking quits and team underspend. The fourth quarter is normally significantly higher than the previous three and this had been estimated. However from the data we have the Q4 it is lower than previously anticipated.

The third area of significant movement in the final quarter was Sexual Health (£130k). The movement relates to Long Acting Removable Contraception (LARC) which is recharged to Public Health by the CCG. The invoices received for Q3 and Q4 were slightly less than anticipated (£26k). There was a reduction in expenditure for the Integrated Sexual Health contract because of non-achievement of one the KPIs within the contract (£70k). The remainder of the movement was made up of small movements over a number of other sexual health budget lines.

2.3 Children's Services

CS	Ref	LAB £000s	Outturn £000s	Variance £000s	Variance Last Quarter £000s	Movement in Quarterly Variance £000s
Education and Early Intervention	2.3.1 2.3.2 2.3.3 2.3.4	50,636	51,142	506	1,147	(641)
CLA	2.3.5 2.3.6 2.3.7	43,372	43,371	(2)	502	(504)
Other Safeguarding and Specialist Services	2.3.8 2.3.9 2.3.10	75,163	75,244	81	385	(305)
Safeguarding and Specialist Services Total		118,535	118,614	79	888	(809)
Children's Services Overheads		220	106	(113)	(51)	(63)
Children's Services Total (before c/f)		169,391	169,863	471	1,984	(1,512)
<i>Carry Forwards</i>		-	101	101	-	101
Children's Services Total (after c/f)		169,391	169,964	572	1,984	(1,411)



2.3.1 Services for Young People

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
15,426	15,045	(381)	(183)	(198)	(116)	(164)	-	(101)

The underspend in SYP is due to a number of staff vacancies. Services have also only been covering vacant posts with agency staff in exceptional circumstances. The underspend is offset by additional costs expected for Youth Support Worker pension arrears and an ICT project that was completed this financial year. In addition, there has been a backdated rates refund of £65k. Part of the underspend is being held as an early achievement of IP savings. The £65k rates refund has been requested as a carry forward to use for one off refurbishment costs of the site. In addition, there is a request for a further £35k of underspend to be carried forward for a revenue contribution to capital in 2018/19 to replace window walling for another property. NCS reported an underspend of £66k; the service were expecting some clawbacks due to lower numbers than originally contracted for so were cautious with forecasting any non-essential expenditure. NCS have confirmed that no penalties will be incurred.

2.3.2 Mainstream Transport & SEN Transport

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
17,600	19,251	1,651	1,470	181	-	1,651	-	-

The overspend reported on transport is due to SEN Home to School Transport. There has been some movement in the number of pupils being transported, from this time last year, 2,416 in Mar 17 and 2,278 in Mar 18, the average cost per pupil has increased by £560 (£5,861 Mar 17 to £6,421 Mar 18).

The reason behind the average cost increase is because the student needs are increasing and therefore more pupils are travelling alone. Students are being transported further afield and in a large number of cases out of county as SN

2.3.2 Mainstream Transport & SEN Transport

places within Hertfordshire are filled. As the complexity of students' needs increases we have taken on more medically trained PAs to travel in vehicles with students. This has all contributed to higher average costs, in Mar 17 88 students were travelling with an average cost of £15k+. The financial year ended with 108 students travelling at an average cost of £15k+

2.3.3 Premature Retirement

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
4,455	4,851	396	324	72	-	396	-	-

The budget for premature retirement covers Teachers Added Years (TAY) Pension contributions, settlement and redundancy payments for schools in financial difficulty as well as associated pension strain where appropriate.

In 2017/18 1,199 pensioners and 239 dependents were paid additional contributions, these are equivalent to the additional benefits that they would have received had they continued to make payments into the TPA scheme and remained employed.

This budget has been under pressure for a number of years, whilst those schools with significant financial pressure are restructured to ensure financial viability in the longer term, it is anticipated that this will continue in the next financial year.

Following a review of teachers added years premiums, the Shared Anti-Fraud Services (SAFS) traced 13 deceased claimants which realised £20k of reduced liabilities going forwards.

The outturn represents an underspend in the TAY pension contributions of £509k offset by an overspend on redundancy pressures of £905k, supporting approximately 30 schools. Compared to 2016/17 when the authority supported 71 schools with redundancy costs of £1.4m.

2.3.4 E&EI Central Budgets

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
(782)	(1,349)	(568)	(413)	(155)	(100)	(468)	-	-

2.3.4 E&EI Central Budgets

There is a £568k underspend on E&EI Central budgets due to:

- £177k underspend on Customer Service Centre recharge, with less spend on professional fees due to a reduction/prevention of stage 2 complaints; and IT development costs which were not completed within the financial year.
- £100k early achievement of savings
- £42k underspend on printing costs
- £125k Lease car rebate greater than anticipated in the budget
- £153k anticipated spend on iPads for Families First was delayed and will not happen until the new financial year
- £56k has been transferred to the Teachers Pension Arrears provision to provide for future liabilities
- £27k staff vacancies and other minor underspends

2.3.5 Safeguarding Operations: Section 17

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
874	1,258	384	298	86	-	384	-	-

There were payments for 39 No Recourse cases during March, an increase of four families from February, with 37 cases open as at 31st March. There are significant delays by the Home Office to conclude on cases of under appeal by families with No Recourse to Public Funds (NRPF) and we are therefore seeing families remain for significant periods. Added to which there is reluctance from the private rented sector to rent to NRPF families due to their immigration status and the local authority cannot agree to act a rent guarantors. Therefore we are reliant on hotels for accommodating families.

There is a task and finish group looking at accommodation options and a new Accommodation Pathway offer has been developed and is awaiting sign off as part of the development of a Homelessness Accommodation Strategy for long term commissioning of accommodation for NRPF, IH and UASC over 18, due for finalisation by June 2018. A more consistent approach is now taken with recording and monitoring the status of NR families, with one point of contact dealing directly with the Home Office in order to obtain the latest appeals information.

For families with NRPF, we have to supply accommodation, utilities, food, clothing and transport costs. These families are generally in the UK illegally, so they do not have the right to claim benefits, cannot access Council accommodation and are not permitted to work. We have to support them for as long as they have a child under 18 as the Children Act 1989 does not permit destitution for children.

There were payments for 15 Intentionally Homeless (IH) families, stable from February, with 11 cases open as at 31st March. As a result of welfare benefit changes, there has been significant increase in the number of IH families since last year. Children's Services have a duty to support families with finding and providing support to access accommodation in these circumstances. We have also seen the subsistence rates paid legally challenged and therefore these have been adjusted to a higher rate. A Welfare Reform Task Group has been set up to review all current supported cases, with the main focus on IH families. This group is clarifying Hertfordshire County Council's legal response to requests to support IH families and has been tasked with exploring various options of support.

Intentionally homeless families are families with children less than 18 years of age with the right to live in the UK and claim benefits. If they fall behind in their rent or have not maintained their tenancy appropriately, district councils make them 'Intentionally Homeless' and discharge their duty to provide them with accommodation. As children

2.3.5 Safeguarding Operations: Section 17

cannot be homeless in the UK, they become children in need and we have to obtain and pay for their accommodation until we can find somewhere for them to live within the benefit rates that they can afford. This is considered cheaper than taking the children into care and also helps keep families together.

The NRPH/IH element of the overall Section 17 budget has overspent by £482k, which is being partly offset by an underspend against preventative spend of £101k.

2.3.6 Independent Placements

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
22,498	23,648	1,149	1,588	(439)	-	1,149	-	-

The forecast overspend of £1,149k is mainly due to an overspend for Independent Residential placements of £1,541k due to both higher than budgeted weekly costs, reflecting an increase in costs in complex placements and support. This is reflected in an average weekly cost at March 2018 of £3,872 against a budgeted cost of £3,271.

Family Assessment placements are forecast to overspend by £515k with 169 placement weeks forecast for the year. These are court ordered assessments and the LA does not have control of the costs or length of placement. The number of secure placements remains at 8 (186 placement weeks forecast during the year) with an overspend of £71k. In addition, there is an overspend of £56k against Independent Fostering budgets, with 7,834 placement weeks forecast for the year.

These overspends are partly off-set by underspends in other areas of the budget, Semi-Independent (£401k) and Disability (£132k). Intensive work is ongoing to redress the balance between in-house and Independent fostering placements and Residential placements are under constant review and the service are actively seeking to increase residential placement capacity and are working with other Local Authorities to seek a regional solution to placement matching, as this is becoming an issue across Authorities.

The total number of independent placements for March 2018 is 309. The year-end target was revised during the year to 284 to reflect pressures in matching placements due to complexities of need.

The movement forecast for Independent Placements has reduced by £439k since Quarter 3. This is largely due to:

- Reduction of £256k in expenditure against independent residential provision, reflecting information received from Partners in relation to the Cross Regional Block Contract, including confirmation of bed sales to other local authorities during the year.
- Reduction of £151k in semi-independent. This reflects the net effect of new, ceased and changes in placement costs and on-going work by the service to reduce additional support costs in Semi-Independent placements.

Independent Placements - Movements Quarter 3 to Quarter 4 - 2017/18

Placement	Qtr. 3	Qtr. 4	Movement	Placement Forecast

2.3.6 Independent Placements

	(£'000)	(£'000)	(£'000)	
Residential	1,797	1,541	(256)	Residential CH 49, target of 48 (Dec = 47) movement +2 Residential School 4 (Dec 4) movement 0
Family Assessment	452	515	64	4, (Dec = 1) movement +3
Semi-independent	(250)	(401)	(151)	52, target of 57 (Dec = 50) movement +2
Disability	(111)	(132)	(21)	40, target of 33 (Dec = 39)7 movement +1
Secure	105	71	(34)	8, target of 2 (Dec = 6) movement +2
Fostering	96	56	(40)	152, target of 140 (Dec = 148) movement +4
Adjustment	(500)	(500)	0	DSG Additional top-up
	1,588	1,149	(439)	Total placement movement +14

2.3.7 Fostering Direct Spend

LAB £000s	Projected Spend £000s	Variance last quarter £000s	Variance this quarter £000s	Breakdown of Variance			Carry Forward £000s
				Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	
10,928	10	(536)	(352)	(184)	-	(536)	-

2.3.7 Fostering Direct Spend

3
9
2

The in-house fostering budget has underspent by £536k due to there being fewer placement weeks than budgeted, particularly in the families and friends area. This is partly as a result of the increasing numbers of Special Guardianship Orders in place of family and friends placements, as referenced in 2.3.10.

This underspend is partly offset by a £56k overspend against the independent fostering budget reported within the Independent Placements line.

Service	Expenditure (£k)		
	Actual	Budgeted	(surplus)/deficit
Fostering	9,240	9,242	-3
Family and Friends	655	1,144	-489
Section 23	455	493	-38
Other	42	49	-7
Total	10,391	10,928	-537

Service	No. of Weeks			Average Weekly Cost (£PW)			No. of placements
	Forecast	Budgeted	(surplus)/deficit	Actual	Budgeted	(surplus)/deficit	
In-House (Fostering)	23,332	23,206	126	396	398	-2	413
In-House (Family and Friends)	3,267	5,939	-2,672	200	193	7	56
In-House (Section 23)	3,239	3,426	-187	140	144	-4	56
Total	38,165	39,534	-1,369				688

} Not incl. UASC

2.3.8 UASC Direct Spend

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
1,926	1,185	(741)	(765)	24	-	(741)	-	-

The UASC budget represents the amount over and above the Home Office grant. This budget has an underspend of £741k representing a lower additional contribution than budgeted. This is due to a combination of lower placement costs than budgeted, including as a result of one new block semi-independent placement put in place in year, along with there being a smaller increase in the number of UASC than budgeted.

There are currently 81 (excluding 7 missing) UASC cases

2.3.9 Adoption Direct Spend

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
7,693	7,280	(413)	(161)	(253)	-	(413)	-	-

There is an underspend of £413k against adoption budgets. This is due to:

- an underspend of £166k against the inter-agency adoption budget. This is due to 16 Hertfordshire County Council children being adoption by other agencies at a cost of £233k but income of £346k being received relating to children matched with Hertfordshire County Council adopters.
- an underspend of £114k relating to adoption, special guardianship and child arrangement order allowances paid during the year due to the being net 24 fewer overall allowances paid than budgeted for.
- other underspends totalling £137k relating to pre-allowances and therapeutic expenditure.

Although the total number of allowances has decreased the number of special guardianship orders has increased as a result of the increasing number SGOs, an additional 32 during 2017/18, in place of family and friend placements, as per 2.3.7.

The increased underspend against adoption budgets is due to:

- Reduction in inter agency expenditure of £182k due to changes in plans or adoptions not taking place during 2017/18.
- a delay with funding approval from the Adoption Support fund meaning matched funding from Hertfordshire County Council of £45k was not required in 2017/18
- £26k relating to lower than forecast growth in the number of new Special Guardianship and adoption allowances payable

2.3.10 0-25 Together Under 18 Direct Spend

2.3.10 0-25 Together Under 18 Direct Spend

LAB £000s	Outturn £000s	Outturn Variance £000s	Variance last quarter £000s	Movement this quarter £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
8,184	8,468	284	219	65	-	284	-	-

0-25 Together Direct spend has overspent by £284k This is largely due to an overspend of £309k against Direct payments where there are currently 506 active clients, the same figure as February.

There is also an overspend of £169k against Homecare with 120 active clients, an increase of 5 on march.

These overspends are in part offset by underspends against short breaks of £112k and central budgets of £59k, along with other smaller over and underspends in the service.

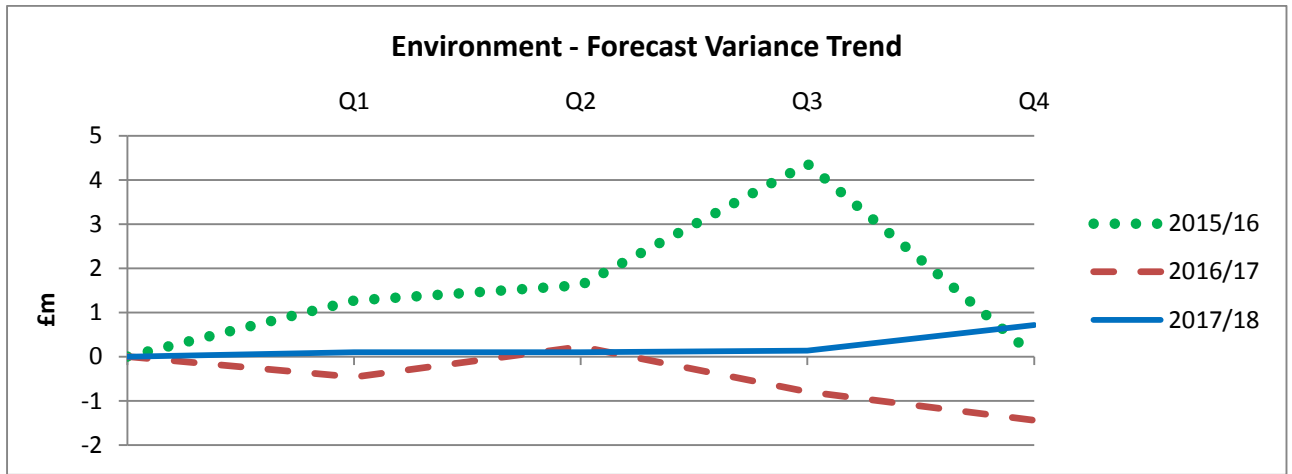
Number of active Direct Payments and Homecare Packages since September 2017

	September	October	November	December	January	February	March
Direct Payments	483	498	498	501	515	506	506
Homecare	112	113	114	108	110	115	120

2.4 Environment

ENV	Ref	LAB £000s	Outturn £000s	Variance £000s	Variance Last Quarter £000s	Movement in Quarterly Variance £000s
Highways	2.4.1 2.4.2 2.4.3 2.4.4 2.4.5 2.4.6	55,002	55,690	688	40	648
Waste Management		42,888	42,743	(145)	-	(145)
Spatial Land Use and Planning		1,270	1,435	165	100	65
Environmental Management		2,330	2,331	1	-	1
Economic Development		301	300	(1)	-	(1)
Other Environment		620	627	7	-	7
Environment Total (before c/f)		102,411	103,126	715	140	575

Carry Forwards		-	321	321	-	321
Environment Total (after c/f)		102,411	103,447	1,036	140	896



2.4.1 Routine Maintenance

LAB £000s	Out-turn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
14,151	14,518	367	-	367	-	367	-	-

The impact of the severe weather in February and March created an increased demand for pothole repairs and storm clearance. This has reduced by £198k from the overspend of on repairs of £565k forecast at the end of February.

2.4.2 Winter Maintenance

LAB £000s	Out-turn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
3,215	4,943	1,728	500	1,228	-	1,728	-	-

2.4.2 Winter Maintenance

The winter service delivery involved 90 gritting outings, which is the greatest number in recent memory and more than double the outings of 16/17. This included 4 snow events involving the mobilisation of local farmers, filling of grit bins, individual runs requested by the police and the costs of standby.

2.4.3 Lighting

LAB £000s	Out-turn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
7,029	6,194	(835)	(650)	(185)	-	(835)	-	-

The energy market continues to be extremely volatile providing purchasing opportunities and threats. LASER has secured an energy price better than originally forecast. In addition, further improvements to the street lighting inventory have enabled more refined calculations of the unmetered energy to demonstrate lower usage. The actual costs are coming in lower than that re-forecast, including some unforeseen credits from the power supplier.

2.4.4 Traffic Management & Safety - Highways

LAB £000s	Out-turn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
1,294	731	(560)	-	(560)	-	(239)	-	(321)

Highways Locality Budget - schemes not fully completed in the current financial year due to on-going design and Permanent Traffic Regulation Orders processes and the impact of weather in March. A carry forward (£321k) of budget has been requested for these schemes. Due to the pre-planning and bulking up of works, Ringway were able to deliver the works more efficiently and well within budget.

2.4.5 Transport Planning Policy and Strategy

LAB £000s	Out-turn £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
1,319	919	(400)	-	(400)	-	(400)	-	-

Underspend associated with contract services were identified early in the year, offset by a corresponding overspend in Highways Management - Contract Services

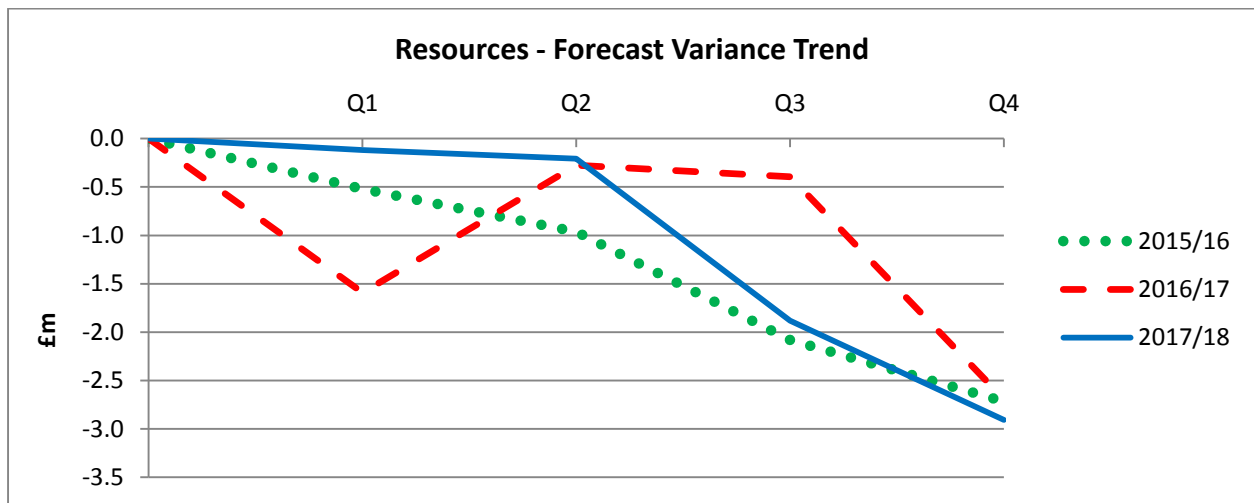
2.4.6 Highways / Transport Management

LAB	Out-turn	Variance	Variance	Movement	Breakdown of Variance
-----	----------	----------	----------	----------	-----------------------

2.4.6 Highways / Transport Management								
£000s	£000s	£000s	last quarter £000s	£000s	Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
6,956	7,333	377	40	337	-	377	-	-
<p>An overspend of £40k due to the need to provide a new temporary storage depot for grass cutting equipment. Also an increase in the contract costs following an annual reconciliation adjustment, which is an annual calculation aimed at ensuring the payments made by the Council reflect actual salary conditions paid by the contractor and protects the Council from inflated charge grades.</p> <p>Overspend associated with contract services were identified early in the year offset by a corresponding underspend in TPPS.</p>								

2.5 Resources

RES	Ref	LAB £000s	Outturn £000s	Variance £000s	Variance Last Quarter £000s	Movement in Quarterly Variance £000s
Corporate Services	2.5.1 2.5.2 2.5.3	55,393	51,416	(3,977)	2,367	(1,610)
Traded Services	2.5.4 2.5.5	(2,207)	(1,934)	273	341	(68)
Customer Engagement		5,789	5,592	(197)	(52)	(145)
Libraries & HALS		10,029	10,379	350	300	50
Resources Total (before c/f)		69,003	65,453	(3,551)	(1,778)	(1,773)
Carry Forwards		-	644	644	-	644
Resources Total (after c/f)		69,003	66,097	(2,907)	(1,778)	(1,129)



2.5.1 Legal								
LAB £000s	Projected Spend £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
4,414	3,814	(601)	(534)	(67)	-	(501)	(100)	-

Legal Services are showing a final outturn position of a £601k underspend. This underspend primarily is due to a combination of increased income and vacancies, although the amount spent on counsel's fees was lower than originally forecast. Legal Services have reviewed the vacancies and are also proposing to refocus some of the work it undertakes in order to better meet the Council's demand for legal advice. As such following recruitment it is anticipated that the underspend (other than the amount of £100k which represents the IP savings) will not recur in 2018/19.

2.5.2 Shared Managed Services (SMS)								
LAB £000s	Projected Spend £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s

2.5.2 Shared Managed Services (SMS)								
					£000s			
12,878	12,524	(354)	(95)	(259)	-	(354)	-	-

There has been a £259k movement from the quarter 3 monitor due to:

- an unexpected business rates rebate
- Lower than expected call charges from Technology and the credit of a duplicate charge.
- £50k Serco KPI penalties Apr-Dec
- lower than originally estimated Occupational Health volumes, resulting in a price reduction.

2.5.3 Property								
LAB £000s	Projected Spend £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
16,148	13,032	(3,116)	(1,756)	(1,360)	(1,214)	(1,302)	-	(600)

Property were previously reporting an underspend of £1,756k. The Property underspend has increased by £1,360k this quarter from £1,756k to £3,116k and is largely made up of the following elements:

- £156k Property Data Collection - A saving has been achieved from site and net capacity commissions, and this is a permanent saving (£100k) that forms part of the 2018/19 Resources IP. There has been a slippage of work (£86k) into 2018/19
- £100k Energy Management – The accumulated effect of previous energy saving works have resulted in a reduction of the required Carbon Reduction Credits and this will be an ongoing saving.
- £115k Vacancies across the Property department – Vacancies were being actively recruited to, however there was slippage in the recruitment process and a decision not to backfill a position. Vacancies were held pending a restructure which has now been postponed until next financial year.
- £708k –Corporately Managed Properties – Abel Smith House is made a surplus since all tenants are in place for the full financial year, a backdated rates refund was received for New Barnfield, and there was reimbursement of revenue costs incurred in prior years for feasibility studies and other sale preparations, these underspends are offset by an overspend on Feasibility project work and further maintenance works on the Supported Living properties managed by Aldwyck. A carry forward request has been submitted so the unspent balance (£290k) can be used to fund revenue costs of preparing future sites for disposal which should lead to increased capital receipts
- £112k Corporate Property Fees – Lower asset numbers and more efficient management of work streams have produced reduced contract costs. A permanent saving (£100k) forms part of the 2018/19 Resources IP and there is potential for this to be increased once the outcome of the PMA contract re-tender is known
- £744k – Residential Rent Reviews (Older people) – Rent reviews have now been settled for all care home providers which has resulted in backdated rental income and additional rental income for 2017/18.
- £1,365k Utilities – Reduction in energy consumption (following ongoing work to implement energy saving initiatives as well as energy prices not increasing as anticipated and a milder winter/autumn) which has led to reduced energy costs. A permanent saving (£129k) forms part of the 2018/19 Resources IP
- £48k Central & Shared – Following the rent review for Mundells, an increased rental charge has now been agreed with HBS for the occupancy of their portion of the site
- £60k Staff Housing Pool – Slippage in maintenance works into 2018/19
- These underspends are being offset by a £132k overspend in Service Property which is largely attributable to a revenue contribution to capital for build costs at Hemel PSQ and £204k of tree survey/maintenance works to remove/replace diseased trees

2.5.3 Property

Carry forward requests have been submitted in relation to the unspent balance (£290k) of the CMP land sale so it can be used to fund revenue costs of preparing future sites for disposal which should lead to increased capital receipts, and a carry forward request (£310k) has been submitted to fund works to improve resilience and stability at the Stevenage site

There has been a £1,360k movement from Quarter 3 (£1,756k underspend) to the outturn (£3,116k underspend), this is largely due to the following:

- £484k Residential Rent Reviews (Older people) which resulted in backdated rental income, and additional rental income for 2017/18
- £481k Corporately Managed Properties due to a reimbursement of revenue costs attributable to a land sale in 2017/18 & a backdated rent refund for New Barnfield. A carry forward request has been submitted so the unspent balance of the land sale (£290k) can be used to fund revenue costs of preparing future sites for disposal which should lead to increased capital receipts
- £640k Utilities - £340k Utilities - Reduction in energy consumption (following work to implement energy saving initiatives, prices not increasing as anticipated and a milder winter/autumn) which has led to reduced energy costs
- £60k Staff Housing Pool due to a slippage of maintenance works into 2018/19
- These have then been offset by £204k of tree survey/maintenance works to remove/replace diseased trees and £132k in Service Property for a revenue contribution to capital for build costs at Hemel PSQ

2.5.4 HBS

LAB £000s	Projected Spend £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
(1,707)	(1,184)	523	591	(68)	-	523	-	-

HBS's final outturn position in 2017/18 is a surplus of £1.184m. However, this is £0.523m short of the target of £1.707m.

This is primarily due to two main factors:

- The network print function had previously made a surplus of over £0.5m. As the majority of custom is from other Hertfordshire County Council departments, the decision has been made that HBS should no longer over-recover print cost. This reduces a cost pressure in those departments, but creates the pressure in HBS.
- Price increases for 2017/18 did not correctly treat overhead movements, leading to under-recovery.

It was expected that some of these pressures would be offset by expanded trading within HFS – Educational Resources. Product sales are £1.88m (8.7%) higher than 16/17, but margins on new sales are lower than expected, meaning that it has not proved possible to make up the shortfall (actual gross margin = 29.19%, budgeted gross margin 31.59%).

2.5.4 HBS

Also within Fleet Services there is a £89k under contribution primarily caused by reduced levels of purchasing and leasing vehicles. This has reduced in the final month of the year due to additional vehicle rebates outperforming forecasts and the releasing of an erroneous balance accrual.

In respect to HFS, the movement in forecast this quarter relates to trading pattern changes and £26k of pension strain.

In support of HBS's transformation programme, three restructures have been completed, however impact in this financial year has been limited. Longer term investment options will be presented to Panel in June for consideration.

2.5.5 Libraries & HALS

LAB £000s	Projected Spend £000s	Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
10,029	10,379	350	300	50	-	350	-	-

Libraries are reporting an outturn overspend of £350k. This is due to pressures on the LHS budget during the year as follows:

- The Inspiring Libraries Strategy was designed to save £2.5 million over three years. £2 million of this saving was achieved in 2015/16 and 2016/17. The final £500,000 saving will be achieved when we complete the roll-out of 16 volunteer-partnered Community Libraries, but rolling out the Community Libraries depends on the establishment of a volunteer steering group in each community, and the recruitment and training of volunteers to the point where they have sufficient confidence to take over responsibility. This is a new challenge for each community and can only move at the speed of 'trust', which can take time to achieve (this is a common experience in Herts and in other authorities) As a result, this has been a slower process than originally anticipated.
- There is a continuing shortfall in library income, which was around £130k below target at the end of the year. Income generated from new revenue streams such as room hire, donations and reading group charges is more than offset by the continuing decline in traditional income sources for libraries (overdue charges and DVD loans).
- Additional pressures on the budget this year include a gap between our staffing budget (which assumes staff are on the mid-point of their grade) and actual staffing costs (most staff are on the top of their grade), and the imposition of the Apprenticeship Levy.

These pressures were identified early in the year, and measures were put in place to mitigate the predicted overspend.

- There was progress during the year with public engagement and the recruitment and training of volunteers in the community libraries, which meant that some staff posts could be deleted during the year, realising savings.
- Expenditure in some other budgets was frozen and vacancy management was applied to mitigate the income shortfall and pressure on the staffing budget.

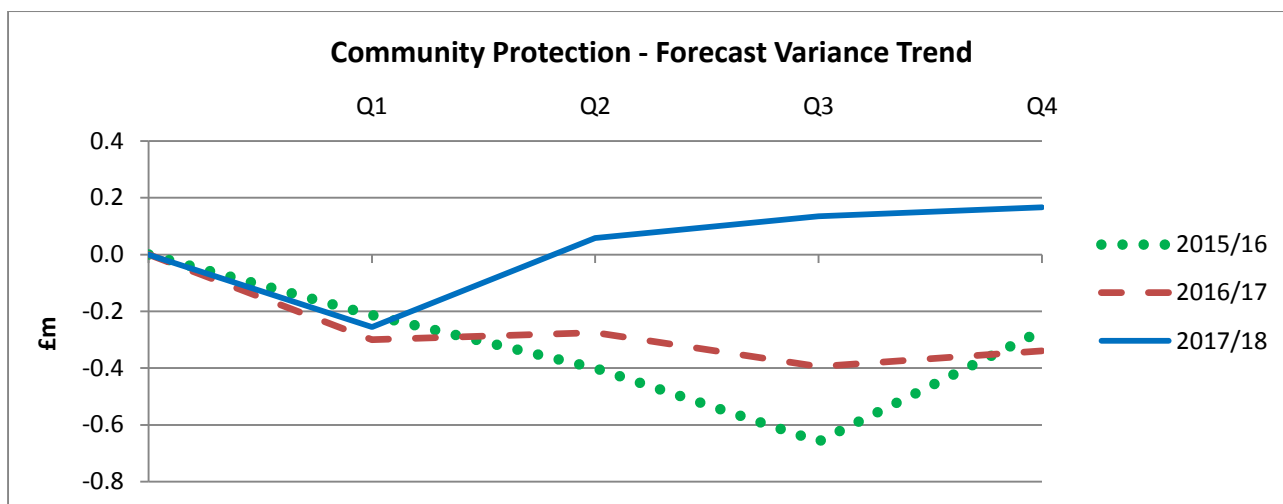
2.5.6 Contribution from HCL

LAB	Projected	Variance	Variance	Movement	Breakdown of Variance
-----	-----------	----------	----------	----------	-----------------------

2.5.6 Contribution from HCL								
£000s	Spend £000s	£000s	last quarter £000s	£000s	Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
(500)	(750)	(250)	(250)	-	-	(250)	-	-
Herts Catering Ltd is reporting a final underspend of £250k. This underspend is due to an increased contribution of £750k based on their successful trading performance.								

2.6 Community Protection

CP	Ref	LAB £000s	Outturn £000s	Variance £000s	Variance Last Quarter £000s	Movement in Quarterly Variance £000s
Fire & Rescue	2.6.1	30,182	30,569	387	335	32
Joint Protective Services		4,576	4,355	(221)	(220)	(1)
East Coast & Humberside Control Room Consortium		864	864	-	-	-
Community Protection Total		35,622	35,788	166	135	31



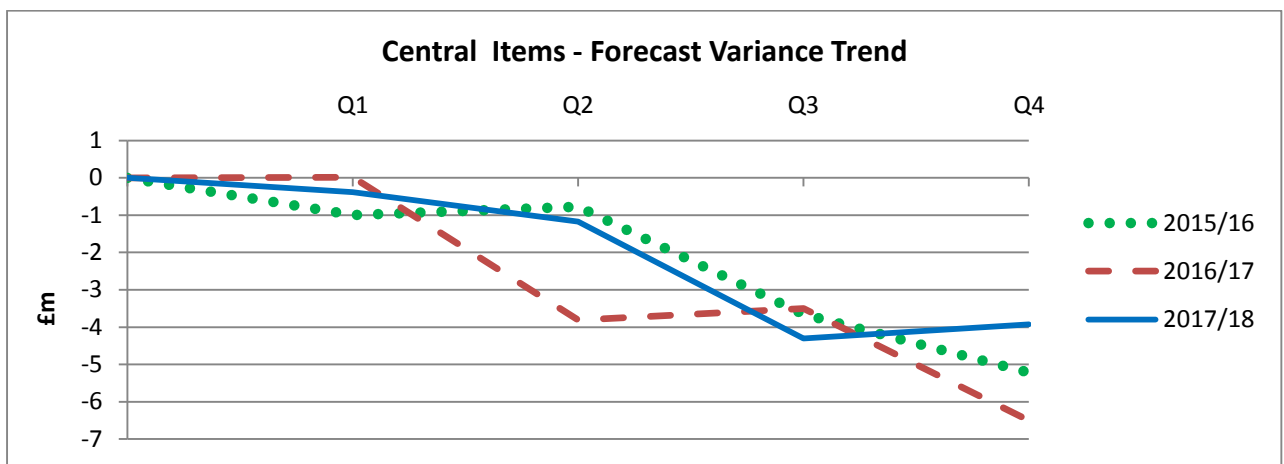
2.6.1 Fire & Rescue - Service Support								
LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
6,727	6,988	261	250	11	-	261	-	-

The overspend is attributable to the Ill Health Pension contributions offset by vacancies within the ICT Team, £105k less income in Commercial training than budgeted for, additional staffing costs in training due to pre-arranged overtime and the new recruits, and additional costs in the provision of IT systems.

2.7 Central Items

CEN	Ref	LAB £000s	Outturn £000s	Variance £000s	Variance Last Quarter £000s	Movement in Quarterly Variance £000s
Central Capital Financing and Interest on Balances	2.7.1 2.7.2	14,734	10,794	(3,940)	(4,862)	922
(Additional) / less Grant Income	2.7.3	-	(1,473)	(1,473)	(341)	(1,132)
Contingency - General		2,789	-	(2,789)	-	(2,789)
Contingency - Specific		564	564	-	-	-

Other Central Items		-	381	381	-	381
Precepts/Levies		2,112	2,112	-	-	-
Apprenticeship Levy Recharge		933	937	4	-	4
Central Total (before c/f)		21,131	13,315	(7,817)	(5,203)	(2,614)
Carry Forwards		-	3,892	3,892	900	2,992
Central Total (after c/f)		21,131	17,207	(3,925)	(4,303)	378



2.7.1 Capital Financing: MRP								
LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
4,420	1,665	(2,755)	(2,680)	(75)	(2,755)	-	-	-
<p>Following changes to the MRP policy introduced in 2017/18, a further £2.75m savings have been achieved within the new policy, as reported at Q3.</p> <p>These have been included in the 2018/19 IP and can be realised from 2017/18</p>								

2.7.2 Revenue Financing

2.7.2 Revenue Financing

LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
10,313	9,129	(1,184)	(2,182)	(998)	-	(1,184)	-	-

Main reasons for overall variance:

Cash balances during the year were higher than expected as a result of slippage in the 2017/18 Capital Programme and some additional income streams. As a consequence more cash has been available to invest, and no additional borrowing to fund capital expenditure was required during the year. These factors contribute **(£1,067k)** of the underspend, which includes interest from Local Authority Mortgage Scheme (LAMS) advances (£178k) and Herts Schools Building Partnership [HSBP] interest and dividend received (£161k). These figures are above levels assumed when setting the budget.

The Bank of England increased its base interest rate from 0.25% to 0.50% in November 2017 and this made an additional contribution to improved investment returns.

Non-investment interest was **(£133k)** more than budgeted, due to additional interest of (£96k) in respect of the delayed payment of a capital receipt and (£24k) of accrued interest for late payment of rental invoices.

Main reasons for movement in quarter:

Transfers to reserves: **£1,001k** – including £894k HSBP Loan Note sale to ITT reserve previously reported, along with smaller transfers in respect of interest accrued for LEP loans and premium on LAMS interest.

The remainder of £81k includes a number of small movements, including an increase of £57k in internal interest allocation driven by higher than expected LEP balances.

2.7.3 Additional / less Grant Income

LAB £000s	Projected Spend £000s	Forecast Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance			
					Early Achievement of IP Savings / Pressures £000s	One-off £000s	Additional Ongoing £000s	Carry Forward £000s
(30,028)	(31,501)	(1,473)	(341)	(1,132)	-	(370)	-	(1,103)

Higher than expected grant amounts received for: Business Rates Retention Tax Loss Reimbursement (£11k); Transparency Code Burdens (£13k); Local Reform & Community Voices + Social Care in Prisons (£133k); War Pension Scheme Disregard (£109k); KS2 (£51k), School Improvement (£24k); Commons Pioneer Authorities (£4k) and Fire Revenue (£73k), offset by lower than budgeted grant amounts for: New Homes Bonus (£6k); ESG (£40k) and Extended Rights to Home to School Transport (£2k).

2.7.3 Additional / less Grant Income

Also includes accrual for MHCLG reconciliation adjustment to Business Rates Retention Tax Loss Reimbursement calculated from district NNDR3 returns.

Section 3 – Capital Monitor

3.1 Capital Summary

Capital investment programme

The budgeted programme is summarised below.

	£k	£k
Original Budget Per 2017/18 Integrated Plan		222,858

2016/17 Reprogramming	10,148
2017/18 Reprogramming - Month 6	(62,587)
Additional LEP funding	1,567
High Needs Funded Projects - funded from School's DSG	980
Other Budget Adjustments	4,042
Schools Capital Budgets	8,251
Total Budget Adjustments	(37,599)

Latest Approved Budget for 2017/18 **185,259**

The actual spend against this budget is £147,233k, and the overall variance is summarised as follows. Details of significant capital variances are shown in Section 3.4. These variances are calculated on the latest budget of £185.259m. This includes the reprogramming from 2016/17 that was approved by Cabinet in June 2017 plus reprogramming for Quarter 2 that was approved by Cabinet in December 2017.

	£000s
Reprogramming to future years	(36,676)
Underspends	(1,473)
Overspends	123
Total Variance	(38,026)

The detail of spending by service area is shown below. The net variance of £38,026k comprises reprogramming of (£36,676k), underspends of (£1,473k), and overspends of £123k. Details of major variances (over £250k) against the revised budget are shown below. The impact of these variances on total financing including the borrowing requirement is shown in Table 4.

	Latest Approved £'000	Undersp end £'000	Overspend £'000	Reprogram ming £'000	Outturn £'000	Total Variance £'000
Children's Services						
School Expansions	43,958	(200)	26	(20,590)	23,194	(20,764)
Schools R&M	19,343	-	-	(1,258)	18,085	(1,258)
Schools Capital Spend	8,251	-	-	-	8,251	-
High Needs projects	980	-	-	-	980	-
Other - Children's	2,261	(341)	-	(266)	1,654	(607)
Total Children's	74,793	(541)	26	(22,114)	52,164	(22,629)

Environment						
Major Projects	7,798	(32)	4	(1,046)	6,724	(1,074)
Road Maintenance	41,576	-	-	(1,013)	40,563	(1,013)
Street Lighting	9,019	-	-	(250)	8,769	(250)
ITP	6,755	(130)	-	(310)	6,315	(440)
Bridge Maintenance	5,894	-	-	(175)	5,719	(175)
Other - Environment	2,909	(76)	-	(603)	2,230	(679)
Total Environment	73,951	(238)	4	(3,397)	70,320	(3,631)
Fire	3,894	(112)	88	(739)	3,131	(763)
ACS						
Care Homes (Older people)	4,292	-	-	(982)	3,310	(982)
Disabled Facilities	6,200	-	-	(919)	5,281	(919)
HCS Property	2,439	(30)	5	(1,361)	1,053	(1,386)
Other - ACS	1,164	(284)	-	(48)	832	(332)
Total ACS	14,095	(314)	5	(3,310)	10,476	(3,619)
Resources						
Acquisitions	8,036	(14)	-	(5,870)	2,152	(5,884)
Broadband	4,000	-	-	(275)	3,725	(275)
BMT Projects	1,446	-	-	(242)	1,204	(242)
Non-School Cap.	1,560	(1)	-	-	1,559	(1)
Co-location of Libraries	358	-	-	(263)	95	(263)
Technology Purchasing	1,475	-	-	152	1,627	152
Other -Resources	1,609	(201)	-	(618)	790	(819)
Total Resources	18,484	(216)	-	(7,116)	11,152	(7,332)
Public Health	42	(52)	-	-	(10)	(52)
Grand Total	185,259	(1,473)	123	(36,676)	147,233	(38,026)

3.2 Movements in the Capital Budget's Financing

The table below summarises the changes in financing to support the revised budget and the financing position based on the outturn against budget. Reprogramming and underspend, except where these are linked to grant funding or external contributions, result in a higher level of capital reserves to carry forward for funding in future years.

Capital Budget Financing

Budget Financing Source	Original Budget (2017/18 IP)	Funding Movements Agreed	Outturn Budget 2017/18	Variance (Additional Funding Movements)	Outturn
	£'000	£'000	£'000	£'000	£'000
Capital Receipts	10,000	12,122	22,122	(5,248)	16,874
Capital Grants	98,537	2,600	101,137	(24,369)	76,768
Revenue contributions	-	8,560	8,560	906	9,466
Contributions from Third Parties	36,037	(24,177)	11,860	(867)	10,993
Specific Reserves	2,836	(1,161)	1,675	(537)	1,138
Borrowing	75,448	(35,543)	39,905	(7,911)	31,994
Total	222,858	(37,599)	185,259	(38,026)	147,233

3.3 Capital Receipts

Budgeted capital receipts for 2017/18 amounted to £25.1m. £19.874m has been achieved by the end of March 2018, a shortfall against the target of £5.2m. This would usually result in a higher level of borrowing being required, but this has not happened in practice as the overall level of capital programme delivery was lower than expected (see 3.2 above).

Capital Receipts for 2017/18, and forecast to 2019/20

	Outturn 2017/18 £'000
Budgeted Receipts:	
Capital receipts funding assumed in IP for Capital Programme	10,000

Re-profiling of receipts financing from 2016/17	12,122
Subtotal	22,122
Capital Receipts – Spend to Achieve	3,000
Total Budgeted Receipts	25,122
Total Actual Receipts	19,874
Surplus/ (shortfall)	(5,248)

Spend to Achieve

The Spend to Achieve Capital Receipts Reserve is a fund that is used to deliver projects that require investment prior to generating a Capital receipt or a revenue income stream. The fund is reviewed monthly. As at 31st March 2018, there was a surplus of £2,578k on this reserve due to expenditure now being forecast to occur in 2018/19.

	£000
Starting Balance 01/04/17	823
Top up from capital receipts 2017/18	3,000
Total Funds available 2017/18	3,823
Schemes	
Replacement Accommodation for Judo Club, Ariston Works	(1,000)
Lands at Beaumont School, St. Albans Forward Funding	(153)
Other Small Schemes	(92)
Total Spend	(1,245)
Balance Outturn to 31/03/18	2,578

3.4 Significant Capital Outturn Variances

Children's Services

School's R&M Budget Holding Code							
LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
19,343	18,085	(1,258)	-	(1,258)	-	-	(1,258)

School's R&M Budget Holding Code

The main reasons for the variance are:

- The budget for 2017/18 was made up of the grant allocation of £18,172k for 2017/18 plus residual balances from prior years. The final outturn spend is £18,085k. The underspend of the remaining grant balance of (£1,258k) is requested to be reprogrammed for future years schools R&M Spend.

New School Developments & Site Acquisitions

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
20,840	8,958	(11,882)	(7,194)	(4,688)	-	-	(11,882)

The main reasons for the variance are:

- (£11,882k) is requested to be reprogrammed due to anticipated timings of land acquisitions.

Primary Expansions PEP1 – 4 plus Ascot & Jupiter- HSBP Managed

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
408	57	(351)	13	(364)	-	10	(361)

The main reasons for the variance are:

- (£361k) is requested to be reprogrammed for remaining Furniture & Equipment balances and works that remain outstanding at Schools.
- The overspend of £10k relates to small variations over the schemes that will be funded by basic need grant.

Primary Expansions PEP6 - HCC Managed

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
3,690	2,434	(1,256)	(340)	(916)	-	16	(1,272)

The main reasons for the variance are:

- (£304k) is requested to be reprogrammed for a primary expansion. The programme has been reprofiled to accommodate a phased programme with delivery of some external works this financial year.
- (£968k) is requested to be reprogrammed as the remaining budget is not required for the current year temporary expansions and will be requested to be set aside for future temporary expansions.
- £16k overspend relates to additional works required for a pedestrian access, forecast to total £40k. This overspend will be funded by Basic Need.

Primary Expansions PEP7 & Temporary Expansions Sept 2017 - HCC Managed

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s

Primary Expansions PEP7 & Temporary Expansions Sept 2017 - HCC Managed							
			£000s				
2,027	1,485	(542)	(85)	(457)	-	-	(542)

The main reasons for the variance are:

- (£942k) is requested to be reprogrammed as the remaining budget is not required for the current year temporary expansions and will be requested to be set aside for future temporary expansions. This is offset by £400k reprogramming from future years which is required for the permanent Pep 7 expansions as the full budget is within the 18/19 Integrated Plan.

Secondary Expansions – SEC1							
LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
850	550	(300)	-	(300)	-	-	(300)

The main reasons for the variance are:

- (£300k) is to be reprogrammed due to reprofiling of when a school managed project is expected to draw down funding.

Secondary Expansions - SEC2							
LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
13,726	8,188	(5,538)	1,090	(6,628)	(200)	-	(5,338)

The main reasons for the variance are:

- (£5,338k) is requested to be reprogrammed across the Secondary expansion programme as schools have reached milestones slower than previously forecast.
- (£200k) underspend relates to a secondary expansion agreement being £200k lower than originally anticipated.

Secondary Expansions - SEC2.5							
LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
1,385	842	(543)	(392)	(151)	-	-	(543)

The main reasons for the variance are:

- Reprogramming of (£543k) is requested across the programme as a result of school projects reaching milestones at times different to that previously anticipated.

Environment

A602 Improvements							
LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
5,037	4,520	(517)	(387)	(130)	-	-	(517)

A602 Improvements

The main reasons for the variance are:

- A further (£517k) is requested to be re-profiled into 2018/19 due to the delays to the planning process for Section B and the slightly extended construction programme for Sections A & C (the latest programme indicates these works will complete in late April).

A120 Bypass (Little Hadham)

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
2,171	1,642	(529)	-	(529)	-	-	(529)

The main reasons for the variance are:

- 2017/18 expenditure was lower than expected due to land assembly issues being resolved quicker than anticipated. It is proposed that the resulting underspend is carried forward to be allocated against other elements of the scheme where pressures have already been identified.

Highway Maintenance of Roads

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
41,576	40,563	(1,013)	-	(1,013)	-	-	(1,013)

The main reasons for the variance are:

- Reprogramming of (£1,013k) is requested as the spells of severe weather in February and March compounded the pressure on the Cat 1 service, but also disrupted the planned recovery programme and Cat 4 service and preparation work for 2018/19. The national disruption caused by this weather also created a lack of contractor availability.

Integrated Transport Projects

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
6,635	6,255	(380)	-	(380)	(130)	-	(250)

The main reasons for the variance are:

- As a number of schemes were due to be completed in Quarter 4 the recent severe weather has caused delays and therefore a reprogramming of (£250k) is requested. There is also (£130k) underspend being declared this month, this is due to OPUS fees being lower than anticipated on a number of schemes.

Ware Household Waste Site

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
500	0	(500)	(335)	(165)	-	-	(500)

Ware Household Waste Site

The main reasons for the variance are:

- Reprogramming of the full budget of (£500k) is requested. This is as a result of the delay in determination of the planning application which, although it has now been approved under officer's delegated authority, has been referred to the Secretary of State as departure from green belt policy.

Fire

F&R ICT Equipment

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
504	182	(322)	(114)	(208)	-	-	(322)

The main reasons for the variance are:

- (£322k) reprogramming to 2018/19 is requested for contracts that have been delayed, but are due to be signed off in April. £96k is for an order for single place, £68k for Mobile Data Terminals (MDT) and £57k for Mobile phones and various other IT equipment, ordered but not yet received.

F&R Vehicle Replacement

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
1,735	1,230	(505)	-	(505)	(88)	-	(417)

The main reasons for the variance are:

- (£417k) is requested to be reprogrammed for fire appliance bodywork which remains to go out to tender which is now scheduled for April, plus the refurbishment of the control unit body and technical upgrade, based at Hertford HQ. £88k is declared to be underspend, which offsets the equivalent overspend in Fire and Rescue Officer vehicles.

Adult Care Services

Commissioning for Independence (formerly Supported Living)

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
1,417	116	(1,301)	(625)	(676)	-	-	(1,301)

The main reasons for the variance are:

- Reprogramming of (£1,301k) is requested following implementation of a revised Supported Accommodation Strategy and governance process which will allow a longer term strategic view on the use of capital investment rather than the previous more reactive use of capital funds which has delayed spend on this budget. This is in addition to the £700k reprogrammed in Q2.

ACS Vehicle Replacement

LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s

ACS Vehicle Replacement							
640	338	(302)	(284)	(18)	(269)	-	(33)
The main reasons for the variance are:							
<ul style="list-style-type: none"> An underspend of (£269k) is as a result of a number of vehicles that were planned to be purchased from the 2017/18 capital programme being no longer required to be replaced due to low mileage and the opportunity of transferring vehicles from closed services. (£33k) is requested to be reprogrammed to 2018/19 for the replacement of two leased vehicles which will cease in 2018/19. 							

Care Reprovision - Older People (Phase 1 - 3)							
LAB £000s	Projected Spend £000s	Outturn £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
4,292	3,310	(982)	-	(982)	-	-	(982)
The main reasons for the variance are:							
<ul style="list-style-type: none"> A review of the existing capital programme has been undertaken. The outcome of which is that consideration is to be given to alternative models of delivery as set out in the Cabinet report of September 2017. Re-programming of capital spend to future years has been made in view of this decision. 							

Disabled Facilities Grant							
LAB £000s	Projected Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
6,200	5,281	(919)	(555)	(364)	-	-	(919)
The main reasons for the variance are:							
<ul style="list-style-type: none"> Reprogramming of (£919k) is requested arising from the phased handover of cases from partner authorities to the shared Home Improvement Agency (HHIA) starting in October, ongoing development of contractor framework and staggered recruitment of the HHIA team. Funding will be carried forward to fund grant allocations made in 2017/18 where works have not yet commenced. 							

Resources

Land Acquisition – Stevenage							
LAB £000s	Projected Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
5,900	18	(5,882)	-	(5,882)	-	-	(5,882)
The main reasons for the variance are:							
<ul style="list-style-type: none"> (£5,882k) is requested to be reprogrammed as discussions are currently being held with the vendor regarding final terms for the acquisition. 							

Inspiring Libraries							
LAB £000s	Projected Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
906	328	(578)	(555)	(23)	-	-	(578)

The main reasons for the variance are:

- (£578k) of inspiring libraries budget is requested to be reprogrammed to 2018/19. This includes refurbishment projects that are subject to delays and the consequential impact on Creatorspace; plus spend for the Open+ roll-out once the pilot is evaluated.

Co-location of Libraries							
LAB £000s	Projected Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
358	95	(263)	(238)	(25)	-	-	(263)

The main reasons for the variance are:

- Due to delays in public consultations and planning consent there have been delays in the progression of these projects. We are now expecting tenders back in May 18 for Redbourn and Wheathampstead and are anticipating construction to commence late 2018.

Broadband Delivery (Contract 2)							
LAB £000s	Outturn Spend £000s	Outturn Variance £000s	Variance last quarter £000s	Movement £000s	Breakdown of Variance		
					Underspend £000s	Overspend £000s	Reprogramming £000s
4,000	3,725	(275)	(975)	700	-	-	(275)

The main reasons for the variance are:

- £275k is requested to be reprogrammed to 2018/19. This figure has been reduced by £700k since Feb 2017. This is due to BT Openreach reaching milestones earlier than previously anticipated.

3.5 Other Matters

Metropolitan Line Extension (Croxley Rail Link)

The funding gap on the project was being discussed between the Council, local partners, central government and Transport for London (TFL). Central Government recently confirmed they would be prepared to cover the funding shortfall of £73.4m. However TFL have indicated that they are not prepared to take on the potential cost risk above this level. Further discussion and dialogue is underway to understand the next steps and impact. The scheme had already been reprogrammed to 18/19 and therefore no further adjustment to 17/18 was required.

Section 4 – Children’s Services (Schools) Variances

4.1 Summary

The Schools’ budget is funded from the Dedicated Schools Grant (DSG) and sixth form grant which is separately received from the Education and Skills Funding Agency (ESFA). As reported in section 1, there is a net forecast underspend of **£7,868k** against this budget.

4.2 Variances that are not offset by grants (>£250k)

Independent Schools Placement overspend	Variance £1,329k
<p>Independent Placements overspent by £1.329m. This is due to a higher number of new placement notifications than was budgeted (£829k). The budget was reduced this financial year due to the previous years' underspends, and with the higher number of placements, this has now resulted in a pressure on the budget. There is also £500k of additional expenditure covering the Education of Social Care placements.</p> <p>*This is included within the Integrated Services for Learning DSG line</p>	

Integrated Services for Learning DSG (excluding Independent Schools Placement)	Variance (£3,327k)
<ul style="list-style-type: none"> - Speech and Language Therapy underspent by £87k. Whilst the anticipated contract value was as expected, uncommitted funding was held pending a review of the Speech and Language joint contract (with the CCGs) and delivery model and this was not spent within the financial year. - The SEN Strategy Development Fund underspent by £3.445m. This fund was established to support new initiatives, including key priorities within the SEND strategy. As an uncommitted resource, the fund also provides useful flexibility in managing budget risks. - Due to inability to maintain vacancy management, there is a £50k overspend on Integrated Services for Learning Central pay budgets. - AWT provides funding for training and development of individual children with SEN. The final outturn was £130k higher than budgeted mostly due to additional tuition the teams are having to provide for children excluded or out of school due to pressures on places. - Exceptional Needs Funding budgets have underspent by £446k. Decisions are made by panels of school representatives. As such, the budget holder has no influence over the budgets other than to remind them and assist with monitoring their budgets. Expenditure in March was considerably lower than forecast. - The Recoupment budget overspent by £447k. Due to a number of Hertfordshire special schools being at capacity we have had to place more pupils in special provision outside the county's borders. In May 2016 we had 52 pupils placed in special provision (either LA-maintained, or academies and free, schools) outside of Hertfordshire, by May 2017 this had risen to 76. A variance of £447k on the Recoupment budget is due to a high volume of late invoices from other local authorities that came through in March. - There is an underspend of £87k on Special Educational Needs budgets due to the reduction of the use of consultants in work across the SEND service and in reflection of the ISL review and work streams. The underspend has increased further due to schools not meeting the level of services they agreed to deliver for Outreach; therefore they did not receive the full funding agreed and budgeted for at the start of the year. - There is a £15k overspend on provision of tuition for excluded pupils due to a higher demand than budget. 	

Integrated Services for Learning DSG (excluding Independent Schools Placement)	Variance (£3,327k)
<p>- There is a £277k overspend due to increased demand and cost of education of pupils placed by Health in private or other local authority hospitals.</p> <p>- There is an underspend on ESMA of £112k due to less demand.</p> <p>- The Attendance teams ceased trading at the end of the last academic year. Approximately 56% of academies/free schools purchased a traded service however given the pressures on school's budgets, and changes to academy's funding, the trading environment has become increasingly challenging and at the end of this academic year there will be a shortfall in the trading income giving £58k overspend. The service has restructured and achieved savings giving a net underspend this year of £39k.</p>	

4.3 Variances that are offset by grants/other funding (>£250k)

Family Services Commissioning	Variance (£2,815k)
<p>- There is an underspend on 2 year old nursery entitlement of £1,144k due to a lower take up than anticipated, potentially caused by 30 hours free childcare. This is partly offset by an overspend of £161k against 2 year old delegated funding.</p> <p>- The early years SEND Development fund was not be spent in 2017/18, causing an underspend of £600k</p> <p>- There was an underspend on 30 hour free childcare for 3 and 4 year olds of £1,065k due to lower take up of the new scheme than anticipated.</p>	

Section 5 – Other Financial Information

5.1 Treasury Management Report

The Council's Treasury management activities in this period were undertaken in an environment marked by uncertainty over the UK's future relationship with the EU, geopolitical tensions, and the influence of expectations around the potential for fiscal tightening in the US and EU.

During Q3 Consumer Price Index [CPI] inflation peaked at to 3.1% before falling back more rapidly than expected to 2.4% in March 2018 remaining above the 2% Bank of England target. UK wage

growth, which in real terms had been negative for most of the year, returned to positive territory in March 2018.

Much of the inflationary pressure noted above can be attributed to the approximately 20% decline in the value of Sterling during 2016/17, and has constrained consumer spending during the year. Economic data showed resilient but subdued growth in Gross Domestic Product [GDP], at 1.8% for the 2017 calendar year.

Following the Bank of England rate increase to 0.50% during the third quarter interest rates remained stable during the period. Investment yields improved slightly as a consequence of the rate increased but remain low overall. The 7-day LIBID benchmark was 0.36% for the quarter, an improvement of 0.7% on the previous quarter.

During the final quarter of 2017/18 the Council held an average investment portfolio of £164.97m, and achieved an investment return of £0.447m.

The total annual interest earned on treasury investments throughout the year was £1.826m, an underspend of £0.392m on budget. This outcome is due to a combination of the strong performance of pooled funds during the first half of the year, higher than expected cash balances and the increase in interest rates leading to improved short-term returns.

The overall rate of rate of return for the fourth quarter was 1.07%, which represents a reduction of 0.15% on the previous quarter. This reflects the weighting of the investment portfolio towards short-term instruments during the period as the need to ensure liquidity to cover capital outflows was managed.

Underlying this, the pooled fund investments returned 4.07% (a reduction of 0.42%) and the remaining, mainly short-term investments returned 0.40% (0.08% increase).

The reduced overall rate of return is reflective of lower returns across the pooled fund portfolio. Pooled funds overall return 4.67% during the year, but returns for the final quarter were lower due to the changes in market condition which saw a sharp reduction in returns from the bond fund investments within the portfolio. This reduction is anticipated to be a one-off effect.

Appendices

Appendix A – Carry Forward Requests

Service	Area	Outturn Underspend £000	Carry Forward Requested £000	Narrative
ACS	BCF	(1,513)	1,513	Better Care Fund carry forward
ACS	IBCF	(3,541)	3,541	Improved Better Care Fund carry forward
Public Health	Public Health	(1,312)	1,312	Ring fenced grant - any underspend to be carried forward in line with Grant terms and conditions
			6,366	Ringfenced Carry Forwards
ACS	Older People Client Income	(3,390)	1,100	£1m carry forward to reflect risk of the client income position with regards Band 20's.
ESCYP (E&EI)	Services for Young People	(480)	66	This underspend is due to a backdated rates rebate that has been received in February 2018. The request is to fund essential refurbishments and improvement to a number of Youth Community centres within the County. This would have been carried out earlier in the financial year if the refund had been received earlier.
ESCYP (E&EI)	Services for Young People	(480)	35	A revenue contribution to capital for essential work on replacing windows in the gym at Bowes Lyon centre. There is a 12 week lead time on the work so it now cannot be carried out in 2017/18. If the Carry forward is not agreed the windows will have to be boarded up.
Environment	Highways Member Locality Budget	(321)	321	155k - schemes not fully completed in the current financial year due to on-going design and Permanent Traffic Regulation Orders processes. proxy £166k of ordered work was not delivered in 2017/18 due to the adverse weather in March
Resources	Members Locality	(44)	44	The final date for applications to be submitted for review and approval was Monday 12th March with all funding where possible provided before the start of PERP. However, some locality budget has been allocated to other HCC departments or schools at a late stage. Due to the timing of the final applications, HCC departments are unable to spend their allocated budget until the next financial year. Likewise, it is not possible to transfer the money allocated to schools to them now until the next financial year. Therefore these allocations require a carry forward.
Resources	Property	(665)	310	The Stevenage site is HCC's main data centre, and a recent power failure at the Stevenage site (caused by the failure of 1 of the 3 transformers) had a significant impact on staff capacity to work. If this failure were to occur again, the loss of working time and the continuity of HCC services are likely to be affected. A carry forward is requested to fund a low power generator for ICT operations to improve the resilience and stability of the Stevenage site.
Central	Contingency	(2,789)	2,789	Un-used contingency from 2017-18 to be carried forward into the new year
			4,665	Non-Ringfenced Carry Forwards
Resources	Property	(1,092)	290	Payment for a land sale during 2017/18 included reimbursement of revenue costs incurred in prior years, for feasibility studies and other preparations. These have been held centrally to fund any similar works in this or future years. It is requested that the expected unspent balance of £290k be carried forward as a Property Revenue Reserve, to fund revenue costs of preparing sites for disposal
Central	Grants	(1,473)	1,103	An accrual for MHCLG reconciliation adjustment to Business Rates Retention Tax Loss Reimbursement calculated from district NNDR3 returns to be transferred to a new Business Rates equalisation reserve to smooth variation in business rates income in future years.
			1,393	New Reserves
			12,424	

Appendix B – Capital Reprogramming Requests

Directorate and Service Area	Name of Scheme	Total reprogramming	Externally Funded	Commentary	Future Year Budget £'000	18-19 Reprogramming £'000	19-20 Reprogramming £'000
Children's Services	Building Schools for the Future-ICT	20	No	£20k reprogramming is requested as schools have spent at a faster rate than profiled.	318	20	-
Children's Services	School's R&M Budget Holding Code	(1,258)	Yes	The budget for 2017/18 was made up of the grant allocation of £18,172k for 2017/18 plus residual balances from prior years. The final outturn spend is £18,085k. The underspend of the remaining grant balance of (£1,258k) is requested to be reprogrammed for future years schools R&M Spend.	72,688	(1,258)	-
Children's Services	Liquidlogic Troubled Families Phase 2 Solution	(158)	No	The software is largely delivered and tested. The deadline for final elements to be completed is scheduled for May. Therefore reprogramming of (£158k) is requested.	640	(158)	-
Children's Services	Liquidlogic EHM Implementation (Early Help Module)	(128)	No	The budget supports seven separate but closely related technology projects which are in various stages of delivery. The remaining projects (EHCP, Mobile App, Professional Portal, EHM Livelink integration, Groupwork and the Children's Portal) are in progress and expected to complete in 2018/19. (£128k) is requested to be reprogrammed due to further works required on the software system following system testing.	272	(128)	-
Children's Services	New School Developments - Budget Holding & Site Acquisitions	(11,882)	Yes	(£11,882k) is requested to be reprogrammed due to anticipated timings of land acquisitions.	83,785	(11,882)	-
Children's Services	Primary Expansions PEP1-4 - HCC Managed	(140)	Yes	(£140k) is requested to be reprogrammed across the Pep1-4's, this is to cover the remaining works (£42k) plus remaining Furniture & Equipment allocations not yet claimed by the schools.	0	(140)	-
Children's Services	Primary Expansions PEP5 - HCC Managed	(242)	Yes	(£242k) is requested to be reprogrammed for the final external works outstanding at PEP5.	0	(242)	-
Children's Services	Primary Expansions PEP6 & Temporary Expansions Sept 2016 - HCC Managed	(1,272)	Yes	(£304k) is requested to be reprogrammed for an expansion scheme. The programme has been reprofiled to accommodate a phased programme with delivery of some external works this financial year. (£968k) is requested to be reprogrammed as the remaining budget is not required for the current year temporary expansions and will be requested to be set aside for future temporary expansions.	2,378	(1,272)	-
Children's Services	Primary Expansions PEP7 & Temporary Expansions Sept 2017 - HCC Managed	(542)	Yes	(£942k) is requested to be reprogrammed as the remaining budget is not required for the current year temporary expansions and will be requested to be set aside for future temporary expansions. This is offset by £400k reprogramming from future years which is required for the permanent Pep 7 expansions as the full budget is within the 18/19 Integrated Plan.	4,320	(542)	-

Directorate and Service Area	Name of Scheme	Total reprogramming	Externally Funded	Commentary	Future Year Budget £'000	18-19 Reprogramming £'000	19-20 Reprogramming £'000
Children's Services	Primary Expansions PEP8 & Temporary Expansions Sept 2017 - HCC Managed	30	Yes	£30k reprogramming from 2018/19 is requested to cover initial fees relating to the fees relating to the upcoming expansions, budgets to be presented at the April Cabinet.	12,200	30	-
Children's Services	Secondary Expansions - SEC1 (All School managed projects)	(300)	Yes	(£300k) is to be reprogrammed due to reprofiling of when a school managed project is expected to draw down funding.	0	(300)	-
Children's Services	Secondary Expansions - SEC2	(5,338)	Yes	(£5,338k) is requested to be reprogrammed across the Secondary expansion programme as schools have reached milestones slower than previously forecast.	4,712	(5,338)	-
Children's Services	Secondary Expansions - SEC2.5	(543)	Yes	(£543k) is requested to be reprogrammed across the Secondary expansion programme as schools have reached milestones at times different to that previously forecast.	10,206	(543)	-
Children's Services	Primary Expansions PEP1 -4 - HSBP Managed	(361)	Yes	(£361k) is requested to be reprogrammed for our remaining works at these schemes & Furniture & Equipment balances that have not yet been claimed by the schools.	0	(361)	-
Environment	Highways - Bridge Maintenance	(175)	No	Delays in the completion of the Framework Contract has resulted in the need to re-programme (£175k).	20,718	(175)	-
Environment	A602 Improvements	(517)	Yes	Sections A and C are currently in the on-site construction phase. The latest programme indicates these works will complete in late April. The Planning Application process for Section B was extended and thus the overall delivery programme for this section has been delayed. Previously there was in-year reprofiling of (£1.4m) into 2018/19. A further (£517k) will need to be re-profiled into 2018/19 due to the delays to the planning process for Section B and the slightly extended construction programme for Sections A & C	15,445	(517)	-
Environment	A120 Bypass Project	(529)	No	2017/18 expenditure was lower than expected due to land assembly issues being resolved quicker than anticipated. It is proposed that the resulting underspend is carried forward to be allocated against other elements of the scheme where pressures have already been identified.	34,766	(529)	-
Environment	Highways - Road Maintenance	(1,013)	No	Reprogramming of (£1,013k) is requested as the spells of severe weather in February and March compounded the pressure on the Cat 1 service, but also disrupted the planned recovery programme and Cat 4 service and preparation work for 2018/19. The national disruption caused by this weather also created a lack of contractor availability.	143,705	(1,013)	-
Environment	LED & CMS Programme Phase 4	(62)	No	Reprogramming of (£62k) is required due to delays in the delivery of LED units in 2017/18.	12,334	(62)	-
Environment	Lighting Refurb & Emergency Replacement	(188)	No	Reprogramming of (£188k) is required due to delays in the delivery of street lighting columns in 2017/18.	9,621	(188)	-
Environment	Integrated Transport Projects	(250)	Yes	As a number of schemes were due to be completed in Quarter 4 the recent severe weather has caused delays and therefore a carry forward request for (£250k) is requested.	14,595	(250)	-

Directorate and Service Area	Name of Scheme	Total reprogramming	Externally Funded	Commentary	Future Year Budget £'000	18-19 Reprogramming £'000	19-20 Reprogramming £'000
Environment	A5 - M1 Link Road	(60)	No	A carry forward request for (£60k) is requested. This is due to a change in scope of the scheme following consultation and design modifications to reflect changes in standards which requiring special sign mounting equipment with a longer lead time.	0	(60)	-
Environment	Rights of Way - Management/Improvements	(43)	No	This relates to a bridge replacement job which was delayed due to longer than anticipated time take to secure permits and agree final design.	1,600	(43)	-
Environment	Waste Infrastructure Capital Grant	(10)	Yes	The two modular buildings at the Harpenden and Waterdale sites were completed in 2017/18. The Rickmansworth proposals were delayed pending a review of the site layout and budget for implementation. An additional £10k carry forward is requested for 2018/19.	45	(10)	-
Environment	Waste Management System Development	(50)	No	No capital spend was incurred in this financial year and carry forward of the full amount is requested.	200	-	(50)
Environment	Ware Household Waste Site	(500)	No	Reprogramming of the full budget of (£500k) is requested. This is as a result of the delay in determination of the planning application which, although it has now been approved under officers delegated authority, has been referred to the Secretary of State as departure from green belt policy.	5,500	(500)	-
Fire	F&R ICT Equipment	(322)	No	(£322k) reprogramming to 2018/19 is requested for contracts that have been delayed, but are due to be signed off in April. (£96k) is for an order for single place, (£68k) for Mobile Data Terminals and (£57k) for Mobile phones and various other IT equipment, ordered, but not yet received.	1,403	(322)	-
Fire	F&R Vehicle Replacement	(417)	No	(£417k) is requested to be reprogrammed for fire appliance bodywork which remains to go out to tender which is now scheduled for April, plus the refurbishment of the control unit body and technical upgrade, based at Hertford HQ.	5,957	(417)	-
ACS	Dial-a-Ride Replacement Programme	8	No	The vehicles delivered were part of the 2016/17 programme. Once the tenders were sourced, the costs came in £8k more than expected. £8k is requested to be reprogrammed from 2018/19 budget to cover the overspend.	387	8	-
ACS	Day Services Modernisation	(68)	Yes	(£68k) is requested to be reprogrammed into 18/19 to assist with the refurbishment of two day service buildings. Work has commenced to scope and procure the works, with works anticipated to start early 2018/19	290	(68)	-
ACS	Commissioning for Independence (formerly Supported Living)	(1,301)	£521k HCC funding, £780k capital grant	Reprogramming of (£1,301k) is requested following implementation of a revised Supported Accommodation Strategy and governance process which will allow a longer term strategic view on the use of capital investment rather than the previous more reactive use of capital funds which has delayed spend on this budget. This is in addition to the (£700k) reprogrammed in Q2.	5,900	(1,301)	-
ACS	ACS Vehicle Replacement	(33)	No	(£33k) is requested to be reprogrammed to 2018/19 for the replacement of two leased vehicles which will cease in 2018/19.	0	(33)	-

Directorate and Service Area	Name of Scheme	Total reprogramming	Externally Funded	Commentary	Future Year Budget £'000	18-19 Reprogramming £'000	19-20 Reprogramming £'000
ACS	Disabled Facilities Grant	(919)	Yes	Reprogramming of (£919k) is requested arising from the phased handover of cases from partner authorities to the shared Home Improvement Agency (HHIA) starting in October, ongoing development of contractor framework and staggered recruitment of the HHIA team. Funding will be carried forward to fund grant allocations made in 2017/18 where works haven't yet commenced.	24,804	(919)	-
ACS	Care Reprovision – Older People (Phase 1-3)	(982)	No	A review of the existing capital programme has been undertaken. The outcome of which is that consideration is to be given to alternative models of delivery as set out in the Cabinet report of September 2017. Re-programming of capital spend to future years has been made in view of this decision.	18,070	(982)	-
ACS	Herts Equipment Services Vehicle Replacement	(15)	No	(£15k) is requested to be reprogrammed to 2018/19, as the final vehicle will not be delivered until late April.	948	(15)	-
Resources	Inspiring Libraries (Budget Holding)	(577)	No	(£578k) of inspiring libraries budget is forecast to be reprogrammed to 2019/20. This includes refurbishment projects that are subject to delays and the consequential impact on Creatorspace; plus spend for the Open+ roll-out once the pilot is evaluated.	2,150	0	(577)
Resources	Co-location of Libraries	(263)	Yes	Due to delays in public consultations and planning consent there have been delays in the progression of these projects. We are now expecting tenders back in May 18 for Redbourn and Wheathampstead and anticipating construction for these to commence late 2018.	1,562	(263)	-
Resources	Broadband Delivery (Contract 2)	(275)	£52k HCC funding, £223k capital grant	(£275k) is requested to be reprogrammed to 2018-19. This figure has been reduced by £700k since Feb 2017. This is due to BT Openreach reaching milestones earlier than previously anticipated.	10,571	(275)	-
Resources	PC Purchasing	152	No	Reprogramming of £152k from 2018/19 is required due to stock being received earlier than anticipated.	3,978	152	-
Resources	County Hall H&S Car Parks	53	No	Phase 1 of the works are now complete. Reprogramming of £53k from 2018/19 is required to cover an overspend relating to the greater deterioration of the car park. A new capital bid for Phase 2 has been submitted to cover the remaining spend and work is planned for summer 2018/19.	250	53	-
Resources	Access Control/Car Park Improvements	(112)	No	Car park works are now being presented within master planning for County Hall. £112k is requested to be reprogrammed to 2018/19.	390	(112)	-
Resources	Countywide Touchdown	(70)	No	It is requested that (£70k) be reprogrammed for works relating to the Drill Hall, Cheshunt, due to delays in planning permission.	0	(70)	-
Resources	25 by 20	(113)	No	(£113k) is requested to be reprogrammed to 2018/19 due to pending decisions on Resources and Mundells Office relocation.	500	(113)	-
Resources	Acquisition of assets in Stevenage	(5,882)	No	(£5,882k) is requested to be reprogrammed as discussions are currently being held with the vendor regarding final terms for the acquisition.	0	(5,882)	-

<u>Directorate and Service Area</u>	Name of Scheme	Total reprogramming	Externally Funded	Commentary	Future Year Budget £'000	18-19 Reprogramming £'000	19-20 Reprogramming £'000
Resources	Acquisition of assets in Hertford	12	No	£12k reprogramming is required, this mainly relates to the deposit and fees associated with the acquisition of the final property that is expected in 2018/19.	800	12	-
Resources	Rural Estates Annual Programme (Main)	(41)	No	It is requested to reprogramme (£41k) to 2018/19 for roofing works at two farms. This is due to delays in listed building consent and bat surveys.	394	(41)	-
TOTAL		(36,676)			528,402	(36,049)	(627)

Appendix C – Approved Virements & Technical Adjustment

Summary Revenue Budget Monitor as at 31 March 2018				
SERVICE	Original Budget £'000	Approved Virements & Tech Adj £'000	Latest Approved Budget £'000	Explanation of Approved Virements & Technical Adjustments
Adult Care Services	322,842	18	322,860	<ul style="list-style-type: none"> o Apprentice Levy Charge (-269k) MAY o 0-25 Service Realignment (-1,122k) MAY o Carry forward from 16/17 (+472k) JUNE o Funding from Contingency re Pension Strain Costs (+2k) AUGUST o Funding from Contingency re redundancies (+16k) SEPTEMBER o Transfer from Invest to Transform Fund (+30k) OCTOBER o Funding from Contingency re Pension Strain Costs (+14k) NOVEMBER o Funding from Contingency re redundancies (+60k) FEBRUARY o Funding from Contingency re redundancies (+74k) MARCH o Transfer from Invest to Transform Fund (+591k) MARCH o Other small amounts (totalling +114k) MARCH
Public Health	48,867	566	49,433	<ul style="list-style-type: none"> o Apprentice Levy Charge (-12k) MAY o Carry forward from 16/17 (+578k) JUNE
Children's Services	166,233	3,158	169,391	<ul style="list-style-type: none"> o Apprentice Levy Charge (-319k) MAY o 0-25 Service Realignment (+1,122k) MAY o Schools Notification System (+11k) MAY o Customer Services Charge (-49k) MAY o Transfer from SEND reform (+489k) JUNE o Carry forward from 16/17 (+559k) JUNE o Carry forward from 16/17 adj (-142k) JULY o Funding from Contingency re redundancies (+7k) AUGUST o Funding from Contingency re redundancies (+5k) SEPTEMBER o Funding from Contingency re redundancies (+20k) OCTOBER o Funding from Contingency re redundancies (+2k) FEBRUARY o Funding from Contingency re redundancies (+138k) MARCH o Transfer from Invest to Transform Fund (+358k) MARCH o Transfer from Nobel Lifecycle Fund PFI (+9k) MARCH o Transfer from Reserve Fund (+350k) MARCH o Transfer from Innovation Fund (+541k) MARCH o Other small amounts (totalling +57k) MARCH
Environment	106,525	(4,114)	102,411	<ul style="list-style-type: none"> o Apprentice Levy Charge (-56k) MAY o Carry forward from 16/17 (+209k) JUNE o Revenue Contribution to Capital re Highways Locality (-605k) OCTOBER o Transfer from Planning Delivery Reserve (+19k) JANUARY o Transfer to Waste Week 53 Reserve (-192k) MARCH o Transfer to RCCO (-1,018k) MARCH o Transfer to Reserve for C/F (-1,926k) MARCH o Commuted Maintenance transfer to Reserves (-492k) MARCH o Other small amounts (totalling -53k) MARCH
Community Protection	35,195	427	35,622	<ul style="list-style-type: none"> o Apprentice Levy Charge (-122k) MAY o Schools Notification System (-11k) MAY o Carry forward from 16/17 (+20k) JUNE o Transfer from Proceeds of Crime Act reserve (+16k) AUGUST o Transfer to Proceeds of Crime Act reserve (-3k) NOVEMBER o Transfer from Reserve re part funding of Finance Post (+10k) FEBRUARY o Transfer to POCA Reserve (-42k) MARCH

Summary Revenue Budget Monitor as at 31 March 2018				
SERVICE	Original Budget £'000	Approved Virements & Tech Adj £'000	Latest Approved Budget £'000	Explanation of Approved Virements & Technical Adjustments
				<ul style="list-style-type: none"> o Drawdown from Reserve (+864k) MARCH o Carry Forward re Emergency Services network (-286k) MARCH o Other small amounts (totalling -19k) MARCH
Resources	72,565	(3,561)	69,003	<ul style="list-style-type: none"> o Apprentice Levy Charge (-155k) MAY o Customer Services Charge (+49k) MAY o Contribution from HCL (-500k) MAY o Carry forward from 16/17 (+83k) JUNE o Funding from Contingency re redundancies (+6k) AUGUST o Transfer from Contingency re consultancy costs (+20k) AUGUST o Funding from Contingency re redundancies (+16k) SEPTEMBER o Transfer to Capital for Planned Maint for Leahoe (-100k) SEPTEMBER o Transfer to Resources for Property Consultancy Fees (-108k) SEPTEMBER o Revenue Contribution to Capital re Hazard Management (-197k) OCTOBER o Funding from Invest to Transform re Arts Collection Bid (+21k) NOVEMBER o Funding from Contingency re Pension Strain costs (+86k) NOVEMBER o Revenue Contribution to Capital re Hazard Management (-35k) DECEMBER o Transfer to Contingency for redundancies and PSC no longer required (-70k) DECEMBER o Revenue Contribution to Capital re Hazard Management (-63k) JANUARY o Funding from Contingency re redundancies (+69k) FEBRUARY o Transfer from Contingency for Pension Strain Costs (+3k) FEBRUARY o Transfer to Insurance Reserve (-4,819k) MARCH o Transfer from Elections Reserve (+1,016) MARCH o Transfer from Invest to Transform Fund (+898k) MARCH o Transfer from MMI Reserve (+320k) MARCH o Other small amounts (totalling -18k) MARCH
Central Capital Financing and Interest on Balances	25,892	(11,158)	14,734	<ul style="list-style-type: none"> o Transfer to Capital Finance Reserve (-2,287k) JULY o Transfer to Education School Reserve (-1,290k) JULY o Grant Carryforwards 2017/18 (-5,164k) MARCH o Transfer to Insurance Reserve (-4,819k) MARCH o Transfers from various Reserves (+2,023k) MARCH o Other small amounts (totalling +379k) MARCH
(Additional) / less Grant Income	-	-	-	
Contingency/Special Provision	8,415	(5,062)	3,354	<ul style="list-style-type: none"> o Contribution from HCL (+500k) MAY o Transfer to Invest to Transform RE Street Lighting (-1,196k) AUGUST o Transfer to ACS re Pension Strain Costs (-2k) AUGUST o Transfer to Resources re redundancies (-6k) AUGUST o Transfer to Children's Services re redundancies (-7k) AUGUST o Transfer to Resources re consultancy costs (-20k) AUGUST o Transfer to Children Services re redundancies (-5k) SEPTEMBER o Transfer to Resources re redundancies (-16k) SEPTEMBER o Transfer to ACS re redundancies (-16k) SEPTEMBER o Transfer to Children's Services re redundancies (-20k) OCTOBER o RCCO transfer re sinkhole (-100k) OCTOBER o Transfer to Resources re Pension Strain Costs (-86k) NOVEMBER o Transfer to ACS re Pension Strain Costs (-14k) NOVEMBER o Correction journal for previous transfers to Resources for redundancies and PSC (+70k) DECEMBER

Summary Revenue Budget Monitor as at 31 March 2018				
SERVICE	Original Budget £'000	Approved Virements & Tech Adj £'000	Latest Approved Budget £'000	Explanation of Approved Virements & Technical Adjustments
				<ul style="list-style-type: none"> o Transfer to Community Protection re part funding of Finance post (-10k) FEBRUARY o Transfer to Resources re redundancies (-69k) FEBRUARY o Transfer to Resources for Pension Strain Costs (-3k) FEBRUARY o Other PSC costs in February (-58k) FEBRUARY o Other redundancy costs in February (-76k) FEBRUARY o Transfer to ACS re redundancies (-60k) FEBRUARY o Transfer to CS re redundancies (-2k) FEBRUARY o Transfer to ACS re redundancies (-74k) MARCH o Transfer to ACS re ongoing project (-1,338k) MARCH o Transfer to CS re redundancies (-138k) MARCH o Other movements from Contingency (-1,666k) MARCH o Other redundancy costs in March (-25k) MARCH o Redundancy costs 2017/18 Accruals (-345k) MARCH o PSC costs 2017/18 Accruals (-210k) FEBRUARY
Precepts/Levies	2,112	-	2,112	
Apprentice Levy	-	933	933	o Apprentice Levy Charge from services (+933k) MAY
NET REVENUE BUDGET	788,647	(18,794)	769,853	
Funded from Balances	-	17,071	17,071	<ul style="list-style-type: none"> o Carry forward from 16/17 (-2,268k) JUNE o Transfer from Central Capital Financing & Interest (+2,287k) JULY o Transfer from Central Capital Financing & Interest (+1,290k) JULY o Transfer from Contingency RE Street Lighting (+1,196k) AUGUST o Transfer to Community Protection from POCA reserve (-16k) AUGUST o Transfer to ACS from ITT Fund (-30k) OCTOBER o Transfer to Resources from ITT Fund (-21k) NOVEMBER o Transfer from Community Protection for POCA Reserve (+3k) NOVEMBER o Transfer to Environment from Planning Delivery Reserve (-19k) JANUARY o Transfer to ACS from ITT Fund (-591k) MARCH o Transfer to CS from ITT Fund (-358k) MARCH o Transfer to CS from Nobel Lifecycle Fund PFI (-9k) MARCH o Transfer to CS from BSF MALS Reserve Fund (-350k) MARCH o Transfer to CS from Innovation Fund (+541k) MARCH o Transfer to Waste Week 53 Reserve (+192k) MARCH o Transfer to POCA Reserve (+42k) MARCH o Transfer to CP from reserve (-864k) MARCH o Transfer to Resources from MMI reserve (-320k) MARCH o Transfer for carry forwards (+12,424k) MARCH o Transfer to Resources from ITT Fund (-898k) MARCH o Transfer to Insurance reserve (+4,819k) MARCH o Other small amounts (totalling +39k) MARCH
Contribution to Capital	-	2,868	2,868	<ul style="list-style-type: none"> o Transfer from Resources for Planned Maint for Leahoe (+100k) SEPTEMBER o Transfer from Resources for Property Consultancy Fees (+108k) SEPTEMBER o Revenue Contribution to Capital re Highways Locality (+605k) OCTOBER o Revenue Contribution to Capital re Hazard Management (+197k) OCTOBER o Transfer from Contingency re sinkhole (+100k) OCTOBER o Revenue Contribution to Capital re Hazard Management (+35k) DECEMBER o Revenue Contribution to Capital re Hazard Management (+63k) JANUARY o Other Revenue Contributions to Capital (+1,160k) MARCH

Summary Revenue Budget Monitor as at 31 March 2018				
SERVICE	Original Budget £'000	Approved Virements & Tech Adj £'000	Latest Approved Budget £'000	Explanation of Approved Virements & Technical Adjustments
COUNTY FUND TOTAL	788,647	1,145	789,792	
CS Schools funded by direct government grant	918,729	(297,755)	620,975	
Schools Grant & Other Funding	(918,729)	297,755	(620,975)	

Appendix D – Invest to Transform

Invest to Transform Fund £000s	Spend to 31/03/17	2017/18	2018/19 onwards
B/F Funding	34,303	17,805	20,882
Underspends transferred to Fund as at 31/03/17		3,265	
Contribution from HSBP Sale		894	
Contribution 2018/19 IP			5,232
Schemes completed by 31/03/17	(706)		
	33,597	21,964	26,114

Live Schemes (approved before 2017/18)	Spend to 31/03/17	2017/18	2018/19 onwards	Month Approved	Expected Outcome (from Business Case) and achievement against these	2017/18 Outturn spend £000s	Project Progress	Savings in IP
Telecare	(1,773)	(69)	(165)	Dec 13	ITT funding is to provide the ongoing support costs for the provision of preventative telecare to a cohort of 1,000 people with current low to moderate needs, to reduce demand for more complex support. In year spend covers the installation, monitoring and responder service costs for the cohort of 1,000 users. Equipment was paid for up front and the service has 1000 sets of kit that they recycle. Current plans are to continue until 2020. The service is now setting a new Assistive Technology strategy to identify and deliver further efficiencies.	69	This investment has funded the provision of preventative telecare to a cohort of 1,000 people with current low to moderate needs at the time of assessment. While it is difficult to isolate the benefits of this technology from other interventions and the impact of other changes, telecare is supporting the delivery of savings planned to reach £800k by 2018/19. A review of the experience of other local authorities indicates that efficiencies / savings can be realised through the application of assistive technology. There is scope to consider more systematic and targeted investment in 'niche' areas where benefits appear to be significant: for example in relation to high cost packages in Supported Living settings. There is also scope to increase the general numbers of service users assisted by Telecare: other large authorities are operating larger schemes than in Hertfordshire. Also, work to understand the most beneficial package type could be of value to avoid 'over-prescribing'. The council is setting a new strategy on Assistive technology which will bring in all these aspects. A programme manager has been appointed for this work and plans for the service post 2020 are under development.	£400k in 17/18; £800k in 18/19 onwards
Broadband (Funding ring-fenced)			(1,500)	Oct 14	This investment will release match funding against grant from Department of Culture, Media & Sport. 97%+ superfast coverage domestic & business properties.	-	This funding will still be required and is forecast to be spent in 2018/19. British Telecom are still having issues delivering the fibre infrastructure. The original budget forecast for 2017/18 has been reduced by just under £4m. British Telecom have a residual plan to submit to us detailing the project milestones in December.	
Broxbourne Land Acquisition		(211)	(289)	Nov 13	To fund Local Plan Review and planning permission application	211	Planning application proceeding with all necessary due surveys being undertaken. Project also includes development of Greater Brookfield Retail Park.	
Web-site upgrade (including £120k Intranet)	(774)	(9)	217	Oct 14	To enhance online transactions & self-service. Savings from reduced calls volume to Customer Services Centre	9	Creation of Hertfordshire.gov.uk to replace Herts Direct, providing a next generation website that will enable more self-service by customers, reducing queries to the Customer Service Centre; releasing efficiencies in technology costs; and providing more opportunities to develop new and improved digital services, releasing further efficiency savings across the whole Council. This includes reduced phone calls (£105k pa) and lower technology costs (£135k pa) – savings were taken	Savings taken in 16/17 IP 105k and 50k in 17/18 IP

Live Schemes (approved before 2017/18)	Spend to 31/03/17	2017/18	2018/19 onwards	Month Approved	Expected Outcome (from Business Case) and achievement against these	2017/18 Outturn spend £000s	Project Progress	Savings in IP
							in the 2016/17 IP; together with an improved the customer experience (94% reduction in pages, so easier to navigate to desired content). The final spend on this project has taken place in 2017/18 and is providing further improvement for users.	
Library Strategy review	(503)	(109)	(5,028)	Jul-14	<p>Bid supports delivery of 'Inspiring Libraries' strategy, through</p> <p>1. Property investment: Eleven library buildings were identified as priorities for reprovion in the 'Delivering Inspiring Libraries' Cabinet Paper due to their configuration, condition or location.</p> <p>This bid seeks to underwrite and support these projects, but acknowledges that wholesale replacement of single properties is most likely to be achieved through a 'sell to release' improvement plan that will be the subject of individual capital bids progressed when opportunities are presented. These should deliver their own individual investment plans as and when they arise, but funding may be required from this fund. Wherever applicable, S106 monies will be used.</p> <p>Other opportunities to improve library buildings in line with the Inspiring Libraries Strategy will be considered as they arise.</p> <p>A project to co-locate libraries with retained fire stations in Redbourn, Sawbridgeworth and Wheathampstead, supported by grant funding from the DCLG, is included. £186k funding is currently allocated from this budget but further support may be required from within this budget.</p> <p>2. Investment in technology that includes:</p> <ul style="list-style-type: none"> • Rolling out a LibraryLink service via a video link to enable customers in self-service or volunteer-supervised libraries to summon assistance from a librarian in another library. • Piloting and rolling out swipe card access to library buildings via a smart library card to extend self-service library access beyond core opening hours. • Extending the use of tablets for both staff and public use, including the Home Library Service, as part of the library IT offer to encourage customers to access information in digital formats. • CreatorSpace, which includes 3D printers. • Exploring cloud-based software access to ensure that the software on public access ICT remains robust and current, potentially replacing the need for a network of desktop PCs. • Interactive touch screens. • Developing Wi-Fi printing to enable customers to print documents from their own devices when using the library Wi-Fi. • Exploring video-chat facility for the public at various libraries. 	109	<p>The Inspiring Libraries programme was established to ensure that Hertfordshire's Library Service remains relevant and sustainable into the future, delivering against the strategy themes - the library as a vibrant community asset, the digital library and the library as an enhanced gateway to reading, information and wellbeing.</p> <p>In November 2017, Cabinet agreed priorities for the next phase of Inspiring Libraries from 2018-2021.</p> <p>The investment has supported the delivery of £2.5m savings in the annual revenue budget since 2015/16.</p> <p>Spend to date has supported new Libraries at Hemel Hempstead and Berkhamsted; refurbishments at Watford Central, Hitchin and St Albans; the planned co-location of libraries with fire stations at Rebourn, Sawbridgeworth and Wheathampstead; new "Creatorspace" facilities in Watford, Hemel Hempstead and St Albans; a pilot of Open + in Croxley Green, that allows swipe card access to the library outside core opening hours; and other technology developments, including LibraryLink - video link between libraries to support volunteer-partnered community libraries, self-service Wi Fi printing and the provision of tablet technology in libraries. ITT funding is also supporting project management to give capacity to deliver these changes and developments.</p> <p>Future planned spending includes the roll-out of Open+ swipe card access to further libraries; the further development and roll-out of LibraryLink; the extension of CreatorSpace; and the reprovion of Libraries at Stevenage, Ware, Potters Bar, Cheshunt and North Watford.</p>	£2.5m of savings already taken in IP
Adult Complex Needs Phase 2	(90)	(30)		Jan 15	Agencies in Hertfordshire pool resources and work more closely together to identify and deliver services to adults with complex needs and chaotic lifestyles, to achieve a more cost effective service, and deliver interventions, solutions or improvements which are more customer focussed and effective.	30	Key achievements include reduced anti-social behaviour; improved housing situation (reduced rent arrears & eviction threat); reduction in drug and alcohol usage and emergency callouts for Health & Police; improved life skills	-

Live Schemes (approved before 2017/18)	Spend to 31/03/17	2017/18	2018/19 onwards	Month Approved	Expected Outcome (from Business Case) and achievement against these	2017/18 Outturn spend £000s	Project Progress	Savings in IP
Accommodation for Independence programme	(513)			Oct 15	Project agreed November 2015 to fund over 4 years a team to facilitate changes and achieve savings through an 'Accommodation for Independence Programme'. The premise of the programme was to facilitate the large scale conversion of residential care homes for people with learning disabilities into supported living accommodation.		Government consultation in November 2016 proposed changes to the funding framework for supported housing as part of its implementation of Universal Credit, and introduced a level of uncertainty for housing providers which meant that there was less willingness from residential home providers to pursue conversion to supported living. The basis therefore of the original proposal was no longer achievable although a number of services (4) are de registering over the next year. Nonetheless, accommodation and the associated care / support delivered into specific settings for people with learning disabilities is a major area of council expenditure and a strategic approach is necessary to deliver effective solutions which offer good outcomes for individuals and provide value for the public purse. This project has been ended and a new bid for Learning Disabilities Transformation has been approved (see below).	(£500k) in 17/18, (£1,500k) in 18/19, (£3,000k) in 19/20. Now part of LD Transformation
Families First	(20)	(615)	(65)	Nov 16	Set up 9 local Families First hubs which offer quicker access & co-ordinated approach. Multi agency panels to reduce duplication & fragmentation. Early help to reduce referrals into Children's Services, reduce escalation into Specialist Services. Reduce contacts with Customer Services Centre. Action & Impact meetings to reduce referrals & have alternative solutions	615	<p>The nine Families First implementation hubs have partnership agreements outlining strategic commitment from a growing range of partners and setting out local information sharing arrangements. All have action plans which are making good progress in driving forward the key principles of Families First and 5 districts are planning local launches.</p> <p>The funding is used to fund the central Families First Triage Team , who manage all the referrals for early help and the triage panels include the administration of the panels and action and impact meetings. The demand has been increasing over the last year with upward of a 1,000 referrals per month. We have recently implemented a Consultation Hub with Safeguarding and Specialist services to manage demand and ensure that support to families is timely and proportionate. Step Up/Step down processes are also managed through the Families First Triage Team.</p> <p>Families Triage Panels are very well attended by multi- agency partners and 1,500 families have consented to their information shared at the panel and a keyworker identified to lead the team around the family in the last year. The completed Families First Assessments (FFA's) from the last year have included 3,340 children, which equates to 1.28% of all under-18s in the county. The presenting needs most commonly recorded in FFAs are mental health (69%), school absence (56%), other health issues (51%) and Domestic Abuse (51%). In 46% of cases, all outcomes are achieved when FFAs are closed, 17% result in some outcomes being achieved and 11% are stepped up to Specialist & Safeguarding Services.</p> <p>The funding is still used to support the whole system approach to deliver early help and changes have been made to the training which now includes system based training and how to complete assessments, smart planning and to manage a team around the family approach. Over 2,000 professionals have been trained and we are now able to take the training environment out to train groups of practitioners in their location.</p> <p>The Children's Wellbeing practitioners are fully trained to deliver early</p>	0

<u>Live Schemes (approved before 2017/18)</u>	<u>Spend to 31/03/17</u>	<u>2017/18</u>	<u>2018/19 onwards</u>	<u>Month Approved</u>	<u>Expected Outcome (from Business Case) and achievement against these</u>	<u>2017/18 Outturn spend £000s</u>	<u>Project Progress</u>	<u>Savings in IP</u>
							<p>intervention for emotional and mental health and we have recruited a further 3 who are currently training with UCL and Tavistock. We also have 3 Senior Children and Young People's Wellbeing practitioners who are a trusted referral pathway to CAMH's. They are also piloting a group work programme in a cluster of Schools in St Albans which will build capacity and be able to deliver to a wider group of children and parents. We now have 10 Independent domestic abuse practitioners in partnership with Safer places who are available across Families First to be a point of contact to give advice and consultation for professional across Families First.</p> <p>Finally, we are piloting in Watford, a piece of joint work between YC Hertfordshire and The Children and Young People's Team to ensure that children are diverted from the entering the criminal justice system and from all forms of exploitation including gangs.</p>	
<u>Live Schemes (approved to start 2017/18)</u>								
E- commerce project		(209)	(16)	Apr 16	Replacement of e-income collection & Merchant card provider into one system. Telephone & Web based payments. Savings from reduced reconciliation / payment / refund times; reduced call handling time; reduced processing costs; reduced cheque payments, enhanced reporting functionality.	209	Agreed Phase 1 services all migrated and are now being fully supported. All 3rd party integration completed (Orange Leaf, Nova Croft, Mode Zero and Lagan). Slight issue with Lagan which is being resolved as part of BAU. Cloudby switched-off. HOTS document being finalised. All agreed Chip & PIN Machines now deployed. Procurement of new Merchant Card provider delayed due to opportunities to get better deal with current provider (Worldpay). Initial discussion around next steps has started including review of phase 1 services and long term plans for e-commerce solution.	£72k in IP
Development of e-allowances		(27)	(74)	2016/17	New package from Oxford Computer Company to automate c 800 payment reviews per year for adoption orders, special guardianship orders and child arrangement orders. Reduce time & manual input, claimant completes form online & automated payment follows. Savings from decommissioning Softbox	28	Provider portal went live 25th April 2018 for a pilot group. Review imminent with wider roll-out to all stakeholders planned for Summer 2018. Scoping for phase 2 to start soon depending on other factors. Provider Portal being tied to secure email to providers. Softbox licence to be discontinued at the end of this year and all data to be extracted by end of November 2018. Softbox not to be used to make allowances payment this year.	
Local Authority Trading Company for Adult Care Services		(51)	(93)	Apr 17	Production of business model and options-appraisal; preferred vehicle identified and costed; savings evaluated and verified; Options in relation to governance produced; Route to market and options for in-house services identified with timescales for implementation.	51	A report was approved at Cabinet on 18 December 2017 that gave authority to establish a Local Authority Trading Company for the delivery of adult care services should there be a requirement to intervene in the local care market. Initial feasibility work was completed in 2017 looking at modelled assumptions for a care at home service should there be a need to take on work in two areas of the county to deliver care at home services. The feasibility work for this was completed in the year. Work is now being undertaken to progress further feasibility work around "provider of last resort" options as well as options-appraisals in relation to day and equipment services. Any necessary due diligence and other work associated with the appraisals will be taken forward as part of any outline business cases.	

<u>Live Schemes (approved before 2017/18)</u>	Spend to 31/03/17	2017/18	2018/19 onwards	Month Approved	Expected Outcome (from Business Case) and achievement against these	2017/18 Outturn spend £000s	Project Progress	Savings in IP
A414 Strategy studies			(150)	Feb 17	DfT compliant Outline Business Cases establishing the preferred options for Hertford Bypass and potentially A414 Junction Upgrade Package; Financial / Funding Strategy for the delivery of interventions along the A414 corridor	-	The A414 Strategy is well advanced and will be put to Cabinet for adoption in Q4 18/19, following an autumn (Q3) Public Consultation. The Strategy will set out a preferred route corridor for a Hertford Bypass and identify a series of interventions and improvements along the length of the A414 corridor to reduce congestion and support economic growth and development. The Strategy will provide a basis for the develop of a forward works programme, support funding bids and the development of business cases for priority schemes as well as enabling informed discussions with developers.	None Cashable (see ITT bid)
Adult Care Services - Business Process Efficiency		(47)	(9)	Feb-17	To scope a business process efficiency review for ACS that will aim to review and improve business processes and identify efficiency improvements. The appropriate structures for business support will also be considered.	48	Phase 1 Adult Disability Service Finance dashboard and financial forecasting has been completed. ContrOCC was upgraded to v11.1 and Provider Portal developments are in testing with providers. This will improve financial management information on the ledger, ability to forecast and accuracy and efficiency of provider payments. Review of ADS business processes is being finalised to determine the approach that will be taken in 2018/19. CPLI workshops have taken place with stakeholders across ACS to improve data integrity to support decision making and recommendations will be reported shortly. Development is starting to improve financial dashboard information to manage budgets better. In the new year, the technological approach to citizen engagement within ACS will be reviewed with suppliers to develop the online offering to service users and families, improve information flow and reduce transaction costs.	
Adult Care Services - Mental Health Accommodation- Project Manager		(42)		Feb 17	Achievement of capital receipts; introduction of recovery and move on model; measured by reduction in care spend; measured via benchmarking towards the comparator average & targets for number of people assisted to recover and move on	42	Work has been ongoing on the review of MH properties since mid-2016 initially with a dedicated member of staff from the ACS Accommodation Commissioning Team progressing matters. Since that member of staff left in October 2017 the matter has been progressed by other staff in the Accommodation Commissioning Team with support for staff in HCC Property and HPFT. Of the MH properties in the scope of this review progress to date is that: two void properties have been removed from Aldwyck's Mental Health Lease and have been re-used for LD clients. In addition a further five bedroom house managed by Aldwyck and occupied by a single individual is now vacant as the occupier has moved into a smaller house previously allocated for LD clients. The property is being assessed to see if it is suitable for ongoing MH service use. A smaller void property is being assessed to see if it is suitable for conversion into two single flats and a further is being used as temporary accommodation for homeless applicants with an underlying MH diagnosis nominated by the District Council. Discussions are underway to determine next steps in respect of properties where the clients in occupation are not known to HPFT. This involves discussion with District Councils to explore routes for these individuals to access mainstream housing.	
Adult Care Services - Continuing Health Care assessments (Learning Disabilities & Physical Disabilities)		(58)		Feb 17	Amount of Continuing Health Care funding achieved; Number of successful cases; Number of successful challenges to Continuing Healthcare Care reductions proposed by Clinical Commissioning Groups; Benchmarking data showing movement of Herts CCGs towards national average positions	58	A number of successful cases were agreed during 2017/18 with further negotiations expected in 2018/19.	(£1m) in 17/18

<u>Live Schemes (approved before 2017/18)</u>	Spend to 31/03/17	2017/18	2018/19 onwards	Month Approved	Expected Outcome (from Business Case) and achievement against these	2017/18 Outturn spend £000s	Project Progress	Savings in IP
Adult Care Services - Transport Co-ordinator (Learning Disabilities)		(48)	(2)	Feb 17	Review high cost and long standing transport arrangements; identify the most effective use of transport; establish and implement authorisation process for transport requests within CLDT to ensure cost effective transportation and compliance with policy; develop strong relationships with partners and stakeholders to enable a continuous review of transport arrangements; train staff on the Implement Assisted Transport Policy and oversee compliance with the policy in practice.	47	Transport Co-ordinator appointed and work has commenced, initially reviewing transport for day services, including route planning and review of taxi and contract services	
Adult Care Services - Occupational Therapists (3 posts)		(75)	(53)	Feb 17	All 8 community enablement OTs will be in post from the 4th December, although x1 En OT is currently supporting the DTA beds in Watford until the appointed En OT is able to start. Referral criteria and process agreed and circulated. Specialist Care at Home facilitators can directly refer. Referral rates from Specialist Care at Home (SCAH) providers and care managers within ACS have increased. En OTs, in addition to working with those receiving SCAH, are working with individuals receiving mainstream care where it is evident enablement may avoid or reduce the need for home care. Regular meetings (minimum monthly, generally weekly) with SCAH facilitators are in place and relationships with the facilitators are close and productive. Formats to record and share enabling programmes in place – not yet embedded with care workers. Links being made with Health colleagues, particularly Rapid Response, Home First and Intermediate Care Team. Referrals since the 1st September: 178	75	The Enablement Occupational Therapist undertakes assessments and goal setting with individuals and designs personalised programmes that enable the individual to relearn skills and regain abilities that maximise their independence, health and well-being. Assessments may include reviews of moving and handling and solutions may include the provision of specialist equipment and minor adaptations to support the identified goals. In this way the health and well-being of individuals will improve and the need for commissioned services, in particular home care, will be reduced or avoided. The Enablement OTs will also design interventions and routines that will increase the strength and mobility of individuals, thereby reducing the risk of falls, minimising incremental loss of independent function which can lead to further requests for care, and reducing the risk of hospital admission. Working closely with SCAH providers the En OTs will increase the skill set of both facilitators and care workers	
Ariston Site, St Albans		(125)		Feb 17	Ground studies for sinkholes in St Albans to assess the need for any remedial work before proceeding to planning permission & capital receipt (£13m) or more if goes through PropCo	125	Final tender bids received for joint venture partner, added value demonstrated in financial offer by way of land value and a share of developer's profit. This will also create an enhanced capital receipt	
Property Company		(125)		Feb 17	Funding for tax, legal advice & ongoing consultancy. To set up a Joint Venture to accelerate the development process and generate better receipts	125	Preferred bidder dialogue process for Joint Venture was under way during January / February and the preferred bidder is Morgan Sindall Investments.. A further Cabinet paper was submitted setting out the detail of the joint venture terms and was agreed in March allowing Herts Living and Morgan Sindell Investments to create Chalkdene Limited	
Baldock Urban extension master planning.		(150)		May 17	The promotion and development of an urban extension, including an archaeological survey. There are a range of delivery models for the development of this site, but a residual land value of circa £100m over ten years appears to be achievable.	150	Planning application was submitted December and until the local plan review has been agreed the planning application will not be decided upon. Assuming the planning permission is granted, land value will shift from agricultural use to residential, which creates a significant uplift in value subject to infrastructure investment. Depending on how HCC wishes to sell the land, capital receipts will be generated over the short medium and long term.	
Promoting HCC land to emerging local plans.		(17)	(133)	May 17	Feasibility work to understand the level of opportunities available. HCC will also be competing with other land owners in the area who are also promoting their land. Given the land values in all of the above locations and the scale of the holdings, there is the potential for significant land value capture.	17	LSH commissioned to assist with Local plans submissions. Subject to land being considered for change of use this could lead to significant land value increase, similar to Baldock urban extension. Note: there are significant sensitivities in HCC promoting land	
Hertfordshire Partnership Foundation Trust Saving challenge		(54)	(21)	May 17	Audit suggests that 60% of existing Personal Budgets with a value of less than £3k do not meet eligibility criteria. Based on 524 such budgets with a current cost of £519,248 savings are estimated at £311,545.	54	Recruitment concluded by HPFT but work continuing into 18/19.	Part of (£1,040k) saving in 17/18

<u>Live Schemes (approved before 2017/18)</u>	<u>Spend to 31/03/17</u>	<u>2017/18</u>	<u>2018/19 onwards</u>	<u>Month Approved</u>	<u>Expected Outcome (from Business Case) and achievement against these</u>	<u>2017/18 Outturn spend £000s</u>	<u>Project Progress</u>	<u>Savings in IP</u>
Introduction of Job Families			(30)	May 17	Pilot in Resources. Creation of a number of job families with a catalogue of role profiles that sit within each family at different levels linked to grade/s; Generic role profiles within each job family, replacing job descriptions & Job Evaluation Questionnaires, creating simpler job design; Common and identified Career Paths across and up the organisational structure; Encourage and allow movement and flexibility within roles and across services / department; Give a common understanding and language to certain role responsibilities i.e. Administrative, Management, Head of Service.	-	HR have utilised these funds to explore options for a Job Family model, having sought consultant advice.	
Smart Digital - Customer Facing Services		(39)	(111)	Jun 17	Develop 1 - 2 projects per department, e.g. whitelist of apps providing info & advice to users & carers to reduce SW contact; roster for part time & shift workers in Supported Living & Day Services; Safe & Well checks - assist decision as to which residents to target; Video conferencing tool.	39	Started Sept 17 - first projects include: <ul style="list-style-type: none"> Implementing a booking system for events and appointments Supporting the implementation of an e-shop system for Hertfordshire Archives and Local Studies Market research on the use of voice assistants (e.g. Amazon Echo) to provide information to residents Collating whitelist of HCC recommended apps for social care and public health service users Supporting research and workshops looking at apps for adult social care and waste collection service users. Business analyst appointed, and Digital Product Manager started Dec 17. These roles support a range of digital projects, including e-payments and an internal / external event booking system	
Learning Disability Transformation		(147)	(995)	Jun 17	Improve data, intelligence, planning & commissioning, procurement exercise for supported living, better choice & control to promote independent living; support required for people being accommodated & their families, reduce accommodation costs of future demand	147	Work started August 2017 and the key focus over the first quarter was on staff recruitment. Staff are now in post and there has also been the establishment of key project activities, including: <ul style="list-style-type: none"> Driving forward the Adult Disability Service Efficiency Programme, putting in place the overall arrangements for efficiency in this area; Comparison with other council approaches; Financial Forecasting and Future Planning; Access to Mainstream Accommodation/ Enablement; Moving home from LD specialist into mainstream residential care; Supported Living transformation 	
Events Management			(80)		To provide a standard system for booking events, appointments and resources, to streamline current systems into a single HCC solution enabling better use of increasingly limited resources, realise efficiencies & promote future commercial benefits whilst improving the overall customer journey & engagement when booking events, training & appointments or buying products from HCC			
Hertfordshire Art Collection		(21)	(33)	Mar-17	To reduce portfolio to 167 works, Project manager required to manage the collection - by conservation & display of significant works and sales of others.	21	Project Manager appointed in September 2017	
ACS Implementation Capacity			(4,898)	Feb-18	To be reported Q1 2018/19		To be reported Q1 2018/19	
Payback								
LED Street Lighting Phase I & II	(12,119)	1,196	10,923	Oct 14	LED wireless central management system for A,B,C & U roads. Save energy, maintenance & carbon	1,196	Project completed, savings achieved plus ongoing payback to ITT fund	
Cumulative Total	17,805	20,882	23,075					

Appendix E – Prudential Indicators

APPENDIX F: PRUDENTIAL INDICATORS 2017/18 – 31st March 2018

1. Capital financing Indicators

	Indicator	Description	Integrated Plan Ref.	2017/18 IP	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
	<p>Indicators 1 to 3 demonstrate the affordability and sustainability of the capital programme. The projections for financial years 2017/18 to 2018/19 are set out in the Integrated Plan at the reference shown in the table below.</p>							
1	Capital Expenditure		2.4 Table 1	£219.29m	£192.40m	£174.70m	£164.74m	£147.23m
		Monitors capital expenditure for 2017/18 against the projections set out in the Integrated Plan						
2	Capital Financing Requirement (CFR)		2.10 Table 3	£580.44m	£577.80m	£564.81m	£564.44m	£548.52m
		Monitors the Council's underlying need to borrow for capital purposes for 2017/18 against the projections set out in the Integrated Plan						

	Indicator	Description	Integrated Plan Ref.	2017/18 IP	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
3	Ratio of financing costs to net revenue stream							
		Monitors the percentage of revenue budget set aside to service capital financing costs (borrowing costs net of lending income) for 2017/18 against projections set out in the Integrated Plan.	2.11 Table 4	1.47%	1.37%	1.35%	1.32%	1.31%

	Treasury Position:							
	The Treasury Management Prudential Indicators are set to contain lending and borrowing activities within approved limits. The indicators are set at a level that will provide enough flexibility for effective treasury management whilst managing the risk of a negative impact on the Council's overall financial position in the event of adverse movements in interest rates or borrowing decisions. The indicators are also used to demonstrate that Net Borrowing does not exceed the Capital Financing Requirement. The projections for future years are set out in the Integrated Plan.							
4A	Net Borrowing		NA	NA	£151.08m	£137.89m	£126.43m	£117.29m
		Monitors actual borrowing less actual lending						
4B	Net Borrowing Less than CFR		NA	NA	✓	✓	✓	✓
		Comparison of net borrowing to CFR						

	Indicator	Description	Integrated Plan Ref.	2017/18 IP	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
	Borrowing: Indicators 5 and 6 control the overall level of borrowing. The limits for 2017/18 to 2019/20 are set out in the Integrated Plan. The Authorised Limit is the maximum amount that may beyond which borrowing is prohibited without Member Approval. The Operational Boundary is an estimate for the external debt for the financing year – this is not a limit but an indicator to ensure the authorised limit is not breached.							
	Total Borrowing in Place at Quarter End		Borrowing in £ at Q End		£288.8m	£258.8m	£258.8m	£258.8m
	Maximum Borrowing Exposure in Quarter		Quarter Maximum in £		£298.8m	£288.8m	£258.8m	£258.8m
5	Authorised Limit	6.5 Table 11	Limit		£495m	£495m	£495m	£495m
	Compliance Indicator		Complied?		✓	✓	✓	✓
6	Operational Boundary		Indicator		£465m	£465m	£465m	£465m
	Compliance indicator		Complied?		✓	✓	✓	✓

2. Treasury Management Indicators

	Indicator	Description	Integrated Plan Ref.	2017/18 Budget	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
	<p>Interest Rate Exposure:</p> <p>Indicators 7 and 8 limit the Council's exposure to both fixed and variable interest rate movements.</p> <p>The limits for 2017/18 to 2017/18 are set out in the Integrated Plan.</p>							
7	Upper limit on fixed interest rates (<i>against maximum position</i>)	Monitors the limits set for 2017/18 for the volume and value of the (lending) /borrowing portfolios that may be committed for fixed interest rate investments or borrowing	6.7	£325.00m	£258.78m	£258.78m	£258.78m	£258.78m
			Table 12	(LIMIT)				
8	Upper limits on variable interest rates (<i>against maximum position</i>)	Monitors the net limits set for 2017/18 for the volume and value of the (lending) /borrowing portfolios that may be committed for variable interest rate investments or borrowing	6.7	£97.50m	(£107.70m)	(£120.89m)	(£132.34m)	(£141.49m)
			Table 12	(LIMIT)				
	<p>Maturity structure of fixed rate borrowing (against maximum position):</p> <p>Indicator 9 limits the Council's exposure to large fixed rate sums falling due for refinancing in the same period.</p>							

	Indicator	Description	Integrated Plan Ref.	2017/18 Budget	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
	The indicators are set relatively high to give the council enough flexibility to respond to opportunities to repay or reschedule debt during the financial year, while remaining within the parameters set by the indicators.							
9A	Under 12 months		6.8 Table 13	50%	0.00%	0.00%	0.00%	0.00%
9B	12 months to 2 years		6.8 Table 13	50%	0.00%	0.10%	0.10%	0.10%
9C	2 years to 5 years		6.8 Table 13	60%	1.22%	2.09%	2.09%	2.09%
9D	5 years to 10 years		6.8 Table 13	80%	3.28%	5.60%	5.60%	5.60%
9E	10 years to 20 years		6.8 Table 13	85%	7.92%	7.10%	7.10%	7.10%
9F	20 years to 30 years		6.8 Table 13	90%	12.34%	9.88%	9.88%	9.88%

	Indicator	Description	Integrated Plan Ref.	2017/18 Budget	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
9G	30 years and above		6.8 Table 13	100%	75.24%	75.24%	75.24%	75.24%
<p>Investments greater than 364 days (against maximum limit):</p> <p>Indicator 10 measures the Council's exposure to investing for periods greater than one year.</p> <p>This indicator is required to ensure that the Council is aware of the cashflow implications for long term investments.</p> <p>This includes the carrying value of the two impaired Icelandic bank deposits still in administration (£0.63m).</p>								
10	Investments greater than 364 days (Maximum Limit)*		6.9 Table 14	£50m	£30.63m	£30.63m	£30.61m	£30.61m

*Includes Pooled Fund investments, which can be withdrawn in less than one year but the intention is to hold for the long-term to minimise the risk of capital value volatility, as agreed at Full Council on the 25th November 2014.

3. Treasury Management Performance and Activity Measures

Indicator	Description	Integrated Plan Ref.	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
<p>The CIPFA Treasury Management Code of Practice requires the Council to set performance indicators to assess the treasury function. Group A measures performance for “Security, Liquidity and Yield” and Group B measures the performance of “Operational Activities”</p>						
<p>GROUP A: Security, Liquidity and Yield</p>						
Average Investment Portfolio		7.3				
Monitors the average amount HCC has had invested in third parties.		Table 16	£133.47m	£129.02m	£152.38m	£164.97m
Average borrowing portfolio		6.3				
Monitors the average amount HCC has as long term borrowing during the quarter		Table 10	£258.78m	£258.78m	£258.78m	£258.78m
Security Indicator: Average Credit Rating of Investments held						
Measured on a 1 to 10 scale, where 1 is a very good Credit Rating, i.e., government guaranteed		Section 6.10	4.46	4.72	4.44	3.96
Liquidity Indicator: Weighted Average Maturity of investments held		Section 6.10	23 days	14 days	9 days	14 days

Indicator	Description	Integrated Plan Ref.	2017/18 Q1	2017/18 Q2	2017/18 Q3	2017/18 Q4
	Measures the liquidity/accessibility of investments in average days					
Yield Indicator: Interest Earned*		7.3	1.35%	1.45%	1.22%	1.07%
	Monitors the interest earned on HCC investments. Shown as the actual amount (in quarter) and equivalent annual percentage of amount invested	Table 16	£0.451m	£0.467m	£0.464m	£0.448m
Yield Indicator: Interest Paid		7.2	4.35%	4.74%	4.79%	4.79%
	Monitors the interest earned on HCC investments. Shown as the actual amount (in quarter) and equivalent annual percentage of amount invested	Table 15	£3.13m	£3.10m	£3.12m	£3.06m

*includes Pooled Fund investments, see Yield section below for further information for rate excluding Pooled Funds

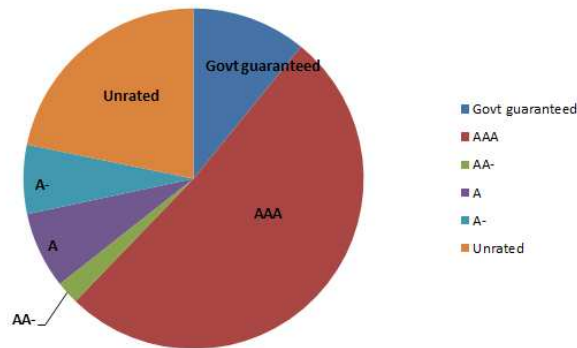
Security, Liquidity and Yield

Security - Exposure to Risk

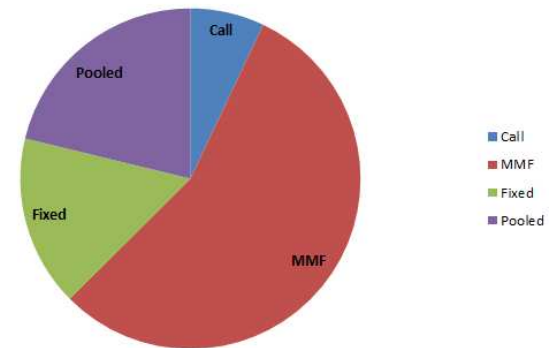
The Treasury Management Strategy was approved on 21st February 2017 as Part D of the Integrated Plan. This maintained the range of investment types approved for use in 2016/17. The approved instruments were last changed in 2014/15 to enable greater diversification of the investment portfolio; these changes introduced greater flexibility in use of investment instruments whilst continuing to maintain security and liquidity of investments.

The following diagrams illustrate the credit rating breakdown of all investment instruments by credit rating grade and investment type for the Council's investment portfolio as at 31st March

**Diagram 1: Investment Portfolio Credit Risk
As at 31st March 2018**



**Diagram 2: Investment Portfolio by Type
As at 31st March 2018**



Investment Portfolio and Activity

The greater proportion of the investment portfolio is held in highly liquid money market funds and call accounts. This reflects the need to ensure adequate liquidity in the management of cash balances to meet daily cashflow requirements.

Investments in pooled funds consist of the CCLA Property Fund, two bond funds, two multi-asset funds and one equity fund.

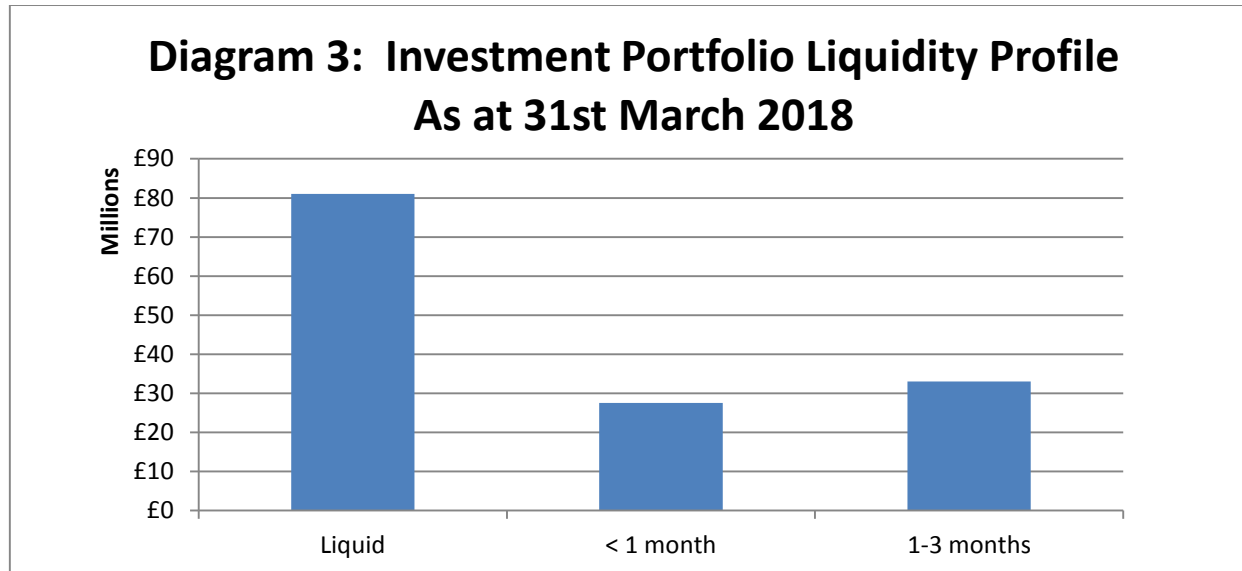
12 new fixed deposits were made, and 11 matured, during the period. 5 were with the Debt Management Office and the remainder with Local Authorities.

Liquidity

Investment balances forecast to reduce during the second half of 2017/18 in fact increased and as a result of uncertainty about cashflows for capital expenditure a larger proportion of the portfolio was held in short term investments – with the “Debt Management Office – Account Deposit Facility” during periods of high cash balances. As certainty about cash balances improved some new fixed-term loans to other local authorities were made towards the end of the quarter, reducing overall liquidity.

Diagram 3 (overleaf) provides a graph showing the liquidity of the Council’s investments portfolio as at 31st December 2017.

The potential capital volatility of the pooled fund investments means that they are intended to be held for 3-5 years, but in the graph below these investments are shown on the basis of their accessibility. These funds are all classified as “liquid”, except the Property Fund which accessible on 30 days’ notice.

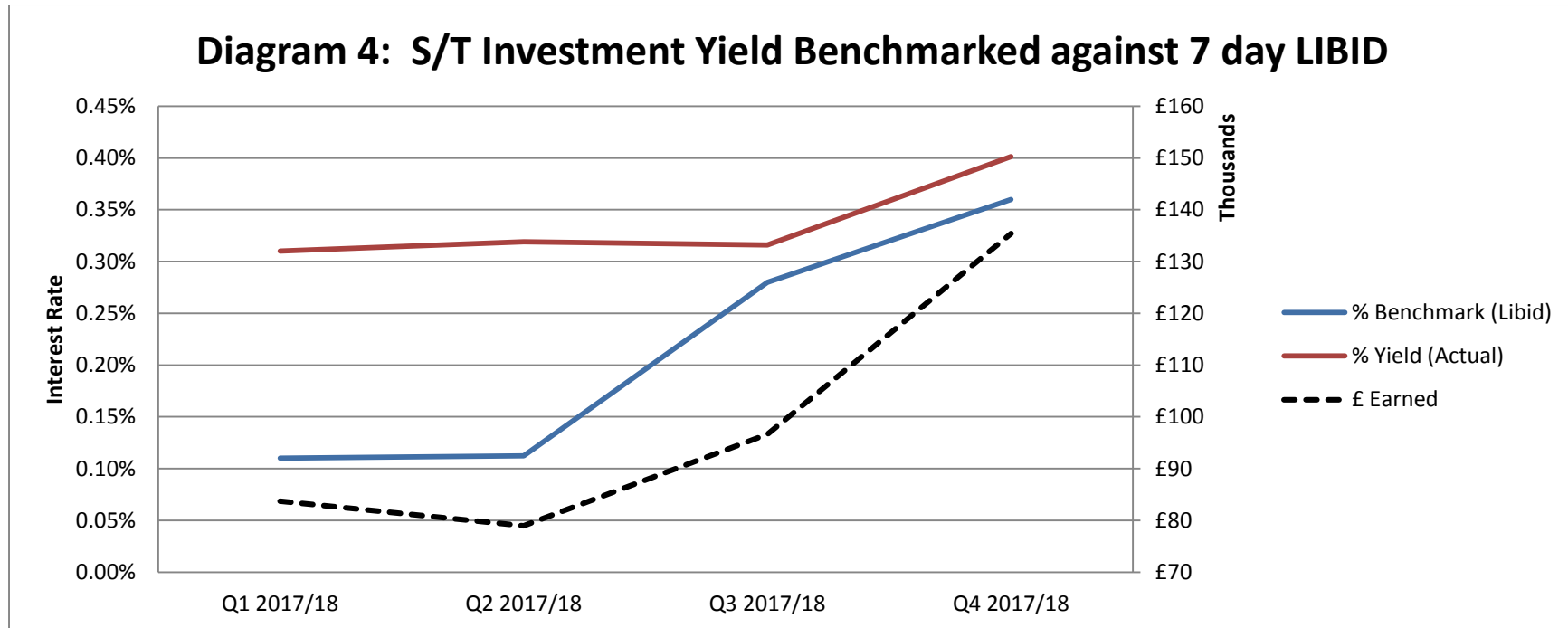


Yield

Yield: Short-Term Investments

The benchmark used for assessing the performance of return on short-term lending is the 7-Day London Interbank Bid Rate (LIBID). Diagram 4 shows yield against the benchmark for the last four quarters (solid lines, right-hand axis) and the actual cash earned (dashed line, right-hand axis).

LIBID remained constant at 0.11% during the first half of the year, remaining stable despite significant uncertainty in financial markets, and increased to 0.28% in the third quarter following the Bank of England Base Rate rise. The return excluding pooled fund interest was stable at 0.36%. Overall rate of return fell during the third quarter due to a combination of higher balances held for shorter durations at low rates.



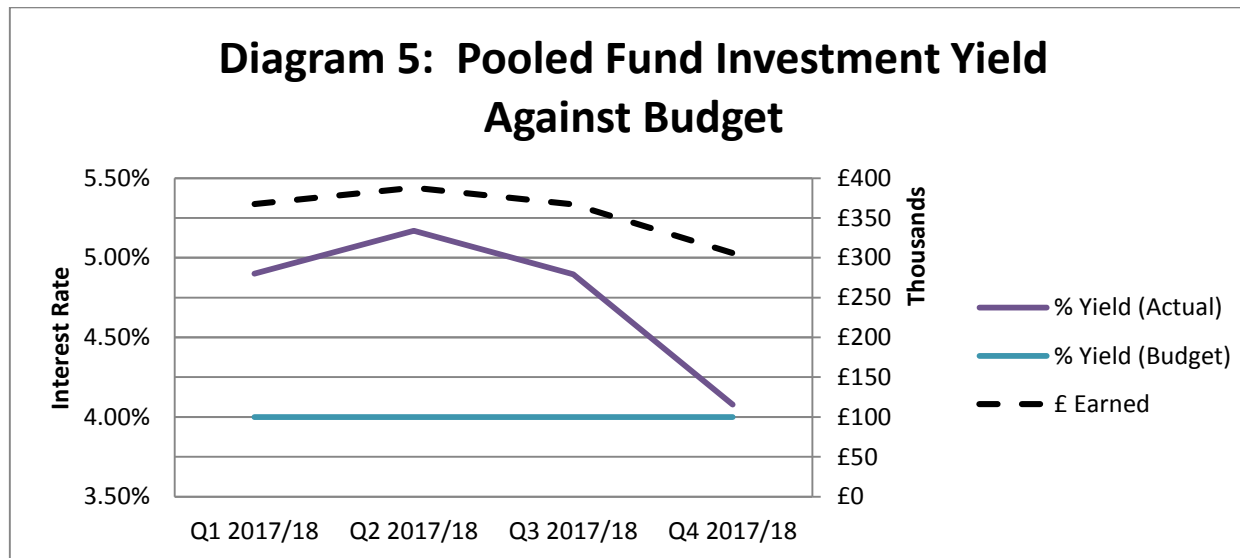
Yield: Pooled Funds

The performance of the Council’s strategic investments is benchmarked against the target yield level of 4.00%, which forms the basis of the income budget. Diagram 5 shows yield against budget for the last four quarters (sold lines, left-hand axis) and the actual cash earned (dashed line, right-hand axis).

The Pooled funds have consistently achieved returns exceeding expectations, and the average % yield during 2017/18 is equivalent to 4.67% per annum.

Pooled fund returns have reduced in the final quarter of 2017/18. All funds have suffered some capital losses due to a market correction in the fourth quarter where market expectations about inflation and interest rates increased, prompting a fall in bond and equity prices as investors sought improved returns.

The impact of this is a reduction will have prompted the bond fund managers to reduce the average maturity of the assets in the fund, resulting in reduced coupon income for the fund and may have cause losses on to be realised on bond trading. Both of these factors will reduce the income available for disbursement to investors in the fund. The impact of the market correction is expected to be a one-off effect.



Appendix F - Debt Management Report

A summary of the debt performance for the final quarter of 2017/18 is provided below.

The following table summarises the debt recovery status of invoices at end of the previous quarter and shows the in-quarter change in total outstanding.

As at 31/03/2017	As at 31/12/17	As at 31/03/18		Debt Recovery Status	Description	Quarterly Change £ m	Annual Change £m
£ m	£ m	£ m	% of Total				
10.9	28.5	12.4	39.9	Within Payment Terms	Invoices that have not reached the due date for payment	-16.1	1.5
7.4	7.7	4.7	15.1	Reminders issued	Invoices where reminders have been issued	-3	-2.7
3.7	3.2	2.3	7.4	Action Taken	Invoices where active debt recovery is in progress	-0.9	-1.4
4.4	12.4	11.7	37.6	Action Required	Invoices awaiting budget manager/holder decision	-0.7	7.3
26.4	51.8	31.1	100			-20.7	4.7

Total debt at 31 March 2018 was £31.1m – this is a decrease of £20.7m from the previous quarter.

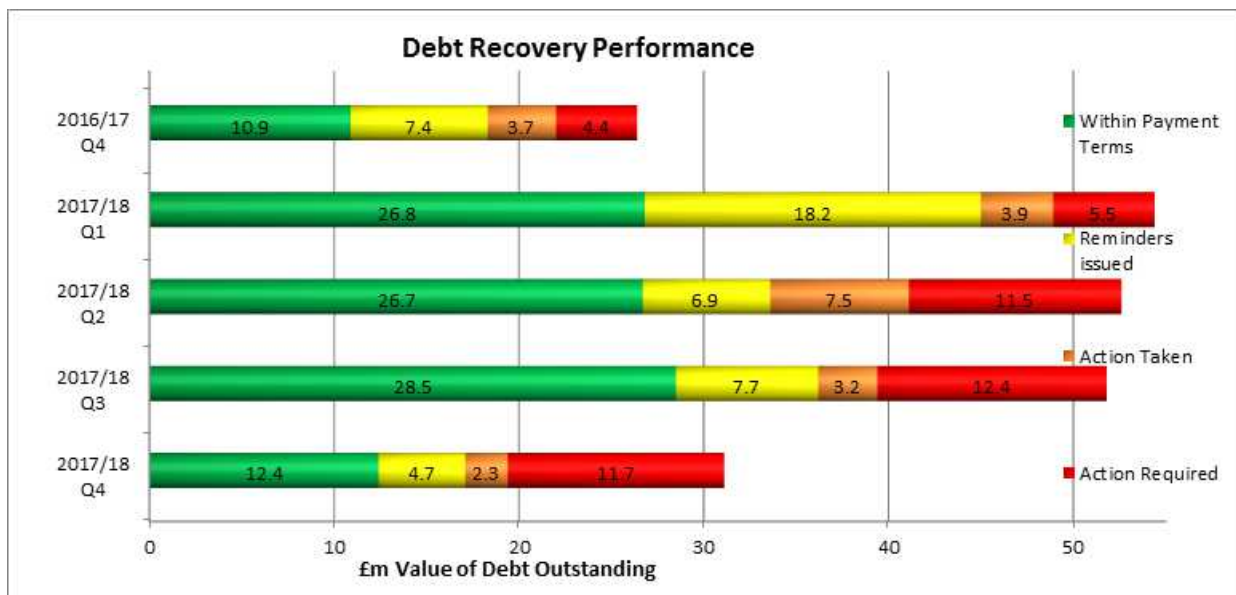
There were decreases in invoices within payment terms (£16.1m) and overdue invoices where reminders have been issued (£3.0m) and decrease in invoices where action was required or underway (£1.6m).

The significant reduction in invoices within payment terms reflects expected seasonal variation, where invoices related to the new financial year are raised in April. This is set out in the chart below (“debt recovery performance”) which shows that the position for the final quarter of 2017/18 is comparable to that for the final quarter of the previous year, showing a marked reduction in overall debt outstanding compared with previous periods. (In some cases ‘debt’ at year end is reflected in accrued charges rather than invoices being raised, due to the pattern of invoicing. Accrued charges properly reflect the financial position, but are not included in an analysis of ‘debt’. As in the previous year, overall fewer invoices were raised in the final quarter than in previous quarters due to the pattern of invoicing, leading to a reduction in the overall value of outstanding debt.)

For the final quarter of 2017/18, of the (£16.1m) overall movement, (£13.9m) can be attributed to regular CCG invoices which are not raised in March. There are also reductions due to timing of charges for Adult Social Care (£1.3m), which are raised over 13 periods and charges were accrued at year-end prior to invoicing.

These timing variations are also reflected in the reduction in the value of invoices where reminders have been issued by comparison with quarter 3 (to £4.7m, down from £7.7m – see chart below), along with a reduction in invoices paid following the reminder stage (to £2.3m, down from £3.2m). This represents an overall reduction in unpaid debt.

The following chart provides a trend analysis of debt recovery performance for the past 5 quarters. This illustrates the amount of debt raised at the end of the past five quarters and reflects the decrease in total debt of outlined above.



This chart also indicates a significant increase - £7.3m - in overall debt requiring action over during the past 12 months.

This overdue balance is made up of the following items:

- ACS Residential Client Contribution
Requiring action total £4.84m and overdue items increased by £1.1m
- ACS Non-Residential Client Contributions
Requiring action total £1.65m, overdue items increased £0.45m
- Invoices to Health Bodies
Requiring action total £1.65m, an increase of £1.05m
- HertsFullstop Invoices
Requiring action total £3.3m, an increase of £0.82m
- Managed Property Debt
Requiring action total £1.68m an increase of £1m

The total residential client contribution debt reflects that from 2017/18 all of these contributions are being invoiced by HCC when previously most of these invoices were raised directly by care homes.

The level of non-residential contribution invoices is similar to the level 1 year earlier.

Invoices to health bodies have increased by £1.63m from the previous year.

The increase in Managed Property Debt is attributable to a 1-off invoice for £1.3m in backdated rental charges, which is the subject of ongoing negotiation.

HERTFORDSHIRE COUNTY COUNCIL**RESOURCES AND PERFORMANCE CABINET PANEL
WEDNESDAY, 6 JUNE 2018 AT 10:00AM****IMPLICATIONS OF THE UNITED KINGDOM'S WITHDRAWAL FROM THE
EUROPEAN UNION – AN UPDATE***Report of the Director of Resources*

Author: - Alison Brown, Senior Policy Officer, Corporate Policy Team
(Tel: 01992 555642)

Executive Member:- Ralph Sangster (Resources and Performance)

1. Purpose of report

- 1.1 To update the Panel on the possible implications of the United Kingdom's (UK's) withdrawal from the European Union (EU), for Hertfordshire and Hertfordshire County Council.

2. Summary

- 2.1 The Resources and Performance Cabinet Panel received a first paper on the potential implications of the EU Referendum on 31 October 2016. This report provides an update to that paper.
- 2.2 While the terms of the UK's departure and indeed its future relationship with the remaining twenty-seven member states of the EU continue to be subject to detailed negotiations, it is clear that preparations for 'Brexit' and its implications are likely to continue dominate the legislative and political agenda for many years to come with many of its implications yet to become clear.
- 2.3 This report highlights some known impacts on Hertfordshire and Hertfordshire County Council around issues such as the economy, EU funding, workforce and finances.

3. Recommendation

- 3.1 The Panel is invited to comment on the contents of this report and note the actions being taken by the County Council to mitigate the key risks identified.

4. Background

- 4.1 On 23 June 2016 the UK voted to leave the EU.

- 4.2 On 29 March 2017 the Prime Minister Theresa May invoked Article 50 of the Lisbon Treaty, formally notifying the European Council of the UK's intention to leave the EU. Formal negotiations then began for the UK's withdrawal settlement. The Department for Exiting the European Union is responsible for overseeing negotiations to leave the EU and establishing the future relationship between the UK and the EU.
- 4.3 One of the key "divorce" issues that the UK Government and the EU have identified is what happens to EU citizens living in the United Kingdom (and vice versa). Provisional agreement has been reached that EU Citizens will be able to apply to stay indefinitely by getting "settled status". This is particularly relevant for the Hertfordshire homecare workforce as highlighted in Section 8.2 of this report below.
- 4.4 On 30 March 2017 the Great Repeal Bill (now known as the European Union Withdrawal Bill) was published. This Bill is currently subject to Parliamentary scrutiny in both the House of Commons and House of Lords and is likely to have many amendments before receiving Royal Assent (expected to be before the Parliamentary summer recess 2018).
- 4.5 The European Union Withdrawal Bill aims to do three main things:
- Repeal the European Union Communities Act 1972.** This legislation provides legal authority for EU law to have effect as national law in the UK. This will no longer be the case after Brexit.
- Bring all EU laws into the UK law.** This means that laws and regulations made over the past 40 years while the UK was a member of the EU will continue to apply after Brexit. The Bill will also enable Parliament to amend and cancel any unwanted legislation and end the jurisdiction of the European Court of Justice in the UK.
- Give ministers power to make secondary legislation.** As there will not be time for Parliament to scrutinise every change, the Bill proposes to give Ministers some powers to make these changes by secondary legislation.
- 4.6 Article 50 gives both sides two years to negotiate and reach agreement so, unless the United Kingdom and the twenty-seven remaining EU member states agree to extend the deadline for talks, the United Kingdom will leave the EU on 29 March 2019.
- 4.7 It has been provisionally agreed that there will be a time limited transition phase immediately after the United Kingdom officially leaves the EU on 29 March 2019. This is to allow businesses time to prepare for the new arrangements, to avoid disruption around the free movement of people, goods and money and to prepare international security measures.

- 4.8 The transition phase is likely to end on 31 December 2020.
- 4.9 Given the huge amount of Parliamentary activity likely to be needed to be devoted by Brexit over the next five to ten years, it is felt that the government may have limited capacity to progress other agendas during this time.
- 4.10 Local government currently has a formal advisory role in the EU law and policy-making process through its membership of the European Union Committee of the Regions. In response to a proposed amendment to the European Union (Withdrawal) Bill seeking to maintain consultative rights for local government following the withdrawal from the European Union, the Government has indicated it is seeking a non-statutory mechanism to replicate these rights and responsibilities.

5. The Local Government response to Brexit

- 5.1 **The Local Government Association (LGA)** has established a post-Brexit England commission with the aim to evaluate the role of local government in England in the period following the transition phase. The Commission aims to identify what powers (local government) would need to help contribute to a thriving and prosperous country outside the EU and, in particular, what further devolution may be possible beyond city regions.
- 5.2 Hertfordshire County Councillor, Chris White, Member for St Albans Central, sits on this Commission.
- 5.3 The commission aims to publish its findings in Spring 2019 at around the same time Britain's membership of the European Union will end.
- 5.4 The LGA hopes that by recognising place as a crucial component of sustainable growth, local industrial strategies will provide a fresh opportunity for the Government, business leaders, universities and local councils to forge new relationships with each other, for the benefit of local residents, following Brexit.
- 5.5 **The National Association of Local Councils (NALC)** has announced a re-think of the role of England's 10,000 community councils to inform their strategic direction post Brexit. This "stock-take" will be discussed at their annual Conference in Autumn 2018.
- 5.6 In November 2017 **the County Councils Network (CCN)** launched the findings of a new research project, undertaken by Localis, on local labour markets and skills devolution. From a Hertfordshire perspective, the research suggests the key threat to the county's economy is said to be the automation of manual jobs rather than the effect of Brexit. However, that is not to say that some specific sectors within the county will not be affected by labour shortages especially in hard to fill parts of the public sector workforce as highlighted in Section 8 below.

6. The Hertfordshire economy

- 6.1 In January 2018 the England's Economic Heartland alliance prepared a Brexit analysis of EU nationals in the workforce, the value of imports from and exports to the EU in its member areas.
- 6.2 This analysis, which can be found at **Appendix A**, shows that as of 2015 Hertfordshire's economy was the largest exporter of goods of the councils shown (£6,679m) and was the second largest recipient of imports (£6,884m). Roughly half of these exports (49.8%) and almost two thirds of its imports (62.7%) were with the EU. Key export sectors to the EU included the medicinal and pharmaceutical products, power generating machinery and other transport (air/rail/space/military etc).
- 6.3 This analysis also showed that at the time of the 2011 Census 5.74% of the Hertfordshire workforce were EU nationals (4th smallest out of 11 council areas), although it is noted that inward migration from the EU had risen significantly between 2011 and 2016 so current numbers are likely to be larger. Industries in which where EU nationals were most represented were wholesale and retail and accommodation and food services.
- 6.4 The Department of International Trade (DIT) annual performance data for the Hertfordshire economy will be available in June 2018 and this will need to be examined closely to see what impact the ongoing negotiations with the EU have on investment and export levels.
- 6.5 The Hertfordshire business view on Brexit does vary and is somewhat anecdotal. The Hertfordshire Local Enterprise Partnership (LEP) has discussed the issue of the impact of the decision to withdraw from the UK at their Business Forum. This forum represents a combined membership of around seven thousand businesses active in Hertfordshire. The key issue raised by the Forum concerned the impact on the labour market which it was felt would impact across all sectors and at all levels. As a result, it was felt that, Small and Medium Enterprises were increasingly reluctant to plan for growth in the current climate of uncertainty and that the already stretched labour market may shrink further as a result of limitations on free movement.
- 6.6 From a labour market perspective, [the Hertfordshire skills strategy](#) was re-freshed in 2017 and the LEP are currently in the process of updating their Hertfordshire skills and labour market review. When this was last conducted in 2016 this was showing that skills shortages in the county were reducing but there are now concerns around shortages in a number of areas including construction, service industries and healthcare professionals.

7. EU funding

- 7.1 Hertfordshire as a county has been allocated around £55.3m European Union Structural & Investment Funds (ESIF) for the period of 2014-2020. The actual amount depends on exchange rates. This consists of approximately:
- £27.72m European Union Regional Development Funds (ERDF);
 - £26.2m European Union Social Funds (ESF); and
 - £1.4m European Union Agricultural Farming and Rural Development (EAFRD).
- 7.2 This funding is managed by a mixture of central government department (The Ministry of Housing, Communities and Local Government (MHCLG), the Department for Work and Pensions (DWP) and the Department for Environment, Food and Rural Affairs (DEFRA)) with the Hertfordshire LEP's ESIF Sub-Committee providing specification and call details on behalf of the county.
- 7.3 Of the ERDF funds, 83.6% has been committed to date (£23.165m)
- 7.4 Of the ESF funds, 56% has been committed to date (£14.88m).
- 7.5 Of the EAFRD funds, 22% has been committed to date. (£305,600)
- 7.6 Hertfordshire County Council have been successful in winning £5.5m of funding from The Big Lottery and the European Social Fund, mentioned above, to run the Building Better Opportunities programme as part of a partnership with a number of voluntary and third sector partners included.
- 7.7 Having got through the first stage, the County Council has also submitted a second stage bid for £1.5m to the DWP to upskill the health and social care workforce. If successful, it requires match funding from the County Council.
- 7.8 The Hertfordshire LEP's local ESIF Sub-Committee chair has received written confirmation that following agreement reached between the UK Government and the European Union on the draft Withdrawal Agreement, the UK will continue to participate in all European Union programmes in the 2014-20 funding period, subject to overall agreement being reached between the UK and EU on the UK's exit from the European Union. This means that ESIF monies programmes will continue to invest in Hertfordshire until they close – i.e. ERDF, ESF and EAFRD programmes will continue to award funding to successful projects across England to the full value of programme allocations.
- 7.9 Plans for replacement funds post Brexit are being developed by government. For example, a proposed UK Shared Prosperity Fund, is under development to replace ERDF. Details are not yet known on the size of funding pot, the distribution formula, or what the funding can support, but it is expected that MHCLG will commence a stakeholder consultation sometime in the autumn of 2018 although this date is not yet confirmed.

8. Agriculture

- 8.1 On exiting the EU, Britain will no longer be part of the EU's Common Agricultural Policy (CAP) which has, for several decades, determined how British land is farmed, how food is grown, how animals are reared, and the state of the natural environment. The way land is managed and farming subsidies will change. The government have agreed that there will be an 'agricultural transition' period in England until the end of the current Parliament. This will give farmers time to prepare for new trading relationships and an environmental land management system. Although specifics are not yet known, this could affect the way land is managed in rural Hertfordshire.
- 8.2 The UK farming industry is heavily dependent on pickers from the EU — notably Eastern Europe — for seasonal work. As with other counties with rural and farming areas, this national shortage of seasonal agricultural workers could have an impact on Hertfordshire. The Department for Environment, Food and Rural Affairs (DEFRA) are considering new ways of securing an agricultural workforce given low unemployment rates and the seasonal nature of farm work makes it difficult to attract domestic pickers.

9. Community Cohesion

Led by the Hertfordshire's Police and Crime Commissioner's Office, any incidences of hate crime in the county are closely monitored, going forward to the UK's withdrawal date in 2019. A countywide hate crime strategy has been in place since October 2017.

10 Issues for HCC

10.1 *General Workforce*

The impact Brexit will have on workforce issues remains unclear. The Chartered Institute of Personnel and development (CIPD) have noted that the competition for well-qualified talent and unskilled labour is set to increase and predict further difficulty to recruit over the next 3 years. From a county council perspective, there are concerns about possible skills shortages in a range of service areas - including engineers, carers, nurses and planners. In recognition of this, Human Resources will be conducting an analysis of the County Council's workforce with a view to producing an overall workforce strategy to address key priority areas.

10.2 *Home Care Workforce*

- 10.2.1 It is estimated that approximately 16% of the care workforce in Hertfordshire is from the EU. There is significant evidence that the decision to leave the UK has impacted the county's homecare workforce – an area which is generally hard to recruit to in any case.

- 10.2.2 Human Resources are working with Adult Care Services (ACS) to conduct a review of workforce planning and responding to the NHS Facing the Facts, Shaping the Future – A draft health and care Workforce Strategy for England until 2027.
- 10.2.3 Adult Care Services are currently carrying out a detailed Pay and Conditions review across the whole care sector, which will include specific questions about EU workforce and recruitment – this will be complete by the end of July 2018.
- 10.2.4 The NHS in Hertfordshire are also working to identify wider health workforce issues for hospitals and other health care provider settings.
- 10.2.5 Information outlined at **Appendix B** provided by one of the Council's lead providers, Care by Us, last year shows there has been a decline in foreign new joiners after the withdrawal from the EU was announced whilst leavers in general remained fairly constant. There was a large spike in leavers in the three months after the referendum vote indicating that many people probably decided to leave after the vote but just needed to a few months to get their affairs in order so that they could return to their country of origin. Historically, Care By Us had always been in positive territory for net foreign recruitment. However, they went into negative net foreign recruitment in September 2016 and apart from a few minor isolated blips had remained as such to the end of the period shown– that is they were losing more foreign workers than they were gaining. It was also noted that the deterioration in the value of sterling negatively impacted on their ability to recruit abroad or to retain foreign workers.
- 10.2.6 In addition, **Appendix C** provides a snap shot of each of the lead providers (LPs) of homecare in Hertfordshire covering broadly the same time period as the information provided by Care by Us.

10.3 Procurement

- 10.3.1 Whilst there continues to be uncertainty around issues such as workforce mobility and material costs, there continues to be no clear indication of what the effect Brexit may have on procurement matters beyond the proposed transition period.
- 10.3.2 In terms of procurement law, the relevant existing European Union directives are already enshrined into UK law so there is not anticipated to be a huge change initially.
- 10.3.3 However, the current level of publicity around supplier failure following the demise of Carillion, the profit warnings from Capita and the general difficulties being endured by High Street businesses has led to an increased emphasis on monitoring activity by central government and the wider public sector. Whilst not necessarily connected to Brexit, the increased focus on preparedness may be of benefit as the County Council continues to move into an uncertain business landscape. As such, service areas are liaising closely with key suppliers to

ensure that the Council is aware of any challenges they may be experiencing that could affect future service delivery.

10.3.4 The LGA reports that very few public contracts are awarded to companies in other EU member states. Only 20 per cent of English councils receive EU expressions of interest from companies based in other EU countries. Across Europe, only 1.6 per cent of public contracts are awarded to companies in other member states.

10.4 Finance

10.4.1 *Interest rates*

A risk identified by some financial institutions is that if, for some reason, the UK does not reach an agreement with the EU by March 2019, this could prompt emergency measures by the Bank of England (BoE) – interest rate cuts and further quantitative easing (QE). It is understood that the BoE has been considering a possible raise or raises of interest rates in case of this outcome, so as to have tools to reduce rates in case this event occurs.

10.4.2 The Council's treasury position is reviewed on a weekly basis and officers will continue to model opportunities to optimise the Council's treasury position and mitigate risk.

10.4.3 *Pensions*

At the time of the writing of the previous report to Cabinet Panel on the implications of the withdrawal from the EU, it was noted that initial volatility in the markets had led to short term hits to the Council's Pension Fund. However, the Council's Pension Fund is a long-term investor and has a diverse range of assets and global market exposure to mitigate against the risk of volatility in asset returns. The funding level of the Fund is around 97% as at 31 December 2017 which is an improvement in the funding level since the last formal valuation of the Fund in 2016 of 91%.

10.4.4 The Pension Committee has decided to 'lock in' this improvement in the funding level by de-risking and reducing the County Council's exposure to growth assets classes such as equities where there is more risk, and invest in defensive asset classes such as real assets that provide inflation linked returns similar to the liabilities that the Fund has to pay out in the form of pensions. The Fund has reduced its equity exposure by 10% since January this year including the removal of an equity manager who had a particular UK based investment focus, this manager did suffer a downturn in returns after the outcome of the Brexit referendum.

10.4.5 ***Currency exchange rates***

Recent exchange rate volatility is felt to have been good for Hertfordshire's exports. However, conversely this also presents risks around the potential fluctuations for the cost of waste disposal, in particular recycling commodities. The weaker strength of the Pound compared to the Euro is also felt to be contributing to some of the workforce issues Hertfordshire is currently experiencing.

Background Information

<https://www.hertfordshirelep.com/what-we-do/priorities/skills-employment/skills-strategy/>

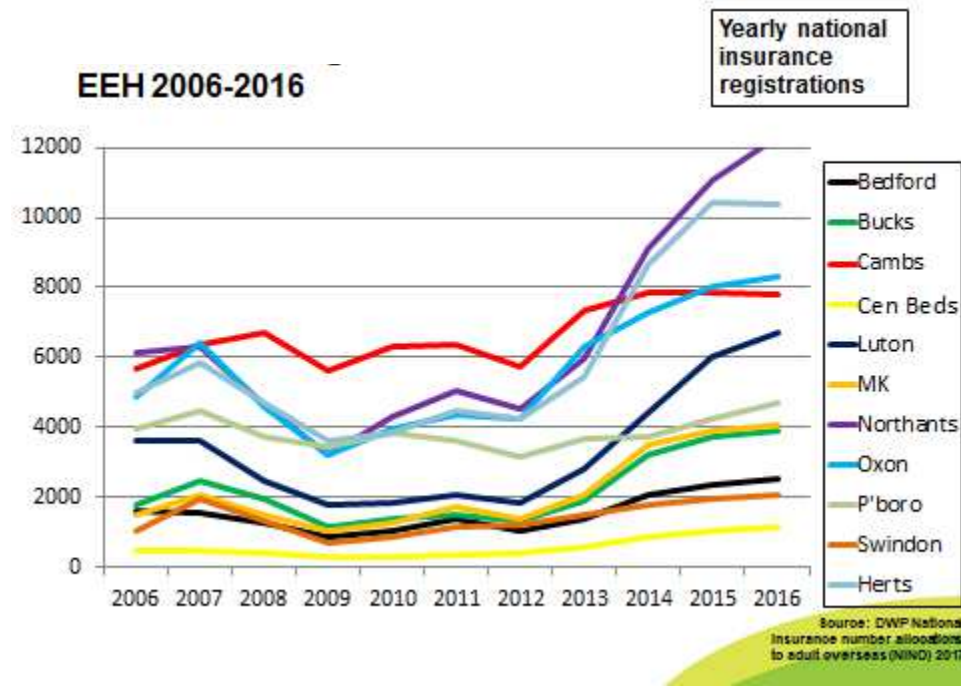
Appendix A - England's Economic Heartland EU Overview

Slide 1

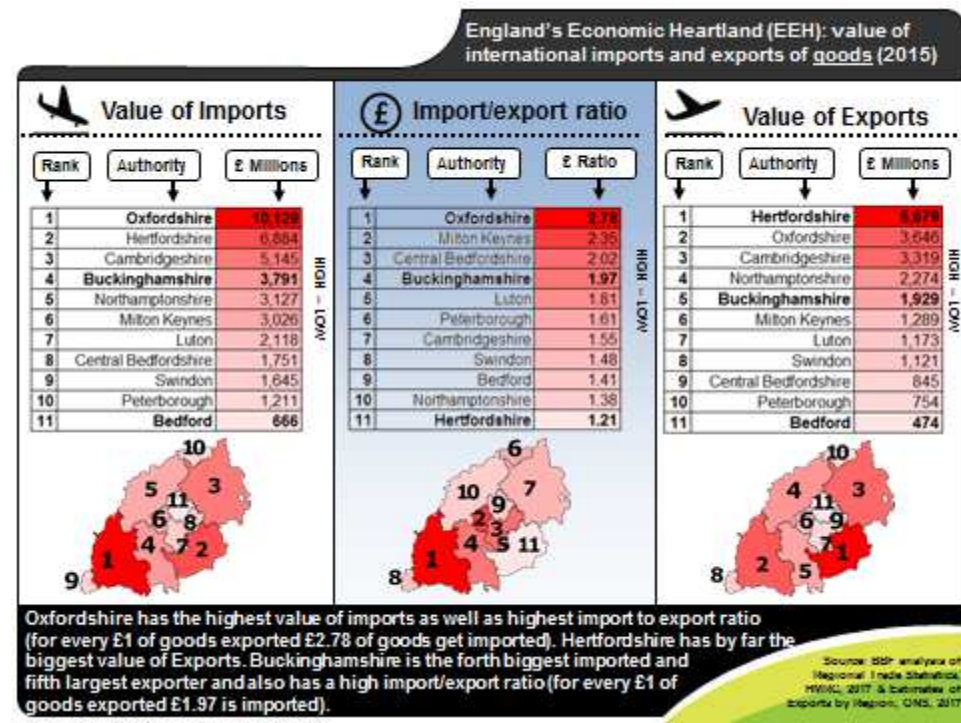
EEH Overview				2011 Census	
Local Authority	Total workforce	EU workforce	EU % of total workforce	Industry highest number EU workforce	Industry highest % EU workforce
Bedford	74,963	5,449	7.27%	Wholesale & Retail 1,035	Manufacturing 12.58%
Buckinghamshire	226,700	11,244	4.96%	Wholesale & Retail 1,662	Accommodation & Food Services 13.44%
Cambridgeshire	317,241	22,324	7.04%	Manufacturing 3,699	Administrative Services 14.37%
Central Bedfordshire	98,796	4,721	4.78%	Wholesale & Retail 1,042	Transport & Storage 8.93%
Hertfordshire	527,344	30,293	5.74%	Wholesale & Retail 6,046	Accommodation & Food Services 11.36%
Luton	90,364	8,521	9.43%	Wholesale & Retail 1,231	Construction 15.22%
Milton Keynes	144,506	9,358	6.48%	Wholesale & Retail 2,110	Accommodation & Food Services 11.95%
Northamptonshire	331,994	21,488	6.47%	Wholesale & Retail 4,528	Transport & Storage 15.52%
Oxfordshire	345,904	19,900	5.75%	Education 3,267	Accommodation & Food Services 14.69%
Peterborough	101,578	9,152	9.01%	Wholesale & Retail 1,790	Administrative Services 23.86%
Swindon	109,032	5,675	5.2%	Wholesale & Retail 1,037	Transport & Storage 10.4%
EEH Total	2,368,422	148,125	6.25%	Wholesale & Retail 24,976	Accommodation & Food Services 11.88%

Source: Census 2011, ONS, 2017

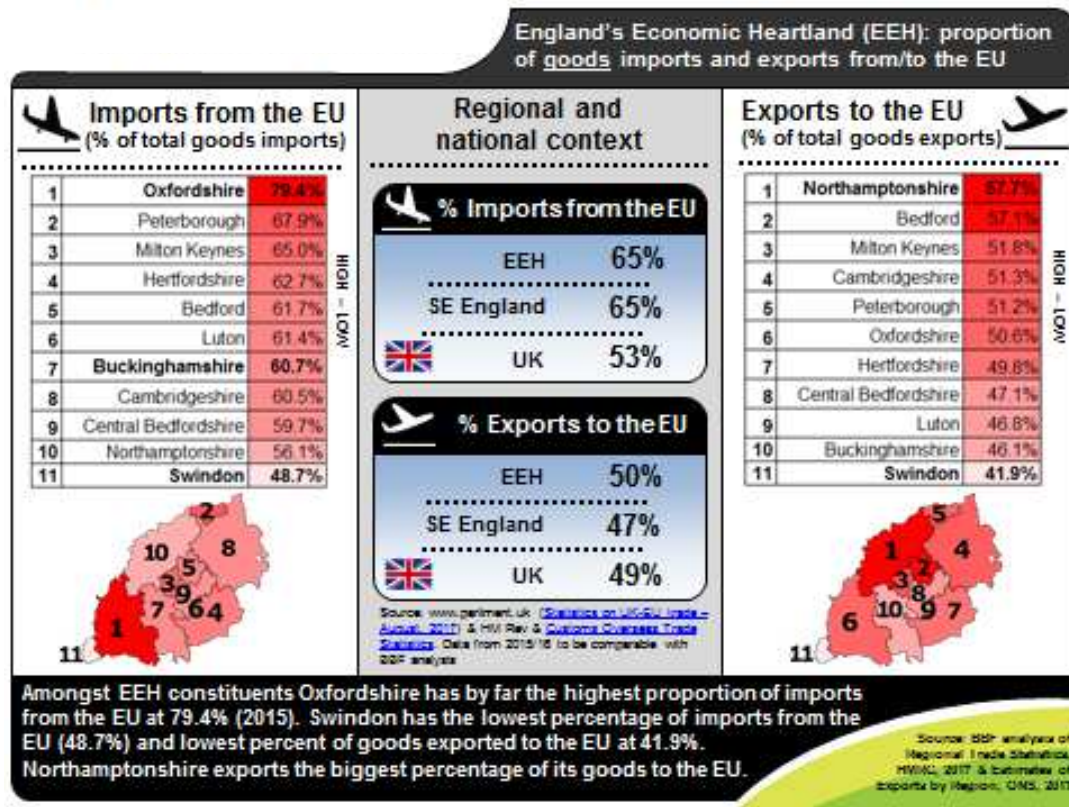
Slide 2



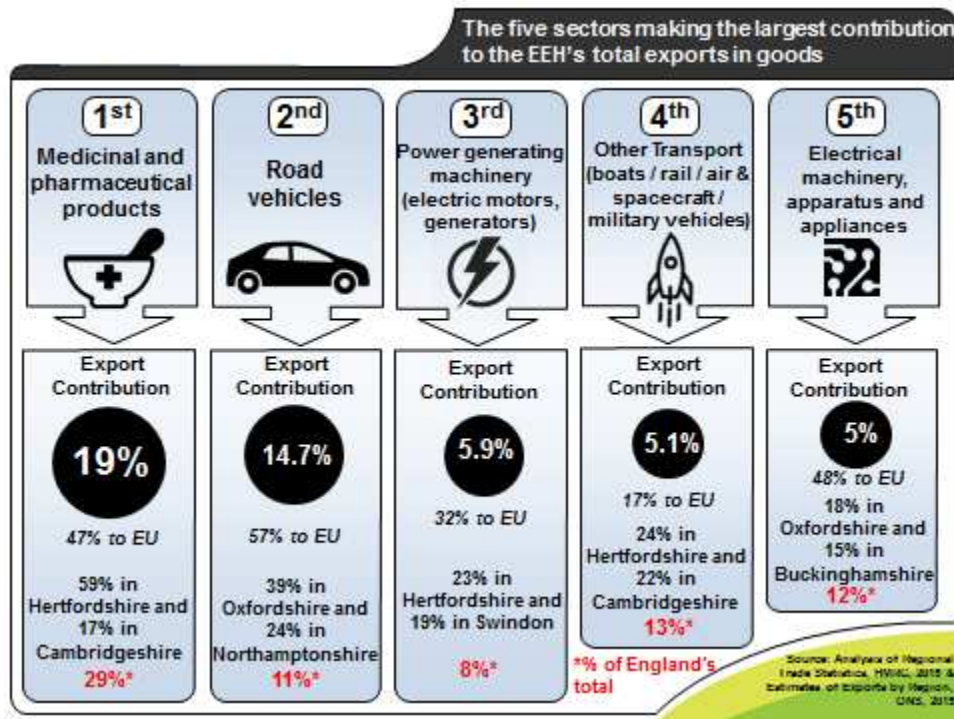
Slide 3



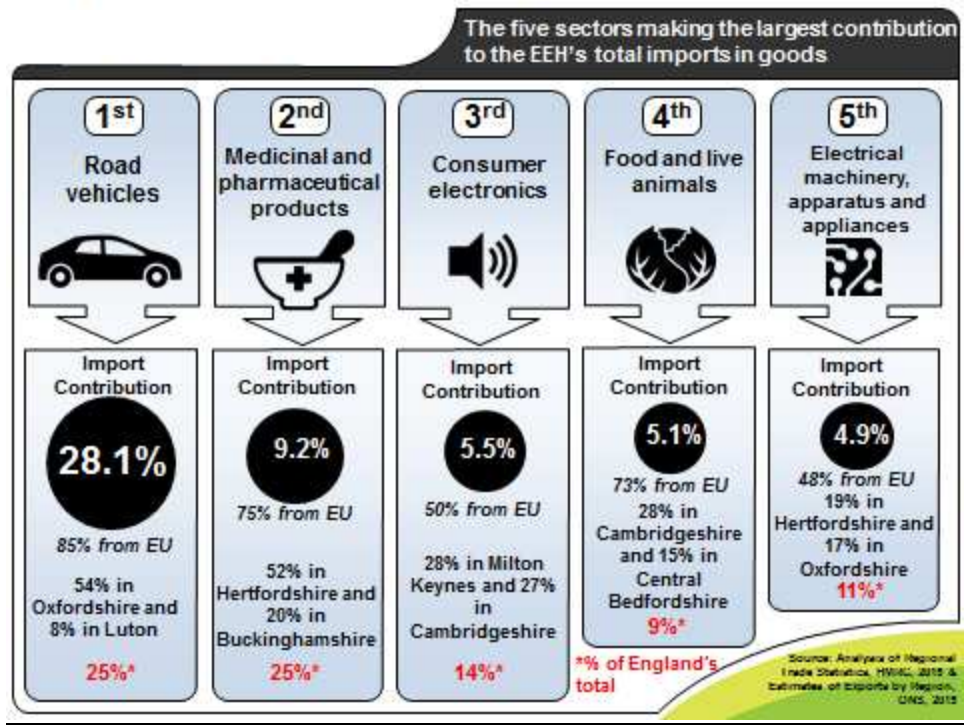
Slide 4



Slide 5

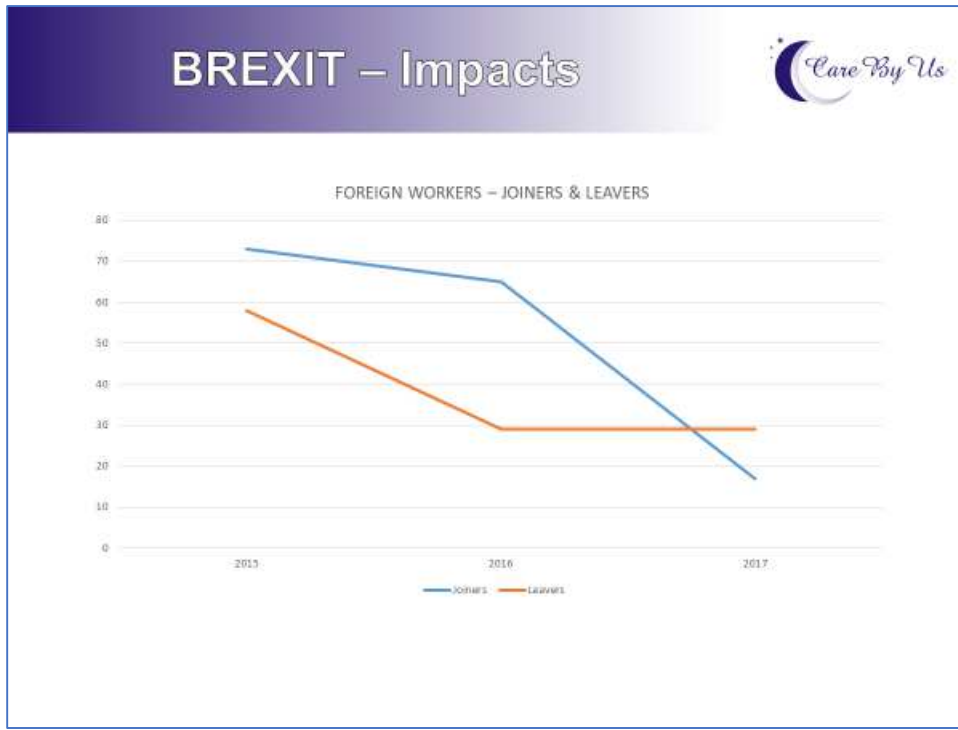


Slide 6

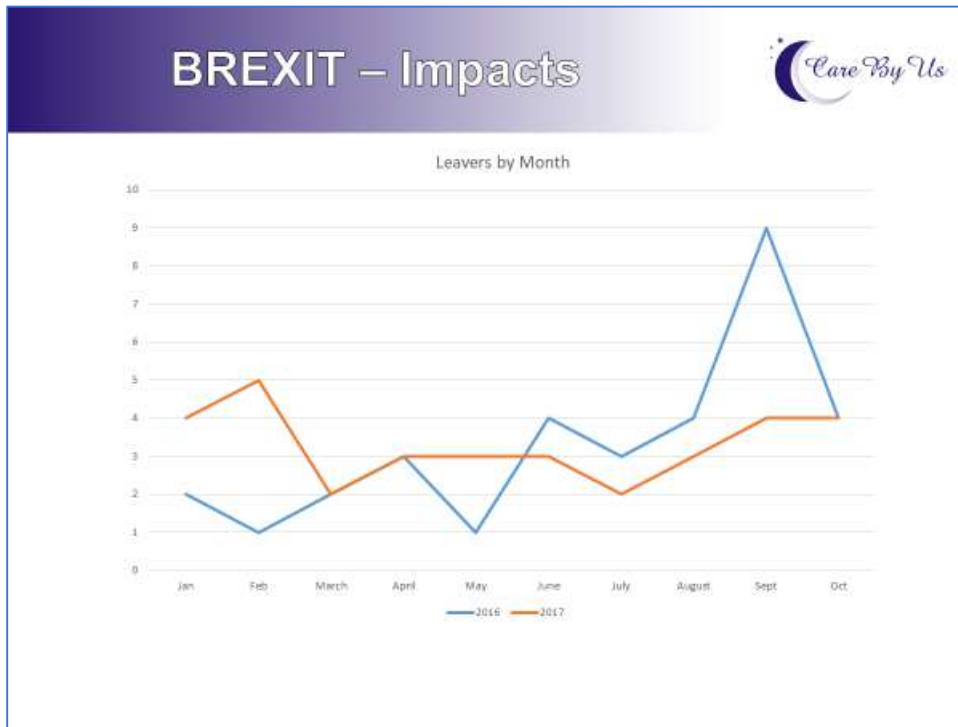


Appendix B - Care By Us: Workforce Analysis

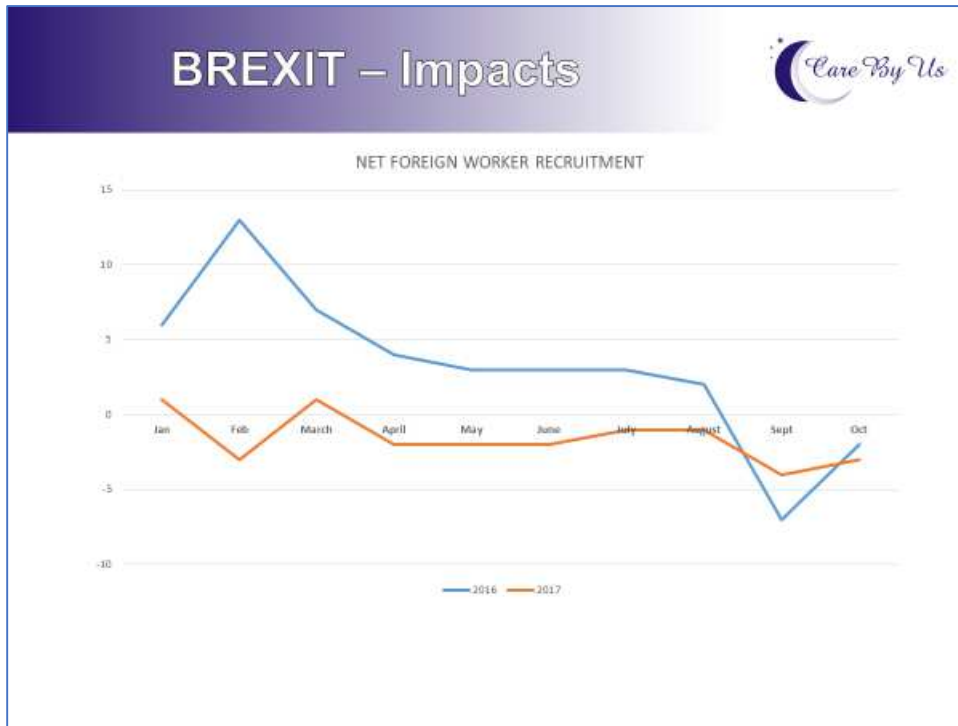
Slide 1:



Slide 2



Slide 3:



APPENDIX C

Lead Provider Staffing Recruitment and Feedback (figures from October 2017, still valid June 2018)

Provider	No of Staff employed in LP contract	Average Staff turnover	Impact of Brexit on Recruitment
Alina Homecare	163	32.8% annual	<ul style="list-style-type: none"> Alina do not have a high proportion of European Union workers but feel that Brexit is causing tightening of employment market Seeing direct impact of low unemployment levels in Herts – hard to recruit quality staff and having inflationary effect on pay rates
Care By Us	306	15.0% April 2017 – Sept 2017	<ul style="list-style-type: none"> Jan – June 2016 47 European Union staff recruited, Jan – September 2017 14 European Union staff recruited Hard to recruit from European Union despite benefits - accommodation, utility bills paid, cars, fuel cards and good rates of pay Some recruits from Romania and Portugal through word of mouth – are good and reliable workers European Union workers less focussed on career in the UK, taking more short term view of their prospects in UK – most money in short time
Abbots	376	12.0% annual	<ul style="list-style-type: none"> Average incoming monthly percent of foreign recruits is 13.3% Retention of foreign recruits is 93% and they are likely to work higher number of hours If foreign recruits choose to leave or cannot stay this will impact on care delivery hours and retention. Would need alternative staff to fill that 13%
Goldsborough Homecare	282	24.0% annual	<ul style="list-style-type: none"> Currently over 25% of staff are from European Union and Brexit having a detrimental effect on recruitment Will struggle to replace these care workers if they have to leave the European Union Will find it difficult to replace these care staff if they are can no longer work/do not want to work in UK; will impact on availability, capacity and hours

**RESOURCES AND PERFORMANCE CABINET PANEL
WEDNESDAY, 6 JUNE 2018 AT 10:00AM**

DEVELOPER CONTRIBUTIONS TO NEW SCHOOLS

Report of the Director of Children's Services and the Director of Resources

Report Authors: Kate Leahy, Senior School Planning Officer
(Tel: 01992 555864)
Trevor Mose, Head of Building Management
(Tel: 01992 556658)

Executive Members: Ralph Sangster, Resources & Performance
Terry Douris, Education, Libraries & Localism

1. Purpose of report

1.1 Panel is asked to note and comment upon the proposed change in approach to seeking developers' financial contributions to school buildings and to endorse the proposed change to Cabinet.

2. Summary

2.1 In April 2016, Cabinet approved a report which endorsed the County Council's adoption of the upper end of the Department for Education's (DfE) Building Bulletin 103 (BB103) space standards.

2.2 In light of the Education and Skills Funding Agency's (ESFA) policy and practice to build schools at the lower end of the BB103 range, officers consider that the high-level costs associated with the County Council's approach is no longer considered sustainable in the context of seeking developer contributions to school buildings.

2.3 A change in the County Council's current approach to seeking developer's contributions for new and expanded school buildings is therefore being recommended by Officers to support 'Good Growth' in Hertfordshire, whilst maintaining good and collaborative relationships with Local Planning Authorities (LPA) and developers.

2.4 It is proposed that whilst the County Council continues to seek new school sites in line with its current policy (i.e. the top of BB103) the County Council will use the lower end of BB103 when it comes to quantifying the value of developer contributions to the cost of the school buildings. A further reduction in price (by up to 10%) will be available on the basis of robust evidence of quality of site.

3. Recommendation

3.1 Panel is asked to recommend to Cabinet that Cabinet agrees a change in approach to developer sought contributions to the cost of school buildings as set out in paragraph 5.1 of the report.

4. Background

- 4.1 In May 2016, Cabinet approved a report [CMIS > Calendar of council meetings](#)¹ which endorsed the adoption of space standards at the upper end of the DfE's BB103 guidance for school site and buildings.
- 4.2 This allowed the County Council to continue to deliver school sites and buildings broadly in line with (or in excess of) previous County Council space standards, which had been formulated through extensive consultation with education advisers and Head Teachers.
- 4.3 In 2017, updated estimates for the cost of building new schools and school expansions were sought from a cost consultant. These costs estimates are required for adoption within the planned update of the County Council's Section 106 (S106) toolkit (<https://www.hertfordshire.gov.uk/about-the-council/freedom-of-information-and-council-data/open-data-statistics-about-hertfordshire/who-we-are-and-what-we-do/property/planning-obligations-guidance.aspx>); to respond to Local Planning Authorities' Infrastructure Delivery Plans; and as part of negotiation with developers in relation to the provision of school sites and funding for their buildings.
- 4.4 The building cost estimates were generated using the following assumptions:
- Gross floor areas and pupil numbers (which adopt the upper end of BB103);
 - Base construction cost data obtained from BCIS. The upper quartile figure selected based benchmark cost data from schemes delivered for the County Council;
 - Site works / abnormals - 25% (primary schools) / 20% (secondary schools);
 - Contingency – a fixed percentage to cover unforeseen issues arising during construction;
 - Fees (10% fees for consultant design and specialist support);
 - Fixed furniture and equipment (FF&E) and ICT equipment
- 4.5 The initial view from officers was that the result of these revised build cost-estimates inevitably appear high given the inputs above, before any site specific feasibility (c. £9.5m for a 2 f.e. primary school). This has been borne out in discussions with Local Planning Authorities and developers, who consider these costs unreasonable and are seeking justification for the significant contribution being sought. This is leading to protracted negotiations.
- 4.6 The County Council is engaged with developer negotiations in most areas of the County. Often developers are experienced in working with local authorities outside Hertfordshire, where negotiations have been concluded and new school buildings have been delivered at the lower end of the BB103 range (at lower cost than those being presented by the county council). There has been specific challenge to the County Council on this point.

1

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/344/Committee/8/SelectedTab/Documents/Default.aspx>

- 4.7 This aligns with the Education and Skills Funding Agency (ESFA) approach to the delivery of new Free Schools and rebuilds through, for example, the Priority School Building Programme. Within Hertfordshire, several new or rebuilt primary and secondary schools have been (or will be) delivered through these routes via Central Government programmes at the lower end of the BB103 range.
- 4.8 It therefore appears appropriate to review the current approach to developer contributions to school build costs. This will enable the County Council to enter sensible discussions with Local Planning Authorities around county council delivery of school building, being positive and supportive of the Growth Agenda across Hertfordshire. It will also help to maintain good and collaborative relationships with Local Planning Authorities.
- 4.9 Consideration of the key elements of the build costs (see para 4.4) is summarised below.
- 4.10 The size of the required school is specified in BB103 as a range of values. Any increase above the baseline results in increased costs which are built into the developer contributions. The County Council can vary its policy in this regard.
- 4.11 Officers consider that this element of the costs (i.e. upper end of BB103) is hard to justify and the rationale for reducing this to the lower end would be as follows:
- the ESFA has already built schools in Hertfordshire at this level;
 - Head teachers and schools have not demonstrated any ongoing concerns with these builds;
 - some other local authorities already work to this standard;
 - developers are challenging this principle, which is increasingly difficult to defend

Build costs

- 4.12 Construction costs per metre squared are derived from national Building Cost Indices (BCIS) as a range. These are considered robust and are adjusted independently to derive estimates for the cost of building in Hertfordshire. The County Council can choose to adopt a higher or lower position relative to the average.
- 4.13 The County Council currently applies an upper quartile index figure which reflects the experience from real build contracts as to the cost of building in Hertfordshire. This approach is evidence based and will be kept under review by officers but may be adjusted to react to current market conditions. Decisions to apply a lower position will need to consider the financial risks which relate to the market prices of contracts at the time of tendering.

Abnormal costs and contingency

- 4.14 Percentages for these elements are variable and account for known and unknown risks. The actual percentages are arbitrary but based on industry norms. They reflect the real uncertainty that exists on an unknown site.

4.15 The amount explicitly demanded could be reduced but this would transfer risk to the County council. It is suggested that 10% might be offered where a developer is prepared to sign up to the County Council's school site specification document and provide appropriate evidence. The County Council could also seek additional contributions on sites where site conditions are cause for significant concern (e.g. contaminated land).

5. Recommended approach

5.1 Officers are therefore recommending that a new approach is taken to securing developers contributions adopting:

- the bottom end of the BB103 space standards
- the upper quartile build costs (to be kept under review by officers subject to prevailing market conditions)
- the potential to reduce costs by 10% where risks are contained

6. Financial implications

6.1 The adoption of a new position in respect of developer contributions is a balance of risk. The risk of not securing sufficient contributions to cover essential costs must be balanced against securing the necessary housing growth and educational infrastructure required.

6.2 There are many other reasons within the planning system why the total amount of developer contributions might still require the County Council to top-up the cost of new and expanded school infrastructure. To date this has been achieved through the use of Basic Need or other applicable S106 contributions, although this may not be achievable to the same extent in the future. Any future proposal to 'top up' schemes with Basic Need or County Council capital would be reported to Cabinet on an individual basis for a decision.

6.3 The proposed approach will ensure the County Council is in a stronger position to negotiate contributions without undermining the genuine cost of building in Hertfordshire. The proposals offer a £1.5m reduction on the current cost of a 2FE primary. The actual price will of course vary on a case-by-case basis.

6.4 For illustrative purposes the modelled costs relating to a 2 f.e. primary school are included below:

Scenario	Cost Estimate	Difference
A. Upper end BB103 (Illustrative)	£9,543,785.75	
B. Lower end BB103 (including 10% for abnormals)	£8,719,208.56	-£824,577.19
C. Lower end BB103, less 10% abnormals (clean site)	£8,075,671.88	-£1,468,113.87

7. Equality Implications

- 7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making.
- 7.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the county council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 7.3 The Equality Act 2010 requires the county council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4 An Equalities Impact Assessments (EqIAs) has been carried out on this proposal and will be updated where necessary (attached at Appendix A). The EqIA will be reviewed and updated as part of any future public consultation.
- 7.5 Consideration has been given to the likely impact of the proposal, and current assessments conclude that it is not anticipated that people with protected characteristics will be affected disproportionately.

Background Information

May 2016 Cabinet Minutes -

[https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/Vi
ewMeetingPublic/mid/397/Meeting/344/Committee/8/SelectedTab/Documents/Default.a
spx](https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/Vi
ewMeetingPublic/mid/397/Meeting/344/Committee/8/SelectedTab/Documents/Default.a
spx)

Equality Impact Assessment (EqIA)

1. Who is completing the EqIA and why is it being done?

Proposal	DEVELOPER CONTRIBUTIONS TO NEW SCHOOLS
Names of those involved in completing the EqIA	Kate Leahy
Head of Service or Business Manager	Pauline Davis
Team/Department	School Planning Team
Lead officer contact details	Kate Leahy
Focus of EqIA – what are you assessing?	<p>To consider any impact of changed approach to seeking financial contribution from Developers to school buildings.</p> <p>This is proposed in light of the Education and Skills Funding Agency's (ESFA) policy and practice to build schools at the lower end of the BB103 range, officers consider that the high- level costs associated with the county council's approach is no longer considered sustainable in the context of seeking developer contributions to school buildings</p>
Stakeholders	<p>Pupils Staff Local planning authorities County Councillors Officers of the county council</p>

2. List of data sources used for this EqIA

A range of useful local data on our communities can be found on [Herts Insight](#) and on the [Equalities Hub](#)

Title and brief description	Date	Gaps in data
Cost Estimate for new school buildings (produced by Mace) Engagement with other local authorities Projects undertaken by the ESFA in Hertfordshire	January to June 2018	No gaps have been identified. Any new school buildings would meet Department for Education (DfE) guidelines and Equality Act

3. Analysis and assessment: review of information, impact analysis and mitigating actions

Protected characteristic group	What do you know? What do people tell you?	What does this mean – what are the potential impacts of the proposal(s)?	What can you do?
Age		It is not anticipated at this stage that the proposals will affect people disproportionately because of their age.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Disability		It is not anticipated at this stage that the proposals will affect people disproportionately because of their disability. However, the responsible Officer will continue to monitor closely this aspect.	Any issues identified or known, as well as the duties found within Part 6, Section 149 and Schedules 10 and 13 of the Equality Act 2010 concerning disability will be factored into the individual scheme designs. Any building scheme will also meet the requirements to avoid Disability Discrimination under Section 15 of the Equality Act 2010.
Gender reassignment		It is not anticipated at this stage that the proposals will affect people disproportionately because of their gender reassignment.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Pregnancy and maternity		It is not anticipated at this stage that the proposals will affect people disproportionately because of their pregnancy or maternity.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Race		It is not anticipated at this stage that the proposals will affect people disproportionately because of their race.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Religion or belief		It is not anticipated at this stage that the proposals will affect people disproportionately because of their religion or belief.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.

Protected characteristic group	What do you know? What do people tell you?	What does this mean – what are the potential impacts of the proposal(s)?	What can you do?
Sex/Gender		It is not anticipated at this stage that the proposals will affect people disproportionately because of their sex/gender.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Sexual orientation		It is not anticipated at this stage that the proposals will affect people disproportionately because of their sexual orientation.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Marriage and civil partnership		It is not anticipated at this stage that the proposals will affect people disproportionately because of their marriage or civil partnership.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Carers		It is not anticipated at this stage that the proposals will affect people disproportionately because of their caring responsibility.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of the protected characteristic are identified then the Action Plan below will be amended accordingly.
Other relevant groups Consider if there is a potential impact (positive or negative) on areas such as health and wellbeing, crime and disorder, Armed Forces community.		It is not anticipated at this stage that the proposals will affect people in other relevant groups disproportionately.	No mitigation is currently required but the position will continue to be monitored and if any issues in respect of people in other relevant groups are identified then the Action Plan below will be amended accordingly.

Opportunity to advance equality of opportunity and/or foster good relations

All school buildings will meet the appropriate standards to ensure they meet Disability Discrimination Act (DDA) requirements

Conclusion of your analysis and assessment

OUTCOME AND NEXT STEPS	SUMMARY
<p>i. No equality impacts identified</p> <ul style="list-style-type: none">- No major change required to proposal	
<p>ii. Minimal equality impacts identified</p> <ul style="list-style-type: none">- Adverse impacts have been identified, but have been objectively justified (provided you do not unlawfully discriminate)- Ensure decision makers consider the cumulative effect of how a number of decisions impact on equality- No major change required to proposal	
<p>iii. Potential equality impacts identified</p> <ul style="list-style-type: none">- Take 'mitigating action' to change the original policy/proposal, remove barriers or better advance equality- Set out clear actions in the action plan in section 4.	<p><i>Yes – in order to ensure that the change in policy is understood and that the individual scheme designs and that all building schemes are compliant with the Equalities Act 2010 the steps in the attached Action Plan have been identified</i></p>
<p>iv. Major equality impacts identified</p> <ul style="list-style-type: none">- The adverse effects are not justified, cannot be mitigated or show unlawful discrimination- You must stop and remove the policy [you should consult with Legal Services]- Ensure decision makers understand the equality impact	

4. Prioritised Action Plan

Impact identified and group(s) affected	Action planned	Expected outcome	Measure of success	Lead officer and timeframe
Stakeholders	Keep stakeholders informed of any impact of this change.			Kate Leahy Ongoing
Disabled Pupils	Ensure that all building schemes are compliant with the Equalities Act. Obtain information around individual needs of children with disabilities where a school is relocating			Kate Leahy Ongoing

This EqIA has been signed off by:

Lead Equality Impact Assessment officer: **Kate Leahy**
 Head of Service or Business Manager: **Pauline Davis**
 Review date: **22 June 2018**

Date: 21 May 2018
Date: 21 May 2018

HERTFORDSHIRE COUNTY COUNCIL

**RESOURCES AND PERFORMANCE CABINET PANEL
WEDNESDAY, 6 JUNE 2018 AT 10:00AM**

BIDS TO INVEST TO TRANSFORM (ITT) FUND

Report of the Director of Resources

Author:- Steven Pilsworth, Assistant Director – Finance,
Tel: 01992 555737

Executive Member:- Ralph Sangster (Resources and Performance)

1. Purpose of report

- 1.1 To set out the current position regarding the ITT fund and so provide the context in which new bids are to be considered.

2. Summary

- 2.1 The ITT fund has been set up to support significant service transformation where this is not part of the usual funding provided through the budget.
- 2.2 Inevitably, proposals for use of ITT will be made at different times, based on the relative complexity of the proposals and the speed with which they can be progressed. Therefore, this paper seeks to make Members aware of the wider context of potential future bids into the fund to inform consideration of schemes requested to be approved.

3. Recommendation

- 3.1 To note the current position on bids to the ITT fund and also the financial context in which any proposals for further commitment against the ITT fund will be made.

4. Background

- 4.1 The projected closing balance at the end of 2018/19 is £18.0m. Taking into account the projected future costs of all schemes currently agreed, the uncommitted balance on the ITT fund is currently £16.9m. (This includes the recent decision on provision of £4.9m support to Adult Care Services for transformation/implementation capacity.)
- 4.2 Two schemes further are proposed to be supported through the ITT fund, which are

- Herts Full Stop (£2.0m). This will be considered by Cabinet on 18 June 2018,
- SEND service transformation (£3.0m). This will be considered by Cabinet on 9 July 2018.

If approved, the uncommitted balance on the fund would be reduced to £11.9m. (These amounts are not expected to be repaid into the fund, but will support delivery of identified future Integrated Plan (IP) savings.)

- 4.3 Further schemes are also anticipated which are not included in these figures, notably
- Libraries alternative delivery model,
 - Alternative arrangements for Music teaching.
- 4.4 It should also be noted that potential further schemes may also need to be funded from ITT, which include
- further development of trading company arrangements
 - the reprovion of the shared managed services contract and SAP reprovion
 - specialist advice on management of future transport costs. These are not yet clearly defined proposals and so are not shown in the list of potential future costs shown above, but the Panel should note that costs are expected to be significant.
- 4.5 Current estimates indicate that the ITT fund as it stands should be able to cover such costs, although this may require further review.

5. Financial Implications

- 5.1 The subject of the report. If the additional proposals made in accompanying reports are agreed, then the impact on the fund will be as set out above.

6. Equality Implications

- 6.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the Equality implications of the decision that they are making.
- 6.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the county council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.
- 6.3 The Equality Act 2010 requires the county council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and

(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

- 6.4 An Equalities Impact Assessments (EqIAs) has not been completed for this report as it is purely for information. Relevant equalities impacts are reflected in the specific reports requesting approval for projects to be funded from the ITT fund.

Background Information

None

HERTFORDSHIRE COUNTY COUNCIL

**RESOURCES AND PERFORMANCE CABINET PANEL
WEDNESDAY, 6 JUNE 2018 AT 10:00AM**

**PREVENTION INVEST TO TRANSFORM: CHILDREN'S SERVICES SPECIAL
EDUCATIONAL NEEDS/DISABILITIES TRANSFORMATION**

Report of the Director of Children's Services

Authors: - Sally Orr Head of Family Services Commissioning (Tel: 01992 555680)
Karen Noble Performance Improvement Manager (Tel: 01992 588394)

Executive Member/s: - Ralph Sangster (Resources and Performance)
Teresa Heritage (Children, Young People and Families)

1. Purpose of report

1.1 For Panel to consider the business case (included as appendix 1) for Prevention Invest to Transform funding.

2. Summary

2.1 The County Council is responsible for a range of services for children and young people with Special Educational Needs and/or Disabilities (SEND). There are already financial pressures on these services, and the increasing demography and complexity of need means the demand for high cost specialist services will significantly increase these pressures over the next five years.

2.2 In addition, the support and services currently offered have developed over a number of years and parents/carers, schools and professionals have fed back that the system is complex and difficult to navigate.

2.3 The rationale and proposals within the business case have been developed at a series of focus group meetings which included representatives from parent forums, schools, Adult Care Services, leads for current services, commissioners, Clinical Commissioning Groups and an external advisor from a neighbouring local authority.

2.4 Three priority areas for transformation have been identified:

- Develop local multi-disciplinary teams and community support networks
- Maximise the benefits of digital technology
- Improve access to independent living, employment and training.

- 2.5 The business case sets out the current barriers to success, context and data, required business changes, resources needed for transformation, outcomes for children, young people and their families. It also includes the anticipated savings and cost avoidance from the transformation.
- 2.6 The business case seeks two years funding (from September 2018) to deliver the transformation programme (appendix 2) alongside the 'business as usual' work needed to meet the County Council's statutory responsibilities.
- 2.7 The outcomes from the transformation programme will ensure services for children and young people with SEND and their families provide effective intervention, manage the increasing demand and make efficient use of resources. Families will be able to access support in their local communities, be connected and more independent of public sector services, and this will reduce pressure across the SEND system in the local authority and the local health economy.

3. Recommendation/s

- 3.1 Panel is asked to consider and comment on this report and to recommend to Cabinet that it approves the proposed approach of Children's Services to transforming the system, services and approach to support children and young people with SEND, and their families.

4. Background information

- 4.1 The case for change (section 1) the rationale (section 2) the current context in Hertfordshire (section 3) are set out in the business case (attached at appendix 1).

5. Financial implications

- 5.1 The business case sets out the current budget pressures (section 4), and the cost of doing nothing (section 5).
- 5.2 The business case seeks an investment of £3,012,357 from Prevention Invest to Transform funding:

	18/19	19/20	20/21	21/22	22/23
Local networks and support	146,593	1,039,311	289,311	0	0
Maximising the benefits of digitalisation	65,782	280,107	130,107	0	0
Independent living and access to employment	127,330	248,615	248,615	0	0
Programme implementation	174,109	174,109	88,368	0	0

	18/19	19/20	20/21	21/22	22/23
TOTALS:	513,814	1,742,142	756,401	0	0
TOTAL INVESTMENT:	3,012,357				

5.3 Sections 6.10 and 8.10 in the business case also set out the detail behind the expected savings of £1.74M and the expected cost avoidance of £3.23M from the transformation programme.

6. Equalities Implications

6.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equality implications of the decision that they are making.

6.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EQIA) produced by officers.

6.3 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.

6.4 A full Equalities Impact Assessment will be completed during the model development phase of the transformation programme if the application for Invest to Transform funding is successful.

Background Information

None



PREVENTION INVEST TO TRANSFORM: CHILDREN SERVICES SPECIAL EDUCATIONAL NEEDS/DISABILITIES TRANSFORMATION

1. The business case for change

- 1.1 Parents/carers have told us that the needs of children and young people are not always identified early and well enough; so often children have to struggle before they can access more support. The County Council's corporate plan sets out its desire to be a 'Council of Opportunity' for all Hertfordshire residents, and Hertfordshire's Health and Wellbeing Board aims to improve the health and wellbeing of the residents across their life course. In order to support these ambitions and ensure all children and young people can access their opportunities and be active within their community, the current models of support for children, young people with Special Educational Needs and/or Disabilities (SEND) and their families requires wholesale transformation, from the start of a child's life through into adulthood.

A child or young person has SEND if he or she:

- has a significantly greater difficulty in learning than the majority of others of the same age, (sometimes referred to as Special Educational Needs: SEN) or
- has a disability which prevents or impacts upon him or her from making use of educational facilities, generally provided for others of the same age in mainstream educational settings

- 1.2 Parents/carer views on the current services and support are summarised in this statement from a Hertfordshire parent of two boys with additional needs, who is also part of the Hertfordshire's parent/ carer forum, runs a Hertfordshire SEND charity and therefore knows first-hand the struggles families face day to day as they try to navigate the system:

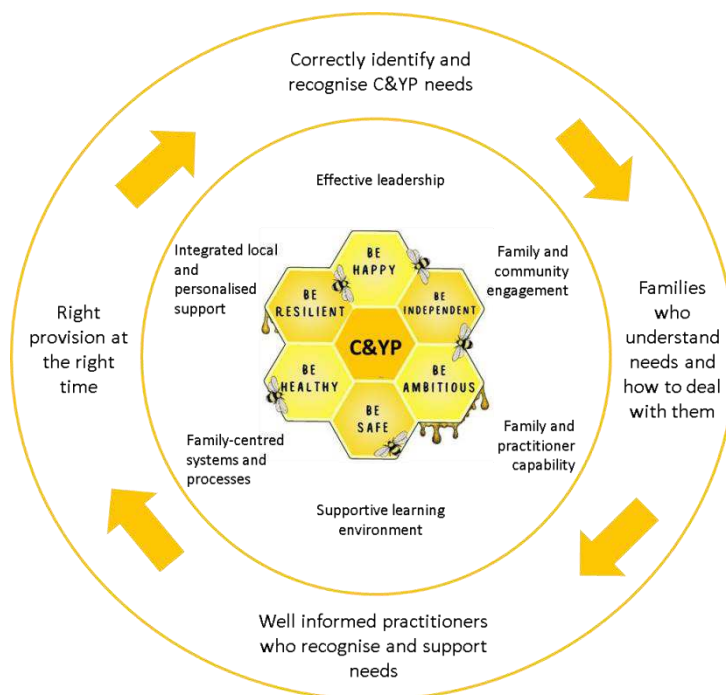
"Parents know their children best. They understand how their child's difficulties interact with their personality. They learn from experience what will happen if you don't prepare correctly, don't plan ahead, and don't ensure every possible need is catered for. They know if their child enjoys a play scheme, or their school day, even if they can't tell their parent, because they know it in the tiny nuances of behaviour, the changes in interaction, however subtle. Parents have all this knowledge, and they don't necessarily realise, and they have to be very assertive for the most part to get anyone to listen.

They are the people who see their children as a whole – not just the contents of an Education, Health and Care Plan (EHCP) or an assessment or a Paediatrician's report. They are the people that think about their child's needs, now and in the future, not just while they are at school or on the

case load of a particular professional. They know their whole history – why it might not be a good idea to go to that place, or why that strategy might need adjusting.

We need to work at partnership between parents and professionals to make sure we can do the best for our children. Parents might need to be supported with this for many reasons, and they certainly need to be met half way, be respected for their knowledge.”

- 1.3 Parents and schools have told us that the current system of support is complex and this creates barriers. The diagram below summarises the outcomes they believe would benefit children with SEND and what could be achieved if this transformation is successful in addressing the barriers that have been identified.



2. The rationale for our approach to transforming the current model

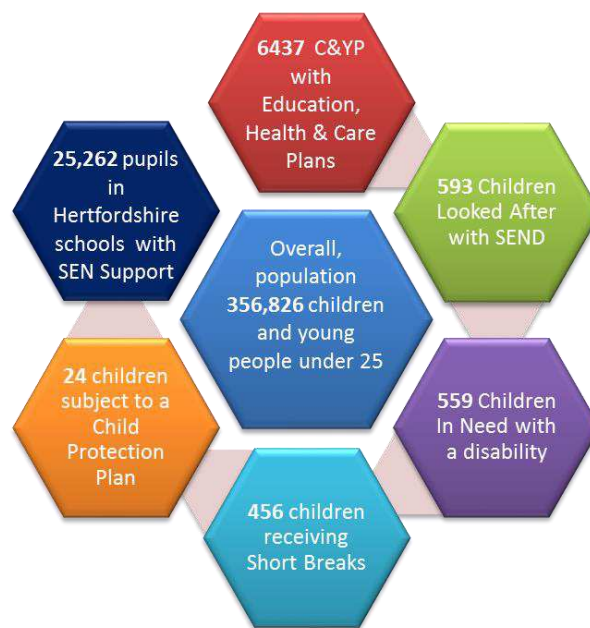
- 2.1 This Prevention Invest to Transform bid is based on the building blocks of prevention:
- 2.1.1 Providing the early support to enable individuals and families to **look after themselves** and develop the **sustainable skills** to manage their needs where possible
 - 2.1.2 **Mainstreaming prevention** throughout local communities by establishing local networks of integrated support and clearer pathways for parents and young people to access effective and equitable help when needed.
 - 2.1.3 **Developing the workforce** to ensure there is a focus on identifying issues early and preventing escalation at all levels of need to manage demand for more costly provision.
- 2.2 The concept of enablement is central to this bid. Enabling children, young people, and families to access their own communities and lead connected lives prevents long-term dependence on services. If we can prevent unnecessary journeys through services and assessments, we will better

support families to be independent, and will reduce pressure on services across the SEND system.

- 2.3 The strategic objectives of the transformation programme are to:
- Provide effective intervention
 - Manage demand
 - Make efficient use of resources
- 2.4 This will be achieved through the following areas of activity:
- Develop local multi-disciplinary teams and community support networks
 - Maximise the benefits of digital technology
 - Improve access to independent living, employment and training
- 2.5 Funding for two years is requested to provide the capacity to establish these building blocks and ensure they are embedded and sustainable whilst maintaining effective provision of current statutory services.

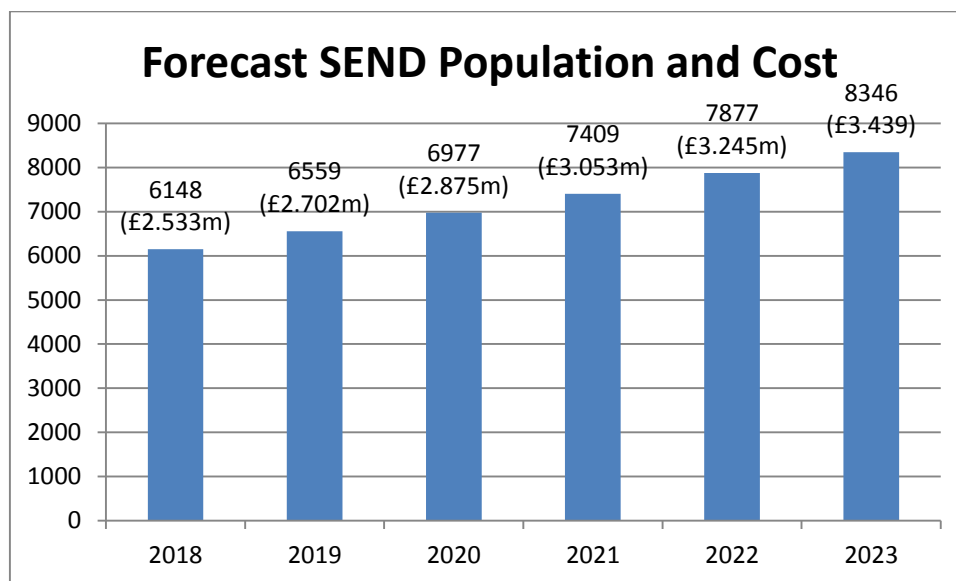
3. Hertfordshire's SEND population

- 3.1 The current SEND population receives support through a range of services in Hertfordshire. Children and young people may access support from more than one service:



- 3.2 **Rising demographic pressures**
Between 2018 and 2023 it is projected that there will be a considerable increase in the overall under 19 population (11.3%), with particular growth in 10-19 age group, (18.5%).
- 3.3 In Hertfordshire, as at 31 March 2016, 58.8% (593) of children looked after had a Special Educational Need including 24.4% with an Education, Health and Care Plan (EHCP).
- 3.4 Furthermore, within that context, the number of children and young people in Hertfordshire with a recognised SEND condition is forecast to grow by 36% between 2018 and 2023, which is an additional 2,198 children.

- 3.5 The projected annual cost of Education, Health and Care Plan assessments (EHCP: previously known as Statements of Special Educational Need) this increase is £905,576 (based on average cost of £412 per EHCP and excluding inflation related costs).



- 3.6 In addition, the high cost of provision for children and young people with complex needs adds further financial pressures as this cohort is expected to increase by 80 children over the next five years.

4. Current budget pressures

- 4.1 The proposals in this business case will prevent current levels of demand from escalating as well as reducing high cost support and provision by assessing needs more effectively and providing the right support earlier so that the services and support are sustainable within the financial envelope.

4.2 Service budget pressures

Currently SEND budgets across Children's Services are experiencing significant pressures with the largest overspend against 2017/18 budgets being shown in the table below:

Service area	2017/18 £'000	Forecast Outturn £'000	Variance £'000
0-25 Together Under 18 Direct Spend	8,184	8,468	284
Mainstream Transport & SEN Transport	17,600	19,251	1,651
Independent Placements	22,498	23,648	1,149
0-25 Together Staffing	2,683	2,934	251

4.3 Integrated Plan pressures

In addition, a number of new pressures were identified in the current year's Integrated Plan (IP) in order to fund both current overspends and expected future years' pressures as a result of both demographic change and increasing complexity, as shown in the following table.

Description	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000
Special Needs Home To School Transport – agreed as part of prior year IP	450	450	450	450
SEN Home to School Transport – additional pressure	1,530	1,890	2,250	2,610
SEND reform programme implementation	0	838	1,017	1,017
Independent Placement Costs	919	919	919	919
Children Looked After (CLA) Demographic Pressure	803	1,746	2,780	3,936

The transformation programme will reduce these pressures (as demonstrated in section 6.10).

4.4 Health Economy Pressures

The inter-relationship between health and social care costs has been nationally acknowledged. The Hertfordshire and West Essex Sustainability and Transformation Partnership (STP) is working to align services in order to make best use of resources, particularly in adult services. The proposals in this business case will reduce pressure on primary health care services by providing local services for children and young people, and community and peer support for parents/carers thus reducing their stress and anxiety. It will also set a framework for integrating children's health, education and social care commissioning in Hertfordshire.

4.5 Adult Care Pressures

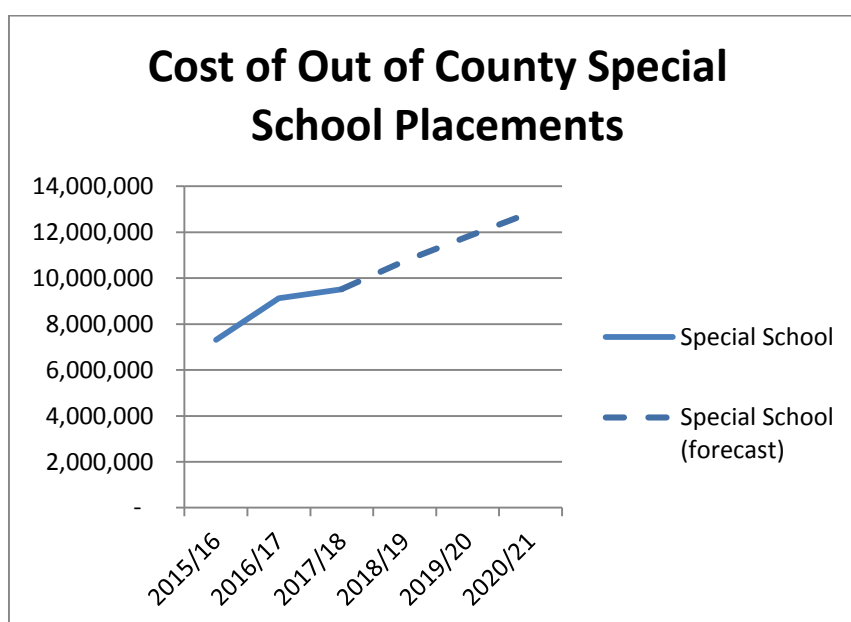
Adult Care Services (ACS) budgets have experienced significant pressure over the last seven years. As a result the service has developed an Invest To Transform programme of activity to generate savings of over £40m in the next four years, £15m of which is linked to the Learning Disabilities strategy incorporating services for young adults provided and commissioned through the 0-25 Together team. The detail of how this programme will contribute to the achievement of this efficiency will be detailed later in the Business Case. It is clear that the outcomes of this programme will prevent needs from escalating and improve resilience and independence which are the foundation for sustainable demand reduction for both Children's and Adult services in the future.

4.6 Maximising the use of Dedicated Schools Grant (DSG): High Needs Funding

Hertfordshire receives £107m of High Needs Block funding through the DSG allocation. This has specific criteria for its use, but there may be opportunities to transfer some current County Council Revenue costs into High Needs Block budgets. This will release funding for savings or to re-invest in services to ensure we are maximising all available funding streams.

5. Cost of doing nothing

- 5.1 Predicting the impact of prevention activity is notoriously difficult to quantify. The range of support for children and young people is extensive across the local authority and partners. Consequently, increases in this cohort will have a far reaching effect and pressure, as demonstrated in the graph in section 3.4 above. However a range of factors are contributing to the predicted increase in the SEND. There has been an increase in the number of SEN Tribunal decisions ordering residential out of county placements for young people with the most complex set of needs. This not only places additional and immediate pressures on Children's Services budgets, but will result, for many of this cohort, in the need for residential provision into adulthood.



- 5.2 Furthermore, research elsewhere shows a continuing correlation between children with SEND and exclusions, low attainment, not being in education, employment or training (NEET) which can then have a negative impact long into adulthood.
- 5.3 In Hertfordshire we are also seeing examples of the impact of such issues in adoption breakdowns. During the period 2012-2017, 11 of the 20 cases of adoption breakdown involved children and young people with SEND. Since coming into care, packages of support for these children have amounted to £4.4m. Whilst a number of these children have very complex needs which may mean their adoptive families feel unable to cope as the child gets older, earlier and more personalised support may have avoided the difficult decision for some of the 11 cases.
- 5.4 Failure to address challenges caused by SEND and to prevent them from escalating has a significant impact not only on the lives of this group of children and their families but also on the long term demands for public services. For example, special educational needs are almost twice as common within the prison population as those from the general population. In addition there is a growing evidence to indicate a correlation between learning difficulties and mental health issues at all stages of life. Nearly

40% of those with a learning disability requiring specialist service during childhood will experience significant psychiatric disorder in comparison to less than 10% of those without (Emerson & Hatton, 2008).

6. Meeting the strategic objectives

DEVELOP LOCAL MULTI-DISCIPLINARY TEAMS AND COMMUNITY SUPPORT NETWORKS

6.1 Barriers to Success

Parents and young people have told us that:

6.1.1 The needs of children and young people are not always identified early and well enough so often children have to struggle before they can access more support.

6.1.2 Communication amongst professionals in different services is insufficient particularly at transition points during their child's life

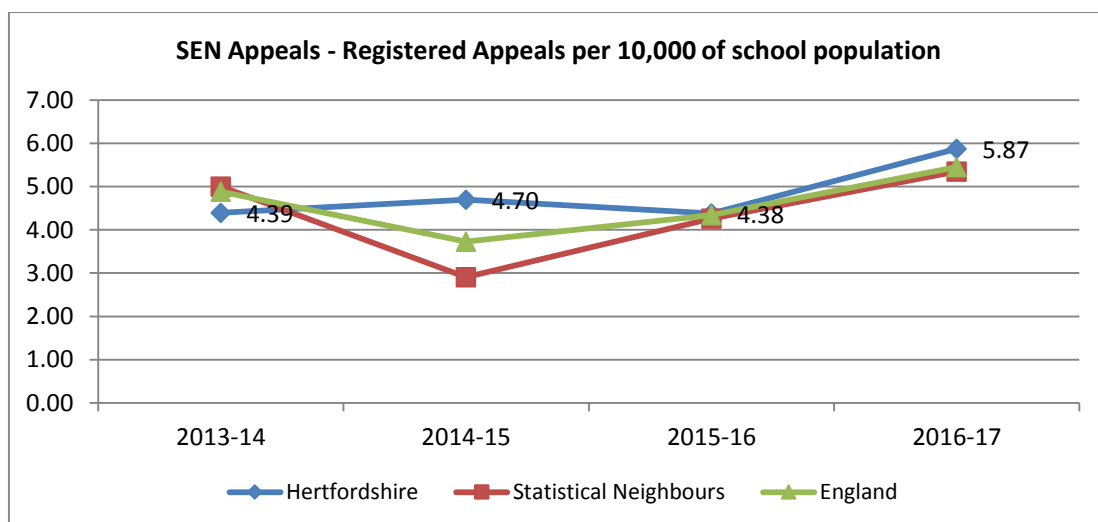
6.1.3 Services are designed and operate in a way that meets the needs of the service rather than those of the child or parents and often in isolation from each other. As a result, support is often disjointed and inconsistent and the views of the child and parent carer are not heard or respected.

6.1.4 The SEND world is inherently complex and many families find it hard to navigate on their own particularly alongside dealing with the complex challenges they experience on a daily basis.

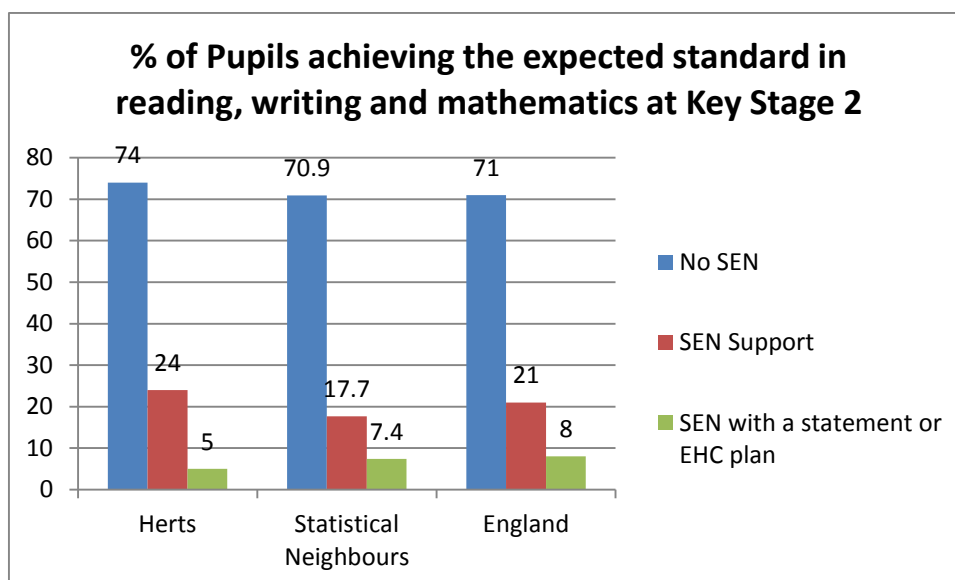
6.2 Context and data

The number of EHCPs/statements where the pupil is educated outside Hertfordshire has increased every year since 2015 from 92 up to 122. A 33% increase in four years.

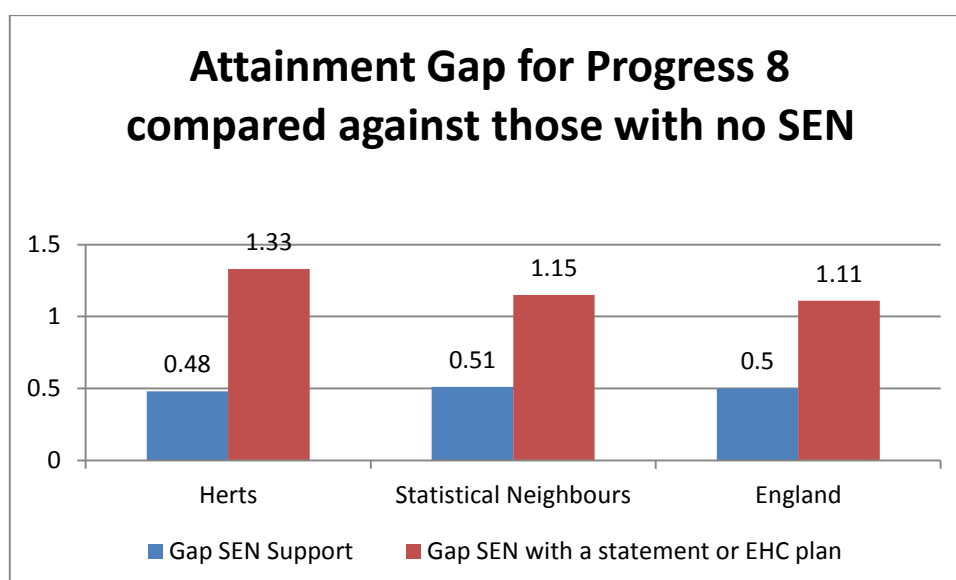
6.3 The number of registered SEN appeals in Hertfordshire reduced in 2015-16 against a national trend of increases bringing it into line with national and stat neighbours. However, the number in 2016-17 increased and is on an upward trajectory, now higher than national and statistical neighbour averages.



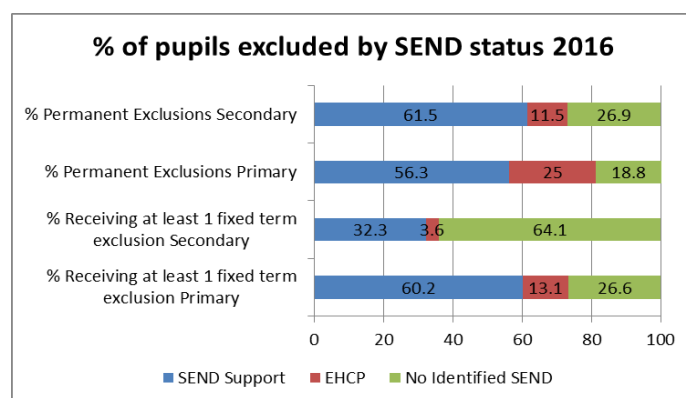
- 6.4 Hertfordshire performs better than national and statistical neighbour averages for children with lower levels of SEND, classed by schools as needing SEN support at both Early Years Foundation Stage and Key Stage 2, but lower for those with the higher level of need who require an EHCP.



- 6.5 Pupils with SEN (whose needs mean they need support to access the curriculum) perform better than national and statistical neighbour averages for 'Progress 8'. This measures a student's progress between Key Stage 2 (end of primary school) and Key Stage 4 (GCSE) across eight key subjects. However those with an EHCP perform worse than national and statistical neighbour average. The gap between those with no educational need and those with an EHCP is also a greater at 1.33 compared with 1.15 for statistical neighbours and 1.11 nationally.



- 6.6 The most recent available data about school exclusions highlights the prevalence of SEND amongst this cohort.



6.7 A review into the supply side of home to school transport was recently commissioned by Children’s Services, and the final report identified that Hertfordshire spends almost £14m transporting 2421 pupils with SEND. The average cost more than doubles when transporting a pupil to an out of county provision.

	No. of children transported	Total Cost	Average cost per student per annum
SEN Out of County Travel	115	1,597,545	13,892
SEN In County Travel	2306	12,310,947	5,339
All SEN Travel	2421	13,908,492	5,745

6.8 **The Business Change**

The transformation programme will address these issues by undertaking the following activity through co-production with staff, parents, young people and partners.

- 6.8.1 Fundamentally re-designing services to provide seamless support to families that work across home and school boundaries. This will include; hubs in Family Centres to identify SEND early, co-located teams with the further aspiration of further joint commissioning with Health, extend the team around the family approach with an element of rapid response (practitioners who can support during a crisis to reduce escalation and exclusions) and an effective keyworker role to guide families through the ‘system’.
- 6.8.2 Work with practitioners, parents/carers, the community sector and local partners to build local networks for sharing support, expertise and understanding of the needs of children and young people with SEND and their families and identify opportunities to improve accessibility to that support.
- 6.8.3 Implement the review of high needs education including the reconfiguration of in-county special schools and outreach.
- 6.8.4 Commission services so that children and young people with SEND are able to access social, leisure and community services independently from their primary carer.

- 6.8.5 Clarify the access to specialist provision that addresses the needs of children and young people with complex needs, such as behaviour support, across services
- 6.8.6 Explore the potential to implement a 'valuing care' approach to assessing need and support requirements, currently being piloted for children looked after, which ensures there is a transparent and consistent method of allocating cost effective provision.
- 6.8.7 Identify training needs, develop and deliver joint training and development for practitioners, schools and parents/carers.

6.9 Transformation programme resources

Capacity Requirement	18/19 (£) (6 months costs)	19/20 (£)	20/21 (£)
M5 SEND Transformation Manager x 1	33,307	65,405	65,405
M3 transformation Manager x 2	58,948	115,478	115,478
H8 Transformation Officer x 2	36,308	72,368	72,368
Commission development and delivery of training programme, (including training the trainer for sustainability)	150,000		
Provide pump priming funding to VCS* services to develop sustainable social and community activities during the transformation period	600,000		
Transformation training co-ordinator	18,030	36,060	36,060
Totals:	146,593	1,039,311	289,311
TOTAL:	1,475,215		

* VCS: voluntary and community sector

6.10 Outcomes

- ✓ Meeting right needs at the right time in the right way – building resilience across the system.
- ✓ Stronger co-ordination of local delivery so families and practitioners have confidence in the system
- ✓ Peer support to schools and families provides self-confidence and ability to manage needs with the help of local expertise when needed.
- ✓ Families are supported early in their journey to consider how they can support themselves, build their confidence to cope
- ✓ Professionals are empowered to work together and have a proactive approach to helping families including taking a long term approach to planning
- ✓ Practitioners and schools supporting families are equipped with the right skills to understand and support the needs of children and their families,

6.11 Cost avoidance and savings

Area	Saving or avoidance ?	Proposal	Saving/Avoidance Proposed (cumulative)					Impacts HCC Core/ DSG
			2018/19	2019/20	2020/21	2021/22	2022/23	
Service Efficiencies	Saving	10% reduction in service costs		£410,530	£410,530	£410,530	£410,530	HCC Core
Demography	Avoidance	Maintain the current level of EHCPs in line with 18/19 forecast		£169,332	£341,548	£519,532	£712,348	HCC Core
Complexity	Avoidance	10% avoidance of year on year projected increase of OOC special schools costs, estimated at £1m pa.		£100,000	£200,000	£300,000	£400,000	HCC Core/DSG 30:70
Adoption	Avoidance	Reduce number of adoption breakdowns by 1 each year over the next 5 years	£80,000	£160,000	£240,000	£320,000	£400,000	HCC Core
SEN Transport – in County	Savings	Reduce number of child journeys by 10% by reconfiguring Special School provision		£1,231,095	£1,231,095	£1,231,095	£1,231,095	HCC Core
*SEN Transport – out of county	Savings	Transfer 10% of children transported OOC to in-county provision		£98,360	£98,360	£98,360	£98,360	HCC Core
SEN Reform Grant	Avoidance			£838,000	£1,017,000	£1,017,000	£1,017,000	HCC Core
Total Saving			£80,000	£3,007,317	£3,538,533	£3,896,517	£4,269,333	

*The total average annual cost per SEN student travelling out of County was taken from the Edge report 2017 (£13,892). The rationale is that the council could reduce the number of SEN students travelling out of County by 10% by transporting these students within county. Therefore the difference was taken between the average cost of an Out of County SEN student (£13,892) and a in County SEN student (£5,339) and multiplied by the number of students a 10% reduction would be (11.5 students)

7. MAXIMISING THE BENEFITS OF DIGITAL TECHNOLOGY

7.1 Barriers to Success

Parents and young people have told us:

7.1.1 They are tired of having to repeat their story at every meeting

7.1.2 They would like consistent, timely and more transparent information

7.1.3 We are not making the most of on-line processes to keep them informed or enable them to participate in decisions in a way and at a time that works for them.

7.2 Context and Data

Increasingly parents/carers and service users expect to engage with Children's Services in a similar way to other aspects of their daily life, at times that suit them, and access support and tools to help them manage the needs and often resulting challenging behaviours of their child.

7.3 The way in which the population accesses information and uses technology to support their needs is changing all the time. Recent research suggests that voice searches (Siri, Alexa etc, and on phones) are between 0%-20% of current searches and this will rise to 50% by 2020.

7.4 Robust quantitative data is limited in this area, but we know from the Council's SMART Digital project that by maximising the use of technology we can:

7.4.1 Improve customer service and so build trust with parents/carers

7.4.2 Improve our online services and the Local Offer website so parents/carers choose to use them

7.4.3 Improve our data collection and analysis so we understand the needs and can plan and forecast effectively

7.4.4 Improve and streamline our back office processes

7.5 The Business Change

7.5.1 Build on the development of the Children's Portal to enable families to contribute online to their child's EHCP.

7.5.2 Set up an online tracker and review alert system for EHCPs

7.5.3 Enable self-help techniques through improving online resources, establishing a single point of access telephone line and commissioning a secure text chat app as well as voice activated content to provide access to high quality information and advice.

7.5.4 Establish an online 'My child' record that parents own and can amend, and can be sent securely to practitioners so that families don't have to retell their story

7.5.5 Work with Adult Care Services to ensure that children's and adult's information, advice and guidance (IAG) services are aligned, consistent and appropriate.

7.6 Transformation Programme resources

Capacity Requirement	18/19 (£) (6 months costs)	19/20 (£)	20/21 (£)
Commission VCS support with IAG		50,000	
H8 Officer x 2	36,308	72,368	72,368
M3 Data and information Manager x1	29,474	57,739	57,739
IT system and app development		100,000	
Totals	65,782	280,107	130,107
TOTAL:		475,996	

7.7 Outcomes

- ✓ Parents feel empowered and more resilient through successful self-service and communication about their child's support
- ✓ Families feel that there is a personalised offer and the system is designed around their needs and those of their child
- ✓ Practitioners have more capacity to work directly with families and address more complex issues
- ✓ Parents don't have to spend so much time navigating the information and system.

7.8 Cost avoidance and savings

Through streamlining and integrating teams we will realise service efficiencies. In addition, consistent, accessible and available information, advice and support will reduce pressures from responses to complaints, repeated contacts and escalations.

- 7.9 By way of an example, last year over 2,000 forms were downloaded through the Local Offer website alone. Once completed, each of those would require back office activity to process and manage that information. As shown by the development of the on-line school admissions process, transferring these processes to on-line completion would improve efficiency and reduce back office costs.

8. IMPROVE ACCESS TO INDEPENDENT LIVING, EMPLOYMENT AND TRAINING

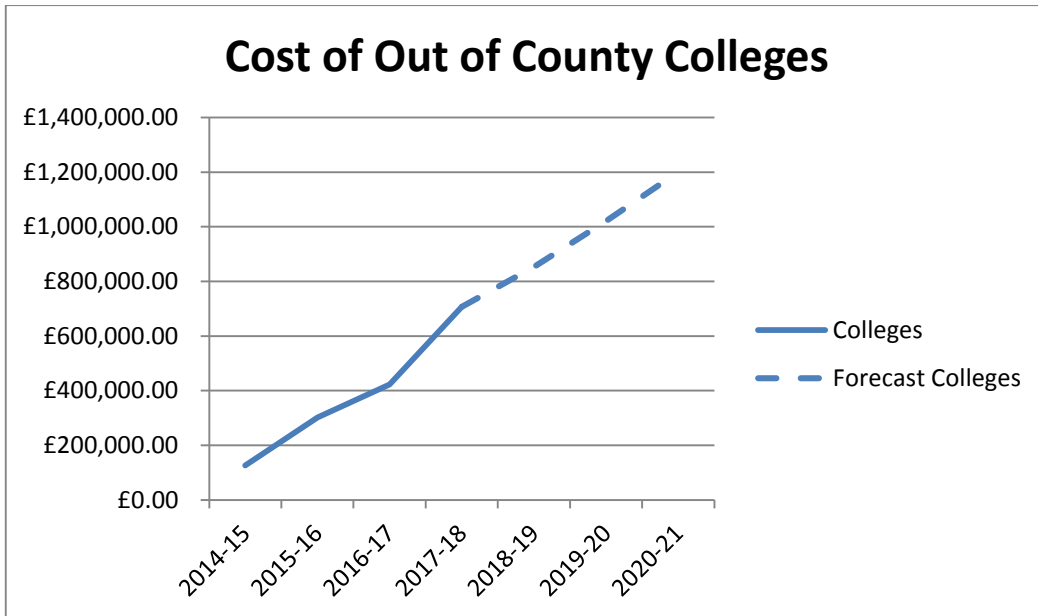
8.1 Barriers to Success

Parents and young people have told us:

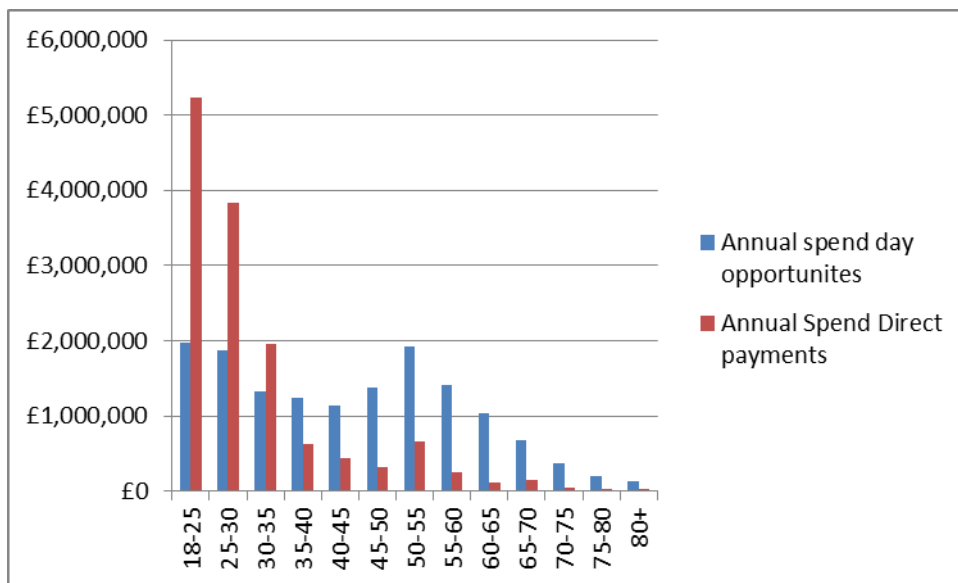
- 8.1.1 There is insufficient co-ordination of support and planning at the point of transition between social care, health and education settings
- 8.1.2 Children and young people need more effective support to build resilience and independence to face challenges in moving from one stage of life to the next.
- 8.1.3 Opportunities for young people with SEND moving into employment or training are too rigid and limited.
- 8.1.4 Parents and practitioners should focus on encouraging ambition amongst young people with SEND.

8.2 Context and Data

The cost of out of county college placements has increased significantly since 2014-15. Whilst it is difficult to evidence a direct correlation, this could be partly attributed to the introduction of the EHCP for this age group which provides parents with a stronger voice in terms of placement choice.



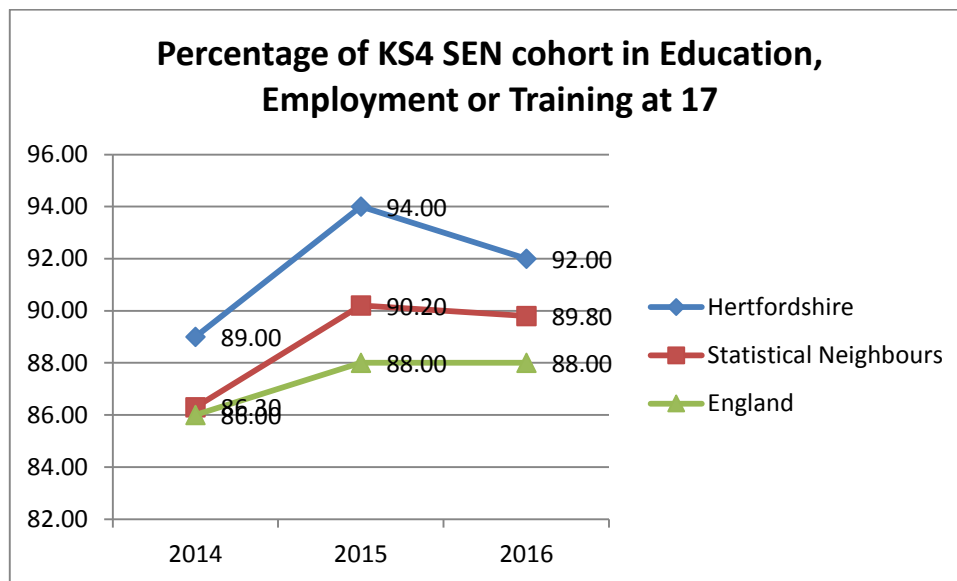
8.3 The cost of day opportunities for young adults, aged 18-25 amounts to over £7m and represents the largest proportion of adult learning disabilities expenditure for this age group. As part of a review by ACS into the efficiency of the adult disability service, ACS are exploring opportunities to provide this provision in a more cost effective way. By building independence and resilience earlier, this workstream will support the ACS supply management work by managing the demand for this type of provision.



8.4 An additional element of the ACS Invest To Transform bid is focused on addressing the issues relating to access to appropriate housing for young people. The aim is to enable them to access mainstream provision with enablement rather than agency or costly supported accommodation. Currently

the Council spends £6.6m on providing supported living accommodation for 18-25 year olds. By increasing resilience and independence at an earlier stage, this programme of activity will reduce the pressure on this budget and release much needed capacity in this type of accommodation.

- 8.5 Currently Children’s Services spends almost £2.8m on direct payments relating to social enablement. The intention of this programme is to reduce the average rates of this provision through smarter commissioning and maximising support from mainstream provision such as colleges.
- 8.6 Whilst the percentage of 17 year olds with SEN in education, employment or training is high and consistently better than statistical neighbours and the national average, there has been a sharp decline over the period of available data.



8.7 The Business Change

- 8.7.1 Transform our approach to transition planning to increase focus on enabling young people to achieve their outcomes.
- 8.7.2 Reduce out of county college placements by joining up post 16 offers across Hertfordshire schools, colleges and employers and YC Hertfordshire to produce meaningful post 16 training & work experience.
- 8.7.3 Re-configure the services provided by a range of ‘preparing for adulthood’ roles and review how the services can be strengthened to provide employment choices, supported employment, volunteering and life skills for young people.
- 8.7.4 Explore the potential for the new County Council property company to provide ‘student’ type shared accommodation to enable independent living with peer support within Hertfordshire, and commission independent living skills support.
- 8.7.5 Develop the existing relationship with employers including raising awareness of the benefits of employing young people with SEND, what to expect and how best to support them to enable them to fulfil their potential and to transition effectively to sustained employment, and to identify any barriers to employing/offering placements to young people with SEND

8.7.6 Pilot the use of technology, including Alexa, to support independent living by providing reminders of the daily routine, medication and functional activities previously provided by parents/semi-independent living

8.8 Outcomes

- ✓ Families have confidence that transitions are well planned and personalised to enable children to move confidently through their life, enabling them to thrive.
- ✓ Young people make a fulfilling contribution to their local community and economy, supported by employers who are able to support them to fulfil their potential.
- ✓ More young people are able to access paid part-time or full-time employment and thus increase their self-confidence and self-worth.
- ✓ Children and young people with SEND feel included and empowered in their local community

8.9 Transformation Programme resources

Capacity Requirement	18/19 (£) <i>(6 months costs)</i>	19/20 (£)	20/21 (£)
4 x M1 Community Employment Advisers	97,856	190,876	190,876
1 x M3 Community Engagement Manager	29,474	57,739	57,739
Totals:	127,330	248,615	248,615
TOTAL:		624,560	

8.10 Cost avoidance and savings

Area	Saving or avoidance?	Proposal	Saving Proposed (cumulative)					Impacts HCC Core/DSG
			2018/19	2019/20	2020/21	2021/22	2022/23	
Day opportunities	Avoidance	10% reduction in cost as a result of reduction in demand for day opportunities		£700,000	£700,000	£700,000	£700,000	HCC Core (ACS)
Out of County Colleges	Avoidance	Maintain the current (2017/18) level of out of county college cost	£145,746	£313,914	£493,293	£493,293	£493,293	DSG
Direct Payments	Avoidance	Reduce the current cost of DPs by 10%		£280,000	£280,000	£280,000	£280,000	HCC Core
Total Saving			£145,746	£1,293,914	£1,473,293	£1,473,293	£1,473,293	

9. Programme Implementation

- 9.1 In order to deliver this transformational programme alongside statutory duties and responsibilities, this programme will require additional short-term capacity to protect business as usual whilst a holistic transformation of SEND services is undertaken.
- 9.2 If this bid is successful, Children’s Services will resource the ‘understand’ phase, undertaking robust engagement with staff, parents/carers and stakeholders, and recruiting to the fixed term posts in the proposal so that implementation can begin from September 2018.
- 9.3 It is anticipated that by September 2020 the transformation will be completed and there will be no ongoing additional costs. The future sustainability of the service at that point will be addressed through the existing financial envelope
- 9.4 Programme Timeline



- 9.5 Transforming services takes significant investment of time and focus to transform services and culture. This programme of activity will require dedicated resource to ensure it has:
- 9.5.1 Strong programme leadership including skills in project management, challenge and conflict resolution, co-production, voice of the child and family and engaging partners.
 - 9.5.2 A robust evidence base on which to make informed decisions regarding the future delivery of support, during and post programme, and its impact both in terms of outcomes and financial benefits.
 - 9.5.3 A systematic local collection of views to inform on-going effective service delivery and development.
 - 9.5.4 Effective engagement with families and partners to ensure meaningful co-production
 - 9.5.5 Robust progress monitoring and risk management
 - 9.5.6 Management capacity for the transformation posts

9.6 Transformation Programme resources

Capacity Requirement	18/19 (£)	19/20 (£)	20/21 (£) (6 months costs)
1 x PMC SEND Transformation Programme Manager	99,539	99,539	50,374
1 x M1 Programme Officer	46,719	46,719	23,464
1 x H5 Support Officer	27,851	27,851	14,530
Totals:	174,109	174,109	88,368
TOTAL:	436,586		

10. Financial Summary

10.1 This is a request for ITT funding to support a holistic transformation to the structure, delivery, systems and processes for SEND services and support in Children's Services. It builds on the Families First approach and embeds the redesign services in the community through Family Centres. The transformation will deliver significant efficiencies and cost prevention and no on-going additional funding will be required beyond 2020/21.

	18/19	19/20	20/21	21/22	22/23
Local networks and support	146,593	1,039,311	289,311	0	0
Maximising the benefits of digitalisation	65,782	280,107	130,107	0	0
Independent living and access to employment	127,330	248,615	248,615	0	0
Programme implementation	174,109	174,109	88,368	0	0
TOTALS:	513,814	1,742,142	756,401	0	0
TOTAL INVESTMENT:	3,012,357				

11. Risk analysis

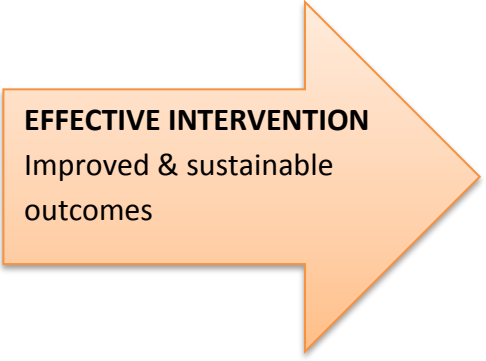
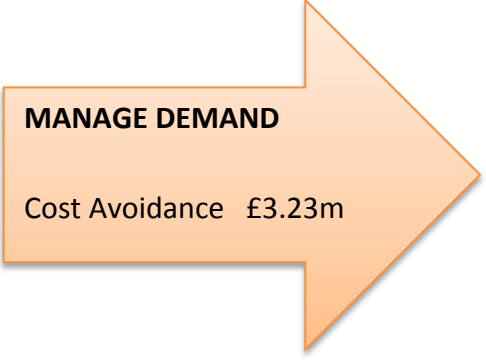
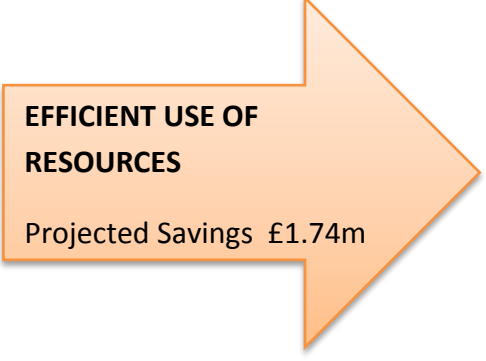
11.1 In terms of the individual proposals an initial risk analysis is set out below:

Summary of Key Risks	Probability	Impact	Containment
Scale of transformation is so ambitious that it's unachievable within the required timescales.	H	H	A robust project management structure will ensure clear goals; activity and timescales are established at the outset and then carefully monitored and reported during the programme.
Business as usual operates effectively during transformation period.	M	M	Additional short term capacity to implement the transformation together with effective communication with key stakeholders will minimise the impact of change during transformation.

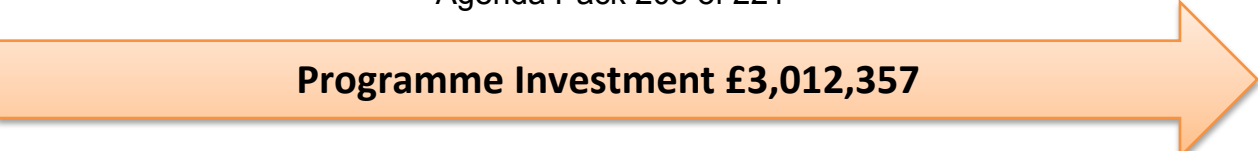
Engagement of stakeholders will be reduced as they feel this has been discussed and promised before without result.	M	H	As the project progresses and tangible positive changes are made along the way, these will be actively shared and communicated with all stakeholders to show that the project is moving forward. Open and honest communication is vital and stakeholders will be asked for regular feedback. These comments should ALL be looked at and addressed.
We could do all of the actions stated and parents/professionals may still not be positive about the outcomes.	M	H	Maintaining a close working relationship with all stakeholders (both parents and professionals) will mean any concerns can be quickly addressed before they escalate. This will ensure we reach a result that everybody is satisfied with.
There could be issues of staff retention as they have already been through restructures recently.	L	M	Open and honest communication with staff throughout the process is vital to ensure they feel confident in the changes.
Efficiencies may be difficult to identify and quantify due to complex funding streams.	L	M	We need to be clear where we are going to save money. This needs to be communicated and finance monitors will help to show where savings are being made (and what still needs to happen).

12. Equality Impact Assessment

To be completed during model development phase if business case is successful

PRIORITY AREAS	BARRIERS TO SUCCESS	BUSINESS CHANGE	END BENEFITS	STRATEGIC OBJECTIVES
<p>Develop local multi-disciplinary teams and community support networks</p>	<ul style="list-style-type: none"> • Current out of county special school placements have risen by 30% over the last 3 years and costs forecast to increase by £3.3m in the next 3 years • Support is disjointed and inconsistent particularly at transition points. • Services are designed around service need rather than those of families. • Attainment gap between those with SEND and those without is too large. • Average cost of home to school transport for out of county placements is more than double that of in-county. 	<ul style="list-style-type: none"> • Re-design services to improve efficiency and provide seamless support through the development of local integrated services and support networks for professionals and parents. • Re-configure Special School and outreach provision • Commission integrated provision to provide more personalised and flexible support so children and young people with SEND can participate in their community. • Develop a training programme for professionals and parent/ carers to enhance skills and expertise and create a positive, collaborative culture 	<ul style="list-style-type: none"> • More children with SEND are educated within a local school and participate in their local community • Streamlined provision resulting in efficiencies of £1.74m over 5 years. • Parents and partners are more confident to support needs without escalating to specialist services. • Demand for costly packages of support are contained at current levels through reducing the need for EHCPs and tribunals as earlier, local support is more effective. 	<p>EFFECTIVE INTERVENTION Improved & sustainable outcomes</p> 
<p>Maximise the benefits of digital technology</p>	<ul style="list-style-type: none"> • Unnecessary duplication in processes and insufficient communication amongst professionals and parents • Limited use of on-line processes to streamline back-office processes • Parents need more timely information accessed in a way and at a time that works for them 	<ul style="list-style-type: none"> • Pilot digital technology to assist young people to develop their independence • Develop on-line system to enable parents and professionals to track progress and contribute to EHC plans on-line • Establish a single on-line profile for each child and young person so that families don't have to retell their story • Establish a single point of access phone and on-line chat facility to provide families with 'real-time' advice and support. 	<ul style="list-style-type: none"> • More on-line processes increase efficiency and releases professionals capacity to work directly with families. • Families access personalised advice and support when needed which builds their confidence in early support and reduces the need to escalate to more costly provision. • Young people live more independently with support from digital technology, reducing the need for additional support. 	<p>MANAGE DEMAND Cost Avoidance £3.23m</p> 
<p>Improve access to independent living, employment and training</p>	<ul style="list-style-type: none"> • Supporting young people to become more independent begins too late in their lives often resulting in the need for high cost, long term accommodation. • Out of county college placement costs have risen by over 400% in the last four years and forecast to rise by a further 70% over the next three to £1.2m • Aspirations and employment opportunities are too limited for young people • Demand for 'day opportunities' for 18-25 year olds is high and costs £7m. 	<ul style="list-style-type: none"> • Join up post-16 offers across Hertfordshire schools, colleges, YC Hertfordshire and employers to provide more meaningful training and work experience • Consolidate the range of 'preparing for adulthood' type roles to provide a more cohesive and impactful offer. • Explore potential to provide student type accommodation for young adults to enable greater independence. 	<ul style="list-style-type: none"> • Reduction in the demand for out of county college placements by developing the in-county offer. • Reduce demand for 'day opportunities' provision in early adulthood by improving young people's independence and enabling them to engage in meaningful community activity and employment. • Less pressure on higher cost provision as people have the skills and confidence to remain more independent on into adulthood. 	<p>EFFICIENT USE OF RESOURCES Projected Savings £1.74m</p> 

Programme Investment £3,012,357

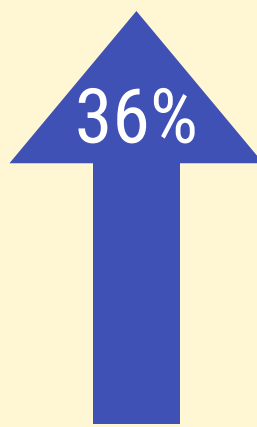


SEND Transformation Programme

Hertfordshire's SEND Population

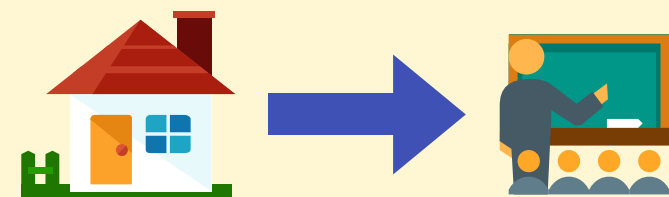


Demand Pressures



SEND population growth forecast by 2023

Spend £9.5 million on out of county special schools, forecast increase of £3.3 million in next 3 years

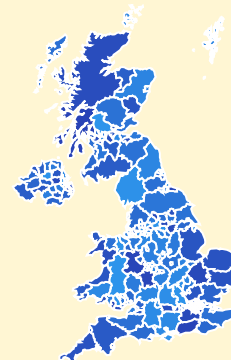


SEND Home To School additional IP pressures of £2.6 million by 2021/22



CLA IP pressures £3.9 million

Cost of out of county college placements increased by 400% to £707,000 in 2017/18



Our Vision

Children and Young People with SEND...

Are listened to, understood and valued

Receive the right support, at the right time, in the right place

Are supported by skilled staff who share information and work effectively together

Are able to access leisure activities, make friends and be part of their local community

Have choices, live independently and have a job

Have a keyworker who knows them and their needs. Who helps navigate the process

Have a single case file of information that they and relevant practitioners contribute to

Costs

Cost Avoided



£3,230,000

Transformation programme investment



Agenda Pack 209 of 221
£3,012,357

Cost Savings



£1,739,985

HERTFORDSHIRE COUNTY COUNCIL**RESOURCES AND PERFORMANCE CABINET PANEL
WEDNESDAY, 6 JUNE 2018 AT 10:00AM****HERTS FULLSTOP – INVEST TO TRANSFORM BID***Report of the Director of Resources*

Author:- Glenn Facey, Head of Hertfordshire Business Services
(Tel: 01707 292364)

Executive Member:- Ralph Sangster (Resources and Performance)

1. Purpose of report

- 1.1 This paper seeks approval to an invest to transform bid for Herts FullStop (HFS) in support of its newly developed business plan.
- 1.2 Members are requested to consider and agree to an investment of £1.967m in the infrastructure of HFS, with investment split as follows:
- £1.585m ICT infrastructure (software/hardware platforms/implementation resource and project management)
 - £0.125m waste disposal infrastructure (confidential waste/recycling)
 - £0.257m contingency (15%)
- 1.3 Members should is to note that:
- HFS is the collective name for the externally focused trading businesses within Hertfordshire Business Services (HBS), which is a department within the Resources directorate.
 - Surecare Supplies Limited is a company wholly owned by Hertfordshire County Council which sells services/products purchased from HFS to private sector companies.
 - The business plan is attached to the accompanying Part II report as supporting information. All key facts, recommendations and considerations in relation to this invest to transform bid are included in the body of the part I report.
 - The business plan has been through a process of due diligence prior to being included with this paper.

2. Summary

- 2.1 This report relates to investment of £1.967m in the infrastructure of HFS. This investment will ensure the operational viability of HFS moving forward, and support delivery of the business plan, leading to increased returns for the County Council.

- 2.2 Members should understand that by approving the investment they are agreeing to support the delivery of the HFS business plan.
- 2.3 The HFS business plan is focused on growing sustainable income in the near to medium term for the County Council with a managed risk exposure, while developing the foundations of the business to create an asset that can be favourably realised should the County Council wish to sell or merge the business in future.
- 2.4 Members should consider the appropriateness of the key strategic outcomes to be delivered through capital investment in ICT:
- A prioritised customer experience, offering the optimum customer journey
 - Creation of an agile business better able to respond to market conditions
 - Increased value of HFS as an asset
 - An infrastructure that has resilience, which creates multiple support options
 - Tangible productivity improvements to deliver a realistic Return On Investment (ROI)
 - Mitigation on the need for large scale capital investment in ICT infrastructure in future

3. Recommendations

That the Resources and Performance Cabinet Panel recommends to Cabinet that it;

- 3.1 approves an Invest to Transform Allocation to enable investment of £1.967m in the infrastructure of Herts FullStop (HFS).
- 3.2 delegates to the Director of Resources authority to determine and carry out the required procurement processes in relation to any contract for services, goods or works required in accordance with the agreed HFS infrastructure investment, referred to in 3.1.
- 3.3 delegates to the Director of Resources authority to award any contract for services, goods or works required in accordance with the agreed HFS infrastructure investment, referred to in 3.1.
- 3.4 notes the continued use of Surecare Supplies Limited as the trading vehicle for HFS.

Note: This paper is not seeking the approval of Cabinet in respect to the business plan.

4. Business Background

4.1 Hertfordshire Business Services is part of the County Council (within Resources) that includes the following functions:

- Herts Full Stop (HFS - see 4.2 and 4.3 below)
- Reprographics unit
- Fleet Services (acting as a client lead between departments and the external provider)

The ITT bid, and this report, focuses on HFS.

4.2 HFS is largely a traditional local authority stores business that has evolved out of Hertfordshire County Supplies with a trading history of over 60 years (founded in 1954); HFS is built on the premise of being a “supermarket” for educational establishments

4.3 HFS has returned significant trading surpluses of circa £1m per annum over the last 10 years through trading with other public sector bodies, under the Local Authorities (Goods and Services) Act 1970. These surpluses are used by County Council to help support the cost of front line services.

4.4 During this time HFS has made the second biggest return to a single local authority from a trading entity in the UK , based on County Council officer's knowledge of the wider trading carried out by public sector entities and public sector wholly owned companies across the UK (this includes all wholly owned companies (teckal and non-teckal), trading departments and joint committees).

4.5 HFS predominately operates in the Home Counties (including Hertfordshire), the bordering counties and the North London Boroughs. The services offered are in two main areas:

- HFS - Educational Resources currently trades with 2,770 (57.1%) educational establishments in its geographic catchment, which provide 73.3% of its revenue with an overall market share for the business of circa 9.8%.
- HFS - Facilities Management Services is a soft facilities management business focusing on Cleaning, Grounds and Tree works. The business is focused on the education sector in Hertfordshire where it derives 83.2% of its income through contractual work with 365 of the schools in Hertfordshire.

4.6 As part of the refocusing of marketing activities both businesses will be pulled under a single Herts FullStop banner and thus are referred to HFS - Educational Resources and HFS - Facilities Management Services individually in the paper and as HFS collectively.

- 4.7 While this report focuses on HFS, it should be recognised that the non-trading service areas within HBS are facing operational/financial challenges and are being reviewed.
- 4.8 Returns over the previous three financial years (although still healthy and now improving) have fallen below targeted expectations as spending across the education sector has come under pressure, and this has exposed some historical weaknesses in the HFS operation and levels of investment:
- HFS has seen little investment in infrastructure in the past 14 years
 - The current ICT infrastructure has a fundamental lack of resilience with the associated risks
 - The service levels able to be provided to customers (given this lack of investment) are below modern industry standards
 - Operational productivity on these ageing platforms is 20-25% below industry standards across distribution, customer services and warehousing
 - The warehouse is oversized by circa 30% for the business throughput and stock levels are too high compensating for lack of visibility of key decision making information
 - Distribution mechanisms are struggling to meet the requirements of all customers
 - Invoicing and payment mechanisms are outdated and no longer reflect the requirements of all customers
- 4.9 These weaknesses combine to mean the business is vulnerable to competitor activities and needs to act to ensure surpluses can be maintained.
- 4.10 A new business plan has been developed and is being implemented, with a number of elements already yielding benefits, Fig 4.1 shows the positive progress to date and the financial expectations set out in the business plan for future years:

(Fig 4.1)

	2016/17	2017/18	2018/19	2019/20	2020/21
Sales Revenue	£31,608,046	£33,647,888	£35,819,612	£37,423,302	£39,118,600
Increase		6.45%	6.45%	4.48%	4.53%
Trading Surplus	£898,907	£1,125,708	£1,499,605	£2,031,754	£2,268,076
Increase		25.23%	33.21%	35.49%	11.63%

- 4.11 The business plan itself is focused on delivering growing sustainable income in the near to medium term for the County Council with a managed risk exposure, while developing the foundations of the business to create an asset that can be favourably realised should the County Council wish to follow that path.

- 4.12 The business plan outcomes will be delivered through the strategic objectives outlined in Section 1.0/2.0 of the accompanying Part II report.
- 4.13 This is supported by the development and introduction into the business of a new vision, mission and values statement for HFS in support of HFS strategic objectives:
- *Our **vision** is to enable schools to deliver an education every child deserves*
 - *Our **mission** is to continually satisfy our customers through delivering educational services and resources that teachers trust, that purchasers' value and that brings quality to life*
- Our **core values** that we are building our business around are:*
- *Customer Centred: Our customers at the centre of our thinking*
 - *Ownership: I can make the difference*
 - *Get it right: first time, every time*
- 4.14 The vision, mission and values support the overriding aim of transforming the culture within HFS and ultimately adding value to our customer base through our relationships.
- 4.15 HFS has been able to deliver the traded activity whilst remaining part of the County Council, as the bulk of that activity is with the public sector. Where trade steps outside these boundaries, HFS has used Surecare Supplies Limited as the trading vehicle for private sector relationships.
- 4.16 Surecare was established by the County Council in November 2011, originally with the purpose of providing living aids into the care sector, making a return to the County Council and as a vehicle to mitigate prices in that sector. That original requirement has not materialised as expected, and the County Council has taken the opportunity to use that existing company, rather than set up an entirely new company for the HFS activity.
- 4.17 Surecare Supplies Limited has three nominated directors, including two officers and an Executive Member.
- 4.18 During 2018 work will be undertaken to review the current organisational structure for HFS, and whether any alternatives, such as fully transferring to an arms length company, would be more suitable for the longer term.

5. Proposed Investment

5.1 To support the business plan, address the weaknesses outlined previously and continue the positive progress already made we are now seeking a capital investment of £1.967m in improved infrastructure split as follows:

- £1.585m ICT infrastructure (software/hardware platforms/implementation resource and project management)
- £0.125m waste disposal infrastructure (confidential waste/recycling)
- £0.257m contingency (15%)

5.2 The investment in ICT buys new systems on a software as a service basis, technical expertise, programme management support, together with a separable managed hardware and software infrastructure, externally hosting modern commonly used “best of breed” solutions for the business to take advantage of as standard within the scope of the investment.

5.3 The new systems include warehouse management system, transport management solution, invoicing and payments as well as improved e-commerce capability, (Fig 5.1 provides a functionality overview). The investment also provides for voice and barcoding hardware to be introduced into the warehouse and for sign on glass (ePod) technology to be introduced within the transport function.

(Fig 5.1)



5.4 The platform provides robust business solutions that improve business efficiency and would be an asset for the business should the County Council wish to realise its investment in HFS in the future.

5.5 The County Council would also be buying into an infrastructure that would have the capability to be adopted by other trading companies in future.

5.6 Continuation of the business without this investment will limit HFS ability to address the challenges it faces and will see projected trading surpluses outlined in Fig 5.2 not being achieved. Indeed as customer experience deteriorates in comparison with the wider market, it is likely that customers will shop elsewhere, leading to reducing returns to the County Council. A forecast of the potential impact of such customer churn is outlined below.

(Fig 5.2)

	2018/19	2019/20	2020/21
Forecast Trading Surplus with Investment	£ 1,499,605	£ 2,031,754	£ 2,268,076
Forecast Trading Surplus without Investment (-6%)	£ 1,409,629	£ 1,325,051	£ 1,245,548
Change	-£ 89,976	-£ 706,703	-£ 1,022,528

5.7 Doing nothing does not represent a prudent option; the challenges will remain, returns will decrease and while it may still be possible to sell the business any return will not be favourable.

5.8 On two occasions in the last seven years options to externalise the business through sale and mergers have been explored and on both occasions this has been unviable. This has been due to a range of factors, including the fact that HFS is an integral part of the County Council. Current market conditions indicate that potential sales proceeds would offer a lower return than the annual surpluses provide.

5.9 Closure is also not a prudent financial option as the one off cost would be significant and the loss of ongoing income would create further budget pressures across the County Council.

5.10 As such it is recommended that continuation of the positive work already undertaken underpinned with this proposed investment in infrastructure represents the best value solution for the County Council.

5.11 The Capital Investment in ICT will address the following challenges:

- ICT infrastructure that is no longer supported adequately within a modern environment
- Poor levels of resilience
- Systems data quality issues
- Outdated Warehouse Management System and the inefficiencies associated with that
- Increased support costs (premiums are paid on keeping outdated software supported)
- Restrictive hardware platform
- Low operational productivity, accountability and visibility

- Uncoordinated and slow customer response
 - A high error rate
 - Limited e-commerce functionality and lack of competitive opportunity that provides
 - An infrastructure that is not distinct from the remainder of the County Council which therefore carries unnecessary overheads for this type of business as well as limiting externalisation opportunities
- 5.12 The solution provided through capital investment in ICT will seek to achieve:
- Mitigation on the need for large scale capital investment in ICT infrastructure in future; delivered by adopting a platform and solution that operates as a service and continues to be updated by the solution providers
 - Creation of an agile business better able to respond to market conditions
 - Increased value of HFS as an asset; delivered by an up to date, discreet, scalable ICT infrastructure
 - An infrastructure that has resilience, which the market is familiar with, creating multiple and more efficient support options
 - A prioritised customer experience, offering the optimum customer journey
 - Tangible productivity improvements to deliver a realistic ROI
- 5.13 The ICT investment will support delivery of the business plan. In summary this will enable:
- Increased income through increased sales revenue
 - Reduced cost through greater efficiency within the HFS operation
- 5.14 This was summarised in section 4.10 (Fig 4.1), and is detailed in the business plan.
- 5.15 The ROI period for the proposed programme of ICT investment is between 5.9 and 6.9 years (dependent on utilisation of the contingency fund), with the full benefit realisation starting from December 2019.
- 5.16 The capital investment proposed in waste infrastructure is focused on creating a point of difference with national competitors.
- 5.17 This service will support the green credentials of HFS and the County Council, through making productive use of the fleet of vehicles that return empty from deliveries and reducing the amount of waste going to landfill. In addition the investment will provide a new revenue stream for the business.

- 5.18 The initial investment in waste infrastructure is £125k (added to the capital investment bid) and will provide a ROI of between 5 and 7.2 years (dependent on utilisation of contingency fund).
- 5.19 Alongside HFS management's own work and internal scrutiny on these proposals we have also employed external challenge to the investment levels and type being put forward. As such Waterston's Limited have independently validated the proposed investment, its strategic objectives and ROI as valid, appropriate, and supportive of the key goals outlined in the business plan, with no material causes for concern being identified.
- 5.20 All procurements required will be carried out in compliance with the County Councils Constitution, and in particular, where applicable with the Public Contracts Regulations 2015, by the Director of Resources in accordance with recommendation 3.2 and 3.3 above.

6. Financial Implications

- 6.1 This report outlines the ITT bid for HFS and associated benefits. Full detail is included in the business plan, which is included as part of the accompanying Part II report.
- 6.2 A risk register is in place to monitor the business plan, and the ICT implementation.
- 6.3 If Cabinet approval is given this will allocate funding to the project. It will enable associated tender exercises to be run (subject to agreement of 3.2) and allow award of associated contracts (subject to the agreement of 3.3).
- 6.4 A 15% contingency has been included. This is considered sensible as the Council has not undertaken an ICT programme for warehousing/transport ICT before.

7. Equality impact assessment

- 7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equality implications of the decision that they are making.
- 7.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EQIA) produced by officers.

- 7.3 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4 Overall impact for external stakeholders (customers) will be positive as a result of a more modern and streamlined customer experience supported by greater visibility of information and positive utilisation of touch points. The new solutions will be implemented to approved accessibility standards and Equality Impact Assessments will be carried out prior to implementation.
- 7.5 The impact of changes on internal stakeholders (staff) will be positive and see an increase in capability, visibility and accountability across the business.
- 7.6 The impact of this significant systems change is not underestimated, and engagement and training of staff are key lynch pins of the programme plan. This aspect is being managed alongside a new people strategy for the business.
- 7.7 Individual assessments will need to be carried out in respect to those staff with protected characteristics and HR is fully engaged in this respect.

8. Implications for the County Council's carbon footprint

- 8.1 The County Council's carbon footprint will be positively impacted by transport productivity improvements. Improved utilisation of vehicles will increase the number of deliveries per hour, reducing the carbon footprint per delivery.
- 8.2 Indirect carbon footprint benefits will be delivered through the collecting of confidential waste, paper/card and plastic film for shredding and recycling. This will support customers reducing their own carbon footprint and support the County Council in ensuring less recyclable waste goes to landfill.

9. Timeline

- 9.1 The target timeline if Cabinet approves the recommendations in section 3, will enable award of contracts in or around August 2018.

- 9.2 Subject to an award of contracts in or around August 2018, the system will be delivered for go live by March 2019; with a fall back date of August 2019, with full benefit realisation by December 2019.
- 9.3 Progress will be monitored on a quarterly basis by Senior Officers.
- 9.4 High level KPI's will be reported quarterly in respect to HFS's overall performance.
- 9.5 Alongside the high level KPI's a number of programme specific measures are to be monitored and reported on a quarterly basis to ensure benefits identified are realised in line with expectations.

Background Information

None