

# Agenda



**AGENDA for a meeting of the RESOURCES, PROPERTY AND THE ECONOMY CABINET PANEL in COMMITTEE ROOM B at County Hall, Hertford on WEDNESDAY, 14 FEBRUARY 2018 at 10:00AM**

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## **MEMBERS OF THE PANEL (12) (Quorum 3)**

M Bright (Vice-Chairman), F Button, H K Crofton, S J Featherstone (substituting for A J S Mitchell), S B A F H Giles-Medhurst, T R Hutchings (substituting for C M Hayward), P V Mason, R H Smith, S J Taylor, A S B Walkington, J D Williams (Chairman), 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 of the matter and vote on it.**

## **PART I (PUBLIC) AGENDA**

### **1. MINUTES**

To agree the minutes (Part I and Part II) of the Resources, Property and the Economy Cabinet Panel held on 15 December 2017. (*Part II Minutes to follow*)

## 2. 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](mailto: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](mailto:stephanie.tarrant@hertfordshire.gov.uk).

## 3. INTEGRATED PLAN 2018/19 - 2021/22 RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL

### Report of the Director of Resources

- (i) to consider the headline outcomes of the public engagement and consultation undertaken regarding the Council's budget and spending priorities for 2018/19 and beyond;
- (ii) to consider the Integrated Plan 2018/19 – 2021/22 incorporating:
  - (a) Part A: Integrated Plan Overview;
  - (b) Part B: Strategic Direction and Financial Consequences – by portfolio;
  - (c) Part C: the Treasury Management Strategy;
  - (d) Part D: the Capital, Asset Management and Invest to Transform Strategy;
  - (e) Part E: the Insurance and Risk Strategy;
  - (f) Part F: Equality Impact Assessment;
  - (g) Part G: other technical information and finance summaries.
- (iii) to consider comments from service Cabinet Panels (*to follow*)
- (iv) to consider comments from the Overview and Scrutiny Committee

Members are asked to bring the following reports to the meeting:

**'Public Engagement on the Integrated Plan 2018/19 – 2021/22'**  
(circulated as Item 4(i) for the Cabinet meeting of 22 January 2018); and

**'Integrated Plan 2018/19 – 2021/22 (incorporating the Strategic Direction and Financial Consequences and the Treasury Management Strategy)'**  
(circulated as Item 4(ii) for the Cabinet meeting of 22 January 2018).

**4. RESOURCES MONITOR – QUARTER 3 (OCTOBER – DECEMBER 2017)**

Report of the Director of Resources

**5. HERTFORDSHIRE COUNTY COUNCIL FINANCE REPORT – QUARTER 3, 2017/18**

Report of the Director of Resources

**6. INVEST TO TRANSFORM PROPOSALS TO SUPPORT DELIVERY OF ADULT SOCIAL CARE INTEGRATED PLAN PROPOSALS**

Report of the Director of Adult Care Services

**7. RURAL ESTATE LAND AT BALDOCK**

Report of the Director of Resources

**8. ST ALBANS CITY AND DISTRICT COUNCIL LOCAL PLAN CALL FOR SITES CONSULTATION (JAN/FEB 2018)**

Report of the Director of Resources

**9. LAND AT FOXGROVE PATH, SOUTH OXHEY – TO CONSIDER THE FUTURE OF THE LAND**

Report of the Director of Resources

**10. WHEATSHEAF FARM, HIGH CANONS, BOREHAMWOOD – TO CONSIDER THE FUTURE OF THE FARMHOUSE AND FARM BUILDINGS**

Report of the Director of Resources

**11. 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. LAND AT FOXGROVE PATH, SOUTH OXHEY – TO CONSIDER THE FUTURE OF THE LAND**

*Report of the Director of Resources*

**2. WHEATSHEAF FARM, HIGH CANONS, BOREHAMWOOD – TO CONSIDER THE FUTURE OF THE FARMHOUSE AND FARM BUILDINGS**

*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](mailto: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

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## RESOURCES, PROPERTY AND THE ECONOMY CABINET PANEL 15 DECEMBER 2017

### ATTENDANCE

### MEMBERS OF THE PANEL

M Bright (Vice-Chairman), F Button, H K Crofton, P V Mason, A J S Mitchell, N A Quintion (substituted for S B A F H Giles-Medhurst), R H Smith, S J Taylor, A S B Walkington, J D Williams (Chairman)

Upon consideration of the agenda for the Resources, Property and the Economy Cabinet Panel meeting on 15 December 2017 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

#### 1. MINUTES

- 1.1 The Minutes (Part I) of the last meeting held on 9 November 2017 were agreed.

#### 2. PUBLIC PETITIONS

- 2.1 There were no public petitions.

#### 3. MOTION REFERRED FROM COUNTY COUNCIL

[Officer Contact: Sally Hopper, Assistant Director of Human Resources, Tel: 01992 555692]

- 3.1 The following motion raised by **J Billing** at County Council on Tuesday 21<sup>st</sup> November 2017 was referred by to this panel for consideration:

### ACTION

*“Hertfordshire County Council recognises and values the work of its employees, school workers and those across the public sector.*

*It acknowledges that the Government’s imposition over many years of a pay freeze and public sector pay cap of 1% has resulted in wages in the public sector falling considerably behind both price inflation and the rise in earnings in the private sector. This has meant a real terms pay cut for our employees, causing some families to live in increasing poverty. It has also led to difficulties in recruitment and made public sector employees feel undervalued.*

*This Council urges Government to scrap the public sector pay cap. We also urge the Government to adequately fund councils to pay their staff a decent pay rise in line with the cost of living.”*

- 3.2 The discussion opened with Members acknowledging that the County Council’s position had moved forward since the motion was raised. Members were informed that on the 5<sup>th</sup> December 2017 a pay offer of a 2% increase in April 2018, followed by a further 2% increase in April 2019 had been put forward to the union for consideration for all NJC spinal points. In addition, it had been proposed that those at the lower end of the spinal column would have their pay brought in line with the National Living Wage, which would affect around 200 members of Council staff.
- 3.3 It was noted that if a pay settlement of at least 2% was to be awarded, it would create a £1.9 million additional pressure for the County Council.
- 3.4 Members noted that negotiations had been extremely complex and that the Local Government Association was undertaking a campaign which requested that the Government contributed to the pay increases for Local Authorities. The Panel welcomed the need for any national commitment to pay increases to be fully funded and would ask the Government to meet this.
- 3.5 The Panel acknowledged the ongoing negotiation position for London Borough Councils, along with the complexity for trade unions as they operated both within and out of London.
- 3.6 Following considerations from the Labour Member, Panel agreed to withdraw the motion and consider the implications of the pay award once the finance settlement had been agreed.

## **Conclusion**

3.7 The motion was withdrawn.

### **4. LEP UPDATE**

[Officer Contact: Neil Hayes, Executive Director, Local Enterprise Partnership]

3.1 As Hertfordshire Local Enterprise Partnership (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, Hertfordshire Local Enterprise Partnership which provided an update on current issues in relation to the Hertfordshire LEP and current Government economic development related initiatives. The presentation can be viewed here: [LEP Update Presentation](#)<sup>1</sup>

3.3 Members were notified of the newly published Industrial Strategy and the themes and challenges that this covered. It was noted that LEPs were taking the strategy forward locally in areas where there was not a combined authority. Funding would be sought to progress the Local Industrial Strategy and the strategy was not due to be agreed until March 2019.

3.4 The Panel heard that Hertfordshire LEP had highlighted that it was keen to be one of the first to proceed with its Local Industrial Strategy given that the current Strategic Economic Plan was in line with the themes set out in the strategy. This approach was welcomed by Members.

3.5 In response to a Member question on whether BRE (Building Research Establishment) would look at building techniques from overseas it was advised that modern methods of construction were beginning to appear in the UK. In addition it was noted that ongoing work on Hertfordshire's Enterprise Zone it would be desirable to work with organisations like BRE to test the attractiveness and potential for these types of businesses to operate in Hertfordshire.

3.6 Members acknowledged that older residents had not been referred to in the Industrial Strategy and noted that it would be helpful to consider this area in terms of public health and independent living in the Local Industrial Strategy. The Panel were advised that the Director of Adult Care Services was leading work to develop a housing strategy for the County Council, with a view to meeting the

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needs of the aging community across the County and considered how the LEP could link in with other organisations to contribute to this strategy.

3.7 The Panel acknowledged the updates in terms of the LEP review and the challenges that the LEP may face going forward, with uncertainty over core funding. It was noted that the County Council contributes £250,000 pa in matched funding to support LEP operational costs. Recent guidance from central government has proposed that LEP should become incorporated organisations. Panel members were informed that fourteen of the 38 LEPs had already incorporated.

3.8 In response to a Member question, it was noted that a tour of the BRE site would be arranged for February/March 2018. In addition an extended briefing session on the Local Industrial Strategy would be organised.

Neil Hayes,  
LEP / Cllr.  
David  
Williams,  
Chairman

### **Conclusion**

3.9 The Cabinet Panel noted the contents of the presentation.

## **5. HERTFORDSHIRE SKILLS STRATEGY TO 2020**

[Officer Contact: Kate Brierley, Senior Policy Officer, Corporate Policy team, Hertfordshire County Council, Tel: 01992 588321]

5.1 The Cabinet Panel considered a report which detailed the second Skills Strategy for Hertfordshire. The aims of the original strategy remained with an update that considered the skills market review and the skill shortages across the County. The Skills Summit in October 2017 had provided valuable feedback which had helped to inform the refreshed strategy.

5.2 Members welcomed the new strategy and noted that it should continue to be reviewed and updated once the Local Industrial Strategy was in place to ensure they align.

5.3 In response to a Member question on whether Hertfordshire's Skills Strategy linked in with neighbouring authorities it was noted that the Skills Strategy had been shared with other LEPs and that the focus of the County Council was on those in employment and upskilling them to fill the gaps required, whilst also working alongside Hertfordshire Adult and Family Learning Service (HAFLS) whose principal focus was on those out of current employment.

5.4 Members discussed the dip seen in apprenticeship starts since the national Apprenticeship Levy and associated reforms had been

introduced. Whilst it was noted that the number of apprenticeships were expected to increase, Members agreed that collective representation should be made to the Minister on the negative effect being seen. It was noted that by January 2018 the final figures for 2016/17 apprenticeship starts would be known for Hertfordshire at which time the service could determine the actual reduced number of apprenticeship starts.

- 5.5 Following a previous invitation for a Member from each group to observe a meeting of the Skills & Employment Board (a sub-committee of the Hertfordshire LEP Board), it was advised that subject to the agreement of the Board's Chair, invitations would be made available to observe the January 2018 meeting.

Cllr. David Williams,  
Chairman

### **Conclusion**

- 5.6 The Cabinet Panel recommended to Cabinet that it agreed the Hertfordshire Skills Strategy (Appendix A).

### **6. RESOURCES MONITOR – QUARTER 2 (JULY – SEPTEMBER 2017)**

[Officer Contact: Stuart Bannerman Campbell, Assistant Director Improvement and Technology, Tel: 01992 588397 / Ben Negus, Business Support Officer – Resources, Tel: 01992 556012]

- 6.1 Members received an overview of the performance of the Resources service over the period July - September 2017, which included details of key performance within Human Resources (HR), Finance, Assurance, Property, Improvement & Technology, Legal, Democratic and Statutory Services, Hertfordshire Business Service (HBS), Customer Services and Libraries and Service-wide Resources Indicators. The summary of performance could be viewed on page 2 of the report Q4 Resources Monitor<sup>2</sup>.
- 6.2 Member acknowledged the changes to the report and the new indicators made available around IT systems and monitoring incidents as per previous feedback.
- 6.3 It was noted that the report was strong in terms of performance, whilst an area for concern was highlighted around voluntary turnover listed at 9.1 of the report. It was however noted that the retention of young members of staff was improving.
- 6.4 Members noted a correction to the reported media score at 8.1.3 of the report. It should note that performance had increased from 206

<sup>2</sup>

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/767/Committee/104/SelectedTab/Documents/Default.aspx>

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to 815. The score had been low in the previous quarter due to restrictions on reporting during the pre-election period. Members considered the different types of ways that the public received media messages and considered that both paper and online mechanisms are currently required to engage with all age groups.

- 6.5 Members queried if it was positive that the legal team had been delivering more legal advice (6.1.1) and it was advised that this meant the team were responding well to the demands placed on them. It was noted however that work had been taken on from Stevenage BC during the period and that therefore the increase reflected the additional work rather than point to an increase in productivity.
- 6.6 Members challenged some of the data included in the monitor and noted that some of the figures required further information to ascertain the position e.g. if the staff profile included at 13.9, suggested that Hertfordshire Business Service did not employ any staff under 25 so there could not be any leavers in Q2 and therefore the full meaning of the figures could not be gauged based solely on the data provided. Officers undertook to look at how this information might be better presented in future reports.
- 6.7 It was queried as to why Hertfordshire Business Service and Libraries and Heritage Services sickness levels had been given in with the overall directorate figures at 9.1.4 and then excluded to provide a lower sickness level, only highlighting that those two services had a higher sickness level than elsewhere. It was advised that due to the physical nature of the work more absence was noted and that the wording and information provided would be reviewed.
- 6.8 The Panel noted that as the service did not have many citizen focussed outputs to measure it was more complex to monitor compared to some other services. It was noted that any information that Members considered to be useful in providing assurance that the service was moving in the right direction would be considered for future reports.

### **Conclusion**

- 6.5 The Panel:
- Commented on the performance, projects, and audit matters outlined within the report, as detailed above.
  - Suggested further actions to address any performance concerns raised in the report or covered in the detailed

electronic monitor, as detailed above.

**7. HERTFORDSHIRE COUNTY COUNCIL FINANCE REPORT – QUARTER 2, 2017/18**

[Officer Contact: Steven Pilsworth, Assistant Director of Finance  
Tel: 01992 555737]

- 7.1 The Panel considered the Quarter 2 (July – September 2017) Finance Monitor report, which summarised the 2017/18 outturn position against revenue and capital budgets, and performance against key indicators for treasury and debt management. A summary is set out below; the full report can be viewed here: [Q4, Finance Report<sup>3</sup>](#).
- 7.2 Revenue Monitor: The current projected position for 2017/2018 was a £2.191 million overspend, although there is capacity within the council's contingency budget to cover this overspend if relevant financial pressures do not reduce in the second half of the financial year. Pressures would continue to be monitored.
- 7.3 Capital Monitor: It was noted that there was a forecast overspend of £785,000 on highways maintenance, partly due to the identification of significant levels of coal tar in some areas and that further work was being undertaken to see if this could be mitigated by reducing the expenditure by an equal amount next year, rather than reducing or delaying other parts of the maintenance programme this year.
- 7.4 Members were advised that the indicators on pages 69/70 of the report on debt payments demonstrated the amount of invoices that had been paid within a three month period.
- 7.5 In response to a Member question on the current financial outlook as the end of quarter 3 approached, Members were advised that whilst there were still a range of financial risks and pressures being managed, the direction of movement was looking positive and savings and underspends in some areas of council activity were helping to reduce the forecast overspend reported in the Q2 monitor.

**Conclusion**

- 7.6 Panel are recommended to Cabinet that it approves:
- that capital budgets of £63.866m, be reprogrammed to

<sup>3</sup>

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/767/Committee/104/SelectedTab/Documents/Default.aspx>

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- 2018/19 or future years; and
- that capital budgets of £1.279m, be reprogrammed from 2018/19 to 2017/18, to meet spend in that year.

[The reprogramming from 2018/19 to 2017/18 includes £0.785m Highways Maintenance budget. This was being brought forward to cover a net forecast overspend in 2017/18, in order to avoid the need to reduce spend on other 2017/18 schemes. The service were taking steps to contain the overspend, and it was proposed that any reprogramming not required in 2017/18 be transferred back to the 2018/19 budget at year end, subject to Member approval.]

**8. SALE OF THE AUTHORITY’S SHARE OF HERTFORDSHIRE SCHOOLS BUILDING PARTNERSHIP**

[Officer Contact: Steven Pilsworth, Assistant Director of Finance  
Tel: 01992 555737]

- 8.1 The Cabinet Panel reviewed a report which considered the County Council’s options in relation to its future shareholding in the companies associated with the Hertfordshire Building Schools for the Future (“**BSF**”) programme, including a proposal for the sale of the County Council’s share of such companies.
- 8.2 Members heard that in 2010 the County Council entered a Local Education Partnership (LEP) with Balfour Beatty Education to establish a joint venture as a procurement route for building schools, however in 2016 Balfour Beatty notified the County Council of their intention to sell their shares and subsequently sold them to Building Schools for the Future Investments LLP, whom have approached the County Council with an interest in buying the County Council’s minority shares in the companies.
- 8.3 Members heard that following a review of the shares it was recommended that they be sold as they no longer had a strategic fit with the County Council’s approach to procurement.
- 8.4 It was advised that the County Council could continue to hold the shares as an income stream or sell them and put the funds to another use. Members heard that whilst the rate of return looked attractive in percentage terms, once the full 20 year financial model was reviewed it was noted that part of the income was to repay debt in cash terms. It was also noted that most of the dividends were not paid until the final 3 years i.e. in 20 years’ time and therefore some of the risks may erode the final income. Members heard that once the shares were sold, there would no longer be any risk.



8.5 Clarity was provided in relation to the EqIA (paragraph 9.4). It was noted that whilst an EqIA had been completed, it had not been included in the report. The EqIA would be made available for Cabinet.

### **Conclusion**

8.6 The Cabinet Panel recommended to Cabinet that:

- Having considered the matters set out in this report, Cabinet agrees and authorises the sale of the County Council's minority shares of 20 shares in the LEP and 180 shares in Hertfordshire Schools Building Partnership Phase 1 Holdings Limited for the total sum of £1.745m to Building Schools for the Future Investments LLP ("**BSFI**").
- Cabinet delegates to the Director of Resources and Chief Legal Officer to finalise the terms of the sale of the shares of the companies, and the approval to agree the Sale and Purchase Agreement, and all other required legal documents and for the Chief Legal Officer to execute the required legal documents relating to the sale.

## **9. SCHOOL TO SERVE HIGH LEIGH HOUSING DEVELOPMENT AND POTENTIAL RELOCATION OF WESTFIELD COMMUNITY PRIMARY SCHOOL, HODDES DON**

[Officer Contact: Brenda Dennett, School Planning Officer , Tel:01992 555813 / Peter Oddy, Senior Estates Officer, Tel: 01992 555221]

9.1 The Cabinet Panel considered a report which provided an update on the viability of pursuing an option to deliver a 2 form entry (f.e.) primary school at High Leigh, Hoddesdon rather than a new 1f.e. school necessary to meet demand from the High Leigh housing development. Provision of a 2f.e. school building would facilitate the potential relocation of the nearby 1f.e. Westfield Community Primary School, rather than having two 1.f.e. schools within 0.5 mile proximity.

9.2 Members noted that it was the preference of Children's Services to have one 2f.e. school as this was most financially viable and sustainable option.

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

9.3 The Panel agreed to move into Part II ('closed' session').

9.4 That under Section 100(A)(4) of the Local Government Act 1972,

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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.

- 9.5 Following discussion on the Part II Report, the Panel moved back into Part I (open session) and agreed the recommendations.

**Conclusion**

- 9.6 Panel recommended to Cabinet that it:

- a) Agreed the proposal to pursue the option to deliver a 2 f.e. school to meet demand from the High Leigh housing development, Hoddesdon through the relocation and enlargement of Westfield Community Primary School, subject to the outcome of a statutory consultation.
  
- b) Gave approval, with final terms to be agreed by the Director of Resources in consultation with the Leader of the Council (as responsible for the Resources, Property and the Economy portfolio) and the Executive Member for Education, Libraries and Localism, for:
  - the acquisition of additional land at High Leigh, Hoddesdon
  - the application of indexed s106 funds as detailed in the formal s106 agreement relating to the High Leigh housing development, Hoddesdon.
  - use of County Council funding equivalent to the value of the eventual disposal receipt to part-fund the acquisition of additional land at High Leigh, Hoddesdon and additional building costs.
  - use of schools Repairs and Maintenance budget and Basic Need funding to bridge the funding gap.
  - submission of a planning application for housing on the Westfield School site and completion of any planning agreement.
  - submission of a planning application for the proposed new school.
  - procurement of the new school premises, and
  - subsequent disposal of the Westfield School site.
  
- c) Agreed that the Director of Children’s Services is authorised to proceed with a statutory consultation, commencing in January 2018, on the proposed enlargement of Westfield Community Primary School and non-statutory consultation on its relocation

to High Leigh, Hoddesdon (in line with the developer's programme, when available, and related s106 agreement stages).

- d) Received an update on the financial viability of the proposal when it receives the outcome of the public consultation on the relocation and expansion of the school in April 2018.

**10. PROCUREMENT OF THE PROPERTY DEVELOPMENT PARTNER**

[Officer Contact: Mike Evans, Head of Estates Management]

- 10.1 The Cabinet Panel reviewed Part I and Part II reports which provided an update on the progress of the procurement of the Joint Venture (JV) partner and details of the analysis of final tenders submitted.
- 10.2 Members noted that the process had been intensive with the market responding well to the Joint Venture opportunity.

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

- 10.3 The Panel agreed to move into Part II ('closed' session').
- 10.4 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.
- 10.5 Following discussion on the Part II Report and the Part II recommendation, the Panel moved back into Part I (open session) and agreed the Part I recommendations.

**Conclusion**

- 10.6 The Cabinet Panel recommended to Cabinet that:
  - having considered the matters set out in Part 1 & Part 2 reports, Cabinet authorises the selection of the Preferred Bidder.
  - Cabinet authorises the Director of Resources, in consultation with the Leader of the Council (as responsible for the Resources, Performance & Economy portfolio), to enter into discussions with the Preferred Bidder with a view to clarifying,

specifying and optimising aspects of the Preferred Bidder's final tender (including but not limited to project governance, sites to be developed, phasing, financial profile and communications) and to confirm commitments contained in the final tender.

- a further report relating to the award of contract to the Preferred Bidder and approval of the final documentation to support the establishment of the JV, arrangements and the agreement of the relevant business plans is brought to Cabinet, following further refinement at closure of the preferred bidder stage.
- Cabinet notes that the detail of the governance arrangements, including the delegation matrix, will be reported to Cabinet following further refinement at the preferred bidder stage.
- Cabinet delegates to the Director of Resources in consultation with the Leader of the Council (as responsible for the Resources, Performance & Economy portfolio) to work with the Managing Director of Herts Living Limited to create and agree a robust business case for the future objectives of Herts Living Limited, incorporating the objectives of the County Council.
- Cabinet approve the request for £0.5m allocated for capital spend to be made available for revenue spend, as set out in 11.3, of the report.
- It notes and endorses the following actions as completed, as delegated per the Cabinet decision of 10<sup>th</sup> July 2017:
  - The creation of the company, Herts Living Limited (“the Company”) which was incorporated on 5 September 2017 (Company number 10947722), wholly owned by the County Council to work, in due course (subject to a decision to this effect being made by the County Council), with the joint venture partner and explore other opportunities to develop land and building assets for the benefit of County Council. The model articles and memorandum of association were adopted in accordance with the Companies Act 2006. The County Council is the sole shareholder, with a holding of 1,750 ordinary shares with an aggregate nominal value of £175,000.
  - The recruitment and appointment of a Managing Director (MD) of Herts Living Ltd, with an anticipated start date of 1<sup>st</sup> February 2018. All terms and conditions of the employment have been agreed.
  - The appointment of the following employees of County

Council as Directors of the Company: Simon Aries, Mike Evans and John Oakley, with the appropriate indemnities in accordance with the Local Authorities (Indemnities for Members and Officers) Order 2004.

10.7 It was noted that S Taylor abstained from the recommendation.

**11. JOINT PROMOTION OF LAND OWNED BY HERTFORDSHIRE COUNTY COUNCIL AND BOROUGH OF BROXBOURNE AT BROOKFIELD RIVERSIDE**

[Officer Contact: Mike Evans, Head of Estates Management]

11.1 The Cabinet Panel reviewed Part I and Part II reports which considered the opportunity for the County Council and Broxbourne Borough Council to promote significant land at Cheshunt Park Farm and the adjacent Brookfield retail area. The reports identified the preferred marketing proposals and sought approval for the joint promotion of the land in the ownership of the two councils at Brookfield with the objective of identifying a development partner capable of bringing forward a development of circa 400,000 sq. ft. of new retail and leisure together with other associated uses, such as 200 new dwellings and infrastructure.

11.2 Members welcomed the joint approach to the marketing proposals and acknowledged the proposed displacement of the traveller's site and the Household Waste Recycling Centre. It was noted that a full EqIA would be undertaken in relation to the traveller's site in addition to the ongoing consultations.

11.3 It was acknowledged that following marketing the intention would be to move to procurement, with a final proposal brought back to Panel. In addition it was noted that it may be possible to arrange presentations from the shortlisted preferred development partners prior to the final decision being made.

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

11.4 The Panel agreed to move into Part II ('closed' session').

11.5 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.

11.6 Following acknowledgement of the Part II Report the Panel moved back into Part I (open session) and agreed the recommendations.

**Conclusion**

11.7 The Cabinet Panel recommended that Cabinet:

- (a) endorses that a joint marketing and procurement exercise between the County Council and Broxbourne is carried out as soon as possible, in accordance with the Public Contract Regulations 2015 using the Official Journal of the European Union in order to identify a suitable development partner for both councils' land holdings at Brookfield.
- (b) delegates to the Director of Resources in consultation with the Executive Member for Resources, Property and the Economy working with appropriate representatives from Broxbourne Council, to carry out the procurement process to determine which Development Partner is selected, including the necessary detailed negotiations.
- (c) delegates to the Director of Resources in consultation with the Executive Member for Resources, Property and the Economy and in consultation with the Chief Legal Officer the terms of any agreements required between the County Council and Broxbourne and/or the identified Development Partner and/or any third parties;
- (d) notes the intention to make a planning application for Garden Village.
- (e) delegates to the Director of Resources in consultation with the Executive Member for Resources, Property and the Economy, to produce the necessary business case with regards the relocation of the County Council's household waste recycling centre (HWRC) and traveller's site at Halfhide Lane, with consideration being given on the necessary County Council budget to support this scheme, all in accordance with the agreed masterplan for the Garden Village.
- (f) approves the marketing of the HWRC and travellers site, and delegates to the Director of Resources in consultation with the Executive Member for Resources, Property and the Economy and in consultation with the Chief Legal Officer to agree the terms of this disposal (including the required legal documentation) ensuring compliance with section 123 (best consideration) under the Local Government Act 1972, as well as to consider the displacement of the services carrying out

the required consultation process applicable, subject to 3.1 (g) below.

- g) notes a further report will be presented to cabinet for approval to appoint the preferred Development Partner and terms of the agreed disposals as set out in these recommendations, including and other relevant recommendations/approvals to enable the Greater Brookfield development opportunity to be awarded and proceed.

**12. OTHER URGENT PART I BUSINESS**

12.1 There was no other urgent Part I business.

**PART II ('CLOSED') AGENDA**

**1. SCHOOL TO SERVE HIGH LEIGH HOUSING DEVELOPMENT AND POTENTIAL RELOCATION OF WESTFIELD COMMUNITY PRIMARY SCHOOL, HODDESDON**

**Decision**

1.1 The decision reached on this item of business is recorded at item 9 above.

**2. PROCUREMENT OF THE PROPERTY DEVELOPMENT PARTNER**

**Decision**

2.1 The decision reached on this item of business is recorded at item 10 above and item 2 of the Part II minutes.

**3. JOINT PROMOTION OF LAND OWNED BY HERTFORDSHIRE COUNTY COUNCIL AND BOROUGH OF BROXBOURNE AT BROOKFIELD RIVERSIDE**

3.1 The decision reached on this item of business is recorded at item 11 above.

**KATHRYN PETTITT  
CHIEF LEGAL OFFICER**

**CHAIRMAN \_\_\_\_\_**

**CHAIRMAN'S  
INITIALS**

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HERTFORDSHIRE COUNTY COUNCIL

RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM

Agenda Item No.

3

INTEGRATED PLAN 2018/19 - 2021/22 RESOURCES, PROPERTY & THE  
ECONOMY CABINET PANEL

Report of the Director of Resources

Authors: Steven Pilsworth, Assistant Director Finance  
Lindsey McLeod, Head of Corporate Finance

Executive Member: David Williams, Leader of the Council (as responsible  
for Resources, Property & the Economy portfolio)

**1. Purpose of the Report**

- 1.1 To highlight the areas of the Integrated Plan which relate to Resources, Property & the Economy in order for Panel to consider these and provide comment.
- 1.2 Members are asked to bring the following reports to the meeting, which have been circulated separately to all Members of the County Council:

**‘Public Engagement and Consultation on the 2018/19 – 2021/2022 Integrated Plan’** (circulated as Item 4i for the Cabinet meeting of 22 January 2018); and

**‘DRAFT INTEGRATED PLAN 2018/19 – 2021/22 (incorporating the Strategic Direction and Financial Consequences and the Treasury Management Strategy)’** (circulated as Item 4ii for the Cabinet meeting of 22 January 2018).

**2. Summary**

- 2.1 The Integrated Plan brings together the financial impact of service plans and the available funding to resource these, over the next four years. Strategic Direction summaries have been produced for each Portfolio, which set out the future direction of services in the context of achieving substantial further savings. These have been informed by comparative benchmarking, both through published data and informal networks with other comparable authorities, to identify areas of potential efficiency gains.
- 2.2 Services have identified savings, in the context of the continuing budgetary pressures and reduction in available funding. Savings requiring a policy change have been or are being taken through



Panels for Cabinet decisions throughout 2017/18, and substantial efficiency savings have been identified. Savings include reducing the allocation of general non-pay inflation to zero. Whilst this is mitigated to some extent by excluding exceptional inflation areas it will require services to manage the impact during 2018/19.

- 2.3 The Government announced the provisional Local Government Finance Settlement for 2018/19 on 19 December 2017. This was the third of the Government's four year settlement offer, and so a number of the reductions to funding were known in advance when preparing the proposed budget. Revenue Support Grant (RSG) will reduce by £22m between 2017/18 and 2018/19, and by a further £20m in 2019/20. Other grant announcements have confirmed expected reductions in Public Health grant (2.5%) and the cessation of Education Services Grant (ESG) from September 2017.
- 2.4 Funding from 2020/21 is uncertain, especially with proposed changes to the business rates retention system and a Fair Funding review which the Government proposes to introduce from that year. The IP assumes a further reduction of £5m pa in 2020/21 and 2021/22, but this will be kept under review.
- 2.5 The provisional Settlement also increased the referendum threshold for basic council tax, allowing authorities to increase this by up to 3% in 2018/19, without requiring a referendum. The 2017/18 IP had included a proposed 1.99% council tax increase each year, and the raising of the 3% remaining permitted Adult Social Care (ASC) Precept in 2018/19. The IP considered by Cabinet in January assumes a basic council tax increase of 2.99% in 2018/19 and 2019/20, and the 3% ASC Precept in 2018/19.
- 2.6 The final position will not be confirmed until the Final Settlement (expected early February) and other late grant announcements, and until figures are received from Districts for council tax base and collection fund balances, due to be provided by end January; and for business rates income and collection fund balances, which have a statutory deadline of 31 January. Should any late changes result in an unbalanced budget, specific reserves will be used to provide one off funding in 2018/19. Any additional funding will be available to support the 2018/19 budget, for example by increasing contingency to mitigate risk, or by providing investment to deliver savings that will help meet the funding gap for future years.
- 2.7 The future position remains challenging: even with the identified savings and revised increases in council tax and the social care precept, current projections of pressures and funding require a further £8.1 million saving to be identified in 2019/20, rising to £30 million by 2021/22.
- 2.8 To help meet these challenging targets, work is commencing to progress further savings during 2018, for implementation for 2019/20 or sooner where achievable. It is recognised that savings require

significant lead in times, especially where there is service redesign or consultation.

### **3. Recommendations**

- 3.1 The Panel is invited to comment to Cabinet on the proposals relating to the Integrated Plan in respect of the Resources, Property and the Economy Portfolio.
- 3.2 The Panel is also asked to identify any issues that it feels that the Cabinet should consider in finalising the Integrated Plan proposals.

### **4. Background**

- 4.1 The integrated plan comprises:
  - an overview of the proposed revenue budget and capital programme, including a review of the budget estimates and adequacy of reserves (Part A);
  - Strategic Direction and Financial Consequences - by portfolio (Part B);
  - the Treasury Management Strategy (Part C)
  - the Capital and Asset Management Strategy and Invest to Transform (part D);
  - the Insurance and Risk Strategy (part E)
  - an Equalities Impact Assessment (Part F); and
  - other technical information and finance summaries (Part G)
- 4.2 Part B of the Integrated Plan has separate sections for each Portfolio. These contain the strategic direction summary (for the Resources, Property and the Economy portfolio, on p165 of Integrated Plan Pack Part B); revenue budget information including a schedule of Key Budget Movements that sets out details of financial pressures and savings (p177-180); and a summary of the proposed Capital Programme (p186 – p191).
- 4.3 In the January Cabinet IP pack, the following two savings items relating to Libraries, Museums and Archives were included in the Resources, Property and the Economy Portfolio in error:
  - Further Libraries savings options within Inspiring Libraries strategy £500k pa from 2019/20
  - Developing and diversifying funding streams for Hertfordshire Archives and Local Studies - £50k pa from 2021/22.

Amended versions of p 179/180 of the pack, and the summary tables on p165/166, are included as Appendix A and B to this report.

#### 4.4 Key issues for this portfolio include:

- Continuing to drive forward transformation and change whilst delivering back office efficiencies:
  - Making the most of our land and property assets, including proposed savings in the cost of our office accommodation; and achieving returns through the Council's new property company, Herts Living;
  - Increasing commercial opportunities for trading, procurement and contract management; delivering savings from increased income streams and reduced costs;
  - Using outcome driven technology to respond to digital opportunities;
  - Leading an effective People Strategy to deliver a high performing, engaged and committed workforce; and
  - Leading on enabling and developing a Smart, flexible and mobile workforce.
- Ensuring an effective capital financing strategy linked to asset life, utilising policy changes agreed in the 2017/18 IP to deliver a further £2.75m p.a. savings.
- Providing resource for investment in infrastructure, growth and service transformation. The IP proposed in January includes £3.49m to fund projects for the development of major infrastructure and sustainable transport to support future growth; for service transformation including that planned for Adult Social Care; and for other requirements such as the need to replenish the Insurance Fund. Allocations from this budget, and the approach for approving bids for specific projects within these, will be confirmed once 2018/19 funding is known.
- Ensuring the proposed balanced budget is sufficiently robust to manage uncertainty and risk, including demand pressures and the challenge of delivering complex savings. Details of these uncertainties are set out in the Integrated Plan Part A (p12-13). £6m has been set aside as contingency for 2018/19, in line with the level set for 2017/18.

#### 5. Updates since the publication of the draft Integrated Plan

5.1 We are still awaiting further announcements in order to finalise the draft plan published at the 22 January Cabinet. The key issues to note are:

- The final Local Government Finance Settlement is expected in the week commencing 5 February. While local authority organisations (including the Council's own response to the Provisional Settlement) have asked the Government to consider the pressures

facing local councils, there is no indication that any additional funding is available. The Final Settlement will confirm core funding including Business Rates top up, which has been impacted by changes in valuations and reliefs.

- Council Tax and Business Rates income and collection fund figures are being confirmed at the time of writing and will be updated at the meeting. There continues to be some additional volatility this year, due to the impact of business rates revaluation and appeals.
- A number of other grants remain unconfirmed.

5.2 All of the adjustments will be reflected in the final Integrated Plan proposals for the Cabinet meeting on 19 February and County Council on 20 February.

## **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 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 Part F of the Integrated Plan provides an equality impact assessment of the savings included within the plan and how these are intended to be mitigated by the service.

# Resources, Property & the Economy Portfolio

## Strategic Direction:

- To provide professional advice and insights, and the tools to deliver services and enable change
- Promote the economic prosperity of businesses and residents in Hertfordshire in collaboration with the LEP and in line with the Strategic Economic Plan

## Key priorities and programmes:

- Driving forward digital strategies to maximise the effectiveness of digital solutions for the council and its clients.
- Leading on an effective People Strategy to deliver a high performing, engaged and committed workforce.
- Maximising the use of public sector assets to drive out efficiencies and generate ongoing revenue streams.
- Driving forward further commercial opportunities for trading, procurement and contract management.
- Leading on enabling and developing a Smart, flexible and mobile workforce.
- Enable effective approaches of prevention and demand management
- Funding – Drive forward strategic financial planning and proactively respond to the impact of proposed changes to Business Rates (NNDR) and government funding.
- To continue to work closely with the LEP to secure economic prosperity.
- To promote the tourism economy in Hertfordshire through Visit Herts

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## Key services provided:

- Support services including; Assurance, Finance, HR, Improvement & Technology, Procurement, Property, Legal, Democratic & Member services, Communication and Policy support.
- Citizen focused services for Births, Deaths, Marriages and Citizenship Services, Support to the Coroner, delivery of school meals through Herts Catering Limited and the supplies service HertsFullstop
- Provision of core funding to Herts LEP and joint working to sustain economic prosperity priorities.
- Financial support to the Visit Herts Tourism Partnership.

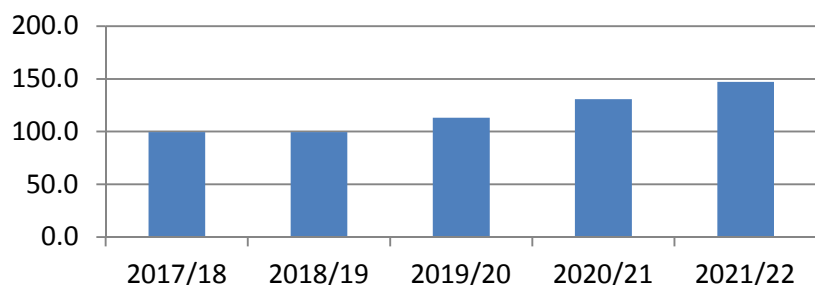
## Key risks in achieving IP proposals:

- Changes in funding and grant announcements
- Volatility of and changes to local business rates system
- Council tax reforms and changes to council tax base
- Wider inflation, interest and borrowing rate risks post Brexit
- Ability to market assets and secure revenue streams
- Continuing to attract, recruit and retain an effective workforce

# Resources, Property & the Economy Portfolio

£m

## Net Revenue Budget



## Key Revenue Pressures:

- Robertson and Farnham House lease (part of 2017/18 IP) - £0.635m
- Herts Fullstop transition - £0.112m
- County Council elections - £0.085m

## Key Revenue Budget Movements

|                            | 2018/19<br>TOTAL<br>£000 | 2019/20<br>TOTAL<br>£000 | 2020/21<br>TOTAL<br>£000 | 2021/22<br>TOTAL<br>£000 |
|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Technical Adjustment       | (4,983)                  | (4,983)                  | (4,983)                  | (4,983)                  |
| Inflation to be allocated  | 5,869                    | 22,537                   | 39,071                   | 55,934                   |
| Service Specific Inflation | 34                       | 34                       | 34                       | 34                       |
| Legislative                | (11)                     | (11)                     | (11)                     | (11)                     |
| Other Pressures            | 5,517                    | 6,371                    | 10,321                   | 14,036                   |
| <b>TOTAL PRESSURES</b>     | <b>5,506</b>             | <b>6,360</b>             | <b>10,310</b>            | <b>14,025</b>            |
| Existing Efficiencies      | (136)                    | (157)                    | (136)                    | (157)                    |
| Existing Policy Choice     | (50)                     | (100)                    | (100)                    | (150)                    |
| New Efficiencies           | (5,273)                  | (6,662)                  | (9,389)                  | (13,536)                 |
| New Policy Choice          | -                        | -                        | -                        | -                        |
| <b>TOTAL SAVINGS</b>       | <b>(5,459)</b>           | <b>(6,919)</b>           | <b>(9,625)</b>           | <b>(13,793)</b>          |

## Key Revenue Savings Proposals:

- Further reduction in back office costs - £0.341m
- Additional income from traded and statutory services - £0.115m
- Investment return Herts Catering Ltd - £0.500m
- Property and asset management - £0.487m
- Final savings on previously agreed MRP changes - £2.755m

|                   | 2018/19<br>£000 | 2019/20<br>£000 | 2020/21<br>£000 | 2021/22<br>£000 |
|-------------------|-----------------|-----------------|-----------------|-----------------|
| Capital Programme | 35,546          | 6,326           | 2,859           | 2,770           |

## Key Capital Schemes:

- 25 by 20: Property Projects
- Broadband Delivery Project Phase 2
- Capital Maintenance Improvements and Annual Programme of Minor Works
- ICT Refresh budget and Refresh Mobile Computing Devices

**KEY BUDGET MOVEMENTS 2018/19 - 2021/22**

|                                   | 2018/19<br>TOTAL<br>£000s | 2019/20<br>TOTAL<br>£000s | 2020/21<br>TOTAL<br>£000s | 2021/22<br>TOTAL<br>£000s |
|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Technical Adjustment</b>       | (4,983)                   | (4,983)                   | (4,983)                   | (4,983)                   |
| <b>Service Specific Inflation</b> | 34                        | 34                        | 34                        | 34                        |
| <b>Legislative</b>                | (11)                      | (11)                      | (11)                      | (11)                      |
| <b>Other Pressures</b>            | 5,906                     | 6,315                     | 10,229                    | 13,853                    |
| <b>TOTAL PRESSURES</b>            | <b>5,895</b>              | <b>6,304</b>              | <b>10,218</b>             | <b>13,842</b>             |
| <b>Existing Efficiencies</b>      | (136)                     | (157)                     | (136)                     | (157)                     |
| <b>Existing Policy Choice</b>     | (50)                      | (100)                     | (100)                     | (100)                     |
| <b>New Efficiencies</b>           | (5,273)                   | (6,662)                   | (9,389)                   | (13,536)                  |
| <b>New Policy Choice</b>          | 0                         | 0                         | 0                         | 0                         |
| <b>TOTAL SAVINGS</b>              | <b>(5,459)</b>            | <b>(6,919)</b>            | <b>(9,625)</b>            | <b>(13,793)</b>           |

| Ref                               | Description   | Dept                     | Type of budget movement    | 2018/19<br>TOTAL<br>£000s | 2019/20<br>TOTAL<br>£000s | 2020/21<br>TOTAL<br>£000s | 2021/22<br>TOTAL<br>£000s | Approximate current budget £'000 |
|-----------------------------------|---|--------------------------|----------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------------|
| <b>Technical Adjustments</b>      |   |                          |                            |                           |                           |                           |                           |                                  |
| TA8                               | <u>SEN Reform</u><br>An initial amount of grant funding was been allocated in 2017/18 to meet the identified pressure within Children's Services and the remainder was held centrally, with future budget allocations to be agreed. <u>School improvement monitoring and brokering grant</u>  | Rsources - Central Items | Technical Adjustment       | (564)                     | (564)                     | (564)                     | (564)                     |                                  |
| TA9                               | Removal of 18/19 grant, pending announcement of any further funding. Once grant conditions are confirmed, the budget will be allocated to services. <u>Revenue Contribution to Capital Programme</u>  | Rsources - Central Items | Technical Adjustment       | (842)                     | (842)                     | (842)                     | (842)                     |                                  |
| TA7                               | Transferred to a reserve to meet capital financing in future years, reducing the need to borrow.  | Resources - CFIB         | Technical Adjustment       | (3,577)                   | (3,577)                   | (3,577)                   | (3,577)                   |                                  |
| <b>Service Specific Inflation</b> |   |                          |                            |                           |                           |                           |                           |                                  |
|                                   | <u>Coroner Service - expenditure</u><br>HCC has a contract with 3 NHS Trusts to provide mortuary services for Coroner's Post Mortems (West Herts, East & North Herts and Princess Alexandra). The contract allows for the Trusts annual fee rises in line with NHS inflation. NHS inflation has consistently been higher than general inflation. Economic assumptions 2016/17 to 2020/21 paper on NHS website projects that NHS inflation for 2018/19 will be 2.0%. | Resources                | Service Specific Inflation | 4                         | 4                         | 4                         | 4                         |                                  |
|                                   | <u>Registration &amp; Citizenship Service - income</u><br>Fees within this GL account are statutory and are set by the Home Office. There is no indication of proposed increase in fees for 2018/19, thus income will not rise.   | Resources                | Service Specific Inflation | 5                         | 5                         | 5                         | 5                         |                                  |
|                                   | <u>Registration &amp; Citizenship Service - income</u><br>Fees within this GL account are statutory and are set by the General Register Office. There is no indication of proposed increase in fees for 2018/19, thus income will not rise.   | Resources                | Service Specific Inflation | 14                        | 14                        | 14                        | 14                        |                                  |
|                                   | <u>Other Properties - income</u><br>Abel Smith is currently fully let to businesses that have agreed rent payments to HCC at set prices until the rent reviews which do not take place until 19/20. This also means that adding income inflation would create a pressure to the budget.   | Resources                | Service Specific Inflation | 11                        | 11                        | 11                        | 11                        |                                  |

| Ref  | Description   | Dept                      | Type of budget movement | 2018/19 TOTAL £000s | 2019/20 TOTAL £000s | 2020/21 TOTAL £000s | 2021/22 TOTAL £000s | Approximate current budget £'000 |
|------|---|---------------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|
|      | <b>Pressures</b>  |                           |                         |                     |                     |                     |                     |                                  |
| L5   | <u>County Councillors - ending of superannuation scheme</u><br>Following County Council elections in May 2017, all members previously on the scheme will cease to be members of the LGPS.<br><u>Robertson &amp; Farnham House</u>   | Resources                 | Legislative             | (11)                | (11)                | (11)                | (11)                |                                  |
| OP19 | At the point of purchase of the freehold of Robertson and Farnham House in Stevenage, Aviva held a lease of the freehold with HCC subleasing from Aviva. This situation continues until the Aviva lease expires in September 2018. However, there is a difference in the values of the lease (£3.7m) and the sublease (£2.5m) of £1.269m which in turn will create a pressure on the overall property budget when the Aviva lease ends. As Aviva do not make profit from this arrangement they will not look to renew the lease.<br><u>Herts Fullstop - Invest to transform and increased revenue</u> | Resources                 | Other Pressures         | 589                 | 1,168               | 1,168               | 1,168               | 15,179                           |
| OP21 | Herts Fullstop is currently facing pressures in the trading environment. the business plan for next year focuses on increasing sales income to reduce the pressure, before a planned Invest to transform bid for around £1.5m of investment would increase the surplus generated (see savings section below).<br><u>County Council Elections</u>  | Resources                 | Other Pressures         | 112                 | 0                   | 0                   | 0                   | (1,611)                          |
| OP22 | County Council Elections are held every four years. The budget is accumulated over the four years. The current level of budget is not sufficient to meet the costs in 2021. The budget also funds any by-elections during the 4 years.  | Resources                 | Other Pressures         | 85                  | 85                  | 85                  | 85                  | 308                              |
| OP23 | <u>Service Property - Libraries</u><br>Centrapark is the libraries logistics centre (in Welwyn Garden City) that stores all the books, dvds and items that are currently not in libraries around Hertfordshire. The original annual rent for this building was £160k a year but following the rent review (on 25th March 2017) the new cost of rent will increase to £202k a year   | Resources                 | Other Pressures         | 42                  | 42                  | 42                  | 42                  | 451                              |
| OP30 | <u>Loss of income from PCC</u><br>The CFO role for the PCC is currently provided by the Assistant Director (Strategic Finance & Performance) from the Environment Department. When that individual retires, it is unlikely that the role can be covered elsewhere, and the income is therefore likely to cease.   | Resources                 | Other Pressures         | 24                  | 31                  | 31                  | 31                  | 87                               |
| OP33 | <u>Sessional fees for Assistant Coroners</u>  | Resources                 | Other Pressures         | 20                  | 20                  | 20                  | 20                  | 822                              |
| OP34 | <u>Provision of body removals service</u>   | Resources                 | Other Pressures         | 74                  | 74                  | 74                  | 74                  | 822                              |
| OP24 | <u>Interest cost - HCC borrowing</u><br>Interest cost increase due to the borrowing required to fund the rest of HCC's capital programme not funded by grants, contributions or reserves.   | Resources - CFIB          | Other Pressures         | 342                 | 1,993               | 4,065               | 5,927               |                                  |
| OP25 | <u>Interest on Investment Balances (external)</u><br><u>Reduction in interest earned on externally invested funds due to fall in interest rates</u><br><u>Minimum Revenue Provision Policy choice</u>   | Resources - CFIB          | Other Pressures         | (43)                | (7)                 | 33                  | 33                  |                                  |
| OP26 | As a result of moving the calculation of the provision to the annuity method the savings generated are front loaded and creates a pressure in future years.<br><u>Additional Borrowing to fund the Capital Programme</u>  | Resources - CFIB          | Other Pressures         | 450                 | 625                 | 625                 | 625                 |                                  |
| OP27 | Borrowing to fund the Capital Programme results in a higher minimum revenue provision. The minimum revenue provision is the statutory amount that HCC must charge to council tax in order to repay the principal on borrowing.  | Resources - CFIB          | Other Pressures         | 645                 | 2,243               | 4,083               | 5,845               |                                  |
| OP32 | <u>Environment Agency Thames/Anqlian Region Levy</u><br>The Environment Agency is a levying body for its flood defence function under the Water Resources Act 1991. Following notification of the provisional levy for 2018/19 an increase in budget is required.   | Resources - Central Items | Other Pressures         | 19                  | 19                  | 19                  | 19                  |                                  |
| OP36 | <u>Interest on Investment Balances</u><br>Changes in interest earned on external balances resulting from changes in forecast balances and interest rate forecast.   | Resources - CFIB          | Other Pressures         | 56                  | 22                  | (16)                | (16)                |                                  |

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| Ref      | Description   | Dept                      | Type of budget movement | 2018/19 TOTAL £000s | 2019/20 TOTAL £000s | 2020/21 TOTAL £000s | 2021/22 TOTAL £000s | Approximate current budget £'000 |
|----------|---|---------------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|
| OP37     | <u>Infrastructure and Investment</u><br>Central provision to fund projects for development of major infrastructure and sustainable transport to address future growth; for service transformation including that planned for Adult Social Care; replenishing Insurance Fund; and other projects. Allocations to be confirmed once final 2018/19 IP funding figures are known.   | Resources - Central Items | Other Pressures         | 3,491               | 0                   | 0                   | 0                   |                                  |
| EE14     | <u>Savings Improvement &amp; Technology - Management Graduate scheme</u><br>Remove support for academic qualification and reduce cohort from 6 to 5 trainees.   | Resources                 | Existing Efficiencies   | (31)                | (31)                | (31)                | (31)                | 11,549                           |
| EE15     | <u>Finance - contract savings</u><br>This saving from the 2017/18 IP originally envisaged savings from negotiating discounts from suppliers. The saving has been delivered as part of the Serco SMS contract renegotiation.   | Resources                 | Existing Efficiencies   | (80)                | (80)                | (80)                | (80)                | 12,878                           |
| EE16     | <u>Engagement and Consultation Phase 2</u><br><u>Ceasing the residents' survey</u>  | Resources                 | Existing Efficiencies   | 21                  | 0                   | 21                  | 0                   | 2,782                            |
| EE18     | <u>Corporate Communications</u><br>Create income or trading opportunities e.g. Schools, Districts, Health and PCC.  | Resources                 | Existing Efficiencies   | (40)                | (40)                | (40)                | (40)                | 1,034                            |
| EE3 (X1) | <u>Printing Contract Savings</u><br>Savings through a reduction in print costs achieved through the new managed print service contract.   | XC                        | Existing Efficiencies   | (6)                 | (6)                 | (6)                 | (6)                 | N/A                              |
| NE56     | <u>Registration &amp; Citizenship Service</u><br>Further channel shift to online bookings and payments reducing telephone booking, including completion of ecommerce project and development of Ceremony Planner functionality in NEO.  | Resources                 | New Efficiencies        | 0                   | (40)                | (40)                | (40)                | (354)                            |
| NE57     | <u>Democratic Services</u><br>Electronic publication and distribution of agendas, reports and minutes of formal meetings of the council.  | Resources                 | New Efficiencies        | 0                   | (20)                | (20)                | (20)                | 337                              |
| NE58     | <u>Property Data collection</u><br>Site capacity and Net capacity commissions   | Resources                 | New Efficiencies        | (100)               | (100)               | (100)               | (100)               | 259                              |
| NE59     | <u>Property review and rationalisation</u><br>This initiative is focussed on delivering a reduction in the costs of office accommodation by 2020, which includes a drive towards freehold ownership of property.  | Resources                 | New Efficiencies        | (487)               | (987)               | (1,487)             | (1,487)             | 9,701                            |
| NE60     | <u>Herts Fullstop - Invest to transform and increased revenue</u><br>The business plan for next year focuses on increasing sales income to reduce the current pressure, before a planned Invest to transform bid for around £1.3m of investment to increase the surplus generated. The saving is dependent on this investment.  | Resources                 | New Efficiencies        | 0                   | (420)               | (657)               | (909)               | (1,611)                          |
| NE61     | <u>Better Contract Management</u><br>A number of the contracts across the Council have been reviewed, and where possible savings proposals have been brought forward specifically within dept proposals, including:<br>• Serco SMS (savings increasing to £1.1m per annum)<br>• Children's Centres<br>Under this proposal, the Council will review other contracts due for renewal or retender and seek to negotiate savings. | XC                        | New Efficiencies        | 0                   | (500)               | (1,000)             | (1,000)             |                                  |
| NE62     | <u>Legal - increased income</u><br>Legal Services income target increased   | Resources                 | New Efficiencies        | (100)               | (100)               | (100)               | (100)               | 4,414                            |
| NE66     | <u>Prop Co</u><br>An initial estimated of returns from the councils property company (Herts living Ltd) has been undertaken. This will be revised once discussions can take place with the preferred bidder for the JV  | Resources                 | New Efficiencies        | 0                   | 0                   | (1,000)             | (4,500)             | -                                |
| EPC4     | <u>Corporate Communications: Horizons - Transition to online</u><br>Looking at new on-line model and reduced number of issues linked to the implementation of Gov Delivery Email/text messaging system. Assumes reduction from 3 to 2 editions a year initially.  | Resources                 | Existing Policy Choice  | (50)                | (100)               | (100)               | (100)               | 1,034                            |
| NE63     | <u>Customer Service – Web Team</u><br>Increasing income by delivering web tools and support for other organisations.  | Resources                 | New Efficiencies        | 0                   | (10)                | (30)                | (30)                | 572                              |

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| Ref      | Description   | Dept             | Type of budget movement | 2018/19 TOTAL £000s | 2019/20 TOTAL £000s | 2020/21 TOTAL £000s | 2021/22 TOTAL £000s | Approximate current budget £'000 |
|----------|---|------------------|-------------------------|---------------------|---------------------|---------------------|---------------------|----------------------------------|
| NE64     | <u>Customer Service - Income and Payments</u><br>To drive out further savings through efficiencies in how the team work, developing more self-service and making better use of systems.   | Resources        | New Efficiencies        | 0                   | (30)                | (70)                | (70)                | 572                              |
| NE65     | <u>Carbon Reduction Credits</u><br>Accumulated effect of previous energy saving works   | Resources        | New Efficiencies        | (100)               | (100)               | (100)               | (100)               | 319                              |
| NE2 (X1) | <u>Serco SMS contract savings</u><br>Negotiation has been undertaken with Serco regarding the possible extension of the Shared Managed Services contract by 2 years to March 2021. This will contribute a saving rising to £1.1m per annum by 2019/20 (including £300k in relation to current glide path savings). These savings benefit Resources, ACS and Childrens Services, and as such the remainder of savings appear in those departments. | Resources        | New Efficiencies        | (199)               | (310)               | (317)               | (291)               | 12,878                           |
| NE67     | <u>Trading: Herts Catering Ltd</u><br>Performance from HCL means the Council can expect additional income in the coming years. This could be a mix of dividend income and fees for services that HCC provides to HCL.   | Resources        | New Efficiencies        | (500)               | (300)               | (500)               | (700)               | (500)                            |
| NE72     | <u>E-commerce</u><br>Replacement of the existing cash management system (Cloudbuy) with Civica and retender of merchant provider contract.  | Resources        | New Efficiencies        | (72)                | (72)                | (72)                | (72)                | 235                              |
| NE73     | <u>Property Managed Services (PMA) Contract</u><br>New tender from 1st April 2018 which is expected to result in savings  | Resources        | New Efficiencies        | (100)               | (100)               | (100)               | (100)               | 1,514                            |
| NE74     | <u>Property - Elderly Peoples Residential Homes (EPH)</u><br>Additional annual income as a result of the Rent Review of EPH homes   | Resources        | New Efficiencies        | (401)               | (401)               | (401)               | (401)               | (5,034)                          |
| NE75     | Reduction in translation services under new contract  | Resources        | New Efficiencies        | (25)                | (25)                | (25)                | (25)                | 199                              |
| NE76     | Reorganisation within Improvement Team  | Resources        | New Efficiencies        | (15)                | (15)                | (15)                | (15)                | 996                              |
| NE77     | <u>HR stretch target</u><br>Technology - contract renewals / software replacement   | Resources        | New Efficiencies        | (82)                | (82)                | (82)                | (82)                | 7,373                            |
| NE78     | <u>Finance stretch target</u><br>Following the outcomes of the SAP review, HR/Finance will look to develop plans for service redesign and efficiency to deliver savings.  | Resources        | New Efficiencies        | 0                   | 0                   | (73)                | (184)               | 3,665                            |
| NE79     | <u>Finance stretch target</u><br>Following the outcomes of the SAP review, HR/Finance will look to develop plans for service redesign and efficiency to deliver savings.  | Resources        | New Efficiencies        | 0                   | 0                   | (73)                | (183)               | 3,520                            |
| NE80     | Reduction in SIAS days  | Resources        | New Efficiencies        | (25)                | (25)                | (25)                | (25)                | 614                              |
| NE90     | Property - utilities - non-schools Salix savings  | Resources        | New Efficiencies        | (129)               | (157)               | (221)               | (221)               | 3,878                            |
| NE91     | Reprocurement of external audit fee via Public Sector Audit Appointments (PSAA)   | Resources        | New Efficiencies        | 0                   | (17)                | (17)                | (17)                | 235                              |
| NE92     | Additional Property saving<br>Reserve balance   | Resources        | New Efficiencies        | (100)               | (100)               | (100)               | (100)               | 16,171                           |
| NE93     | Review of department reserves to release any that no longer need to be held   | Resources        | New Efficiencies        | (83)                | 0                   | 0                   | 0                   | (988)                            |
| NE94     | <u>Minimum Revenue Provision</u><br>Final savings arising from 2017/18 change to MRP policy   | Resources - CFIB | New Efficiencies        | (2,755)             | (2,751)             | (2,764)             | (2,764)             |                                  |

**Note 1**

A number of pressures and savings impact on a serveral portfolios. The total amounts across all portfolios is given here:

|                                       |       |       |       |       |
|---------------------------------------|-------|-------|-------|-------|
| EE3 (X1) - Printing Contract Savings  | (37)  | (37)  | (37)  | (37)  |
| NE2 (X1) - Serco SMS contract savings | (199) | (533) | (691) | (665) |
| EE13 (X2) - Enabling the Worker       | (685) | (685) | (685) | (685) |

**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY AND THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**INTEGRATED PLAN 2018/19 – 2021/22: COMMENTS FROM SERVICE CABINET  
PANELS**

**1. Adult Care and Health Cabinet Panel (30 January 2018)**

Prior to the report being discussed, the Chairman made the following announcement:

All Members who have a disclosable pecuniary interest arising from an allowance from the County Council, another local authority in Hertfordshire, or a body to whom they have been appointed by the County Council, have received a dispensation to allow them to participate in debate and vote on the Integrated Plan.

All Members have been granted a dispensation to participate in debate and vote in any business of the County Council relating to setting the council tax or precept when they would otherwise be prevented from doing so in consequence of having a beneficial interest in land which is within the administrative area of Hertfordshire or a licence (alone or jointly) to occupy such land.

Members were presented with a brief overview of the full structure and detail of the council's Integrated Plan for 2018/19 -2021/2 (IP Plan) before discussing the detail of the section pertaining to Adult Care & Health.

The panel's attention was initially drawn to Part A of the IP Plan where a corporate summary highlighted the announcement from central government in their March 2017 budget of the allocation Additional Improved Better Care Fund monies (Point 1.12), and the risk associated with a court judgement in relation to Liabilities to Sleep Duties (Point 3.3). It was noted that both of these points were relevant and had been integral to the considerations and calculations made regarding the Adult Care & Health budget.

The Adults Care Services portfolio in Part B of the IP Plan was then considered by Members. It was noted that in terms of priorities, Adult Care Services had outlined four strategic area priorities for the forthcoming year.

It was noted that in terms of priorities, Adult Care Services had outlined four strategic area priorities for the forthcoming year, as outlined on page 21 of the report.

The pressures and challenges facing the department as detailed on page 22 of the report, were also outlined, with particular emphasis being placed on the market workforce pressures currently being experienced.

In response to a Member challenge as to why improving rates of delayed transfers of care from hospital had been identified as a risk, as detailed in the summary on page 19 of the IP report, it was explained that this was a risk partly due to the fact that the funding that had been received from the improved Better Care Fund, which had been largely directed towards hospital discharge and prevention of admission solutions, was provided in three individual, annually reducing payments over each of the three year span of the current programme, with only £5.8m due to be provided in 2019/20, compared to £13m when the funding had been first provided in 2016/17. Additionally it was noted that there was a further risk as it was currently unclear as to if and how future funding would be provided beyond 2019/20.

Members noted the key projects and programmes scheduled to be delivered by the department as outlined on page 24 of the report.

In response to a Member question it was confirmed that the savings achieved by reducing residential care placements would be offset by the expenditure on additional costs e.g. of homecare. It was confirmed that the savings from residential care placements had been calculated based on the equation that each person who received homecare rather than residential care would receive an average of 16 hours of care per week. In response to a Member question, it was noted that this average had increased annually in line with the increasing complexity of the needs of residents.

Confirmation was received that 'extra care' and 'flexi care' were the same service, with flexi care being the term most commonly used within Hertfordshire.

During Member discussion it was noted that the Net Revenue Budget detailed on page 20 of the IP report was calculated based on a range of different factors including changing funding streams and changes in legislation, but predominantly it was based on increased demand and the yearly increase in demography. Member's attention was drawn to page 33 of the IP report which provided further detail on the key budget movements for the department.

Members received assurance that although the budget had been calculated on current demand, demography and legislation, there would be continued monitoring of any changes within these areas, and any significant impact that were to occur as a result of any change it would be responded to as appropriate.

By way of illustration of how legislation would affect the future budget, Members were advised that it was predicted that government policy on increasing the National Minimum Living Wage would end in 2020/21, which would mean that this would no longer be a budgetary pressure that would need to be taken into consideration.

It was also noted that the department recognised that government had yet to formally produce any legislation on the future funding of Adult Social Care, which would also potentially have an impact on future budget planning.

In relation to how the department has reviewed its effectiveness/value for money in delivering service outcomes, as outlined on page 29 of the report, Members were

pleased to note that since the report had been published Hertfordshire Adult Care Services had now moved from 84th to 79th in the recently published 2016/17 Adult Social Care Outcomes Framework Measures.

Members noted the key risks in delivering the projects as outlined on page 31 of the report, and discussed in more detail the issues related to workforce pressures as briefly mentioned earlier in the meeting.

Members heard that 30,000 people work in Adult Social Care in Hertfordshire and annually approximately 1,000 per year leave the sector for alternative employment. In addition, an additional 1,000 posts must be recruited in order to meet the increasing demographic demand.

It was noted that the department had been very proactive in promoting recruitment and had explored a number of solutions to secure staff including a recruitment campaign, rebranding the job title, increasing and protecting the salaries of care workers, and recruiting trainee care cadets to fill vacancies, but there was still a gap in recruitment.

In response to a Member question as to whether there could be consideration of promoting a career in social care in schools, it was agreed that this could be explored. It was noted that local colleges currently run courses, which are sometimes under subscribed. It was agreed that as the care profession was vocational rather than academic, it would not be appropriate to pursue the promotion of care work with the University of Hertfordshire.

Member observations on the cost of travel for care workers, and considerations around the age and gender appropriateness of care workers were noted.

Members were notified that a more detailed paper on the workforce strategy and pressures being experienced by the department would be presented to a future meeting of the Adult Care and Health Cabinet Panel.

The Capital Programme outlined on page 37 of the report was noted by the Panel. Members received clarification that EPH Provision as detailed on the Capital Programme stood for Elderly Person's Home provision.

During further discussion the risk regarding the proposal to submit an Invest to Transform Bid was noted and it was established that robust strategies would be in place should the bid be unsuccessful.

A Member observation that further integration work with the NHS should be considered when planning for future budgets was acknowledged by the panel. Members received assurance that ongoing discussions and meetings were taking place to achieve this.

**Conclusion:**

The Panel provided comment to Cabinet on the proposal relating to the Integrated Plan in respect of the Adult Care and Health Portfolio. The Panel also identified any issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals. These are outlined in the preceding text.

**2. Highways Cabinet Panel (31 January 2018)**

The Cabinet Panel received a report on the draft Integrated Plan (IP) in relation to the Highways Service, for comment and identification of any issues members felt that Cabinet should consider in finalising the Integrated Plan proposals.

Agenda Item 4(i) of the Cabinet Integrated Plan 2016/17 – 2019/20 was presented to Cabinet on 22 January 2018 and set out the actions the County Council had taken to engage and consult primarily with the public, in particular raising awareness of the financial pressures faced by the County Council. The results of the consultations were summarised within the related report and appendices.

Members' attention was drawn to an error in Agenda Item 4(ii) of the Cabinet Integrated Plan 2018/19 – 2021/2022 where a reduction in Driver Training income (of £250k pa) had incorrectly been included in the Environment, Planning and Transport portfolio pages (p115, 116 and p122) instead of the Highways portfolio movement. Members were asked to include this item in their consideration of the IP proposals; amended versions of the incorrect pages, i.e. 129, 130, 138 and 139, for the Highways portfolio were tabled and can be viewed at [Highways Cabinet Panel - 31 January 2018 – Item 5: Appendix B-pages 129 -130 and Appendix C-pages 138-139](#).<sup>1</sup>

The following issues were discussed in relation to the report to Cabinet of 22 January 2018, agenda item 4(ii): Integrated Plan 2018/19 -2021/22:

Re page 14 of 17, members highlighted the potentially misleading title of an item in Table v in relation to the Highways Locality Budget (HLB). It was agreed that the description would be adjusted.

Officers clarified that the £500,000 'Income' figure referred to in 'Analysis of Revenue Budget by Objective Areas', page 140; related to income from third parties as a result of accidents causing damage to the highway.

Re page 141, Members welcomed the New Capital Bid of £5m in 2018-19 and £8m in each of the following four years for carriage maintenance. It was clarified that in Hertfordshire's working model the percentage of A, B & C roads requiring improvement was 3-6%, and that the extra funding would be used to reduce, potentially by half, the 15-16% of unclassified roads currently requiring improvement. If approved, the funding would not be equally spread between divisions but would focus on those unclassified

<sup>1</sup>

roads most in need of improvement as identified by technical analysis of the road system.

The new funding stream would be delivered by the Integrated Works Programme (IWP) and a separate schedule issued to identify which unclassified roads would be involved, enabling members to ensure their HLB commitments did not duplicate work covered by the programme. To aid with this Assistant Highway Managers would check which roads were on the additional IWP and consult with the Local Member.

In relation to Revised Capital Bids – Annual Programmes (page 142) it was clarified that ‘traffic signals replacement’ also covered pedestrian crossings. Further to this, as there was already a programme of traffic signal refurbishment the additional funding would be directed to junctions.

Officers clarified that the revenue element of HLB not specifically mentioned in the ‘Analysis of Budget by Objective Areas’ on page 140 was included in the Traffic Management & Safety line.

In relation to Key Budget movements ‘Reduced Street Lighting Scouting Frequency’ (page 139), officers clarified that conversion of street lights to LED and in particular the introduction of a Central Management System (CMS) meant that scouting was unnecessary after conversion. However funds remained for this purpose and some scouting would continue for bollards and signage. It was highlighted that some street lights remained out after scouting due to UK Power Networks (UKPN) issues and were out of the control of the Council. Officers clarified that approximately £100,000 per year was spent on scouting of illuminated assets.

During discussion of the impact of the growth agenda on the highways, officers highlighted that the agenda to encourage modal shift already existed and, although the Local Transport Plan (LTP4) gave it greater emphasis, the approach to growth was changing and could result in greater pressure on the highways. The impact would be discussed with members as it was modelled.

During debate on the need to improve the Council’s funding response to medium sized development applications, members who served as both county council and district/borough councillors were encouraged to become involved with the campaign of the Executive Member for Environment, Planning and Transport (EPT) to ensure that the uplift in land values generated suitable levels of funding for Councils, as the consequence of development had impacts beyond the sites being developed. Emphasis was placed on highlighting to the District and Borough Councils that they were recovering insufficient funds to meet the costs of delivering the required infrastructure.

Furthermore, to enable the Council to bid for infrastructure funding via government funding streams for infrastructure issued at random and at short notice, the Executive Members for EPT and Highways had required the preparation of impact assessments for varying sizes of development. This would also provide the District and Borough Councils with the information on how much they needed to raise from planning consents to support infrastructure

Emphasis was placed on ensuring that the Council's Development and Management Team put the right information on planning applications and that the District and Borough Councils incorporated this in the planning conditions or as an informative.

In relation to the projected reduction of £250,000 in Driver Training income in 2018/19 officers clarified that the surplus income from Speed Awareness Courses for drivers in lieu of points and fines was applied to road safety. Data suggested that the decrease in the number of individuals attending the course and concomitant decrease in this income stream would continue into the next year. Some counties were observing a similar decline in the throughput whilst others were not and the police were assisting in understanding the reasons behind this.

Members heard that recent press reports on the number of unfilled potholes in Hertfordshire were likely not informed by the same database as the County Council's and as a result at variance. Strategic proactivity on potholes centred on the Asset Management approach to maintain the roads in best condition and stop them from deteriorating within the funding available and, as part of this, the proposed additional funding for unclassified roads would significantly reduce the number of potholes. The performance indicator of 'Carriageway Defects Reported by the Public and Attended Within the Prescribed Response Time', showed a 100% achieved rate in September 2017 which, alongside the Council's high repudiation rate for insurance claims relating to highway defects, further substantiated the service's high levels of performance in dealing with potholes within the intervention criteria. It was clarified that highway faults below the intervention criteria were not classified as potholes. Further to this, members' intervention in bringing the increased size of potholes previously categorised as below intervention level to the Highways Service's attention was constructive in getting them filled. On the need to ensure the quality of pothole repairs, comment was passed that in some cases, those now being undertaken appeared to last longer than the surrounding road.

During discussion of the need to widen the A1M between Welwyn and Stevenage to deal with the fact that it did not function appropriately between junctions 6 and 8 for large parts of the working day, officers highlighted that it was not appropriate for the County Council to fund works on another agencies' networks. However, Hertfordshire had lobbied Highways England (HE), via the Managed Motorways Scheme, to widen this stretch of road and had been advised that work would start in the 2019/20 calendar year.

Following concerns around the need for additional funding from HE for improvements to affected junctions to assist local traffic flows, members heard that the Strategy Document under development included A1M junctions 3 and 4. It would also establish the ability of the Highways Service to develop schemes to take advantage of any government funding and Local Enterprise Partnership monies that became available. To member observations that in the past feeder junctions had been funded by HE, officers commented that HE had recently taken a more enlightened approach to highway improvements and were taking complimentary measures to support associated junctions



**Conclusions:**

- 1.The panel commented as above to Cabinet on the proposals in the Integrated Plan in respect of Highways;
- 2.The panel identified issues as above that it felt Cabinet should consider in finalising the Integrated Plan proposals.

**3. Public Health, Prevention and Performance (2 February 2018)**

The panel received a report which highlighted the areas of the Integrated Plan relating to Public Health, Prevention and Performance for members consideration and comment. The following issues were discussed in relation to the report to Cabinet of 22 January 2018, agenda item 4(ii): Integrated Plan 2018/19 -2021/22.

Members heard that the 2.5% reduction in the Public Health grant from September 2017 and rising to 7.5% by 2019/20 had been known and accounted for when preparing the proposed budget. Attention was drawn to PH's small capital budget of £725m, the key revenue pressures, savings proposals and capital schemes (page 152) and the service's strategy to work to maintain services and outcomes.

Officers clarified that, despite the proposal for 'Reduction in funding offered to district councils' (page 157: Key Budget Movements 2018/19-2021/22), the service was investigating ways of continuing to contribute financially to working with district councils which were well placed to provide particular PH agendas including weight management and physical activity. Member input to this issue was encouraged. Following observations from the Peer Challenge and PH's strengths in influencing across and between, and that partnership working and greater integration were the way forward, Members requested the full written report to the LGA Peer Challenge on Public Health.

Officers clarified that although Mental Health (MH) was not a mandated service for PH, to prevent a reduction in support for MH issues it was being written into children's centre, school nurses and health visitor service specifications currently being recommissioned by the County Council. The relevant MH staff budgets had been protected as had the staff budgets for school pastoral networks.

In terms of key risks in delivering projects and programmes for the PH portfolio and the risk of losing experienced PH staff, members heard that the performance monitor would now track vacancy rates and the use of agency staff.

**Conclusions:**

1. The Panel commented to Cabinet on the proposals relating to the Integrated Plan in respect of Public Health, Prevention and Performance.
2. The Panel identified any issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals.
3. Panel supported the Public Health Integrated Plan proposals.

#### 4. Environment, Planning & Transport Cabinet Panel (5 February 2018)

The Panel was invited to comment and identify any issues on the areas of the Integrated plan which related to Environment, Planning and Transport.

Members were informed that following on from the Public Engagement on the Integrated Plan (IP) that 56% of responses said they would rather see an increase to council tax and 32% a reduction in services. The percentage of respondents that supported a reduction in expenditure on Environment and Planning was 42% lower than in previous years, whilst 21% supported a reduction in Highways and Transportation a slight increase on last year, but lower than the previous two.

Members noted that pressures added £325 in 2018/19 rising to £700,000 in 2021/22. This was mainly the 'Responding to Growth' item. Members' attention was drawn to the item of £3.491m on page 185 of the IP pack under the heading for Infrastructure and Investment, a substantial part of which was for the development of major infrastructure and sustainable transport schemes. It was further noted that savings of £515,000 had been identified for 2018/19 rising to £726,000 in 2021/22.

A concern was raised in relation to the merging of the Countryside Management Service (CMS) and the Rights of Way teams and the impact on the service when the team are reconvened. Members agreed that the work of both teams were valued and both provided a good service. Members were informed the £150k savings would be over the course of 2 years, it was noted that teams did have overlapping functions. The savings would be generated through a natural reduction of one person, thinning of the management structure and by taking over diversion orders from the district and borough councils which would generate income. The aim was that the merging of the two teams would be an improvement to the service. Members hoped that improvements to bridle ways could also be included.

A member questioned whether some of the infrastructure fund could be used to support a passing loop on the Abbey Line. It was noted that the rules for accessing the funds had not yet been agreed and that a bid to support an Abbey Line passing loop would need to be considered against the criteria once set.

Following a question from a Member in relation to the Savercard, the Chairman clarified that the proposal to raise the price of the Savercard ticket was not linked or contingent in any way on the efficiency savings expected from the wider concessionary fare scheme.

The Executive Member noted that the additional income from increasing the price of Savercards was relatively small and suggested the Panel recommended to Cabinet that, if further savings had been identified through the budget process, that Cabinet defer the increase to the Savercard. The Panel supported the Chairman's suggestion to Cabinet.

A Member queried what would happen to the budgeted £72m Capital money over the next three years if it was not used for the Metropolitan Line Extension. In

response the Panel noted that the money was not predominately the County Council's money and it was money that would have been received through the LEP and third party contributions. The Panel were informed that a certain amount of Capital money had already been committed. Members agreed the infrastructure fund for sustainable planning and the new team were welcome and there was an opportunity for Members to put forward schemes for consideration.

**Conclusions:**

That the Panel:

1. supported the Integrated Plan Proposals in relation to Environment, Planning & Transport
2. recommended to Cabinet that Cabinet consider deferring the increase in the price of the Saver card if other efficiencies have been identified through the budget process
3. also identified any issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals. These are outlined in the preceding text'

**5. Education, Libraries and Localism Cabinet Panel - Schools (6 February 2018)**

The Cabinet Panel considered a report which highlighted the areas of the Integrated Plan which related to Education, Libraries and Localism (Schools) in order for Members to provide comment.

Members noted that the schools budget remained challenging although additional funding of around 1.4% from the Dedicated Schools Grant was welcomed. A total reduction of 1.1% was anticipated for the schools budget.

In response to a Member question in relation to the figures on inflation detailed at 4.4 of the report, it was advised that just over an additional £21 million was required to meet inflation costs however £10.3 million would be available after taking account of other budget pressures and savings, leaving approximately £10.9 million of inflation costs unfunded, which was equal to around 1.1% of the mainstream schools budget.

**Conclusion:**

The Cabinet Panel recommended the proposals relating to the Integrated Plan in respect of Education, Libraries and Localism (Schools) to Cabinet.

**6. Education, Libraries and Localism Cabinet Panel – Non Schools (6 February 2018)**

The Cabinet Panel considered a further report which highlighted the areas of the Integrated Plan that related to Education, Libraries and Localism (Non Schools) in order for Members to provide comment.

Members acknowledged that there was around a £2 million reduction in budget due to the cessation of the Education Services Grant. It was proposed that this reduction was met by seeking de-delegated funding from maintained schools to assist with school improvement. In addition, proposals were underway to consider funding options for Hertfordshire Music Service. It was noted that Hertfordshire Music Service had a budget of £500,000 for 2017/18, which was proposed to reduce to £200,000 for 2018/19.

The implications of the Integrated Plan for Libraries were discussed. Members acknowledged the options being considered for the service to save £500,000. It was noted that the recommendations for an Alternative Library Model, were due to be presented to the Cabinet Panel in April 2018. Members acknowledged the New Capital Bid for the replacement of Library self-service Kiosks. It was noted that some Kiosks were 9-10 years old and required replacing.

Members noted that Special Education Needs Home to School Transport remained an ongoing pressure for this budget, with a current overspend acknowledged. It was noted that services were at a statutory level and the importance of the service recognised.

**Conclusion:**

The Cabinet Panel recommended the proposals relating to the Integrated Plan in respect of Education, Libraries and Localism (Schools) to Cabinet.

**7. Children's Services Cabinet Panel (7 February 2018)**

M A Watkin – by virtue of his wife being employed as a part-time teacher in the music service in Hertfordshire. He has been granted a dispensation by the Standards Committee to participate, debate and vote in business in which this Disclosable Pecuniary Interest is mentioned provided that the business to be considered does not directly affect his financial position or that of his wife; which he considered it did not.

The Panel was invited to comment and identify any issues on the areas of the Integrated plan which related to Children's Services.

The Labour Opposition Member requested that his comments that, he was against the budget cuts to YC Hertfordshire and the Children's Centres, be recorded in the minutes.

**Conclusion:**

The Panel provided comment to Cabinet on the proposal relating to the Integrated Plan in respect of the Children's Services Portfolio. The Panel also identified any issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals.

## 8. Community Safety & Waste Management Cabinet Panel (8 February 2018)

Notification of a Declarable Interest: PV Mason declared that he was a member of the Ratty's Lane Action Group. No vote was undertaken on the agenda item and Cllr Mason was permitted to participate in the debate.

Prior to the report being discussed, the Chairman made the following announcement:

'All Members who have a disclosable pecuniary interest arising from an allowance from the County Council, another local authority in Hertfordshire, or a body to whom they have been appointed by the County Council, have received a dispensation to allow them to participate in debate and vote on the Integrated Plan.

All Members have been granted a dispensation to participate in debate and vote in any business of the County Council relating to setting the council tax or precept when they would otherwise be prevented from doing so in consequence of having a beneficial interest in land which is within the administrative area of Hertfordshire or a licence (alone or jointly) to occupy such land.'

Members were reminded that the Overview & Scrutiny Committee had undertaken a full day session looking at the Integrated Plan on 24 January 2018 where Executive Members and officers had answered questions from scrutiny groups. A report containing observations and recommendations from the scrutiny groups was considered by the Overview and Scrutiny Committee on 1 February 2018.

It was explained that the Integrated Plan (IP) would be considered by Cabinet on 19 February before being finalised at County Council on 20 February 2018.

It was further explained to the Panel that the purpose of the report for panel was for Members of the Panel comment on the IP in relation Community Safety & Waste Management and to identify any issues that it felt the Cabinet should consider in finalising the Integrated Plan proposals.

Member's attention was firstly drawn to the shorter of the two reports (document 4(i)) which set out the actions that the council has carried out to engage and consult with the public and partners.

Members noted that on page 5 of the report, which detailed the responses to a public questionnaire, that in a choice between service reductions and further council tax increases, 56% of respondents said that they would rather see an increase in council tax and 32% a reduction in services. It was noted that the graph at the top of page 4 illustrated that the percentage of respondents supporting a reduction in expenditure on disposing of the council's waste was 26% (a reduction on the 28% last year and the 33% and 39% in previous years) while those supporting a reduction in expenditure on community protection was 17% (a reduction on the 22% last year and the 26% and 27% in previous years).

Members were then invited to consider the proposed Integrated Plan for Community Safety & Waste Management detailed on page 63 and 64 of the main report (document

4ii). It was noted that this contained the following elements; Key Priorities (pages 65 & 66); Key Pressures and Challenges (pages 66 to 70); Key Projects and Programmes (pages 70 to 72); Key Savings (page 72); how the departments have reviewed effectiveness and value for money (pages 73 to 75); and Risks in delivering projects (page 76).

The Panel noted the changes to the revenue budget were set out on pages 77 and 78. It was explained to Members that Service Specific Inflation was calculated to add £400,000 per year; Pressures add £2m in 2018/19 rising to £4m in 2021/22; while ongoing savings of £1.4m have been identified increasing to just under £2m in 2018/19. The total budgets for the services that make up the portfolio (page 80) totalling £78.8m in 2018/19 rising to £81.5m in 2021/22 and the capital programme Pages (81-87) for Community Safety & Waste Management to £30.5m over the four years of the plan were also noted by Members.

Members discussed the potential impact on the budget plans of the notification of a call in by the Secretary of State regarding the proposed development of an Energy Recovery Facility (ERF) at Ratty's Lane Hoddesdon, by Veolia (ES) Hertfordshire Limited. The panel noted that the Secretary of State's decision would add many months of delay to the project, but that, within the current IP period there are no immediate budget implications.

In answer to a question of what plans are in place if the ERF is not granted planning permission the Panel received assurance that arrangements had been secured for disposing of residual waste until March 2021 and contingency plans had already been considered. It was noted that the lack of a long term in county treatment solution would most likely mean out of county disposal routes would be necessary contrary to the proximity principle for disposing of waste close to where it's generated. It was agreed that the concerns of the Panel should be highlighted to Cabinet when making its final decisions in relation to the budget.

Members also raised concerns regarding the potential impact on the budget plans presented by the final decision not yet being announced by the Home Secretary regarding the potential transfer of governance of Hertfordshire Fire & Rescue Service from Hertfordshire County Council to the Office of the Police & Crime Commissioner for Hertfordshire.

The panel were advised that a number of other local authorities were also experiencing delay in the decision regarding the transfer of governance within their own authorities, and as a result, discussions had taken place with the Local Government Association with a view to making a joint representation to the Home Office to outline the impact the delay in the decision being made was having on effective future planning.

Members agreed that risk to the budget plan regarding the delay in decision by the Home Secretary regarding the transfer of governance of Hertfordshire Fire & Rescue Service from Hertfordshire County Council to the Office of the Police & Crime Commissioner for Hertfordshire should also be brought to the attention of Cabinet when making its final decisions in relation to the budget.

**Conclusion:**

The Panel provided comment to Cabinet on the proposal relating to the Integrated Plan in respect of the Community Safety & Waste Management Portfolio. The Panel also identified any issues that it felt that the Cabinet should consider in finalising the Integrated Plan proposals. These are outlined in the preceding text.

**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**SCRUTINY OF THE INTEGRATED PLAN 2018/19 – 2021/22: REPORT OF THE  
OVERVIEW & SCRUTINY COMMITTEE**

*Report of the Director of Resources*

Authors: Natalie Rotherham, Scrutiny Officer (Tel: 01992 555300)  
Michelle Diprose, Democratic Services Officer (Tel: 01992 555566)

**1. Purpose of report**

- 1.1 To inform Cabinet and County Council of the recommendations made by the Overview and Scrutiny Committee as a result of the Integrated Plan 2018/19 – 2021/22 scrutiny held 24 January and 1 February 2018.

**2. Summary and Background**

- 2.1 The Committee's scrutiny of the Integrated Plan 2018/19 – 2021/22 was conducted over two days. On 24 January 2018 members of the Committee, and other participating County Councillors, gathered evidence on the Authority's the Integrated Plan proposals. It concluded on 1 February 2018, when it agreed its recommendations to Cabinet. These are set out in section 3 of the report below.

**3. Recommendations**

**That Cabinet gives consideration to the IP recommendations to ensure a balanced budget is achieved for 2018/19 and beyond.**

That the Council agrees:-

1. That the Council proactively engages with contractors to monitor contracts and contractor resilience; further, that risks that impact on the Authority, including staff shortages are identified; and contingency planning is sufficient to achieve IP proposals;
2. To prioritise working with district/borough councils to develop a more collaborative, co-ordinated and mutually beneficial approach to infrastructure planning for the medium and long term (e.g. waste disposal, a highways structure capable of accommodating driverless cars);
3. To work with the district/boroughs to develop more holistic services, in reference to the remodelling of YC Herts;
4. To revisit and further develop the workforce strategy for both specialist job roles (e.g. planners, educational psychologists, mental health nurses and CAMHS support) and hard to recruit/retain posts (e.g. paid carers) via in-house training and apprenticeship programmes;



5. To progress and resolve the issues relating to capability, capacity and skills that impact on delivering quality and appropriate solutions related to the digital strategy;
6. That the Highways savings identified will be realised; and that Highways will work with contractors to identify any additional savings during 2018/19.

#### **4. Financial Implications**

- 4.1 The financial implications are as set out in the IP papers and as per the recommendations detailed at section 3 of this report.

#### **5. Equalities Impact Assessment (EqIA)**

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 An Equality Impact Assessment (EqIA) has been undertaken on the draft Integrated Plan proposals 2018/19 – 2021/22 and this is included within the Integrated Plan proposals also being considered at this meeting.

#### **Background Information**

Reports & Minutes of the Overview & Scrutiny Committee meetings held in [November 2017<sup>i</sup>](#) and [December 2017<sup>ii</sup>](#)

Integrated Plan Document Pack

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i

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/692/Committee/6/Default.aspx>

ii

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/693/Committee/6/Default.aspx>

**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY AND THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**RESOURCES MONITOR – QUARTER 3 (OCTOBER – DECEMBER 2017)**

Report of the Director of Resources

Author: - Stuart Bannerman Campbell, Assistant Director Improvement and Technology [Tel: 01992 588397]  
Ben Negus, Business Support Officer – Resources [Tel: 01992 556012]

Executive Member/s: - David Williams – Leader of the Council (as responsible for Resources, Property and the Economy)

**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 October - December 2017 (Quarter 3).

**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:

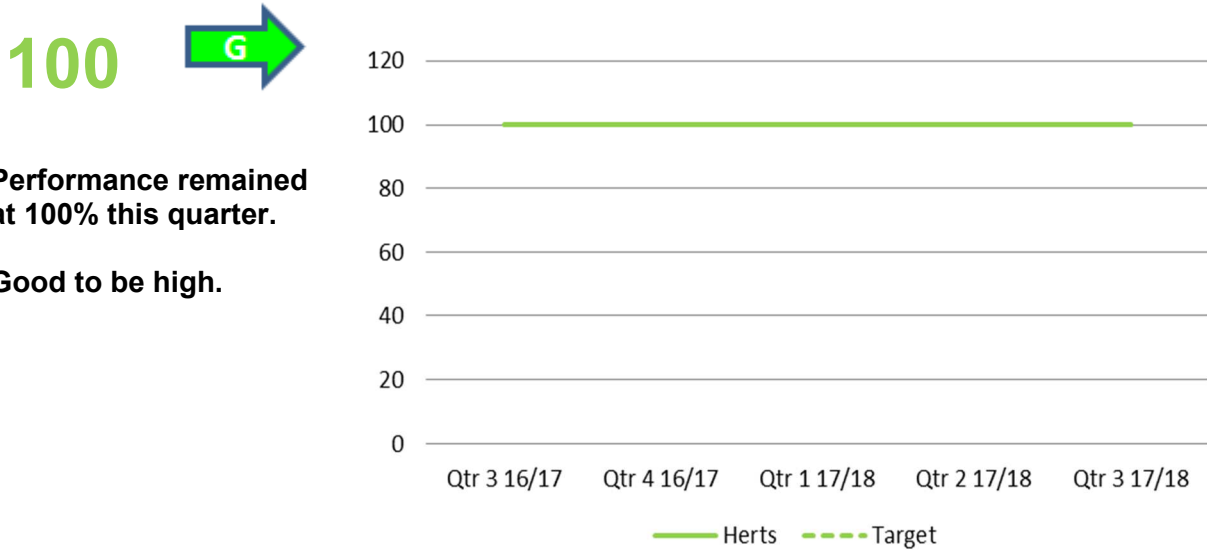
|                               |   |
|-------------------------------|---|
| 1. Human Resources (HR)       | 6. Legal, Democratic and Statutory Services |
| 2. Finance                    | 7. Hertfordshire Business Service (HBS)     |
| 3. Assurance                  | 8. Community Engagement       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

|  |
|--|
| <b>1. HR</b>   |
| 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) also improved from 93% in Q2 to 100% in Q3.   |
| <b>2. Finance</b>  |
| Performance around E-supplier payments (report reference 2.1) is encouraging through new processes and solutions being put into practice. The application to form a 100% Business Retention Pilot, whilst unsuccessful, demonstrated the benefits of greater retention and cooperation plans for Business Rates Retention, between the County and all Hertfordshire districts.   |
| <b>3. Assurance</b>  |
| The shared internal audit service (report reference 3.1.1) is above the target of delivering 950 of its planned audit days for Q3 with a total of 985 (+4%). Customer satisfaction (report reference 3.1.2) with this process remains above the target score.  |
| <b>4. Property</b>   |
| 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, although this has declined slightly from Q2.  |
| <b>5. Improvement and Technology</b>   |
| The percentage of logged/complex freedom of information (FOI) requests for information receiving full responses within 20 working days (report reference 5.1.1) remained at 100% against a challenging KPI target. Similarly, the number of subject access requests (report reference 5.1.2) and I.T system availability (report reference 5.1.3) have both remained at 100%. The number of high severity incidents reported (report reference 5.1.4) has declined to 22 this quarter from 25 in Q2. |
| <b>6. Legal, Democratic and Statutory Services</b>   |
| During Q3 Legal Services improved the number of hours of legal advice delivered at 21,741 hours vs 21,342 hours during Q2 (report reference 6.1.1).  |
| <b>7. Hertfordshire Business Services (HBS)</b>  |
| HBS continues to provide a significant return to the Council (report reference: 7.1.1) at a £1.2m forecast. However, overall delivery is still short of target.  |
| <b>8. Community Engagement (Customer Service, Communications and Corporate Policy)</b>   |
| Social media engagements (report reference 8.1.1) have improved by 82% for Q3 to a new total of 69k. The increase can be attributed to the continuing efforts to produce engaging content, whilst the Council's Facebook presence had a large increase in followers due to the amount of residents interested in what was happening during the snow. The average media score (report reference 8.1.3) for Q3 was 682 and so improved from an average of 655 in the previous quarter.                 |
| <b>9. Service-wide Resources Indicators</b>  |
| The percentage of voluntary turnover (report reference 9.1.1) and employees under 25 (report reference 9.1.2) remain above the target; whilst the average days lost due to sickness absence (report reference 9.1.3) has remained consistent with the previous two quarters. A new KPI based on apprenticeships statistics has also been introduced for Q3 (report reference 9.1.5).   |

# 1. HR

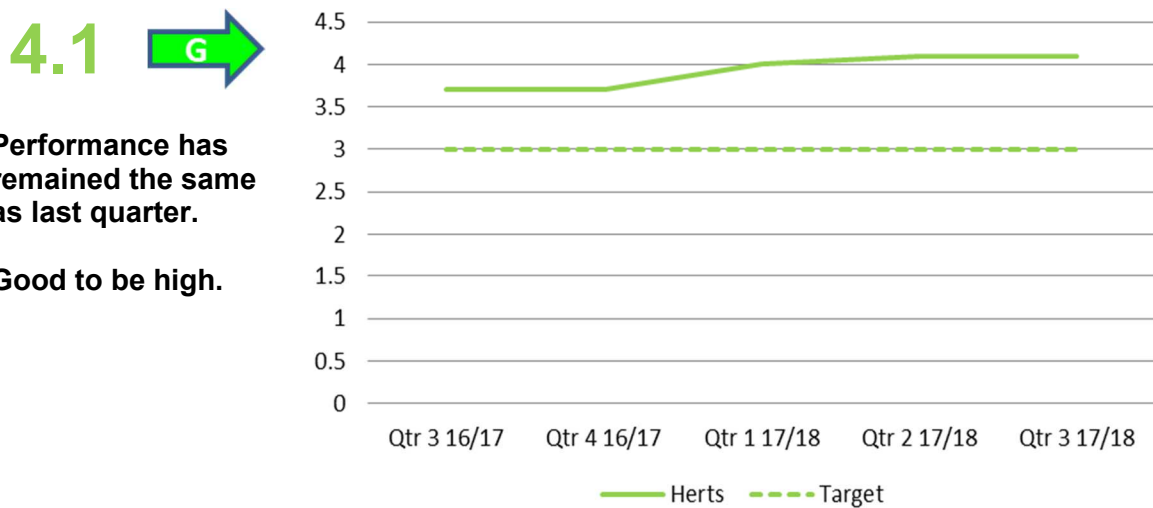
## 1.1. Key Performance Indicators (KPIs)

### 1.1.1. HR Employee Relations customer satisfaction rating (GREEN)



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 Q3.

### 1.1.2. Candidate Satisfaction with the Recruitment Process (GREEN)



In Q3, candidate satisfaction with the recruitment process remained at 4.1 out of a potential score of 5. This remains above the target of 3.

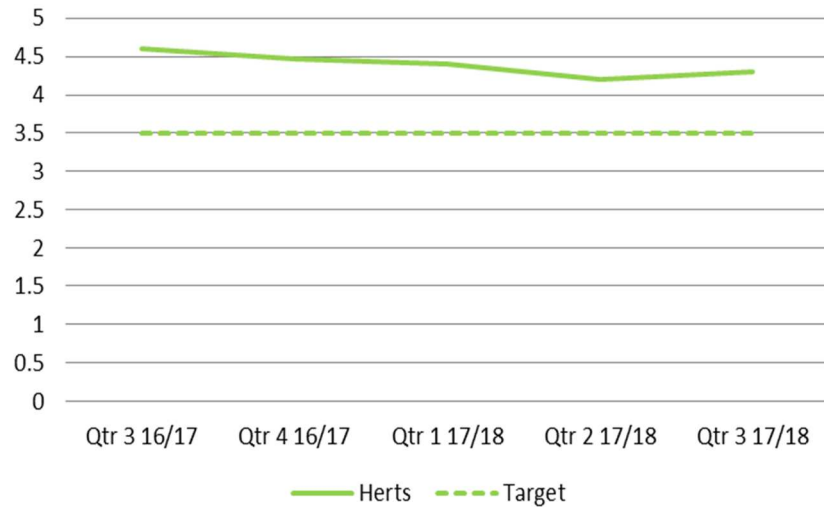
### 1.1.3. Hiring Manager Satisfaction with the Recruitment Process (GREEN)

4.3



Performance increased slightly from 4.2 last quarter.

Good to be high.



Feedback from hiring managers on satisfaction with the recruitment process has increased slightly from 4.2 in Q2 to 4.3 in Q3. This is based upon a potential score of 5 and remains above the target of 3.5.

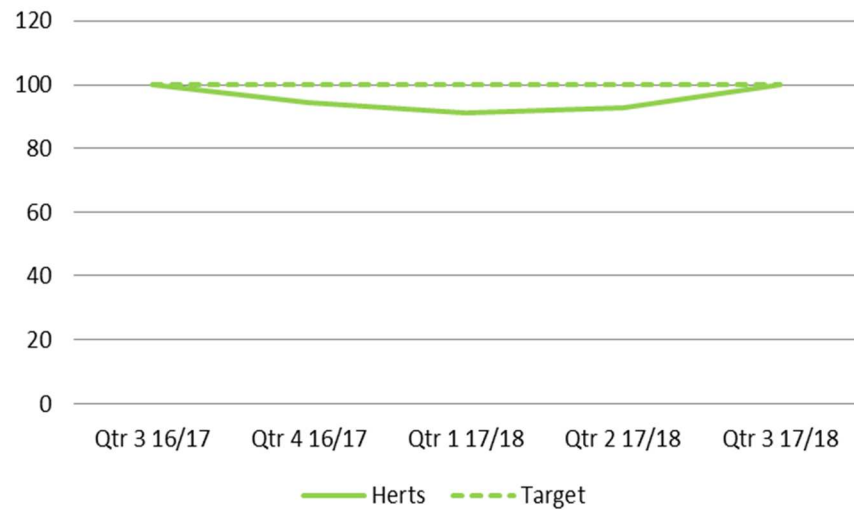
### 1.1.4. % DBS checks processed within 48 hrs (GREEN)

100



Performance improved from 91.2 last quarter.

Good to be high.



Performance on this indicator increased from 93% in Q2 to 100% in Q3, achieving the target. Measures implemented to increase internal HR counter signatory availability supported the target being reached.

## 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, LEP and briefing senior members. The 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 Council continues to make use of opportunities to make the case for funding reform, including our response to the Provisional Settlement and a consultation on Fair Funding.  |
| Project (GREEN) | E-supplier payments   | <p>Our supplier Proactis has introduced new processes which facilitate suppliers invoicing and improves SERCO management of suspense items. These have been implemented successfully.</p> <p>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 any issues that might arise.</p> <p>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>   |
| Project (AMBER) | E-commerce            | <p>Phase 1 implementation now completed except for HALS (Herts Archives and Local Studies – see below), and all services migrated. Cloudbuy (the outgoing supplier) was switched off on 31st October 2017 and most of the Chip &amp; PIN Machines have now been deployed.</p> <p>The procurement of a new Merchant Card provider is progressing but at a slower pace than originally planned. It is now due to be completed on 31st January 2018.</p> <p>HALS requires a new application to be able to integrate with Civica ICON, which provides functionality to input and process card payment transactions online and directly with the banking systems. Therefore the decision was made to procure Orange Leaf. Procurement of Orange Leaf is now complete and implementation started. An interim solution for HALS has been deployed as a stop gap measure between Cloudbuy switch off and Orange Leaf go live.</p> |

### 2.2 Key Performance Indicators (KPIs)

#### 2.2.1 Movement in service expenditure (NO RAG)

Movement:  
 Q2 variance: +£2.191m  
 Q3 variance: -£3.906m

Movement (absolute): £6.097m

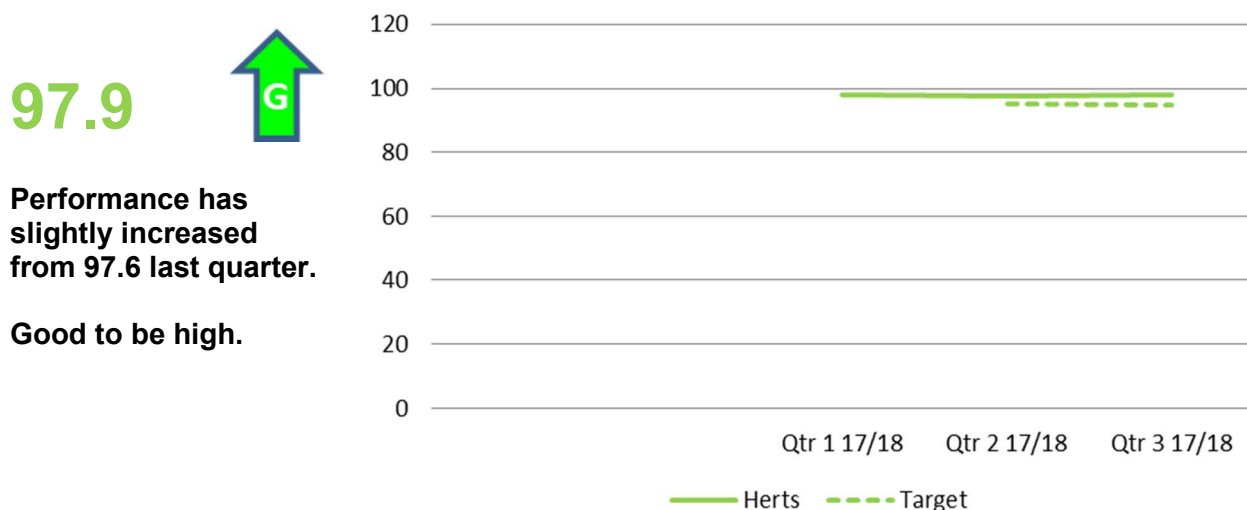
**Assessment:**

The target is for there to be minimal movements not only between the variance that is reported 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 Q2 to Q3 in the last 3 financial years is £3.377m. Whilst the change is outturn between Q2 and Q3 for 17/18 is higher than this average, a number of one-off factors have resulted in a greater movement this year. These include, for example, central MRP savings which following changes to the Minimum Revenue Provision (MRP) policy introduced in 2017/18, a further £2.75m savings have been identified as achievable within the new policy. These have been included in the 2018/19 Integrated Plan (IP) and can be realised from 2017/18.

### 2.2.2 Budget Holder Completion % (GREEN)



During Q3, 243 budget holders within Resources were required to 'process complete' one of their cost centres. Overall, 238 (97.9%) users completed this on time which indicates a good performance in comparison to other departments, with the average completion rate across the County Council at 94.8%. The Resources performance is also above the target of 94.8% and has slightly improved from Q2, which had 97.6% of users completing the process on time.

## 3. Assurance

### 3.1. Key Performance Indicators (KPIs)

#### 3.1.1. Delivery of the County Councils Audit Plan (including Schools) % completion (GREEN)

SIAS (Shared Internal Audit Service) 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 Council's Annual Governance Statement.

As of December 2017, 985 audit days had been delivered which is an increase from 918 at this point last year and above the target of 950.

#### 3.1.2. Customer Satisfaction with the delivery of the 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.

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.

Current performance is on target with all questionnaires returned in 2017-18 meeting the agreed target score.

#### 3.1.3. Health and Safety Performance Overview (GREEN)

71 audits have been undertaken in 17/18 to date with 88.7% demonstrating good overall health and safety management systems. Delivery of audit plan remains on target.

Currently compliance levels in 17/18 are +2.1% from 16/17.



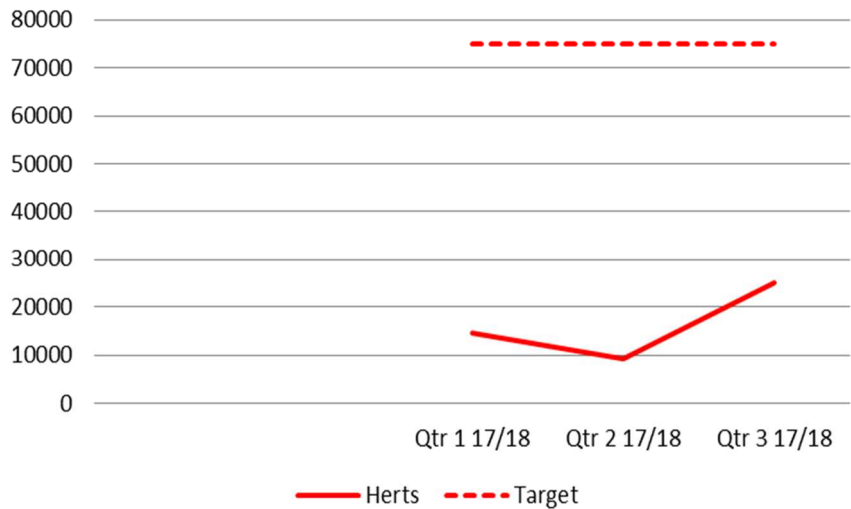
### 3.1.4. Fraud Performance – Identified Fraud Value (RED)

**£25k**



Performance has improved from £9k last quarter.

Good to be high.



SAFS (Shared Anti-Fraud Service) investigates a proportion of reported fraud each year and records identified losses and savings for all clients (£1.4m across all clients to date). This KPI measures identified fraud losses/savings relevant to the County Council. It covers all service areas and investigations into fraud committed by staff, elected members, contractors and service users. The service works with internal and external partners to assist with recovery of losses and seeks to impose sanctions where appropriate. The indicator is relevant as it shows that the Council takes positive action to identify, prevent and investigate fraud.

A target of £300k identified fraud was agreed based on the capacity of the service to resolve a set number of investigations each year and show a positive return on investment from the Councils membership of SAFS. Areas of reported fraud in 17/18 to date include Blue Badge, Payroll, Pensions, Direct Payment and Insurance. Due to staffing issues within the Service and some very complex, high value frauds (one in the region of £500k) which will not be resolved by March 2018, it is unlikely that the target will be achieved for 17/18.

## 4. Property

### 4.1. Key Performance Indicators (KPIs)

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

| Year   | RAG rating   | Commentary   |
|--|--------------|--|
| Projects for completion in 2017/18   | <b>GREEN</b> | Of the <b>53</b> projects scheduled for completion in 2017/18:<br><b>89% (47)</b> have either been delivered or are on track for completion<br><b>9% (5)</b> have minor barriers to delivery<br><b>2% (1)</b> have significant barriers to delivery  |
| Projects for completion in 2018/19   | <b>AMBER</b> | Of the <b>39</b> projects scheduled for completion in 2018/19:<br><b>79% (31)</b> have either been delivered or are on track for completion<br><b>18% (7)</b> have minor barriers to delivery<br><b>3% (1)</b> have significant barriers to delivery |
| Projects for completion in 2019/20   | <b>GREEN</b> | Of the <b>20</b> projects scheduled for completion in 2019/20:<br><b>90% (18)</b> are on track for completion<br><b>10% (2)</b> have minor barriers to delivery<br><b>0% (0)</b> have significant barriers to delivery                               |
| Projects for completion in 2020/21   | <b>GREEN</b> | Of the <b>27</b> projects scheduled for completion in 2020/21:<br><b>81% (22)</b> are on track for completion<br><b>11% (3)</b> have minor barriers to delivery<br><b>7% (2)</b> have significant barriers to delivery                               |
| <b>RAG Rating Explanation:</b><br>Green = more than 80% of projects are on track or completed<br>Amber = between 70% - 80% of projects are on track or completed<br>Red = fewer than 70% of projects are on track or completed and 30% or more have major barriers to delivery |              |  |

Performance has remained good with the majority of projects either being delivered or on track for completion from 2017-2021. The main exception to this is 2018/19, which is now an amber rating as 79% of projects are now on track or have been completed, compared to 89% in Q2. Whilst each project is independent and has its own specific challenges, the reasons for the 8 projects now facing barriers or delays in 2018/19 can be categorised as follows:

- There are a number of outstanding planning issues that need to be resolved with the relevant local planning authorities (x3 projects)
- Property is awaiting the outcome of decision making processes - from other County Council departments (x3 projects) and from partner agencies (x2 projects) - before being able to progress projects further.

The other shifts since Q2 are mainly due to:

- The addition of key disposal projects to the Action Plan.
- The addition of new projects requested by services and approved for by the Asset Management Board
- Amalgamation of a number of separate but related projects into a single project.
- The target completion date for a number of projects has been changed from Year 1 to Years 3 and 4. Reasons for the change to the completion dates are due to either

changes made in the initial development of the action plan, or changes in the scope of projects (i.e. from exploring options to actual delivery). Services are kept updated on the progress of all projects through regular multi-disciplinary team meetings between Property and key service representatives.

## 5. Improvement and Technology

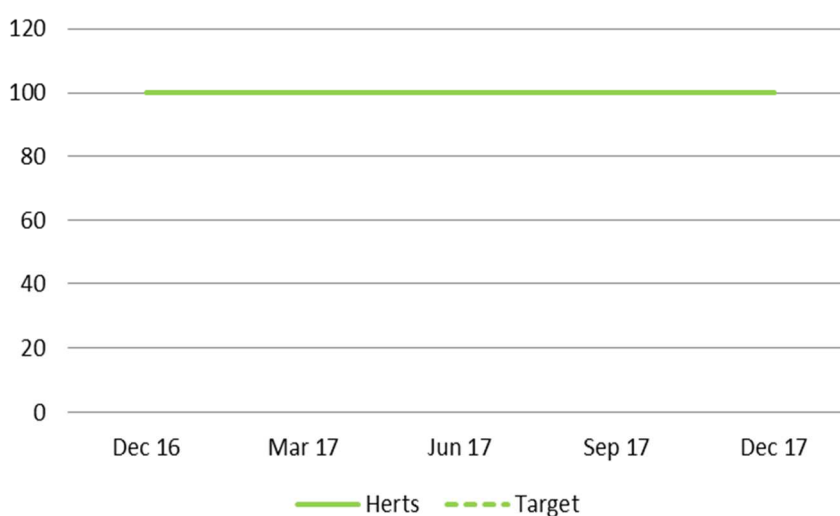
### 5.1. Key Performance Indicators (KPIs)

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

**100** 

Performance remained on target of 100.

Good to be high.



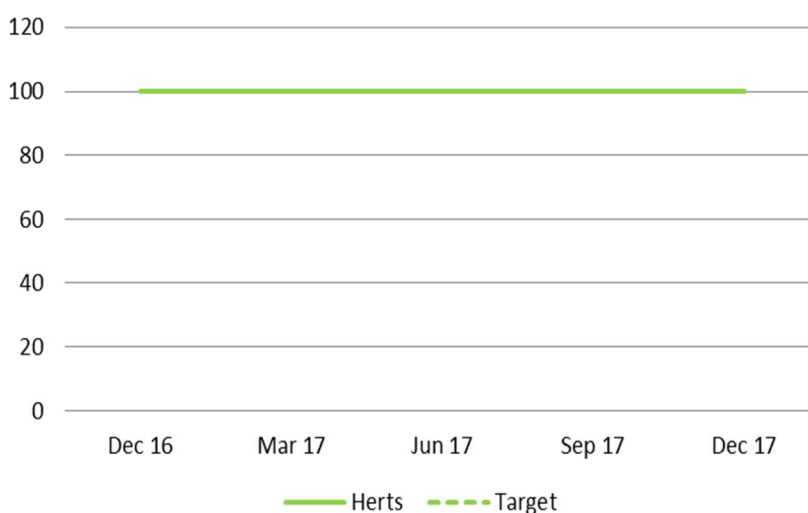
425 requests were carried out in Q3 compared to 406 in Q2. Performance remains high against a challenging KPI target.

#### 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.



94 requests were carried out in Q3 compared to 99 requests in Q2. 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 social care files SARs are complex.

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

For Q3 the availability of IT applications has remained consistently high, with all applications available 100% of the time and consequently performing above target. This is an improvement from Q2, which had platinum classified applications availability at 99.8% during core hours (07:00 to 00:00). Note: the county council's most significant systems are categorised into Gold and Platinum – with Platinum being the most significant. Systems with lower levels of criticality to council business are rated Silver and Bronze.

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

The number of 'incidents' refers to the number of systems problems we get within a month that are at the highest severity levels – i.e. staff do not have access to a key system.

For Q3 there were 22 high severity incidents recorded (improving from 25 in total for Q2). The main critical incidents were within major infrastructure. There were 10 in total from this category (improving from 21 in Q2) which were for a variety of different issues, such as network access issues (5), Konica Minolta print jobs not printing (3), remote broadband access login issues (1) and delays accessing emails (1).

The majority of the remaining issues were related to the County Councils website, which had 8 incidents reported in Q3 (showing a significant increase from the 1 incident recorded in Q2). These were for either online payment systems not working (3), the website not being accessible (3), errors when registering for free school meals (1) or a fault reporting down for customer services centre (1).

## **6. Legal, Democratic and Statutory Services**

### **6.1. Key Performance Indicators (KPIs)**

#### **6.1.1. Legal Services Overview (NO RAG)**

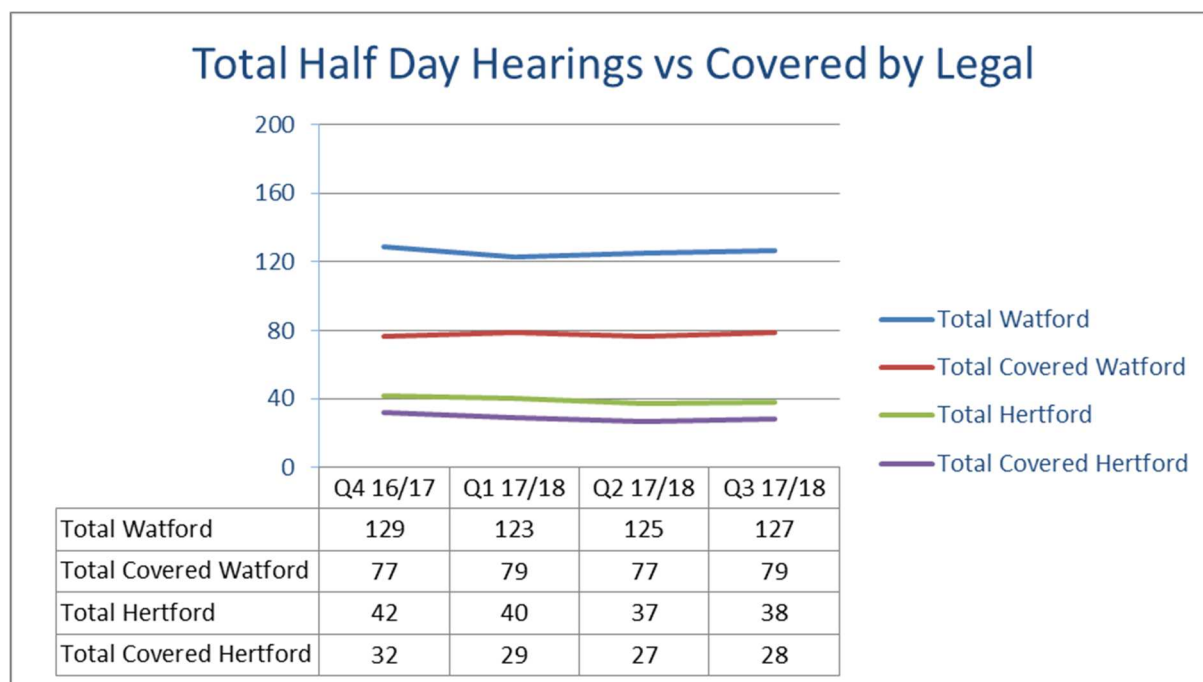
During Q3 Legal Services slightly improved the amount of hours of legal advice delivered at 21,741 hours vs 21,342 hours during Q2.

##### Client satisfaction:

Legal Services collect feedback on client satisfaction with the service that has been provided. 92% of the questionnaires returned over the last 3 Quarters<sup>1</sup> rated Legal Services as providing an excellent or good service (excellent 58%, good 34%). For the Childcare Litigation Unit (CLU) 96% of clients rated the team as providing an excellent or good service (excellent 75%, good 21%).

1 Legal Services have received 181 completed feedback questionnaires (29% of all questionnaires sent).

## 6.1.2. Number of Half Day Hearings Covered (NO RAG)



The percentage of half-day hearings covered has remained consistent and has exceeded KPIs despite an overall reduction in the number of lawyers in the service and the impact of Christmas and Bank Holiday leave.

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 15 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.

The development of advocacy generally and of the Advocacy Unit is continuing to make improvements in case management and in reducing reliance on external Counsel. The Courts Service and CLU are working to ensure that the overall time taken for, and the number of hearings taking place in, care proceedings are reduced and it is anticipated that this will, in due course, reduce the overall number of hearings taking place.

## 6.2. Statutory Services KPIs

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

|                                     | Q2 17/18 | Q3 17/18 |
|-------------------------------------|----------|----------|
| <b>Courtesy and Professionalism</b> | 99.93%   | 99.95%   |
| <b>Information</b>                  | 99.82%   | 99.72%   |
| <b>Convenience</b>                  | 99.68%   | 99.48%   |
| <b>Accommodation</b>                | 99.38%   | 99.02%   |
| <b>National KPI</b>                 | 96%      | 96%      |

All customer satisfaction rates exceed national key performance indicators. 3900 Responses to the survey have been received in the first 9 months of the year.

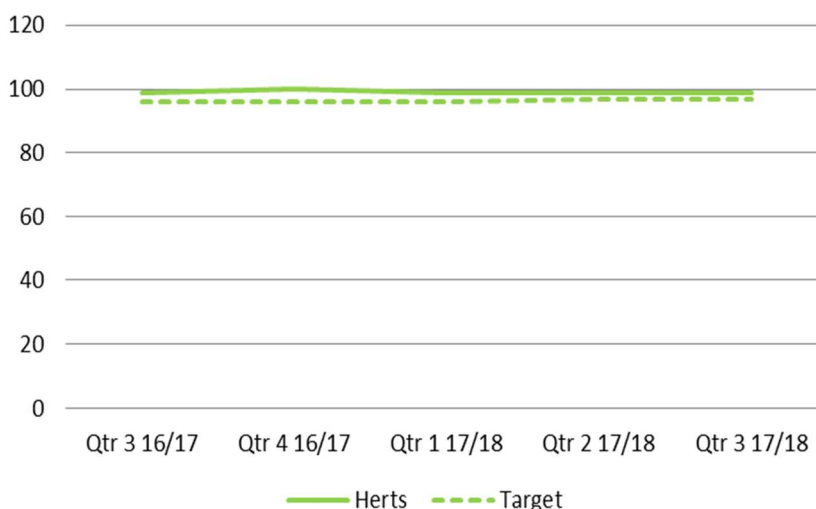
### 6.2.2. Timeliness of Birth Registrations (%) (GREEN)

99



Performance remained the same since last quarter.

Good to be high.



In Q1, Q2 and Q3 99% of Birth Registration were registered within the statutory timescales. Hertfordshire is performing well and exceeding the national and regional averages.

The reason for this high statistic is a combination of factors:

- Good availability of appointments across the county's register offices.
- Ease of access, online booking (70+%), call handling 98% on first contact.
- Clear information available to new parents including web presence, leaflets, posters and good communications with maternity services.
- Effective Requisition process (process by which new parents are chased if they have not registered).

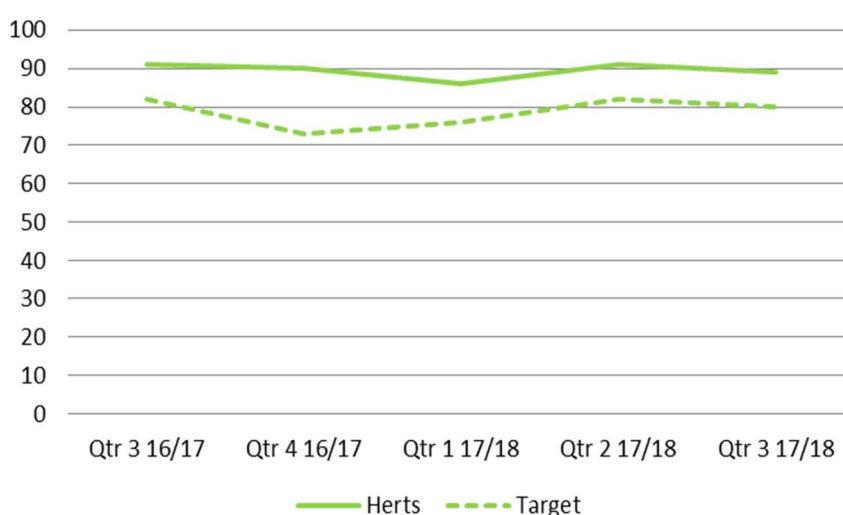
### 6.2.3. Timeliness of Death Registrations – No Coroner Involvement (%) (GREEN)

89



Performance decreased slightly from 91 last quarter.

Good to be high.



At Q3, 89% of deaths registered where there is no coronial involvement were within the statutory 5 day period. Hertfordshire is still out performing national and regional averages.

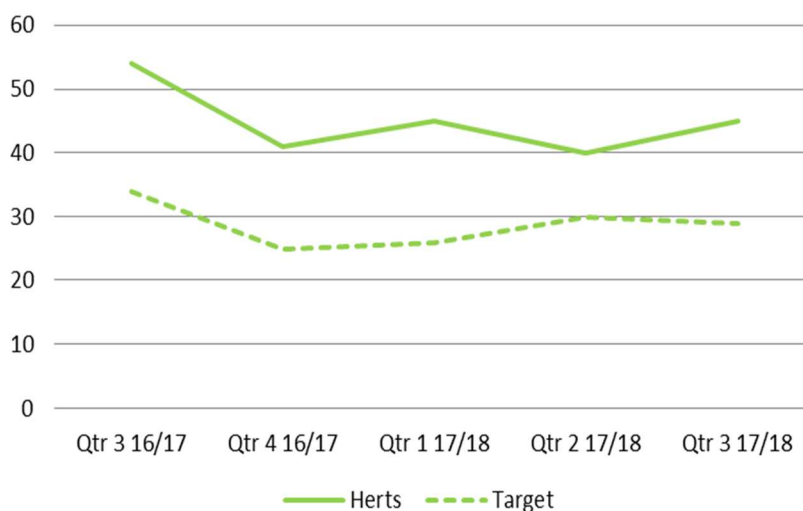
## 6.2.4. Timeliness of Death Registrations – Inc. Coroner Involvement (%) (GREEN)

45



Performance increased from 40 last quarter.

Good to be high.



Hertfordshire continues to significantly outperform regional and national averages. The Q3 average is 45% for Hertfordshire compared to 17% regionally and 29% nationally.

There is ongoing partnership working between the Registration Service and the Coroner Service to expedite the processes. Electronic transfer of coronial paperwork will be available from 2017 on implementation of a new Case Management system, which is expected to expedite processes further.

## 7. Hertfordshire Business Service (HBS)

### 7.1. Key Performance Indicators (KPIs)

#### 7.1.1. HBS Performance Overview (RED)

HBS is forecasting to provide a significant return to the County Council of £1.2m. However, overall performance has declined vs a target of £1.8m (-£600k). This is due to:

- Lower margins on Herts Full Stop sales (arising in part from currency pressures), and reduced schools sales.
- Reduced income from printing, as cost savings are passed onto services.
- Reduced income in Fleet Services with reduced level of purchasing and leasing of vehicles across the County Council.

Further work is under way to investigate options for improving the position. Longer term investment options are also being developed.

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

### 8.1. Key Performance Indicators (KPIs)

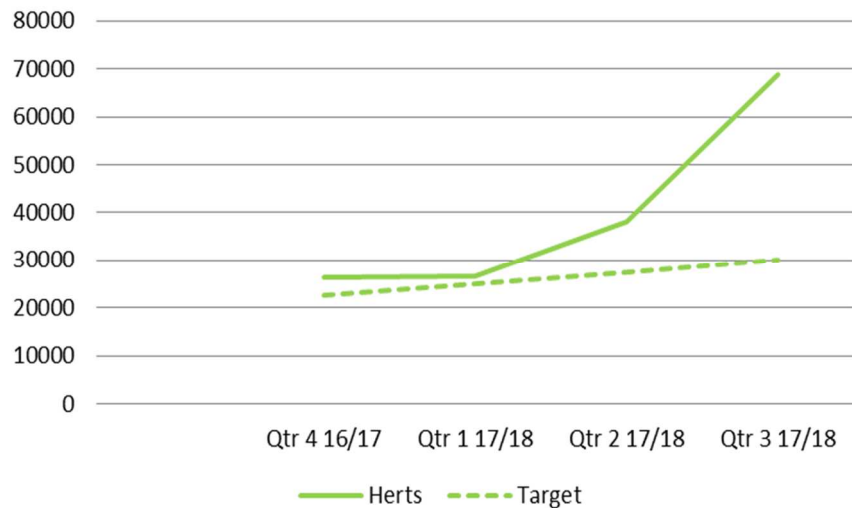
#### 8.1.1. Social Media Engagements (GREEN)

69k



Performance improved from 38k in Q2.

Good to be high.



There was a large increase in social media engagements this quarter, up from 38k to 69k (+82%) in Q3 compared to Q2. The increase can be attributed to the continuing efforts to produce engaging content, whilst Facebook had a larger increase in followers than usual due to the amount of residents interested in what was happening during the snow and officers requesting them to like the page. The overall engagement rate has also increased which indicates that it is increasing against impressions, not just that there has been an increase in the number of posts.

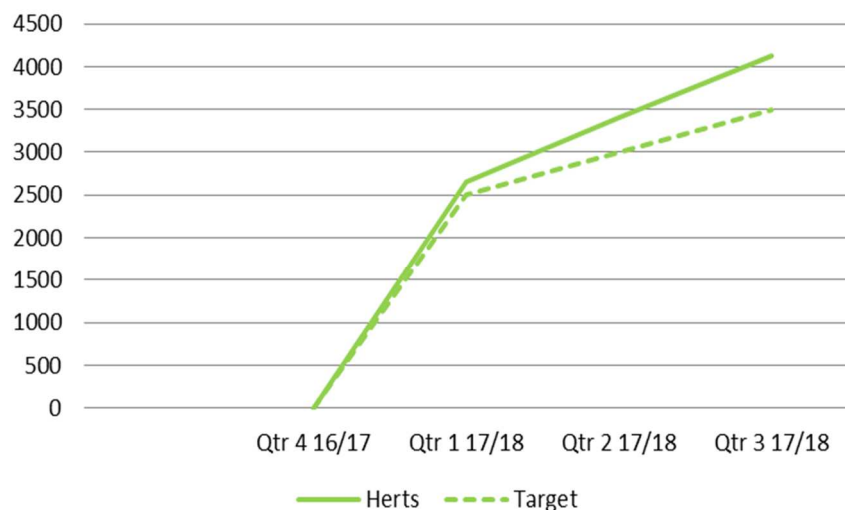
#### 8.1.2. News Subscribers to Update Me (GREEN)

4.1k



Performance improved from 3.4k in Q2.

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 steady rate though this rate has slowed slightly due to decreased promotion which we will ensure we increase this quarter. Engagement in this quarter was at around 50% across all bulletins. We have continued to increase subscribers to the News bulletin which directs subscribers to the News Blog ahead of our 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.

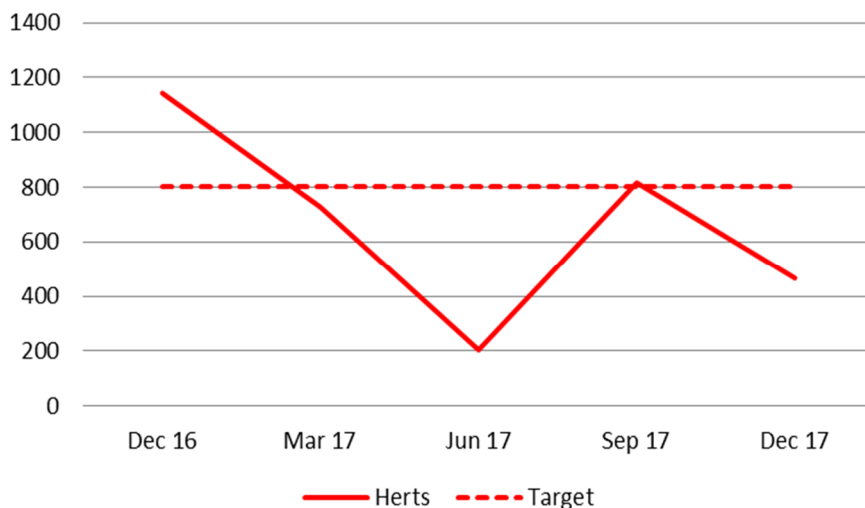
### 8.1.3. Media Score (RED)

**468**



**Performance has decreased from 815 in Q2.**

**Good to be high.**



Despite the quarter finishing on 468, the average media score across the quarter was 682 and so up from an average of 655 in the previous quarter. Highlights this quarter included widespread local coverage following our event at a local gritting depot, broadcast coverage on a new aerial ladder platform, homecare workers over Christmas and a new women's refuge opening in Watford for domestic abuse victims. In addition to these, the press office sold in a trading standards successful prosecution, and the announcement of the New Leader of the Council, David Williams to regional, broadcast and trade publications.

In addition to our proactive media work we managed issues such as the withdrawal of funding from Nascot Lawn respite centre as well as the decision to withdraw from our lease at Cuffley Camp and have successfully managed a balanced tone in the media across both these stories. Over the last five months the media team have dealt with over 351 enquiries from the media.

## 9. Service-wide Resources Indicators

### 9.1. Key Performance Indicators (KPIs)

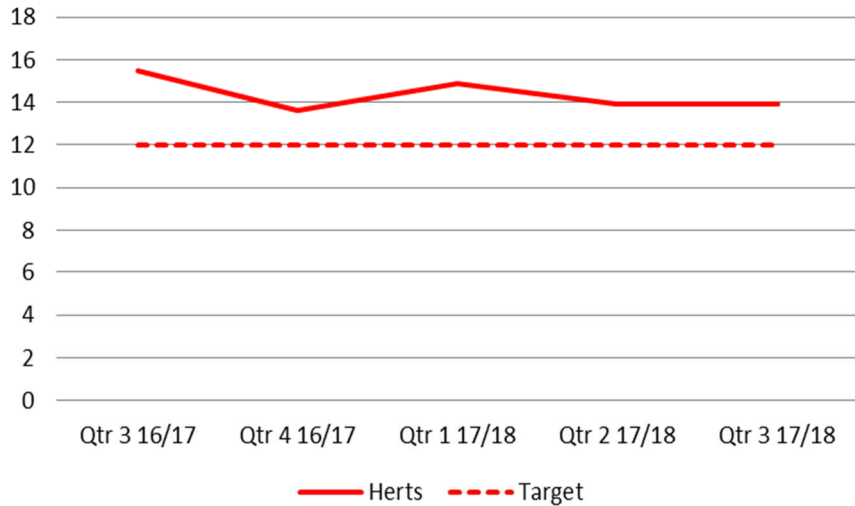
#### 9.1.1. Resources % Voluntary Turnover (RED)

**13.9**



Performance remained the same as last quarter.

Good to be low.



Voluntary turnover has increased this quarter in Resources, both including and excluding HBS and LHS (Libraries & Heritage Services). Excluding HBS and LHS, turnover has reduced from 14.5% in Q2 to 15.3% in Q3. Including HBS and LHS, turnover has increased from 13.9% to 14.7%. Across Council Departments turnover has slightly fallen from 13% to 12.9% in the same period. Turnover is based upon 12 month rolling average figures to the end of December 2017.

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.

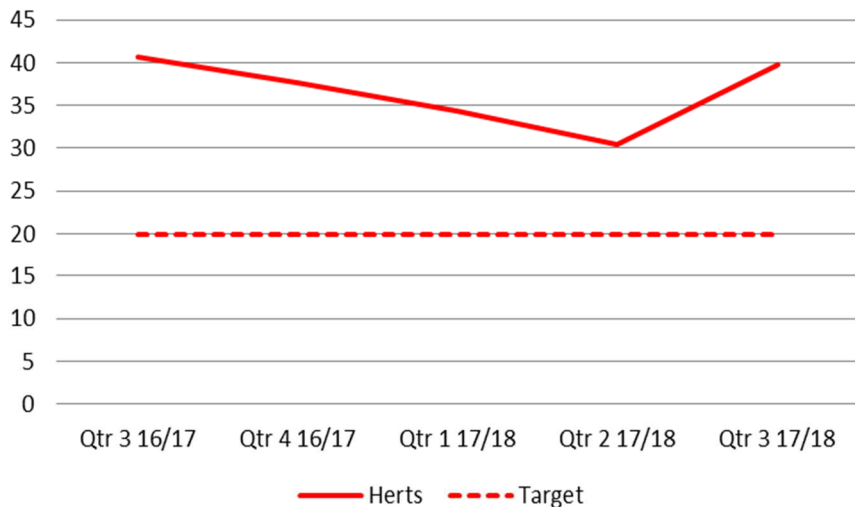
#### 9.1.2. Resources Young People – total turnover % (RED)

**39.8**



Performance significantly declined from 30.5 last quarter.

Good to be low.

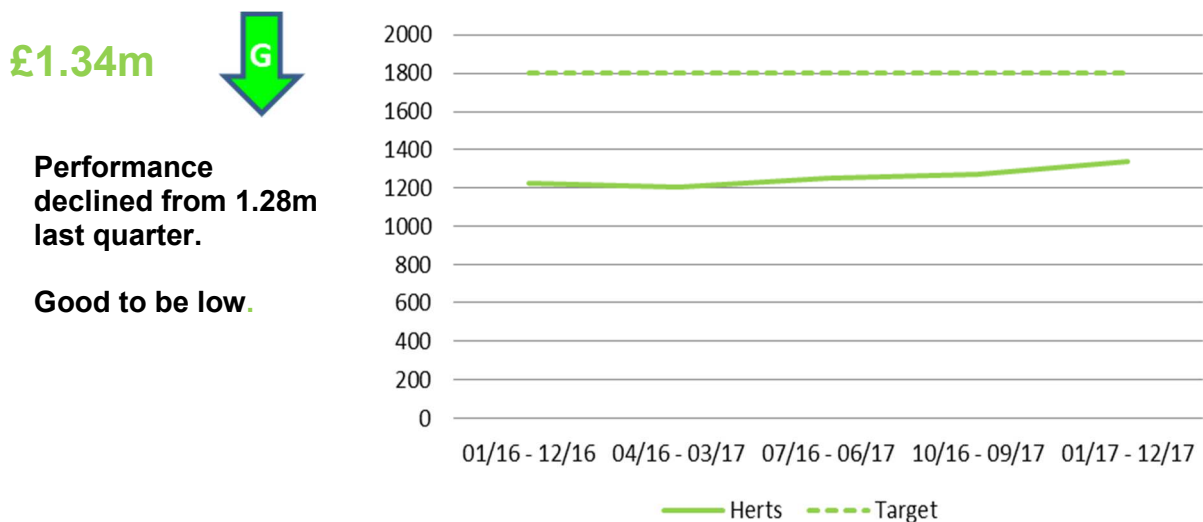


For the period reported in Q3, there were 27 (39.8%) under 25 leavers across Resources (including LHS and HBS). Fifteen of these leavers were in LHS and a further twelve were in Resources, there were no under 25 leavers in HBS.

Eleven of the fifteen LHS leavers were Customer Service Assistants which are part time weekend roles, where turnover is likely to be higher. LHS also has a turnover rate of 56% due to a higher proportion of seasonal leavers. The twelve leavers from Resources left from a variety of roles and teams, there are no patterns to observe.

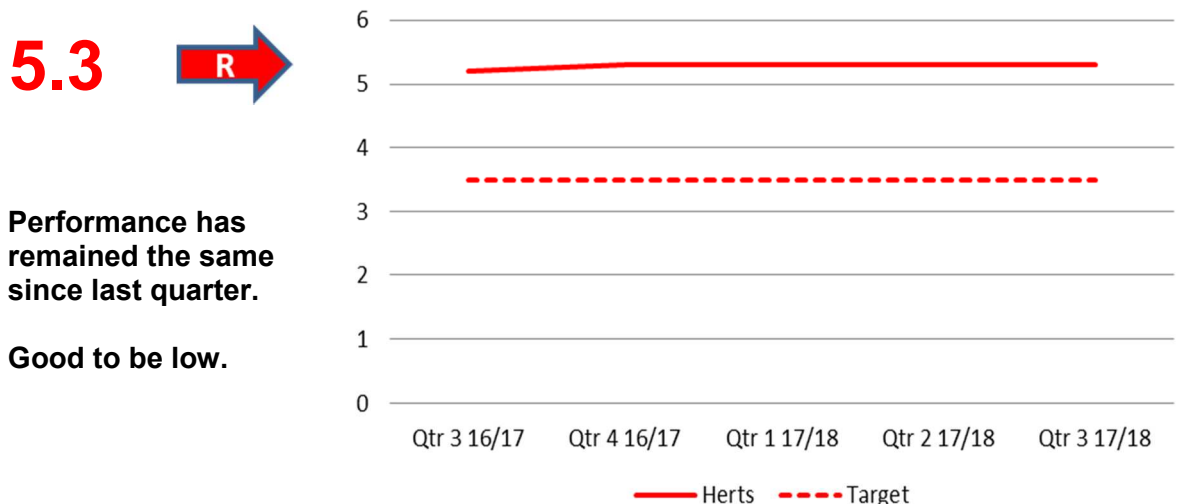
The increased turnover of young people for Q3 is consistent across HCC, with the average department increasing from 25% in Q2 to 31.7% in Q3. Turnover levels in Q2 also dipped for the whole Council and Q3 figures are similar to Q3 2016-17 levels. Turnover figures are based upon a rolling year to the end of the quarter.

### 9.1.3. Resources Agency Spend (£) (GREEN)



Agency spend data is based on a rolling year to the end of November 2017. Agency spend for Resources (incl. HBS and LHS) has increased this quarter, by £63,270 when compared to Q2 which is a 4.7% increase. Agency spend represents 3% of the total Resources (incl. HBS and LHS) pay bill (an increase from 2.8% of the total pay bill in Q2).

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



Sickness levels in Resources (incl. HBS and LHS) have remained the same as Q1 and Q2, at 5.3 days average per employee. Resources figures excluding HBS and LHS, have continued to reduce from 4.7 days in Q2 to 4.4 days in Q3. The average across Resources compares favourably with the Council Departments total of 7.2 days. Sickness absence data is based on a rolling year to the end of November 2017.

Between Q2 and Q3 there have been small increases in sickness levels across 4 Service areas within Resources, and reductions across 6. The lowest level of sickness is in Human Resources at 2.4 days.

Managers are required 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 on an apprenticeship programme | Number externally appointed onto an apprenticeship programme | Departmental apprenticeship cost to date |
|----------------------|--|--|--|
| Adult Care Services  | 3  | 13   | £52,100                                  |
| Childrens Services   | 20   | 4  | £65,800                                  |
| Community Protection | 2  | 0  | £6,000                                   |
| Environment          | 1  | 0  | £2,500                                   |
| Public Health        | 0  | 0  | £0                                       |
| Resources            | 5  | 4  | £49,000                                  |
| <b>HCC total</b>     | <b>31</b>  | <b>21</b>  | <b>£175,400</b>                          |

This is a new indicator for Q3. The Apprenticeship Levy liability for the Council is £932,553 for 2017/18. To maximise the levy the Council estimates a requirement for approximately 140 apprentices per annum. To date 52 members have been enrolled onto a programme and a further 59 staff members have been identified for future programmes. These figures should be considered in the context that new apprentice standards are emerging on a regular basis and this is expanding the Council's ability to identify further apprentice opportunities.

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

During Q3, the Resources department has continued to receive a low amount of stage 1 complaints at just three in total, improving slightly from the four received in Q2. The complaints were received for issues reported within Community Engagement, Hertfordshire Catering Limited and Finance departments, with no noticeable trends between these complaints given the relatively small base number. All three of the complaints received were both acknowledged and received a full response within the target timeframe.

R&P received only one stage 2 complaint within Q3 regarding a fly-tipping case, which was also dealt with within the correct timescales. There were also no Ombudsman complaints received during Q3.

There were 34 compliments received for the Resources department during Q3 (increasing slightly from the 32 received last quarter). All of these are for Legal, Statutory and Member Services, with Citizenship Services receiving the majority of compliments (16) followed by Registration Services (9), then Coroner Services (7) and lastly Highway Boundary & Land Charges (2). Higher compliment rates are expected for public facing services such as statutory services than back office functions that primarily act to support the County Council's services, therefore this is not unexpected.

**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL  
WEDNESDAY 14, FEBRUARY 2018 AT 10:00AM**

**HERTFORDSHIRE COUNTY COUNCIL FINANCE REPORT – QUARTER 3,  
2017/18**

*Report of the Director of Resources*

Author: Lindsey McLeod, Tel: 01992 556431

Executive Member: - David Williams, Leader of the Council (as responsible for  
Resources, Property and the Economy)



Hertfordshire County Council

# Budget Monitor Report

Quarter 3 2017-18

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## Section 1 – Executive Summary

### Revenue Monitor

- **The projected revenue outturn at 31<sup>st</sup> December is an underspend of (£3.906m)** after ringfenced underspends which will be taken to reserves, or an underspend of (£10.784m) before these carry forwards. The underspend includes £3.962m relating to Capital Financing, including £2.7m from technical changes under the revised Minimum Revenue Provision policy agreed in the 2017/18 Integrated Plan.

**Table 1 - Summary Revenue Budget Monitor**

| Summary Revenue Budget Monitor as at 31 December 2017 |     |                                 |  |   |                         |  |  |                             |
|---|-----|---------------------------------|--|---|-------------------------|--|--|-----------------------------|
| SERVICE   | Ref | Latest Approved Budget<br>£'000 | Projected outturn at Year End<br>£'000 | Projected Variance before C/F at Q3 2017<br>£'000 | Carry Forwards<br>£'000 | Projected Variance after C/F at Q3 2017<br>£'000 | Projected Variance after C/F at Q2 2017<br>£'000 | Quarterly Movement<br>£'000 |
| Adult Care Services                                   | 2.1 | 321,985                         | 316,640                                | (5,345)   | 5,262                   | (83)   | 209  | (292)                       |
| Public Health   | 2.2 | 49,433                          | 48,717                                 | (716)   | 716                     | 0  | 0  | (0)                         |
| Children's Services                                   | 2.3 | 168,268                         | 170,252                                | 1,984   | 0                       | 1,984  | 3,204  | (1,220)                     |
| Environment   | 2.4 | 106,073                         | 106,213                                | 140   | 0                       | 140  | 100  | 40                          |
| Resources   | 2.5 | 71,681                          | 69,903                                 | (1,778)   | 0                       | (1,778)  | (206)  | (1,572)                     |
| Community Protection                                  | 2.6 | 35,096                          | 35,231                                 | 135   | 0                       | 135  | 58   | 77                          |
| Central Capital Financing and Interest on Balances    |     | 22,315                          | 17,453                                 | (4,862)   | 900                     | (3,962)  | (858)  | (3,104)                     |
| (Additional) / less Grant Income                      | 2.7 | 0                               | (341)                                  | (341)   | 0                       | (341)  | (317)  | (24)                        |
| Contingency/Special Provision                         |     | 7,165                           | 7,165                                  | 0   | 0                       | 0  | 0  | 0                           |
| Precepts/Levies                                       |     | 2,112                           | 2,112                                  | 0   | 0                       | 0  | 0  | 0                           |
| Apprentice Levy                                       |     | 933                             | 933                                    | 0   | 0                       | 0  | 0  | 0                           |
| <b>NET REVENUE BUDGET</b>                             |     | <b>785,061</b>                  | <b>774,278</b>                         | <b>(10,784)</b>                                   | <b>6,878</b>            | <b>(3,906)</b>                                   | <b>2,191</b>                                     | <b>(6,096)</b>              |
| Funded from Balances                                  |     | 2,441                           | 2,441                                  | 0   | 0                       | 0  | 0  | 0                           |
| Contribution to Capital                               |     | 1,145                           | 1,145                                  | 0   | 0                       | 0  | 0  | 0                           |
| <b>COUNTY FUND TOTAL</b>                              |     | <b>788,647</b>                  | <b>777,863</b>                         | <b>(10,784)</b>                                   | <b>6,878</b>            | <b>(3,906)</b>                                   | <b>2,191</b>                                     | <b>(6,096)</b>              |
| CS Schools funded by direct government grant          |     | 620,975                         | 609,847                                | (11,128)  | 0                       | (11,128)   | (12,532)   | 1,405                       |
| Schools Grant & Other Funding                         |     | (620,975)                       | (611,296)                              | 9,679   | 0                       | 9,679  | 13,310   | (3,631)                     |
| Schools Overspend/ (Underspend)                       |     | 0                               | (1,449)                                | (1,449)   | 0                       | (1,449)  | 778  | (2,227)                     |



**Table 1A – Breakdown of Variances**

| Breakdown of Variances as at 31 December 2017                                       |                                     |  |               |                          |                      |                 |
|---|-------------------------------------|--|---------------|--------------------------|----------------------|-----------------|
| SERVICE   | Projected Variance at Q3 2017 £'000 | Early Achievement of Savings / Pressures £'000 | One off £'000 | Additional Ongoing £'000 | Carry Forwards £'000 | Total £'000     |
| Adult Care Services   | (5,345)                             | 415  | (74)          | (424)                    | (5,262)              | (5,345)         |
| Public Health   | (716)                               | 0  | 0             | 0                        | (716)                | (716)           |
| Children's Services   | 1,984                               | (216)  | 2,200         | 0                        | 0                    | 1,984           |
| Environment   | 140                                 | 0  | (110)         | 250                      | 0                    | 140             |
| Resources   | (1,778)                             | 0  | (458)         | (1,320)                  | 0                    | (1,778)         |
| Community Protection  | 135                                 | (61)   | 196           | 0                        | 0                    | 135             |
| Central Capital Financing and Interest on Balances (Additional) / less Grant Income | (4,862)                             | (2,750)  | (1,282)       | 70                       | (900)                | (4,862)         |
| Contingency/Special Provision   | (341)                               | 0  | (341)         | 0                        | 0                    | (341)           |
| Precepts/Levies   | 0                                   | 0  | 0             | 0                        | 0                    | 0               |
| Apprentice Levy   | 0                                   | 0  | 0             | 0                        | 0                    | 0               |
| <b>TOTAL</b>  | <b>(10,784)</b>                     | <b>(2,612)</b>                                 | <b>131</b>    | <b>(1,424)</b>           | <b>(6,878)</b>       | <b>(10,784)</b> |

**Approved Virements:**

- Details of approved virements and technical adjustments, showing movements from the Original Budget, can be found in Appendix B

**Key Movements**

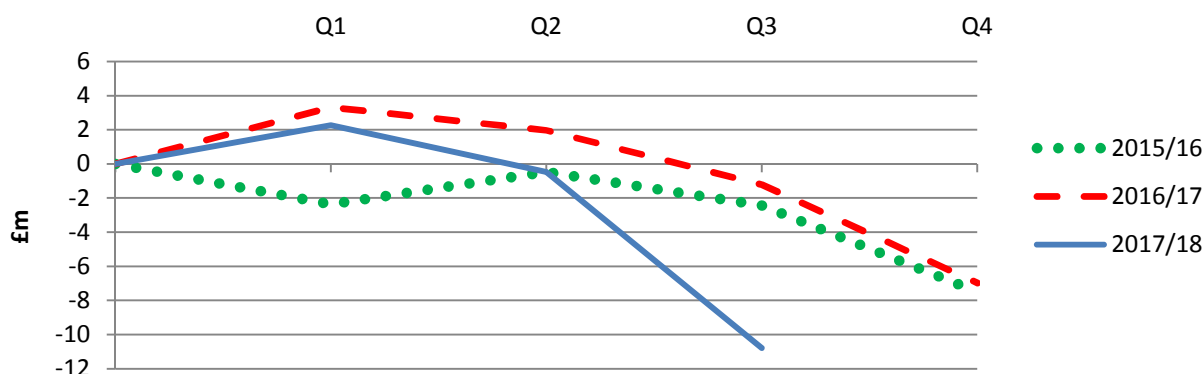
- Key movements (before Carry Forwards) this quarter include:

| Area   | Movement  | Ref   |
|--|-----------|-------|
| Better Care Fund & Improved Better Care Fund | (£3.013m) | 2.1.1 |
| Children Looked After (CLA) budgets          | (£0.673m) | 2.3.2 |
| Winter Maintenance                           | £0.500m   | 2.4.1 |
| Lighting                                     | (£0.650m) | 2.4.2 |
| Property                                     | (£0.955m) | 2.5.2 |
| Revenue Financing                            | (£1.253m) | 2.7.1 |
| Minimum Revenue Provision (MRP)              | (£2.750m) | 2.7.2 |

**HCC Forecast Variance Trend**

The graph below shows how the forecast variance has moved each quarter for the previous 2 financial years. Please note that the variance graphs are before carry forwards:

## Forecast Variance trend (before carry forwards)



### Capital Monitor

- The projected capital outturn position as at 31<sup>st</sup> December 2017 is a variance of **(£11.669m)** comprising of;
  - Proposed Reprogramming to Future Years – **(£10.947m)**
  - Underspends – **(£0.802m)**
  - Overspends – £0.080m
- These variances are calculated on the latest budget of £175.922m. This includes the reprogramming from 2016/17 that was approved by Cabinet in June 2017 plus additional reprogramming of £62.6m at Quarter 2 that was approved by Cabinet in December 2017.
- Details of significant capital variances are shown in Section 5.2.

### 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).
- A net variance of **(£1.449m)** underspend is projected. Additional details regarding this variance can be found in Section 4.

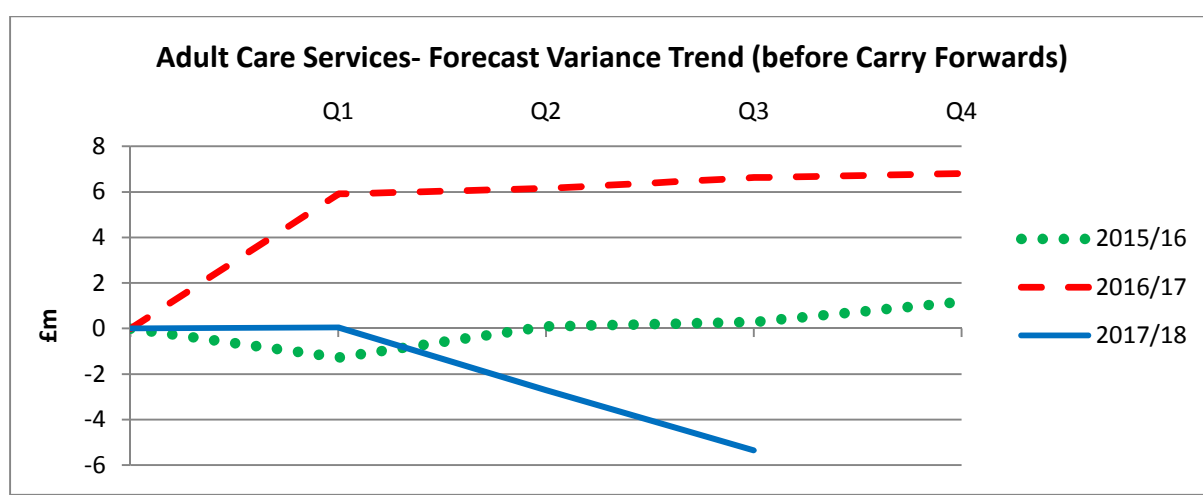
## Section 2 – Forecast Variances over £250k by Service

### 2.1 Adult Care Services

#### Summary of total ACS position:

The table below summarises the forecast monitor position for the department, with the graph beneath showing how the forecast variance has moved each quarter for the previous 2 financial years.

| Adult Care Services                           | Ref   | LAB            | Projected Spend | 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         | 35,399          | (5,044)        | (2,031)               | (3,013)                        |
| Mental Health Services                        | 2.1.2 | 15,988         | 16,239          | 251            | 359                   | (108)                          |
| Preventative Services                         | 2.1.3 | 16,960         | 16,515          | (445)          | (314)                 | (131)                          |
| Older People & Adult Disability Services      |       | 226,877        | 226,849         | (28)           | (15)                  | (13)                           |
| In House Day Care Services & Transport SLA    |       | 14,116         | 14,023          | (93)           | 92                    | (185)                          |
| Strategic Centre & Support Services           |       | 7,574          | 7,588           | 14             | 87                    | (73)                           |
| Grant Funded Projects                         |       | 27             | 27              | -              | -                     | -                              |
| <b>Adult Care Services Total (before c/f)</b> |       | <b>321,985</b> | <b>316,640</b>  | <b>(5,345)</b> | <b>(1,822)</b>        | <b>(3,523)</b>                 |
| <i>Carry Forward</i>                          |       | -              | 5,262           | 5,262          | 2,031                 | 3,231                          |
| <b>Adult Care Services Total (after c/f)</b>  |       | <b>321,985</b> | <b>321,902</b>  | <b>(83)</b>    | <b>209</b>            | <b>(292)</b>                   |



## Key variances:

The tables below provide an explanation of the key variances within the department, along with the movement from the previous period.

| 2.1.1 Better Care Fund & Improved Better Care Fund |                             |                               |                                      |                   |   |                  |                                |                           |
|--|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s                                       | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>Quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|  |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 40,443   | 35,399                      | (5,044)                       | (2,031)                              | (3,013)           | -   | -                | -                              | (5,044)                   |

The main components of the variance are:

- (£1,440k) underspend against budget on the Better Care Fund mainly due to the release of funding which had been earmarked to support winter pressures. Although it is possible that some of this funding will be required during the winter period there are currently no definitive plans. 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.
- (£3,600k) 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 has been 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.

### *Main reasons for quarterly movement*

- (£1,120k) increased underspend on the Better Care Fund budget as highlighted above.
- (£1,890k) increased underspend on the Improved Better Care Fund. This has been partly due to slippage on discharge to assess schemes where previously the forecast had been kept at budgeted levels due to uncertainties around both bed price and start dates, especially for projects in the west of the county. These have now been confirmed but it has resulted in an underspend for this financial year and the recognition that the schemes will continue into 2018/19. There has also been the conclusion of negotiations with Herts Care Providers Association around the prevention of admissions training and it has been confirmed that the majority of this will be undertaken in the new financial year.

### 2.1.2 Mental Health Services

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 15,988       | 16,239                      | 251                           | 359                                  | (108)             | -   | 276              | -                              | (25)                      |

The overspend primarily relates to a forecast 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. This process may not be fully concluded before the end of the financial year. The forecast includes an underspend on funding from NHS England for Specialist Residential Services. The County Council acts as the lead commissioner but the work will not be concluded in this financial year so a carry forward for the remaining funds will be requested.

### 2.1.3 Preventative Services

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 16,960       | 16,515                      | (445)                         | (314)                                | (131)             | -   | (271)            | (174)                          | -                         |

The variance for the Preventative Services budget is due to:

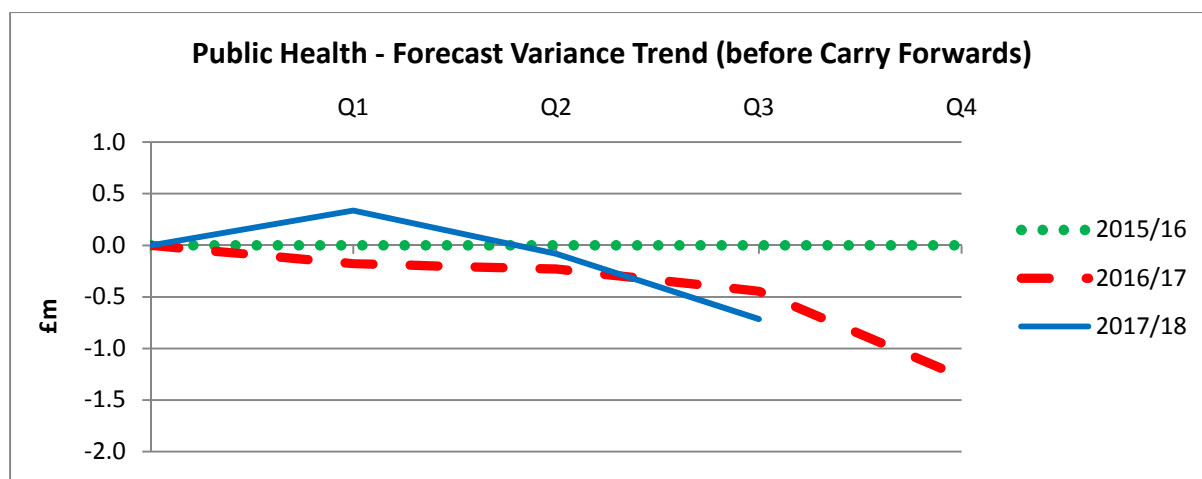
- (£270k) underspend on the Housing Related Support budget of which (£170k) is as a result of the full year effect of the £1,000k Housing Related Support saving introduced late into the budget for 2016/17. The balance is due to in year savings from reduced growth in flexicare units and reduced occupancy in a provision for Learning Disabilities.
- (£170k) 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.

## 2.2 Public Health

### Summary of total PH position:

The table below summarises the forecast monitor position for the department, with the graph beneath showing how the forecast variance has moved each quarter for the previous 2 financial years

| Public Health                           | Ref   | LAB<br>£000s  | Projected Spend<br>£000s | Variance<br>£000s | Variance Last Quarter<br>£000s | Movement in Quarterly Variance<br>£000s |
|---|-------|---------------|--------------------------|-------------------|--------------------------------|---|
| Corporate PH                            |       | 2,770         | 2,548                    | (222)             | (174)                          | (48)                                    |
| Smoking Cessation Service               |       | 1,829         | 1,818                    | (11)              | 4                              | (15)                                    |
| Sexual Health                           | 2.2.1 | 9,810         | 9,928                    | 118               | 388                            | (270)                                   |
| Drugs & Alcohol                         |       | 7,479         | 7,486                    | 7                 | 2                              | 5                                       |
| Children                                |       | 19,979        | 19,814                   | (165)             | (195)                          | 30                                      |
| Adults                                  |       | 1,383         | 1,384                    | 1                 | (4)                            | 5                                       |
| District & Partnership Working          |       | 1,912         | 1,783                    | (129)             | -                              | (129)                                   |
| PH Initiatives & Commissioning          | 2.2.2 | 4,271         | 3,956                    | (315)             | (103)                          | (212)                                   |
| <b>Public Health Total (before c/f)</b> |       | <b>49,433</b> | <b>48,717</b>            | <b>(716)</b>      | <b>(82)</b>                    | <b>(634)</b>                            |
| <i>Carry Forward</i>                    |       |               | <b>716</b>               | <b>716</b>        | <b>82</b>                      | <b>634</b>                              |
| <b>Public Health Total (after c/f)</b>  |       | <b>49,433</b> | <b>49,433</b>            | <b>-</b>          | <b>-</b>                       | <b>-</b>                                |



### Key variances:

The tables below provide an explanation of the key variances within the department, along with the movement from the previous period.

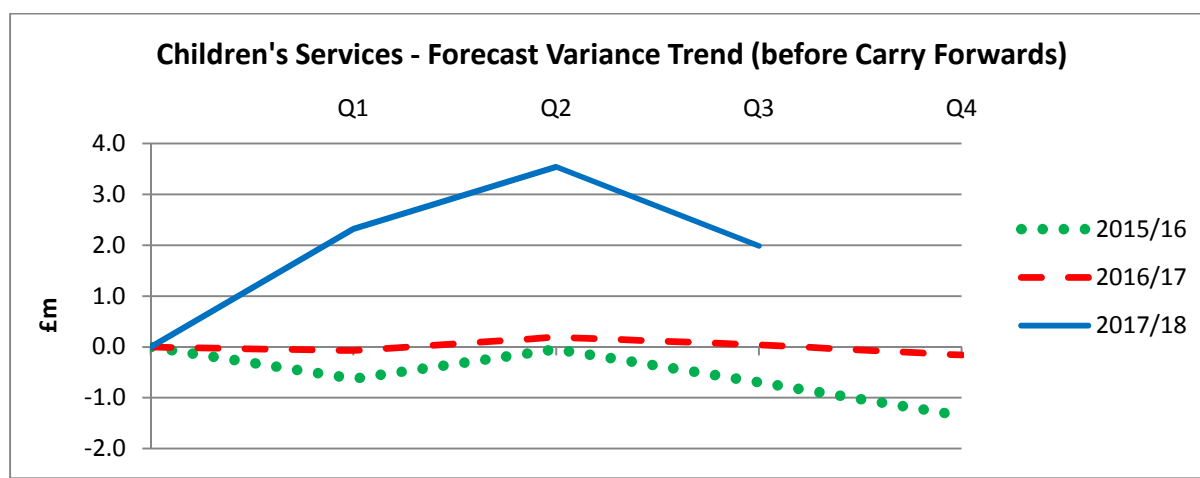
| 2.2.1 Sexual Health   |                             |                               |                                      |                   |   |                  |                                |                           |
|---|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s  | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|   |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 9,810   | 9,928                       | 118                           | 388                                  | (270)             | -   | -                | -                              | 118                       |
| <p>The projected overspend on the contract for Integrated Sexual Health Services (ISHS) has reduced by (£105k) from Q2 following the conclusion of contract negotiations with the provider.</p> <p>The Out of Area Genitourinary Medicine (OOA GUM) budget is now projecting an underspend of (£100k) – there was no variance at Q2. The underspend has arisen because of the closure of the Barnet and Chase Farm hospital clinic which was expected to have led to increased activity in other out of area providers. However, this increase has not been evident and it is therefore assumed that patients are attending the ISHS which is a block contract. As a result there has been a reduction in costs.</p> <p>The projected spend on other budgets in this area which are for GP and Pharmacy services has reduced by (£65k) since September because of a review of costs following Q1 and Q2 claims.</p> |                             |                               |                                      |                   |   |                  |                                |                           |

| 2.2.2 PH Initiatives & Commissioning   |                             |                               |                                      |                   |   |                  |                                |                           |
|--|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s   | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|  |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 4,271  | 3,956                       | (315)                         | (103)                                | (212)             | -   | -                | -                              | (315)                     |
| <p>The initiatives budget is used for pump priming new initiatives within Public Health. A review of the commitments against this budget has resulted in a reduction of projected expenditure for this financial year.</p> |                             |                               |                                      |                   |   |                  |                                |                           |

## 2.3 Children's Services

The table below summarises the forecast monitor position for the department, with the graph beneath showing how the forecast variance has moved each quarter for the previous 2 financial years

| Children's Services                                | Ref            | LAB<br>£000s   | Projected Spend<br>£000s | Variance<br>£000s | Variance Last Quarter<br>£000s | Movement in Quarterly Variance<br>£000s |
|--|----------------|----------------|--------------------------|-------------------|--------------------------------|---|
| <b>Education and Early Intervention (E&amp;EI)</b> | 2.3.1<br>2.3.2 | <b>50,180</b>  | <b>51,327</b>            | <b>1,147</b>      | <b>1,569</b>                   | <b>(423)</b>                            |
| <i>CLA</i>   | 2.3.3          | 43,372         | 43,875                   | 502               | 1,175                          | (673)                                   |
| <i>Other Safeguarding and Specialist Services</i>  | 2.3.4          | 74,495         | 74,881                   | 385               | 476                            | (91)                                    |
| <b>Safeguarding and Specialist Services Total</b>  |                | <b>117,892</b> | <b>118,780</b>           | <b>887</b>        | <b>1,651</b>                   | <b>(764)</b>                            |
| <b>Children's Services Overheads</b>               |                | <b>220</b>     | <b>169</b>               | <b>(51)</b>       | <b>(16)</b>                    | <b>(35)</b>                             |
| <b>Children's Services Total</b>                   |                | <b>168,268</b> | <b>170,252</b>           | <b>1,984</b>      | <b>3,204</b>                   | <b>(1,220)</b>                          |



### Key variances:

The tables below provide an explanation of the key variances within the department, along with the movement from the previous period:



### 2.3.1 E&EI Central Budgets

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance                          |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|--|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| (752)        | (1,164)                     | (413)                         | (87)                                 | (326)             | (100)  | (313)            | -                              | -                         |

There is a £326k underspend movement on E&EI Central budgets due to

- £146k underspend on Customer Service Centre recharge due to less spend on professional fees due to a reduction/prevention of stage 2 complaints and IT development costs which will not be completed this financial year.
- £100k early achievement of savings
- £42k underspend on printing costs
- £125k Lease car rebate greater than anticipated in the budget
- £87k increase in forecast due to various other smaller movements

### 2.3.2 Mainstream Transport & SEN Transport

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance                          |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|--|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 17,600       | 19,070                      | 1,470                         | 1,618                                | (148)             | -  | 1,470            | -                              | -                         |

The overspend reported on transport is due to SN Home to School Transport. Although there has been little movement in the number of pupils being transported, from this time last year, the average cost per pupil has increased by £405 (£5,856 Jan 17 to £6,261 Jan 18). The reason behind the average cost increase is because 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 places within Hertfordshire are filled. As students' needs are increasing we have taken on more medically trained PAs to travel in vehicles with students. This has all contributed to higher average costs, in Jan 17 83 students were travelling with an average cost of £15k+. There are now 114 students travelling at an average cost of £15k+. The changes in transport contracts are settled now. However, additional unexpected journeys may still be required due to changes in education placements.

### 2.3.3 Children Looked After (CLA) budgets

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 43,372       | 43,875                      | 502                           | 1,176                                | (673)             | -   | 502              | -                              | -                         |

The forecast for CLA budgets has reduced by £673k since quarter 2.

This is mainly due to a reduction in forecast against Unaccompanied Asylum Seeking Children (UASC) budgets of £721k, due to the number of under 18s requiring accommodation reducing by three since Q2 alongside lower than expected accommodation costs and the removal of six UASC from the forecast due to clarification of their status.

### 2.3.3 Children Looked After (CLA) budgets

There are also reduced forecasts for in house residential (reduction of £108k) due mainly to staff vacancies, and in house fostering (reduction of £179k) due to there being fewer placements than forecast.

These reductions are to some extent offset by an increase of £366k to the forecast overspend against Independent Placements, due in the main to an increase of £441k to the forecast for secure placements as a result of an increase of four placements.

### 2.3.4 Safeguarding Operations – Section 17

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance                          |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|--|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 874          | 1,172                       | 298                           | 348                                  | (50)              | -  | 298              | -                              | -                         |

We are currently supporting 32 NRPF cases as at the 31st December, a decrease from quarter 2 of 13(45). There are significant delays by 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 and then are joined by new families so the numbers keep growing. 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. A more consistent approach is now taken with recording and monitoring the status of NRPF families, with one point of contact dealing directly with the Home Office in order to obtain the latest appeals information.

We are also supporting 12 Intentionally Homeless (IH) families an increase of 2 from quarter 2 (10). As a result of welfare benefit changes, 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 which necessitates increase in current rates. 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 the County Council's legal response to requests to support IH families and has been tasked with exploring various options of support. There are a number of work streams with deadlines throughout early 2018, with the final action being the development of a homelessness accommodation strategy by June 2018. We work closely with District Council Housing Services in this area.

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.

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 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.

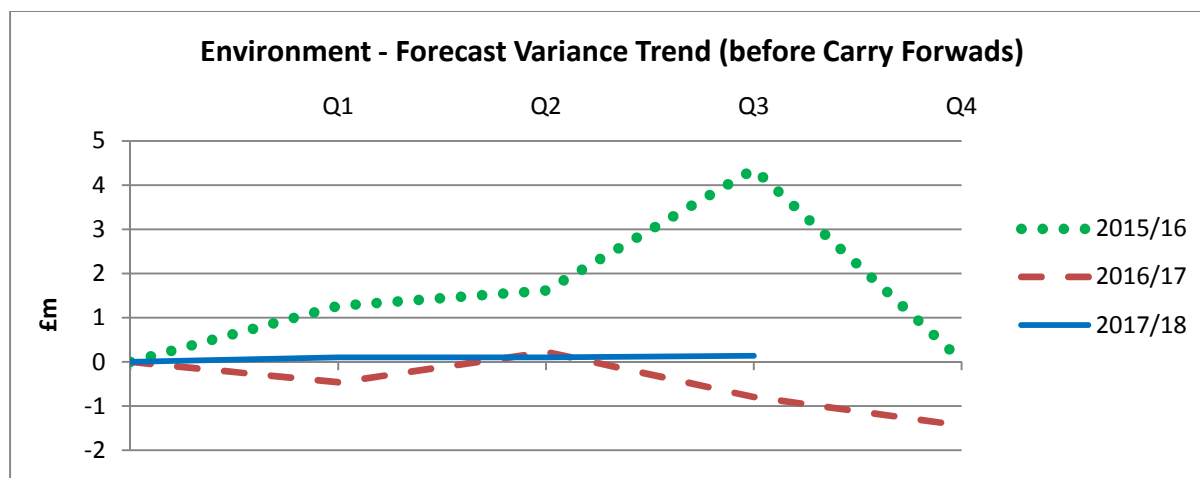
In 2017/18 to date a total of 266 families have been supported against No Recourse to Public Funds and Intentionally Homeless budgets. This element of the overall Section 17 budget are being forecast to overspend by £397k, which is being partly offset by an underspend against preventative spend of £99k.

## 2.4 Environment

### Summary of total Environment position:

The table below summarises the forecast monitor position for the department, with the graph beneath showing how the forecast variance has moved each quarter for the previous 2 financial years

| Environment                   | Ref                     | LAB<br>£000s   | Projected Spend<br>£000s | Variance<br>£000s | Variance Last Quarter<br>£000s | Movement in Quarterly Variance<br>£000s |
|-------------------------------|-------------------------|----------------|--------------------------|-------------------|--------------------------------|---|
| Highways                      | 2.4.1<br>2.4.2<br>2.4.3 | 58,512         | 58,552                   | 40                | 100                            | (60)                                    |
| Waste Management              |                         | 43,080         | 43,080                   | -                 | -                              | -                                       |
| Spatial Land Use and Planning | 2.2.4                   | 1,251          | 1,351                    | 100               | -                              | 100                                     |
| Environmental Management      |                         | 2,309          | 2,309                    | -                 | -                              | -                                       |
| Economic Development          |                         | 301            | 301                      | -                 | -                              | -                                       |
| Other Environment             |                         | 620            | 620                      | -                 | -                              | -                                       |
| <b>Environment Total</b>      |                         | <b>106,073</b> | <b>106,213</b>           | <b>140</b>        | <b>100</b>                     | <b>40</b>                               |



### Key variances:

The tables below provide an explanation of the key variances within the department, along with the movement from the previous period.

| 2.4.1 Winter Maintenance  |                             |                               |                                      |                   |   |                  |                                |                           |
|---|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s  | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|   |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 3,215   | 3,715                       | 500                           | -                                    | 500               | -   | 500              | -                              | -                         |
| <p>Predicting an overspend of £500,000 as a result of December snow fall and current number of gritting runs undertaken, which is significantly higher than average</p> |                             |                               |                                      |                   |   |                  |                                |                           |

| 2.4.2 Lighting   |                             |                               |                                      |                   |   |                  |                                |                           |
|--|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s   | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|  |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 7,015  | 6,365                       | (650)                         | -                                    | (650)             | -   | (650)            | -                              | -                         |
| <p>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.</p> |                             |                               |                                      |                   |   |                  |                                |                           |

| 2.4.3 Traffic Management & Safety - Safety   |                             |                               |                                      |                   |   |                  |                                |                           |
|--|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s   | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|  |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 250  | 500                         | 250                           | 200                                  | 50                | -   | -                | 250                            | -                         |
| <p><b>Driver Training</b> - The number of clients attending driver offender training courses remains lower than forecast and concerns remain as to how soon any upturn in demand will recover (if at all). In addition recent national changes to the charging structure of courses means less money is finding its way back to the County Council as police fees increase</p> |                             |                               |                                      |                   |   |                  |                                |                           |

### 2.4.4 Spatial Land Use and Planning

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 1,251        | 1,351                       | 100                           | -                                    | 100               | -   | 100              | -                              | -                         |

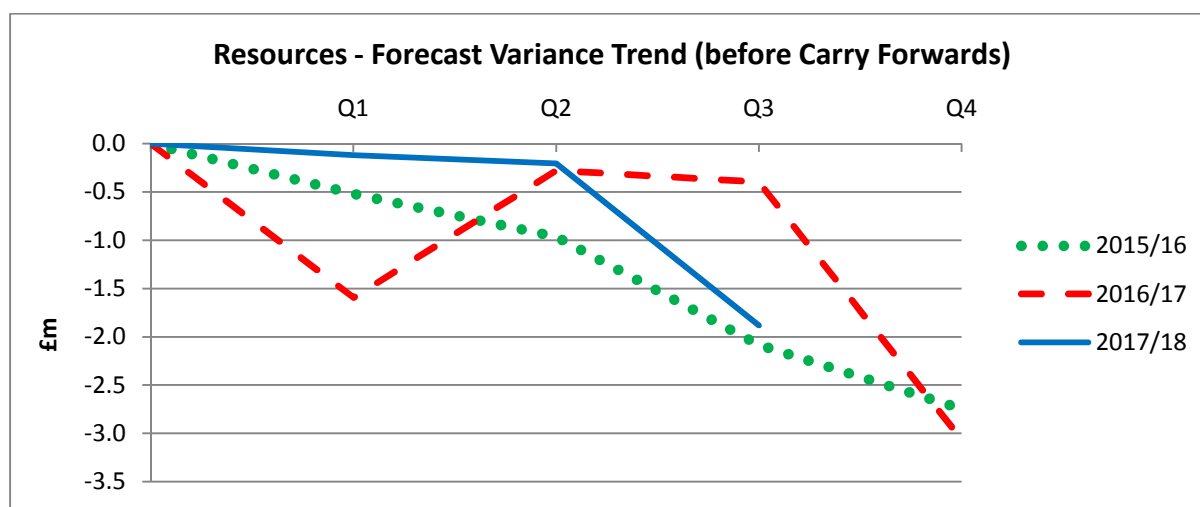
This has been caused by the employment of Agency staff – due to workload pressures (£80K); the late introduction of planning fee increases by the Government (budget income was increased for the year in anticipation of new Fees being in place at the beginning of the financial year) (£36K) and the slippage in the Atrium replacement resulting in having to pay an additional full year subscription to Atrium (£20K). Actions to mitigate this overspend (from £130k to £100k) include, potential of £20k income to be received from HS2 recharge and offset by £10k underspend on Consultancy in Spatial Planning.

## 2.5 Resources

### Summary of total Resources position:

The table below summarises the forecast monitor position for the department, with the graph beneath showing how the forecast variance has moved each quarter for the previous 2 financial years

| Resources              | Ref            | LAB<br>£000s  | Projected Spend<br>£000s | Variance<br>£000s | Variance Last Quarter<br>£000s | Movement in Quarterly Variance<br>£000s |
|------------------------|----------------|---------------|--------------------------|-------------------|--------------------------------|---|
| Corporate Services     | 2.5.1<br>2.5.2 | 58,257        | 55,890                   | (2,367)           | (972)                          | (1,395)                                 |
| Traded Services        | 2.5.3<br>2.5.4 | (2,303)       | (1,962)                  | 341               | 474                            | (133)                                   |
| Customer Engagement    |                | 5,741         | 5,689                    | (52)              | (25)                           | (27)                                    |
| Libraries & HALS       | 2.5.5          | 9,986         | 10,286                   | 300               | 317                            | (17)                                    |
| <b>Resources Total</b> |                | <b>71,681</b> | <b>69,903</b>            | <b>(1,778)</b>    | <b>(206)</b>                   | <b>(1,572)</b>                          |



### Key variances:

The tables below provide an explanation of the key variances within the department, along with the movement from the previous period.

| 2.5.1 Legal  |                             |                               |                                      |                   |   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 4,414        | 3,880                       | (534)                         | (200)                                | (334)             | -   | (434)            | (100)                          | -                         |

Legal Services is forecasting an underspend of £534k. This underspend primarily is due to a combination of increased income and vacancies, although the amount spent on counsel's fees in December was lower than originally forecast but this may not continue for the rest of the year. Some of the vacancies are posts which Legal Services intend to fill but others are posts which subject to review may no longer be required.

This underspend includes identified IP savings of £100k.

| 2.5.2 Property |                             |                               |                                      |                   |   |                  |                                |                           |
|----------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s   | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|                |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 15,725         | 13,969                      | (1,756)                       | (801)                                | (955)             | -   | (561)            | (1,195)                        | -                         |

Property were previously reporting an underspend of £0.801m. This has increased by £955k this quarter from £0.801m to £1.756m. The total variance is 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.
- £116k Vacancies across the Property department – Vacancies were being actively recruited to, however they are now being held pending a restructure which has been postponed until next financial year.
- £227k Corporately Managed Properties – Abel Smith House is anticipated to make a surplus since all tenants are in place for the full financial year
- £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
- £260k –Rent reviews have now been settled for some of our properties
- £725k Utilities – Energy usage has been lower than expected due to the warmer than expected Autumn, and energy prices have not increased as significantly as originally predicted. Work is being undertaken to quantify savings from Salix projects which have gone beyond their payback period, and whether there is a potential IP saving.
- £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
- £12k Service Property – Rebates for energy, rates and the PFI contract which have been offset by costs for the library and registration service occupancy of the public sector quarter (The Forum) in Hemel Hempstead which is managed by Dacorum Borough Council. These cost figures have been under negotiation and included an accrual for estimated costs in 2016/17.

The Property underspend has decreased by £955k from £0.801m in quarter 2 to £1.756m in quarter 3 and this is made up of the following elements:

### 2.5.2 Property

- £48k Vacancies across the Property department – Vacancies were being actively recruited to, however they are now being held pending a restructure which has been postponed until next financial year.
- £122k Corporately Managed Properties – Majority of this movement is due to additional rental income from Royal Mail for a 4 month lease of a car park
- £260k – Rent reviews have now been settled for some of our properties
- £725k Utilities – Energy usage has been lower than expected due to the warmer than expected Autumn, and energy prices have not increased as significantly as originally predicted.
- £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

These increases in underspend have been largely offset by Service Property Costs for the library and registration service occupancy of the public sector quarter (The Forum) in Hemel Hempstead which is managed by Dacorum Borough Council. These cost figures have been under negotiation and included an accrual for estimated costs in 2016/17

### 2.5.3 Hertfordshire Business Services (HBS)

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| (1,803)      | (1,212)                     | 591                           | 724                                  | (133)             | -   | 591              | -                              | -                         |

HBS are forecasting to achieve a surplus in 2017/18 of £1.212m. However, this is £0.591m short of the target of £1.803m.

This is primarily due to reduced income in the network print function. Also within Fleet Services there is a £106k under contribution - mainly due to reduced level of purchasing and leasing vehicles.

It has not proved possible to make up the shortfall by expanded trading within HFS.

In respect to Herts FullStop, the movement in forecast relates to supplier rebates and an improvement in gross margin on sales. In addition to this the contribution from Reprographics has improved as a result of cost reduction measures feeding through.

In support of HBS's transformation programme, two restructures have been completed and a further two are underway aimed at improving the position further, however impact in this financial year will be limited. Longer term investment options will be presented to PROG in January for consideration.

### 2.5.4 Contribution from HCL

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance                 |                  |                                |                  |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---------------------------------------|------------------|--------------------------------|------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward |



| 2.5.4 Contribution from HCL |       |       |       |   |                      |       |   |       |
|-----------------------------|-------|-------|-------|---|----------------------|-------|---|-------|
|                             |       |       |       |   | / Pressures<br>£000s |       |   | £000s |
| (500)                       | (750) | (250) | (250) | - | -                    | (250) | - | -     |

Herts Catering Ltd is forecasting an increased contribution of £750k based on their successful trading performance. This results in a favourable forecast variance of £250k over the £500k budgeted contribution.

| 2.5.5 Libraries & HALS |                             |                               |                                      |                   |   |                  |                                |                           |
|------------------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s           | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|                        |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 9,986                  | 10,286                      | 300                           | 317                                  | (17)              | -   | 300              | -                              | -                         |

Libraries are reporting an overspend of £300k, down £17k reported in Quarter 2. This overspend is down to three main reasons.

- The Inspiring Libraries Strategy that was designed to save £2.5 million over three years will not be achieved. £2 million of this saving has been achieved in 2015/16 and 2016/17. The final £500,000 saving will be achieved when the roll-out of 16 Community Libraries is completed. 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'. As a result the roll-out has been a slower process than originally anticipated, and will not be complete by the end of the financial year.
- There is a continuing shortfall in library income, which is currently predicted to be £140k below target. 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).

In order to mitigate the pressures within Libraries there is continued progression with public engagement and the recruitment and training of volunteers in the community libraries. During December there has been some progress made in the recruitment of volunteers and the establishment of community libraries which has enabled us to leave some vacancies unfilled this month. Although this variance will not increase it will continue until the roll-out of community libraries is complete and will gradually reduce over time.

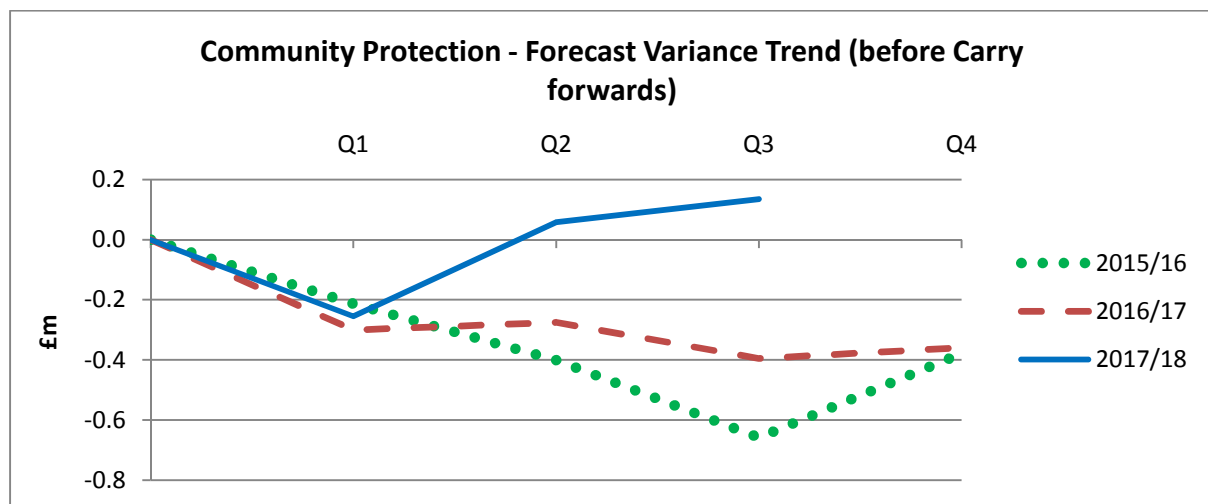
Expenditure in some other budget areas has been frozen and vacancies are being managed to mitigate the income shortfall and pressure on the staffing budget.

## 2.6 Community Protection

### Summary of total CP position:

The table below summarises the forecast monitor position for the department, with the graph beneath showing how the forecast variance has moved each quarter for the previous 2 financial years

| Community Protection              | Ref   | LAB<br>£000s  | Projected Spend<br>£000s | Variance<br>£000s | Variance Last Quarter<br>£000s | Movement in Quarterly Variance<br>£000s |
|-----------------------------------|-------|---------------|--------------------------|-------------------|--------------------------------|---|
| Fire & Rescue                     | 2.6.1 | 30,498        | 30,853                   | 355               | 199                            | 156                                     |
| Joint Protective Services         |       | 4,598         | 4,378                    | (220)             | (141)                          | (79)                                    |
| <b>Community Protection Total</b> |       | <b>35,096</b> | <b>35,231</b>            | <b>135</b>        | <b>58</b>                      | <b>77</b>                               |



### Key variances:

The tables below provide an explanation of the key variances within the department, along with the movement from the previous period.

| 2.6.1 Fire & Rescue - Service Support |                          |                            |                                |                   |  |                  |                             |                        |
|---------------------------------------|--------------------------|----------------------------|--------------------------------|-------------------|--|------------------|-----------------------------|------------------------|
| LAB<br>£000s                          | Projected Spend<br>£000s | Forecast Variance<br>£000s | Variance last quarter<br>£000s | Movement<br>£000s | Breakdown of Variance                                |                  |                             |                        |
|                                       |                          |                            |                                |                   | Early Achievement of IP Savings / Pressures<br>£000s | One-off<br>£000s | Additional Ongoing<br>£000s | Carry Forward<br>£000s |
| 6,727                                 | 6,977                    | 250                        | 104                            | 146               | -  | 250              | -                           | -                      |

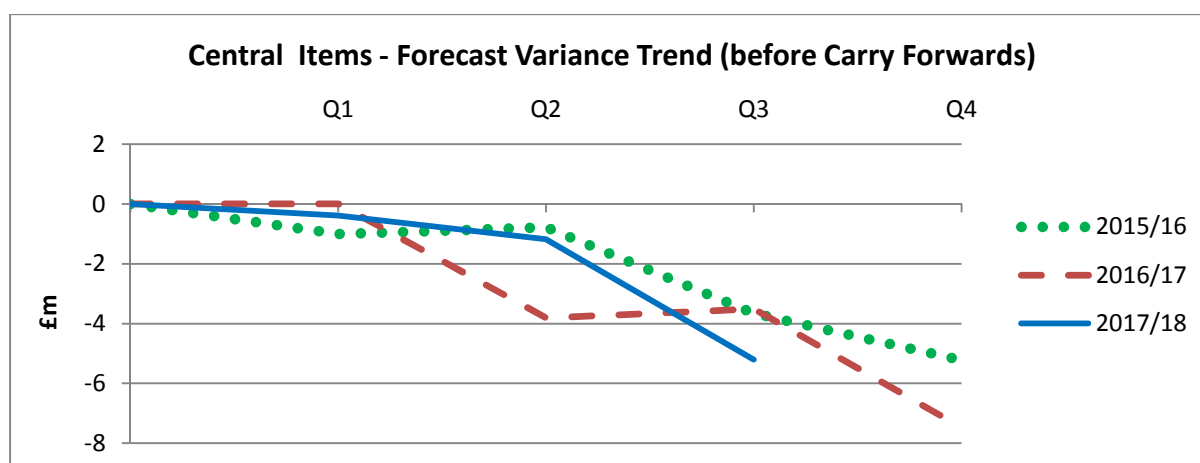
The overspend is attributable to the Ill Health Pension contributions offset by vacancies within the ICT Team, £105k less predicted income in Commercial training than budgeted for, additional staffing costs in training due to pre-arranged overtime and the new recruits, and additional costs in the provision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

## 2.7 Central Items

### Summary of total Central Items position:

The table below summarises the forecast monitor position for the department, with the graph beneath showing how the forecast variance has moved each quarter for the previous 2 financial years

| Central Items                                      | Ref            | LAB<br>£000s  | Projected Spend<br>£000s | Variance<br>£000s | Variance Last Quarter<br>£000s | Movement in Quarterly Variance<br>£000s |
|--|----------------|---------------|--------------------------|-------------------|--------------------------------|---|
| Central Capital Financing and Interest on Balances | 2.7.1<br>2.7.2 | 22,315        | 17,453                   | (4,862)           | (858)                          | (4,004)                                 |
| (Additional) / less Grant Income                   | 2.7.3          | -             | (341)                    | (341)             | (317)                          | (24)                                    |
| Contingency - General                              |                | 5,759         | 5,759                    | -                 | -                              | -                                       |
| Contingency - Specific                             |                | 1,406         | 1,406                    | -                 | -                              | -                                       |
| Precepts/Levies                                    |                | 2,112         | 2,112                    | -                 | -                              | -                                       |
| Apprenticeship Levy Recharge                       |                | 933           | 933                      | -                 | -                              | -                                       |
| <b>Central Total (before c/f)</b>                  |                | <b>32,525</b> | <b>27,322</b>            | <b>(5,203)</b>    | <b>(1,175)</b>                 | <b>(4,028)</b>                          |
| <i>Carry Forwards</i>                              |                |               | <b>900</b>               | <b>900</b>        | -                              | <b>900</b>                              |
| <b>Central Total (after c/f)</b>                   |                | <b>32,525</b> | <b>28,222</b>            | <b>(4,303)</b>    | <b>(1,175)</b>                 | <b>(3,128)</b>                          |



### Key variances:

The tables below provide an explanation of the key variances within the department, along with the movement from the previous period:

### 2.7.1 Revenue Financing (Interest on balances)

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 11,595       | 10,312                      | (2,182)                       | (928)                                | (1,253)           | -   | (1,281)          | -                              | (900)                     |

*Main reasons for overall variance:*

Cash balances during the year are 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 additional borrowing to fund capital expenditure is expected to occur later in the year and be less than set out during budget setting, causing an underspend of (£761k). The Bank of England increased its base interest rate from 0.25% to 0.50% in November 2017.

The forecast includes interest from Local Authority Mortgage Scheme (LAMS) advances (£248k) and Herts Schools Building Partnership [HSBP] interest and dividend received (£161k). These figures are based on the 2016/17 year end position and are above levels assumed when setting the budget.

The County Council will also be selling its stake (loan notes) in HSBP to the other partners, resulting in (£900k) of one-off additional revenue income from this sale. This will be transferred to the Invest to Transform Reserve

Additional interest of (£84k) has been received in respect of the delayed payment of a capital receipt.

*Main reasons for movement in quarter:*

The £1,253k movement from the previous month is due to the following items

- £900k of additional one-off income in relation to sale of HSBP loan notes.
- Increased investment returns following Bank Rate risk and increased balance forecast £174k.
- Increased interest forecast and reduced forecast for interest payable of £96k.

£84k additional interest for a delayed capital receipt.

### 2.7.2 Minimum Revenue Provision (MRP)

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
|              |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| 10,720       | 8,040                       | (2,680)                       | 70                                   | (2,750)           | (2,750)   | -                | -                              | -                         |

Following changes to the MRP policy introduced in 2017/18, a further £2.75m savings have been identified as achievable within the new policy. These have been included in the 2018/19 IP and can be realised from 2017/18

| 2.7.3 Additional/ less Grant Income   |                             |                               |                                      |                   |   |                  |                                |                           |
|---|-----------------------------|-------------------------------|--------------------------------------|-------------------|---|------------------|--------------------------------|---------------------------|
| LAB<br>£000s  | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance   |                  |                                |                           |
|   |                             |                               |                                      |                   | Early<br>Achievement<br>of IP Savings<br>/ Pressures<br>£000s | One-off<br>£000s | Additional<br>Ongoing<br>£000s | Carry<br>Forward<br>£000s |
| (28,883)  | (29,224)                    | (341)                         | (317)                                | (24)              | -   | (341)            | -                              | -                         |
| Adjustment for latest estimates of grant income for ESG, KS2, New Homes Bonus, Fire Revenue, Extended Rights to Free Transport, Local Reform & Community Voices, Social Care in Prisons, War Pensions Scheme Disregard and School Improvement Grants. |                             |                               |                                      |                   |   |                  |                                |                           |

The following budgets have potential risks which are either not yet certain or cannot yet be reliably quantified.

### 3.1 Adult Care Services

#### General Context for these budgets

- Care purchasing budgets are high risk due to the requirement to meet statutory care needs for a growing number of people in light of the Care Act introduced in April 2015.
- Care needs for older people are linked to the performance of the independent care market which is fragile after low investment for several years, the increased national minimum wage driving up salaries in competitor labour sectors and the impact of NHS hospitals to reduce delayed discharges home with higher need care packages. As a result there is a strong focus managing a sustainable care market on price and cost, on keeping the care sector an attractive proposition for employees and on preventing hospital admissions and managing the transition out of hospital to promote reablement and recovery. Short term care packages post-hospital care, often put in place at short notice and higher cost has a direct impact on overall spend pressures.
- For Adult Disability there is a focus on ensuring that care packages deliver good value for money. Whilst processes are in place to track future care needs and therefore forecast the budgetary impact, the high complexity (and therefore cost) of some care packages means that small variations from assumptions can lead to large movements in forecast spend.
- 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.

#### Specific Risks

- There continues to be a risk associated with the legal judgement around the payment for sleep-ins. We have already received claims and undertaken a review but there remains the risk that further providers will come forward with claims against the Authority.
- The Authority previously facilitated payment to Nursing Care providers for Funded Nursing Care, a contribution that was fully funded by CCG's. There has been a long standing dispute over the reimbursement of these payments due to differences in chargeable client numbers for the financial years 15/16 and 16/17. Operational teams are working to provide the necessary evidence to ensure full payment is received but there remains the risk that not all of the disputed items will be resolved.

## **3.2 Public Health**

### NICE prescribing

There has been press coverage of pre exposure prophylaxis drugs for the control of HIV. There are ongoing negotiations between PHE and local authorities around the testing for these drugs. It is likely that the local authority will be required to pick up the cost of the liver and kidney function testing. It is difficult to estimate the potential cost but it may be around £100k per annum although there may be income from the pilot to offset some of this.

## **3.3 Children Services**

### Independent Placements

Currently CCG funding for clients placements continues post 18th Birthday. There is a risk that this funding could now be reviewed and cease as at the 18th birthday.

If all current health contributions are ceased at the 18th birthday the impact on current forecasts would be £272K

## **3.4 Community Protection**

Grey Book (uniformed) pay is agreed and increased from 1st July each financial year in line with the NJC agreement. The July 2017 pay increase has yet to be agreed, however if it is greater than the 1% increase built into the budget then this will create a pressure if funding is not allocated from Contingency (as has occurred in previous years).

## **3.5 Treasury**

### Interest Received

The performance of the council's short-term investments is linked to fluctuations in financial markets.

The impact of a 0.1% reduction in returns on short term investments is estimated to be in the range of £50k to £70k per annum.

The economic outlook is uncertain, and as the UK Government negotiates a Brexit agreement it is possible that volatility in financial markets will become more pronounced, but it is not possible to quantify the possible impacts in more detail.

This uncertainty notwithstanding, the council's treasury advisors do not forecast any further increase in bank base rate in the foreseeable future and therefore short-term investment returns are likely to be relatively stable throughout the year.

The council operates a diversified portfolio to manage risk and ensure its liquidity needs are met. The Treasury Team continues to take an active role in managing the, and will continue to consider investment opportunities by prioritising security and liquidity needs ahead of yield.

## Pooled Funds

The Council's longer term investments in pooled funds (Bonds, Equities and Property) will be susceptible to market volatility.

The nature of the underlying commercial property investments mean that in the shorter term returns are expected to be stable, whilst in the longer term returns will be influenced by changes in the real UK economy.

The impact of a 0.5% reduction in returns from our pooled funds is estimated to be £150k per annum.

The possibility of short-to-medium term reductions in the capital value of these funds exists but these are longer-term instruments and the intention has always been to allow these to ride out short-term instability. The Council's Treasury Advisors remain comfortable with our strategy of holding these funds long term for income generation, which mitigates the risk of capital impairment in the short-term.



## Section 4 – Children’s Services (Schools) Variances

4.1 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 **£1,449k** against this budget.

### 4.2 Variances that are not offset by grants (>£100k)

|  |                             |
|--|-----------------------------|
| <b>Independent Schools Placement overspend</b>   | <b>Variance<br/>£1,453k</b> |
| <p>- Independent Placements are expected to overspend by £1.453m. This is due to a higher number of new placement notifications than was budgeted (£0.953m). The budget was reduced this financial year due to 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> |                             |

|   |                            |
|---|----------------------------|
| <b>Integrated Services for Learning DSG</b>   | <b>Variance<br/>(£71k)</b> |
| <p>- Speech and Language Therapy is expected to underspend by £87k. Whilst the anticipated contract value is as expected, uncommitted funding is being held pending a review of the Speech and Language joint contract (with the CCGs) and delivery model.</p> <p>- Developing Special Provision Locally (DSPL) is overspent by £47k. This budget is used to fund the 9 DSPL Area Groups and also to support special schools in developing and building confidence to meet more complex needs such as Autism. As the spending on this budget is demand led, it is therefore difficult to predict the number of claims to be received from schools. An element of the overspend relates to a higher than estimated level of claims received.</p> <p>- The Special Education Needs (SEN) Strategy Development Fund is expected to underspend by £3m. This fund has been established to support new initiatives, including key priorities within the Special Education Needs &amp; Disability (SEND) strategy. As an uncommitted resource, the fund also provides useful flexibility in managing budget risks.</p> <p>- Additional Welfare &amp; Tuition (AWT) provides funding for training and development of individual children with SEN. Current forecast expenditure based on the number of children and cost of support provided is £39k 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.</p> <p>- There is a £100k overspend expected due to the cost of education of pupils place by Health in private or other local authority hospitals.</p> <p>- The Attendance teams ceased trading at the end of the last academic year. Approximately 56% of academies/free schools are currently purchasing 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 forecast overspend. The service has restructured and achieved savings giving a net forecast underspend this year of £86k.</p> |                            |

| Colleges High Needs   | Variance<br>£490k |
|---|-------------------|
| <p>- There is a forecast pressure of £490k on Colleges High Needs budget<br/>There have been further requests for college placements and increased referrals to tribunals.</p> <p>Built into this forecast are the following uncertainties:-</p> <p>Costs</p> <ul style="list-style-type: none"> <li>&gt; Placement requests received, not yet approved at Panel but likely to be agreed - £1,028K - mostly Independent Specialist Provision (ISP) &amp; Over the Border (OTB)</li> <li>&gt; 1 case returned from Tribunal - outcome further £100K</li> <li>&gt; 3 further cases going to Tribunal potential additional cost £115K</li> <li>&gt; Additional element 2 payments to colleges for unplanned places £126K</li> </ul> <p>Income</p> <p>Personal Care funding from ACS yet to be agreed (£214K)</p> |                   |

| Growth Fund   | Variance<br><b>(£886k)</b> |
|---|----------------------------|
| <p>This budget is showing a net underspend of £497k (of which £389k of the expenditure is offset by additional DSG). This relates to the requirements to make allocations to academies for the Summer term (as academies are funded on an academic year basis). Adjusting for this, there is an underspend on the Growth Fund of £886k, due to:</p> <ul style="list-style-type: none"> <li>- a lower number of bulge classes than originally anticipated,</li> <li>- a delay in opening new free schools,</li> <li>- an underspend on infant class size funding as some of these schools are expanded.</li> </ul> |                            |

| Special Delegated  | Variance<br><b>(£1,239k)</b> |
|--|------------------------------|
| <p>The underspend in Special Delegated relates to:</p> <p>a) £300k reduced revenue contribution to capital spend from the High Needs Budget in respect of Special Schools expansion programs. The budget was provided for up four SLD schools. Schemes are only being taken forward at two schools this financial year, resulting in the underspend, and</p> <p>b) £940k underspend on top up funding and residential allocations, these figures have been calculated using the current levels of allocations, and may be subject to variances following panels held in the Spring term.</p> |                              |

|   |                             |
|---|-----------------------------|
| <b>Disapplication Fund</b>  | <b>Variance<br/>£2,093k</b> |
| <p>This forecast is in relation to the Authorities Disapplication approval for schools with significant lagged pupil funding.</p> <p>The Authority has approval to apply £3.1m of DSG in disapplication funding to five schools who have intentions to convert to Academy Status and are in a period of exceptional growth which requires financial stability in relation to lagged pupil funding.</p> <p>Of these five schools, one school has converted, two are expected to convert and the remaining two are without current approval for conversion.</p> <p>The forecast reflects the likelihood that the two that have yet to receive approval will not gain approval before 31st March 2018.</p> <p>The authority will seek consent from the DfE in January to carry forward the disapplication request for those schools who do not receive their Academy Order in this financial year.</p> |                             |

|  |                           |
|--|---------------------------|
| <b>Contingency</b>   | <b>Variance<br/>£610k</b> |
| <p>It was agreed at Schools Forum in September, that the deficit for Cheshunt School would be met from the school's contingency budget and this is included in the forecast outturn.</p> |                           |

|  |                               |
|--|-------------------------------|
| <b>Other Non-Delegated</b>   | <b>Variance<br/>(£1,203k)</b> |
| <p>The underspend of £1.203m relates to:</p> <ul style="list-style-type: none"> <li>- £900k savings largely resulting from the receipt of back-dated rates refunds (sometimes dating back to 2010). The refunds result both from the conversion of schools to foundation status and from reviews of rateable values by the Local Billing Authorities.</li> <li>- The underspend on Units and Bases of £158k is due to the funding ceasing for a Physical &amp; Neurological Impairment (PNI) designated school</li> <li>- £60k of additional appeals funding not required in 2017/18</li> <li>- £32k allocation for lift maintenance not required in 2017/18</li> <li>- £44k of additional income forecast following higher levels of notifications in December for Excluded pupils, than previously forecast</li> <li>- and underspends on various smaller budgets totalling £8k</li> </ul> |                               |

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

|   |                               |
|---|-------------------------------|
| <b>Schools becoming Academies</b>   | <b>Variance<br/>(£9,434k)</b> |
| The reduction in expected expenditure relating to payment of budget shares to schools is off-set by a corresponding reduction in DSG income received from DfE |                               |

|  |                           |
|--|---------------------------|
| <b>Growth Fund</b>   | <b>Variance<br/>£389k</b> |
| There is £389k of additional Growth Fund expenditure which is offset by additional DSG. This relates to the requirements to make allocations to academies for the summer term (as academies are funded on an academic year basis). |                           |

- 4.4 While the above variances are absorbed by DSG and other funding, and do not impact the Council's budget, there is a financial risk to the authority from the schools in a deficit position which are required to convert to academy status.

Deficit applications are only approved when accompanied by a fully costed recovery and repayment plan, that will see the school clear its deficit and return to surplus. Therefore the risk detailed below will only occur where a school converts to Academy whilst still in deficit, in the circumstances where the deficit does not also transfer to the new Academy (i.e. under the sponsored Academy model).

The table below quantifies the maximum expected risk by the end of 2017/18 for schools that are either already in, applying for, or projecting deficits during 17/18.

| <b>Status</b>   | <b>Number of Schools Q3</b> | <b>Deficit Value<br/>2017-18</b> | <b>Number of Schools</b> | <b>Deficit Value<br/>2016-17</b> |
|---|-----------------------------|----------------------------------|--------------------------|----------------------------------|
| <b>Schools with Approved Licensed Deficits</b>                            | <b>2</b>                    | <b>£1.038m</b>                   | <b>1</b>                 | <b>£0.597m</b>                   |
| <b>Schools with Licensed Deficit Applications in Progress</b>             | <b>11</b>                   | <b>£2.421m</b>                   | <b>9</b>                 | <b>£1.592m</b>                   |
| <b>Total Projected value of Licensed Deficits for Schools at 31 March</b> | <b>13</b>                   | <b>£3.459m</b>                   | <b>10</b>                | <b>£2.189m</b>                   |

## Section 5 – Capital Monitor

### 5.1 Capital Summary

The projected capital outturn position as at 31<sup>st</sup> December 2017 is as follows:

|                               | £000s           |
|-------------------------------|-----------------|
| Reprogramming to future years | (10,947)        |
| Underspends                   | (802)           |
| Overspends                    | 80              |
| <b>Total Variance</b>         | <b>(11,669)</b> |

- Details of significant capital variances are shown in Section 5.2.
- These variances are calculated on the latest budget of £175.922m. This includes the reprogramming from 2016/17 that was approved by Cabinet in June 2017 and reprogramming for Quarter 2 that was approved by Cabinet in December 2017.

|   | £k       | £k             |
|---|----------|----------------|
| <b>Original Budget Per 2017/18 Integrated Plan</b>    |          | <b>222,858</b> |
| 2016/17 Reprogramming                                 | 10,148   |                |
| 2017/18 Reprogramming - Month 6                       | (62,587) |                |
| Additional LEP funding                                | 1,627    |                |
| High Needs Funded Projects - funded from School's DSG | 1,555    |                |
| Other Budget Adjustments                              | 2,321    |                |
| Total Budget Adjustments                              |          | (46,936)       |
| <b>Latest Approved Budget for 2017/18</b>             |          | <b>175,922</b> |

**Table 2 – Summary Capital Budget Monitor**

|                                  | Latest<br>Approved<br>Budget<br>2017/18<br>£'000 | Underspend<br>£'000 | Overspend<br>£'000 | Reprogr<br>amming<br>£'000 | Total<br>Variance<br>£'000 |
|----------------------------------|--|---------------------|--------------------|----------------------------|----------------------------|
| <b>Children's Services</b>       |  |                     |                    |                            |                            |
| School Expansions                | 43,931   | (200)               | 36                 | (6,774)                    | (6,938)                    |
| Schools R&M                      | 19,169   | -                   | -                  | -                          | -                          |
| High Needs projects              | 1,555  | -                   | -                  | -                          | -                          |
| Other - Children's Services      | 1,579  | (253)               | 7                  | (90)                       | (336)                      |
| <b>Total Children's Services</b> | <b>66,234</b>                                    | <b>(453)</b>        | <b>43</b>          | <b>(6,864)</b>             | <b>(7,274)</b>             |
| <b>Environment</b>               |  |                     |                    |                            |                            |
| Major Projects                   | 7,858  | -                   | -                  | (387)                      | (387)                      |
| Road Maintenance                 | 41,634   | -                   | -                  | -                          | -                          |
| Street Lighting                  | 8,945  | -                   | -                  | -                          | -                          |
| ITP                              | 6,789  | -                   | -                  | -                          | -                          |
| Bridge Maintenance               | 5,894  | -                   | -                  | -                          | -                          |
| Other - Environment              | 2,778  | -                   | -                  | (335)                      | (335)                      |
| <b>Total Environment</b>         | <b>73,898</b>                                    | <b>-</b>            | <b>-</b>           | <b>(722)</b>               | <b>(722)</b>               |
| <b>Fire</b>                      | <b>3,494</b>                                     | <b>-</b>            | <b>19</b>          | <b>(114)</b>               | <b>(95)</b>                |
| <b>ACS</b>                       |  |                     |                    |                            |                            |
| EPH Provision                    | 4,292  | -                   | -                  | -                          | -                          |
| Disabled Facilities Grant        | 6,200  | -                   | -                  | (555)                      | (555)                      |
| HCS Property                     | 2,431  | -                   | 5                  | (625)                      | (620)                      |
| Other - ACS                      | 1,019  | (296)               | -                  | -                          | (296)                      |
| <b>Total ACS</b>                 | <b>13,942</b>                                    | <b>(296)</b>        | <b>5</b>           | <b>(1,180)</b>             | <b>(1,471)</b>             |
| <b>Resources</b>                 |  |                     |                    |                            |                            |
| Acquisitions                     | 8,023  | -                   | 13                 | -                          | 13                         |
| Broadband                        | 4,000  | -                   | -                  | (975)                      | (975)                      |
| BMT Projects                     | 1,359  | -                   | -                  | (84)                       | (84)                       |
| Non-School Cap. Maint.           | 1,569  | -                   | -                  | -                          | -                          |
| Co-location of Libraries         | 358  | -                   | -                  | (238)                      | (238)                      |
| Technology Purchasing            | 1,397  | -                   | -                  | -                          | -                          |
| Other -Resources                 | 1,606  | -                   | -                  | (770)                      | (770)                      |
| <b>Total Resources</b>           | <b>18,312</b>                                    | <b>-</b>            | <b>13</b>          | <b>(2,067)</b>             | <b>(2,054)</b>             |
| <b>Public Health</b>             | <b>42</b>  | <b>(53)</b>         | <b>-</b>           | <b>-</b>                   | <b>(53)</b>                |
| <b>Grand Total</b>               | <b>175,922</b>                                   | <b>(802)</b>        | <b>80</b>          | <b>(10,947)</b>            | <b>(11,669)</b>            |

The net variance of £11,669k comprises re-programming of £10,947k, underspends of (£802k), and overspends of £80k.

Details of major variances (over £100k) against the revised budget are shown below.

The impact of these variances on total financing including the borrowing requirement is shown in Table 4.

## 5.2 Significant Capital Forecast Variances

The movements shown in the tables below include the adjustments made to LAB for reprogramming approved in Q2, offset by any new movements in Q3.

### Children's Services

| New School Developments & Site Acquisitions |                             |                               |                                      |                   |                       |                    |                        |
|---|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
| LAB<br>£000s                                | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|   |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 20,840                                      | 13,646                      | (7,194)                       | -                                    | (7,194)           | -                     | -                  | (7,194)                |

The main reasons for the variance are:

- £7,194k is forecast to be reprogrammed due to anticipated timings of land acquisitions.
- There is a further risk of further reprogramming (up to an additional £10m) which relates to the purchase of Secondary Sites where planning consent may be received later than anticipated.

| Primary Expansions PEP6 & Temporary Expansions Sept 2016 - HCC Managed |                             |                               |                                      |                   |                       |                    |                        |
|--|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
| LAB<br>£000s   | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|  |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 3,690  | 3,350                       | (340)                         | (2,378)                              | 2,038             | -                     | -                  | (340)                  |

The main reasons for the variance are:

- £340k is forecast to be reprogrammed for Leavesden Green. The programme has been profiled to accommodate a phased programme with delivery of some external works this financial year. This is in addition to the reprogramming agreed in Q2 of £2.378m.

| Secondary Expansions - SEC2 |                             |                               |                                      |                   |                       |                    |                        |
|-----------------------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
| LAB<br>£000s                | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|                             |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 13,726                      | 14,816                      | 1,090                         | (556)                                | 1,646             | (200)                 | -                  | 1,290                  |

The main reasons for the variance are:

- £1,290k is forecast to be reprogrammed for Hitchin Girls school due to updated information being received by the Independent Certifier supporting the County Council for the School Expansions. This school is expected to progress further than previously reported by year end. This offsets the £356k reprogrammed in Q2 for school managed schemes.
- £200k underspend relates to a secondary expansion agreement being £200k lower than originally anticipated.

### Secondary Expansions - SEC2.5

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
|              |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 1,385        | 993                         | (392)                         | (6,591)                              | 6,199             | -                     | -                  | (392)                  |

The main reasons for the variance are:

- £392k is forecast to be reprogrammed for the expansion programme at Hemel Hempstead due to a review of project timescales. This figure is an estimate and will be reviewed. Tender evaluation for the provision of Phase 1 is now complete and we are ready to enter into contract. Phase 2 is currently out to tender. This is in addition to the £6.591m reprogrammed in Q2 for Hemel Hempstead and Hertswood Academy.

### Environment

#### A602 Improvements

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
|              |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 5,037        | 4,650                       | (387)                         | (1,423)                              | 1,036             | -                     | -                  | (387)                  |

The main reasons for the variance are:

- Sections A and C have started the on-site construction phase. The Planning Application process for Section B has been 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 £387k will need to be re-profiled into 2018/19 due to the delays to the planning process for Section B.

#### Ware Household Waste Site

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
|              |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 500          | 165                         | (335)                         | -                                    | (335)             | -                     | -                  | (335)                  |

The main reasons for the variance are:

- Changes to the last monitor confirm that habitat creation works in 2017/18 are likely to be £165k. Reprogramming of £335k is currently anticipated.

### Fire

No major variances

### Adult Care Services



### Commissioning for Independence (formerly Supported Living)

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
|              |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 1,567        | 942                         | (625)                         | (700)                                | 75                | -                     | -                  | (625)                  |

The main reasons for the variance are:

- Additional reprogramming of £625k is forecast for 17/18 following the 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 current, more reactive use of capital funds.

This is in addition to the £700k reprogrammed in Q2.

### ACS Vehicle Replacement

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
|              |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 640          | 359                         | (281)                         | (318)                                | 37                | (281)                 | -                  | -                      |

The main reasons for the variance are:

- A number of vehicles that were planned to be purchased from the 2017/18 capital programme are no longer required to be replaced due to low mileage and the opportunity of transferring vehicles from closed services.

### Disabled Facilities Grant

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
|              |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 6,200        | 5,645                       | (555)                         | -                                    | (555)             | -                     | -                  | (555)                  |

The main reasons for the variance are:

- Reprogramming of £555k is anticipated 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

## Resources

### Inspiring Libraries

| LAB<br>£000s | Projected<br>Spend<br>£000s | Forecast<br>Variance<br>£000s | Variance<br>last<br>quarter<br>£000s | Movement<br>£000s | Breakdown of Variance |                    |                        |
|--------------|-----------------------------|-------------------------------|--------------------------------------|-------------------|-----------------------|--------------------|------------------------|
|              |                             |                               |                                      |                   | Underspend<br>£000s   | Overspend<br>£000s | Reprogramming<br>£000s |
| 923          | 368                         | (555)                         | -                                    | (555)             | -                     | -                  | (555)                  |

The main reasons for the variance are:

- £555k of inspiring libraries budget is forecast to be reprogrammed to 2018/19. This is an estimate and is subject to further review. This includes refurbishment projects that are subject to delays and the consequential impact on Creatorspace; plus spend for the Open+ roll-out as we are awaiting evaluation of the pilot.

### Broadband Delivery (Contract 2)

| LAB | Projected | Forecast | Variance | Movement | Breakdown of Variance |  |  |
|-----|-----------|----------|----------|----------|-----------------------|--|--|
|-----|-----------|----------|----------|----------|-----------------------|--|--|

| Broadband Delivery (Contract 2)  |                |                   |                          |       |                     |                    |                        |
|--|----------------|-------------------|--------------------------|-------|---------------------|--------------------|------------------------|
| £000s  | Spend<br>£000s | Variance<br>£000s | last<br>quarter<br>£000s | £000s | Underspend<br>£000s | Overspend<br>£000s | Reprogramming<br>£000s |
| 4,000  | 3,025          | (975)             | (4,658)                  | 3,683 | -                   | -                  | (975)                  |
| The main reasons for the variance are:   |                |                   |                          |       |                     |                    |                        |
| <ul style="list-style-type: none"> <li>£975k is currently forecast to be reprogrammed to 2018/19. This is due to delays in project delivery by BT Openreach for which a remedial plan is now in place - but pushes payment for delivery back across financial years. This is in addition to the £4.658m reprogrammed in Q2.</li> </ul> |                |                   |                          |       |                     |                    |                        |

### 5.3 Movements in the Capital Budget's Financing

Table 4 below summarises the changes in financing to support the revised budget and the forecast financing position based on expected 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.

**Table 3 – Capital Budget Financing**

| Budget Financing Source  | Original<br>Budget<br>(2017/18<br>IP) | Funding<br>Movements<br>Agreed | Latest<br>Adjusted<br>Budget<br>2017/18 | Variance<br>(Additional<br>Funding<br>Movement<br>s) | Latest<br>Forecast<br>Outturn |
|--------------------------|---------------------------------------|--------------------------------|---|--|-------------------------------|
|                          | £'000                                 | £'000                          | £'000                                   | £'000  | £'000                         |
| Capital Receipts         | 10,000                                | 12,122                         | 22,122                                  | (5,000)  | 17,122                        |
| Capital Grants           | 98,537                                | (388)                          | 98,149                                  | (10,465)   | 87,684                        |
| Revenue contributions    | -                                     | 2,740                          | 2,740                                   | -  | 2,740                         |
| Contributions from Third | 36,037                                | (24,335)                       | 11,702                                  | (387)  | 11,315                        |
| Specific Reserves        | 2,836                                 | (1,553)                        | 1,283                                   | (515)  | 768                           |
| Borrowing                | 75,448                                | (35,522)                       | 39,926                                  | 4,698  | 44,624                        |
| <b>Total</b>             | <b>222,858</b>                        | <b>(46,936)</b>                | <b>175,922</b>                          | <b>(11,669)</b>                                      | <b>164,253</b>                |

### 5.4 Capital Receipts

£9.489m has been achieved by the end of December 2017. A further £9.284m has been received at the time of this report, bringing the total capital receipts to £18.773m.

The Integrated Plan assumed receipts of £13m of which £3m was to fund the Invest to Save and £10m to fund the Capital Programme. A delayed significant receipt meant that the capital receipt target for 2016/17 was not achieved and therefore borrowing was £12.1m higher than planned. This has been offset by an increase in budgeted receipts in place of borrowing in the current year, increasing the budget for 2017/18 to £25.122m.

As at the end of December 2017, expected receipts for 2017/18 are £20.122m resulting in a forecast deficit of £5m. At present forecast spend, this will require additional borrowing although this would be offset by any further reprogramming

As at the end of December 2017, a deficit of £5m is forecast. On current projected spend, this will require additional borrowing of £4.698m in the interim until delayed receipts are received: this would be reduced by any further reprogramming.

**Table 4 – Capital Receipts for 2017/18 – 2019/20**

|  | <b>Receipts to<br/>31.12.17</b> | <b>Forecast<br/>2017/18</b> | <b>Forecast<br/>2018/19</b> | <b>Forecast<br/>2019/20</b> |
|--|---------------------------------|-----------------------------|-----------------------------|-----------------------------|
|  | <b>£'000</b>                    | <b>£'000</b>                | <b>£'000</b>                | <b>£'000</b>                |
| <b>Budgeted Receipts:</b>                                    |                                 |                             |                             |                             |
| Capital receipts funding assumed in IP for Capital Programme |                                 | 10,000                      | 10,000                      | 10,000                      |
| Re-profiling of receipts financing from 2016/17              |                                 | 12,122                      |                             |                             |
| <b>Subtotal</b>  |                                 | <b>22,122</b>               | <b>10,000</b>               | <b>10,000</b>               |
| Capital Receipts – Spend to Achieve                          |                                 | 3,000                       | 3,800                       |                             |
| <b>Total Budgeted Receipts</b>                               |                                 | <b>25,122</b>               | <b>13,800</b>               | <b>10,000</b>               |
|  |                                 |                             |                             |                             |
| <b>Total Targeted Receipts</b>                               | <b>9,489</b>                    | <b>20,122</b>               | <b>30,002</b>               | <b>11,708</b>               |
|  |                                 |                             |                             |                             |
| <b>Surplus/ (shortfall)</b>                                  | <b>9,489</b>                    | <b>(5,000)</b>              | <b>16,202</b>               | <b>1,708</b>                |

### **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. At present, there is anticipated to be a surplus of £1,372k on this reserve at year end due to expenditure relating to the Former Norton School Site now being forecast in 2018/19.

|  | <b>£000</b>    |
|--|----------------|
| <b>Starting Balance 01/04/17</b>                       | <b>823</b>     |
| <b>Top up from capital receipts 2017/18</b>            | <b>3,000</b>   |
| <b>Total Funds available 2017/18</b>                   | <b>3,823</b>   |
|  |                |
| <b>Schemes</b>   |                |
| Replacement Accommodation for Judo Club, Ariston Works | (1,000)        |
| Lands at Beaumont School, St. Albans Forward Funding   | (790)          |
| Other Small Schemes                                    | (661)          |
| <b>Total Spend</b>                                     | <b>(2,451)</b> |
|  |                |
| <b>Balance forecast to 31/03/18</b>                    | <b>1,372</b>   |

## **5.6 Other Matters**

### **Schools R&M**

The County Council and its insurers are seeking to recover all losses relating to flooding at Highwood School (both insured and uninsured) should the evidence support a claim against either the contractor or building designer. Any costs not recovered will be met from the Schools R&M budget in 2017/18.

### **School expansions**

Further reprogramming of up to £10m may be required for new school developments as the timing of spend is dependent on a range of external factors. In addition, further reprogramming for the Secondary Expansions may be required in 2017/18. These are mainly school managed projects, where we have less control over the delivery of the projects and when the payments are due.

### **Bishops Stortford North Expansion**

£44m budget was approved within the September 2014 Cabinet for the provision of Schools on a site within Bishop's Stortford North Expansion. Current indications are showing that there is potentially a budget gap of c£9m. The schools are contingent on the start of the development of housing across sites.

### **A120 Bypass (Little Hadham)**

The total scheme outturn indicates a c£4.5m pressure on the current available funding. A capital bid for the additional funding is included in the 18/19 IP, combined with an approach to the LEP, to effectively underwrite the risk pressure.

### **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 is required at this stage.

### **Highways Maintenance of Bridges**

There are some uncertainties around the bridge budget as a number of schemes are due to be built in Quarter 4 and therefore there may be some reprogramming. At the same time some of the costs from the main contractor are higher than anticipated which could result in a pressure on this budget although, at this point it is believed that these uncertainties can be managed within the existing budget.

### 6 Other Financial Information

Appendix C shows the reported 2017/18 Treasury Management prudential indicators, and Appendix D shows summary information on debt management.

#### 6.1 Treasury Management Report

The Council's Treasury management activities in this period were undertaken in an environment of continued uncertainty and mixed market sentiment as has been the case since the EU membership referendum in June 2016 and subsequent triggering of Article 50 by the UK Government on 29th March 2017.

The Bank of England voted 7-2 in favour of increasing the base rate from 0.25% to 0.50% on 2<sup>nd</sup> November.

Economic data showed subdued growth in Gross Domestic Product [GDP], at 0.3% and 0.4% in the second first and third quarters respectively. During Q3 Consumer Price Index [CPI] inflation peaked at to 3.1% before falling back to 3.0% in December, above the 2% Bank of England target, while wage growth was 2.5%.

Much of the inflationary pressure noted above can be attributed to the approximately 20% decline in the value of Sterling during 2016/17. The Bank of England had looked to business investment and exports to sustain GDP, while consumer spending remains vital for growth. Negative real-terms wage growth coupled with falling household savings may continue to constrain economic activity during the remaining months of the calendar year.

Following the Bank of England rate increase, investment yields improved slightly, but remained low overall. The 7-day LIBID benchmark was 0.17% for the quarter, an improvement of 0.06% on the previous quarter.

During the third quarter of 2017/18 the Council held an average investment portfolio of £152.38m, and achieved an investment return of £0.464m. The total annual forecast for interest earned on treasury investments throughout the year is currently £1.886m, which represents an underspend of £0.452m on budget, due to a combination of the strong performance of pooled funds, the increase interest rates and overall higher than expected cash balances.

The overall rate of rate of return for the second quarter was 1.22%, which represents a reduction of 0.23% on the previous quarter.

Underlying this, the pooled fund investments returned 4.90% (an increase of 0.04%) and the remaining, mainly short-term investments returned 0.32% (unchanged).

The reduced overall rate of return reflects the impact of increased short-term balances at lower rates off-setting the strong performance of the pooled funds.

#### 6.2 Debt Management Report

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

At the time of writing it has not been possible to produce data for the position at 31 December 2017 due to technical difficulties including a power outage at Stevenage, when these reports were delayed as they were not a high priority system. The information below represents an overview of the data available on the position at 30 November 2017. A verbal update will be provided at the meeting.

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<br>30/09/17<br>£ m | Debt Recovery<br>Status | As at<br>30/11/17 |               | Description   | Quarterly<br>Change<br>£ m |
|--------------------------|-------------------------|-------------------|---------------|---|----------------------------|
|                          |                         | £ m               | % of<br>Total |   |                            |
| 26.7                     | Within Payment Terms    | 24.8              | 52.4          | Invoices that have not reached the due date for payment | -1.9                       |
| 6.9                      | Reminders issued        | 9.3               | 19.7          | Invoices where reminders have been issued               | 2.4                        |
| 7.5                      | Action Taken            | 3.7               | 7.8           | Invoices where active debt recovery is in progress      | -3.8                       |
| 11.5                     | Action Required         | 9.5               | 20.1          | Invoices awaiting budget manager/holder decision        | -2.0                       |
| <b>52.6</b>              | <b>Total</b>            | <b>47.3</b>       | <b>100</b>    |   | <b>-5.3</b>                |

Total debt at 30 November 2017 was £47.3m – this is a decrease of £5.3m from the previous quarter.

There were decreases in invoices within payment terms (£1.9m), and invoices where action was required or underway (£5.8m), and an increase in overdue invoices where reminders have been issued.

Significant reductions in invoices within Payments terms were recorded for the county Music Service (£0.80m), ACS fairer charging (£0.67m) and Rural Estates invoicing (£0.51m). These charges are linked to the timing of the invoices – for example Music Service invoices are raised termly, and the fairer charging invoicing cycle is completed every four weeks.

Of invoices where reminders have been issued, the most significant movements were an increase in CCG Invoices reaching the reminder stage of £2.77m, and a reduction in residential client contribution invoices at this stage (£0.24m).

The increase in CCG invoices passing into the reminder stage is reflective of typical payment patterns. Invoices to CCG are raised regularly for significant amounts, and whilst there is an ongoing dialogue to ensure the correct information is provided there can be long delays while they check that the client data underlying the invoices matches their records. Overall, CCG invoices outstanding reduced by £2.92m in the period

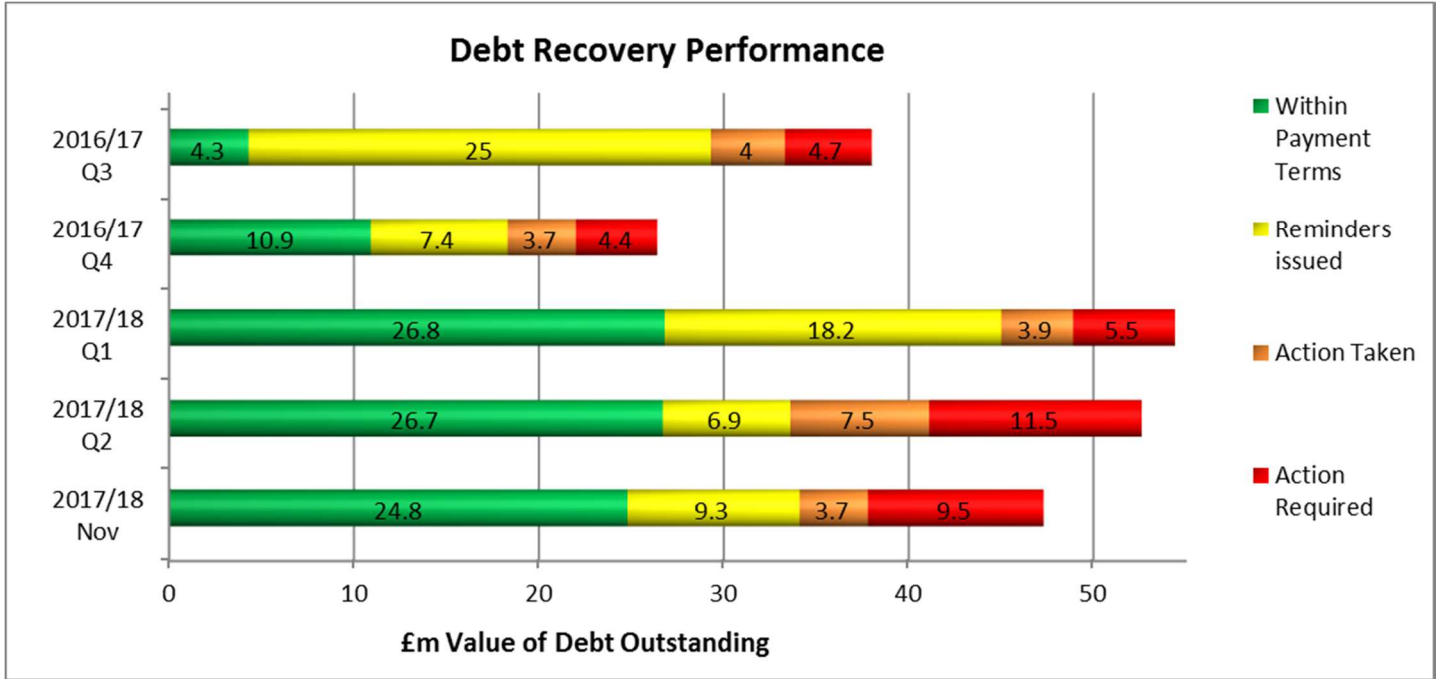
Of the reduction in debt where action was taken or required, there was a reduction of £5.88m in the value of invoices to CCGs, and £0.63m related to Herts Fullstop Invoices.

Invoices for ACS residential client contributions where action is required increased by £0.54m, indicated that debt has passed through the reminder stage to become actionable.

Total debt outside of payment terms at 30th September 2017 was £25.9m, this has decreased by £3.4m to a total of £22.5m as at 30<sup>th</sup> November 2017.

The following chart provides a trend analysis of debt recovery performance for the past 5 quarters.

The Chart below illustrates the amount of debt raised at the end of the past five quarters. This reflects the decrease in total debt of outlined above.



**Appendix A – Invest to Transform Fund**

The table below shows the brought forward position on the ITT and provides updates on approvals to date. A number of projects commencing in 2017/18 are still in progress, and outcomes will be reviewed following project completion.

| <u>Invest to Transform Fund £000s</u>         | <u>Spend to 31/03/17 £000</u> | <u>Budget 2017/18 £'000</u> | <u>2018/19 onwards £'000</u> | <u>Expected Outcome (from Business Case) and achievement against these</u>   | <u>Project Progress</u>  |
|---|-------------------------------|-----------------------------|------------------------------|--|--|
| B/F Funding                                   | 34,303                        | 17,805                      | 18,362                       |  |  |
| Underspend transferred to Fund as at 31/03/17 |                               | 3,265                       |                              |  |  |
| Contribution from HSBP Sale                   |                               | 900                         |                              |  |  |
| Schemes completed by 31/03/17                 | (706)                         |                             |                              |  |  |
| <b>TOTAL BALANCE</b>                          | <b>33,597</b>                 | <b>21,970</b>               | <b>18,362</b>                |  |  |
| <b>Live Schemes (approved before 2017/18)</b> |                               |                             |                              |  |  |
| Telecare                                      | (1,773)                       | (78)                        | (156)                        | 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 subject to SMS contract extension negotiations as the service forms part of the SMS contract. The service is now setting a new Assistive Technology strategy to identify and deliver further efficiencies. | 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 to £1.2m by 2018/19. A review of the experience of other local authorities indicates that efficiencies / savings can be realised through the application of assistive technology. There is scope to consider more systematic and targeted investment in 'niche' areas where benefits appear to be significant: for example in relation to high cost packages in Supported Living settings. There is also scope to increase the general numbers of service users assisted by Telecare: other large authorities are operating larger schemes than in Hertfordshire. Also, work to understand the most beneficial package type could be of value to avoid 'over-prescribing'. The council is setting a new strategy on Assistive technology which will bring in all these aspects. A programme manager has been appointed for this work and plans for the service post 2020 are under development. |
| Broadband (Funding ring-fenced)               |                               |                             | (1,500)                      | This investment will release match funding against grant from Department of Culture, Media & Sport. 97%+ superfast coverage domestic & business properties   | While there have been some initial issues in delivering the fibre infrastructure, this funding will still be required and is forecast to be spent in 2018/19.  |
| Broxbourne Land Acquisition                   |                               | (500)                       |                              | To fund Local Plan Review and planning permission application  | Planning application proceeding with all necessary due surveys being undertaken. Project also includes development of Greater Brookfield Retail Park.  |



| <u>Invest to Transform Fund £000s</u>       | <u>Spend to 31/03/17 £000</u> | <u>Budget 2017/18 £'000</u> | <u>2018/19 onwards £'000</u> | <u>Expected Outcome (from Business Case) and achievement against these</u>  | <u>Project Progress</u>   |
|---|-------------------------------|-----------------------------|------------------------------|---|---|
| Web-site upgrade (including £120k Intranet) | (774)                         | (226)                       |                              | To enhance online transactions & self service. Savings from reduced calls volume to Customer Services Centre  | Hertfordshire.gov.uk has replaced Herts Direct, providing a next generation website that will enable more self-service by customers, reducing queries to the Customer Service Centre; releasing efficiencies in technology costs; and providing more opportunities to develop new and improved digital services, releasing further efficiency savings across the whole Council. This includes reduced phone calls (£105k pa) and lower technology costs (£125k pa) – these savings were taken in the 2016/17 IP; together with an improved the customer experience (94% reduction in pages, so easier to navigate to desired content). The final spend on this project has taken place in 2017/18 and is providing further improvement to user navigation.  |
| Library Strategy review                     | (503)                         | (1,281)                     | (3,856)                      | <p>Bid supports delivery of 'Inspiring Libraries' strategy, through</p> <p>1. Property investment: Eleven library buildings were identified as priorities for re-provision in the 'Delivering Inspiring Libraries' Cabinet Paper due to their configuration, condition or location. 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. 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"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• CreatorSpace, which includes 3D printers.</li> <li>• 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.</li> <li>• Interactive touch screens.</li> <li>• Developing Wifi printing to enable customers to print documents from their own devices when using the library Wifi.</li> <li>• Exploring video-chat facility for the public at various libraries.</li> </ul> | <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 between 2015/16 and 2017/18, and will support the delivery of a further £0.5m over the next two years.</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 Rebound, 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 re-provision of Libraries at Stevenage, Ware, Potters Bar, Cheshunt and North Watford.</p> |
| Adult Complex Needs Phase 2                 | (90)                          | (30)                        |                              | 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.  | 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   |

| <u>Invest to Transform Fund £000s</u>    | <u>Spend to 31/03/17 £000</u> | <u>Budget 2017/18 £'000</u> | <u>2018/19 onwards £'000</u> | <u>Expected Outcome (from Business Case) and achievement against these</u>  | <u>Project Progress</u>  |
|--|-------------------------------|-----------------------------|------------------------------|---|--|
| Accommodation for Independence programme | (513)                         |                             |                              | 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).  |
| Families First                           | (20)                          | (612)                       | (68)                         | 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 | Nine Families First partnership hubs are established (Watford and Three Rivers are one hub), with excellent multi- agency representation from most key stakeholders including the Community and Voluntary Sector. As a result there is consistent partnership attendance at operational partnership meetings, including Triage Panels and Action and Impact meetings, which is benefiting the families, by enabling them to receive integrated services as early as possible: there were 612 families with a Families First Assessment started between April and September 2017, which included 1,373 children. The Invest To Transform funding is transforming the way that services identify and respond to the early help needs of families, with over 8,000 requests for support (for individual children) received between April and September 2017, via the Families First Triage Process, and during the same period, 895 families were subsequently discussed with agreed forward action plans at the multi-agency Triage Panels. The funding also enables the Early Help team to encourage and coach partners to apply the Families First principles and practice tools in their own work with families resulting in 1,500 practitioners from a wide range of services now trained on the new case management system to support early help assessment and support plans, and 120 practitioners have attended Effective Assessments training, who report it to be helping them identify and respond to early help needs of families. Plans to implement a new step up/down process on IT systems (EHM/LCS) are almost complete and the investment in a data warehouse (Single View) will begin to reap rewards from early 2018 when data matching exercises will become significantly more automated, supporting the reporting of outcomes. Building on previous alignment of early help services with the Families First approach (Children and Well-being Service and AFDASH, Family Group Conferencing and Better Relationships Better), new progress is underway with both Safer Places and Hertfordshire Constabulary, to manage demand on the police in respect of antisocial behaviour, domestic abuse , CSE and serious, organised and gang related crime. |

| <b>Live Schemes (approved to start 2017/18)</b>         |  |       |      |   |   |
|---|--|-------|------|---|---|
| E- commerce project                                     |  | (225) |      | 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      | All Services in phase 1 have been migrated and work has begun on migrating phase 2 Services. Replaces Cloudbuy system which was switched off in October 2017. Majority of Chip & PIN Machines now deployed. Procurement of new Merchant Card provider progressing. Orange Leaf implementation has been completed and went live on 17 <sup>th</sup> January. Implementation for CSC and Library (and HALS) events progressing.   |
| Development of e-allowances                             |  | (102) |      | 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 | High level design for new infrastructure delivered. Serco are finishing off proposal for HCC approval. Work is expected to be completed by the end of the financial year.   |
| Local Authority Trading Company for Adult Care Services |  | (134) | (10) | 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.                       | There has been good progress and Cabinet in December approved a report seeking authority to set up a Local Authority Trading Company for the delivery of adult care services. The project team have worked with HR, Finance and Legal to develop the scoping and feasibility work. A consultant has been appointed to develop the initial business plan and this has now been circulated to legal and resources colleagues following presentation to ACSMB. Work is now being undertaken to progress feasibility work around home care and the consultant is supporting the project team to look into home care in two areas in response to continued market pressures. The project is still on track to have the company set up early in 2018 and for it to be ready to deliver services in 2018 subject to Member approval, and the necessary due diligence and business appraisals.  |
| A414 Strategy studies                                   |  | (150) |      | 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   | We have an agreed approach and brief for the work with a supporting programme that seeks to complete the work by the end of the year. Stage 1 (£15k) and 2 (£75k) are complete with Stage 3 starting. The completed document will set out a medium to long term investment strategy for the corridor with dependencies identified along with funding opportunities. The document will support future bids to government, enable informed discussions with developers and begin to develop the business case for priority schemes.   |
| Adult Care Services - Business Process Efficiency       |  | (57)  |      | 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.   | Phase 1 Adult Disability Service (ADS) 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. Care Purchasing Line Item (CPLI) workshops have taken place with stakeholders across Adult Care Services (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)  |      | 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   | Project Manager appointed, the review is on target to return/reprovide £1.5m of property by 31/03/2018. Another £2.37m is likely to be released between July and Nov 2018 when a further four properties are returned/reprovided or disposed of. The recovery model will be achieved by 31 Mar 2018. Service users and providers have been engaged with effective move on plans for 7 out of 10 Aldwyck tenants (remaining three are too ill at present).   |
| Adult Care Services - Continuing Health Care assessments (Learning Disabilities & Physical Disabilities) |  | (53)  |      | 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  |   |
| Adult Care Services - Transport Co-ordinator (Learning Disabilities)                                     |  | (50)  |      | 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.   | 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) | 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 | The Enablement Occupational Therapist are undertaking assessments and goal setting with individuals, and designing personalised programmes that enable the individual to relearn skills and regain abilities that maximize 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 En OTs 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) |      | 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   | Joint Venture partner bids demonstrated added value by way of land value and a share of developer's profit. This will also create an enhanced capital receipt.  |
| Property Company   |  | (125) |      | Funding for tax, legal advice & ongoing consultancy. To set up a Joint Venture to accelerate the development process and generate better receipts   | Preferred bidder dialogue process for Joint Venture under way during January / February. A further cabinet paper will be submitted setting out the detail of the joint venture terms after this.  |
| Baldock Urban extension master planning.   |  | (150) |      | 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.   | Planning application was submitted in December. 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.  |  | (150) |      | 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.   | 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  |  | (75)  |      | 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.   | HPFT have recruited staff to carry out the reviews and between April and October have spent £27k. It is anticipated that there will be full spend at the end of the year, followed by a review of outcomes.   |

|  |               |               |               |   |  |
|--|---------------|---------------|---------------|---|--|
| Introduction of Job Families             |               | (30)          |               | 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 explored options for a Job Family model and presented primary findings to Resources management board for their comments and feedback should we conduct the pilot within their Directorate. We have collated and analysed baseline data to inform how Job Families (or something similar) would work in practice for the organisation and what interdependencies and dependencies this will have across the organisation. This is now being taken forward with initial pilots.  |
| Smart Digital - Customer Facing Services |               | (110)         | (40)          | 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.   | <p>Started Sept 17 - first projects include:</p> <ul style="list-style-type: none"> <li>Implementing a booking system for events and appointments</li> <li>Supporting the implementation of an e-shop system for Hertfordshire Archives and Local Studies</li> <li>Market research on the use of voice assistants (e.g. Amazon Echo) to provide information to residents</li> <li>Collating whitelist of HCC recommended apps for social care and public health service users</li> <li>Supporting research and workshops looking at apps for adult social care and waste collection service users.</li> </ul> <p>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</p> |
| Learning Disability Transformation       |               | (370)         | (772)         | 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  | Work started August 2017 the key focus over the first quarter will be on staff recruitment ( operations and commissioning which is 7 roles in total ) , 3 staff are already in post , and also the establishment of key project activities, including: <ul style="list-style-type: none"> <li>Driving forward the Adult Disability Service Efficiency Programme, putting in place the overall arrangements for efficiency in this area;</li> <li>Comparison with other council approaches;</li> <li>Financial Forecasting and Future Planning;</li> <li>Access to Mainstream Accommodation/ Enablement;</li> <li>Moving home from LD specialist into mainstream residential care;</li> <li>Supported Living transformation</li> </ul>  |
| Hertfordshire Art Collection             |               | (54)          |               | To reduce portfolio to 167 works, Project manager required to manage the collection - by conservation & display of significant works and sales of others.   | Project Manager appointed in September 2017 and review under way.  |
| <b>Payback</b>                           |               |               |               |   |  |
| LED Street Lighting Phase I & II         | (12,119)      | 1,196         | 10,923        | LED wireless central management system for A,B,C & U roads. Save energy, maintenance & carbon   | Project completed, savings achieved plus ongoing payback to ITT fund   |
| <b>Cumulative Total</b>                  | <b>17,805</b> | <b>18,362</b> | <b>22,830</b> |   |  |

## Appendix B – Details of Approved Virements & Technical Adjustments

| Summary Revenue Budget Monitor as at 31 December 2017 |                          |   |                                    |   |
|---|--------------------------|---|------------------------------------|---|
| SERVICE   | Original Budget<br>£'000 | Approved Virements &<br>Tech Adj<br>£'000 | Latest Approved<br>Budget<br>£'000 | Explanation of Approved Virements & Technical Adjustments   |
| Adult Care Services                                   | 322,842                  | (857)                                     | 321,985                            | <ul style="list-style-type: none"> <li>o Apprentice Levy Charge (-269k) MAY</li> <li>o 0-25 Service Realignment (-1,122k) MAY</li> <li>o Carry forward from 16/17 (+472k) JUNE</li> <li>o Funding from Contingency re Pension Strain Costs (+2k) AUGUST</li> <li>o Funding from Contingency re redundancies (+16k) SEPTEMBER</li> <li>o Transfer from Invest to Transform Fund (+30k) OCTOBER</li> <li>o Funding from Contingency re Pension Strain Costs (+14k) NOVEMBER</li> </ul>  |
| Public Health   | 48,867                   | 566                                       | 49,433                             | <ul style="list-style-type: none"> <li>o Apprentice Levy Charge (-12k) MAY</li> <li>o Carry forward from 16/17 (+578k) JUNE</li> </ul>  |
| Children's Services                                   | 166,233                  | 2,035                                     | 168,268                            | <ul style="list-style-type: none"> <li>o Apprentice Levy Charge (-319k) MAY</li> <li>o 0-25 Service Realignment (+1,122k) MAY</li> <li>o Schools Notification System (+11k) MAY</li> <li>o Customer Services Charge (-49k) MAY</li> <li>o Transfer from SEND reform (+489k) JUNE</li> <li>o Carry forward from 16/17 (+559k) JUNE</li> <li>o Carry forward from 16/17 adj (-142k) JULY</li> <li>o Funding from Contingency re redundancies (+7k) AUGUST</li> <li>o Funding from Contingency re redundancies (+5k) SEPTEMBER</li> <li>o Funding from Contingency re redundancies (+20k) OCTOBER</li> <li>o Funding from Contingency re Stepping Out legal costs (+333k) OCTOBER</li> </ul>   |
| Environment   | 106,525                  | (452)                                     | 106,073                            | <ul style="list-style-type: none"> <li>o Apprentice Levy Charge (-56k) MAY</li> <li>o Carry forward from 16/17 (+209k) JUNE</li> <li>o Revenue Contribution to Capital re Highways Locality (-605k) OCTOBER</li> </ul>  |
| Community Protection                                  | 35,195                   | (99)                                      | 35,096                             | <ul style="list-style-type: none"> <li>o Apprentice Levy Charge (-122k) MAY</li> <li>o Schools Notification System (-11k) MAY</li> <li>o Carry forward from 16/17 (+20k) JUNE</li> <li>o Transfer from Proceeds of Crime Act reserve (+16k) AUGUST</li> <li>o Transfer to Proceeds of Crime Act reserve (-3k) NOVEMBER</li> </ul>   |
| Resources   | 72,565                   | (883)                                     | 71,681                             | <ul style="list-style-type: none"> <li>o Apprentice Levy Charge (-155k) MAY</li> <li>o Customer Services Charge (+49k) MAY</li> <li>o Contribution from HCL (-500k) MAY</li> <li>o Carry forward from 16/17 (+83k) JUNE</li> <li>o Funding from Contingency re redundancies (+6k) AUGUST</li> <li>o Transfer from Contingency re consultancy costs (+20k) AUGUST</li> <li>o Funding from Contingency re redundancies (+16k) SEPTEMBER</li> <li>o Transfer to Capital for Planned Maint for Leahoe (-100k) SEPTEMBER</li> <li>o Transfer to Resources for Property Consultancy Fees (-108k) SEPTEMBER</li> <li>o Revenue Contribution to Capital re Hazard Management (-197k) OCTOBER</li> <li>o Funding from Invest to Transform re Arts Collection Bid (+21k) NOVEMBER</li> <li>o Funding from Contingency re Pension Strain costs (+86k) NOVEMBER</li> <li>o Revenue Contribution to Capital re Hazard Management (-35k) DECEMBER</li> <li>o Transfer to Contingency for redundancies and PSC no longer required (-70k) DECEMBER</li> </ul>   |
| Central Capital Financing and Interest on Balances    | 25,892                   | (3,577)                                   | 22,315                             | <ul style="list-style-type: none"> <li>o Transfer to Capital Finance Reserve (-2,287k) JULY</li> <li>o Transfer to Education School Reserve (-1,290k) JULY</li> </ul>   |
| (Additional) / less Grant Income                      | -                        | -   | -                                  |   |
| Contingency/Special Provision                         | 8,415                    | (1,251)                                   | 7,165                              | <ul style="list-style-type: none"> <li>o Contribution from HCL (+500k) MAY</li> <li>o Transfer to Invest to Transform RE Street Lighting (-1,196k) AUGUST</li> <li>o Transfer to ACS re Pension Strain Costs (-2k) AUGUST</li> <li>o Transfer to Resources re redundancies (-6k) AUGUST</li> <li>o Transfer to Children's Services re redundancies (-7k) AUGUST</li> <li>o Transfer to Resources re consultancy costs (-20k) AUGUST</li> <li>o Transfer to Children Services re redundancies (-5k) SEPTEMBER</li> <li>o Transfer to Resources re redundancies (-16k) SEPTEMBER</li> <li>o Transfer to ACS re redundancies (-16k) SEPTEMBER</li> <li>o Transfer to Children's Services re redundancies (-20k) OCTOBER</li> <li>o Transfer to Children's Services re Stepping Out legal costs (-333k) OCTOBER</li> <li>o RCO transfer re sinkhole (-100k) OCTOBER</li> <li>o Transfer to Resources re Pension Strain Costs (-86k) NOVEMBER</li> <li>o Transfer to ACS re Pension Strain Costs (-14k) NOVEMBER</li> <li>o Correction journal for previous transfers to Resources for redundancies and PSC (+70k) DECEMBER</li> </ul> |
| Precepts/Levies                                       | 2,112                    | -   | 2,112                              |   |
| Apprentice Levy                                       | -                        | 933                                       | 933                                | o Apprentice Levy Charge from services (+933k) MAY  |
| <b>NET REVENUE BUDGET</b>                             | <b>788,647</b>           | <b>(3,586)</b>                            | <b>785,061</b>                     |   |
| Funded from Balances                                  | -                        | 2,441                                     | 2,441                              | <ul style="list-style-type: none"> <li>o Carry forward from 16/17 (-2,268k) JUNE</li> <li>o Transfer from Central Capital Financing &amp; Interest (+2,287k) JULY</li> <li>o Transfer from Central Capital Financing &amp; Interest (+1,290k) JULY</li> <li>o Transfer from Contingency RE Street Lighting (+1,196k) AUGUST</li> <li>o Transfer to Community Protection from POCA reserve (-16k) AUGUST</li> <li>o Transfer to ACS from ITT Fund (-30k) OCTOBER</li> <li>o Transfer to Resources from ITT Fund (-21k) NOVEMBER</li> <li>o Transfer from Community Protection for POCA Reserve (+3k) NOVEMBER</li> </ul>   |

| Summary Revenue Budget Monitor as at 31 December 2017 |                  |                               |                        |  |
|---|------------------|-------------------------------|------------------------|--|
| SERVICE   | Original Budget  | Approved Virements & Tech Adj | Latest Approved Budget | Explanation of Approved Virements & Technical Adjustments  |
| Contribution to Capital                               | -                | 1,145                         | 1,145                  | o Transfer from Resources for Planned Maint for Leahoe (+100k) <b>SEPTEMBER</b><br>o Transfer from Resources for Property Consultancy Fees (+108k) <b>SEPTEMBER</b><br>o Revenue Contribution to Capital re Highways Locality (+605k) <b>OCTOBER</b><br>o Revenue Contribution to Capital re Hazard Management (+197k) <b>OCTOBER</b><br>o Transfer from Contingency re sinkhole (+100k) <b>OCTOBER</b><br>o Revenue Contribution to Capital re Hazard Management (+35k) <b>DECEMBER</b> |
| <b>COUNTY FUND TOTAL</b>                              | <b>788,647</b>   | <b>-</b>                      | <b>788,647</b>         |  |
| <b>CS Schools funded by direct government grant</b>   | <b>918,729</b>   | <b>(297,755)</b>              | <b>620,975</b>         |  |
| <b>Schools Grant &amp; Other Funding</b>              | <b>(918,729)</b> | <b>297,755</b>                | <b>(620,975)</b>       |  |



APPENDIX C: PRUDENTIAL INDICATORS 2017/18 – 31<sup>st</sup> December 2017

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  | <b>Capital Expenditure</b>   | 2.4<br>Table 1       | £219.29m   | £192.40m   | £174.70m   | £164.74m   |            |
|  | Monitors capital expenditure for 2017/18 against the projections set out in the Integrated Plan  |                      |            |            |            |            |            |
| 2  | <b>Capital Financing Requirement (CFR)</b>   | 2.10<br>Table 3      | £580.44m   | £577.80m   | £564.81m   | £564.44    |            |
|  | Monitors the Council's underlying need to borrow for capital purposes for 2017/18 against the projections set out in the Integrated Plan   |                      |            |            |            |            |            |
| 3  | <b>Ratio of financing costs to net revenue stream</b>  | 2.11<br>Table 4      | 1.47%      | 1.37%      | 1.35%      | 1.32%      |            |
|  | 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. |                      |            |            |            |            |            |

**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 financial years 2014/15 to 2017/18 are set out in the Integrated Plan.

|  |   |                         |           |          |          |          |  |
|--|---|-------------------------|-----------|----------|----------|----------|--|
| 4A   | <b>Net Borrowing</b>                          | NA                      | NA        | £151.08m | £137.89m | £126.43m |  |
|  | Monitors actual borrowing less actual lending |                         |           |          |          |          |  |
| 4B   | <b>Net Borrowing Less than CFR</b>            | NA                      | NA        | ✓        | ✓        | ✓        |  |
|  | Comparison of net borrowing to CFR            |                         |           |          |          |          |  |
| <p><b>Borrowing:</b> 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 be 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.</p> |   |                         |           |          |          |          |  |
| <b>Total Borrowing in Place at Quarter End</b>   |   | Borrowing in £ at Q End |           | £288.8m  | £258.8m  | £258.8m  |  |
| <b>Maximum Borrowing Exposure in Quarter</b>   |   | Quarter Maximum in £    |           | £298.8m  | £288.8m  | £258.8m  |  |
| 5  | <b>Authorised Limit</b>                       | 6.5 Table 11            | Limit     | £495m    | £495m    | £495m    |  |
|  | Compliance Indicator                          |                         | Complied? | ✓        | ✓        | ✓        |  |
| 6  | <b>Operational Boundary</b>                   |                         | Indicator | £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 |
|--|---|--|----------------------|---------------------|------------|------------|------------|------------|
| <b>Interest Rate Exposure:</b><br><b>Indicators 7 and 8 limit the Council's exposure to both fixed and variable interest rate movements.</b><br><b>The limits for 2017/18 to 2017/18 are set out in the Integrated Plan.</b>   |   |  |                      |                     |            |            |            |            |
| 7  | <b>Upper limit on fixed interest rates (against maximum position)</b>     | 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<br>Table 12      | £325.00m<br>(LIMIT) | £258.78m   | £258.78m   | £258.78m   |            |
| 8  | <b>Upper limits on variable interest rates (against maximum position)</b> |  | 6.7<br>Table 12      | £97.50m<br>(LIMIT)  | (£107.70m) | (£120.89m) | (£132.34m) |            |
| <b>Maturity structure of fixed rate borrowing (against maximum position):</b><br><b>Indicator 9 limits the Council's exposure to large fixed rate sums falling due for refinancing in the same period.</b><br><b>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.</b> |   |  |                      |                     |            |            |            |            |
| 9A   | Under 12 months   |  | 6.8<br>Table 13      | 50%                 | 0.00%      | 0.00%      | 0.00%      |            |
| 9B   | 12 months to 2 years  |  | 6.8<br>Table 13      | 50%                 | 0.00%      | 0.10%      | 0.10%      |            |
| 9C   | 2 years to 5 years  |  | 6.8<br>Table 13      | 60%                 | 1.22%      | 1.12%      | 1.12%      |            |
| 9D   | 5 years to 10 years   |  | 6.8<br>Table 13      | 80%                 | 3.28%      | 3.28%      | 3.23%      |            |
| 9E   | 10 years to 20 years  |  | 6.8<br>Table 13      | 85%                 | 7.92%      | 7.92%      | 7.92%      |            |
| 9F   | 20 years to 30 years  |  | 6.8<br>Table 13      | 90%                 | 12.34%     | 12.34%     | 12.34%     |            |
| 9G   | 30 years and above  |  | 6.8<br>Table 13      | 100%                | 75.24%     | 75.24%     | 75.24%     |            |
| <b>Investments greater than 364 days (against maximum limit):</b><br><b>Indicator 10 measures the Council's exposure to investing for periods greater than one year.</b><br><b>This indicator is required to ensure that the Council is aware of the cashflow implications for long term investments.</b><br><b>This includes deposits at risk in Icelandic Banks.</b>   |   |  |                      |                     |            |            |            |            |
| 10   | Investments greater than 364 days (Maximum Limit)*                        |  | 6.9<br>Table 14      | £50m                | £30.63m    | £30.63m    | £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 25<sup>th</sup> 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 |
|---|--|----------------------|------------|------------|------------|------------|
| <b>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"</b> |  |                      |            |            |            |            |
| <b>GROUP A: Security, Liquidity and Yield</b>   |  |                      |            |            |            |            |
| Average Investment Portfolio  | Monitors the average amount HCC has had invested in third parties.   | 7.3<br>Table 16      | £133.47m   | £129.02m   | £152.38m   |            |
| Average borrowing portfolio   |  | 6.3<br>Table 10      | £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       |            |
| Liquidity Indicator: Weighted Average Maturity of investments held  |  | Section 6.10         | 23 days    | 14 days    | 9 days     |            |
| Yield Indicator: Interest Earned*   | Monitors the interest earned on HCC investments. Shown as the actual amount (in quarter) and equivalent annual percentage of amount invested | 7.3<br>Table 16      | 1.35%      | 1.45%      | 1.22%      |            |
|   |  |                      | £0.451m    | £0.467m    | £0.464m    |            |

| Indicator                      | Description  | Integrated Plan Ref. | 2017/18 Q1 | 2017/18 Q2 | 2017/18 Q3 | 2017/18 Q4 |
|--------------------------------|--|----------------------|------------|------------|------------|------------|
| Yield Indicator: Interest Paid |  | 7.2<br>Table 15      | 4.35%      | 4.74%      | 4.79%      |            |
|                                | Monitors the interest earned on HCC investments. Shown as the actual amount (in quarter) and equivalent annual percentage of amount invested |                      | £3.13m     | £3.10m     | £3.12m     |            |

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

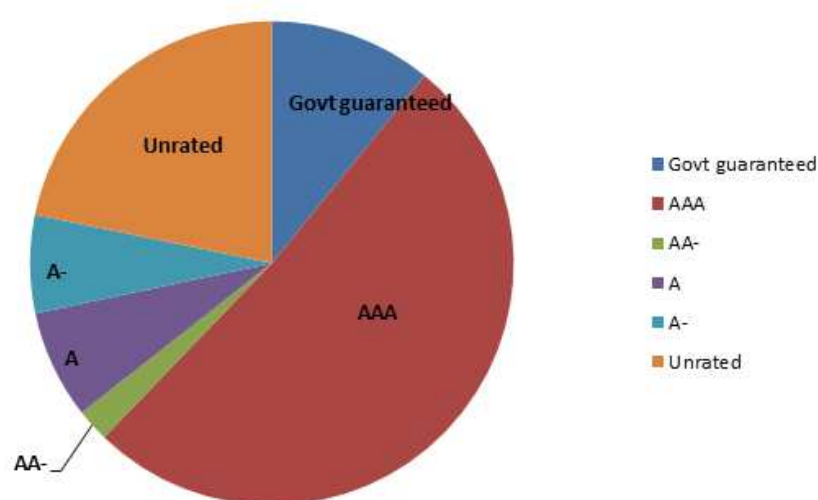
## Security, Liquidity and Yield

### Security - Exposure to Risk

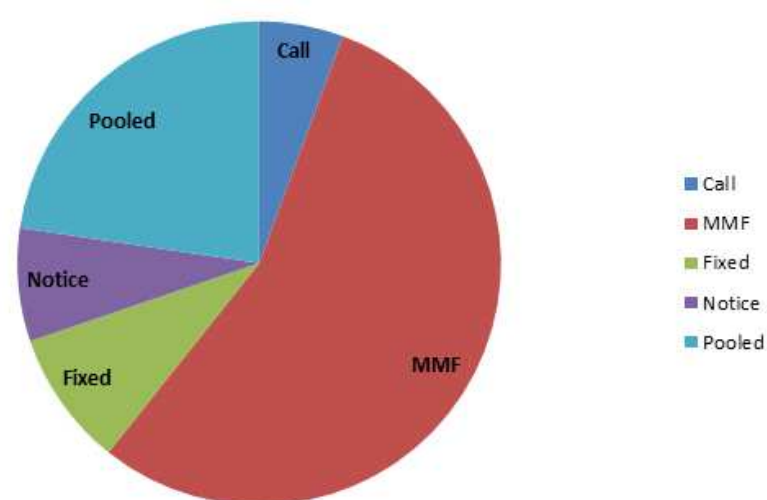
The Treasury Management Strategy was approved on 21<sup>st</sup> February 2017 as Part D of the Integrated Plan. This maintained the range of investment types approved for use in 2016/17. The approved instruments were last changed in 2014/15 to enable greater diversification of the investment portfolio; 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 31<sup>st</sup> December

**Diagram 1: Investment Portfolio Credit Risk  
As at 31st Dec 2017**



**Diagram 2: Investment Portfolio by Type  
As at 31st Dec 2017**



### 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.

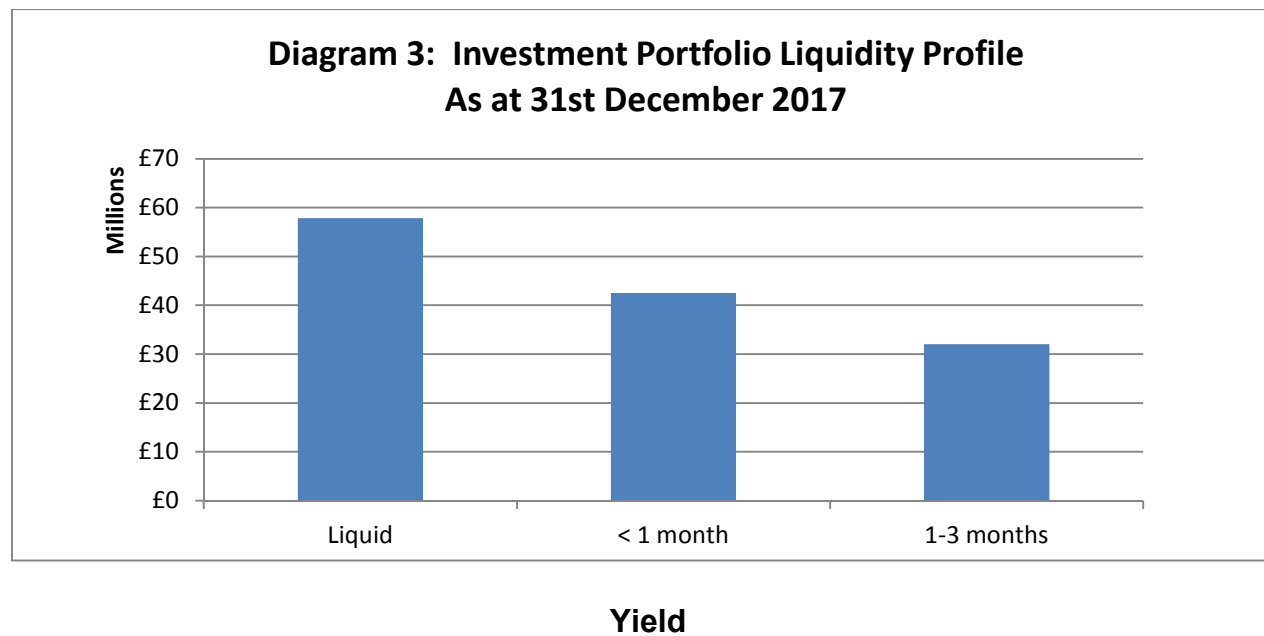
Investments in pooled funds consist of the CCLA Property Fund, two bond funds, two multi-asset funds and one equity fund.

7 new fixed deposits were made during the period, and matured, during the period. 1 was with the Debt Management Office and the remainder with Local Authorities.

### Liquidity

Investment balances are forecast to reduce during the second half of 2017/18, which has restricted the duration of new fixed-term investments. Diagram 3 (overleaf) provides a graph showing the liquidity of the Council's investments portfolio as at 31<sup>st</sup> December 2017.

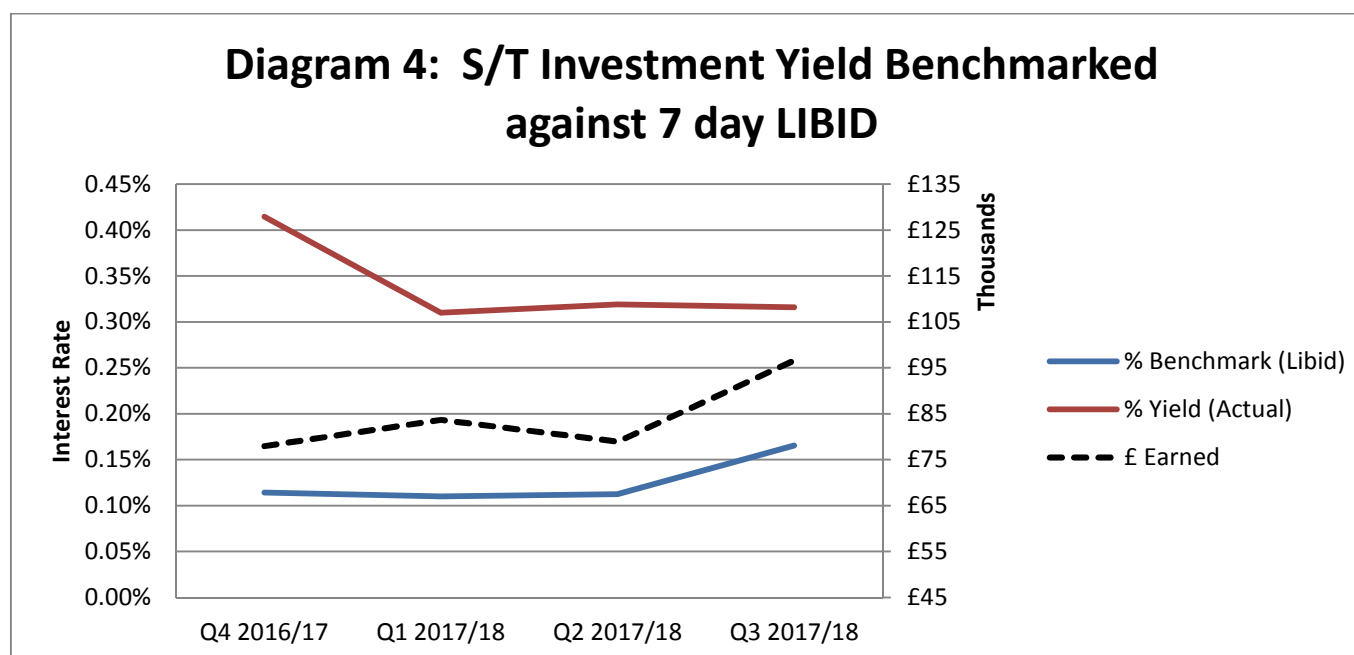
The potential capital volatility of the pooled fund investments means that they are intended to be held for 3-5 years, but in the graph below these investments are shown on the basis of their accessibility. These funds are all classified as "liquid", except the Property Fund which accessible on 30 days'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



#### Yield: 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).

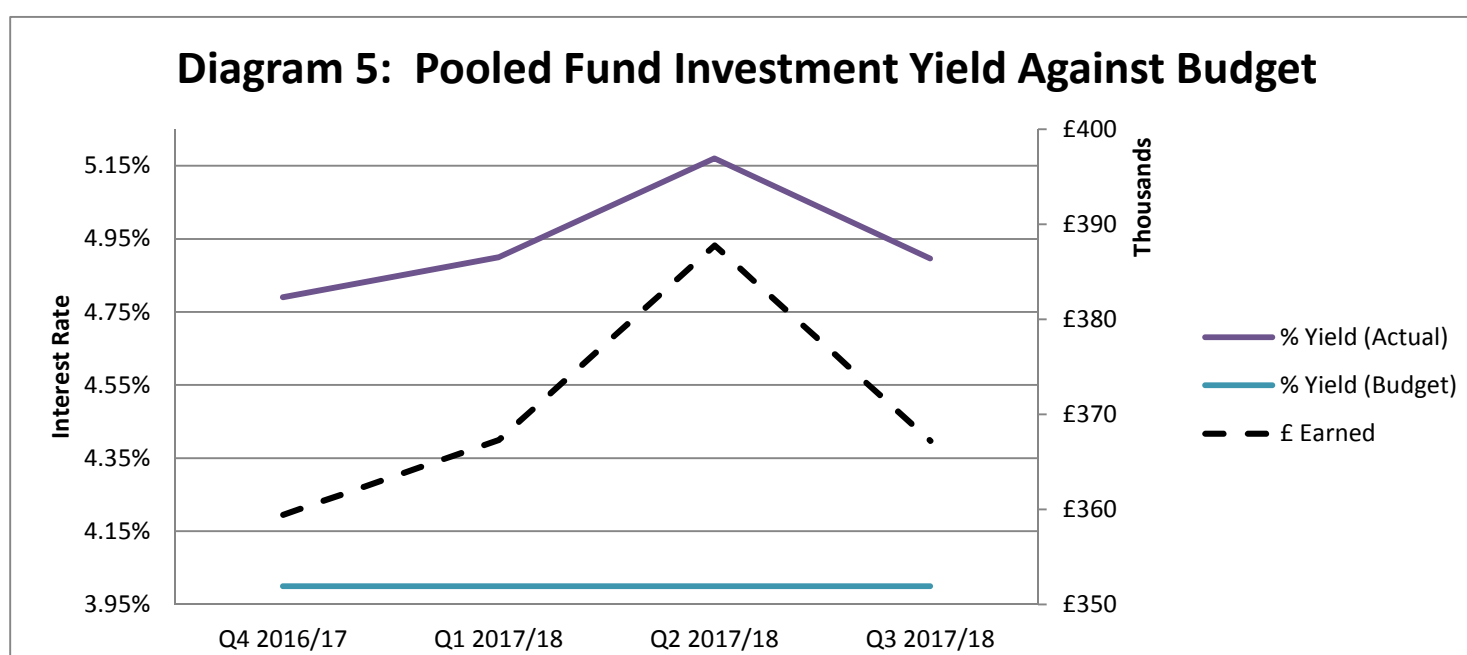
LIBID remained constant at 0.11% during the first half of the year, remaining stable despite significant uncertainty in financial markets, and increased to 0.17% in the third quarter following the Bank of England Base Rate rise. The return excluding pooled fund interest was stable at 0.32%. Overall rate 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 (solid 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 4.94% per annum.



**1 Debt Management Performance Reports**

Information for the quarterly debt management reports are derived from the Debt Dashboard which is accessible to Members from the [Members' Information System](#) in the Budget Section, Debt Dashboard.

At the time of writing it has not been possible to produce data for the position at 31 December 2017 due to technical difficulties including a power outage at Stevenage. These reports were delayed as they were not a high priority system. Therefore the information below represents an overview of the data available on the position at 30 November 2017. An update will be provided at the meeting.

The Debt Dashboard provides interactive reports giving debt management information from two perspectives:

**a. How Much Debt Do We Have?**

- a snapshot, taken at the end of each month, showing total value of invoices raised with summary detail at departmental level shown as a monetary value, by volume of invoices and percentage of total debt;
- also provides further analysis at departmental level and debt raised by individual services giving details of the current debt recovery status; and
- trend data over a rolling 12 month period of invoices raised and debt recovery status.

**b. How Effective is the Debt Recovery Process?**

- a dashboard giving a departmental view of debt performance selectable by month and at key stages of debt recovery;
- indicator to show whether performance is better or worse than the previous month; and
- drills down to underlying trend data by department and debt recovery status showing the trend over a rolling 12 month period against benchmarks.

The following sections provide a summary of debt and trend data derived from the Debt Dashboard. Further detail and information at a departmental level can be accessed on line via the Members' Information System.

**2 Summary of Debt Outstanding at 30 November 2017**

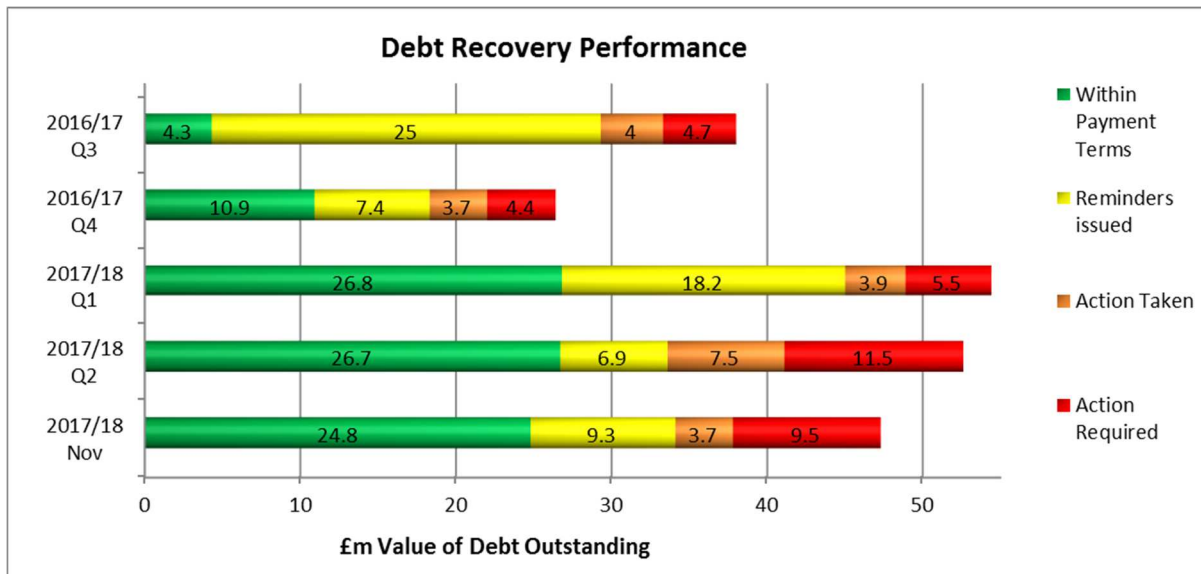
The following table provides a summary of debt at 30 November 2017 analysed by the current debt recovery status and shows the change between periods.

| As at<br>30/09/17<br>£ m | Debt Recovery<br>Status | As at<br>30/11/17 |               | Description   | Quarterly<br>Change<br>£ m |
|--------------------------|-------------------------|-------------------|---------------|---|----------------------------|
|                          |                         | £ m               | % of<br>Total |   |                            |
| 26.7                     | Within Payment Terms    | 24.8              | 52.4          | Invoices that have not reached the due date for payment | (1.9)                      |
| 6.9                      | Reminders issued        | 9.3               | 19.7          | Invoices where reminders have been issued               | 2.4                        |
| 7.5                      | Action Taken            | 3.7               | 7.8           | Invoices where active debt recovery is in progress      | (3.8)                      |
| 11.5                     | Action Required         | 9.5               | 20.1          | Invoices awaiting budget manager/holder decision        | (2.0)                      |
| <b>52.6</b>              | <b>Total</b>            | <b>47.3</b>       | <b>100</b>    |   | <b>(5.3)</b>               |

Total debt of £47.3m as at 30 November 2017. This represents a decrease of £5.3m.

Total debt outside of payment terms at 30 November 2017 was £22.5m. This is a decrease of £3.4m from the previous quarter.

The following chart provides a trend analysis of debt recovery performance for the past 5 quarters.



The chart above illustrates that the amount of debt raised each quarter and debt flowing through the reminder process fluctuates in relation to seasonal billing cycles.

The value of invoices where reminders have been issued has increased, but is at a typical level. The value of debt which has passed through the reminder stage and is subject to action, or a decision on further action is pending has reduced by £2m during the period

Debt recovery status “Action Taken” indicates that a decision has been made by the budget manager/holder about the next actions for debt recovery. This may include letters before action, commissioning advice from Legal Services, progressing debt recovery through the Court or, where Court judgment found in favour of the County Council, then enforcement of the judgment.

Debt recovery status “Action Required” indicates that a decision is awaited from budget manager/holder on next actions for debt recovery.

The online Debt Dashboard will provide further detail giving the breakdown between departments with underlying trend data.

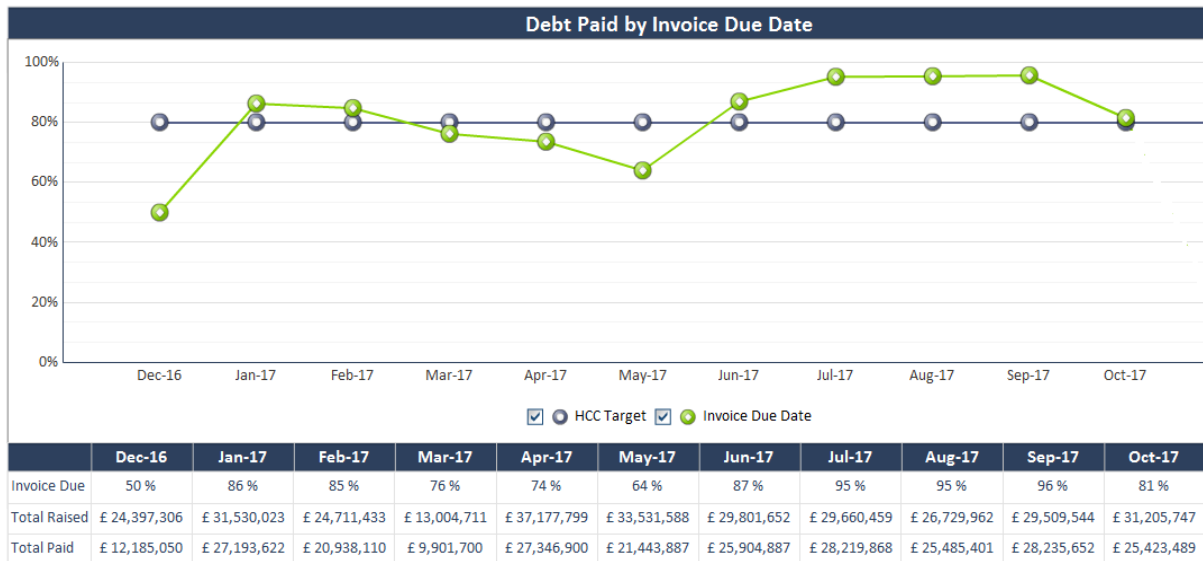
### 3 Debt Management Trend Data

The underlying data used to show the trends of debt recovery performance is based on invoices raised in a specific month. The following charts illustrate performance at an HCC level. Individual departmental performance is available from the online Debt Dashboard. Benchmarks are derived from the upper quartile of performance across Local Authorities.



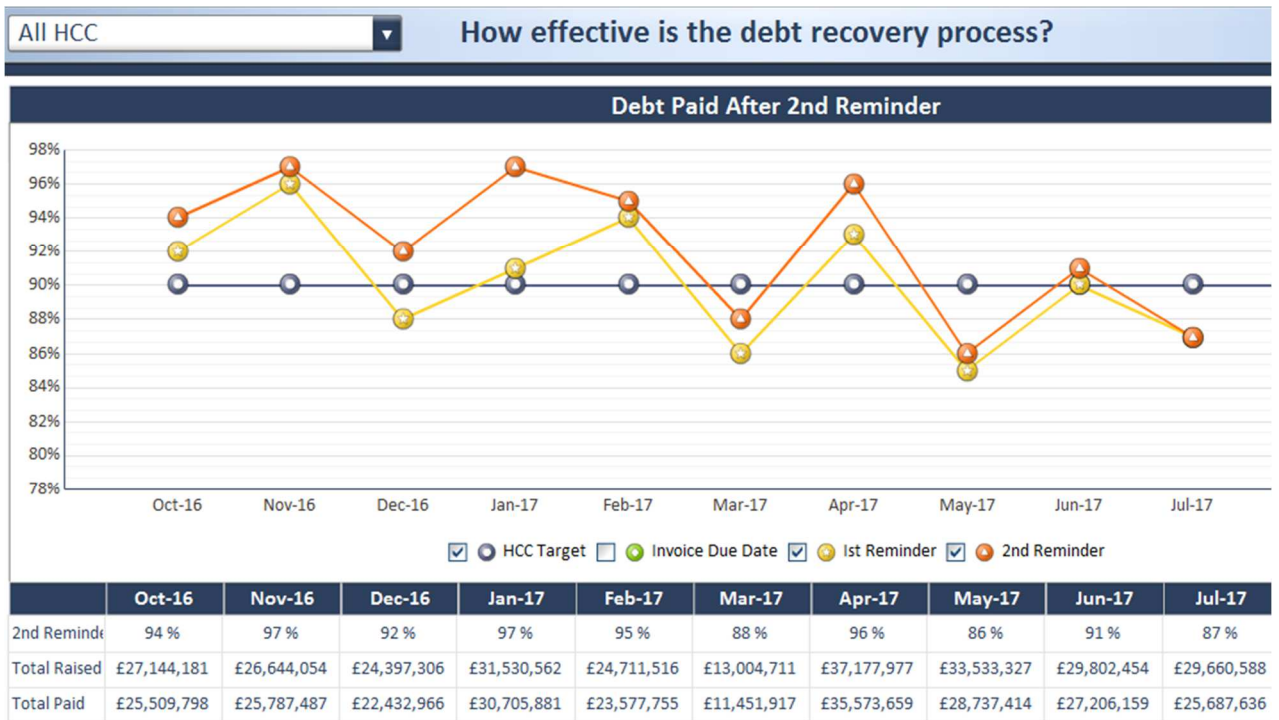
**a. Invoices paid within terms (by the due date)**

The following chart shows the trend in the value of invoices paid within terms over the period December 2016 to October 2017. On a rolling 12 month basis to October 2017 the average value of invoices raised in a month was £28.1m and an average 81.98% of debt was paid within payment terms. This is above the HCC benchmark of 80%.



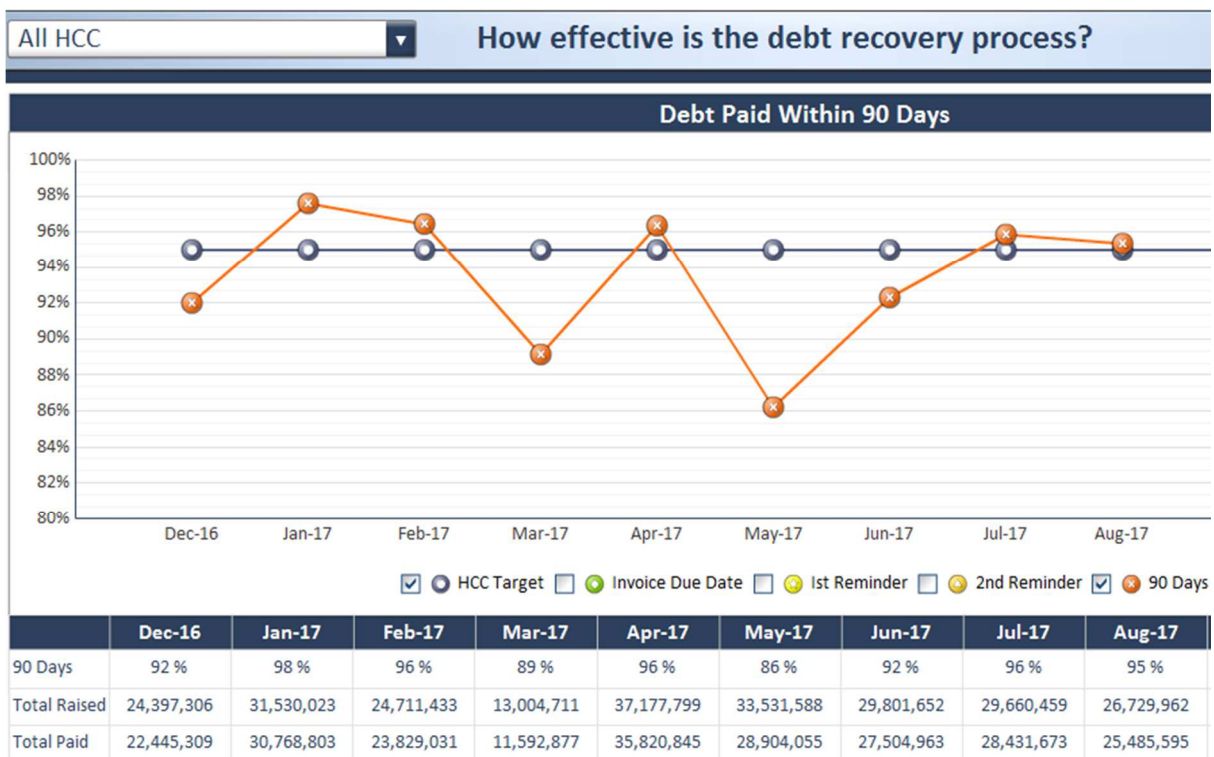
**b. Invoices paid by the end of dunning (after standard reminder letters)**

The following chart shows the trend in the value of invoices paid by the end of the dunning cycle. On a rolling 12 month basis to September 2017 the average value of invoices raised in a month was £27.8m and an average 94.06% of debt was paid by the end of the dunning cycle. This exceeded the HCC benchmark of 90%. On average a further 13.52% of invoices were paid following the issue of reminder letters.



**c. Invoices paid within 90 days**

The following chart shows the trend in the value of invoices paid within 90 days. On a rolling 12 month basis to August 2017 the average value of invoices raised in a month was £27.8m and an average 94.34% of debt was paid within 90 days following the due date. This includes invoices paid by the due date and following the dunning cycle. This is below the HCC benchmark of 95%.



**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY AND THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**INVEST TO TRANSFORM PROPOSALS TO SUPPORT DELIVERY OF  
ADULT SOCIAL CARE INTEGRATED PLAN PROPOSALS**

Report of the Director of Adult Care Services

Author:- Helen Maneuf, Assistant Director Planning &  
Resources (Tel:01438 845502)

Executive Member:- Colette Wyatt-Lowe – Adult Care and Health

**1. Purpose of report**

- 1.1 To request that Panel recommends that Cabinet agrees an Invest to Transform Programme for Adult Care Services designed to support the delivery of Integrated Plan Proposals.

**2. Summary**

- 2.1 Adult Care Services (ACS) has put forward proposals in the 2018/19 to 2021/22 Integrated Plan to deliver significant efficiencies and savings.

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/733/Committee/16/Default.aspx>

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/658/Committee/8/Default.aspx>

- 2.2 The ACS Integrated Plan (IP) strategies aim to deliver a department wide transformation. A new assessment methodology is rolling out across the service, which emphasises an enabling approach and support for independent living and ensures that financial resources are carefully deployed. New models of care and support for service users need to be developed and commissioned in response. Further strands of activity aim to secure a range of flexible accommodation for service users, maximise alternative sources of funding and develop technological solutions in line with people's expectations.
- 2.3 Delivery of these strategies can be secured and supported by time-limited investment in the necessary skills and capacity to design and deliver these new ways of working. The main element of the investment comprises the resources required to deliver this activity.



This will create the strategic capacity required to deliver the transformational change required; it is not possible to free up existing resource to do this given the scale of the task and the need for operational teams to focus on day to day activity.

2.4 The envisaged investment areas are:

- commissioning and care management capacity to design and implement new approaches to care and support focussing particularly on two IP strategic areas: accommodation for Older People, and new services for Adults with Disabilities;
- additional financial administration capacity to support income maximisation;
- introducing new Assistive Technologies to support change and the effective deployment of care capacity;
- project management and corporate resource such as finance and IT capacity to deliver and monitor the impact of change.

**3. Recommendation**

- 3.1 That Panel recommends that Cabinet agrees the proposed Invest to Transform Programme for Adult Care Services (detailed in Appendix A) designed to support delivery of Integrated Plan Proposals.

**4. Background**

- 4.1 In order to support the delivery of the four-year Integrated Plan Proposals for Adult Social Care a number of delivery programmes are in development and funding requirements for these have been identified. Appendix A describes these further. The areas are:

Commissioning Capacity: Older People's Accommodation

- 4.2 To secure the specialist capacity to:

- Establish the right care and delivery models for cost-effective older people's accommodation in Hertfordshire; including extra-care facilities (purpose built accommodation with on-site care presence) and additional nursing care
- Identify partners and sites, and develop business cases
- Deliver schemes and ensure their implementation and ongoing success.

- 4.3 This is in line with the Ten Year Supported Accommodation Strategy agreed by Cabinet in July 2017:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/516/Committee/8/Default.aspx>

### Commissioning and Care Management Capacity: New Services for Adults with Disabilities

- 4.4 To secure the savings relating to designing and developing a new day opportunities offer for younger adults; to provide a strategic approach to provider management and securing value for money on package costs; and, crucially, to provide the care management and review capacity necessary to operationalise the new models of service that are established by commissioning.

### Income Maximisation Opportunities

- 4.5 To support delivery of the IP savings relating to income generation and to address the need to improve ways of working so that opportunities to generate income and recover debt are maximised whilst enhancing customer service to people who use services, carers and providers.

### Assistive Technology

- 4.6 To deliver pilot projects for Assistive Technology in two areas:

**Improved reablement services** – enabling care and support networks to collaborate more effectively in real time support of person-centred, outcomes based reablement care supporting hospital discharge into community care

**Improved care delivery and need escalation identification** – using modern technology to work with care agencies to use technology to appropriately supplement care and support, helping to use care capacity flexibly and with greater efficiency. Using technology to identify patterns which indicate escalating need, and intervening to prevent crisis.

- 4.7 In addition there are proposals for project management resource and for support from corporate functions such as finance and IT.

## 5. Financial Implications

5.1 The investment bids are summarised as follows:

| ITT Proposals                | 18/19<br>£'000 | 19/20<br>£'000 | 20/21<br>£'000 | 21/22<br>£'000 | Total<br>£'000 |
|------------------------------|----------------|----------------|----------------|----------------|----------------|
| Older People's Accommodation | 219            | 489            | 490            | 129            | 1,327          |
| LD Transformation            | 763            | 663            | 0              | 0              | 1,426          |
| Income                       | 253            | 225            | 53             | 53             | 584            |
| Assistive Technology         | 346            | 188            | 100            | 0              | 634            |
| Programme Management         | 396            | 396            | 135            | 0              | 927            |
|                              | <b>1,977</b>   | <b>1,961</b>   | <b>778</b>     | <b>182</b>     | <b>4,898</b>   |

5.2 Anticipated efficiencies and savings directly supported by these investment proposals are:

| Integrated Plan Proposals supported by ITT bids | 18/19<br>£'000 | 19/20<br>£'000 | 20/21<br>£'000 | 21/22<br>£'000 |
|---|----------------|----------------|----------------|----------------|
| Older People's Accommodation                    | -1500          | -3000          | -4500          | -6000          |
| LD Transformation                               | -4500          | -8800          | -12100         | -15100         |
| Income  | -2750          | -3025          | -3300          | -3575          |
| Assistive Technology                            | -750           | -1500          | -2250          | -3000          |
|   | <b>-9,500</b>  | <b>-16,325</b> | <b>-22,150</b> | <b>-27,675</b> |

5.3 Over the four-year period the entire IP programme for ACS will deliver anticipated savings of the order of £42.9m.

## 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 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 Page 12 of Appendix A summarises the equalities considerations relating to these investment proposals which, as Integrated Plan themes, are encompassed within the full EQIA prepared for the IP which will be available at the following link:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/658/Committee/8/Default.aspx>

## BUSINESS CASE EVALUATION – 2017/18

|                         |                            |                               |  |
|-------------------------|----------------------------|-------------------------------|--|
| <b>Service:</b>         | <b>Adult Care Services</b> | <b>Project:</b>               | Implementation capacity to support Four-Year Integrated Plan proposals for Adult Care Services |
| <b>Project Sponsor:</b> | <b>Iain MacBeath</b>       | <b>Project Manager:</b>       | <b>Various</b>   |
| <b>Project Status:</b>  |                            | <b>Service Priority Band:</b> | <b>High</b>  |

### Statement of need and strategic context

Social care budgets have been under pressure for seven years. Although there are less people getting council-funded services, the people now supported have more complex needs. The cost of care has also increased in line with this complexity, together with changes in the law which set out new rights for carers and other groups.

Adult Care Services (ACS) has set an ambitious four-year integrated plan with a number of strategies that aim to deliver efficiencies and savings. The Integrated Plan (IP) strategies aim to secure the right range of flexible accommodation, develop the right workforce with more flexible skills and invest in the right technological solutions in line with people's expectations. New ways of offering the care and support that people require need to be developed. Over the four-year period the IP programme for ACS will deliver anticipated savings in the region of £41m.

A range of funding sources will be required for this agenda, and this will include the need to maximise funding available to service users (benefits and Continuing Health Care) with a view in turn to securing contributions for care and support.

Delivery of these strategies can be secured and supported by time-limited investment in the necessary skills and capacity to design and deliver these new ways of working. The main element of the bid costs are for the resource required to deliver this activity. There is a need to invest additional resource for a period of time to create the strategic capacity required to deliver the transformational change required; it is not possible to free up existing resource to do this given the scale of the task and the need for operational teams to focus on day to day activity.

The envisaged investment areas are:

- commissioning and care management capacity to design and implement new approaches to care and support focussing particularly on two IP strategic areas: accommodation for Older People (1), and new services for Adults with Disabilities (ADS) (2)
- additional financial administration capacity to support income maximisation (3)
- introducing new Assistive Technologies to support change (4).

This table summarises the investment proposals over the IP timeline:

| <b>Invest to Transform (ITT) Proposals</b>            | <b>18/19</b> | <b>19/20</b> | <b>20/21</b> | <b>21/22</b> | <b>Total</b> |
|---|--------------|--------------|--------------|--------------|--------------|
|   | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> |
| Older People's Accommodation Learning Disability (LD) | 219          | 489          | 490          | 129          | 1,327        |
| Transformation  | 763          | 663          | 0            | 0            | 1,426        |
| Income  | 253          | 225          | 53           | 53           | 584          |
| Assistive Technology                                  | 346          | 188          | 100          | 0            | 634          |
| Programme Management                                  | 396          | 396          | 135          | 0            | 927          |
|   | <b>1,977</b> | <b>1,961</b> | <b>778</b>   | <b>182</b>   | <b>4,898</b> |

Whilst this is a best estimate of the resource required it may be that further requests come forward as particular opportunities are identified.

## **Evidence of option appraisal**

These proposals have been developed on an ACS wide basis in order to give a complete overview of the resource likely to be required for delivery of the ACS IP programme over the medium term; to convey the scale of the transformation effort within the department and to facilitate corporate scrutiny and engagement.

By articulating the resource required over the period of the IP, it will allow consideration of wider dependencies within Hertfordshire County Council as a whole, and opportunities for support to be provided from Resources Teams if feasible, including the Improvement Team, Property Team, Intelligence Team and Finance Service. All of these teams are already providing support to the department in its IP activities.

## Description of Proposals

### 1: Commissioning Capacity: Older People's Accommodation

Cabinet agreed ACS's Ten Year Supported Accommodation Strategy in July 2017:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/516/Committee/8/Default.aspx>

The strategy sets the ambition to offer a choice of high quality housing for people with care and support needs, working with new and existing partners to deliver this agenda, delivering:

| Care group          | Predicted net growth to meet demand by 2025              |
|---------------------|--|
| Older people        | 1,000 additional nursing beds                            |
|                     | 600 additional residential beds                          |
|                     | 1,500 additional flexi care units                        |
|                     | 50 short-stay 'step up/down' beds                        |
|                     | 700 more older people supported in their own homes       |
| Learning disability | 500 additional supported living places                   |
|                     | 20 transitional places for people learning life skills   |
|                     | 200 more people supported in their own homes             |
| Physical disability | 75 additional supported living places                    |
|                     | 100 more people supported in their own homes             |
| Mental health       | 17 additional transitional places for people in recovery |
|                     | 100 more people supported in their own homes             |

Accommodation related IP savings targets for the Older People (OP) care group IP revenue savings targets are as follows:

|                                       | Efficiency Required |              |              |              |
|---------------------------------------|---------------------|--------------|--------------|--------------|
|                                       | 18/19               | 19/20        | 20/21        | 21/22        |
| IP OP Strategy                        | £'000               | £'000        | £'000        | £'000        |
| OP Strategy 4: Fewer residential care | -1000               | -2000        | -3000        | -4000        |
| OP Strategy 5: New nursing care       | -500                | -1000        | -1500        | -2000        |
|                                       | <b>-1500</b>        | <b>-3000</b> | <b>-4500</b> | <b>-6000</b> |

Whilst short term delivery of these targets will be by means of strict observation of eligibility criteria, in the medium term the strategies envisage ambitious interventions to offer capital or land to secure ongoing revenue savings in care costs.

This element of the bid therefore seeks funding to secure the specialist capacity to:

- Establish the right care and delivery models for Hertfordshire
- Identify partners and sites, and develop business cases
- Deliver schemes and ensure their implementation and ongoing success.

ACS has been taking forward the early phases of this agenda by establishing District Supported Housing Strategic Boards within each District Council Area. The Boards provide forums to jointly discuss and develop proposals for supported housing on a district by district basis. Each board is at a different stage of development but in some areas (Stevenage, Dacorum) is advanced enough to now require dedicated support in order to progress business case development.

The intention is to recruit a strategic lead to oversee a team of up to three business development managers ("BDM's") to work with up to three districts each, in order to develop and deliver schemes and put forward supporting business cases / bids for capital expenditure. The BDMs will be supported by a Business Development Officers. All of these roles will need specific development-related skills and good commercial experience.

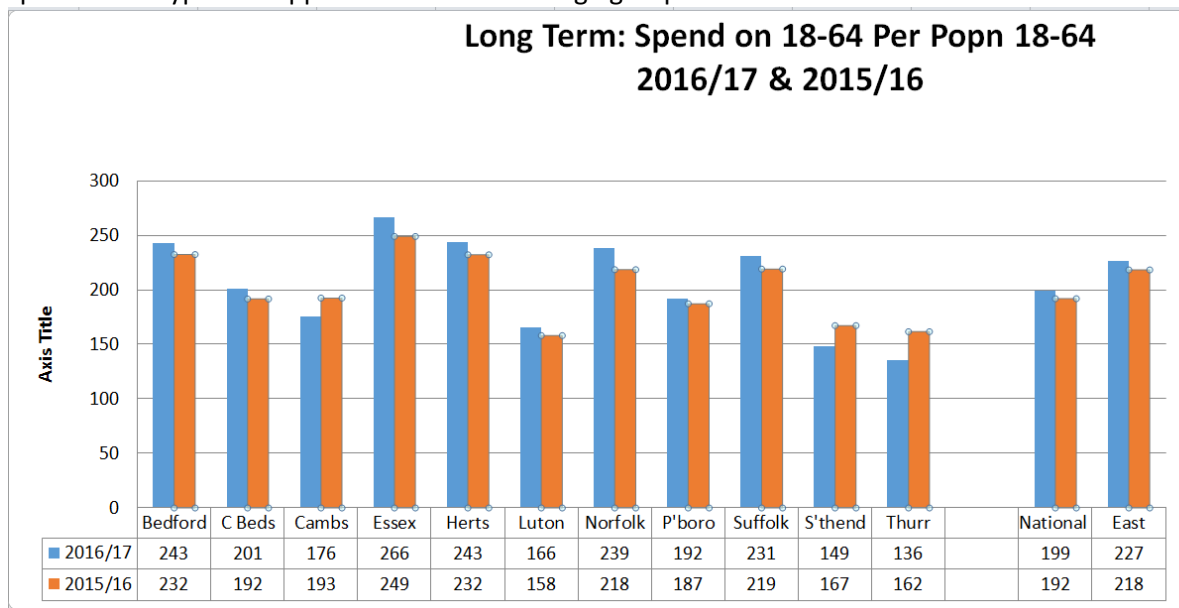
As specific projects near completion, work will be required to market schemes to secure the right mix of residents and work with individuals to secure benefits take up.

An estimate of this resource and its phasing is set out below:

| Older People's Accommodation Strategies: Implementation costs: Bid to ITT fund |       |       |                     |                |                |                |                |                  |   |
|--|-------|-------|---------------------|----------------|----------------|----------------|----------------|------------------|---|
| Post Title   | Grade | Posts | FYE Salary & oncost | Phasing        |                |                |                | Total            | Comments  |
|  |       |       |                     | 18/19<br>£     | 19/20<br>£     | 20/21<br>£     | 21/22<br>£     |                  |   |
| Nursing Homes Capital Programme Manager  | PMC   | 1     | 98,330              | 98,330         | 98,330         | 0              | 0              | 196,660          | 2 year role to kick start implementation of OP Strategy 4 and 5   |
| Business Development Managers  | M5    | 3     | 64,196              | 64,196         | 192,588        | 192,588        | 0              | 449,372          | 3 posts to lead local accommodation boards and deliver projects, pitching, financials, stakeholder engagement |
| Business Support Managers  | M3    | 3     | 56,530              | 56,530         | 169,590        | 169,590        | 0              | 395,710          | Supporting work of BDMs, feasibility, modelling   |
| Marketing Manager  | M3    | 1     | 56,530              | 0              | 28,265         | 56,530         | 56,530         | 141,325          | Branding and marketing to attract the right mix of residents, encourage down sizing                           |
| Benefits advisors  | H8    | 2     | 36,060              | 0              | 0              | 72,120         | 72,120         | 144,240          | Encouraging take up of Attendance Allowance to deliver the Affordable Accommodation elements                  |
| <b>Total</b>   |       |       |                     | <b>219,056</b> | <b>488,773</b> | <b>490,828</b> | <b>128,650</b> | <b>1,327,307</b> |   |

## 2: Commissioning and Care Management Capacity: New Services for Adults With Disabilities

The council has already recognised that it is a comparatively high cost authority for the care and support of people between the ages of 18-64 or 'younger adults'. The latest available comparative information confirms this with the council's gross long term spend on 18-64 adults per head of population within this age group is above average for the region and nationally for 2016/17. Note that this analysis includes spend on all types of support need within this age group.



A major efficiency programme has already been established in response, and is overseeing the delivery of the IP strategies relation to Learning Disability.

A successful bid of £1.14m over three years was been made to the ITT fund for accommodation for adults with disabilities; the focus of the programme is to establish the programmes which will lead to long term reductions in the accommodation costs for people with learning disabilities, as detailed here:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/750/Committee/16/Default.aspx>



The service has IP targets as follows:

|  | Efficiency Required |               |                |                |
|--|---------------------|---------------|----------------|----------------|
|  | 18/19               | 19/20         | 20/21          | 21/22          |
| IP LD Strategy                           | £'000               | £'000         | £'000          | £'000          |
| LD1:Day Opportunities                    | -1,000              | -1,500        | -2,000         | -2,500         |
| LD2: Accommodation                       | -1,000              | -3,500        | -5,000         | -6,500         |
| LD3: Transforming Care and Out of County | -200                | -600          | -1,000         | -1,400         |
| LD4: Provider VFM & BVT                  | -1,800              | -2,600        | -3,400         | -3,900         |
| Transport                                | -500                | -600          | -700           | -800           |
|  | <b>-4,500</b>       | <b>-8,800</b> | <b>-12,100</b> | <b>-15,100</b> |

In the light of the continued overspend pressures in the LD service (as reported in the current monitor); the most recent projections for demand in the service (shared as part of the IP papers); and the need to make the further savings on care management budgets now required; the Director of ACS has undertaken a review of the ADS service.

The review has made a number of recommendations about re-focussing resources to meet the expectations on the services and a number of these will be covered from re-cycling existing resource. However, an investment from the ITT fund will be needed to secure the savings relating to designing and developing a new day opportunities offer for younger adults; to deliver the savings agenda for transport; to provide a strategic approach to provider management and securing vfm on package costs; and, crucially, to provide the care management and review capacity necessary to operationalise the new models of service that are established by commissioning. These resources are set out below:

| LD IP Strategies: Implementation costs: Bid to ITT fund |       |       |                     |                        |                |                |               |          |                  |  |
|---|-------|-------|---------------------|------------------------|----------------|----------------|---------------|----------|------------------|--|
| Post Title  | Grade | Posts | FYE Salary & oncost | Agency fees 1 post FYE | Phasing        |                |               |          | Total            | Comments   |
|   |       |       |                     |                        | 18/19          | 19/20          | 20/21         | 21/22    |                  |  |
|   |       |       |                     |                        | £              | £              | £             | £        | £                |  |
| Community Solutions Officers                            | H8    | 2     | 36,060              |                        | 72,120         | 72,120         | 0             | 0        | 144,240          | Delivering better value in service finding for LD and PD   |
| Micro Commissioning Manager                             | M5    | 0.5   | 64,196              |                        | 32,098         | 0              | 0             | 0        | 32,098           | Short term role to restructure 'micro-commissioning' team & re-focus strategy  |
| Commissioning Officer                                   | M1    | 1     | 46,510              |                        | 46,510         | 46,510         | 0             | 0        | 93,020           | Supporting Strategic Commissioning Projects and the development of the day services officer                          |
| Best Value Advisor - Contracts                          | M2    | 1     | 52,710              |                        | 52,710         | 52,710         | 0             | 0        | 105,420          | To provide contracting, best value and financial support to strategic commissioning activity                         |
| Transport Manager                                       | M2    | 1     | 52,710              |                        | 52,710         | 52,710         | 0             | 0        | 105,420          | Continuing existing role of gatekeeping access to transport and development of new transport strategies              |
| Care Management and Review officers                     |       | 10    |                     | 57,750                 | 288,750        | 0              | 0             | 0        | 288,750          | Care management and review capacity to operationalise commissioning strategies; 10 roles for 6 months at agency rate |
|   | H9-M1 | 10    | 43,813              |                        | 219,065        | 438,130        | 0             | 0        | 657,195          | 10 roles for 18 months   |
| <b>Total</b>  |       |       |                     |                        | <b>763,963</b> | <b>662,180</b> | <b>0</b>      | <b>0</b> | <b>1,426,143</b> |  |
| <b>Existing ITT funding</b>                             |       |       |                     |                        | <b>914,367</b> | <b>208,549</b> | <b>18,841</b> | <b>0</b> | <b>1,141,757</b> |  |

In order to give a full picture of resource commitments in this area note that there is existing ITT funding already in place which is in support of the accommodation related efficiencies that are targetted in this area (LD 2 Accommodation in the savings table above).

### 3 Income Maximisation Opportunities

ACS has significant IP targets in relation to income:

| IP Strategy                                     | Efficiency Required |                |                |                |
|---|---------------------|----------------|----------------|----------------|
|   | 18/19<br>£'000      | 19/20<br>£'000 | 20/21<br>£'000 | 21/22<br>£'000 |
| OP 6: CHC                                       | -250                | -250           | -250           | -250           |
| LD5: CHC  | -250                | -500           | -750           | -1,000         |
| Adult Social Care Community Services - charging | -2,250              | -2,275         | -2,300         | -2,325         |
|   | <b>-2,750</b>       | <b>-3,025</b>  | <b>-3,300</b>  | <b>-3,575</b>  |

The consultation currently underway on new charges for community based adult social care services shows a level of concern about how the proposals will impact on families that are supporting people at home; and that as a result individuals may be faced with considering residential care, which is a higher cost alternative for the council. The council can award Disability Related Expenditure which is allowable against individual financial contributions; the consultation has indicated that the process for claiming DRE is perceived to lack transparency and is inconsistent.

A theme of the Director of ACS review of the ADS Service was the opportunity to greatly improve the effectiveness of the working between ACS and the Income and Payments team. A number of administrative functions have grown over recent years unchecked, or other business process changes within ACS have left care management teams with additional administrative burdens. These include: direct payments administration including involvement in clawback and payment cards, activity required to support appointeeships and deputyships, and complaints management.

Debt management is a further area where there is scope to improve approaches; the service has a large outstanding debt balance of £13.9m at October 2017. The proportion of the debt which is over 300 days old is £6.9m suggesting that there are opportunities to target more timely interventions so that recovery success is improved.

An investment of resource is required to support delivery of the IP savings and to address the need to improve ways of working so that opportunities to generate income and recover debt are maximised whilst enhancing customer service to people who use services, carers and providers. The resource needs to include a project manager who will drive a comprehensive review of business processes and agree options for service re-configuration. Working with the ACS Systems Lead, the project manager will also drive forward work to further modernise the systems in use by the service (continuing work already underway) with a view to improving transparency and securing further efficiency.

In relation to structures, the current thinking is that the service may best be provided on an area basis so that links to service users and care management teams are strengthened. If this is the chosen strategy then there will be a need for an oversight role to ensure consistency of approach across the service. Regardless of structure, it is considered that there is a requirement for additional officer support to support financial reassessments and reviews of DRE entitlement and to help address the outstanding debt level in the service.

| Income Related Strategies: Implementation costs: Bid to ITT fund |       |       |            |                |                |               |               |                |   |
|--|-------|-------|------------|----------------|----------------|---------------|---------------|----------------|---|
| Post Title   | Grade | Posts | FYE Salary | Phasing        |                |               |               | Total          | Comments  |
|  |       |       |            | 18/19<br>£     | 19/20<br>£     | 20/21<br>£    | 21/22<br>£    |                |   |
| Income and Debt officers   | H8    | 4     | 36,060     | 144,240        | 144,240        | 0             | 0             | <b>288,480</b> | Income collection, debt recovery, new charging policy                             |
| Project Manager  | M3    | 1     | 56,530     | 56,530         | 28,265         | 0             | 0             | <b>84,795</b>  | Review and restructure of Income and Payments; modernisation; new technology      |
| Business Compliance officer                                      | M2    | 1     | 52,710     | 52,710         | 52,710         | 52,710        | 52,710        | <b>210,840</b> | Consistency of business processes and financial policy, including Direct Payments |
| <b>Total</b>   |       |       |            | <b>253,480</b> | <b>225,215</b> | <b>52,710</b> | <b>52,710</b> | <b>584,115</b> |   |

## 4 Assistive Technology

ACSMB and Members endorsed Hertfordshire's Assistive Technology (AT) Strategy in June 2017 and authorised officers to commence implementation of modernised methods of delivering Assistive Technology solutions across the County, as detailed here:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/730/Committee/16/Default.aspx>

The Integrated Plan for 2018/19 to 2021/22 has the following expectations for AT related efficiencies in the older people's care purchasing budget:

| Efficiency Required | 18/19 | 19/20  | 20/21  | 21/22  |
|---------------------|-------|--------|--------|--------|
|                     | £'000 | £'000  | £'000  | £'000  |
|                     | -750  | -1,500 | -2,250 | -3,000 |

As of September 2017 a 'Strategic Lead' for AT has been appointed. The focus of work for the last two months has been on:

- Establishing ways of working with North Herts Care Line
- Researching activity elsewhere to learn from other approaches
- Meetings with providers of AT
- Defining the areas where AT could help in Hertfordshire
- Understanding the criteria to ensure successful implementation of new tech
- Developing pilot proposals.

The following large-scale pilots (up to 150 service users per pilot) are proposed:

**Improved reablement services to support reductions in Delayed Transfers of Care (DTC) from Hospital** – enabling care and support networks to collaborate more effectively in real time support of person-centred, outcomes based reablement care supporting hospital discharge into community care by:

- providing care workers with real time digital information to enable better and quicker decisions about well-being and performance against goals;
- using digital technology to tailor care to meet the needs of individuals;
- better storage and sharing of individual's information/data so the right people have access to information in the best format at the right time;
- real time reporting and monitoring of reablement goals to support better and more efficient commissioning and prescribing of care services.

**Improved management of care capacity** - using digital technology to provide greater intelligence to support more efficient deployment of care resource:

- providing insight to carers supporting people with cognitive decline, early onset dementia or learning disabilities by providing insight to eating and hygiene patterns
- easy notifying where care not required & flexibility to organise visits accordingly
- early identification of declining mental health by highlighting abnormal behaviours such poor sleep/wandering in the night-time hours
- medication reminders especially for time critical drugs
- identifying isolation and potential loneliness and alerting carers if there are no visitors to or excursions from the home
- eating and drinking reminders
- alerting carers to potential gastric and urinary tract infection
- reducing risk of repeat falls for people in wheelchairs
- provide insights to support clinical assessment and changes to care pathways.

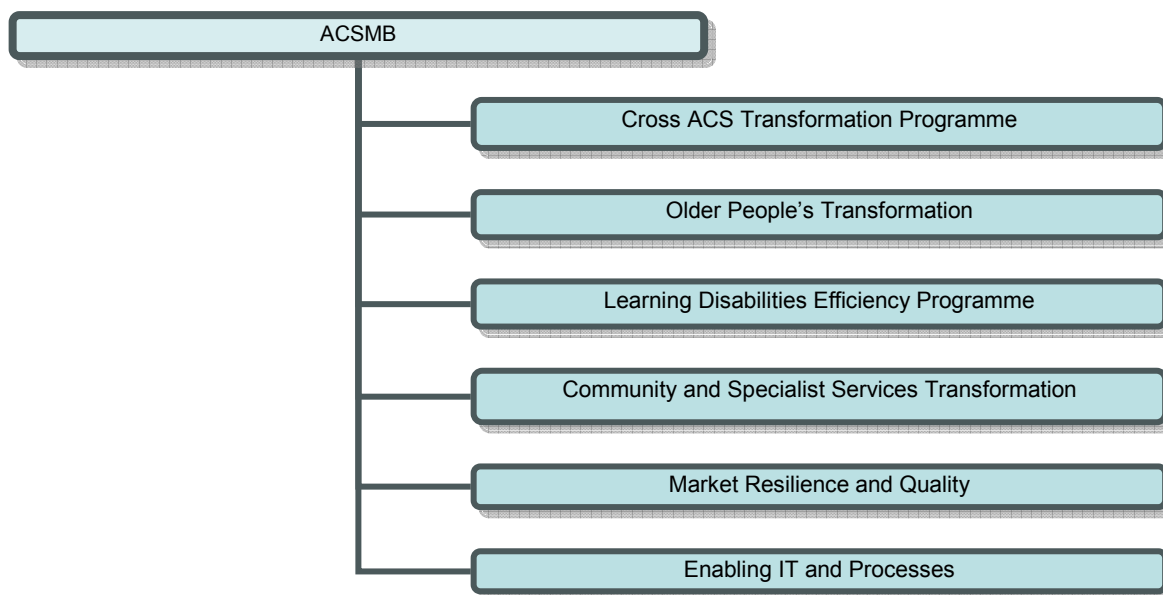
The two major pilots will be supported by other activity to progress the AT agenda, such as a pilot of Dementia Location devices, developing the role of AT in combatting social isolation, and extensive work in relation to learning disability settings. Funding for these other activities will need to be assessed on a case by case basis.

The costs of the resource to deliver the wider AT agenda and the two pilot exercises are estimated as:

| Assistive Technology Pilots : Implementation costs: Bid to ITT fund |       |       |            |                |                |                |            |                |   |
|---|-------|-------|------------|----------------|----------------|----------------|------------|----------------|---|
| Post Title  | Grade | Posts | FYE Salary | Phasing        |                |                |            | Total          | Comments  |
|   |       |       |            | 18/19<br>£     | 19/20<br>£     | 20/21<br>£     | 21/22<br>£ |                |   |
| Project Manager Assistive Technology                                | M3    | 1     | 56,530     | 56,530         | 56,530         | 56,530         | 0          | <b>169,590</b> | To project manage the implementation of Assistive Technology pilot proposals including proposals on hospital discharge and work with care providers; to project manage the wider roll out of the new service following procurement exercise |
| Commissioning Officer Assistive Technology                          | H9/M1 | 1     | 43,813     | 21,907         | 43,813         | 43,813         | 0          | <b>109,533</b> | To lead on commissioning the procurement of the Assistive Technology strategy. To engage with stakeholders, operations and providers ensuring new technologies are used appropriately and efficiently.                                      |
| Information analyst   | H9/M1 | 1     | 43,813     | 43,813         | 43,813         | 0              | 0          | <b>87,626</b>  | To build information dashboards and reporting approaches  |
| Response co-ordinator   | H9/M1 | 1     | 43,813     | 43,813         | 43,813         | 0              | 0          | <b>87,626</b>  | To scan and evaluate monitoring information, and organise necessary responses   |
| <b>Total Staffing</b>   |       |       |            | <b>166,063</b> | <b>187,969</b> | <b>100,343</b> | <b>0</b>   | <b>454,375</b> |   |
| <b>Pilot costs</b>  |       |       | <b>FYE</b> |                |                |                |            |                |   |
| estimate cost of £50 per user per month                             |       |       | £          |                |                |                |            |                |   |
| DTC Pilot for 150 users   |       |       | 90,000     | 0              | 0              | 0              | 0          | <b>90,000</b>  |   |
| Care Capacity Pilot for 150 users                                   |       |       | 90,000     | 0              | 0              | 0              | 0          | <b>90,000</b>  |   |
| <b>Grand total</b>  |       |       |            | <b>346,063</b> | <b>187,969</b> | <b>100,343</b> | <b>0</b>   | <b>634,375</b> |   |

## 5 Programme Management and PMO

ACS has a significant programme approach to deliver its IP savings:



The detail of the projects sitting under these programmes is available here:



all boards connected  
v8.pdf

The overall oversight and management of the programme approach along with project manager capacity is required in order to successfully deliver this agenda, and provide the reporting and data analysis capacity required to support managers as they evaluate and monitor the effectiveness of change proposals.

Additionally, provision is requested for funding additional support from corporate functions, particularly Finance, HR, Legal and IT teams.

The resource requirement is set out here:

| Project Management Office: IP Strategy Implementation: Bid to ITT Fund |       |       |                     |                |                |                |          |                |   |
|--|-------|-------|---------------------|----------------|----------------|----------------|----------|----------------|---|
| Post Title   | Grade | Posts | FYE Salary & oncost | Phasing        |                |                |          | Total          | Comments  |
|  |       |       |                     | 18/19          | 19/20          | 20/21          | 21/22    |                |   |
|  |       |       |                     | £              | £              | £              | £        | £              |   |
| Project Officer  | H7-9  | 1     | 37,157              | 37,157         | 37,157         | 37,157         | 0        | <b>111,471</b> | Programme Oversight   |
| Project Managers   | M1-2  | 2     | 49,013              | 98,026         | 98,026         | 98,026         | 0        | <b>294,078</b> | Project delivery  |
| Data and reporting officer   | M2    | 1     | 52,710              | 52,710         | 52,710         | 0              | 0        | <b>105,420</b> | Insight and business intelligence                                     |
| Finance analyst  | M2    | 2     | 54,000              | 108,000        | 108,000        | 0              | 0        | <b>216,000</b> | Financial input for business case development; monitoring             |
| Corporate support  | n/a   | n/a   | 100,000             | 100,000        | 100,000        | 0              | 0        | <b>200,000</b> | Flexible resource to cover legal / HR / IT input from Resources teams |
| <b>Total</b>   |       |       |                     | <b>395,893</b> | <b>395,893</b> | <b>135,183</b> | <b>0</b> | <b>926,969</b> |   |

## Affordability and funding sources for the preferred option

This is a request for ITT funding for posts to support the delivery of the ACS IP proposals. The total amount of funding requested is:

| ITT Proposals                | 18/19        | 19/20        | 20/21      | 21/22      | Total        |
|------------------------------|--------------|--------------|------------|------------|--------------|
|                              | £'000        | £'000        | £'000      | £'000      | £'000        |
| Older People's Accommodation | 219          | 489          | 490        | 129        | 1,327        |
| LD Transformation            | 763          | 663          | 0          | 0          | 1,426        |
| Income                       | 253          | 225          | 53         | 53         | 584          |
| Assistive Technology         | 346          | 188          | 100        | 0          | 634          |
| Programme Management         | 396          | 396          | 135        | 0          | 927          |
|                              | <b>1,977</b> | <b>1,961</b> | <b>778</b> | <b>182</b> | <b>4,898</b> |

Further capital programme bids will be required in relation to the Older People's accommodation strategy.

## Outcomes

The ACS IP strategies will fundamentally transform the ACS department in line with the themes set out in the IP Strategic Direction Section attached here:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/733/Committee/16/Default.aspx>

The IP Strategies link into the draft 15 Year Strategic Direction for Adult Social Care as attached here:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/763/Committee/16/Default.aspx>

The financial outcomes for the programme are set out in the savings put forward in the ACS movement statement as part of the Integrated Plan for the council.

## Project management arrangements

There are multiple programmes and projects covered within this proposal, and these are at varying stages. Overall programme and project structures have been described above.

## Risk analysis

There are strategic risks associated with the general pressures on Adult Social Care Budgets which arise from the demand led nature of costs in this area. Adult social care budgets have been under pressure for a number of years due to the growing and ageing population and rising expectations of people who need care and their families. The funding deficit arising from these pressures and the plans to bridge this via efficiency and savings proposal form the basis of this ITT bid.

The Strategic Direction of the ACS Integrated Plan also discusses other risks to the financial health of the department and the ones set out below have specific links to the ITT bids:

- cost pressures emanating from the fragility of the care market and restricted supply of care creates a risk of further escalation in prices for care – this links to the proposals relating to micro-commissioning in the LD proposal.
- Workforce pressures particularly in relation to people that deliver homecare are significant; the council has tried to support wages in this sector to try and boost the attractiveness of care careers and has pursued a policy of matching through the pay scale the uplifts in National Living Wage – this links to the proposals for the Older People’s Accommodation strategy which could facilitate more efficient use of care capacity via flexi-care delivery model
- In addition, there are delivery risks associated with the projects and programmes necessary to achieve efficiency targets. Programme management arrangements have been set up accordingly.

In terms of the individual proposals a risk analysis is set out below:

|   | Risks of not pursuing the strategy:  | Risks of pursuing the strategy  |
|---|--|---|
| Older People’s Accommodation                      | Lack of supply of suitable accommodation leading to inefficient utilisation of housing resource for older people;<br><br>Higher long-term revenue costs  | Securing and delivering schemes on time, on cost, and to suitable level of quality  |
| New Services for Younger Adults with Disabilities | Failure to pursue opportunity to strategically commission a range of services for younger adults leading to out-dated provision;<br><br>Inability to deliver cost-effective strategies for meeting future demand                         | Securing the necessary care management capacity required to support service users in transitioning to the new arrangements          |
| Income  | A failure to improve and modernise the service<br><br>Reputational damage to the council through ineffective implementation of new approaches to charging  | Effective management of the change process  |
| Assistive Technology                              | Inability to test out the opportunity of digital technologies in helping to modernise approaches to care delivery. These approaches aim to ensure efficient deployment of scarce care resource, and to maximise ‘prescribing efficiency’ | Careful management of deployment of assistive technology solutions based on understanding of the reasons why such projects can fail |
| Programme Resource                                | Lack of co-ordinated approach resulting in failure to deliver transformation ambitions at required scale and pace  | Sufficient capacity to deliver  |

## Equality Impact Assessment

The areas of proposed investment are in support of Integrated Plan savings for 2017/18 to 2021/22. A full EQIA has been prepared for the IP and will be available at the following link:

<http://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/658/Committee/8/Default.aspx>

The key EQIA considerations from this overall document are summarised here:

### Older People's Accommodation

For the plans relating to developing new facilities for extra care accommodation and increasing the numbers of nursing care placements, potentially positive impacts are identified for older people and their carers in line with the personalisation and enablement agendas, and the increased availability of living options in tailored settings.

To ensure this happens then the following steps are needed:

- Align work on residential and nursing care placements, flexicare and Supported Living through the delivery of the Integrated Accommodation Strategy to ensure that older people are offered the most cost effective and enabling housing options
- Robust needs analysis to ensure the service proposals match the needs of the users.
- Appropriate engagement and consultation will ensure the views of service users, carers and groups that represent them are taken into account.
- Coordination with other partners and agencies to ensure vulnerable people are supported.
- Continual monitoring to ensure positive benefits are being realised, including gaining evidence of increased enablement
- Developing care fee structures that align with categories of care and are linked to financial incentives based on quality and performance will help ensure they are set appropriately to meet the needs of vulnerable older people.

### New Services for Adults with Disabilities

This includes the following:

- Developing education, work and volunteering opportunities allowing people to live healthy and purposeful lives to their full potential and as independently as possible.
- Securing the most independent level of accommodation for younger people with disabilities, in line with their care plans.
- Reviewing out of county and Transforming Care Placements with a view to where possible commissioning more appropriate provision in Hertfordshire.
- Develop and implement negotiating strategies for key areas of provision across residential care (including out of county) and Supported Living.

These proposals have potential to impact on disabled people and their families and these impacts have the potential to be negative, for example if disability providers seek to exit the market, or positive, for example if suitable accommodation solutions are available in Hertfordshire.



The following mitigating actions taken or planned are aimed at minimising any negative impact of the proposals:

- Robust needs analysis to ensure the service proposals and specific accommodation options match the needs of the users, including by age, and use a wide range of data sources, including national data and learning from other areas that have introduced similar changes
- Appropriate engagement and consultation will ensure the views of service users, carers and groups that represent them are taken into account and help build a consensus around the case for change
- Coordination with other partners and agencies to ensure vulnerable people are supported, including signposting and referral of service users and carers where appropriate.
- Robust monitoring of the overall Learning Disability budget to make best use of existing resources to ensure support is targeted at those who need it most.
- Continual monitoring to ensure positive benefits are being realised.
- Monitoring to ensure culturally appropriate care continues to be provided and that individuals who do not have high levels of proficiency in English will be supported.
- Person-centred evaluation on a case by case basis of the potential for a new model of care and support
- Service-level reviews as part of implementation plans to ensure that cumulative impacts are identified and addressed.
- Integrated approach to developing the market and negotiating with providers; including fully risk assessing each provider and considering quality and safeguarding issues as well as financial; and working with local, regional and national partners around market resilience.

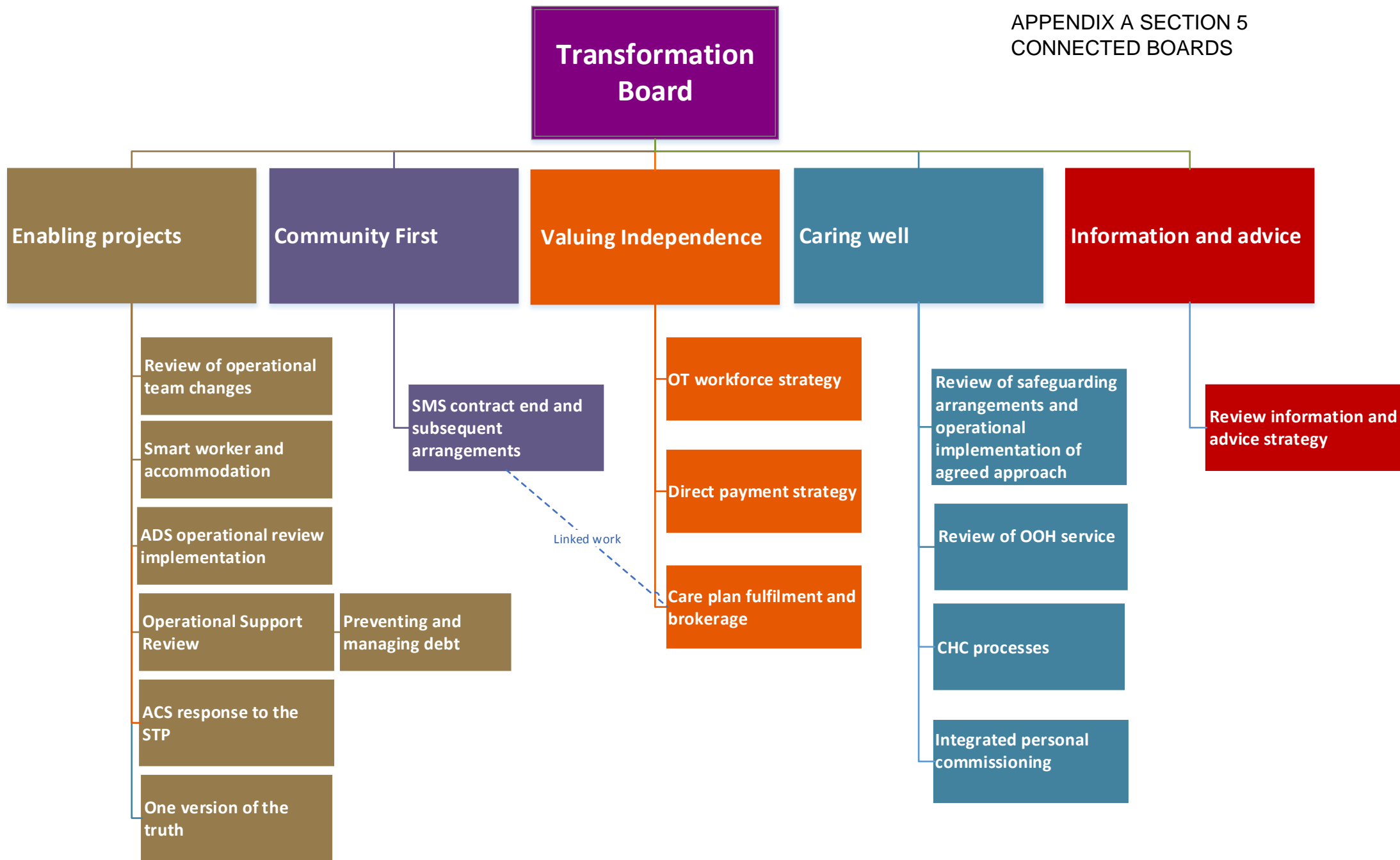
In addition, an overall EQIA for the ADS transformation programme is under development.

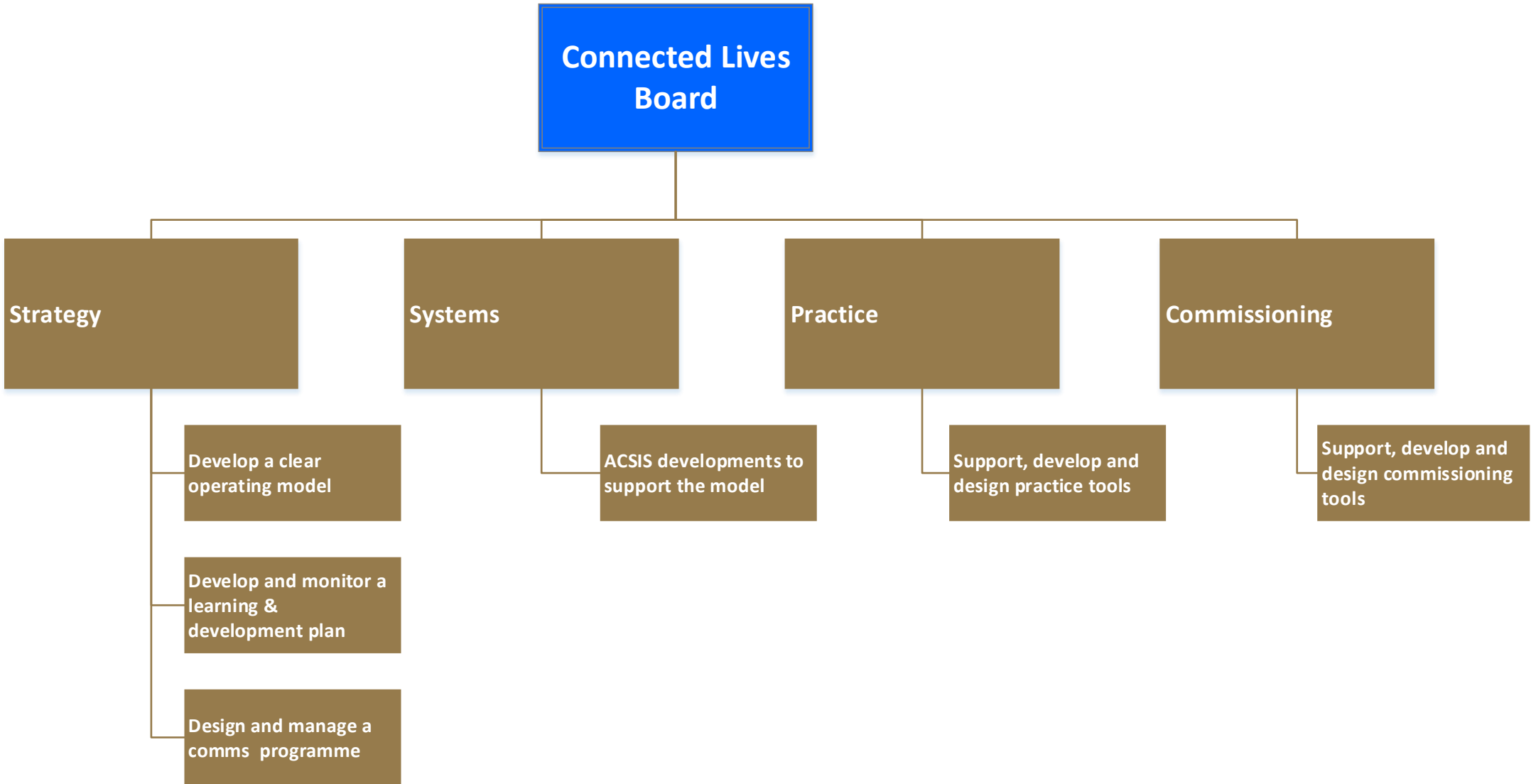
**Income:** a specific EQIA has been developed in relation to proposals to amend charging arrangements for community based adult social care and will be considered at Adult Care and Health Panel on 10 January 2018:

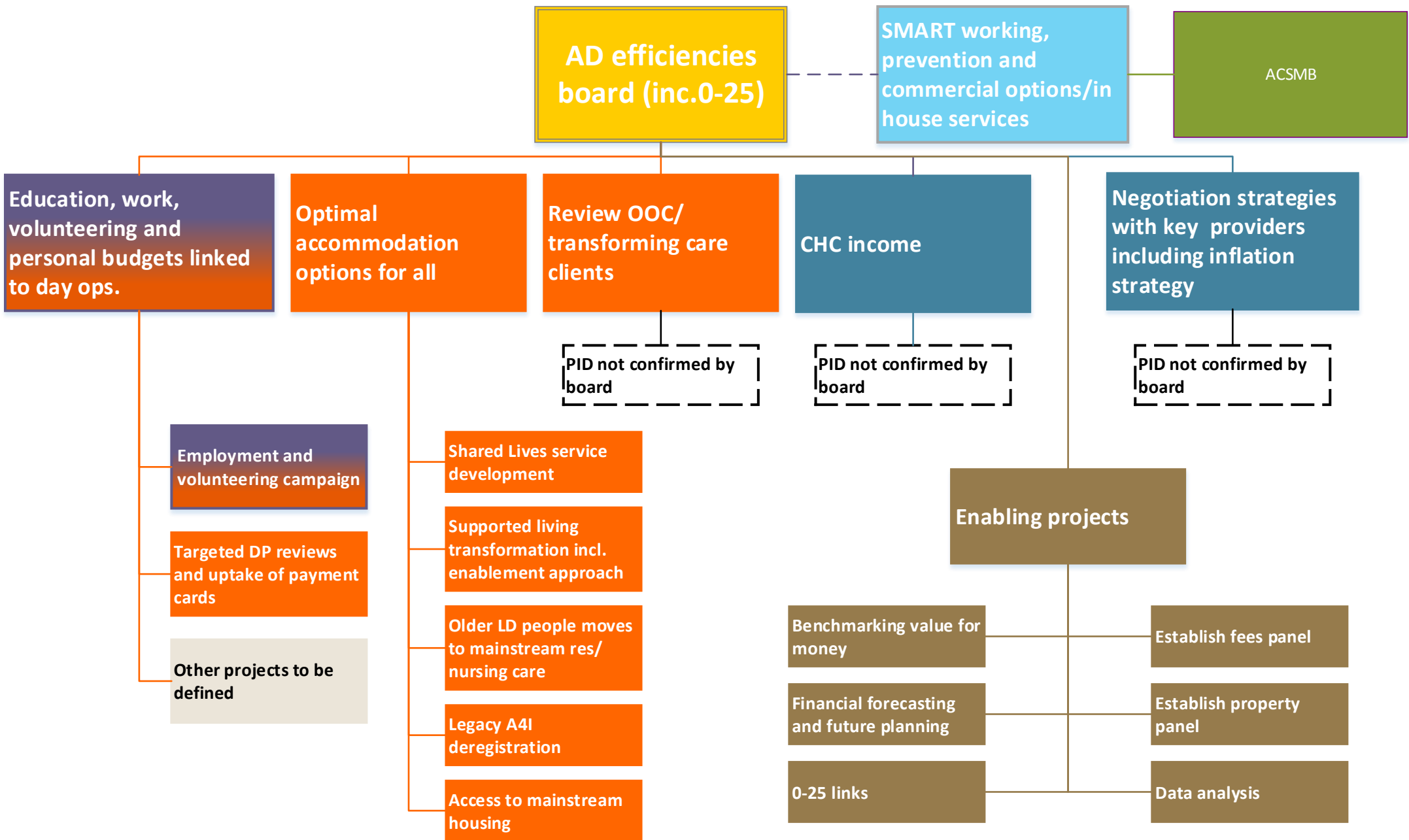
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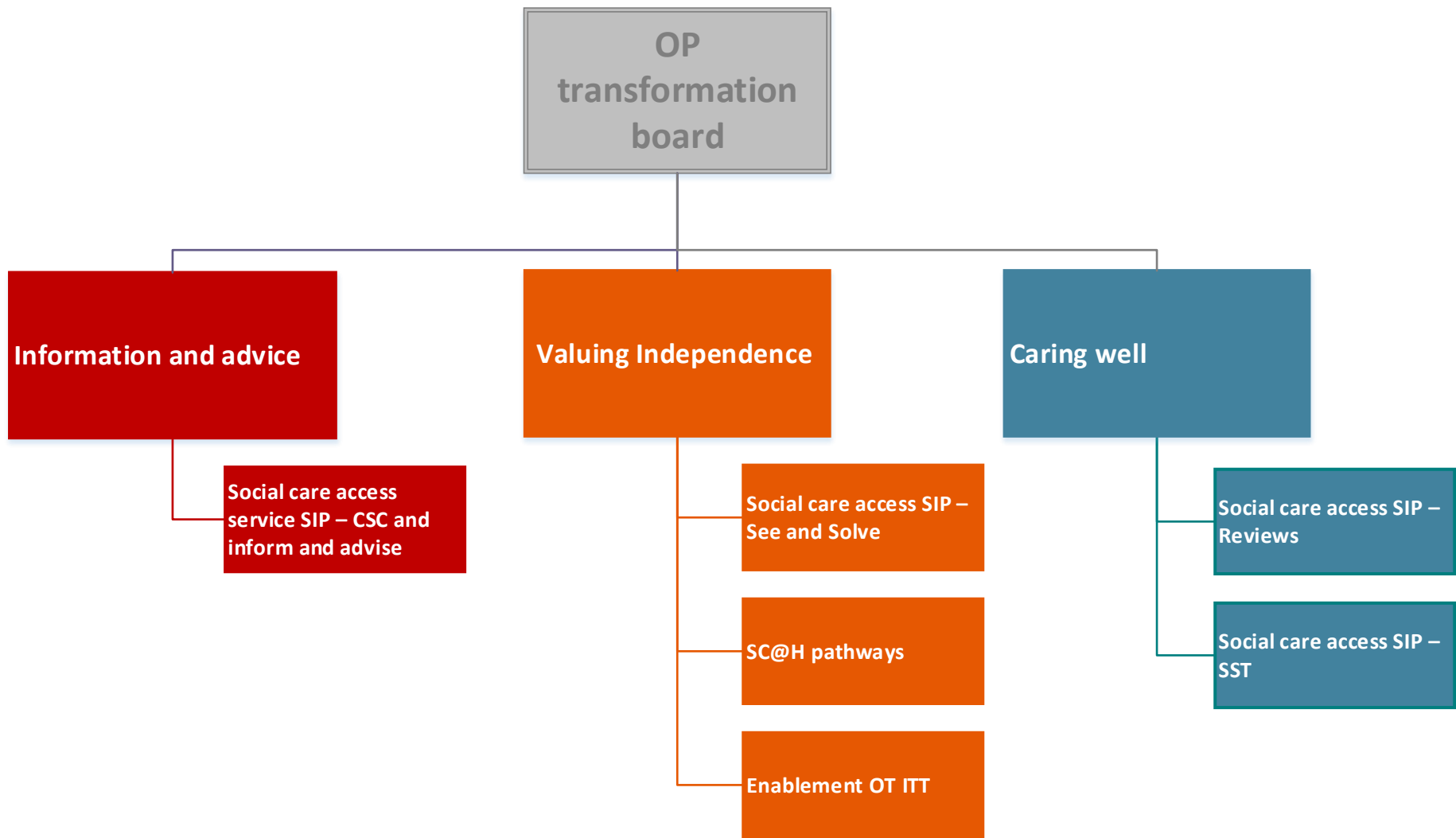
**Assistive Technology:** an EQIA for the ACS Assistive Technology strategy was agreed by Adult Care and Health Panel on 16 June 2017:

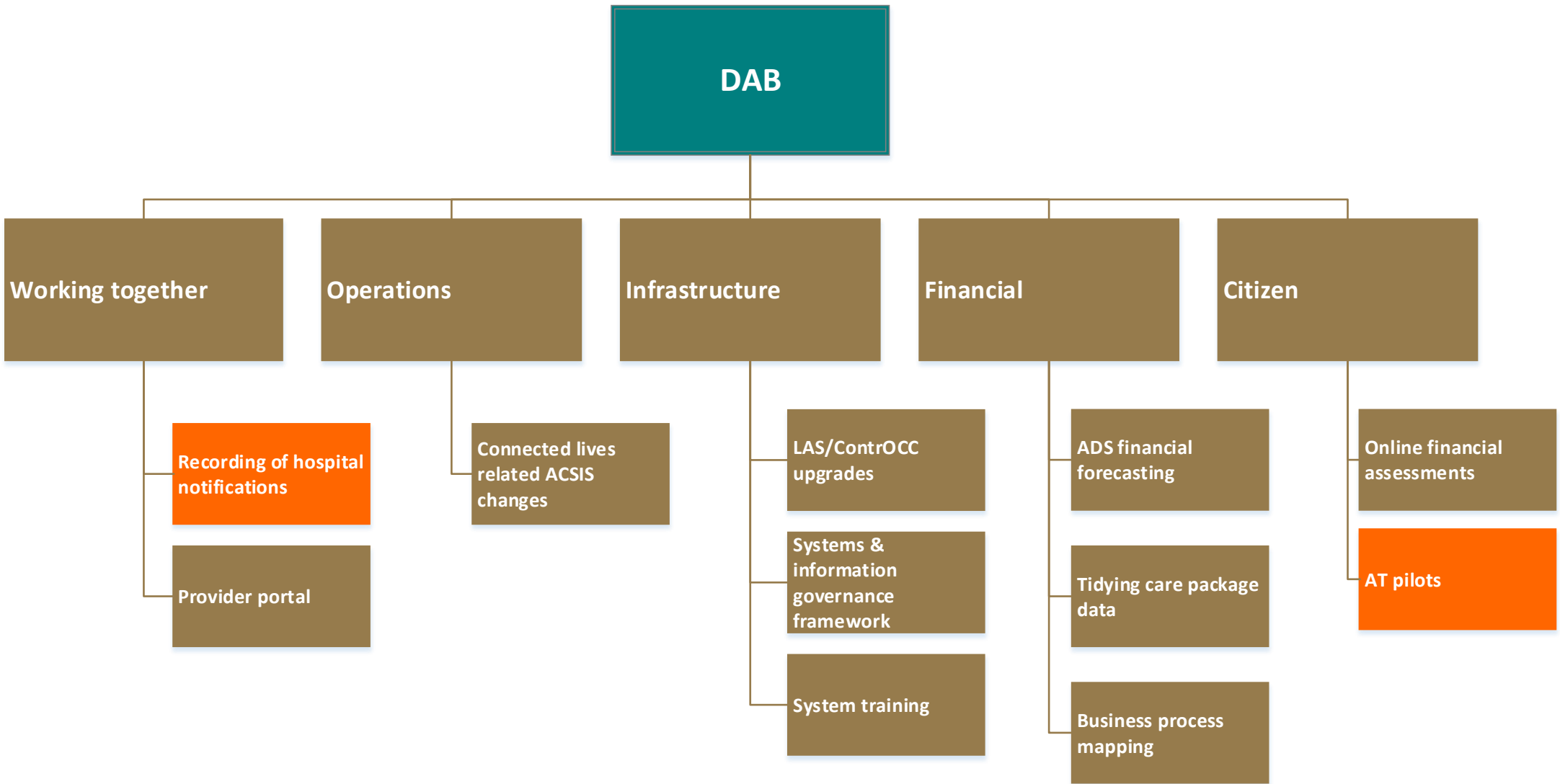
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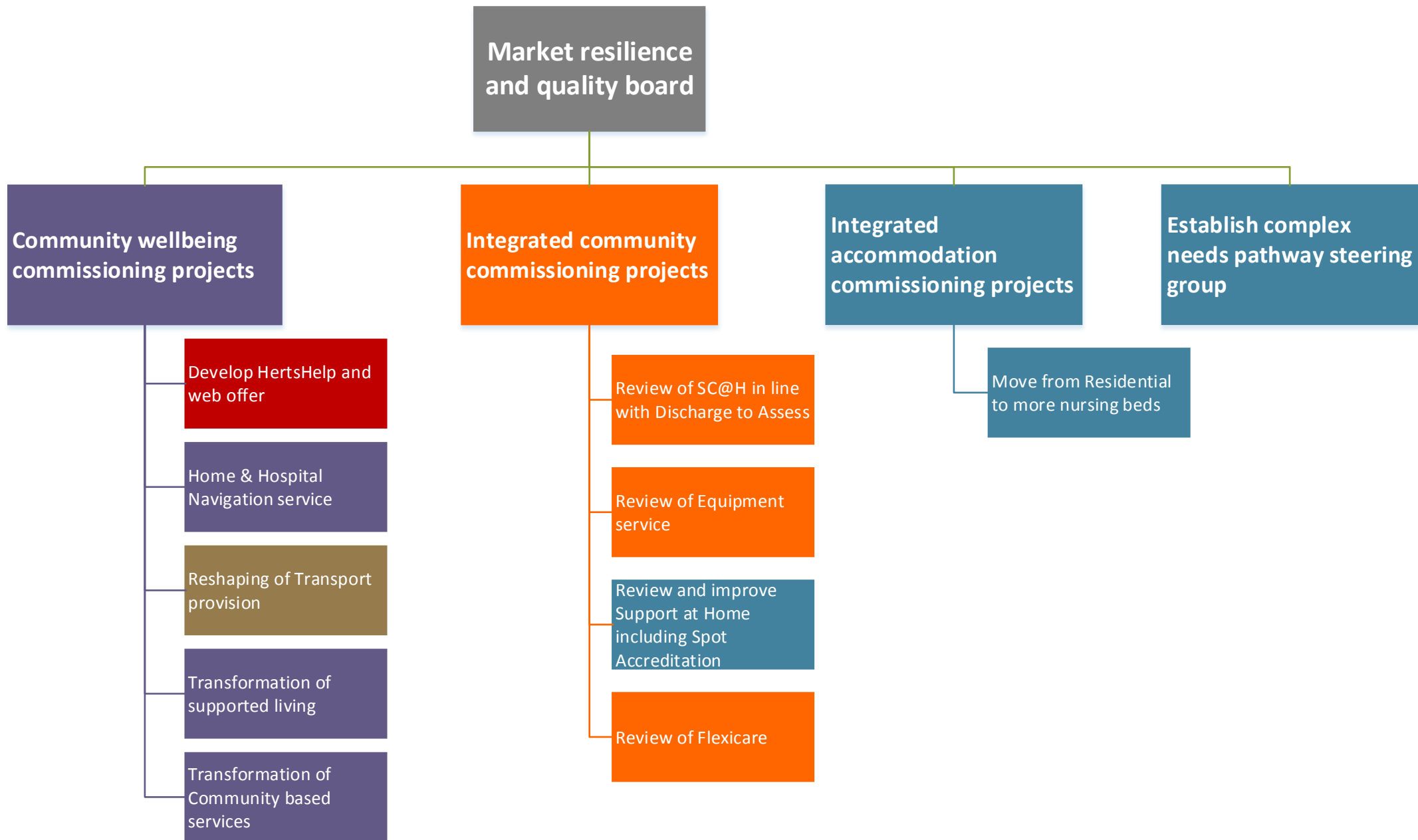


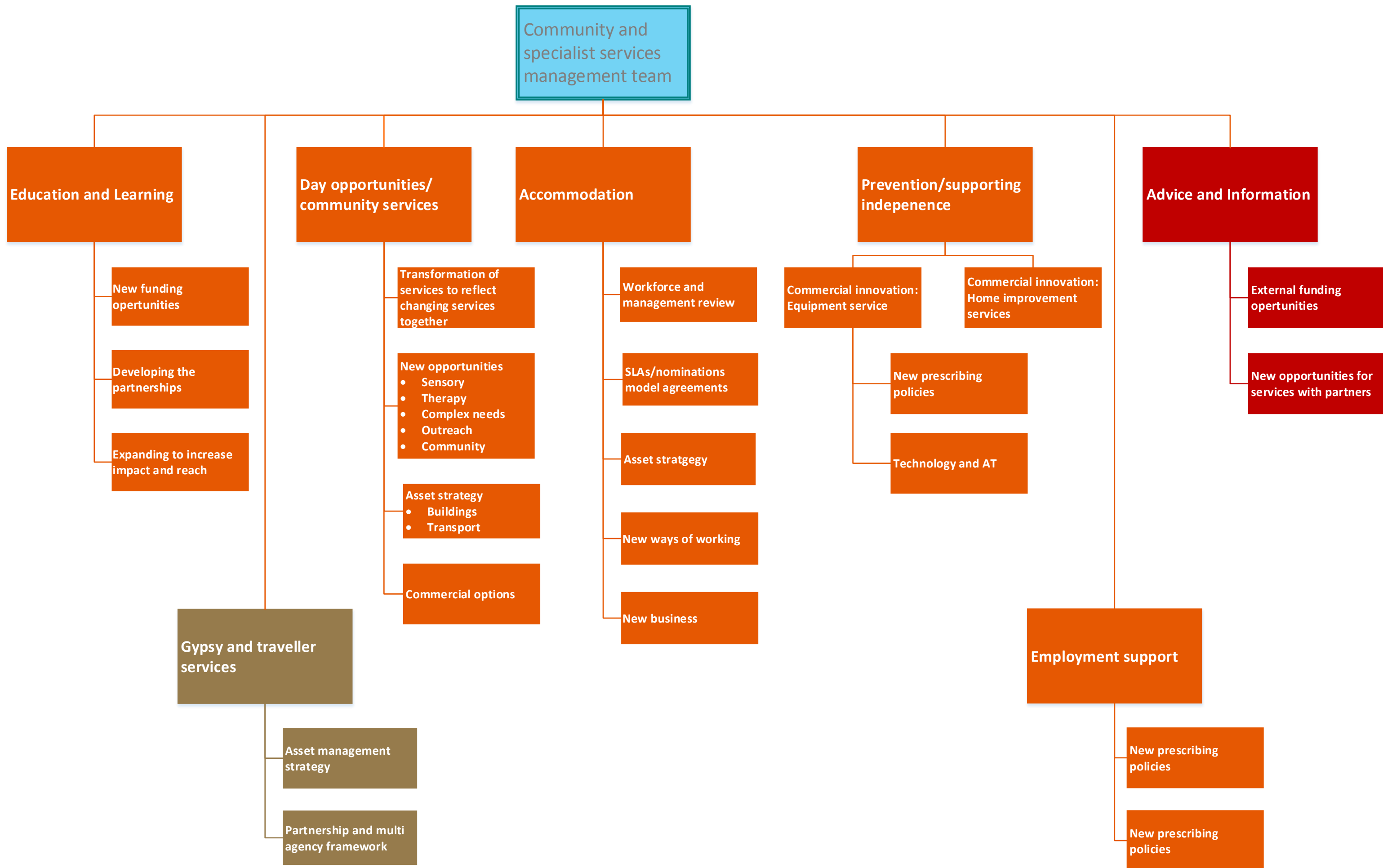




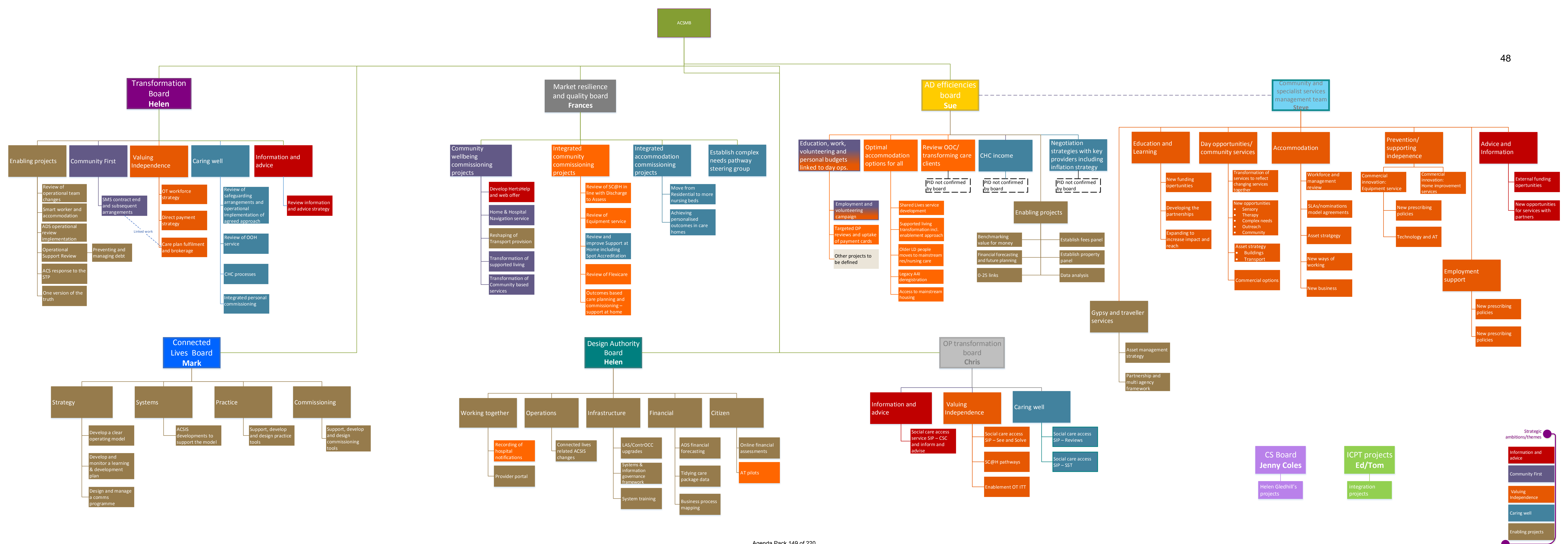












**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**RURAL ESTATE LAND AT BALDOCK**

Report of the Director of Resources

Author: Roger Arbon, Senior Estates Officer, 01992 588052

Executive Member: David Williams, Leader of the Council (as responsible for the Resources, Property and the Economy portfolio)

Local Members: Steve Jarvis, Royston West and Rural  
Michael Muir, Baldock and Letchworth East

**1. Purpose of Report**

- 1.1 To enable Members to recommend to Cabinet that it should consider the future of the land as set out in this report and to agree that it should be made available for development for the uses for which it is being allocated in the North Hertfordshire District ("NHDC") Local Plan.
- 1.2 To enable the Panel to consider a strategy for the closure of the rural estate business at Baldock as detailed in this report and to recommend to Cabinet that it authorise the release of the lands for disposal and development of the urban extensions to the town after adoption of the new NHDC Local Plan.

**2. Summary**

- 2.1 The County Council has been requested to advance land at Baldock for development to assist NHDC in meeting its housing supply and other growth requirements within the new Local Plan period. The County Council owns a large area of agricultural land to the east and north of Baldock (currently let as farms and managed by the County Council's Rural Estate team such land subsequently referred to as the Baldock Rural Estate) which can be made available to meet proportion of the requirement. Initial planning indicates a likelihood of the ability to provide lands to accommodate some 3,300 dwellings with associated infrastructure and local facilities, together with a substantial area of employment land.
- 2.2 Part of this land is a site at Royston Road that was taken out of use and reserved as a primary school site but never used. It is no longer required for school use as the master-planning work for the urban extensions shows other more appropriate sites for a school. It is located at the eastern edge of existing development and is capable of immediate housing development (subject to planning permission).

2.3 Planning applications have been submitted.

### **3. Recommendation**

3.1 The Resources, Property and the Economy Cabinet Panel is invited to recommend that Cabinet:-

i) agrees the land at Royston Road, East of Clothall Common, Baldock as shown on the plan (Site identification 101A), attached as Appendix A to the report, is surplus to County Council requirements and approves the proposed disposal of the land,

ii) delegates to the Director of Resources in consultation with the Leader of the Council (as responsible for the Resources, Property and the Economy portfolio) and the Executive Member for Environment, Planning and Transport, to approve the terms of the sale of the land at Royston Road, Baldock.

ii) agrees that the rural estate lands to the North and East of Baldock (as shown on the attached plan RE2842/F, attached as Appendix B to the report, are surplus to needs and can be released for disposal for the creation of urban extensions developments and authorises a programme of phased closure of the Hertfordshire County Council's Rural Estate service in this location to achieve the required timetable of land releases and disposals for those developments, with the details to be agreed by the Director of Resources in consultation with the Leader of the Council (as responsible for the Resources, Property and the Economy portfolio) and the Executive Member for Environment, Planning and Transport; and

iii) authorises a scheme for rationalisation of the Baldock Estate be prepared by the Director of Resources and tenants consulted prior to its implementation, and that the Director of Resources in consultation with the Leader of the Council (as responsible for the Resources, Property and the Economy portfolio) be authorised to agree the termination of tenancies and payment of appropriate compensation.

### **4. Background**

4.1 Large areas of farmland at Baldock were purchased by the County Council in the early 1920s to develop colonies of smallholdings. The nature of the holdings has changed with many of the houses being sold off and the land merged with adjoining holdings leaving a smaller number of larger units.

4.2 In the early 21<sup>st</sup> Century, the County Council promoted part of the lands, principally those enclosed by the by-pass, for residential development to assist the supply of housing land for the area. During discussions with the Local Planning Authority regarding its development of a new Local Plan, the County Council was encouraged to revisit its original Masterplan (showing c 1000 dwellings) in view of the emerging increase in the required housing numbers and was asked to review the possibility of promoting all of the Rural Estate property at Baldock enclosed by the by-pass and to the north of the railway line. The scheme now shows a capacity for c3300 dwellings.

4.3 These areas of land are let under various tenancies which will require discussions to be had with the tenants whose livelihoods will be severely impacted and in some

instances completely curtailed and as such the situation needs to be managed in a sensitive manner. The majority of the tenants have been farming for many years and are unlikely to be able to start again elsewhere if dispossessed; however, by careful planning and timing of any terminations, the impact to tenants and cost to the County Council can be minimised. A clear timetable for possession is therefore essential.

- 4.4 The tenancy agreements allow the County Council to regain possession of the land for development where planning permission has been granted following the service of appropriate notices. Processes will be examined in detail in the proposed strategy document.
- 4.5 In some circumstances, statutory compensation will be payable for the loss of tenancy and tenant's improvements. Such compensation can only be fully assessed on the termination of the tenancy. It is possible early possession of the land could be obtained; but this would be through negotiation and subject to an enhanced level of compensation above the statutory levels.
- 4.6 A full strategy for enabling the Rural Estates Land will be developed by the project team with a view to keeping the land occupied and farmed until required for development giving due consideration to sensitivity and timescales.
- 4.7 The land to the North and East of Baldock forms a significant part of the Rural Estates Service in North Hertfordshire.
- 4.8 The land (including the Former Reserve School Site) at Royston Road, Baldock forms part of a larger land holding which was originally acquired for Rural Estate use. During the 1980s, land adjoining the site and known as Clothall Common was sold for residential development. This site was also taken out of the rural estate use and was allocated as a reserve one form of entry junior school site, but never developed. The site lies outside of the green belt. It is currently fallow, with no income.
- 4.9 The County Council no longer regards one form of entry schools to be viable from either a cost or community point of view and current primary school needs have been catered for by permanent school expansions. Other school sites are contained within the masterplan for the urban extensions and this site is therefore no longer required.
- 4.10 Residential use of the site has been proposed and careful attention given to development in advance of the Urban extension areas. Compatibility issues have been resolved and suitable access to the site established and a Planning Application submitted.

## **7. Town Planning**

- 7.1 The Rural Estate Land has been allocated for development in the emerging North Herts Local Plan. The Plan is now at Examination until the end of March. Matters relating to Baldock are to be discussed at the Examination hearing session on 6 February 2018. The published timetable regarding the Local Development Scheme

schedules the new Local Plan to be adopted at March 2018; however delays in the process suggest a more realistic timing of September 2018.

7.2 Applications for outline planning permission were submitted to NHDC for the urban extension sites on 21 December 2017. These will not be determined until the Local Plan is adopted. Please see at Appendix A the application location plan.

7.3 The former reserve school site (as shown in appendix B) has potential for residential development and an application for outline planning permission has been submitted to NHDC.

## **8. Financial Implications**

8.1 With regard to the Rural Estate Lands, whilst a detailed valuation is not available as yet, it is anticipated that the net residual value of the land is likely to be in excess of £100m over a development period of ten years or so.

8.2 It is estimated that compensation payments should not exceed £250,000 compensation rates are defined by statute with regard to agricultural holdings.

8.3 The loss of revenue to the Rural Estates Service would be £100,000per annum

8.4 In respect to the estimated value of the Royston Road site, with the benefit of outline planning consent, a capital receipt is estimated at approximately £4m.

## **9. Equality Act Implications**

9.1 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.

9.2 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.

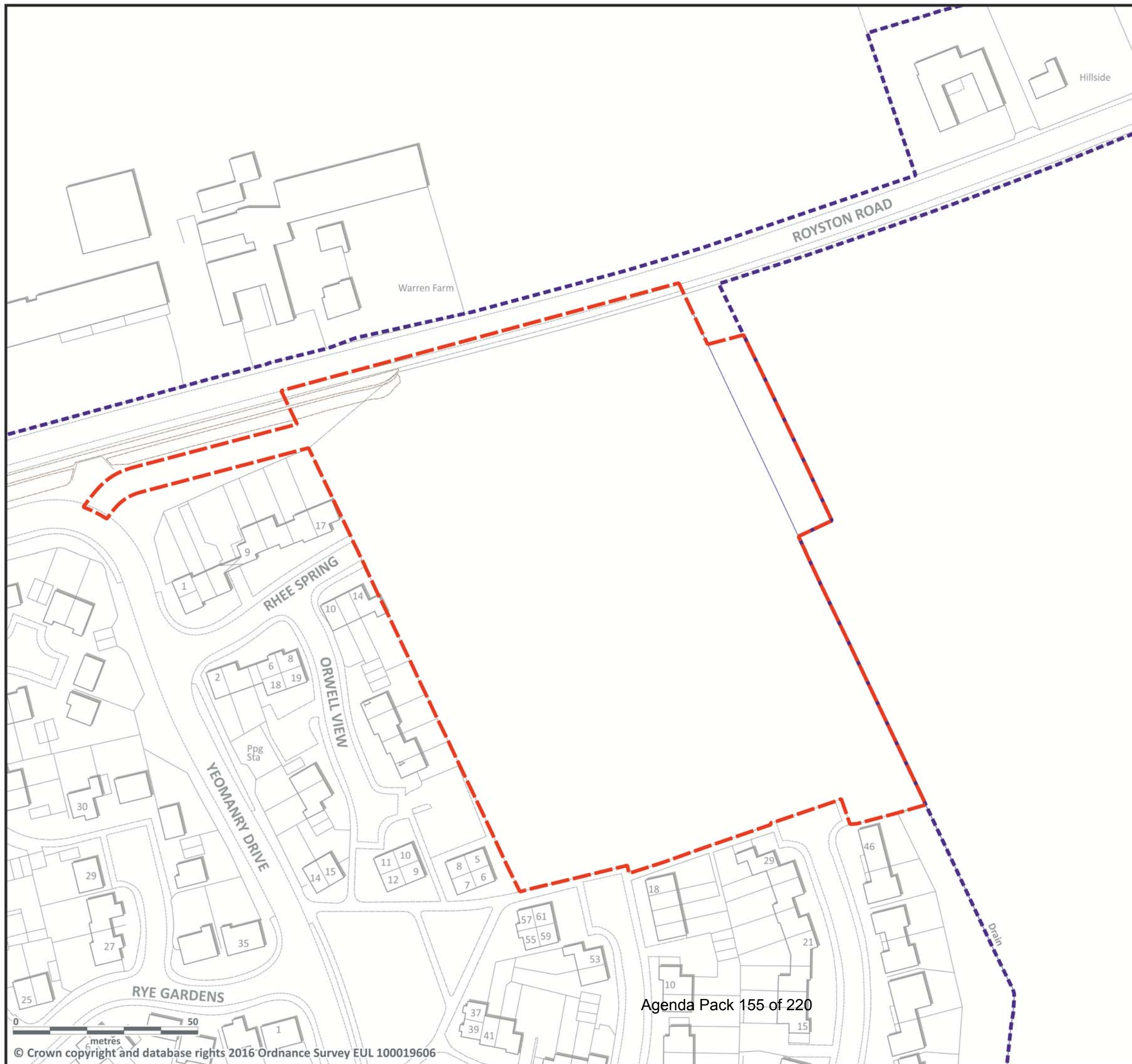
9.3 The Equality Act 2010 requires the County Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected 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.

9.4 It is considered that there are no equalities implications arising from this report, the matter will however be kept under review.

**Background Information**

None.





- APPLICATION BOUNDARY  
1.75ha 4.34ac
- OTHER LAND IN APPLICANTS  
OWNERSHIP

## APPENDIX A

**REVISION A:**  
Site boundary amendment  
HNA/23-03-2017

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PROJECT TITLE  
**Site 4 Royston Road  
BALDOCK  
Hertfordshire**

DRAWING TITLE  
**Site identification**

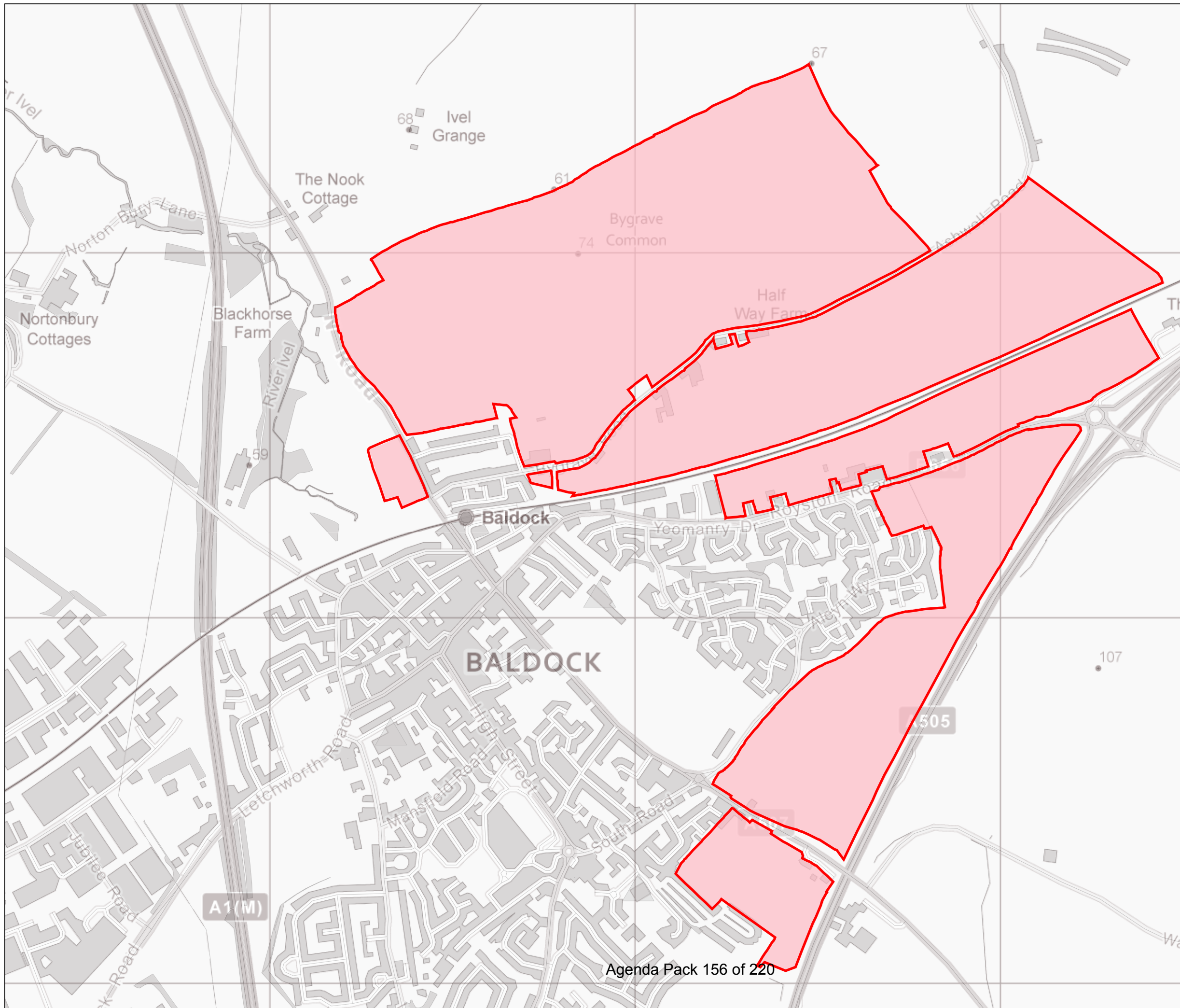
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| 1:1000 | OCTOBER 2014 |         |
|        | DRAWN        | DATE    |
|        | HNA          |         |

|             |          |      |
|-------------|----------|------|
| PROJECT No. | <b>N</b> | 101A |
| <b>5028</b> |          |      |

**VINCENT AND GORING**  
**CHARTERED ARCHITECTS AND TOWN PLANNERS**  
STERLING COURT NORTON ROAD STEVENAGE HERTS  
TELEPHONE: 01438 316331 FAX:01438 722035



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Resources  
 Hertfordshire County Council  
 County Hall  
 Hertford SG13 8DQ

|                              |              |
|------------------------------|--------------|
| PROJECT                      |              |
| Baldock Rural Estate Outline |              |
| DRAWING TITLE                |              |
|                              |              |
| DRAWN                        | M Flunder    |
| CHECKED                      |              |
| DATE                         | 18/01/2018   |
| SCALE                        | 1:10000 @ A3 |
| PLAN NO.                     | REVISION     |
| RE 2842 / F                  |              |
| 18/01/2018                   |              |



**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**ST ALBANS CITY AND DISTRICT COUNCIL LOCAL PLAN CALL FOR  
SITES CONSULTATION (JAN/FEB 2018)**

Report of the Director of Resources.

Report Authors: Andrea Gilmour, Interim Head of Development Services 01992 556477  
Dick Bowler, Estates Manager 01992 556223

Executive Member: David Williams, Executive Member Resources, Property & the Economy

Local Members: John Hale, Colney Heath and Marshalswick  
David Williams, Harpenden North East  
Annie Brewster, Harpenden Rural  
Teresa Heritage, Harpenden South West  
Dreda Gordon, London Colney  
Chris White, St Albans Central  
Anthony Rowlands, St Albans East  
Charlotte Hogg, St Albans North  
Sandy Walkington, St Alban's South  
Sue Featherstone, St Stephen's

**1. Purpose of report**

- 1.1 To make Members aware of the landowner representations to be submitted by Property (Development Services) officers to the current St Albans City and District Council Local Plan Call for Sites consultation, attached at Appendix A to the report.
- 1.2 To invite Cabinet to reconsider its policy regarding land at the former Radlett Airfield and to agree the proposed landowner representations for that site.

**2. Summary**

- 2.1 The County Council has been consulted on the St Albans City and District Council (SACDC) Issues and Options Local Plan consultation, which will show what can be built, and where, up to 2036. The draft Local Plan has an annual housing target of 913 homes. This will mean 9,000 to 10,000 homes will have to be built in the Green Belt. Growth for employment and other purposes is proposed too. The consultation includes a Call for Sites. It is clear from the consultation papers that SCADC will need to look for additional green belt land releases in order

to accommodate the scale of growth now required. The deadline for submission of responses to these consultations is 21 February 2018.

- 2.2 As part of the deliverability testing of sites that will be chosen by SACDC at the Preferred Options stage of their plan making process, and at later stages of examination of a submitted plan, it is important that site owners have advised that sites proposed for development will be made available to meet the growth requirements. The County Council has a number of sites that are potentially suitable for development for the growth needs of the District.
- 2.3 In September 2017, in response to the Draft Brownfield Register (BLR) and Strategic Housing Land Availability Assessment (SHLAA) call for sites the County Council submitted 15 sites within its ownership. The sites are ones that are now, or may be expected to become within the period of the plan, surplus to the County Council's requirements.
- 2.4 This list has now been reviewed and officers are proposing to continue to promote a total of eight sites in the ownership of the County Council from the original 15 sites previously submitted through the current consultation for consideration by SACDC for inclusion in the Local Plan to assist the District Council in achieving its housing and employment land requirements. Attached at Appendix B to this report is a table showing what feasibility work has been undertaken to date and what needs to be carried out in respect of each site in order to confirm deliverability.
- 2.5 This work is usually carried out under Chief Officer delegations, with officers from the Development Services team responding to Call for Sites consultations on behalf of the County Council as a landowner.

### **3. Recommendations**

- 3.1 The Resources, Property and The Economy Cabinet Panel is invited to recommend to Cabinet that:-
  - i) The County Council supports the promotion of the eight sites referred to in the report through the Local Plan process to assist St Albans City and District Council in achieving its housing and employment land requirements; and
  - ii) The inclusion of the Former Radlett Airfield in this process is authorised to enable the site to be considered by St Albans City and District Council for inclusion in the Local Plan.

### **4. Background**

- 4.1 A summary of each of the eight sites being considered is given below, with the attached (Appendix B) table highlighting both the feasibility

work undertaken to date and that required to support the promotion. All of the sites are located within the Green Belt.

**Site 1 Land South of Napsbury**

- 4.2 Part of this landholding has been identified in the current SACDC Local Plan Consultation as a broad location for development (Land at London Colney). Detailed technical feasibility work undertaken in 2007/2009 indicates that the site could accommodate around 447 dwellings. This feasibility work would need to be refreshed.
- 4.3 The land south of Napsbury Park has been the subject of extensive technical investigations which informed the preparation of a master plan. This work confirms the suitability, deliverability and availability of the site, prior to any further consideration.
- 4.4 The technical investigations concluded that there were no significant impediments to development and that up to a maximum of 447 dwellings could be accommodated on land south of Napsbury; with community benefits including the potential provision of a local community centre with facilities as required, enhanced public access and landscape improvements.
- 4.5 It is also considered that the wider landholding offers the opportunity to provide additional community facilities, including schools, if these are required. However, further feasibility and technical investigations would need to be undertaken.

**Site 2 Land North of Napsbury**

- 4.6 Detailed technical feasibility work undertaken in 2007/2009 indicates that the site could accommodate around 149 dwellings and a two form entry primary school. This work would need to be refreshed.
- 4.7 The land north of Napsbury Park has been the subject of extensive technical investigations which informed the preparation of a master plan. This work confirms the suitability, deliverability and availability of the site, prior to any further consideration. The technical investigations concluded that there were no significant impediments to development and that a maximum of 149 dwellings could be accommodated on land north of Napsbury.

**Site 3 Land East of Kay Walk, St Albans**

- 4.8 This site forms part of a larger area identified in the current SACDC Local Plan Consultation as a broad location for development (East St Albans). The larger area has previously been identified by SACDC for up to 1,000 homes. Detailed feasibility is required to determine the quantum of development that could be achieved on the land in the County Council's ownership.

**Site 4 Land at Stephens Way and Flamsteadbury Lane, Redbourn**

- 4.9 This site is currently leased as open space to the parish council. It is anticipated that it only has potential for development if there were to be a wider green belt release at this location, which could retain the play area within it and see development on the other component the County Council's land. The site could potentially provide between 25 and 30 dwellings. No feasibility work has been undertaken.

**Site 5 Land at Waterdell, adjacent to Mount Pleasant JMI**

- 4.10 This site lies to the south west of Bricket Wood on the boundary between SACDC and Watford. No feasibility has been undertaken but it is anticipated that it could accommodate between 30 and 40 dwellings.

**Site 6 Land at Highfield Farm, Tyttenhanger**

- 4.11 Planning applications for the residential redevelopment of the existing farm buildings at Highfield Farm are to be submitted outside of the Local Plan process. Feasibility work has been prepared for the development of the site around the farm buildings. This would need to be extended.

**Site 7 Former Radlett Airfield, Radlett**

- 4.12 This site forms the major part of land bounded by the M25 Motorway to the south, the Midland Main Line railway to the east, the A414 principal road to the north and the urban edge of Park Street to the east. It is located only three miles to the south of St Albans. It is a 'self-contained' block of land, with long term defensible boundaries, where the County Council is the majority land owner, and the remaining minor part is in a single ownership. See on plan the attached at Appendix C to the report, HP2959, and the County Council's land is shown edged red.
- 4.13 This site already has outline planning permission, granted by the Secretary of State, for development as a Strategic Rail Freight Interchange (SRFI), to meet a north of London regional transport infrastructure need. It is anticipated that full detailed planning permission will be agreed by SACDC, at its Committee on 5 March 2018. Once reserved matters are approved and all conditions precedent have been satisfied, the development of the SRFI scheme can be lawfully begun and if that occurs the planning permission will then enure permanently for the benefit of the site. The County Council has not been approached to make its land available but if it is it will have to make its decision in light of the decision to grant planning permission for an SRFI and in accordance with public law principles.
- 4.14 Cabinet at its meeting on 11 July 2016 confirmed the County Council's strong preference not to see a change in the current green belt status of this land or to dispose of it. Since that decision, the need for the much higher levels of growth in the District has become clear.

- 4.15 The purpose of submitting this site now to the Call for Sites process is to enable SACDC to consider it as a possible site for a Garden Village. SACDC can only do this if the County Council as landowner includes it in response to the Call for Sites. The work undertaken by two large housing developers in 2016 in response to the County Council's invitation of 'expressions of interest' showed proposals for development of the County Council's land a Garden Village. Their separate submissions made clear that there is a major opportunity to create a mixed use development of exceptional design quality and potential to integrate a wide range of sustainability measures. Contributions of about 2000 dwellings, employment land and all necessary social infrastructure, to include a high proportion of affordable housing, would be possible.
- 4.16 If SACDC were to decide to remove this land from the green belt and allocate it for a housing led development this would be a material consideration for Cabinet as and when the County Council receives an offer to purchase its land. A housing led scheme would be less damaging to the Hertfordshire environment, be more valuable in meeting Hertfordshire's need for additional housing and have a higher land value than the permitted SRFI scheme.
- 4.17 This site is considered to be a suitable and sustainable location for a Garden Village, which would include both housing and employment land. It has sustainable transport links due to its adjacency to the Abbey Line railway and has the potential to include a 'park and ride' facility to access the railway line. It is also of sufficient size to accommodate the necessary infrastructure, including a by-pass for Park Street, a local centre, a secondary school, several primary schools, recreation and open space facilities, which would be required to support the 2,000+ dwelling community that could be provided.
- 4.18 The development would provide a very major boost to the patronage of the Abbey Line and help to provide the impetus for a passing loop to significantly enhance train frequency on the Line. Opportunities for alternative alignments to the Abbey Line to directly serve the site could also be explored as would the potential for a new station (at Napsbury) on the Midland Mainline, offering further direct access to London and to Luton, Bedford, Leicester, Manchester, Leeds, etc.

**Site 8 Carpenter's Nursery, Sandridge**

- 4.19 There has been no feasibility undertaken on this site which forms part of a larger County Council land holding. An archaeological assessment would be required to inform the developable area as the northern area lies within an Archaeological site.

## **5. Town Planning**

- 5.1 The SACDC Call for Sites forms part of the SACDC's process to prepare a local plan.

## **6. Property Implications.**

- 6.1 The County Council as landowner seeks to assist Local Planning Authorities in their plan making processes by ensuring that any of its land that may be suitable, available and deliverable to meet growth requirements is identified and can be considered by them against the appropriate planning criteria for site allocation.
- 6.2 It is clear from the SACDC papers that there is 'exceptional circumstances' justification for removal of additional lands from the green belt, in suitable locations, to meet the higher growth needs of the area. On that basis officers have looked at the County Council's landholdings that may be capable of meeting the growth needs and the planning criteria for site selection.
- 6.3 Should any of the sites be allocated in an adopted local plan for housing and/or employment use the County Council would then be able to contribute important land supply to assist meeting the growth and infrastructure needs. Additionally it may be expected that very significant latent capital can be unlocked as the land values associated with urban land uses are many multiples of rural land use values.
- 6.4 Where sites are currently in service use for the purposes of the Rural Estate it would be necessary to re-provide or to close the individual service use.

## **7. Financial Implications.**

- 7.1 The successful promotion of these sites through the local plan process to achieve an allocation for alternative development would result in very significant increases in value of these County Council landholdings.
- 7.2 Should it be necessary to terminate Rural Estate service use holdings there may be compensation payable to tenants. These sums are modest in relation to the increase in land value, once planning permission has been granted.

## **8. Equality Act Implications.**

- 8.1 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.

- 8.2 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.
- 8.3 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.
- 8.4 It is considered that there are no equalities implications arising from this report, the matter will however be kept under review.

**Background Information**

*July 2016 Cabinet Minutes*

<https://cmis.hertfordshire.gov.uk/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/346/Committee/8/SelectedTab/Documents/Default.aspx>

**HERTFORDSHIRE COUNTY COUNCIL  
PROPERTY (DEVELOPMENT SERVICES)**

**ST ALBANS CITY AND DISTRICT COUNCIL**

**SUBMISSION TO LOCAL PLAN CALL FOR SITES CONSULTATION**

**ON BEHALF OF HERTFORDSHIRE COUNTY COUNCIL AS  
LANDOWNER**

**JANUARY 2018**



## **1.0 Introduction**

1.1 This document is submitted by Hertfordshire County Council (HCC) Property (Development Services) in response to the St Albans City and District Council Local Plan Call for Sites consultation.

## **2.0 Identified Sites in HCC Ownership**

2.1 A total of 15 sites in the ownership of the County Council have been identified for inclusion in the Local Plan to assist the District Council in achieving its housing and employment land requirements.

2.2 Each of these sites is listed below with plans and completed submission forms for each site contained in in Appendix A.

1. Rural Estate land south of Napsbury
2. Rural Estate land north of Napsbury
3. Land East of Kay Walk, St Albans
4. Land at Stephens Way and Flamsteadbury Lane Redbourn
5. Rural Estate land at Waterdell, adj to Mount Pleasant JMI
6. Rural estate land at Highfield Farm, Tyttenhanger
7. Former Radlett Airfield, Radlett
8. Carpenter's Nursery, Sandridge

2.3 A completed contact form is contained in Appendix B.

## **3.0 Conclusion**

3.1 HCC (Development Services) welcomes the opportunity to participate in the Local Plan Call for Sites consultation. Further information can be provided on any of the submitted sites by contacting the Development Services team.

**Site 1**

**Rural Estate land south of Napsbury**

## Call For Sites - Site Identification Form

Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.

Please return the **site map and form** to the Spatial Planning Team

**By online consultation portal:** [www.stalbans.gov.uk/callforsites2018](http://www.stalbans.gov.uk/callforsites2018)

**By e-mail to:** [planning.policy@stalbans.gov.uk](mailto:planning.policy@stalbans.gov.uk)

**By post to:** St Albans Council Offices, St Peters Street, St Albans, AL1 3JE

This form has two parts –

**Part A** – Site Identification. Please submit a separate form for each site you wish to promote.

**Part B** – Contact details (you need only submit one copy of Part B).

Please provide **a map** clearly identifying the extent of the site.

Please give your email address/postal address so that we can contact you to clarify site information if needed.

You are invited to put forward any new sites, and the latest information/position regarding existing/known sites, that you would like the Council to consider for its new Local Plan.

Although this 'Call for Sites' focuses primarily on sites for residential development, we are also looking for sites for other uses, such as sites for Employment, Health, Schools, Gypsy and Traveller, and 'Other' uses.

Unfortunately, we cannot treat any of the information you provide as confidential.

Please do not submit sites that already have planning permission for development, unless a new and different proposal is likely in the future

If you wish to update any information about a site previously submitted please use relevant sections of the form.

## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Rural Estate land south of Napsbury

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site** (hectares)

86.2ha

**Current use(s)**

Agricultural - Arable

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

The site is part of the HCC Rural Estate and is currently leased to tenants.

**b. Awaiting relocation of current use**

n/a

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

To 2020

2021-2031

2031 onwards

**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

Ancient Monuments and Archaeological Site subject to recording conditions can be found within the proposed site.

Part of the site falls within Floodzone 2/3.

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

Close proximity to Conservation Area, Historic Parks

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

N/A

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt, Landscape Development Area

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

Only part of the site is subject to environmental constraints. These can be mitigated by good design and layout with development avoiding the protected areas and flood zone.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

The land south of Napsbury Park has been the subject of extensive technical investigations which informed the preparation of a master plan. This work confirms the suitability, deliverability and availability of the site, prior to any further consideration.

The technical investigations concluded that there were no significant impediments to development and that up to a maximum of 447 dwellings could be accommodated on land south of Napsbury, with community benefits, including the potential provision of a local community centre with facilities as required, enhanced public access and landscape improvements.

It is also considered that the wider landholding offers the opportunity to provide additional community facilities, including schools, if these are required. However, further feasibility and technical investigations would need to be undertaken.

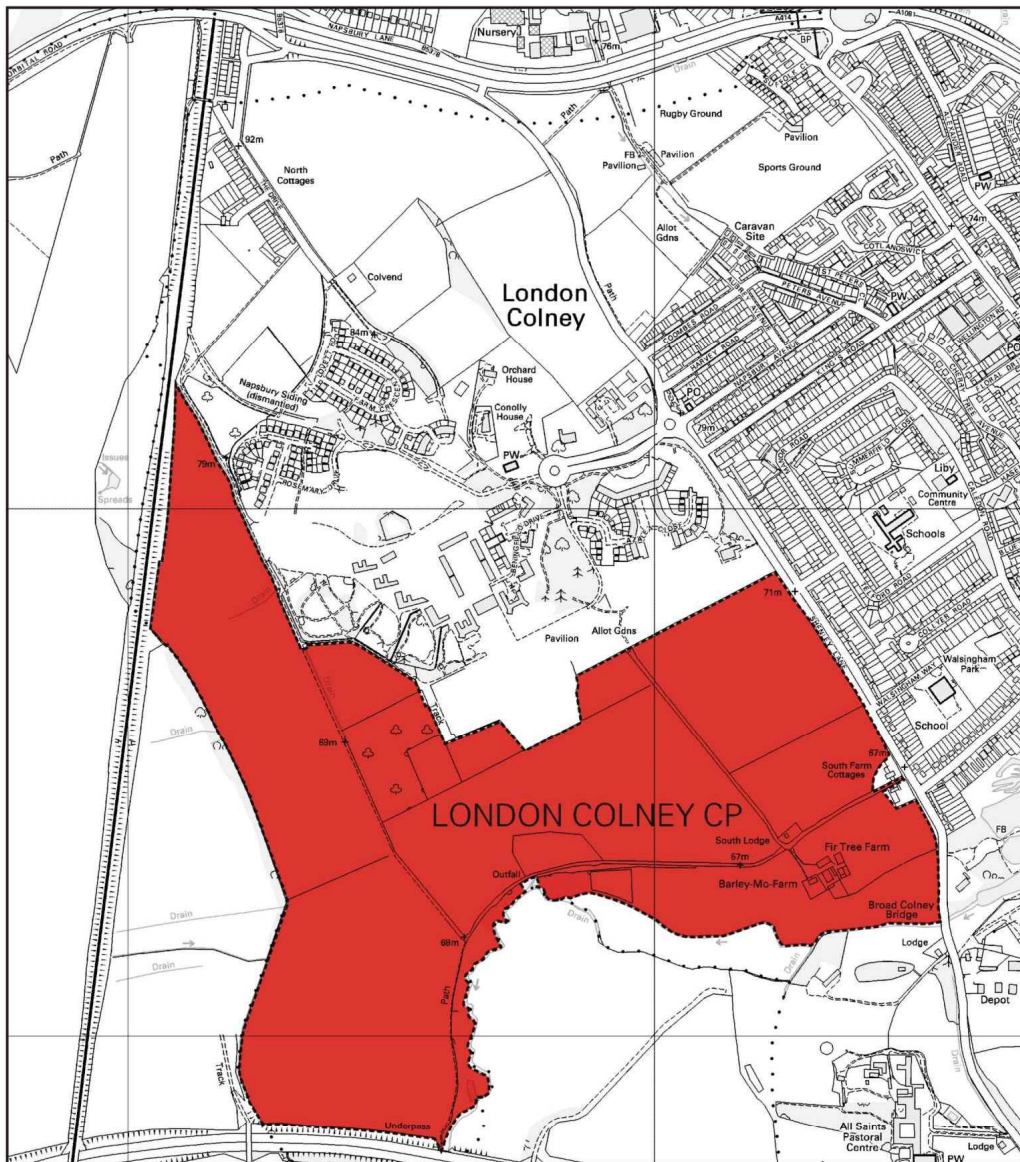
**Sketch scheme** (submitted for information if necessary)

Yes/ No

**Is there any other information that you would like to provide in relation to your proposed site?**  
If yes, please give details below (and attach if necessary)



Detailed information has previously been submitted to SADC regarding this site. Further copies can be provided on request.

# Site Plan 1 - Rural Estate land south of Napsbury



PROJECT TITLE  
**Napsbury Rural Estate**  
**NAPSBURY**

DRAWING TITLE  
 Site location plan

|   |             |   |
|---|-------------|---|
| SCALE   | DATE        | CHECKED   |
| 1:10000   | AUGUST 2007 |   |
| PROJECT No.   | DRAWN       | DATE  |
| 4695  | HP          |   |
|   |             |  |
| <b>VINCENT AND GORBING</b><br><b>CHARTERED ARCHITECTS AND TOWN PLANNERS</b><br>STERLING COURT NORTON ROAD STEVENAGE HERTS<br>TELEPHONE: 01438 316331 FAX:01438 722035 |             |   |

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**Site 2**

**Rural Estate land north of Napsbury**

## Call For Sites - Site Identification Form

**Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.**

Please return the **site map and form** to the Spatial Planning Team

**By online consultation portal:** [www.stalbans.gov.uk/callforsites2018](http://www.stalbans.gov.uk/callforsites2018)

**By e-mail to:** [planning.policy@stalbans.gov.uk](mailto:planning.policy@stalbans.gov.uk)

**By post to:** St Albans Council Offices, St Peters Street, St Albans, AL1 3JE

This form has two parts –

**Part A** – Site Identification. Please submit a separate form for each site you wish to promote.

**Part B** – Contact details (you need only submit one copy of Part B).

Please provide **a map** clearly identifying the extent of the site.

Please give your email address/postal address so that we can contact you to clarify site information if needed.

You are invited to put forward any new sites, and the latest information/position regarding existing/known sites, that you would like the Council to consider for its new Local Plan.

Although this 'Call for Sites' focuses primarily on sites for residential development, we are also looking for sites for other uses, such as sites for Employment, Health, Schools, Gypsy and Traveller, and 'Other' uses.

Unfortunately, we cannot treat any of the information you provide as confidential.

Please do not submit sites that already have planning permission for development, unless a new and different proposal is likely in the future

If you wish to update any information about a site previously submitted please use relevant sections of the form.



## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Rural Estate land north of Napsbury

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site** (hectares)

26.31ha

**Current use(s)**

Agricultural - Arable

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

This site is part of the HCC Rural Estate and is currently leased to tenants.

**b. Awaiting relocation of current use**

n/a

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

|         |           |              |
|---------|-----------|--------------|
| To 2020 | 2021-2031 | 2031 onwards |
|---------|-----------|--------------|

**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

n/a

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

Part of the site lies within an Historic Parks designation.  
Close proximity to a Conservation Area.

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

N/A

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt, Landscape Development Area

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

The constraints identified above could be mitigated through good design and layout of development.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

The land north of Napsbury Park has been the subject of extensive technical investigations which informed the preparation of a master plan. This work confirms the suitability, deliverability and availability of the site, prior to any further consideration. The technical investigations concluded that there were no significant impediments to development and that a maximum of 149 dwellings could be accommodated along with a 2 form of entry primary school.

**Sketch scheme** (submitted for information if necessary)

Yes/ No

**Is there any other information that you would like to provide in relation to your proposed site? If yes, please give details below (and attach if necessary)**

Detailed information has previously been submitted to SADC regarding this site. Further copies can be provided on request.



**Site 3**

**Land East of Kay Walk, St Albans**

## Call For Sites - Site Identification Form

Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.

Please return the **site map and form** to the Spatial Planning Team

**By online consultation portal:** [www.stalbans.gov.uk/callforsites2018](http://www.stalbans.gov.uk/callforsites2018)

**By e-mail to:** [planning.policy@stalbans.gov.uk](mailto:planning.policy@stalbans.gov.uk)

**By post to:** St Albans Council Offices, St Peters Street, St Albans, AL1 3JE

This form has two parts –

**Part A** – Site Identification. Please submit a separate form for each site you wish to promote.

**Part B** – Contact details (you need only submit one copy of Part B).

Please provide **a map** clearly identifying the extent of the site.

Please give your email address/postal address so that we can contact you to clarify site information if needed.

You are invited to put forward any new sites, and the latest information/position regarding existing/known sites, that you would like the Council to consider for its new Local Plan.

Although this 'Call for Sites' focuses primarily on sites for residential development, we are also looking for sites for other uses, such as sites for Employment, Health, Schools, Gypsy and Traveller, and 'Other' uses.

Unfortunately, we cannot treat any of the information you provide as confidential.

Please do not submit sites that already have planning permission for development, unless a new and different proposal is likely in the future

If you wish to update any information about a site previously submitted please use relevant sections of the form.

## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Land East of Kay Walk, St Albans

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site** (hectares)

3.3ha

**Current use(s)**

Scrubland

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

n/a

**b. Awaiting relocation of current use**

n/a

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

To 2020

2021-2031

2031 onwards

**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

n/a

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

Site is adjacent to a TPO area to the east.

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

N/A

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

No environmental and physical constraints have been identified.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

This site forms part of a larger area included in the Strategic Local Plan (SLP) prepared by SADC, as the East St Albans (Oaklands) Broad Location, an area to be excluded from the Green Belt principally for housing. The wider site was identified in the SLP for up to 1,000 homes.

**Sketch scheme** (submitted for information if necessary)

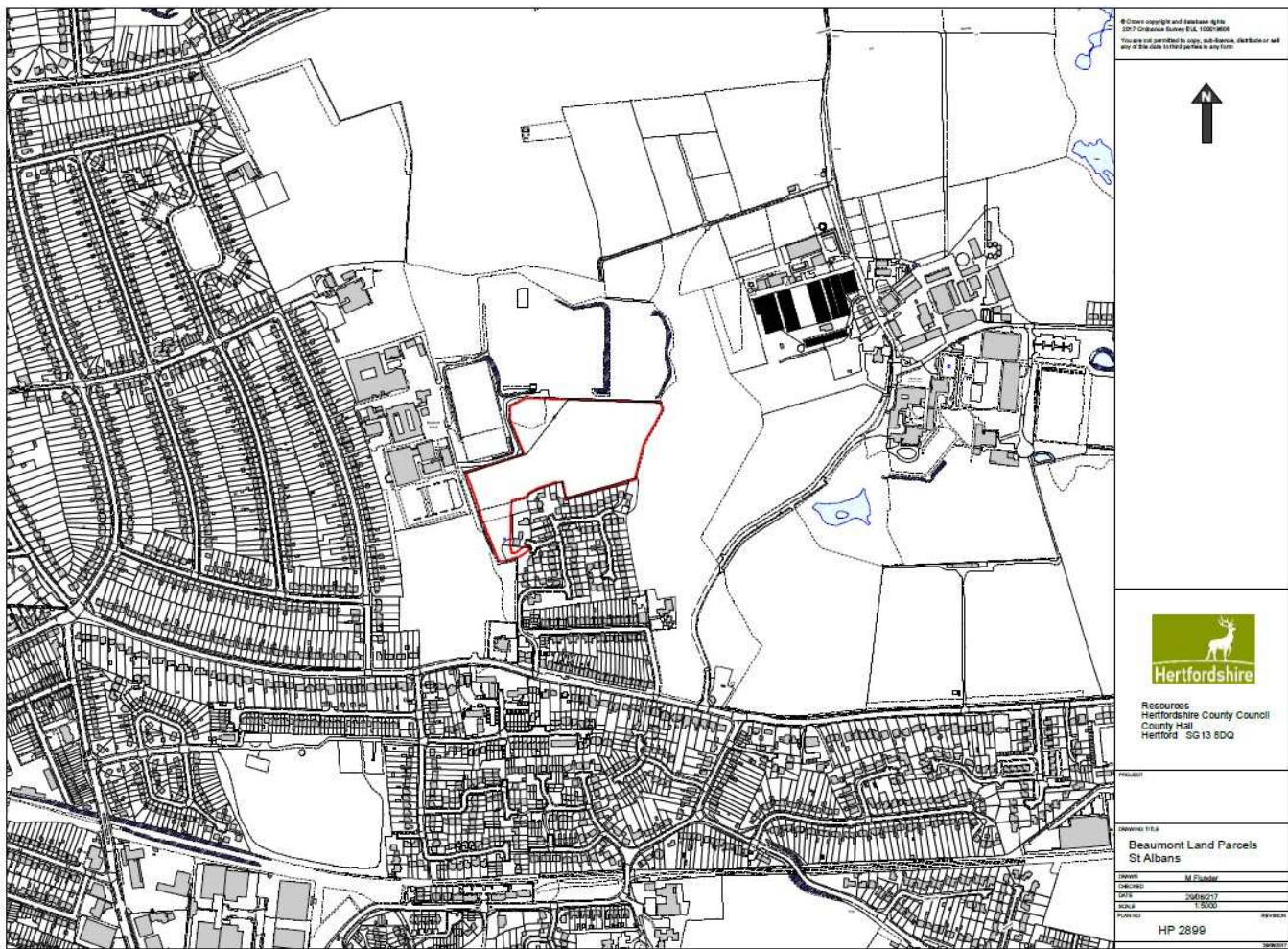
Yes/ No

**Is there any other information that you would like to provide in relation to your proposed site?**  
If yes, please give details below (and attach if necessary)

This site forms part of a larger area included SLP as the East St Albans (Oaklands) Broad Location, an area to be excluded from the Green Belt principally for housing.



### Site Plan 3 – Land East of Kay Walk, St Albans



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**Site 4**

**Land at Stephens Way and Flamsteadbury Lane Redbourn**

## Call For Sites - Site Identification Form

Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.

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Please provide **a map** clearly identifying the extent of the site.

Please give your email address/postal address so that we can contact you to clarify site information if needed.

You are invited to put forward any new sites, and the latest information/position regarding existing/known sites, that you would like the Council to consider for its new Local Plan.

Although this 'Call for Sites' focuses primarily on sites for residential development, we are also looking for sites for other uses, such as sites for Employment, Health, Schools, Gypsy and Traveller, and 'Other' uses.

Unfortunately, we cannot treat any of the information you provide as confidential.

Please do not submit sites that already have planning permission for development, unless a new and different proposal is likely in the future

If you wish to update any information about a site previously submitted please use relevant sections of the form.

## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Land at Stephens Way and Flamsteadbury Lane, Redbourn

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site** (hectares)

0.8ha

**Current use(s)**

Open space.

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

This site is currently leased as open space to the parish council and used as play area.

**b. Awaiting relocation of current use**

This site only has potential if there were to be a wider green belt release being considered which could retain the play area within it and see development on the other component HCC land.

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

To 2020

2021-2031

2031 onwards

**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

n/a

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

TPOs in the south of the site boundary

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

N/A

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt, Landscape Development Area

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

The layout and design of a development would consider the protected trees in the southern part of the site.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

It is anticipated that between 25 and 30 dwellings could be achieved on the site. The density would need to be informed by any feasibility, including the impact upon the protected trees.

**Sketch scheme** (submitted for information if necessary)

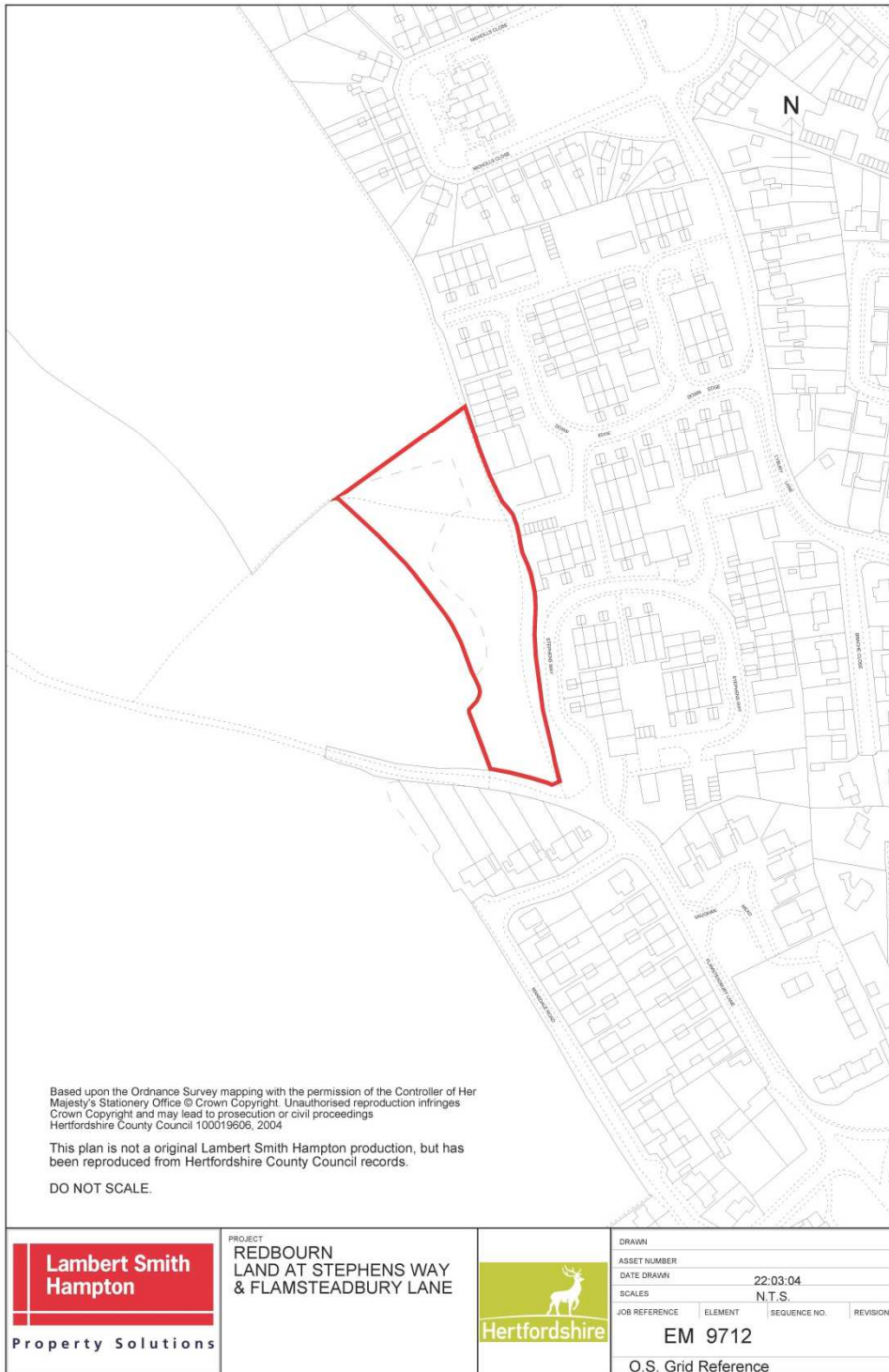
Yes / No

**Is there any other information that you would like to provide in relation to your proposed site?**

If yes, please give details below (and attach if necessary)

This site has been previously submitted.

# Site Plan 4 - Land at Stephens Way and Flamsteadbury Lane Redbourn



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**Site 5**

**Rural Estate land at Waterdell, adj to Mount Pleasant JMI**

## Call For Sites - Site Identification Form

Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.

Please return the **site map and form** to the Spatial Planning Team

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**By e-mail to:** [planning.policy@stalbans.gov.uk](mailto:planning.policy@stalbans.gov.uk)

**By post to:** St Albans Council Offices, St Peters Street, St Albans, AL1 3JE

This form has two parts –

**Part A** – Site Identification. Please submit a separate form for each site you wish to promote.

**Part B** – Contact details (you need only submit one copy of Part B).

Please provide **a map** clearly identifying the extent of the site.

Please give your email address/postal address so that we can contact you to clarify site information if needed.

You are invited to put forward any new sites, and the latest information/position regarding existing/known sites, that you would like the Council to consider for its new Local Plan.

Although this 'Call for Sites' focuses primarily on sites for residential development, we are also looking for sites for other uses, such as sites for Employment, Health, Schools, Gypsy and Traveller, and 'Other' uses.

Unfortunately, we cannot treat any of the information you provide as confidential.

Please do not submit sites that already have planning permission for development, unless a new and different proposal is likely in the future

If you wish to update any information about a site previously submitted please use relevant sections of the form.

## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Rural Estate land at Waterdell, adj to Mount Pleasant JMI

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site** (hectares)

10.49ha

**Current use(s)**

Arable Farming

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

This site is part of the HCC Rural Estate and is currently leased to tenants.

**b. Awaiting relocation of current use**

n/a

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

|         |           |              |
|---------|-----------|--------------|
| To 2020 | 2021-2031 | 2031 onwards |
|---------|-----------|--------------|



**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

n/a

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

n/a

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

Close proximity to TPO areas

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt, Landscape Development Area

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

The design and layout of any development would consider the impact upon the protected trees.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

Between 30 and 40 dwellings could be accommodated on the site subject to feasibility.

**Sketch scheme** (submitted for information if necessary)

Yes / No

**Is there any other information that you would like to provide in relation to your proposed site?**

If yes, please give details below (and attach if necessary)

This site has been previously submitted.

# Site Plan 5 - Rural Estate land at Waterdell, adj to Mount Pleasant JMI



PROJECT TITLE  
**Land at Waterdell,  
 BRICKET WOOD**

DRAWING TITLE  
**Site location plan**

|                            |                            |            |
|----------------------------|----------------------------|------------|
| SCALE<br><b>1:10000</b>    | DATE<br><b>AUGUST 2007</b> | CHECKED    |
| PROJECT No.<br><b>4695</b> | DRAWN<br><b>HP</b>         | DATE       |
|                            | <b>N</b>                   | <b>060</b> |

**VINCENT AND GORBING**  
**CHARTERED ARCHITECTS AND TOWN PLANNERS**  
 STERLING COURT NORTON ROAD STEVENAGE HERTS  
 TELEPHONE: 01438 316331 FAX:01438 722035

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**Site 6**

**Rural Estate land at Highfield Farm, Tyttenhanger**

## Call For Sites - Site Identification Form

**Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.**

Please return the **site map and form** to the Spatial Planning Team

**By online consultation portal:** [www.stalbans.gov.uk/callforsites2018](http://www.stalbans.gov.uk/callforsites2018)

**By e-mail to:** [planning.policy@stalbans.gov.uk](mailto:planning.policy@stalbans.gov.uk)

**By post to:** St Albans Council Offices, St Peters Street, St Albans, AL1 3JE

This form has two parts –

**Part A** – Site Identification. Please submit a separate form for each site you wish to promote.

**Part B** – Contact details (you need only submit one copy of Part B).

Please provide **a map** clearly identifying the extent of the site.

Please give your email address/postal address so that we can contact you to clarify site information if needed.

You are invited to put forward any new sites, and the latest information/position regarding existing/known sites, that you would like the Council to consider for its new Local Plan.

Although this 'Call for Sites' focuses primarily on sites for residential development, we are also looking for sites for other uses, such as sites for Employment, Health, Schools, Gypsy and Traveller, and 'Other' uses.

Unfortunately, we cannot treat any of the information you provide as confidential.

Please do not submit sites that already have planning permission for development, unless a new and different proposal is likely in the future

If you wish to update any information about a site previously submitted please use relevant sections of the form.

## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Rural estate land at Highfield Farm, Tyttenhanger

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site (hectares)**

Approximately 97ha

**Current use(s)**

Agricultural Land, Farm buildings, Forestry, etc.

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

The site forms part of the HCC Rural Estate and is currently leased to tenants.

**b. Awaiting relocation of current use**

n/a

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

To 2020

2021-2031

2031 onwards

**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

n/a

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

There are three listed buildings within the site boundary.

The site is designated as an Archaeological site subject to recording condition (Local Plan Policy 111).

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

Close proximity to TPO areas

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt, Landscape Development Area

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

Any potential impact on the setting of the listed building and the archaeology could be mitigated through design and layout of any proposed development.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

Low density due to the listed buildings on the site.

**Sketch scheme** (submitted for information if necessary)

Yes / No

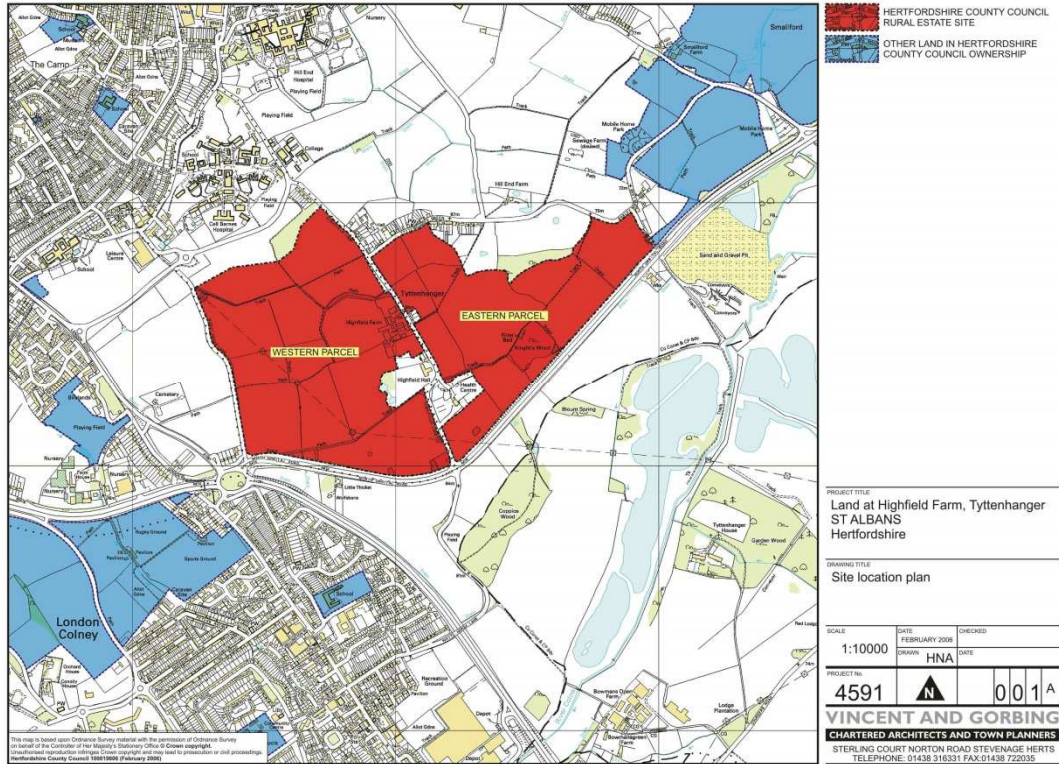
**Is there any other information that you would like to provide in relation to your proposed site?**

If yes, please give details below (and attach if necessary)

Previous feasibility considered that development on the site should be concentrated around the existing farm buildings which may be suitable for conversion to residential with some additional new build.



# Site Plan 6 - Rural estate land at Highfield Farm, Tyttenhanger



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**Site 7**

**Former Radlett Airfield , Radlett**



## Call For Sites - Site Identification Form

Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.

Please return the **site map and form** to the Spatial Planning Team

**By online consultation portal:** [www.stalbans.gov.uk/callforsites2018](http://www.stalbans.gov.uk/callforsites2018)

**By e-mail to:** [planning.policy@stalbans.gov.uk](mailto:planning.policy@stalbans.gov.uk)

**By post to:** St Albans Council Offices, St Peters Street, St Albans, AL1 3JE

This form has two parts –

**Part A** – Site Identification. Please submit a separate form for each site you wish to promote.

**Part B** – Contact details (you need only submit one copy of Part B).

Please provide **a map** clearly identifying the extent of the site.

Please give your email address/postal address so that we can contact you to clarify site information if needed.

You are invited to put forward any new sites, and the latest information/position regarding existing/known sites, that you would like the Council to consider for its new Local Plan.

Although this 'Call for Sites' focuses primarily on sites for residential development, we are also looking for sites for other uses, such as sites for Employment, Health, Schools, Gypsy and Traveller, and 'Other' uses.

Unfortunately, we cannot treat any of the information you provide as confidential.

Please do not submit sites that already have planning permission for development, unless a new and different proposal is likely in the future

If you wish to update any information about a site previously submitted please use relevant sections of the form.

## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Former Radlett Airfield

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site** (hectares)

Approximately 119ha

**Current use(s)**

Former Airfield/mineral extraction and restoration site.

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

n/a

**b. Awaiting relocation of current use**

n/a

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

To 2020

2021-2031

2031 onwards

**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

n/a

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

Part of the site in the west lies within the Conservation Area of the Park Street Frogmore Character Area.  
Article 4 Direction

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

Close proximity to Historic Parks

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt, Landscape Development Area

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

Any potential constraints could be mitigated through design and development management.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

This site would be a suitable location for a Garden Village. Approximately 2,000 houses could be provided with employment uses and supporting infrastructure.

**Sketch scheme** (submitted for information if necessary)

No

**Is there any other information that you would like to provide in relation to your proposed site?**

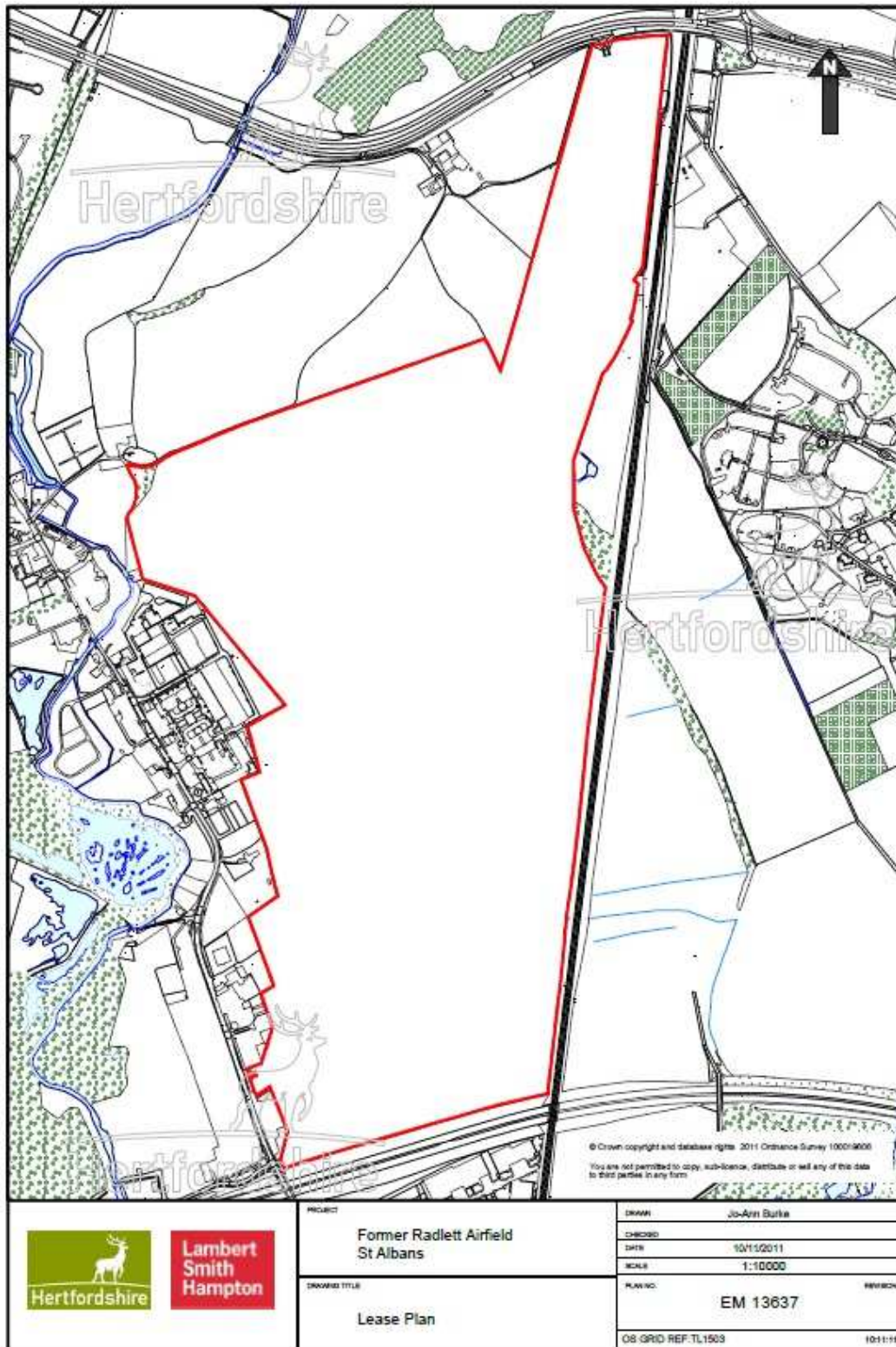
If yes, please give details below (and attach if necessary)

This site forms the major part of land bounded by the M25 Motorway to the south, the Midland Main Line railway to the east, the A414 principal road to the north and the urban edge of Park Street to the east. It is located only three miles to the south of St Albans. It is a 'self-contained' block of land, with long term defensible boundaries, where the County Council is the majority land owner, and the remaining minor part is in a single ownership. See on plan the attached, HP2959, and the County Council's land is shown edged red.

These lands already have outline planning permission, granted by the Secretary of State, for development as a Strategic Rail Freight Interchange (SRFI), to meet a north of London regional transport infrastructure need. It is anticipated that full detailed planning permission will be agreed by SCADC, at its Committee on 5 March 2018. Once reserved matters are approved and all conditions precedent have been satisfied, the development of the SRFI scheme can be lawfully begun and if that occurs the planning permission will then enure permanently for the benefit of the lands. The County Council has not been approached to make its land available but if it is it will have to make its decision in accordance with public law principles.

It is considered that the site is large enough to accommodate a Garden Village, which could include housing and employment along with the infrastructure to support the community, including schools.

# Site Plan 7 - Former Radlett Airfield



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**Site 8**

**Carpenter's Nursery, Sandridge**

## Call For Sites - Site Identification Form

Residential, Employment, Health, Schools, Gypsy and Traveller, 'Other' uses.

Please return the **site map and form** to the Spatial Planning Team

**By online consultation portal:** [www.stalbans.gov.uk/callforsites2018](http://www.stalbans.gov.uk/callforsites2018)

**By e-mail to:** [planning.policy@stalbans.gov.uk](mailto:planning.policy@stalbans.gov.uk)

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Please provide **a map** clearly identifying the extent of the site.

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If you wish to update any information about a site previously submitted please use relevant sections of the form.

## Part A: Site Identification Form

**Site address:** Please provide a brief description e.g. land to the south west of (settlement), between the A500 and railway.

Carpenter's Nursery, Sandridge

**Ownership details:** Please indicate whether freehold or leasehold and length of lease (it is possible that a site may be in multiple ownership).

Freehold

**Area of site** (hectares)

Approximately 23.52ha

**Current use(s)**

Agricultural Land, Nursery

**Are there any factors that could make the site unavailable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Ownership Constraints** (e.g. multiple ownerships, ransom strips, tenancies, operational requirements)

Part of the site was re-let to Carpenter's Nursery in 2015 for a 20 year term.

**b. Awaiting relocation of current use**

n/a

**c. Level of developer interest** (i.e. low, medium, high)

n/a

**d. Likely timeframe for development (i.e. completion).** Please indicate if you anticipate that development may be split over different time periods.

|         |           |              |
|---------|-----------|--------------|
| To 2020 | 2021-2031 | 2031 onwards |
|---------|-----------|--------------|

**Are you aware of any particular constraints that might make the site unsuitable for development?** (Please provide any details in the boxes labelled a to d below)

**a. Environmental Constraints** e.g. floodplain, Sites of Special Scientific Interest (SSSIs) or Local Nature Reserve, sites of geological importance.

n/a

**b. Other Designations** e.g. Conservation Area, Listed Buildings, Archaeological Sites.

Part of the site in the north lies within the Archaeological Sites (subject to Recording Conditions) (Local Plan Policy 111).

**c. Physical Constraints** e.g. poor access, steep slopes, uneven terrain, ground contamination, Tree Preservation Orders

Close proximity to TPOs, Article 4 Direction and Ancient Monuments

**d. Policy Constraints** e.g. Green Belt, Landscape Character Area, high quality agricultural land, designated employment area, public or private green space, site with social or community value.

Green Belt, Landscape Development Area

**If any constraints have been identified above, do you think that they could be overcome? If so, how?**

The proximity to Archaeological Sites would need to be considered through design and layout of any development.

**What is the estimated number of dwellings that could be provided on the site?**

You will need to take into account matters such as:

- appropriate site densities to reflect local circumstances.
- overall size and character of the site
- suitable housing mix for the site

No feasibility has been undertaken for this site so it is not known how the archaeology could impact upon the developable area. If 50% of the site is developed at 30 dwellings per hectare approximately 350 residential units could be provided on the site.

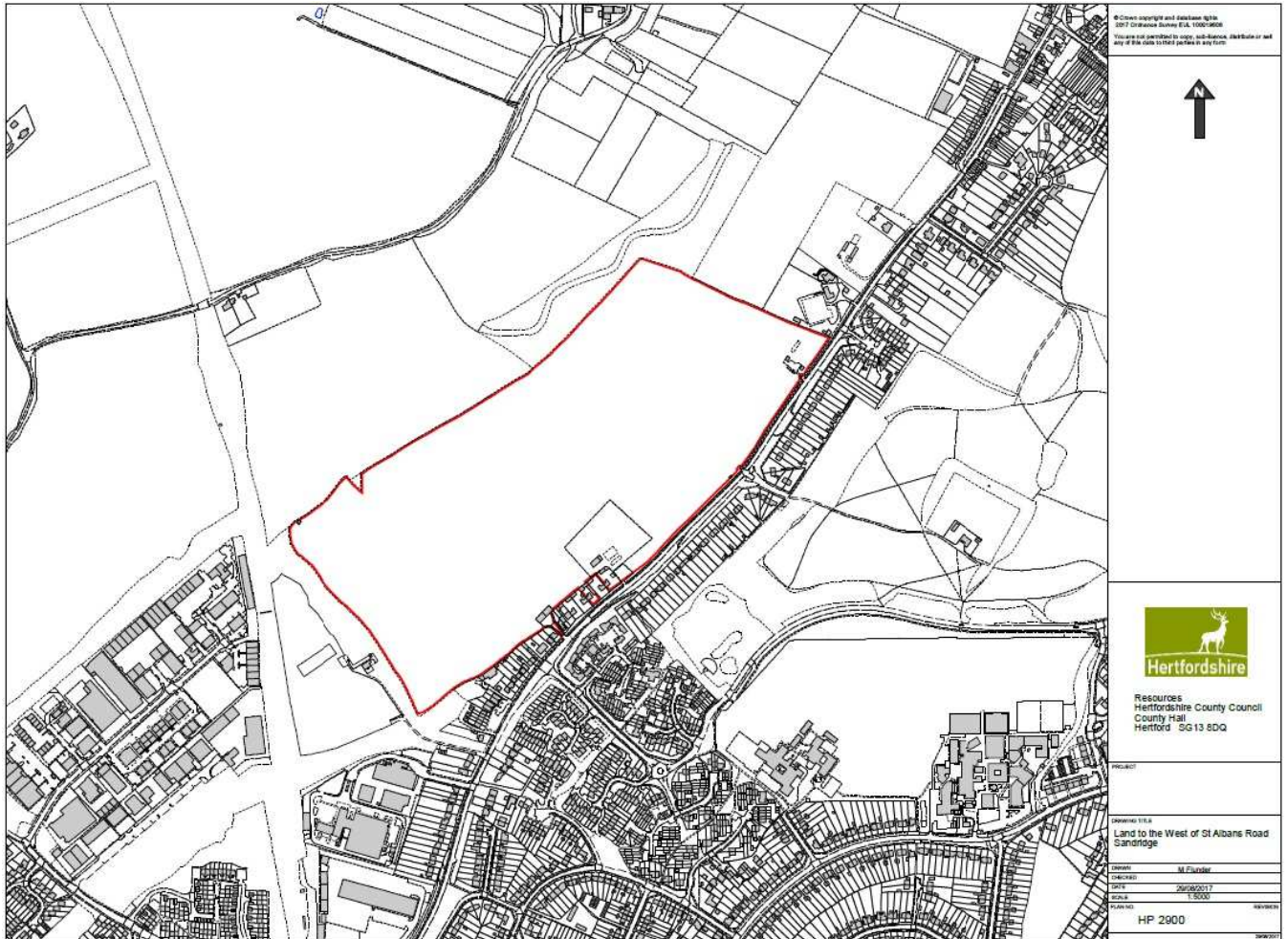
**Sketch scheme** (submitted for information if necessary)

Yes / No

**Is there any other information that you would like to provide in relation to your proposed site?**  
If yes, please give details below (and attach if necessary)



# Site Plan 8 - Carpenter's Nursery, Sandridge



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**Part B: Contact Details**

**Name**

Andrea Gilmour

**Company/Organisation (if relevant)**

Hertfordshire County Council

**Address**

Development Services,  
Hertfordshire County Council,  
County Hall,  
Pegs Lane,  
Hertford SG13 8DQ

**Telephone number**

01992 556477

**Email address**

[development.services@hertfordshire.gov.uk](mailto:development.services@hertfordshire.gov.uk)

Please tick all of the following that apply to you:

|                                   |                                     |
|-----------------------------------|-------------------------------------|
| <b>Landowner</b>                  | <input checked="" type="checkbox"/> |
| <b>Land agent</b>                 | <input type="checkbox"/>            |
| <b>Planning consultant</b>        | <input checked="" type="checkbox"/> |
| <b>Registered social landlord</b> | <input type="checkbox"/>            |
| <b>Developer</b>                  | <input type="checkbox"/>            |
| <b>Other</b>                      | <input type="checkbox"/>            |

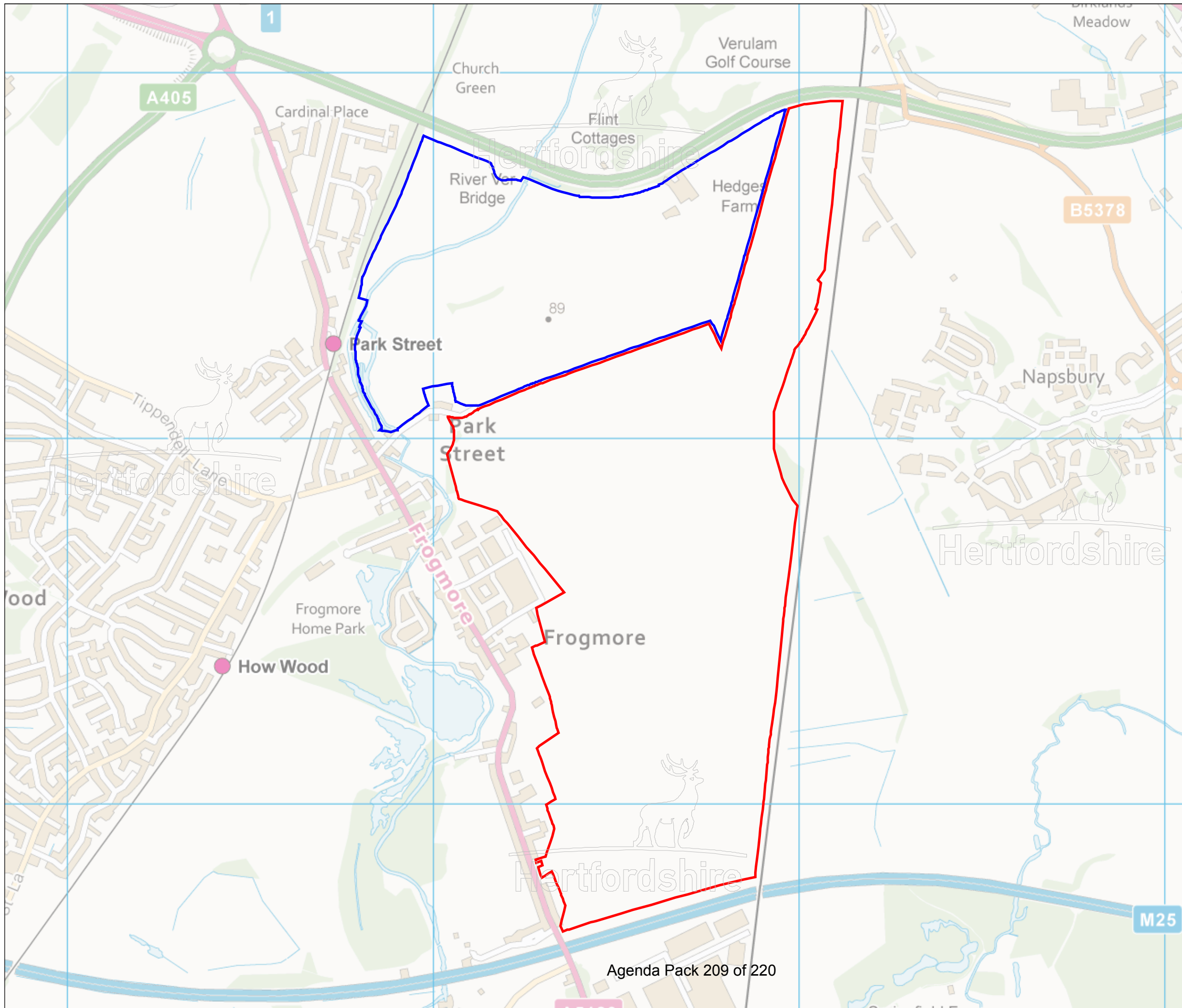
**St Albans City and District Council Call for Sites Consultation (Jan/Feb 2018)**  
**Hertfordshire County Council sites (sites in red are no longer being promoted)**

| Site Name  | Existing Feasibility  | Feasibility Required  | Reason for no longer promoting this site  |
|--|---|---|---|
| Detached playing field, Aboyne Lodge School                    | High level highway assessment (2008)<br>Planning Appraisal  | Archaeology/heritage asset assessment<br>Ecological appraisal<br>High Level Highway Assessment<br>Tree Survey | Relocation of school required. No opportunity in the town centre. Site required for school use.   |
| Smallford Farm and Smallford Pit, Smallford                    | None  | Planning feasibility – to look at site capacity, masterplanning and environmental constraints                 | Smallford Pit is contaminated and requires remediation.   |
| Land at Perham Way, London Colney                              | Planning application to be submitted subject to re-providing tennis courts  |   | Planning application about to be submitted.   |
| Land south of Napsbury   | Detailed technical feasibility work (2007/9) carried out and representations submitted to LPA proving capacity of site to accommodate circa 447 dwellings (V&G)                     | Refresh of 2007/9 feasibility work  |   |
| Land north of Napsbury   | Detailed technical feasibility work (2007/9) and representations submitted to LPA proving capacity of the site to accommodate 149 dwellings and a 2 form entry primary school (V&G) | Refresh of 2007/9 feasibility work  |   |
| Smallford Recreation Ground, Oaklands Lane, St Albans          | None  | Planning appraisal<br>High Level Highway Assessment<br>Archaeology assessment<br>Ecological appraisal         | No suitable alternative site to relocate playing pitches (detached playing field for Onslow St Audrey's School, Hatfield) and sports facilities |
| Land East of Kay Walk, St Albans                               | None  | Planning feasibility – to look at site capacity, masterplanning and environmental constraints                 |   |
| Land to rear of Harpenden Fire Station, Leyton Road, Harpenden | None  | HLHA<br>Archaeology/heritage asset assessment<br>Tree Survey<br>Ecological Appraisal                          | Submit planning application.  |

**St Albans City and District Council Call for Sites Consultation (Jan/Feb 2018)**  
**Hertfordshire County Council sites (sites in red are no longer being promoted)**

|   |   |   |  |
|---|---|---|--|
| Redbourn Library,<br>Lamb Lane,<br>Redbourn                             |   | None  | Planning application submitted<br>September 2017.                      |
| Land at Stephens<br>Way and<br>Flamsteadbury Lane,<br>Redbourn          | None  | Planning feasibility – to look at site capacity,<br>masterplanning and environmental constraints<br>Tree Survey   |  |
| Rural Estate land at<br>Waterdell, adjacent<br>to Mount Pleasant<br>JMI | None - Reps made to Core Strategy<br>consultations identifying potential<br>contribution to enabling expansion of<br>primary school.                                      | Planning feasibility – to look at site capacity,<br>masterplanning and environmental<br>constraints<br>Tree Survey  |  |
| Land at Highfield<br>Farm, Tyttenhanger                                 | Planning feasibility (Nov 2017) AMEC  | None – planning application for residential<br>redevelopment of existing farm buildings to<br>be submitted outside of Local Plan process                          |  |
| Former Radlett<br>Aerodrome, Radlett                                    | Indications from the early work of TW<br>and Harrow Estates provide evidence that<br>the site is potentially suitable and<br>deliverable to meet housing growth<br>needs. | The site access would need to be identified,<br>and the SFRI scheme includes a Park Street<br>bypass.   |  |
| Carpenter's Nursery,<br>Sandridge                                       | Planning appraisal (2017)   | Planning feasibility – to look at site capacity,<br>masterplanning and environmental<br>constraints<br>Archaeology assessment                                     |  |
| Land at Kingfisher<br>Close,<br>Wheathampstead                          | None  | Flood Risk Assessment<br>Topographical survey<br>Transport Statement<br>Tree Survey<br>Ecological appraisal<br>Potential site layout/design<br>Planning Statement | Commission site feasibility work and<br>submit a planning application. |

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- Hertfordshire CC
- Gorehambury Estate



Resources  
 Hertfordshire County Council  
 County Hall  
 Hertford SG13 8DQ

PROJECT  
 Former Radlett Airfield

DRAWING TITLE  
 Location Plan

|          |              |
|----------|--------------|
| DRAWN    | J. Nunn      |
| CHECKED  |              |
| DATE     | 26/01/2018   |
| SCALE    | 1:10000 @ A3 |
| PLAN NO. | HP 2959      |
|          | REVISION     |



**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**LAND AT FOXGROVE PATH, SOUTH OXHEY – TO CONSIDER THE  
FUTURE OF THE LAND**

Report of the Director of Resources

Report Author: Sharon Roskilly, Senior Estates Officer  
01992 555988

Executive Member: David Williams, Leader of the Council (as responsible for  
Resources, Property & the Economy portfolio)

Local Member: Joan King, South Oxhey & Eastbury

**1. Purpose of report**

1.1 To enable Members to consider the future of the land at Foxgrove Path, South Oxhey.

**2. Summary**

2.1 The County Council holds the freehold title to the land at Foxgrove Path, South Oxhey, which comprises approximately 1.55 hectares (3.84 acres) of grazing land. An asset plan (number 00182501) is attached at Appendix 1.

2.2 The land was acquired as part of a portfolio of sites for new schools from the London County Council in 1958. Although acquired originally for education purposes, it has never been used for educational use.

2.3 The land is allocated within the Three Rivers District Council's Local Plan local plan for housing and a planning application has been submitted by the County Council for 49 new dwellings (including affordable housing). A decision on the application is expected shortly.

**3. Recommendations**

3.1 The Resources, Property and the Economy Cabinet Panel is invited to recommend to Cabinet that Cabinet:-

- i) declares the land at Foxgrove Path, South Oxhey, as shown on the plan at Appendix 1 to the report, surplus to requirements and be disposed of.

- ii) delegates to the Director of Resources in consultation with the Leader of the Council (as responsible for the Resources, Property and the Economy portfolio) and the Executive Member for Environment, Planning and Transport the authority to agree the terms of the sale of the land and dispose of the land at Foxgrove Path, South Oxhey.

#### **4. Background**

- 4.1 The land is currently part of the County Council's Corporately Managed Property Portfolio and subject to a yearly grazing licence. An aerial view of the land is attached at Appendix 2.
- 4.2 The land does not perform any current service use and is considered surplus to requirements. It is noted within the County Council's current Asset Management Plan as "not fit for purpose".
- 4.3 The options for the future of the land are to;
  - a) Do nothing; the land continues to be managed and let for grazing;
  - b) To dispose of the land subject to a satisfactory planning permission consent and completion of all necessary approvals and pre-sale processes.
- 4.4 Option a) is not recommended due to the low value rental receipts and ongoing costs of management.
- 4.5 Option b) considers the sale of land, which with the benefit of outline planning permission consent for residential redevelopment which will yield a significant capital receipt.

#### **5. Property Implications.**

- 5.1 The County Council will be disposing of surplus land which is currently managed as part of the County Council's corporately managed estate and let on an annual grazing licence.

#### **6. Financial Implications.**

- 6.1 The County Council has and will continue to seek independent property and valuation advice regarding the disposal of the land at Foxgrove Path and will ensure compliance with section 123 of Local Government Act 1972 to ensure best consideration is received on disposal of the land.
- 6.2 This report should be read in conjunction with the accompanying Part II report which sets out existing and alternative use valuation detail.

## **7. Equality Act 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 EqIA has not been completed at this stage of the process. This will remain under review although there are not any direct equality implications arising from this report.

### *Background Information*

*None.*



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Hertfordshire County Council 100019606 2009



**Property Solutions**  
**Lambert Smith Hampton**

45 Grosvenor Road  
St Albans  
Hertfordshire  
AL1 3AW  
Switchboard 01272 834234  
Facsimile 01272 896262  
www.lsh.co.uk



**HCC Land Asset Plan**

|  |           |
|--|-----------|
|  | Freehold  |
|  | Leasehold |

Asset Name  
**Detached Playing Field Let for Grazing at Foxgrove Path  
12 Foxgrove Path  
South Oxhey**

|                          |              |
|--------------------------|--------------|
| Terrier Ref.             | H151E        |
| Site area                | 1.555 ha     |
| Land Registry Title No.  | Unregistered |
| Ordnance Survey map ref. | TQ1192SE     |
| Reference Date           | 01/04/2009   |
| Event Change Date        | 00/00/0000   |
| Operational Designation  |              |
| Drawn                    | Jo-Ann Burke |
| Checked                  | LJ           |
| Scale                    | 1:1250       |

UPRN  
**00182501**



**HERTFORDSHIRE COUNTY COUNCIL**

**RESOURCES, PROPERTY & THE ECONOMY CABINET PANEL  
WEDNESDAY, 14 FEBRUARY 2018 AT 10:00AM**

**WHEATSHEAF FARM, HIGH CANONS, BOREHAMWOOD – TO  
CONSIDER THE FUTURE OF THE FARMHOUSE AND FARM BUILDINGS**

Report of the Director of Resources

Report Author: Sharon Roskilly, Senior Estates Officer  
01992 555988

Executive Member: David Williams, Leader of the Council (as  
responsible for the Resources, Property and the  
Economy portfolio)

Local Member: Morris Bright, Potters Bar West & Shenley

**1. Purpose of Report**

1.1 To enable Members to consider the future of the farmhouse and farm buildings at Wheatsheaf Farm, High Canons, Borehamwood.

**2. Summary**

- 2.1 The County Council holds freehold title to the farmhouse and farm buildings at Wheatsheaf Farm Borehamwood. The farm was held as part of the County Council's Rural Estate and declared surplus to service needs in 2017.
- 2.2 Wheatsheaf Farm is located within the Metropolitan Green Belt and the Farmhouse is Grade 2 listed. The farm also contains an identified County Wildlife Site (the pond). All of the buildings are in a poor state of repair and significant capital expenditure would be required to permit reoccupation.
- 2.3 The property was taken out of use by the Rural Estate and is now managed as part of the County Council's Property Management Agreement (PMA) contract whilst town planning issues and opportunities for future use of the listed building have been more fully investigated.
- 2.4 Early discussions with Hertsmere Borough Council as Local Planning Authority have identified the potential for two/ three additional dwellings (as additions to that of the Farmhouse Block). The approval of the Secretary of State will also be required as the property is subject to the Green Belt Act 1938.

- 2.5 Approval is sought to allow disposal of the farmhouse block and farm buildings once outline planning permission and all other relevant consents have been obtained.
- 2.6 The disposal would reflect the enhanced value of the site due to the outline planning consent and result in the realisation of a capital receipt for the County Council.
- 2.7 The remaining 15 acres of grazing land at Wheatsheaf Farm are adjacent to other areas of farm land held by the County Council's Rural Estate. The 15 acres are to be retained by the County Council and re-let as part of the County's Rural Estate.

### **3. Recommendations.**

- 3.1 The Resources, Property and The Economy Cabinet Panel is invited to recommend to Cabinet that Cabinet :-
  - i) approves that the farmhouse block and farm buildings at Wheatsheaf Farm, as marked red and blue on the Site Location Plan (EM 14446) at Appendix 1 to the report are declared surplus and to requirements and disposed of subject to 3.1 (ii).
  - ii) delegates to the Director of Resources in consultation the Leader of the Council (as responsible for the Resources, Property and the Economy portfolio) and the Executive Member for Environment, Planning and Transport to agree and approve the terms of the sale and disposal of the farmhouse block and farm buildings at Wheatsheaf Farm and take such other steps as are appropriate to secure disposal of the site.

### **4. Background**

- 4.1 The County Council holds the freehold interest of the farmhouse and farm buildings at Wheatsheaf Farm, High Canons, Borehamwood. A Site Location Plan number EM14446 is attached at Appendix 1. The holding includes a Grade 2 listed farmhouse, annexe and outer buildings (edged red) and various equestrian buildings, yards and hard standing areas (edged blue).
- 4.2 The Grade 2 listed farmhouse dates from the 17<sup>th</sup> Century and has been extended to the north east to include a bedsit, additional rooms and a garage. There is a further range of small ancillary outer buildings and a garden to the rear.
- 4.3 The Wheatsheaf Farm stables are immediately adjacent to the farmhouse and comprise 22 stables, indoor menage, various associated outer buildings and hard standing area, together with

curtilage and yard areas. The farmhouse and stables areas have separate but adjoining access from the highway.

- 4.4 The County Council acquired the land as part of the High Canons Estate in 1937. A Green Belt Scheme deed between Hertfordshire County Council and London County Council dated 3<sup>rd</sup> March 1938 referred to these said lands as “hereby declared to be part of the Green Belt around London”.
- 4.5 The farm was identified in the Rural Estates Improvement Plan (REIP) in November 2003 (and 2011 plan review) as Non-Core, as it did not meet the service’s core objectives.
- 4.6 The land and buildings were previously let out to a tenant with an equestrian business but were subsequently vacated. The property was declared surplus to service needs in 2017 and currently forms part of the County Council’s Corporately Managed Property estate managed by its retained Property Management Agent.
- 4.7 The options for the future of the land are to;
  - a) Do nothing; the buildings continue to be managed as part of the County’s Corporately Managed Estate incurring management charges and the need for essential repairs and maintenance to keep the main buildings wind and weather tight,
  - b) The buildings are brought up to a tenantable standard and re-let; with the County Council providing a significant capital sum to fund the repair and refurbishment of the Grade 2 listed farmhouse and ancillary buildings.
  - c) To declare the buildings surplus and dispose of them subject to a satisfactory planning permission consent and completion of all necessary approvals and pre-sale processes.
- 4.8 Option a) is not recommended due to deteriorating condition of the listed buildings.
- 4.9 Option b) is not recommended as this would involve a considerable capital sum to fund the required works.
- 4.10 Option c) considers the sale of farmhouse and buildings, which with the benefit of outline planning permission consent for additional houses will yield a significant capital receipt.

## **5. Town Planning**

- 5.1 Wheatsheaf Farm is located within the Metropolitan Green Belt. The farm also contains an identified County Wildlife Site (the pond).

Planning enquiries have identified the potential for additional dwellings (in addition to that of the Grade 2 listed farmhouse and annexe).

- 5.2 The planning consultation with Hertsmere Borough Council is against the backdrop of the Grade 2 listed farmhouse and a heritage specialist is to be consulted with regard to this building and its immediate curtilage prior to submission of an outline planning application for replacement of the farm buildings with two or three new dwellings. Regard is also to be had to the rural location and the setting which incorporates the County Wildlife site (the pond).

## **6. Property Implications**

- 6.1 The County Council will be disposing of potentially surplus buildings with significant repairing liabilities and gaining an enhanced capital receipt.
- 6.2 The adjoining grazing land will be retained by the County Council and re let for farming use as part of its Rural Estate.

## **7. Financial Implications**

- 7.1 The County Council has and will continue to seek independent property and valuation advice regarding the disposal of the Wheatsheaf farmhouse block and farm buildings and will ensure compliance with section 123 of Local Government Act 1972 to ensure best consideration is received on disposal of the land.
- 7.2 This report should be read in conjunction with the accompanying Part II report which sets out existing and alternative use valuation detail.

## **8. Equality Act Implications**

- 8.1 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.
- 8.2 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.
- 8.3 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.

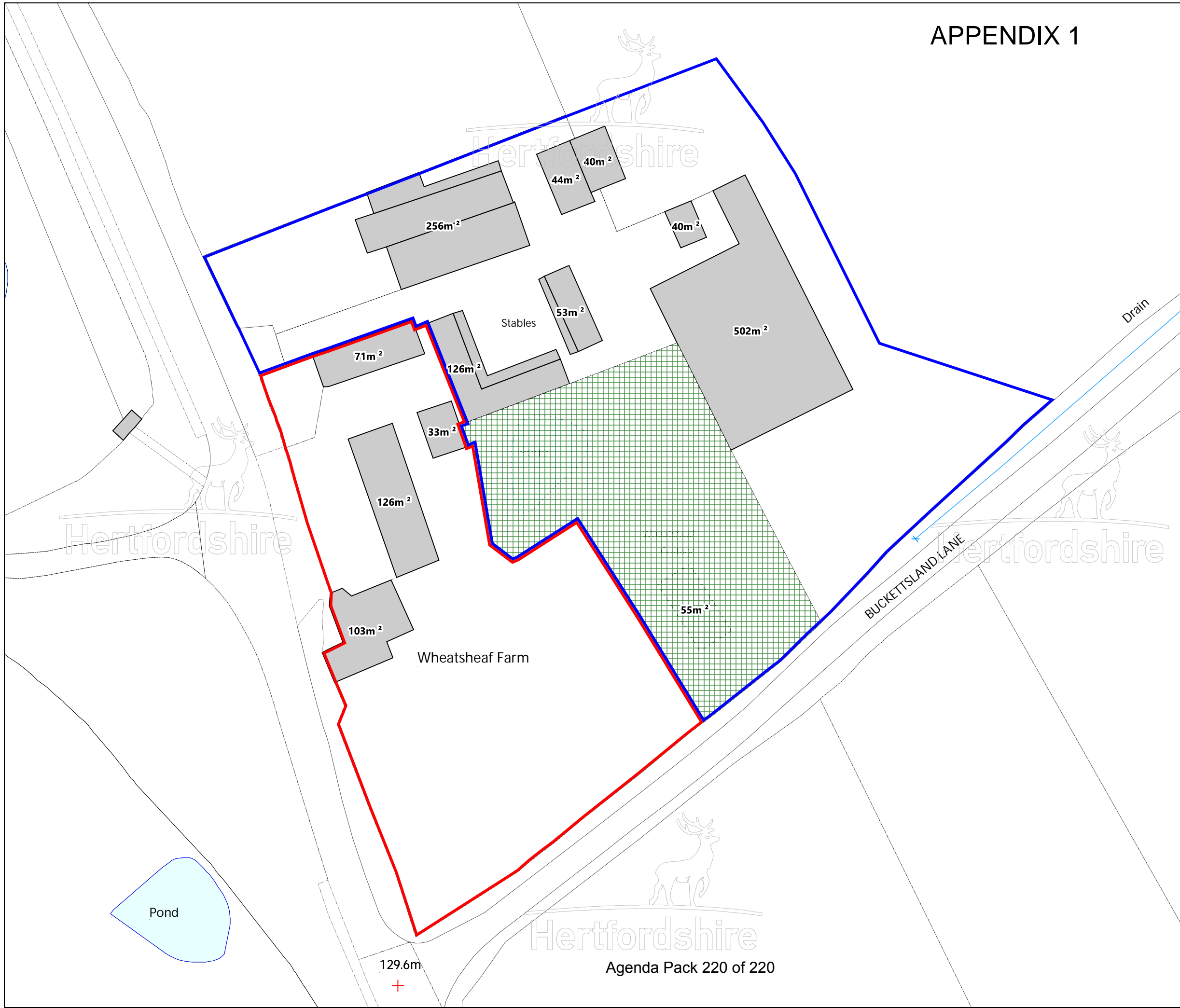
- 8.4 An EqlA has not been completed at this stage of the process. This will remain under review although there are not any direct equality implications arising from this report.

*Background Information*

*None.*

# APPENDIX 1

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PROJECT  
 Wheatsheaf Farm  
 Well End Road  
 Borehamwood

DRAWING TITLE  
 Site Location Plan

|                  |              |
|------------------|--------------|
| DRAWN            | Jo-Ann Burke |
| CHECKED          |              |
| DATE             | 04/08/2015   |
| SCALE            | 1:500@A3     |
| PLAN NO.         | EM 14446     |
| GRID REF: TQ2098 | 04/08/2015   |