

15 September 2009

Our Ref. IG/Council/24.9.09
Your Ref.
Contact. Ian Gourlay
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To: The Chairman and Members of North Hertfordshire District Council

You are invited to attend a

MEETING OF THE COUNCIL

to be held in the

**COUNCIL CHAMBER, COUNCIL OFFICES, GERONON
ROAD, LETCHWORTH GARDEN CITY**

on

THURSDAY, 24 SEPTEMBER 2009

at

7.30p.m.

Yours sincerely,



David Miley
Democratic Services Manager

AGENDA
PART I

ITEM	PAGE
1. APOLOGIES FOR ABSENCE	-
2. MINUTES To take as read and approve as a true record the Minutes of the meeting of the Council held on 25 June 2009.	-
3. NOTIFICATION OF OTHER BUSINESS Members should notify the Chairman of other business which they wish to be discussed by the Council at the end of the business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chairman will decide whether the item(s) raised will be considered.	-
4. CHAIRMAN'S ANNOUNCEMENTS Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a prejudicial or personal interest and are required to notify the Chairman of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a prejudicial interest can speak on the item, but must leave the room before the debate and vote.	-
5. PUBLIC PARTICIPATION To receive petitions, comments and questions from members of the public.	-
6. ITEM REFERRED FROM CABINET: 15 JULY 2009 MEDIUM TERM FINANCIAL STRATEGY 2010-2015	1
7. QUESTIONS FROM MEMBERS To consider any questions submitted by Members of the Council, in accordance with Standing Order 10.4(a).	37
8. NOTICE OF MOTIONS To consider any motions, due notice of which have been given in accordance with Standing Order 11.1. (a) Re-naming of Crime & Disorder Committee (b) Waste Disposal - Incineration	39

Future meetings of the Council have been scheduled to take place on:

Thursday, 3 December 2009;
Thursday, 4 February 2010;
Thursday, 25 February 2010;
Thursday, 8 April 2010.

COUNCIL

24 September 2009

***PART 1 – PUBLIC DOCUMENT**

AGENDA ITEM No.

6

TITLE OF REPORT: REFERRAL FROM CABINET – 15 JULY 2009 – MEDIUM TERM FINANCIAL STRATEGY 2010-2015

The following is an extract from the Draft Minutes of the Cabinet meeting held on 15 July 2009.

40. MEDIUM TERM FINANCIAL STRATEGY 2010-2015

The Portfolio Holder for Finance presented a report of the Strategic Director of Financial & Regulatory Services reviewing the existing Medium Term Financial Management Strategy and recommending changes to reflect new requirements; and providing the financial background to the Corporate Business Planning process for 2010 - 2015. The following documents were appended to the report:

Appendix 1 – Corporate Business Planning Cycle Diagram;

Appendix 2 – Financial Strategy 2010 - 2015.

The Portfolio Holder for Finance explained that the Financial Management Strategy was the Council's key financial planning document. It considered and encompassed the financial implications of the objectives and actions in the Corporate Plan and was thus an integral part of the Corporate Business Planning process.

The Portfolio Holder for Finance reminded Cabinet that, within the overall strategic context, the immediate priorities were:

- Green Issues – to include development of the Council's final climate change strategy and increasing opportunities for recycling and in-vessel composting;
- Sustainable Development – to include controlling development and preserving the District's greenbelt/rural way of life wherever possible; and
- Town Centres – to include delivery of actions arising from each of the District's four town centre strategies, sustaining town centre businesses.

The Portfolio Holder for Finance referred to Paragraph 4.6 of the report, which detailed a series of questions which would be asked to supplement the scoring system for all proposals to increase or reduce funding. He commented that the national economic situation suggested that Local Authorities would see no increase and possibly a decrease in Central Government funding over the coming years.

The Portfolio Holder for Finance explained that the Strategy set out at Appendix 2 to the report built on the existing Strategy and proposed the following changes:

- The assumptions contained within the Strategy had been reviewed;
- A change had been made to the Council Tax policy to reflect the current situation of a negative inflation rate and to seek to provide additional flexibility in decision making around Council Tax levels; and
- A change had been made to the de minimis levels for Capital, following a review of custom and practice elsewhere and the Council's accounting processes for asset management.

Members debated the Strategy and made the following amendments:

Paragraph 1.7 – this paragraph to be expanded to make reference to the Council's other partners, outside of those within Local Strategic Partnership;

Paragraphs 1.13 and 11.14 – first bullet point – amend to read “Ensuring that all of its limited resources.....”;

Paragraphs 1.13 and 11.14 – penultimate bullet point – add the word “staff” to the list of those whose views would be obtained on value for money ideas;

Paragraph 1.15 – replacement of the figure “£1 million” with “£750,000” as the likely level of additional funding to be achieved through the Local Area Agreement(1), and that reference be made to the potential targets for local area Agreement(2);

Paragraph 1.16 – to be re-worded to reflect the fact that the Sustainable Community Strategy was a document of the Local Strategic Partnership and not just the Council;

Section 9.0 – the heading should read “The Financial Context 2010-15”; and

Paragraph 9.7 – the final word should read “elsewhere” and not “where”.

RECOMMENDED TO COUNCIL: That the updated Medium Term Financial Management Strategy, as set out at Appendix 2 to the report, as amended, be adopted, and communicated to officers as the medium term financial framework for the Corporate Business Planning process.

REASON FOR DECISION: To assist in the process of forward planning the use of the Council’s resources and in budget setting for 2010/11 to 2014/15, culminating in the setting of the Council Tax precept in February 2010.

The following is the report considered by Cabinet at its meeting held on 15 July 2009 [Note: Appendix 2 has been revised to incorporate the amendments made by Cabinet].

TITLE OF REPORT: MEDIUM TERM FINANCIAL STRATEGY 2010-2015

REPORT OF THE STRATEGIC DIRECTOR OF FINANCIAL & REGULATORY SERVICES

PORTFOLIO HOLDER: COUNCILLOR T.W. HONE

1. PURPOSE OF REPORT

- 1.1 This report will
- Review the existing Medium Term Financial Management Strategy (MTFS) and recommend changes to reflect new requirements.
 - Provide the financial background to the Corporate Business Planning process for 2010-15

2. FORWARD PLAN

- 2.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 1st March 2009.

3. BACKGROUND

- 3.1 The Council has operated the current Corporate Business Planning process since 2001. As part of that process it has had a medium term (five year) financial management strategy which is rolled forward one year each year.
- 3.2 Cabinet last considered and approved the Financial Management Strategy at its meeting on 24 June 2008.
- 3.3 The Financial Management strategy is the Council's key financial planning document. It considers and encompasses the financial implications of the priorities and actions in the Corporate Plan and is thus an integral part of the Corporate Business Planning process.
- 3.4 The diagram at Appendix 1 shows the current Corporate Business Planning process.
- 3.5 Given the financial issues facing the Council for 2010/11, which were well documented and discussed during the 2009/10 Corporate Business Planning cycle, the whole timetable for Corporate Business Planning for 2010/11 has been brought forward to allow even more detailed consideration of priorities and resources than in previous years. When setting the budget for 2009/10, Members were aware that, without an improvement in the national economic position, a significant budget gap would exist from 2010/11 onwards and as a result agreed to enable consideration of two rounds of efficiency savings, one in July and one in October. The October cycle would also consider any opportunity for investment. Later on this agenda, there will be an opportunity to consider potential efficiencies which have been identified to date.

4. ISSUES

Policy Context

- 4.1 The key local policy context for the MTFS are the priorities and actions as detailed in the Corporate Plan. The Corporate Plan starts with the Vision for COUNCIL (24.9.09)

North Hertfordshire – “Making North Hertfordshire a vibrant place to live, work and prosper”. This vision was developed with all of our partners in the Local Strategic Partnership.

- 4.2 At its meeting on 11th June 2009, PARC considered the priorities for the 2009 review of the Corporate Plan and agreed that the emerging budget for 2010/11 should be guided by the immediate priorities
- Town Centres – to include delivery of actions arising from each of our four town centre strategies, sustaining our town centre businesses.
 - Green issues – to include development of our final climate change strategy and increasing opportunities for recycling and minimising waste.
 - Sustainability– to include controlling development and preserving our greenbelt/rural way of life wherever possible

These three areas will provide our short term focus and resources will therefore be moved (as far as is practicably possible given the limited flexibility of the existing budgets) and redirected towards activity that specifically takes these issues forward.

- 4.3 Within this overall strategic context, the Council will continue to work in a manner that delivers increasing value for money, performance and customer satisfaction. There are many aspects of the authorities day-to-day work which whilst not solely attributable to one of the priorities fall into this general category.
- 4.4 In line with the original Corporate Plan published in 2005 the Council is still working with partners to ensure North Hertfordshire remains a vibrant place where people can live, work and prosper. The aspiration to see communities that are safer, satisfied, sustainable, prosperous, healthy and equal is now firmly cemented into the Local Strategic Partnership’s (LSP) Sustainable Communities Strategy which was published in late 2008.
- 4.5 The Council has always recognised that these wider ambitions can only be realised through collaboration and partnership with the whole range of organisations involved in the LSP.
- 4.6 The MTFS contains details of the system used to determine the priorities for decision-making in setting the budget for 2010 - 2015 to ensure there are clear links back to the Corporate Plan priorities. A scoring mechanism for all proposals to increase or reduce funding, which considers the agreed political/policy direction, statutory obligation, mitigation of risk, evidence arising from consultation etc is supplemented by the following key questions:
- Is the item fundamental to delivery of the vision for the area of North Hertfordshire and delivery of the Council’s strategic priorities?
 - What is the realistic timescale required for the project, one or more years?
 - What are the risks involved in not proceeding with the project, spending the money or making the proposed reduction?
 - Will the increase result in quantifiable savings in future years – i.e. is it an invest to save bid and therefore contributes effectively to our efficiency agenda?
 - Does the reduction mirror the reduced priority determined by the Council in its Corporate Plan?
 - Will any cost reduction carry on in future years?

- 4.7 The Council has recognised that it must work with its partners to deliver the services required by the local population and we are active participants in the countywide Local Area Agreement (LAA) which could bring in the region of £1 million additional funds to the partner organisations if we are successful in meeting the agreed stretch targets.
- 4.8 The national economic situation suggests that Local Authorities will see no increase and possible a decrease in Central Government funding. Commentators are predicting the likelihood that there will be 7 to 10 years of public spending growth of 0.5 to 1.0% in real terms with the priorities being the National Health Service and Education. Consequently other services will see zero real increases or reductions. The effect of this is that if we are to fund new projects the cost must be met from reductions elsewhere in our spending or by generating additional income/precept subject to any capping or other restrictions.
- 4.9 The Corporate Business Planning process is designed to ensure that there is a thread running from the strategic political direction through to the individual member of staff and the process which starts at the strategic level with the Vision for the District continues through to individual employee level where, at the annual appraisal, the employee agrees a personal action plan which outlines the individual's contribution to achievement of the overall priorities.

Figure 1 – Corporate Business planning process



- 4.10 The proposed MTFS at Appendix 2 builds on the current strategy and proposes the following changes
- Review of the assumptions contained within the strategy.
 - A change to the current Council tax policy to reflect the current situation of a negative inflation rate and to seek to provide additional flexibility in decision making around Council tax levels.
 - A change to the de minimis levels for Capital following a review of custom and practice elsewhere and our accounting processes for asset management.
- 4.11 In accordance with our existing MTFS, the expected Council Tax increase for 2010/11 should be no higher than RPI plus two percentage points. RPI at the end of April was -1.2% and in order to preserve flexibility in the level of precept that could be raised, it is recommended that this be amended to read as follows:-
- “The expected Council Tax increase for 2010/11 should be no higher than RPI plus two percentage points or 0% plus two percentage points where RPI is a negative figure.”
- At this stage a figure of 0.5% has been used in Appendix 2. Were we to increase the figure to 2%, in the region of an additional £144k would be achieved with this financial benefit compounded in future years. A 2% increase in Council Tax would amount to an increase of 7 pence per week for a Band D property.
- 4.12 Our de minimis levels for 2009/10 were set at £28,000 for property and construction and £15,000 for vehicles, plant and equipment. A review of our accounting processes for asset management has indicated that there may be some legitimate capital expenditure which would fall under the current levels

eg:- a vehicle may now be purchased for less than £15,000. As a result and in order to ensure our Asset Register includes all material assets, it is suggested that we set a de minimis level at £20,000 for property and construction and £10,000 for vehicles, plant and equipment. These levels more closely reflect custom and practice elsewhere.

4.13 The MTFS at Appendix 2 lays out the financial background for the Corporate Business Planning process for 2010/11 and onwards and quantifies the financial constraints over the next 5 years.

4.13 The MTFS is a dynamic document which seeks to estimate the impact of future actions by or to the Council. It incorporates likely impacts on the policy context, demographic factors, statutory changes and new ways of working and plans their potential impact on the Council's financial position over the next five years.

5. LEGAL IMPLICATIONS

5.1 The purpose of the report is to outline a medium term financial management strategy for 2010 to 2015. The Use of Resources assessment carried out annually by the Audit Commission assesses authorities against a range of requirements, one of which is that the authority has a financial management strategy. There are no legal consequences at this stage in the process although Members are reminded of the duty to set a balanced budget.

6. FINANCIAL AND HUMAN RESOURCE IMPLICATIONS

6.1 There are no direct financial or human resource implications at this stage. Given the pressures identified in this report, in order to balance the budget and achieve a Council Tax figure in accordance with the agreed strategy, it will be necessary to find savings of over £1 million per annum with a peak of almost £2 million in 2012/13 when the next pension fund revaluation is due. The strategy assumes that contribution rates will rise significantly for 2012/13 unless a capital contribution can be made to pay off some of the deficit on the fund. In planning for the future, we seek an acceptable balance between reducing expenditure, increasing income from fees and charges, using balances and increasing the Council tax. The final decision on the District Council Tax level for 2010/2011 will be made at Council on 4 February 2010.

7. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

7.1 The approved Medium Term Financial Strategy will be communicated to members, staff and key stakeholders.

7.2 As part of the Corporate Business Planning process, Members will be consulted on the detailed budget proposals in the Member workshops in July and November 2009.

8. RECOMMENDATIONS

8.1 That Cabinet recommend to Council that the updated Medium Term Financial Strategy outlined in Appendix 2 be adopted and communicated to officers as the medium term financial framework for the Corporate Business Planning process.

9. REASONS FOR RECOMMENDATIONS

- 9.1 Adoption of a Financial Management Strategy and communication of the contents of the strategy will assist in the process of forward planning the use of Council resources and in budget setting for 2010/2011 to 2014/2015 culminating in the setting of the Council Tax precept in February 2010.

10. APPENDICES

- Appendix 1 Corporate Business Planning Cycle Diagram
Appendix 2 Financial Strategy 2010- 2015

11. CONTACT OFFICERS

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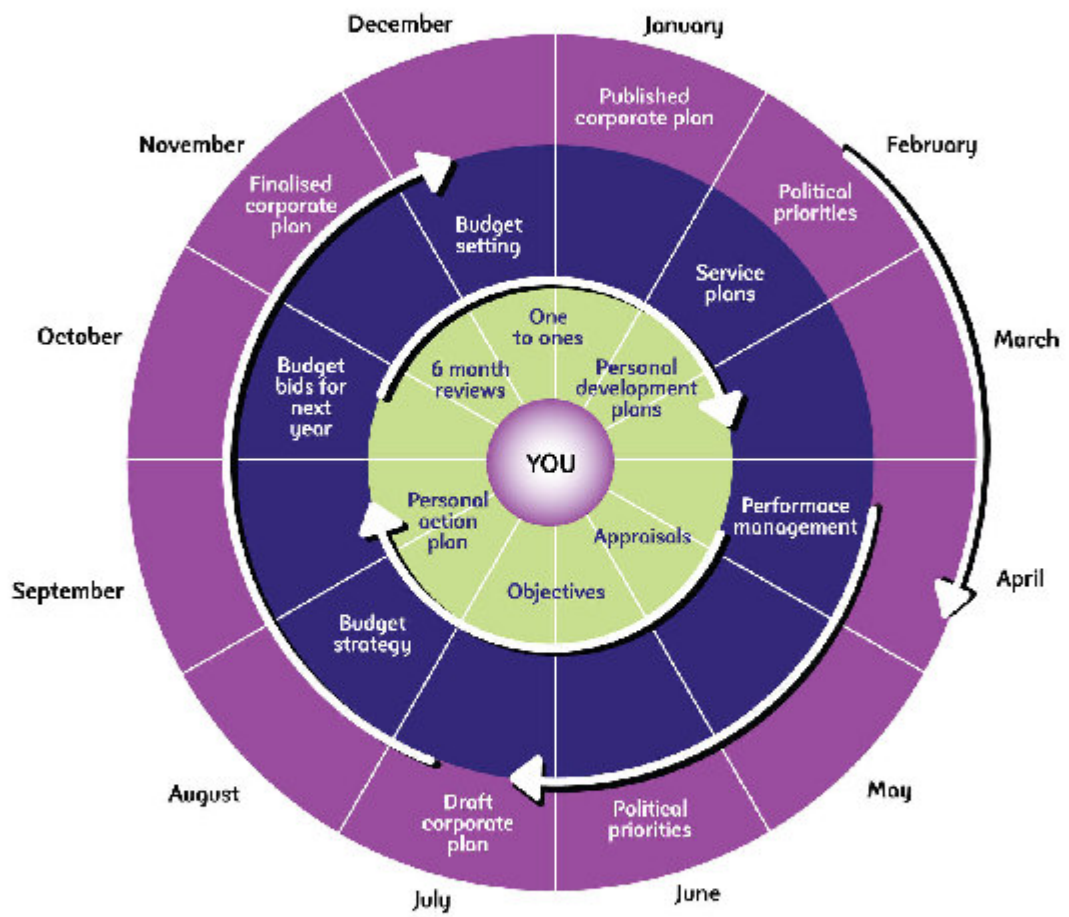
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12. BACKGROUND PAPERS

- 12.1 Corporate Plan
Estimates 2009/2010
Outturn figures 2008/09
Capital Programme – 2007/08 onwards
Detailed Capital Strategy 2009 onwards



NORTH HERTFORDSHIRE DISTRICT COUNCIL

MEDIUM TERM FINANCIAL MANAGEMENT STRATEGY

2010-2015

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1.0	The Context for our strategy Local policy context Value for money The national picture Demographic factors
2.0	Why do we need a medium term financial management strategy?
3.0	Corporate Business Planning – Review of past performance
4.0	North Hertfordshire Revenue Budget - the current picture
5.0	Income Policy
6.0	Capital Finance arrangements.
7.0	Where the money goes
8.0	Balances position - General Fund
9.0	The Financial Context 2010-2015
10.0	Risks inherent in the Assumptions
11.0	Medium Term Financial Management Strategy 2010/2015

MEDIUM TERM FINANCIAL MANAGEMENT STRATEGY 2010-2015

1.0 The Context for our strategy – the Local Policy context

- 1.1 The key local policy context for the MTFS are the priorities and actions as detailed in the Corporate Plan. The Corporate Plan starts with the Vision for North Hertfordshire – “Making North Hertfordshire a vibrant place to live, work and prosper”. This vision was developed with all of our partners in the Local Strategic Partnership.
- 1.2 Alongside the vision for the area, the Council has developed its own mission statement - “to work collaboratively with our partners and communities to deliver the vision for the district of North Hertfordshire.” This statement recognises that in order to achieve the overarching vision, the council must work with many partners now and increasingly so in the future. Collaboration and joint working provides the only effective mechanism to tackle the multi-faceted, cross-cutting issues that impact on the quality of life for residents in the district, and in turn provide potential economies of scale which the Council alone cannot achieve.
- 1.3 The Corporate Plan sits at the centre of our corporate planning framework which integrates Corporate Business Planning to ensure resources are redirected to priority areas. At its meeting on 11th June 2009, PARC considered the first stage of the 2009 review of the Corporate Plan and agreed that the three priorities for the Council would be
- Town Centres – to include delivery of actions arising from each of our four town centre strategies, sustaining our town centre businesses.
 - Green issues – to include development of our final climate change strategy and increasing opportunities for recycling and minimising waste.
 - Sustainable Development– to include controlling development and preserving our greenbelt/rural way of life wherever possible.
- These three areas will provide our short term focus and resources will therefore be moved (as far as is practicably possible given the limited flexibility of the existing budgets) and redirected towards activity that specifically takes these issues forward.
- 1.4 Within this overall strategic context, the Council will continue to work in a manner that delivers increasing value for money, support for the local economy, performance and customer satisfaction. There are many aspects of the authority’s day-to-day work which whilst not solely attributable to one of the priorities fall into this general category.
- 1.5 It is not anticipated that every relevant activity undertaken by the Council should be listed in a high level strategic document such as the Corporate Plan and it is therefore underpinned and informed by a series of Service plans covering the main areas of work of the Council. These plans, specific to each service are not written in isolation and our Heads of Service Team work together to identify areas where synergy, cross authority working or additional skills may be required to deliver an individual project. The service plans provide the detailed actions which ensure delivery of our priorities.
- 1.6 In line with the original Corporate Plan published in 2005 the Council is still working with partners to ensure North Hertfordshire remains a vibrant place where people can live, work and prosper. The aspiration to see communities that are safer, satisfied, sustainable, prosperous, healthy and equal is now firmly cemented into the Local Strategic Partnership’s (LSP) Sustainable Communities Strategy which was published in late 2008.
- 1.7 The Council has always recognised that these wider ambitions can only be realised through collaboration and partnership with the whole range of organisations including those involved in the LSP.

- 1.8 The emerging budget for 2009/10 will be guided by the review of the Corporate Plan actions and will reflect any financial implications.
- 1.9 Items submitted for consideration in terms of their efficiency or investment impact on budgets are 'scored' according to a basic set of criteria. Both the Council's Revenue and Capital Strategies require that revenue investment and efficiency options, and capital projects submitted by services are classified against 10 key factors, as outlined in the table below. The scoring has been applied to all considerations in order to determine the risk and effect of growth, reduction or complete removal of a service or project. New investment must be directed towards the three strategic priorities and on-going investment in "business as usual" activities must be linked to achieving improved Value for Money .

	Revenue	Capital	Points Score
1	Strategic Priorities	Strategic Priorities	5
2	Value for Money	Value for Money	5
3	Statutory pressures	Statutory pressures	4
4	Health & Safety	Health & Safety	5
5	Contractually inescapable	Contractually inescapable	5
6	Risk Management	Adverse impact on service	4
7	Consultation/Opinion Poll survey	Consultation/Opinion Poll survey	2
8	Condition survey	Condition survey	1
9	Service review	Service review	3
10	Invest to save	Invest to save	3

- 1.10 To assist in assessing whether an item is included in the MTFs, the following key questions, supplementary to the above, have been developed:-
- Is the item fundamental to delivery of the vision for the area of North Hertfordshire and delivery of the Council's priorities?
 - What is the realistic timescale required for the project, one or more years?
 - What are the risks involved in not proceeding with the project, spending the money or making the proposed reduction?
 - Will the increase result in quantifiable savings in future years – i.e. is it an invest to save bid and therefore contributes effectively to our efficiency agenda?
 - Does the reduction mirror the reduced priority determined by the Council in its Corporate Plan?
 - Will any cost reduction carry on in future years?
- 1.11 Items put forward for consideration are expected to have explored a number of areas;
- procurement options including partnership or shared working,
 - whether the effect on performance of the individual service will align with corporate aims, including taking account of the views of the Performance Audit and Review Committee on achieving national indicator targets to the Committee's agreed level.
 - comparative information (benchmarking) with other authorities

Value for money

- 1.12 The Council remains committed to the identification of efficiency measures and the delivery of value for money services. For many years the Council has sought to identify efficiency opportunities as being the most effective means to free-up resources to enable provision of new or enhanced services. Bids representing additional cost to existing services have had to demonstrate that no further offsetting efficiency savings could be made in that service area before their inclusion in the budget papers. The

Council will continue to strive to identify all such opportunities as part of the annual Corporate Business Planning process.

- 1.13 The Council proposes to achieve value for money by:
- Ensuring that all of its limited resources are allocated to its priorities through a vigorous corporate business planning process
 - Achieving service and budgetary targets through tight budgetary control and good project management
 - Systematically reviewing services for value for money by a process of benchmarking with our 'near' neighbours
 - Systematic Business Process Review of services
 - Maintaining the policy of competitive tendering and adopting best procurement practices
 - Minimising waste and achieving efficiency savings year on year
 - Measuring service quality against external objective quality standards such as:-
 - External accreditations such as Charter Mark, Investors in People etc
 - Nationally published performance indicators and appropriate locally determined performance indicators
 - Working with the Local Strategic Partnership and wide range of other partners
 - Listening to the views of residents, service users, businesses and staff and responding to service requirements
 - Promoting equality of opportunity
- 1.14 The Council has developed its Organisational Development Strategy as the main focus of our change management and improvement programme. It uses the opportunities arising from continuous service review through our internal Service Review processes and external inspections, such as the Audit Commission inspections and the Corporate Peer Review process to promote continuous improvement.
- 1.15 The Council is an active participant in the countywide Local Area Agreement (LAA) which could bring around £750K additional funds to the North Hertfordshire Local Strategic Partnership if we are successful in meeting the agreed stretch targets for LAA (1). The final amount is to be confirmed following audit and verification of the data on performance, which is already underway. Preliminary indications are that we are on course to achieve a number of the stretch LAA targets, certainly those we can directly influence, but that in itself presents a challenge in distributing the relevant reward grants allocated. The 'Performance Reward Grant' itself will be payable by central Government to the County Council as the LAA accountable body, then shared 50% to the County Council and 50% to the districts. Confirmation of amounts will be made in late December 2009/early January 2010. The North Herts Local Strategic Partnership itself is currently developing the knowledge and capacity of its members in order to increase their ability to determine where the reward grant received should be spent. A more formal governance and performance monitoring framework is being put in place, both at county and district level, in order to evidence that the authorities and partners receiving the funding allocation are spending it in the most effective areas, which will also potentially form evidence for review of CAA too in due course. We are also a key player in the Hertfordshire two tier 'Pathfinder', a scheme to improve joint working and efficiency between the various layers of local government.

Some of the key LAA1 achievements include:

- Increased the number of young people (aged 14-19) completing vocational qualifications from 2,245 to 13,292
- Decreased the number of permanent secondary exclusions from 194 to 169
- Encouraged 3,944 people seeking advice from business link, 429 of whom were supported in starting their own businesses

- Reduced the number of people who consider vandalism, graffiti and other deliberate damage to property or vehicles to be a big or fairly big problem in their local area from 41% to 35%

There were also some areas in which LAA1 targets were not met. These include:

- Reduce the percentage of people who consider people being drunk or rowdy in public places to be a problem from 31% to 27% (actual result was 31%)
- Increase the percentage of 45+ year olds who undertake exercise and physical recreation from 14.9% to 18.9% (actual result was 16.4%)
- Increase the number of people claiming incapacity benefit into work from 14 to 135 (actual result was 66)

1.16 Work commenced in the autumn of 2007 on establishing and agreeing the next set of LAA targets, LAA(2), developed through the structures first developed with partners for LAA1. The targets on this second tranche represent targets from a national framework (and measures of success form part of the National Indicator Set which the Council and other partners are already using in other performance reporting). These have been determined not only by direct consultation with participating authorities, but further informed by the revision of the Hertfordshire Community Strategy (Hertfordshire Forward) 2021; negotiations with central Government focussed on long standing issues remaining not only county wide, but also within a number of districts which needed to be addressed, hence they were a 'harder test' and demonstrated a greater element of stretch. The Performance Reward Grant for this second agreement will be considerably lower than that for LAA1, with a potential maximum of £7Million countywide, against £15-18Million for the first.

At this stage it is too early to assess overall direction of travel however there are some limited examples of good progress which include:

- Keeping 80% of young offenders in suitable education, training and employment
- Maintaining bus services running on time at over 80%
- Increasing the % of the population with level 2 qualifications by 2.8%

There are also some areas of concern, particularly those where performance is vulnerable to the effects of recession and may therefore be unable to be achieved. These include:

- NI152 – working age people on out of work benefits
- NI154 – net additional homes provided
- NI172 – percentage of small businesses in Herts showing growth
- NI116 – proportion of children living in poverty

At the time of final sign-off (summer 2008) improvement against these targets looked reasonable. However, the context for their delivery is now very different from that which was in place as discussions commenced in 2007, and the current economic climate makes their achievement unlikely. As a result the targets will be renegotiated in early 2010 and any impact this may have on the Performance Reward Grant informed to partner agencies following that discussion

We have worked with our partners in the LSP on the development of a revised Community Strategy, the LSP's first Sustainable Community Strategy, identifying key issues for the District and objectives to address them. The Sustainable Community Strategy provides a vision for the District through to 2021. It reflects the Local Development Framework and development requirements placed on the area, as well as greater integration of housing and other corporate strategic plans.

The national picture

- 1.17 The Authority faces increasing pressures to spend more each year, either on maintaining the services it already provides or in developing new services as a result of statutory requirement or changed political and public priorities
- 1.18 The budget element of the Corporate Business Planning system starts from the premise that Central Government (whatever its political persuasion) will wish to avoid increasing the Public Sector Borrowing Requirement (PSBR) and therefore will seek to control local government spending. Consequently there is unlikely to be any real increase in the amount of money Councils can spend.
- 1.19 The economic downturn and the fall in interest rates has had a significant impact on the Council's financial position. The national economic situation suggests that Local Authorities will see no increase and possibly a decrease in Central Government funding. Commentators are predicting the likelihood that there will be 7 to 10 years of public spending growth of 0.5 to 1.0% in real terms with the priorities being the National Health Service and Education. Consequently other services will see zero real increases or reductions. The effect of this is that if we are to fund new projects the cost must be met from reductions elsewhere in our spending or by generating additional income/precept subject to any capping or other restrictions.
- 1.20 In recent years, funding has switched from Revenue Support Grant (RSG) to specific grants for some areas of our expenditure eg:- Benefits administration. Other areas targeted for improvement by the Government have benefited from earmarked funding eg:- Planning Delivery Grant.
- 1.21 Often the earmarked funding is time-limited and in such cases, Members have taken the decision that the funding should not be used to support ongoing expenditure but rather should be used for one-off or invest to save projects which will improve performance without adding to on-going costs. This is a sound strategy which is followed for any performance related grant funding.
- 1.22 In 2008/09 the Council received some £2.412 million as earmarked grant funding. Often the announcements of this type of funding are made after the Council has set its annual budget making it difficult for Councils to plan ahead eg; the Local Authority Business Growth Incentive (LABGI) funding was announced in February after most authorities had set their budgets for 2008/09. Whilst North Hertfordshire received £70k funding from this source, some neighbouring districts with large business growth areas received significant sums which could have influenced the budget decisions.

ANALYSIS OF GOVERNMENT GRANTS:

	2007/08 £'000	2008/09 £'000
Revenue Activities		
Planning Delivery Grant	243	185
Other Planning Grants	18	78
Concessionary Bus Travel (start up grant)	58	0
Area Based Grant	109	105
Local Authority Business Growth Initiative	125	70
Defective Dwelling Grant	47	35
Home Office Homeless Grant	37	28
Admin Grant Local Housing Allowance and HBSD/IAD scan	88	45
Employment Support Allowance	33	0
Election Administration Grant	19	32
Benefit Admin and Fraud Initiative Grants	923	*475
Waste Performance & Efficiency Grant (DEFRA)	108	0
Growth Area Fund (GAF2)	36	1
Smoking Legislation Grant	50	0
Contaminated Land (Section 32) Grant	1	0
Disabled Facilities Grant	242	255
Climate Change Grant	0	22
Regional Capital Housing Pot	206	162
Total Other Grants	2,343	1,493
Capital Activities		
Growth Fund	0	830
Planning Delivery Grant	81	89
Local Housing Allowance	40	0
Total Capital Grants	121	919
Total Earmarked Grants	2,464	2,412

* The analysis of Government Grants is on a cash basis and there is a further debtor of £400K for this grant which would bring the total to £875K for 2008/09.

- 1.23 Other ear-marked funding is awarded on the basis of bids and the authority strategy is to focus on bidding for external funding which assists it in achieving its priorities rather than bid for funding just because it is available. Coupled with this the authority has developed its exit strategy approach for time-limited external funding so that services to the public do not suffer at the end of the funding period. We will not rely on time-limited finding for core activities and will always ensure that cost neutral arrangements are in place for service provision at the end of the funding period. An excellent example of this is the Local Area Agreement for Hertfordshire where the Council has actively resisted seeking funds to finance time limited project posts or pump priming grants requiring a commitment from the Authority of guaranteed funding, opting instead to secure funding for individual projects themselves.
- 1.24 The 2008/09 settlement announced on 6th December 2007 transferred £0.9bn of specific grants to the formula grant with a further 37 grants pooled into the new Area Based Grant which is expected to be spent by Local Strategic Partnerships(LSP) at the County level. The announcement also saw all authorities receive a three year settlement and this assisted with our forward planning. 2010/11 is the final year of the three year settlement and in terms of the Council's on-going forward planning, and in light of the comments made in paragraph 1.16 above, no increase in grant has been included from 2011/12 onwards.

Table 1 Formula grant figures for 2009/10 to 2010/11

	2009/10	Provisional 2010 /11
	£000's	£000's
<i>RSG</i>	1,479	N/A
<i>NNDR</i>	6,407	N/A
<i>Total</i>	7,886	8,070
<i>Adjusted Total</i>	7,886	8,070
<i>% increase</i>	1.86%	2.3%

- 1.25 Targeted capping was reintroduced in 2004/05. In the budget setting round for 2009/10, the government indicated that they expected to see Council tax increases substantially below 5% over the 2008/09 levels. The Government continues to indicate that it expects the maximum average council tax increase in England for 2010/11 to be no more than inflation. The strategy adopted by North Hertfordshire District Council is to stay within the capping limits.
- 1.26 The financial year 2005/06 saw the introduction of the Gershon efficiency Savings targets covering the years 2005-2008. For North Hertfordshire, this was £2.1 million (50% cash and 50% non-cash). This is less than the cash targets identified in the financial strategy 2005–2008 where we had set ourselves a target of reducing expenditure by £4.5 million over the three year period. Efficiency gains identified under the Gershon methodology for the three year period were in excess of £2.6 million, 24% above the target set. The identification and reporting of efficiency gains under the Gershon initiative has been integrated within the existing corporate processes operated by the Council. CSRO7 reviewed the Gershon efficiency target and set a revised figure of 3% per annum over a three year period. An announcement in the 2009 Budget has increased this figure to 4% as part of the expectation that authorities will deliver increased efficiency gains in 2010/11. This is part of authorities' contribution to the increased target for the public sector as a whole and is not set as a target per individual authority but rather a target for the sector as a whole. For North Hertfordshire, 4% would equate to efficiencies of at least £1.230 million per annum and now relates to cashable savings only. We are able to take advantage of the overachievement against previous targets.
- 1.27 In addition, the Council has formalised its approach to Value for Money, defining this as the relationship between Price, Performance and Perception. The completion of the Council's Efficiency Fundamental Service review has provided a methodology by which the service, performance and customer perception can be more closely linked to cost, enabling us to compare with statistically similar "nearest neighbour" and/or other appropriate comparator authorities and measure ourselves more critically. The Challenge Board has identified a programme of work using the Audit Commission value for money tool to review service areas where we appear at first sight to be high cost and drill down into the detailed reasons for this so that we can then make informed choices about any action that may be required. Challenge Board has also categorised services as Statutory, Discretionary or Mixed and this, combined with information on cost and performance is being used to inform decisions on potential areas for efficiency.
- 1.28 The Local Government and Public Involvement in Health Act received royal assent in 2007 and contained a number of new proposals, including;
- increasing the opportunity for the disposal of former council assets to community groups and organisations (the Quirk report detailing this proposal was published in May 2007)
 - increasing the opportunity to consider shared or delegated services to parishes
 - increasing the power for councillors to question planning decisions by relaxation of certain elements of the Code of Conduct
 - providing a new framework of partnership working and challenge with the health partners following restructure of PCTs and establishment of new Health Scrutiny arrangements
 - increasing powers of scrutiny to provide 'Call for Action' to tackle long standing issues

- changing the corporate performance management regime for all tiers of government, reducing the number of statutory indicators and the former Best Value requirement with a more holistic, district wide approach to measuring effects
- obligation placed on key partners to participate in development and delivery of plans

1.29 Our 'green issues' priority will impact on the work programme for the Council. Not only does the new National Waste Strategy set stretching targets for recycling, but opens the door for those targets to be reviewed more frequently in the future, to reflect the current momentum to increase sustainability and reduce the impact of climate change. This National Waste Strategy, the recent Energy Strategy and new targets for climate change will in turn inform our commitments, and those of our partners, within local delivery plans.

Demographic factors

1.30 Demographic factors affect the Council's planning in a number of ways :

- Changes in total population affect the Council's entitlement to Government grant under the current grant distribution formula
- Changes in the number of households affect the taxbase for Council Tax purposes and hence the total amount to be raised from this source
- The characteristics of the individuals making up the population and households has implications for the type and nature of many of the services provided by the Council since an increasing number of sole occupancy or pensioner households affects the Council Tax receipt from those units.
- The total population is 122,500 (2007 estimate) which compares with 116,908 at the April 2001 Census. Even without any developments it is projected that the population will be 141,200 in 2021. (Sub National Population published by ONS 12 June 2008).
- At 3.11 persons per hectare the population density is less than that for England (3.77) and less than half that for Hertfordshire (6.29) (2001 Census). That affects the per capita cost of delivering some services.
- The changing age profile shows that more people of 25-40 years of age are moving into the district, tempted here by short travelling distances to the City, but that they in turn spend money outside of the district during the day, and have greater use of internet and electronic facilities when they return home in the evening. The net out commuting balance is over 11,000 (ECOTEC 2004)
- The district is becoming more diverse. For example by 2006 13.33% of the population, about 16,200 people, did not describe themselves as white British. (ONS ethnicity estimates published in August 2008).
- The district, like many others in the Eastern region, is experiencing a considerable inflow of eastern European and other migrant workers, drawn here by the rural economy and related skills
- The number of older people within our district is above the national average of 16% at 19.2% of the overall population. In 2007 23,500 were of pensionable age (65 plus for men, 60 plus for women). (ONS mid-year estimates).
- The latest available unemployment figures for the district are for October 2007 to September 2008 which was before the full effects of the recession were felt. They showed that 3.8% (2,300 people) of the economically active population were unemployed. That compares with 3.7% in Hertfordshire, 4.3% in the Eastern Region and 5.3% in Great Britain (Source: Labour Market profile, ONS for October 2007 to September 2008) . By the February to April 2009 reporting period unemployment in the UK had increased to 7.2% and that in the East of England had increased to 6.0% (HCC Unemployment Bulletin)
- The Job Seeker Allowance (JSA) claimant count for May 2009 was 2,312 people and represents a 143.4% increase compared with May 2008. 3.1% of the working age population

are JSA claimants, which compares with 3.0% in Hertfordshire as a whole, 3.5% in the East of England and 4.1% in the UK. (HCC Unemployment Bulletin).

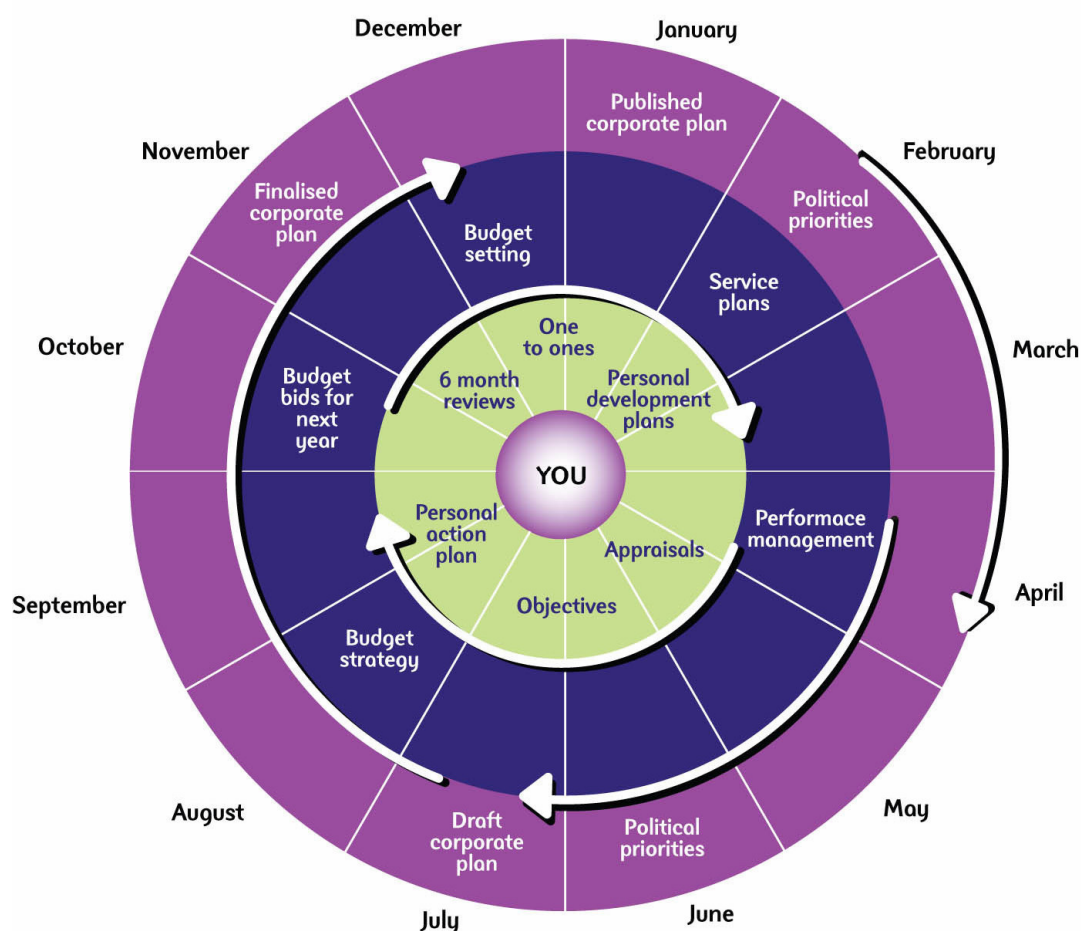
All of the above factors affect the level of demand for and use of services provided by the Council

- 1.31 Regional Planning issues will also have an impact for the services delivered by the Council in the medium to longer term. Whilst government funding and section 106 funding may assist with the provision of the required infrastructure, any shortfall has to be found by local Councils.
- 1.32 It is anticipated that the main impact in terms of growth of households and population numbers will start to be seen from 2011/12. The MTFS already acknowledges that the base budget for certain types of service eg:- waste management will have to be adjusted as the Council Tax base increases.
- 1.33 North Hertfordshire is prosperous. While the average incomes of its residents was high in 2008 the average income for those working in the district is not so high. Fewer people working in North Hertfordshire are at higher or intermediate grades compared with the County and the whole of England (Census 2001). The IMD 2007 (Index of Multiple Deprivation) ranks North Hertfordshire as 289th out of the 354 Council areas in England. That places the District amongst the 20% least deprived in the country. However while two of its 79 census areas (known as Super Output Areas - SOAs) are among the 1% least deprived in the whole of England - six of its areas are among the 20% most deprived in the East of England and one of those is in the top 10% (IMD 2007).

2.0 Why do we need a medium term financial management strategy?

- 2.1 The Medium Term Financial Management Strategy (MTFS) is the Council's key financial planning document and is a key element of the Council's Corporate Business Planning process. The Council operates a system of priority led budgeting and the Corporate Business Planning process describes an annual cycle which begins with the identification of our strategic priorities and the short and medium term actions we will take to achieve them. Having identified our strategic priorities and actions through the Corporate Plan, the MTFS then considers the financial implications of the priorities and other external pressures and ensures we have a clear policy framework to enable us to allocate funds in accordance with our priorities as we go through the budget setting and service planning stages of the process.
- 2.2 It is an integral part of the wider Corporate Business Planning process and provides guidance for officers in building the short, medium and longer term picture of financial requirements facing the Authority and enables planning to be carried out in advance to help the Authority meet future demands. The MTFS is a statement of how the Council wants to structure and manage its finances to ensure it fits with and supports the direction of council priorities.

Figure 1 Corporate Business Planning cycle



- 2.3 A MTFs will naturally focus on the year ahead to ensure we are able to set a balanced budget. It must also look to the medium/longer term to ensure that actions are put in place now to prepare for known future demands. Planning now to meet known changes in the future provides greater opportunity to phase in the impact of the changes. Planning for the future will mean that the Authority can ensure sufficient funds are held in balances to be in a position to react swiftly to changing demands and emergencies as priorities or policy demands alter.
- 2.4 The Authority has over recent years ensured that the Revenue and Capital strategies are integrated. Decisions taken in one area impact on the other and it makes sense to review both revenue and capital funds at the same time, set guidelines for the use of each fund and seek to ensure that the impact of decisions is reflected in the appropriate fund.
- 3.0 Corporate Business Planning – Review of past financial performance**
- 3.1 The Corporate Business Planning system facilitates a critical review of existing expenditure through the work of the Challenge Board of officers led by the Chief Executive. This group reviews the base position, challenges existing budget allocations and creates the ability to reallocate money to strategic priorities. Over recent years, we have been successful in identifying efficiencies which have enabled funds to be reallocated to help meet Council priorities and our work on the Gershon efficiency agenda and our own value for money work continues this focus on efficiency.

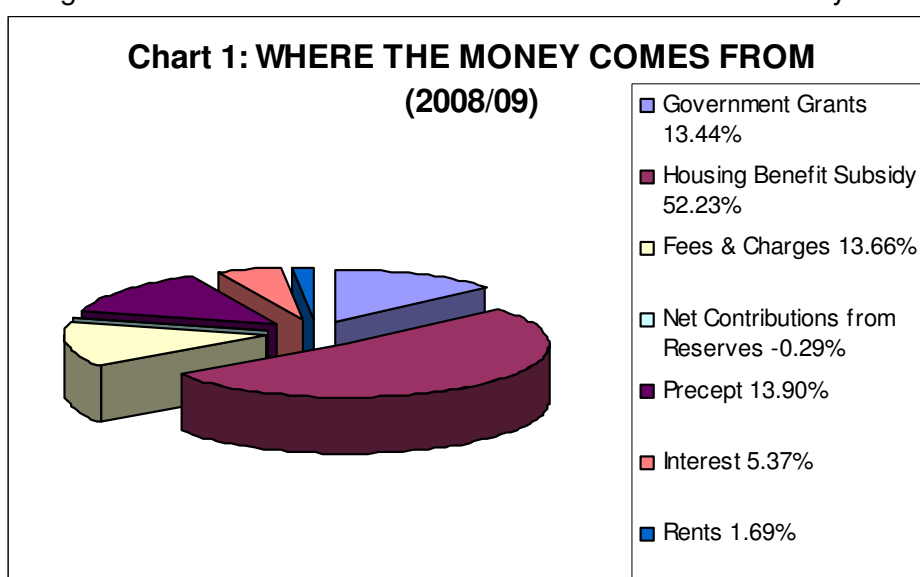
- 3.2 The annual review of the MTFS considers the influences and pressures on the Council's spending decisions in the short and medium term against a backdrop of changing demographic, statutory, political and service priorities for the District. These influences are further informed by our consultation strategy which ensures that the views of the public are also taken into consideration. The review identifies the efficiency target required if we are to achieve a balanced budget over the coming years.
- 3.3 As in previous years, the review starts with the current financial year as a base position, adds inflation, unavoidable spending pressures and the implications of immediate actions supporting the corporate priorities. This is then measured against the projection of available funding to determine affordability. The package of measures required to bring the spending pressures and available funding into balance then form the financial strategy for the budget year. In recent years and for the foreseeable future the package of measures will include identifying a required efficiency target.
- 3.4 Once the target has been identified, the focus of the financial planning element of the Corporate Business Planning process then turns to achieving the efficiency target and at the same time ensuring funds are allocated to enable completion of the agreed actions to deliver the Corporate Plan.
- 3.5 The budget can be seen as a statement of the financial consequences of organisational priorities to be implemented by managers with budget estimates being seen as managerial performance targets.
- 3.6 The role of Members in the Corporate Business Planning process is to
- set vision and strategic direction
 - agree the immediate priorities
 - agree our specific actions
 - agree the rolling MTFS including decisions on the time-frame to be covered, external influences to be included, strategy for use of balances, assumptions regarding government support and the implications of doing so, income policy, capital strategy and setting indicative council tax levels for future years
 - scrutinise proposals for funding prioritisation and de-prioritisation as set out by managers
 - decide between options presented
 - decide on options for increasing charges through the income policy
 - take a corporate overview of the budget position once decisions on individual prioritisation have been taken.
 - set the level of Council Tax each year
 - scrutinise and monitor the budget throughout the year
- 3.7 The Authority operates a system of priority-led budgeting. This ensures that resources are directed and/or redirected to the achievement of the strategic objectives and ultimate delivery of the Corporate Plan. Since 2005/06 budget, the Authority has redirected £3.9 million and used £3.6 million from balances to help achieve statutory and strategic priorities and contribute to inflationary and contractual growth pressures. In 2010/11 we have budgeted to redirect £0.25 million and use £0.17 million from balances.
- 3.8 All projects undertaken by officers across the authority should link directly to one of the strategic priorities or contribute to improving the value for money of day to day activities, and the scoring at 1.6 above demonstrates this as being a critical factor in their consideration in the budget round. If a link cannot be demonstrated, the project should not be prioritised and supported with financial resources and should not proceed. Examples of the types of detailed project work undertaken and supported by redirected funds include work on the Local Development Framework, Traffic Regulation Orders, improvements to play areas, agreeing proposals for Town Centres, implementing the Access to Services improvement plan, further development of waste recycling, working with our partners on the

Local Strategic Partnership to deliver the Community Strategy and improving housing options to reduce homelessness.

- 3.9 The revenue outturn position for 2008/09 shows that the Council's net expenditure in the year was £17.970 million compared to a working budget of £18.653 million. The outturn position includes £463k of partially spent budgets which are to be carried forward to enable projects to be completed in 2009/10 financial year. This is a lower figure to that included as carry forwards from the 2007/08 budget (£939k) into 2008/09. Regular budget monitoring and reporting on progress against carry forward budgets, budgets where savings are to be made and those where investment has been permitted ensures that Members and officers are actively managing the financial position. Through the monitoring process, we are able to use the lessons learned to update the rolling financial strategy and this is done in June each year.

4.0 North Hertfordshire Revenue Budget - the current picture

- 4.1 The following chart indicates the main sources of income to the Authority.



- 4.2 The Authority can decide how much income it will raise from fees and charges and through the precept on the Council Taxpayer (subject to any capping restrictions). The National Non Domestic Rate is set nationally. Government grant is based on a formula.

- 4.3 Over the last five years, the proportion of the Council's expenditure met by Government grant has fallen and this results in a change to the "gearing" ratio between central and local funding. For example:-

	Year One	Year Two	% increase
	£	£	
Expenditure	100,000	120,000	20%
Government Grant	60,000	60,000	0
Council Tax	40,000	60,000	50%
Council tax as % of Expenditure	40%	50%	

5.0 Income Policy

- 5.1 The Council increases fees and charges annually in line with inflation as measured by RPI and any deviation from this strategy has to be explained and reported. Generally speaking, charges are maximised to a level where we are reasonably confident they will not deter use of the service or impact

on achievement of the policy objectives the Council is pursuing. We are conscious of the price sensitivity for some areas of our charges and often, charges may be in the upper quartile. The charging policy and particularly the level of subsidy for some charges is under constant review. Further work on establishing services which are statutory or those which are discretionary will also influence decisions on charging levels and we make use of a combination of Cipfa statistics and Audit Commission performance information to inform our decisions on charges.

5.2 As part of further developing the financial management strategy, we continue to investigate the continuing appropriateness of service subsidies and the funding of functions which are the responsibility of other bodies. We recognise that we should give careful consideration to each individual case before reaching a decision and should apply the test should the Council Tax payer pay for all or part of a service or should it be the service user? Many of the services we provide are subsidised and during the budget setting process, service managers are now asked to review the extent of the subsidies and are asked the following questions:-

- Does the service support the authority's strategic priorities?
- Is the service statutory or discretionary and do we have discretion over the level at which it is provided?
- What proportion or sections of the population use the service?
- What is the level of subsidy?
- Why is the service subsidised?
- What impact would a reduction in the level of subsidy have on the service?
- How much income could be generated by a removal of the subsidy?
- Should any removal be subject to a phasing in process and if so over how many years?

5.3 This forms part of the on-going work of the Challenge Board when questioning individual budget holders on the scope for efficiencies and/or income generation options in the areas for which they have responsibility. Since 2005/06, this challenge process has generated some £5.5 million of funds for redirection through a mixture of increased income and expenditure efficiency savings.

Year	Funds available for redirection £(m)
2005/06	1.5
2006/07	1.3
2007/08	0.9
2008/09	0.6
2009/10	1.2
Total	5.5

5.4 Following completion of the Efficiency Fundamental Service review, Heads of Service have been required to establish a programme of value for money reviews in their service areas. Coupled with the Business Process review work being undertaken, such a financial service review exercise complements the corporate service reviews carried out through the Fundamental Service Review process which in the latter years have required efficiencies to be achieved, but concentrates solely on the opportunity for making efficiency savings.

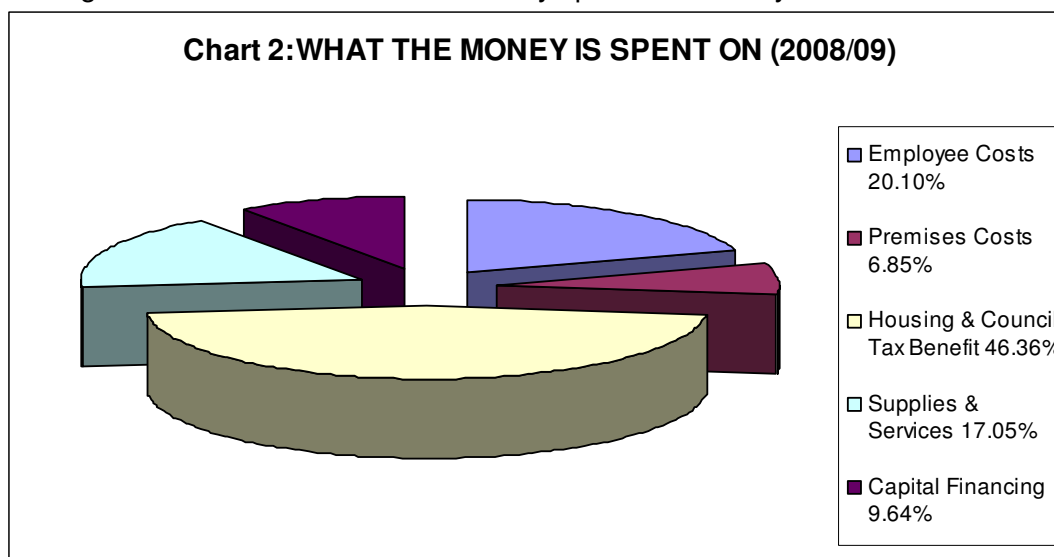
6.0 Capital Finance arrangements.

6.1 The Prudential Code for Capital Finance in Local Authorities came into operation in April 2004. Under the code, authorities are free to borrow and invest so long as their capital spending plans are affordable, prudent and sustainable.

- 6.2 Local Authority capital spending improves services and replaces existing assets as they reach the end of their useful lives. Capital investment is not a luxury since without it, local authorities would become unable to deliver even their existing services let alone respond to new demands.
- 6.3 The code requires authorities to set the prudential indicators specified in the code and to base borrowing decisions on a sound treasury management strategy. The Authority has a separate treasury management strategy which complies with the requirements of the code.
- 6.4 The code requires Authorities to estimate their borrowing requirement year on year with the unfunded element of the capital programme determining the borrowing limit. Having established the borrowing limit, authorities must then determine whether it is affordable.
- 6.5 If we follow the principles of priority led budgeting, we should seek to ensure that we can demonstrate how all capital schemes in the programme link to the Council's vision and strategic priorities and the scoring mechanism for prioritisation is also applied to all capital schemes. This requires an annual reappraisal of all schemes not yet commenced to ensure they are still relevant and to ensure scarce resources are directed to the Council's main priorities in any one-year. This will mean that inclusion in the future capital programme will not automatically guarantee that a scheme will be undertaken. Due to the nature of the schemes included in the Capital Programme and the long lead-in times for some projects, the Council has adopted an approach of giving a firm commitment to schemes in the next two financial years and outline commitment to those from year three onwards. Firm commitment requires the full revenue implications to be included in the revenue budget and the base budget for future years reflects these decisions.
- 6.6 The capital programme is funded until 2012/13 provided the asset disposal programme continues as planned. The capital programme will require a review or the identification of alternate resources to fund the projected spend if the amount of capital receipts is less than expected.

7.0 Where the money goes

- 7.1 The following chart indicates where the authority spends its money.



- 7.2 In recent years funds have been redirected into areas such as recycling, leisure projects, green belt issues, equalities and emergency planning preparations in pursuit of our strategic priorities.

8.0 Balances position - General Fund

- 8.1 Best Practice guidance issued by CIPFA (Chartered Institute of Public Finance and Accountancy) states that the balance may be between 5 and 100% of net expenditure. The CPA process requires the balance to be set at between 5 and 100% of net revenue expenditure plus the Authority's Bellwin Threshold. With a net revenue expenditure of over £19.5 million (including carry forwards) and a Bellwin Threshold of £35,000, the minimum 5% balance remains in the region of £975,000.
- 8.2 When setting the budget each year, the Council considers the potential impact of the risks in the assumptions made and adjusts the minimum 5% figure accordingly.
- 8.3 When the 2009/10 budget was set, a number of risks were identified as follows:-
- Hitchin Town Centre Development – costs for consultancy/advice on the selection of a development partner to progress the scheme and advice on Heads of Terms (total value of £250k)-high risk
 - The vulnerability of the authority to interest rate changes – the net expenditure figure quoted for the general fund includes an assumed £1.8 million from current interest receipts. Any further drop in interest rates will impact on the income achieved in 2009/10 (risk value of £100k)– high risk
 - A downturn in income as a result of the effects of the current economic climate on the demand for planning control and parking services (risk value of £120k) – high risk
 - Redirection of landfill – proposed budget in investment proposals should be adequate providing Shanks facilities in Hitchin can be used (risk value of £200k) – medium risk
 - Difficulties in staff recruitment and retention and ability to deal with consultation documents and government directives e.g. in legal and planning (risk value of £141k) -high risk
 - Sustainable development of the District – possible challenge of Luton Airport Expansion Plan that cannot be dealt with by existing resources (risk value of £130k) – medium risk
 - The delivery of outcomes from the Museum FSR and the achievement of anticipated efficiencies (risk value of £50k) – medium risk

Although the total assessment of risk was £2.913million, the level of risk varied from high/medium to low. Taking a proportion of the risk into account (50% for high, 25% for medium and 0% for low) as outlined in paragraph 4.4.2 of the budget report meant it would be prudent to increase balances by £630k above the minimum level. This suggested that it was advisable to maintain a General Fund balance in the region of £1,586million for 2009/10.

- 8.4 The 2008/09 outturn figures show a General Fund Balance at 31st March 2008 of £1.583 million. After adjustments, including carry forward requests of £463k, it is anticipated that the General Fund Balance at 31st March 2010 will be £1.596 million, the same as the original budget. In addition to the General fund balance, the Authority maintains a number of earmarked reserves and provisions, the largest of which is the General Fund strategic reserve which is £2.419 million at March 2009. Members have agreed that this fund which was originally the proceeds of the Housing Revenue Account will be used on a phased basis as the authority adjusts its fixed and variable costs following stock transfer in March 2003.
- 8.5 Other reserves and provisions include the Collection Fund Reserve (£6k deficit), a Planning Delivery Grant reserve (£511k), an Insurance Fund (£126k) used to finance potential claims for risks covered by external policies together with higher excesses currently being borne by the Council, an Information Technology Reserve (£830k) for the purchase of hardware and software items, and an Environmental Warranty reserve (£209k).

9.0 The Financial Context 2010-15

9.1 The existing strategy has been reviewed and should be carried forward into 2010-15.

9.2 A number of changes are proposed to further improve our financial management strategy, namely:

- Identify how much the Council spends against each strategic priority.
- Identify the areas that are lower or non priority for allocation of resources including review of statutory and discretionary services.
- Review the level of income generated by services that charge compared to the costs of provision
- Reduce future reliance on interest rate income
- Amending the Council Tax “rule” to reflect the impact of the current negative RPI figures

Identifying the Efficiency target for 2010/11 onwards

9.3 Officers across the Authority have been asked to provide estimates for major changes to the base budget for the next five years. These are changes brought about by environmental issues, changes to demography which will impact on service provision, new statutory requirements, actions to support the strategic priorities and service pressures. In the normal Corporate Business Planning cycle, the estimates provided would be subject to robust scrutiny by Corporate Management Team and the Challenge Board over the coming months before the final lists would be presented to Members in the autumn. For this year, in light of the budget pressures caused by the falling interest rate income, a first list of efficiencies will be considered at the same meeting as this strategy. This will then further help inform the funding available to support Corporate plan projects.

9.4 At this stage in the process, pressures have been identified by Directorates although some and particularly those listed under the Chief Executive’s area are likely to have cross directorate significance. The pressures identified, require further detailed scrutiny and relate to the following areas:-

Identified pressure	2010/11	2011/12	2012/13	2013/14	2014/15
<u>Customer Services Directorate</u>					
• service@north-herts & implementation of Customer Service Strategy	√	√	√	√	
• Remote-working	√	√			
• IT & Communications Strategy	√	√	√	√	
• District Children’s Partnership	√	√	√	√	
• Sports Development pre 2012 Olympics	√	√			
• Museums FSR Action Plan	√	√	√	√	√
• Community Centres and Halls	√	√	√	√	√
• Continuation of PACIF	√	√	√		
• Third Sector funding	√	√	√	√	
• Waste & Recycling strategy	√	√	√	√	√
• Leisure Facilities Strategy	√	√	√	√	√
• Careline systems upgrade	√	√	√	√	
<u>Financial & Regulatory Services</u>					
• Local Development Framework	√	√	√	√	√
• WA1M	√	√			
• Regional Planning issues	√	√	√	√	√

• Town Centre Schemes	√	√	√	√	√
• Parking Controls (Transport FSR and Parking Strategy)	√	√	√		
• Economic Development	√	√	√	√	√
• Conservation Area Reviews	√	√	√	√	
• Sustainable Development – thermal efficiency	√	√	√	√	√
• Housing Register applications	√	√	√	√	√
• Homelessness prevention	√	√	√	√	√
• Office Accommodation including IT infrastructure investment	√	√	√	√	
<u>Chief Executive's</u>					
• Change Management/Organisational Transformation	√	√	√	√	
• Sustainable Communities Strategy	√	√	√	√	√
• Local Government & Public Health Bill	√	√	√	√	
• Climate Change and green issues	√	√	√	√	√
• Energy White Paper	√	√	√	√	

- 9.5 The items identified relate to initiatives which support the three immediate priority areas of work for 2009/10 onwards
- Green issues
 - Sustainability
 - Town centres
- 9.6 In addition to the three priorities it is also necessary to work in a manner that delivers increasing value for money, performance and customer satisfaction. There are many aspects of the authorities day-to-day work which whilst not solely attributable to one of the priorities fall into this general category.
- 9.7 In line with the original Corporate Plan published in 2005 the Council is still working with partners to ensure North Hertfordshire remains a vibrant place where people can live, work and prosper and items listed above reflect our partnership approach. The aspiration to see communities that are safer, satisfied, sustainable, prosperous, healthy and equal is now firmly cemented into the Local Strategic Partnership's (LSP) Sustainable Communities Strategy which was published in late 2008. The Council has always recognised that these wider ambitions can only be realised through collaboration and partnership with the whole range of organisations involved in the LSP and elsewhere .
- 9.8 Over the coming months, Officers will continue to work up estimates in greater detail and Members will need to consider what they are prepared to fund and the risks involved in not providing funding. In accordance with our existing strategy, we will consider;
- a) Is the item fundamental to delivery of the vision for the area of North Hertfordshire and delivery of the Council's strategic priorities?
 - b) Is there an absolute priority that we do this within the next twelve months?
 - c) What are the risks involved in not spending the money?
 - d) Will the investment result in quantifiable savings in future years?

Service Priority Bids

- 9.9 Submissions in this category reflect changing working patterns within Directorates and investment needed to improve services to customers. All investment bids will be subject to further work and a robust scrutiny process through the Challenge Board as outlined above before inclusion in the draft budget in December. In accordance with the existing strategy, we will continue to seek compensating efficiencies for any growth designed to enhance service delivery and will not therefore make any allowance within the strategy for cost increases in this category.

Inflation increases

- 9.10 Inflation indices are reviewed on an annual basis and the forward budget projections amended accordingly. At this stage in the budget planning process, it is prudent to take a cautious approach and in identifying the likely Council Tax requirement, the strategy focuses on the pressures on expenditure and assumes that income will rise in accordance with the determined policy. The figures presented in the MTFS at Appendix A include the following assumptions in line with the current financial strategy

- Starting point is the current year base budget
- Year on year spend is adjusted to take account of cyclical variations in expenditure
- Investment income falls in accordance with the cash flow/investment projections to take account of the reducing balance of capital receipts and assumptions regarding interest rates
- Assumed average base rate of 3.5% for 2010/11 and then 4.0% for subsequent years
- Any approved one-off increase in expenditure or carry-forward budgets for 2009/10 have been removed from the base figures in subsequent years
- Known Government support until 2011 and thereafter maintained at existing cash level
- Contract inflation in accordance with the individual contract terms
- Pay inflation at 1.5%
- Pay increments due in 2010/11 (approximately £200k)
- Superannuation contribution of 22.6% until 2012/13 when it is estimated contributions will need to increase by 10% to meet the liability in the pension fund. The next pension fund valuation is to be completed in 2010. The Council could apply to make a capital contribution to the fund which would reduce the contribution rate in the future.
- General inflation of 3% on expenditure and 3% for fees and charges income
- Use of the special general fund reserve will happen on a phased basis to prevent erratic movements in Council Tax increase.
- The Council tax base figure will rise by 0.5% per annum.
- The minimum General Fund balance should be 5% of net expenditure, plus an allowance for identified risks.
- Allowance for Statutory and political priority decisions of £250,000 per annum
- A vacancy savings target set at 4% of salary budget to yield in the region of £581,000 toward the efficiency target
- Any investment in Area Committee budgets to reflect additional responsibilities will be offset by reductions in Directorate budgets.

9.11 Council Tax Strategy

Pattern of increases in recent years

The following table shows the average council tax levied for NHDC over the last 10 years

General Fund Annual Position & Council Tax Increases:

Year	Amount £	Increase %
2000/01	111.87	1.7
2001/02	120.26	7.5
2002/03	132.29	10.0
2003/04	150.75	14.0
2004/05	157.62	4.6
2005/06	162.73	4.9
2006/07	170.05	4.5
2007/08	178.38	4.9
2008/09	186.41	4.5
2009/10	193.68	3.9

In accordance with our existing MTFs, the expected Council Tax increase for 2010/11 should be no higher than RPI plus two percentage points. RPI at the end of April was -1.2% and in order to preserve flexibility in the level of precept that could be raised, it is recommended that this be amended to read as follows:-

“The expected Council Tax increase for 2010/11 should be no higher than RPI plus two percentage points or 0% plus two percentage points where RPI is a negative figure.”

The Government has again indicated that they will use their capping powers but have not yet been any more specific. For the purposes of the MTFs, therefore, we should seek to keep the Council tax increase within our policy. At this stage a figure of 0.5% has been used in Appendix A. Were we to increase the figure to 2%, in the region of an additional £144k would be achieved with this financial benefit compounded in future years. A 2% increase in Council Tax would amount to an increase of 7 pence per week for a Band D property.

- 9.12 The table at Appendix A includes an efficiency target for 2010/11 of £1.3 million and at least £1 million for subsequent years. These targets are required to maintain a sufficient general fund balance. The Gershon efficiency target for 2010/11 is £1.230 million less the overachievement of the target in 2009/10. Appendix A concentrates on the Council's efficiency target since it is higher than the Gershon efficiency target and if achieved will ensure the Gershon efficiency target is also achieved.

10.0 Risks inherent in the Assumptions

- 10.1 At this stage in the budget cycle we are looking at key pressures in future years and those which will have a significant impact on the budget for 2010/11.
- 10.2 Figures quoted now may vary by the time the draft budget is set in December. Work will continue between now and then to further refine the figures and the assumptions used. Reports will be brought to cabinet at key stages in accordance with the Corporate Business Planning timetable.
- 10.3 The increase in investment income as a result of stock transfer means that the revenue budget is more susceptible to the impact of changes in interest rates. The Authority has a treasury management strategy and the principles of that strategy are used to influence the assumptions made about likely interest receipts. The figures presented include assumptions on the interest rate and the impact of

longer term borrowing. Members should, however, be aware that a 0.5% change in interest rates means a £130k change in the base budget based in the assumed cash flow calculations.

- 10.4 In considering the impact of potential variations to the figures presented, Members should be aware that a 1% increase in Council Tax in 2010/11 will generate approximately £96k income.
- 10.5 The Strategy focuses on the next five years and as it rolls forward each year, we will have an eye on the impact on the District, its infrastructure and its partners, and of the pressures to increase housing numbers.
- 11.0 Medium Term Financial Management Strategy 2010/2015**
- 11.1 The Strategy will cover the five year period April 2010 to March 2015 and will be rolled forward one year as part of the June strategy review.
- 11.2 We aim to use one-off grants for time-limited or invest to save projects which do not add to the base in the longer term.
- 11.3 We build on our excellent Council Tax collection rates and continue to assume a 99% collection rate for the purposes of calculating the Council Tax base.
- 11.4 We aim to make best use of IT and changes to our work processes to ensure cost effective, economic and efficient services are provided at the level the customer requires. Where a business case identifies future savings, these should be built into the base budgets to encourage managers to realise the anticipated efficiency savings.
- 11.5 The Corporate Management Team review the services provided in the light of the outputs from the Sustainable Community Strategy review and Access to Services FSR and continue to explore alternative means of service delivery including partnering, enabling, outsourcing, shared services. Challenge Board supports the detailed exploration of budgets to identify potential efficiencies.
- 11.6 We continue to review income and charges for services to ensure that any subsidies are targeted at areas which assist in meeting strategic priorities. We seek to maximise income having regard to the impact on service take-up and will offer concessions as appropriate to encourage use by all members of our community in pursuit of our strategic priorities.
- 11.7 We maintain a Strategic Priorities Fund of £100k to assist in facilitating the shift in resources to meet key priorities. In-year underspends up to the £100k limit on the fund are carried forward to provide the necessary finances. The fund, allocated by Corporate Management Team, is utilised to encourage innovations/invest to save bids to be financed, to enable the outputs from service reviews and continuous performance improvement strategies to be funded and to facilitate achievement of strategic priority projects.
- 11.8 We seek to hold the General Fund balance to a minimum of 5% of net expenditure plus an assessment of known risks when annual budgets are set.
- 11.9 All investment priority bids are subject to robust scrutiny from Challenge Board and Members and are subject to four basic questions and then scored in accordance with the scoring matrix at paragraph 1.9 above;
- Is the expenditure fundamental to delivery of the Council's priorities?
 - Is there an absolute priority that the expenditure is incurred in the next 12 months?
 - What are the risks involved in not spending the money?
 - Will the growth result in quantifiable savings in future years?

- 11.10 We include an allowance for Statutory and Government led and political priority decisions of a maximum of £250k.
- 11.11 We seek efficiency savings to compensate for any increase in Directorate expenditure subject to consideration of the likely impact based around four questions and prioritisation of the identified savings against the scoring matrix.
- Is the saving fundamental to delivery of the Council's priorities?
 - Will the saving impact on delivery of Council's objectives and how?
 - What are the risks involved in making the saving?
 - Will the saving carry on in future years?
- 11.12 We set a cashable efficiency savings target for 2010/11 at £1.3 million to enable the expenditure requirement to be managed with regard to anticipated capping constraints and the impact on balances and future years' council tax increases. Opportunities to make efficiency savings through the review of the Authority structure and business processes are actively sought.
- 11.13 Challenge Board will continue to carry out the work started in 2005/06, focusing for 2010/11 on value for money and a review of services which are statutory and discretionary with a view to informing decisions on services where we may wish to spend less and provide less. In particular, we will continue our review of comparative costs with Hertfordshire districts and the Audit Commission's near neighbour group looking at the links between price, performance and perception as identified in our Efficiencies FSR.
- 11.14 We propose to achieve value for money by:
- Ensuring that all of our limited resources are allocated to our priorities through a vigorous corporate business planning process
 - Achieving service and budgetary targets through tight budgetary control and good project management
 - Systematically reviewing services for value for money by a process of benchmarking with our 'near' neighbours
 - Systematic Business Process Review of services
 - Maintaining the policy of competitive tendering and adopting best procurement practices
 - Minimising waste and achieving efficiency savings year on year
 - Measuring service quality against external objective quality standards such as:-
 - External accreditations such as Charter Mark, Investors in People etc
 - Nationally published performance indicators and appropriate locally determined performance indicators
 - Working with the Local Strategic Partnership and other partners
 - Listening to the views of residents, service users, businesses and staff and responding to service requirements
 - Promoting equality of opportunity
- 11.15 We maintain a vacancy savings target set at 4% of salary budget to yield in the region of £581k toward the efficiency target. Any proposed virement from salary budget is subject to scrutiny and approval by Corporate Management Team.
- 11.16 We have established a clear link between the budget strategy and the risk register to ensure that necessary funds are available to progress work to mitigate the top risks. The top risks are outlined in Appendix B.
- 11.17 We set the level of Council Tax increase year on year either at a rate no higher than RPI plus two percentage points or 0% plus two percentage points where RPI is a negative figure, as circumstances dictate.

- 11.18 We have a phased approach to the use of balances to ensure that the potential for erratic movements in Council Tax requirements is smoothed as far as possible.
- 11.19 We will keep under review the potential for making further lump sum revenue contributions from balances to offset some of the deficit on the superannuation fund, thus improving the revenue position in future years subject to consideration of the advantages and disadvantages of such a payment following advice from the fund actuaries.
- 11.20 We recognise the risks inherent in the budget strategy and in particular the impact of a 0.5% change in interest rates on the investment income (£130k) as based on the assumed cash flow projections and plan to reduce future reliance on investment income.
- 11.21 We note that the product of a 1% increase in Council Tax is £96k.
- 11.22 We recognise that the increase in Council tax base through new build impacts directly on service costs in some areas e.g:- Waste Management and adjust our base budgets accordingly.
- 11.23 We review the current section 106 policy to ensure that we take account of the increased revenue costs associated with new development in the District.
- 11.24 We allocate resources to support organisational transformation which will improve services to the public and represent value for money in line with our Corporate objectives.
- 11.25 We identify how much the Council spends against each strategic priority and monitor the impact of our financial resource allocation to ensure we achieve value for money through the achievement of the anticipated outcomes set in the Corporate Plan.
- 11.26 We identify and list the areas which are lower or non priority for resource allocation.
- 11.27 We communicate the revenue and capital strategy to all Members, officers and stakeholders. The strategy acts as the financial framework for the Corporate Business Planning process.
- 11.28 We monitor the revenue and capital budgets on a quarterly basis and more frequently if monitoring raises issues of concern.
- 11.29 In view of the surplus funds from Stock Transfer, we will continue the slow down of the asset disposal programme for future years, thus enabling the authority to benefit from rental income which currently provides a better rate of return on investment than cash investments. This strategy is regularly reviewed in light of changing market circumstances.
- 11.30 Through the work of the Asset Management Group, we investigate opportunities for generating funding from private sector sources, alternative forms of grant aid and/or PFI schemes.
- 11.31 The capital programme is funded until 2012/13, however it will require additional reserves if the programme is to expand. Work is on-going through the Asset Management Strategy to identify assets for possible disposal to fund the on-going capital programme subject to consideration of the impact of loss of rental income currently received from these assets. Consideration will be given to using some of the interest receipts from investment of capital receipts to set up a Revenue Contribution to Capital fund. Should any increased income be received as a result of an improvement in interest rates in the year, we will consider making a contribution to such a fund.
- 11.32 We ensure the level of planned capital spending in any one-year matches the capacity of the organisation to deliver the schemes to ensure that the impact on the revenue budget of loss of cash-flow investment income is minimised.

11.33 As part of the Housing Stock Transfer agreement, the Council and North Hertfordshire Homes entered into a Community Benefit agreement. This will funnel future savings as a result of the VAT savings scheme and income from future Right to Buy sales into a Community Benefit fund which, in accordance with the agreement made at the point of transfer of the housing stock, has been used initially to resolve the Letchworth leasehold problem resulting in a deficit of £5.1 million at the 31st December 2007. Further income from the VAT savings and Right to Buy sales over the coming years will continue to be paid into the fund. Once the fund is back in surplus, the Agreement indicates that the following categories of capital expenditure may be funded from this source: -

- Provision of additional social housing
- Community benefit such as enhancement of community centres, provision and enhancement of recreation areas such as children's play areas, provision and enhancement of landscaped areas(e.g. to deter anti-social behaviour), road safety and congestion initiatives.
- Any projects proposed by the Council which are within North Herts Homes' objectives and powers.

The current regeneration project at Westmill, Hitchin is a potential scheme which would meet the funding criteria.

11.34 The de minimis level for capital funding is £20,000 for property and construction and £10,000 for vehicles, plant and equipment for 2010/11.

11.35 Appendix A indicates the financial figures which result from this Medium Term Financial Management Strategy

	NOTE	Actual	General Fund Estimates 2009/10 to 2012/15					
		2008/09 £	2009/10 £	2010/11 £	2011/12 £	2012/13 £	2013/14 £	2014/15 £
Total Net Spend		17,969,810	17,902,810	19,302,850	18,265,110	18,040,370	18,114,630	18,088,890
Add:								
Base Budget adjustments	8		314,610	-150,000				
Carry Forwards and Contributions to SPF			563,000					
Year on year superannuation increase	1		-0.50%	0.00%	0.00%	10.00%	0.00%	0.00%
Superannuation charge per year			22.60%	22.60%	22.60%	32.60%	32.60%	32.60%
Salary Estimates Superannuation increase			-205,000	0	0	1,000,000	0	0
Pay Inflation & Increments	10		439,260	389,260	439,260	439,260	439,260	439,260
NI Increase			0	0	45,000	0	0	0
Investment interest income decrease / (increase)	13		1,304,890	-517,000	-200,000	0	0	0
Other Inflation	2		688,300	400,000	400,000	400,000	400,000	400,000
			2,227,450	272,260	684,260	1,839,260	839,260	839,260
Income Increases on discretionary income	3		-180,000	-100,000	-100,000	-100,000	-100,000	-100,000
Efficiencies:								
Detailed Efficiencies Identified for 2009/10 and onwards			-1,290,900	0	0	0	0	0
Efficiencies Required			0	-1,300,000	-1,200,000	-1,915,000	-1,015,000	-1,015,000
Investment Proposals:								
2009/10 Onwards Investment Proposals	5		225,400	250,000	250,000	250,000	250,000	250,000
2009/10 Onwards Contributions to Capital	6		0	0	0	0	250,000	400,000
Total Expenditure		17,969,810	19,762,370	18,275,110	17,899,370	18,114,630	18,338,890	18,463,150
Government Support	12	-7,741,901	-7,886,191	-8,069,703	-8,069,703	-8,069,703	-8,069,703	-8,069,703
Use of Balances (-) / Contribution to Balances (+)		-1,907,379	-2,296,802	-529,765	40,214	23,091	947	82,860
Transfer to/from Collection Fund		0	0	0	0	0	0	0
Transfer from IT Reserve			250,000					
District Precept		9,110,953	9,579,377	9,675,642	9,869,881	10,068,018	10,270,134	10,476,307
Average Band D Council Tax		186.41	193.68	194.65	197.57	200.53	203.54	206.59
Council Tax increase		4.50%	3.90%	0.50%	1.50%	1.50%	1.50%	1.50%
Tax base	11	48,876	49,461	49,708	49,957	50,207	50,458	50,710
Revised Balances at 31 March each year:								
GF Balance -cr	7	1,583,203	1,618,119	1,353,756	1,354,969	1,385,732	1,416,945	1,443,158
GF Special Reserve -cr		2,419,164	337,447	72,045	111,045	103,373	73,107	129,754
Total Balances		4,002,367	1,955,565	1,425,800	1,466,014	1,489,105	1,490,052	1,572,912
Estimate of budget risk	7		630,000	440,000	460,000	480,000	500,000	520,000
1% on Council Tax equals			92,200	96,275	97,240	99,192	101,184	103,215

Notes

- 1 Superannuation percentages are based on the 2007 valuation with a 10 year impact from the special repayment of £1.9 million
- 2 Inflation based on relevant indices as per contracted arrangements
- 3 Increases in discretionary income based on October 2008 RPI of 4.2%
- 4 Gershon target for three years (2009/10 to 2011/12), set at 3% of combined revenue & capital expenditure.
- 5 The objective of Gershon efficiencies is in part to transfer investment to the Council's key objectives, hence the investment target of £250K per annum could increase if the efficiencies can be achieved.
- 6 Contribution towards depleted capital reserves following disposal of Council assets.
- 7 General Fund Balance & Budget Risk - Risk element calculated on key budget risks and is additional to the required working balance, e.g. 2009/10 (£955K + £630K)
- 8 Base adjustment mainly a projected down turn in land charges income £200K and car park fees £50k, funding of market contracts £125K and Hitchin Town Hall £60K.
- 9 Gershon target over-achieved in previous years - reducing the target for the year
- 10 Pay inflation at 1.5% for 2010/11, 2% for 2011/12 onwards (1% of pay inflation is £100K)
- 11 Tax base increase at 0.5% (previously assumed 1%)
- 12 No change in Government Support after 2010/11 settlement (previously assumed an annual 1% increase)
- 13 Estimated average base rate during 2009/10 is 0.75%. Estimated average base rate during 2010/11 is 3.5%.

PART 1 – PUBLIC DOCUMENT

AGENDA ITEM No.

7

TITLE OF REPORT: QUESTIONS FROM MEMBERS

To consider any questions submitted by Members of the Council, in accordance with Standing Order 10.4(a).

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COUNCIL 24 SEPTEMBER 2009
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PART 1 – PUBLIC DOCUMENT	AGENDA ITEM No. 7A
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TITLE OF REPORT: QUESTIONS FROM MEMBERS

In accordance with Standing Order 10.4(a), the following question has been submitted by a Member to the Leader of the Council:

Regional Spatial Strategies

Councillor S.K. Jarvis to Councillor F.J. Smith (Leader of the Council):

"Whether he regards as helpful the advice from Caroline Spelman MP that Conservative councils "not to rush ahead" on the implementation of developments required by Regional Spatial Strategies and what action has he or the Council taken as a result of the advice?"

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TITLE OF REPORT: NOTICE OF MOTION

To consider the following motion submitted by Members of the Council, due notice of which has been given in accordance with Standing Order 11.1:

(A) Crime and Disorder Committee

To be moved by Cllr Peter Burt and seconded by Cllr F.J. Smith:

"That the name of the Crime and Disorder Committee be changed and henceforth be known as the "Reduction in Crime and Disorder Scrutiny Committee"

(B) Waste Disposal - Incineration

To be moved by Cllr Deepak Sangha and seconded by Cllr David Billing:

"That, bearing in mind the effect on climate change of more incineration, this Council strongly urges Hertfordshire County Council to select a more benign alternative to incineration for future large scale waste disposal, and to procure a contract with reducing waste tonnage targets for the contractor to process."