

## Appendix B - Revenue Budget Savings And Investments

## New Efficiency Proposals

| Ref No | Service Directorate    | Description of Proposal   | Budget Impact         | Net Efficiency   |                  |                  |                  |                  |
|--------|------------------------|---|-----------------------|------------------|------------------|------------------|------------------|------------------|
|        |                        |   |                       | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
| E1     | Commercial             | Commercial rents income. Efficiency associated with the capital scheme proposal for the replacement of Newark Close, Royston. Replacing and improving the condition of Newark Close should support NHDC in securing greater rent uplifts during rent reviews of those NHDC investment properties served by the road because access is a material factor in the properties' rent reviews.  | Additional Income     | (3)              | (3)              | (3)              | (3)              | (3)              |
| E2     | Commercial             | Property management costs and commercial rents income. Efficiencies associated with the capital scheme proposal in respect of Thomas Bellamy House, Hitchin. The capital project will significantly raise the prospects of NHDC securing tenants for Thomas Bellamy House and generating a commercial rental income stream for the Council. Further, by securing tenants, NHDC will be in a position to pass on the costs of holding this property, such as energy and maintenance costs, to those tenants by way of leases or other occupational agreements. NHDC currently bears most/all of the holding costs as the building is largely vacant.                                 | Additional Income     | (18)             | (27)             | (46)             | (46)             | (46)             |
| E3     | Customers              | IT Software License Costs. NHDC will not be renewing the SOPHOS Mobile Device Management Software (MDM) or Blackberry Works (Enterprise Software). From 31 March 2021 this software will be replaced with Microsoft In-Tune solution, which is provided as part of the Corporate Microsoft Enterprise Agreement.  | Expenditure Reduction | (23)             | (23)             | (23)             | (23)             | (23)             |
| E4     | Legal & Community      | Environmental Crime and Licensing overtime budgets. Reduction of £1k in each budget for weekend and out-of-hours working after reviewing levels of spend in recent years.   | Expenditure Reduction | (2)              | (2)              | (2)              | (2)              | (2)              |
| E5     | Legal & Community      | Independent Remuneration Panel (IRP) expenses. Proposed that the Members' Allowances Scheme is reviewed every four years, subject to the scheme making a provision for an annual adjustment of allowances by reference to an indexation. Each person on the Independent Remuneration Panel is paid an honorarium of £500 plus expenses incurred, e.g. mileage. If the scheme provides for an indexation there would be no need for the IRP to meet annually unless there was a change in circumstance, in which case the Council could request the IRP to convene.  | Expenditure Reduction | (2)              | (2)              | (2)              | -                | (2)              |
| E6     | Legal & Community      | Council meeting refreshments. £790 was spent in 2019/2020 on food and beverages for Council meetings. Holding virtual meetings provides an opportune time for refreshments to cease going forward. It would also save the Committee Team the time spent on sourcing and physically purchasing refreshments. Meetings that are all day where there is no opportunity for a lunch break would continue to have provision made.  | Expenditure Reduction | (1)              | (1)              | (1)              | (1)              | (1)              |
| E7     | Legal & Community      | Legal Consultancy. Legal consultancy has been used to support specific projects and service activities. It is proposed that the ongoing budget is removed and instead any potential liability for external legal advice is identified as a financial risk by service managers and factored into business cases.   | Expenditure Reduction | (10)             | (10)             | (10)             | (10)             | (10)             |
| E8     | Legal & Community      | Policy and Community Engagement overtime budget. Reduction in budget based on reducing staffing support to meetings, such as Councillor Surgeries / Town Talks / Cabinet Panels, to one officer where possible.   | Expenditure Reduction | (2)              | (2)              | (2)              | (2)              | (2)              |
| E9     | Place                  | Reduction in street cleansing contract expenditure through a phased reduction in the number of street litter bins, by up to a quarter in number. Litter bins are currently emptied through the contract on an as required basis. An audit of litter bins would be undertaken by the Waste Client Team to determine any which are under utilised or in close proximity to other bins with low usage and therefore could be removed without significant adverse consequence. A phased approach is suggested to allow impacts to be measured. Efficiency value is net of the cost of removal.<br><br>Also potential for some of these savings to be delivered through bin sponsorship. | Expenditure Reduction | -                | -                | -                | -                | -                |
| E10    | Place                  | Transfer of NHDC Public Conveniences.<br>This would include the full time Public Conveniences at;<br>- Howard Park, Letchworth<br>- The Arcade, Hitchin<br>- Fish Hill Royston<br>The summer opening public conveniences at;<br>- Bancroft Gardens, Hitchin<br>- Avenue Park, Baldock<br><br>Current cost is £63k per year, so that would be the maximum potential saving. Any saving would be part year only in first year. Would need to determine that there was a third party willing to take on before savings could be assumed.   | Expenditure Reduction | -                | -                | -                | -                | -                |
| E11    | Regulatory             | Planning Technical Support staffing costs. Deletion of a part-time Assistant Technical Support Officer post. This post is currently vacant. The change in working practises prompted by the flu pandemic, which are expected to continue ongoing, have removed the need for some of the duties undertaken as part of the role. For example, no further printing of plans will be required as officers will be provided with laptops.  | Expenditure Reduction | (13)             | (13)             | (13)             | (13)             | (13)             |
| E12    | Resources (Regulatory) | Cease funding (either through grants or direct provision) of Christmas Trees to the four towns and the Letchworth Hospice   | Expenditure Reduction | -                | -                | -                | -                | -                |
| E13    | Resources              | Continued reduction in audit days (Shared Internal Audit Service- SIAS). Previous savings to reduce from 350 days down to 300 days. This proposal is for a further reduction down to 270 days (15 day reduction in 2022/23 and a further 15 days in 2023/24). It is still believed that this will provide sufficient coverage for the Council and to provide the required assurance from the Head of SIAS.  | Expenditure Reduction | -                | (5)              | (9)              | (9)              | (9)              |
| E14    | Customers              | Revenue savings associated with the proposed capital investment to facilitate the provision of laptops for all officers for use at home and in the office. Savings anticipated would include a reduction in telephone call charges, as the laptops would facilitate soft-telephony. The reduced office footprint required may also allow income generation from the renting of floor space at DCO. 'Green' benefits may also materialise in the form of reduced travel and energy consumption. Work is ongoing to quantify the financial impact.  | Expenditure Reduction | tbc              | tbc              | tbc              | tbc              | tbc              |

|   |                     |  |                                    |              |              |              |              |              |
|---|---------------------|--|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| E15   | Legal and Community | Increase charges for Chair's reception to make it self-financing, stop having a Chair's reception or look at other options to make it zero net cost. | Expenditure Reduction              | (4)          | (4)          | (4)          | (4)          | (4)          |
| E16   | Managing Director   | Reduce frequency of Outlook from 3 editions per year to 2 editions per year.   | Expenditure Reduction              | -            | (8)          | (8)          | (8)          | (8)          |
| E17   | Regulatory          | Remove Neighbourhood Planning Budget and use accrued specific reserve funding and funding from MHCLG (assuming that continues to be provided).       | Expenditure Reduction              | (10)         | (10)         | (10)         | (10)         | (10)         |
| E18   | Regulatory          | Remove funding for Local Plan work post-2031, known as new settlement work. Rely on accrued specific reserves and future grant funding.              | Expenditure Reduction              | (30)         | (30)         | (30)         | (30)         | (30)         |
| E19   | Regulatory          | Reduce Area Wide Parking Review budget from £65k to £15k. Royston review and remaining other work would be funded from accrued specific reserve.     | Expenditure Reduction              | (50)         | (50)         | (50)         | (50)         | (50)         |
| <b>Total Net Budget Reduction from new efficiency proposals</b> |                     |  | <b>Total Expenditure Reduction</b> | <b>(147)</b> | <b>(159)</b> | <b>(164)</b> | <b>(162)</b> | <b>(164)</b> |
|   |                     |  | <b>Total Additional Income</b>     | <b>(21)</b>  | <b>(30)</b>  | <b>(49)</b>  | <b>(49)</b>  | <b>(49)</b>  |
|   |                     |  | <b>Total Expenditure Reduction</b> | <b>(168)</b> | <b>(189)</b> | <b>(213)</b> | <b>(211)</b> | <b>(213)</b> |

#### New Revenue Pressures and Investment Proposals

| Ref No | Service Directorate           | Description of Proposal   | Budget Impact          | Investment       |                  |                  |                  |                  |
|--------|-------------------------------|---|------------------------|------------------|------------------|------------------|------------------|------------------|
|        |                               |   |                        | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
| R1     | Commercial                    | Employment of a temporary Estates Surveyor from an employment agency based on average required working pattern of 23 hours per week over a 48-week period, in lieu of a permanent appointment. NHDC has attempted to recruit a permanent Estates Surveyor on several occasions during 2020 without success. Despite the intention to carry out further recruitment attempts, it is considered prudent to request budget provision for a temporary position in order to have proper resource to carry out NHDC's estates management role, part of which has statutory function and basis. The investment value is net of the saving from the permanent post vacancy. | Additional Expenditure | 12               | -                | -                | -                | -                |
| R2     | Customers                     | As part of the IT Strategy to move Council data to the cloud, there is a requirement to have a backup service of the data within the cloud to enable restores of data from Exchange and OneDrive. A recent SIAS audit of IT Disaster Recovery has recommended that NHDC invest in a SAAS (software as a service) to enable restores as part of their findings.  | Additional Expenditure | 20               | 20               | 20               | 20               | 20               |
| R3     | Place                         | Planting of 10,000 trees. At the request of the Executive Member, the development of a communications plan, including public events, to distribute small trees for residents to plant in their own gardens  | Additional Expenditure | 25               | -                | -                | -                | -                |
| R4     | Regulatory                    | Creation of a five-year Project Officer post to support delivery of the Local Plan targets, e.g. Town Centre Reviews. The estimated annual cost of £50k will be fully funded through existing permanent budget for planning development initiatives and the use of the Planning and Housing Delivery earmarked reserve. While this means there is a net zero impact on General Fund estimates, the proposal is highlighted here as there is an opportunity cost attached to the use of resource.  | Additional Expenditure | -                | -                | -                | -                | -                |
| R5     | Regulatory                    | Use of the Town Wide Area Parking Review earmarked reserve over the next three years to fund additional responsibility payments to an existing planning officer to deliver area wide parking reviews, on-street charging (additional income) and replacement of lines and signs for enforcement initiatives. The additional cost currently anticipated over the three years is £16k, though the continuation of the ARP will be reviewed annually. While the use of the reserve mitigates the impact on the General Fund, the proposal is highlighted here as there is an opportunity cost attached to the use of the resource.                                     | Additional Expenditure | -                | -                | -                | -                | -                |
| R6     | Resources (Managing Director) | Increase in costs of the subscription to the East of England Local Government Association, due to a requirement to fund their inherited past pension costs  | Additional Expenditure | 2                | 2                | 2                | 2                | 2                |
| R7     | Resources (Managing Director) | Subscription to the Co-operative Councils Innovation Network  | Additional Expenditure | 1                | 1                | 1                | 1                | 1                |
| R8     | Resources                     | Repairs and maintenance works to Council property assets. A review of works required has identified that the central budget of £185k is not sufficient to cover all necessary maintenance in 21/22. The additional investment value is after deferring where possible maintenance works into future years and is calculated on the assumption that, based on the experience of the prior year, approximately 50% of the annual budget will be required to fund reactive maintenance works during the year.  | Additional Expenditure | 122              | -                | -                | -                | -                |
| R9     | Managing Director             | Council website development and maintenance costs. Rebuild of website due to end of life of the web platform, Drupal 7, in November 2021 plus ongoing development, support and hosting costs. Investment value is estimated cost based on some soft market testing undertaken - this work will be subject to a tender process and so final cost and profile of expenditure will depend on the outcome of the procurement exercise.  | Additional Expenditure | 83               | 18               | 18               | 18               | 18               |

|  |                   |  |                                     |            |            |            |            |            |
|--|-------------------|--|-------------------------------------|------------|------------|------------|------------|------------|
| R10  | Managing Director | With reference to earmarked investment PI12 below, appointment of a Digital Media and Engagement Officer on a permanent basis. The current temporary post has had a significant impact on the level of engagement with the Council, with the ability to create more interactive content, e.g. videos, picture stories etc. NHDC now has 5,000 fans on Facebook, 11,200 followers on Twitter and 1,500 followers on Instagram. Engagement on Facebook more than doubled to 30,000 engagements (likes, shares or comments) from April 2019 – March 2020, compared to 14,000 between April 2018 – March 2019. It is therefore proposed that the post is incorporated into the Council's permanent staffing structure. | Additional Expenditure              | -          | 32         | 32         | 32         | 32         |
| R11  | Managing Director | Investment interest income. Budget estimate adjusted in line with anticipated cash balances and interest returns, as detailed in the Council's Investment Strategy (Combined Capital and Treasury) for 2021-31.  | Income Reduction                    | 64         | 65         | 70         | 71         | 75         |
| <b>Total Net Budget Increase from new pressures and investment proposals</b> |                   |  | <b>Total Additional Expenditure</b> | <b>265</b> | <b>73</b>  | <b>73</b>  | <b>73</b>  | <b>73</b>  |
|  |                   |  | <b>Total Income Reduction</b>       | <b>64</b>  | <b>65</b>  | <b>70</b>  | <b>71</b>  | <b>75</b>  |
|  |                   |  | <b>Total Investments</b>            | <b>329</b> | <b>138</b> | <b>143</b> | <b>144</b> | <b>148</b> |

**Efficiencies earmarked in 2021/22 (and/or beyond) resulting from previous decisions**

|   | Service Directorate | Description of Proposal   | Budget Impact                      | Efficiency       |                  |                  |                  |                  |
|---|---------------------|---|------------------------------------|------------------|------------------|------------------|------------------|------------------|
|   |                     |   |                                    | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
| PE1   | Place               | Provision of a Crematorium at Wilbury Hills. Delivery of the crematorium and any revenue efficiency is dependent on a successful planning application. The planning application was refused by Central Bedfordshire Council, but NHDC has submitted an appeal against this decision. Whilst the Council feels that there is a good chance of success in the appeal, the process has delayed the achievement of any savings. The timing and value of savings is based on the Council making a prompt decision to appoint a new partner to deliver the Crematorium. The estimated efficiency value is based on the proposed terms of the original lease, with NHDC receiving an annual base rent of £10k (indexed annually by RPI) plus a percentage (up to a maximum of 10%) of the turnover generated from the Crematorium. The eligible percentage of turnover would be linked to the number of cremations that take place over a 12 month period. If however the Council decided to build the Crematorium itself then the savings could be greater, but would probably take longer to achieve and would require funding to be allocated through the capital budget. | Additional Income                  | -                | (50)             | (100)            | (100)            | (100)            |
| PE2   | Legal & Community   | Cease MOU and contractual payments to identified Community Groups. Baldock Town Centre Partnership. Grant ceasing at the end of 2020/21.  | Expenditure reduction              | (2)              | (2)              | (2)              | (2)              | (2)              |
| PE3   | Legal & Community   | Removal of budget provision for District Council elections in 2021/22 as no elections are scheduled to be held. Efficiency value includes both the £25k increase in estimated cost of elections reported at Q2 2019/20, which is attributed to rising venue hire prices and higher numbers of postal votes requested, and the £1k saving from integrating elections payroll onto the new Council payroll system.<br><br><b>UPDATE CBP 2021/22: Removal of budget provision in 2025/26.</b>  | Expenditure reduction              | (117)            | -                | -                | -                | (117)            |
| PE4   | Place               | AFM income from Herts County Council. The efficiency proposal in setting the budget for 2020/21 was to adjust the budget estimates to better reflect the Council's current performance (annual income budget increased by £156k). The reduction in anticipated income beyond 20/21 is due to the HCC proposal to reduce the total amount allocated to collection authorities by 12.5% per annum (approximately £500k per year) for the next three years (impacting receipts from 2021/22). The actual impact will however depend on the Council's recycling performance relative to other Hertfordshire authorities, as well as the overall performance of Hertfordshire collection authorities in diverting waste from landfill and reducing associated costs incurred by HCC.   | Additional Income                  | 69               | 130              | 156              | 156              | 156              |
| <b>Total Net Budget Reduction from earmarked efficiencies</b> |                     |   | <b>Total Expenditure reduction</b> | <b>(119)</b>     | <b>(2)</b>       | <b>(2)</b>       | <b>(2)</b>       | <b>(119)</b>     |
|   |                     |   | <b>Total Additional Income</b>     | <b>69</b>        | <b>80</b>        | <b>56</b>        | <b>56</b>        | <b>56</b>        |
|   |                     |   | <b>Total Efficiencies</b>          | <b>(50)</b>      | <b>78</b>        | <b>54</b>        | <b>54</b>        | <b>(63)</b>      |

**Investments earmarked in 2021/22 (and/or beyond) resulting from previous decisions**

|     | Service Directorate | Description of Proposal   | Budget Impact          | Investment       |                  |                  |                  |                  |
|-----|---------------------|---|------------------------|------------------|------------------|------------------|------------------|------------------|
|     |                     |   |                        | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
| PI1 | Regulatory          | Review of Social Housing stock- On a four yearly basis, procure consultants to analyse the condition of housing stock in North Herts and/or support activity on measures aimed at resultant findings/current priorities (e.g. helping residents introduce energy efficiency measures).<br><br><b>UPDATE CBP 2021/22: Earmark £20k investment in 2024/25</b>   | Additional Expenditure | (20)             | (20)             | (20)             | -                | (20)             |
| PI2 | Regulatory          | Local housing market analysis- Appoint consultant biannually to provide information and analysis on the local housing market in order to inform the development of housing policies and strategies.<br><br><b>UPDATE CBP 21/22: Due to Covid-19, the planned analysis will not be completed in 2020/21. It is therefore proposed that the exercise is conducted in 2021/22 and the biannual budget profile realigned accordingly.</b>   | Additional Expenditure | -                | (8)              | -                | (8)              | -                |
| PI3 | Commercial          | To pay for the salaries of the Commercial Manager and Commercial Officer, as when this structure was approved it was agreed that the Special Reserve could be used to fund the first two years. This will allow the Council to continue to deliver the Commercial Strategy.<br><br><b>UPDATE CBP 2021/22: Investment value updated to reflect estimated staffing cost based on current pay scale points. Original investment figure of £125k based on maximum value approved to be drawn down from Special Reserve.</b> | Additional Expenditure | 98               | 98               | 98               | 98               | 98               |

|      |                   |  |                        |    |      |      |      |      |
|------|-------------------|--|------------------------|----|------|------|------|------|
| PI4  | Regulatory        | The undertaking of town centre strategy reviews, which form part of the documents supporting the Local Plan. It is proposed that the investment will be required in each of the next four years to cover all four towns.   | Additional Expenditure | 40 | 40   | 40   | 40   | -    |
| PI5  | Place             | Introduction of a discounted annual rate of £20 for garden waste collection for eligible customers from 20/21. Investment value in 2021/22 and beyond is the additional amount to reflect the full year impact of the discount (estimated to be £70k). The discount is offered to residents who are in receipt of housing benefit or universal credit (approx. 7000 properties), with the estimated value assuming a 50% take-up.                | Income Reduction       | 23 | 23   | 23   | 23   | 23   |
| PI6  | Resources         | Hitchin Fountain. Lady Dixon has agreed to pay for a new floating fountain to go in front of the church in Hitchin. It is believed that this will provide a more reliable water flow than the old pump. The supplier is prepared to provide free maintenance for the first 2 years if the Council agrees to put up an in keeping plaque near to the fountain. The quote for this maintenance after the first 2 years is just under £3k per year. | Additional Expenditure | 2  | 3    | 3    | 3    | 3    |
| PI7  | Chief Executive   | Triennial Pension Scheme Valuation. Increases in annual lump sum [fixed] contribution recommended by the actuary over the three year period from April 2020.   | Additional Expenditure | 28 | 57   | 57   | 57   | 57   |
| PI8  | Legal & Community | Provide inflationary increase (2%) for MOUs with CVC and Citizens Advice North Herts. Inflation increases beyond 2023/24 included within estimated inflation total.  | Additional Expenditure | 4  | 8    | 12   | 12   | 12   |
| PI9  | Regulatory        | Delivery of a single issue Local Plan review to incorporate any emerging Council Priorities re. Climate Change Emergency into formal planning policy for the District. Dependent on the outcome of current Council Priorities work, the estimated two-year programme (2020/21 & 2021/22) would include commissioning of evidence and examination.  | Additional Expenditure | -  | (40) | (40) | (40) | (40) |
| PI10 | Regulatory        | Continuation of the Electric Vehicle strategy to incorporate any emerging Council Priorities re: the Climate Change Emergency / air quality. While details are not yet known, future implementation may require accompanying capital expenditure.  | Additional Expenditure | -  | -    | (20) | (20) | (20) |
| PI11 | Regulatory        | To extend the joint Economic Development Officer post (shared with East Herts) for a further 2 years to the end of 2021/22.  | Additional Expenditure | -  | (26) | (26) | (26) | (26) |
| PI12 | Managing Director | Extension of the employment of a Digital Media and Engagement Officer to end of 2021/22. The initial two year fixed term post was funded from the Corporate Strategic Priorities Fund, with appointment to the role in March 2019. Council agreed to a proposal last year to extend funding for the post for a further two years (2020/21 and 2021/22).  | Additional Expenditure | -  | (32) | (32) | (32) | (32) |

|   |  |  |                                     |            |            |           |            |           |
|---|--|--|-------------------------------------|------------|------------|-----------|------------|-----------|
| <b>Total Net Budget Increase from earmarked investments</b> |  |  | <b>Total Additional Expenditure</b> | <b>152</b> | <b>80</b>  | <b>72</b> | <b>84</b>  | <b>32</b> |
|   |  |  | <b>Total Income Reduction</b>       | <b>23</b>  | <b>23</b>  | <b>23</b> | <b>23</b>  | <b>23</b> |
|   |  |  | <b>Total Investments</b>            | <b>175</b> | <b>103</b> | <b>95</b> | <b>107</b> | <b>55</b> |

**Savings incorporated since 2020/21 Budget approved by Council in February 2020**

| Report     | Service Directorate | Description of Saving   | Budget Impact         | Saving           |                  |                  |                  |                  |
|------------|---------------------|---|-----------------------|------------------|------------------|------------------|------------------|------------------|
|            |                     |   |                       | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
| Q3 2019/20 | Commercial          | Rental Income for Phone Masts on DCO. Vodafone lease part of the DCO roof top for their phone mast. Following a landlord and tenant dispute, the annual rent agreed is now just over £8k; however, legislation may result in a reduction in the future rental value.  | Additional Income     | (8)              | (8)              | (8)              | (8)              | (8)              |
| Q1 2020/21 | Managing Director   | Senior Management Tier 1 Restructure. The estimated net saving from the restructure of senior management approved by Full Council in April and implemented from 18th July 2020. The ongoing saving is from deleting the Chief Executive and Deputy Chief Executive posts, and creating a single Managing Director post. This saving is reduced by the additional payment made to the Service Director designated as Deputy to the Managing Director, equivalent to 10% of current salary. | Expenditure Reduction | (130)            | (130)            | (130)            | (130)            | (130)            |
| Q1 2020/21 | Resources           | Human Resources staffing costs. The permanent saving from deleting the Corporate HR Manager post following the voluntary redundancy package approved by Full Council in July. This saving is net of the financial impact from the subsequent reconfiguration of HR Services staffing arrangements.  | Expenditure Reduction | (50)             | (50)             | (50)             | (50)             | (50)             |
| Q1 2020/21 | Customers           | Outbound Mail contract expenditure. The renegotiation of the Outbound Mail contract, effective from 1st August 2020, has enabled the Council to realise further savings from the lower than originally estimated volumes of outbound post being processed by the contractor. The saving has been partially offset by an increase in Royal Mail charges. The ongoing saving is anticipated until the contract ends in November 2023.   | Expenditure Reduction | (52)             | (52)             | (52)             | (52)             | (52)             |
| Q1 2020/21 | Place               | Contribution to operational costs at Fearnhill Sports Hall. The school has undertaken significant work on the sports hall in recent years, which has reduced the annual contribution required from the Council to the cost of maintenance and repairs at the facility.  | Expenditure Reduction | (18)             | (18)             | (18)             | (18)             | (18)             |
| Q2 2020/21 | Place               | Waste and Street Cleansing Contract Expenditure. Removal of the provision for indexation in the 20/21 budget. The budget for 20/21 assumed a contract indexation of 1.28%, based on the respective indices at that time. Due primarily to a subsequent fall in the fuel price index the calculation of the actual indexation rate for 20/21, as defined in the terms of the contract, resulted in a deflationary value of -0.89%.   | Expenditure Reduction | (65)             | (65)             | (65)             | (65)             | (65)             |
| Q2 2020/21 | Resources           | District Council Offices (DCO) Energy Costs. There is now sufficient consumption data to establish ongoing energy needs following the refurbishment of DCO and the switch to electric heating.  | Expenditure Reduction | (13)             | (13)             | (13)             | (13)             | (13)             |
| Q2 2020/21 | -                   | Net total of minor permanent budget adjustments requested at Quarter Two 2020/21 (included in 'other minor variances' total in table 3)   | Expenditure Reduction | (4)              | (4)              | (4)              | (4)              | (4)              |

|                       |       |   |                       |      |      |      |      |      |
|-----------------------|-------|---|-----------------------|------|------|------|------|------|
| Budget Report 2021/22 | Place | Waste and Street Cleansing Contract Expenditure. Application of the negative indexation rate of 0.89% to contract prices for services delivered in 2020/21. | Expenditure Reduction | (45) | (45) | (45) | (45) | (45) |
| Budget Report 2021/22 | -     | Net total of minor permanent budget adjustments requested at Quarter Two 2020/21 (included in 'other minor variances' total in table)                       | Expenditure Reduction | (3)  | (3)  | (3)  | (3)  | (3)  |

|  |  |  |                                    |              |              |              |              |              |
|--|--|--|------------------------------------|--------------|--------------|--------------|--------------|--------------|
| <b>Total Savings incorporated since 2020/21 budget agreed in February 2020</b> |  |  | <b>Total Expenditure Reduction</b> | <b>(380)</b> | <b>(380)</b> | <b>(380)</b> | <b>(380)</b> | <b>(380)</b> |
|  |  |  | <b>Total Additional Income</b>     | <b>(8)</b>   | <b>(8)</b>   | <b>(8)</b>   | <b>(8)</b>   | <b>(8)</b>   |
|  |  |  | <b>Total Efficiencies</b>          | <b>(388)</b> | <b>(388)</b> | <b>(388)</b> | <b>(388)</b> | <b>(388)</b> |

**Budget Pressures and Investments incorporated since 2020/21 Budget approved by Council in February 2020**

| Report                | Service Directorate | Description of Pressure   | Budget Impact          | Pressure         |                  |                  |                  |                  |
|-----------------------|---------------------|---|------------------------|------------------|------------------|------------------|------------------|------------------|
|                       |                     |   |                        | 2021/22<br>£'000 | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
| Q3 2019/20            | Customers           | Net cost of the Careline Service. An increase in maintenance costs is not being fully funded by the service users due to restrictions placed on increasing the weekly service user charge by HCC.   | Additional Expenditure | 19               | 19               | 19               | 19               | 19               |
| Q3 2019/20            | Regulatory          | Net cost of providing temporary accommodation based on estimated annual spend of £80k. NHDC receives subsidy from the DWP for any households in temporary accommodation that receive housing benefit. The £10k pressure is due to not all households in sheltered accommodation qualifying for housing benefit, while there is also a cap on how much can be claimed.   | Additional Expenditure | 10               | 10               | 10               | 10               | 10               |
| Q3 2019/20            | Commercial          | Rental income from Thomas Bellamy House. The lease with the Hitchin Christian Centre has come to an end and was not renewed by the tenant. The space is now being held vacant pending refurbishment of the entire building and future re-letting (included within other minor variances total in table 3).  | Income Reduction       | 6                | 6                | 6                | 6                | 6                |
| Q3 2019/20            | -                   | Net total of minor permanent budget adjustments requested at quarter 3 2019/20 (included in 'other minor variances' total in table 3)   | Additional Expenditure | 6                | 6                | 6                | 6                | 6                |
| Outturn 2019/20       | Customers           | Council Tax Summons Income. Reduction in forecast income followed the closure of the Court in response to the COVID-19 pandemic.  | Income Reduction       | 57               | 57               | 57               | 57               | 57               |
| Outturn 2019/20       | Place               | Income from the sale of textiles collected for recycling. Both the volume of materials collected, and the price received for textiles, have fallen significantly. As such, officers are now investigating the viability of the service.   | Income Reduction       | 11               | 11               | 11               | 11               | 11               |
| Outturn 2019/20       | Customers           | Careline alarms equipment costs. Careline are purchasing and installing digital alarms when an alarm requires replacement. The digital alarm costs twice as much as the analogue product previously installed but can be used up to three times, whereas the old analogue equipment could only be used once. Once there is sufficient turnover of the new alarm, annual equipment costs should reduce as alarms returned from former clients can be used for new installations.   | Additional Expenditure | 78               | 78               | 78               | 78               | 78               |
| Outturn 2019/20       | -                   | Net total of minor permanent budget adjustments requested at Outturn 2019/20 (included in 'other minor variances' total in table 3)   | Additional Expenditure | 3                | 3                | 3                | 3                | 3                |
| Q1 2020/21            | All                 | Staff Payroll Costs. The assumption in the original budget estimates was a staff pay award for 20/21 of 2%. The National Employer pay offer to Trade Unions in April was an increase to all salary points of 2.75%. The budget pressure is therefore the additional resource required for the increase in pay over and above the original 2% estimate.  | Additional Expenditure | 95               | 95               | 95               | 95               | 95               |
| Q1 2020/21            | Customers           | Careline Service Overtime costs. The ongoing adjustment is to recognise the level of staff turnover apparent in recent years and the impact on overtime spend. The cost impact is particularly acute for Careline as a new member of staff requires training by an existing colleague, the hours of whom must then be backfilled either through overtime or the hiring of agency staff.   | Additional Expenditure | 12               | 12               | 12               | 12               | 12               |
| Q1 2020/21            | Customers           | Benefit Overpayments Income. Forecast income reduction is attributed to the ongoing transfer of working age benefit claimants to Universal Credit, which is administered by the DWP. Since October 2018 the Council has not accepted Housing Benefit claims from new working age claimants or from existing claimants whose circumstances have changed, as housing costs are now part of Universal Credit. The benefit caseload has since dropped by 28%, from 6,426 to 4,614, with the reduction in activity therefore helping to reduce the incidence and value of benefit overpayments. The apparent downturn in the economy and reduction in individual incomes, from associated job losses or furlough, has also contributed to reducing the occurrence of benefit overpayments and accelerated the migration to Universal Credit. | Income Reduction       | 163              | 163              | 163              | 163              | 163              |
| Q1 2020/21            | Resources           | Insurance premiums. There have been increases across a number of policy renewals, indicative of both the general climate in the insurance market and the fact that there were a couple of substantial claims relating to Development Control submitted in the past year.  | Additional Expenditure | 18               | 18               | 18               | 18               | 18               |
| Q1 2020/21            | Place               | Bin stickers. The previous Waste Contractor would commission the Council to produce hangers and stickers for bins to show the collection dates during Easter and Christmas. Urbaser has since made alternative arrangements and this income will no longer be achieved (included in 'other minor variances' total at Q1).   | Income Reduction       | 6                | 6                | 6                | 6                | 6                |
| Q1 2020/21            | Customers           | Income from other Local Authorities for IT services. The shared support service contract for the Local Land and Property Gazetteer database has not been renewed by Hertsmere Borough Council (included in 'other minor variances' total in table 3).   | Income Reduction       | 9                | 9                | 9                | 9                | 9                |
| Q1 2020/21            | -                   | Net total of minor permanent budget adjustments requested at Quarter One 2020/21 (included in 'other minor variances' total in table 3)   | Additional Expenditure | 5                | 5                | 5                | 5                | 5                |
| Q2 2020/21            | Regulatory          | Stray Dog Contract costs. Increase in annual cost of the stray dog collection and kennelling service, provision of which is a statutory requirement, follows the outcome of the recent procurement exercise and the award of a new three-year contract to the successful supplier (included in 'other minor variances' total in table 3).   | Additional Expenditure | 9                | 9                | 9                | 9                | 9                |
| Budget Report 2021/22 | Place               | Income from the sale of paper collected for recycling. Ongoing trend of falling tonnages, with volumes collected in April - November 2020 22% less than the equivalent period in 2019, attributed to consumers switching from print media to digital media.   | Income Reduction       | 20               | 20               | 20               | 20               | 20               |

|                       |            |  |                         |     |    |    |    |    |
|-----------------------|------------|--|-------------------------|-----|----|----|----|----|
| Budget Report 2021/22 | Place      | Recycling Credit Income. Falling paper tonnages collected for recycling reduces the incentive income eligible from Hertfordshire County Council.   | <b>Income Reduction</b> | 24  | 24 | 24 | 24 | 24 |
| Budget Report 2021/22 | Commercial | Hitchin Market Management Contract. Cabinet approved an eight-month contract extension from August to the end of March 2021 at zero cost to the Council. The proposal presented to Cabinet is for the cost neutral arrangement with Hitchin Market Ltd to continue into the next financial year (and potentially beyond).  | <b>Income Reduction</b> | 28  | 28 | 28 | 28 | 28 |
| Budget Report 2021/22 | Place      | Alternative Financial Model Income from Hertfordshire County Council. The Covid-19 pandemic has impacted on the Council's recycling performance during the year, to the extent that the Council's eligible share was projected by HCC in October 2020 to be zero. The pressure value is after mitigating the impact with the removal of the expenditure budget that would have been funded by AFM (highlighted in Table 2 in the budget report). | <b>Income Reduction</b> | 359 | -  | -  | -  | -  |

|  |                                     |            |            |            |            |            |
|--|-------------------------------------|------------|------------|------------|------------|------------|
| <b>Total pressures and investments incorporated since 2020/21 budget agreed in February 2020</b> | <b>Total Additional Expenditure</b> | <b>255</b> | <b>255</b> | <b>255</b> | <b>255</b> | <b>255</b> |
|  | <b>Total Income Reduction</b>       | <b>683</b> | <b>324</b> | <b>324</b> | <b>324</b> | <b>324</b> |
|  | <b>Total Pressures Arising</b>      | <b>938</b> | <b>579</b> | <b>579</b> | <b>579</b> | <b>579</b> |

**Previously agreed changes, including updates to amounts**

| Reference                | Service Directorate | Description  | Budget Impact   | Pressure / Saving |                  |                  |                  |                  |
|--------------------------|---------------------|--|-----------------|-------------------|------------------|------------------|------------------|------------------|
|                          |                     |  |                 | 2021/22<br>£'000  | 2022/23<br>£'000 | 2023/24<br>£'000 | 2024/25<br>£'000 | 2025/26<br>£'000 |
| -                        | Managing Director   | Reduction in annual interest payments relating to outstanding loans with Public Works Loans Board. The annual interest payments reduce as the loan principal is repaid.<br><b>UPDATE CBP 2021/22: Estimates updated and extended to 2025/26</b>  | <b>Saving</b>   | (1)               | (2)              | (4)              | (5)              | (7)              |
| Council 31st August 2017 | Managing Director   | Annual interest (fixed at 3.5%) receivable from NHDC loan to SLL for purchase of gym and fitness equipment at Hitchin and Royston Leisure Centres, approved by Council in August 2017, decreases as the loan principal is repaid. Loan principal is scheduled to be fully repaid by the end of March 2023. | <b>Pressure</b> | 3                 | 7                | 10               | 10               | 10               |
| -                        | Managing Director   | District Wide Survey (estimated cost £18k) takes place in alternate years.<br><b>UPDATE CBP 2021/22: Remove budget in 2024/25 and reinstate in 2025/26</b>   | <b>Pressure</b> | 18                | -                | 18               | -                | 18               |

|                                |                          |            |            |            |            |            |
|--------------------------------|--------------------------|------------|------------|------------|------------|------------|
| <b>Total Net Budget Impact</b> | <b>Total Pressures</b>   | <b>21</b>  | <b>7</b>   | <b>28</b>  | <b>10</b>  | <b>28</b>  |
|                                | <b>Total Savings</b>     | <b>(1)</b> | <b>(2)</b> | <b>(4)</b> | <b>(5)</b> | <b>(7)</b> |
|                                | <b>Net Budget Impact</b> | <b>20</b>  | <b>5</b>   | <b>24</b>  | <b>5</b>   | <b>21</b>  |