

New Efficiency Proposals for 2019/20 and beyond

Ref No	Service Directorate	Description of Proposal	Net Efficiency				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
E1	Regulatory	Deletion of Membership of Greater Cambridgeshire and Greater Peterborough LEP. The GCGP LEP ceased to operate as of 01 April 2018. The new LEP, known as The Business Board, is Cambridge and Peterborough orientated only.	Expenditure reduction	- 16	- 16	- 16	- 16
			Additional Income	-	-	-	-
			Total	- 16	- 16	- 16	- 16
E2	Regulatory	Removal of funding for Area Wide Parking Reviews in 2019/20. There is a sufficient balance in reserve to enable the works to be undertaken in 2019/20 without the need for this annual provision.	Expenditure reduction	- 65	-	-	-
			Additional Income	-	-	-	-
			Total	- 65	-	-	-
E3	Resources	Ceasing the use of duplicate payment finder software. Additional functionality from the recent upgrade of the Council's main accounting system means that additional software to identify duplicate payments is no longer required.	Expenditure reduction	- 5	- 5	- 5	- 5
			Additional Income	-	-	-	-
			Total	- 5	- 5	- 5	- 5
E4	Resources	Savings on the cost of insurance have materialised following the tender of the Council's insurance arrangements, primarily on our property insurance. We have also decided to no longer insure against loss of revenue for the leisure facilities in the event of them being damaged. We have restricted insuring against terrorism damage to just key buildings rather than the whole of the property portfolio. The public liability excess has also increased from £5,000 to £10,000 per claim, which meant the premium was held at the previous level rather than increasing.	Expenditure reduction	- 48	- 48	- 48	- 48
			Additional Income	-	-	-	-
			Total	- 48	- 48	- 48	- 48
E5	Place	Effective procurement and management of tree maintenance arrangements has facilitated a reduction in the estimated annual provision required to deliver this service without adversely impacting the condition of the trees maintained within the district.	Expenditure reduction	- 10	- 10	- 10	- 10
			Additional Income	-	-	-	-
			Total	- 10	- 10	- 10	- 10
E6	Regulatory	Planning advertising expenditure	Expenditure reduction	- 5	- 5	- 5	- 5
			Additional Income	-	-	-	-
			Total	- 5	- 5	- 5	- 5
E7	Legal & Community	Rolling reduction in area committee grant budgets equivalent to 20% of annual provision	Expenditure reduction	- 10	- 19	- 25	- 31
			Additional Income	-	-	-	-
			Total	- 10	- 19	- 25	- 31
E8	Legal & Community	Removal of budget provision for District Council elections in 2021/22 as no elections scheduled to be held.	Expenditure reduction	-	-	- 89	-
			Additional Income	-	-	-	-
			Total	-	-	- 89	-
E9	All Directorates	Budget scrutiny savings: total of minor savings (each less than £1K in value) identified from the review of existing base budgets.	Expenditure reduction	- 12	- 12	- 12	- 12
			Additional Income	-	-	-	-
			Total	- 12	- 12	- 12	- 12
Total Net Budget Reduction from new efficiency proposals			Total Expenditure reduction	- 171	- 115	- 210	- 127
			Total Additional Income	-	-	-	-
			Total Efficiencies	- 171	- 115	- 210	- 127

New Revenue Pressures and Investment Proposals

Ref No	Service Directorate	Description of Proposal	Investment				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
R1	Regulatory	Local Plan 2011-2031- Current discussions with the Inspector lead officers to believe that it should be possible to achieve a recommendation to adopt within 2018/19 subject to decisions of the Council. As such, this bid focuses on the work that will need to be undertaken post-adoption such as the review of strategies and the undertaking of studies. This bid maybe subject to change following the Inspectors interim report.	Additional Expenditure	150	-	-	-
			Income Reduction	-	-	-	-
			Total	150	-	-	-
R2	Regulatory	Retention of the 2018/19 parking tariff structure for 2019/20, including freezing prices for car park season tickets and residents parking permits.	Additional Expenditure	-	-	-	-
			Income Reduction	100	100	100	100
			Total	100	100	100	100

R3	Resources	Removal of earmarked efficiency from launch of NHDC Lottery (PE6 below)- Planned efficiency values were based on the experience of the first year of the Vale Lottery. A further assessment of the options for delivering a NHDC lottery was subsequently undertaken by officers. Officers concluded that in the absence of a major driver for demand, such as the lottery being a means of supporting a local hospital, a lottery would most likely absorb significant officer resource for a relatively minor return.	Additional Expenditure	-	-	-	-
			Income Reduction	50	65	65	65
			Total	50	65	65	65
R4	Legal & Community	Removal of earmarked efficiency from replacement of area committees with a more informal alternative (PE4 below)	Additional Expenditure	50	50	50	50
			Income Reduction	-	-	-	-
			Total	50	50	50	50
R5	Regulatory	Removal of earmarked efficiency from the review of the Council's Parking Strategy (CBP 2017/18).	Additional Expenditure	-	-	-	-
			Income Reduction	100	100	100	100
			Total	100	100	100	100
R6	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).	Additional Expenditure	-	20	-	-
			Income Reduction	-	-	-	-
			Total	-	20	-	-
R7	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.	Additional Expenditure	-	8	-	8
			Income Reduction	-	-	-	-
			Total	-	8	-	8
R8	Resources	Payroll contract- One year extension of current Payroll Contract to the end of March 2020, as per published delegated decision notice 26/08/2018. Due to this annual contract price increase, a new contract will be procured and commence from 2020/21.	Additional Expenditure	12	12	12	12
			Income Reduction	-	-	-	-
			Total	12	12	12	12
			Total Additional Expenditure	212	90	62	70
			Total Income Reduction	250	265	265	265
			Total Investments	462	355	327	335

Efficiencies earmarked in 2019/20 (and/or beyond) resulting from previous decisions

	Service Directorate	Description of Proposal	Efficiency				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
PE1	Customers	Restructure of Revenues team. The use of technology means that the service can absorb these changes with no impact on service delivery.	Expenditure reduction	- 6	- 12	- 12	- 12
			Additional Income	-	-	-	-
			Total	- 6	- 12	- 12	- 12
PE2	Resources	Reduction in the number of audit days delivered by the Shared Internal Audit Service. Proposed to reduce from 400 days in 2017/18 to 360 days in 2018/19, 320 days in 2019/20 and 300 days from 2020/21 onwards. External Audit no longer place reliance on the work of Internal Audit in respect of key financial systems, hence the substantive testing element of this work is no longer required. The Council generally have good controls and therefore there is scope to reduce the time spent on service audits and still retain capacity to target any identified risk areas. The Audit Manager has advised that at 300 days, SIAS would still expect to be able to provide their annual assurance.	Expenditure reduction	- 10	- 15	- 15	- 15
			Additional Income	-	-	-	-
			Total	- 10	- 15	- 15	- 15
PE3	Resources	Centralisation of property repairs and maintenance budgets. Centralisation of these budgets will facilitate more effective planning and prioritisation of maintenance work.	Expenditure reduction	- 20	- 20	- 20	- 20
			Additional Income	-	-	-	-
			Total	- 20	- 20	- 20	- 20
PE4	Legal & Community	Replace area committees with a more informal alternative. The amount of saving of the direct administration cost of supporting Area Committees could be in the region of £50k, but would be dependent on the format and frequency of any alternative.	Expenditure reduction	- 50	- 50	- 50	- 50
			Additional Income	-	-	-	-
			Total	- 50	- 50	- 50	- 50
PE5	Place	Provision of a Crematorium at Wilbury Hills. Delivery of the crematorium and any revenue efficiency is dependent on a successful planning application. The estimated efficiency value is based on the proposed terms of the 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.	Expenditure reduction	-	-	-	-
			Additional Income	-	50	100	100
			Total	-	50	100	100
PE6	Resources	The launch of an NHDC Lottery. Efficiency values are based on activity generated by the Aylesbury Vale lottery and assume 60% of the value of the tickets sold at £1 can be directed to fund activities in the NHDC area. Revenue generated could therefore be used to fund area grant awards.	Expenditure reduction	-	-	-	-
			Additional Income	-	50	65	65
			Total	-	50	65	65

PE7	Place	Reduction in cost for waste collection and street cleansing arising from the retendering of the service. Increase in efficiency from 2019/20 due to expectation of full year saving (contract commenced May 2018) and removal of initial one-off costs associated with the new contract.	Expenditure reduction	-	203	-	203	-	203	-	203
			Additional Income	-	-	-	-	-	-		
			Total	-	203	-	203	-	203	-	203
PE8	Place	The expected net impact of introducing garden waste charging, at £40 with a 26% take-up. Efficiency anticipated to be greater after year 1 following removal of initial one-off costs and early bird discount.	Expenditure reduction	-	-	-	-	-	-	-	-
			Additional Income	-	131	-	131	-	131	-	131
			Total	-	131	-	131	-	131	-	131
PE9	Place	Savings in staffing costs anticipated from year 2 of the contract from a joint waste client team with East Herts Council.	Expenditure reduction	-	60	-	60	-	60	-	60
			Additional Income	-	-	-	-	-	-		
			Total	-	60	-	60	-	60	-	60
PE10	Legal & Community	Cease MOU and contractual payments to identified Community Groups. Phased reduction in payments to Town Centre Partnerships: Baldock (ceasing March 2021) Reduction over a 3 year term from 2017/18 (ceasing March 2020): Hitchin British Schools Museum, North Herts Arts Council, Sports North Herts and Stevenage & North Herts Womens Resource Centre	Expenditure reduction	-	9	-	18	-	20	-	20
			Additional Income	-	-	-	-	-	-		
			Total	-	9	-	18	-	20	-	20

Total Net Budget Reduction from earmarked efficiencies			Total Expenditure reduction	-	358	-	378	-	380	-	380
			Total Additional Income	-	181	-	246	-	296	-	296
			Total Efficiencies	-	539	-	624	-	676	-	676

Savings incorporated since 2018/19 Budget approved by Council in February 2018

Report	Service Directorate	Description of Saving	Saving				
			2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	
Q3 2017/18	Commercialisation	Increase in rental income following rent review (included within ongoing impact total relating to 'other minor balances' of Q3 2017/18 report)	Expenditure reduction	-	-	-	-
			Additional Income	-	5	-	5
			Total	-	5	-	5
Council 10.4.2018	Legal & Community	Council resolution that the adopted member allowances scheme for 2017/18 remain in place without amendment for the 2018/19 year reduces the anticipated cost in future years.	Expenditure reduction	-	7	-	7
			Additional Income	-	-	-	-
			Total	-	7	-	7
Q1 2018/19	Place	The original estimate was based on the results of the public consultation, which indicated a 26% take up. The service has however been more popular than the consultation suggested, with currently over 50% of households registered for the service.	Expenditure reduction	-	-	-	-
			Additional Income	-	235	-	235
			Total	-	235	-	235
Q2 2018/19	All Directorates	The original staff salary cost estimate for 2018/19 was based on assumption of pay award of 3% for all pay grades. Negotiated pay offers resulted in salary increases ranging from 2% for middle to higher salary grades to 9% at the lowest pay point.	Expenditure reduction	-	85	-	85
			Additional Income	-	-	-	-
			Total	-	85	-	85
Q2 2018/19	Chief Executive	Interest on mortgage payments. The final outstanding Housing Association mortgage was redeemed early so the Council no longer has any outstanding mortgages. Saving value included in 'other minor variances' ongoing impact total in Q2 report.	Expenditure reduction	-	7	-	7
			Additional Income	-	-	-	-
			Total	-	7	-	7
Q2 2018/19	Chief Executive	Increase in anticipated level of investment interest income due to the reprofiling of the Capital Programme increasing cash balances available for investment.	Expenditure reduction	-	-	-	-
			Additional Income	-	133	-	-
			Total	-	133	-	-
Q2 2018/19	Chief Executive	Saving on anticipated cost of External Audit, based on Public Sector Audit Appointments published scale of fees. Saving value included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	-	6	-	6
			Additional Income	-	-	-	-
			Total	-	6	-	6
Q2 2018/19	Customers	Photocopying costs. The temporary relocation to Town Lodge prompted a reduction in the total number of MFD machines, with three less in operation. This reduction was then made permanent when the lease contract was renewed prior to the return to DCO. This has resulted in lower rental costs, print charges and paper costs.	Expenditure reduction	-	18	-	18
			Additional Income	-	-	-	-
			Total	-	18	-	18
			Expenditure reduction	-	8	-	8

Q2 2018/19	Customers	Stationery expenditure. Centralisation of stationery stock management and procurement has facilitated a further reduction in resource required (included within other minor variances ongoing impact total in Q2 report).	Additional Income	-	-	-	-
			Total	-	8	-	8
Q2 2018/19	Customers	Court summons fees. With effect from 20th July 2018, the fee charged by Magistrates Courts for the issue of a liability order was reduced from £3.00 to £0.50. Annual saving value based on recent levels of activity and was included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	-	10	-	10
			Additional Income	-	-	-	-
			Total	-	10	-	10
Q2 2018/19	Customers	Document Imaging contract. The prevalence of electronic invoicing and the transfer of the building control function to the trading company have contributed to a reduction in the volume of documents sent for scanning. Saving value included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	-	9	-	9
			Additional Income	-	-	-	-
			Total	-	9	-	9
Q2 2018/19	Resources	Energy management arrangements. The Council no longer pays a fixed amount to a service provider to check energy bills received and flag any potential variances in amounts billed / energy consumed. The Council appointed a new contractor to be responsible for all aspects of energy procurement and billing, with the fee charged to the Council built into the price per unit of energy. Saving value included within other minor variances ongoing impact total in Q2 report.	Expenditure reduction	-	5	-	5
			Additional Income	-	-	-	-
			Total	-	5	-	5
Q2 2018/19	Place	Garden Waste Collection. Net income from additional households registering for the service during quarter 2.	Expenditure reduction	-	-	-	-
			Additional Income	-	61	-	61
			Total	-	61	-	61

Total Savings incorporated since 2018/19 budget agreed in February 2018			Total Expenditure reduction	-	155	-	155	-	155	-	155
			Total Additional Income	-	434	-	301	-	301	-	301
			Total Efficiencies	-	589	-	456	-	456	-	456

Budget Pressures incorporated since 2018/19 Budget approved by Council in February 2018

Report	Service Directorate	Description of Pressure	Pressure				
			2019/20	2020/21	2021/22	2022/23	
			£'000	£'000	£'000	£'000	
Outturn 2017/18	Resources	Removal of Income expectation from Herts CCTV Company. Anticipated income had been based on the original estimates prepared when the CCTV company was formed.	Additional Expenditure	-	-	-	-
			Income Reduction	39	39	39	39
			Total	39	39	39	39
Outturn 2017/18	Customers	Council Tax Summons Income. The increasing proportion of households paying their Council Tax by direct debit has contributed to reducing the numbers of people taken to court over non-payment. Waiting times for court dates have also increased, which has extended the period available to pay the outstanding sum prior to the court summons being issued.	Additional Expenditure	-	-	-	-
			Income Reduction	35	35	35	35
			Total	35	35	35	35
Outturn 2017/18	Customers	NNDR Court Summons Income	Additional Expenditure	-	-	-	-
			Income Reduction	11	11	11	11
			Total	11	11	11	11
Q1 2018/19	Place	Processing of comingled recyclates. China's decision to ban the import of certain categories of recycled materials from the start of the calendar year has ultimately led to a significant decline in the sale value of these materials. A fall in sale prices directly increases the processing unit cost charged to NHDC.	Additional Expenditure	130	130	130	130
			Income Reduction	-	-	-	-
			Total	130	130	130	130
Q1 2018/19	Customers	Government Grant Income. Notification received from Central Government of reductions to Housing Benefit administration grant (£29,300 reduction from 2017/18) and Council Tax administration grant (£9,600 reduction from 2017/18).	Additional Expenditure	-	-	-	-
			Income Reduction	39	39	39	39
			Total	39	39	39	39
Q3 2017/18 Outturn 17/18 Q1 2018/19	Various	Total net ongoing impact of minor variances reported in quarterly monitoring reports to Cabinet since original budget was approved in February 2018. Q3 2017/18 = £2k, Q1 2018/19 = £11k	Additional Expenditure	13	13	13	13
			Income Reduction	-	-	-	-
			Total	13	13	13	13
Q1 2018/19	Commercialisation	Recruitment of two additional officers to the Commercial Support Team within the Commercialisation Service Directorate. The new posts will lead on the development of a housing investment company and explore new commercial opportunities, while also mapping out, supporting and developing internal services to increase commercial capacity. It is estimated that additional annual resource up to a maximum of £125k is required to meet the cost of the new positions; with maximum additional expenditure in 2018/19 of half	Additional Expenditure	-	62	125	125
			Income Reduction	-	-	-	-

		this amount (£62.5k) should the recruitment process be successful. The Council's Senior Management Team recommended that the cost of the first two years of these posts should be funded from the Special reserve.	Total	-	62	125	125
Council 22.11.2018	Place	Waste Collection Service in North Hertfordshire. In recognition of the service received since the start of the new waste contract, which has not been of the standard we expect, the Council agrees an extension of the current 12 month payment period for green waste collection, for a further period of 3 months.	Additional Expenditure	-	-	-	-
			Income Reduction	290	-	-	-
			Total	290	-	-	-
Council 22.11.2018	Chief Executive	Member Allowances Scheme 2019/20. An additional amount (£1,500) required to cover the payments to the Opposition and Third Party Leaders to cover their increased membership. Honoraria for three panel members at £500 each per year, for any year that a Panel reviews and prepares a report on Members' Allowances.	Additional Expenditure	3	3	3	3
			Income Reduction	-	-	-	-
			Total	3	3	3	3
Q2 2018/19	Customers	Land charges income. The response to building control related elements of personal searches, previously provided by NHDC, is now undertaken by Hertfordshire Building Control.	Additional Expenditure	-	-	-	-
			Income Reduction	10	10	10	10
			Total	10	10	10	10
Q2 2018/19	All Directorates	The national business rates revaluation in April 2017 resulted in significant increases to the rateable values of some of the Council's assets. Where this occurred, the authority was eligible for transitional relief, which allows the increase in rates to the higher value to be incremental over five years.	Additional Expenditure	32	32	32	32
			Income Reduction	-	-	-	-
			Total	32	32	32	32

Total Net Budget Increase	Total Additional Expenditure	178	240	303	303
	Total Income Reduction	424	134	134	134
	Total Pressures Arising	602	374	437	437

Previously agreed changes, including updates to amounts

Proposed revised amounts in yellow

Reference	Service Directorate	Description	Pressure / Saving				
			2019/20	2020/21	2021/22	2022/23	
			£'000	£'000	£'000	£'000	
CBP 15/16 & CBP 16/17	Regulatory	Removal of Planning Services investment bids approved in prior years. 2015/16 CBP - Master-Planning of sites costs (part of the delivery of the Local Plan). £50k was earmarked in 2017/18 and £50k in 2018/19 (only). 2016/17 CBP - Local Plan costs - Following the Preferred Options consultation in 2015 additional work was identified as required before publication of the submission documentation. In addition the 2015 Central Bedfordshire examination identified that the current IT system did not meet the necessary legal tests. £120k earmarked in 2017/18 and £110k earmarked in 2018/19 (only).	Expenditure Impact	- 160	- 160	- 160	- 160
			Income Impact	-	-	-	-
			Total	- 160	- 160	- 160	- 160
CBP 2017/18	Customers	The original efficiency proposal, relating to the staffing restructure of the Systems & Technical Team, estimated that the saving would reduce from 2019/20 due to the requirement to renew GovTech Online Forms software.	Expenditure Impact	15	15	15	15
			Income Impact	-	-	-	-
			Total	15	15	15	15
-	Chief Executive	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. UPDATE CBP 2019/20: Estimates updated and extended to 2022/23	Expenditure Impact	-	1	2	3
			Income Impact	-	-	-	-
			Total	-	1	2	3
Council 31st August 2017	Chief Executive	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. UPDATE CBP 2019/20: Interest income estimate extended to 2022/23	Expenditure Impact	-	-	-	-
			Income Impact	3	6	10	14
			Total	3	6	10	14
-	Chief Executive	District Wide Survey (estimated cost £16k) and Citizens' Panel (estimated cost £8k) take place in alternate years. UPDATE CBP 2019/20: Estimates include cost of District Wide Survey in 2021/22	Expenditure Impact	8	-	8	-
			Income Impact	-	-	-	-
			Total	8	-	8	-

Total Net Budget Impact	Total Expenditure Impact	- 137	- 146	- 139	- 148
	Total Income Impact	3	6	10	14
	Total Budget Impact	- 134	- 140	- 129	- 134