

**New Efficiency Proposals for 2020/21 and beyond (Comments from Budget Workshops)**

Blanks imply no specific comment and therefore general consent

Ref No	Service Directorate	Description of Proposal	Amount				Joint Administration Comments- at Budget workshop and subsequent meetings	Conservative Group comments- at Budget workshop
			2020/21	2021/22	2022/23	2023/24		
			£'000	£'000	£'000	£'000		
E1	Customers	Customer Service Centre staffing. Automation of the document verification process means that a vacant part-time post within the Customer Service Centre can be deleted with no adverse effect on service delivery.	(16)	(16)	(16)	(16)		
E2	Customers	Revenues and Benefits staffing. A reorganisation of duties within the team following recent retirements. The reorganisation is reflective of both the impact of Universal Credit and increased process automation. It is anticipated to result in cost savings without impacting negatively on service delivery.	(43)	(43)	(43)	(43)		
E3	Resources	Premises cost savings resulting from the development of the Town Lodge Site. The site is unoccupied and estimated savings are subject to satisfactory completion of the handover to the developer, which is expected <b>around Easter 2020</b> .  <b>The amount has been increased since the budget workshops to reflect the inclusion of the building at the rear of the Document Centre, which is also part of the land sale.</b>	(68)	(68)	(68)	(68)	Query over the expected timing of the sale of the site. Now expected to be Easter 2020 so the description has been updated to reflect this.	
E4	Place	Reduction in business rates expenditure following Government announcement of intention to allow Rate Relief on Public Conveniences from 1 April 2020	(11)	(11)	(11)	(11)		
E5	Customers	Closure of the Document Centre. With the implementation of the Outbound Mail contract and the move to paperless Committee meetings, the residual work for the Document Centre is not enough to justify keeping it open. Arrangements are being made with a Local Government partner for the provision of print services for the residual work. The saving value includes the financial impact of the Outbound Mail contract and the residual print work that will be externally sourced.	(107)	(107)	(107)	(107)		
E6	Commercial	Revenue impact from acquisition of property investments in line with NHDC's Commercial Strategy and Property Investment Strategy. Investments acquired in line with these two Strategies will produce new income streams for NHDC over the short, medium and long-term, together with income growth potential to offset inflation. Efficiency value is net of estimated cost of associated professional advice and dependent on approval of corresponding capital investment proposal.	-	TBC	TBC	TBC	Given the timing of acquisitions likely to be zero savings in 2020/21. Updated to reflect this (changed from TBC to 0), although TBC also calculates as zero savings.	Need details of Strategy
E7	Commercial	Agreement of full repairing lease for Mrs Howard Memorial Hall. The proposed capital investment to replace the boiler and windows will help to advance negotiations with the tenant. If agreed, the full repairing lease will place all maintenance obligations onto the tenant and generate rental income for NHDC. The capital investment will also improve the property's energy efficiency, potentially helping NHDC's ability to secure an increased rent at the next scheduled rent review.	(5)	(5)	(5)	(5)		
E8	Commercial	Letchworth Town Hall rental income. NHDC owns Letchworth Town Hall and the asset is held as an investment property. Rental income follows the end of the rent free period of the lease to North Hertfordshire College from the 1st July 2019. The full repairing lease commenced in 2012 and expires on 2nd September 2037, contains no break options, and is subject to an upwards-only rent review mechanism.	(70)	(70)	(70)	(70)		
E9	Resources	Payroll function. Savings are anticipated from both payroll service licence costs, having procured a new payroll service from April 2020 that excludes licence costs for the use of the payroll system, and the integration of elections payroll. The new payroll contract was awarded for a period of five years.	(6)	(6)	(6)	(6)		
E10	Commercial	Agreement of tenancy for the 2nd floor at District Council Offices. Total office accommodation savings resulting from the DCO refurbishment of £50k were previously incorporated within the budget estimates. The efficiency value therefore represents only the additional amount anticipated now that the terms of the lease have been finalised. <b>The total is made up of £48k income from letting the second floor and £22k saving from the relocation of Careline in to the DCO.</b>	(20)	(20)	(20)	(20)	Query over what the total saving relates to. Description updated to reflect £48k income from letting of 2nd floor and £22k saving from relocating Careline in to DCO (from Harkness Court).	

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E11	Place	AFM income from Herts County Council. The receipt for recycling performance in 2018/19, received in 2019/20, significantly exceeded the budget expectation. The proposal is therefore to adjust the budget estimates to better reflect the Council's current performance. The reduction in the efficiency value 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 saving achieved will however depend on the Council's recycling performance relative to other Hertfordshire authorities.	(156)	(87)	(26)	-		
E12	Chief Executive	Increase in anticipated level of investment interest income due to the reprofiling of the Capital Programme increasing cash balances available for investment. Efficiency value calculation is subject to update and refinement.	(133)	-	-	-		
E13	Legal & Community	Reduction in the budget for Chair's Civic Dinner and Awards Ceremony. This will be achieved through a combination of charging for attendance and reducing the costs of the event.	(3)	(3)	(3)	(3)	NEW PROPOSAL from Administration following the workshop so added in	N/a- identified after the budget workshops
E14	Resources	Prior to the housing stock transfer the Council provided mortgages to those who wished to exercise their Right to Buy their Council property. The Council acted as lender of last resort. The Council paid a fee for the administration of these mortgages. These mortgages have now all been paid off so the administration is no longer required.	(4)	(4)	(4)	(4)	N/a- identified after the budget workshops	N/a- identified after the budget workshops
<b>Total Net Budget Reduction from new efficiency proposals</b>			<b>(642)</b>	<b>(440)</b>	<b>(379)</b>	<b>(353)</b>		

### New Revenue Pressures and Investment Proposals

Ref No	Service Directorate	Description of Proposal	Amount				Joint Administration Comments- at Budget workshop and subsequent meetings	Conservative Group comments- at Budget workshop
			2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000		
R1	Place	Core waste services contract expenditure. Retention of the weekly collection of residual waste service for multi-occupancy properties, as per report to Cabinet 30.07.2019.	164	164	164	164		
R2	Place	Playground Maintenance. Delay the removal of play equipment at Betjeman Road and Farrier Court in Royston to 31st March 2021 to provide sufficient time to re-evaluate the current Green Space Management Strategy with regard to playground provision in the District and align this with a review of the Medium Term Financial Strategy (as per report to Cabinet 30.07.2019).	4	-	-	-		
R3	Commercial	Employment of external RICS Registered Valuer to conduct the Council's annual valuations of its fixed assets, to include investment, surplus and various classes of operational properties.	20	20	20	20		
R4	Commercial	Appointment of external consultants to deal with the Arbitration of DCO ground rent.	4	-	-	-		

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			2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000		
R5	Customers	Investigation of the potential for Artificial Intelligence (AI) software to automate processes to enable customer queries to be dealt with more efficiently and reduce the number of customer contacts. The use of AI software will be subject to a business case, which will need to identify savings on an invest to save basis. Estimated investment is for initial license costs associated with the software solution. On-going revenue costs will be met from the delivery of associated efficiencies.	35	-	-	-		
R6	Customers	Extension of temporary administrative support to Careline to the end of March 2021. This additional admin support will no longer be required beyond this date as more automated solutions are implemented over the course of the year.	21	-	-	-		
R7	Legal & Community	Creation of new post within the Policy and Community Engagement team to assist with the delivery of the administration's Environmental/ Climate and community engagement priorities.	37	37	37	37		Reservations about creation of posts for non-statutory functions when trying to save money.
R8	Legal & Community	Creation of new post within the Committee, Member and Scrutiny Services team within Democratic Services to assist with the delivery of the administration's new initiatives/ approaches to community engagement. The team will be providing support to three new panels, with around 18 additional meetings and further scrutiny support in respect of task and finish group reviews.	34	34	34	34		Reservations about creation of posts for non-statutory functions when trying to save money.
R9	Regulatory	The undertaking of any Conservation Area Reviews or other recommended additional work following the outputs from the Conservation Area Character Statement work. Many of the District's Conservation Area boundaries have not been reviewed for 20-30 years (or more) despite a statutory duty to do so. It is proposed that £40,000 is then also required for 2021/22 and 2022/23.	-	-	-	-	To be funded from Reserves. Updated to remove £40k per year from 2020/21, 2021/22 and 2022/23.	
R10	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.	-	40	40	40	Confirmed that for 4 years only. Now to be 4 years from 2021/22 rather than 2020/21.	
R11	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.	40	40	-	-		
R12	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.	20	20	20	-	Reduce to £20k per year (was £40k per year)	Reservations about expenditure on non-statutory functions when trying to save money.
R13	Regulatory	Additional investment required for any subsequent / replacement Local Plan to the one currently being examined. This maybe an NHDC plan or wider Hertfordshire strategic plan or combination.	-	-	-	-	Delete this proposal. Work by the Growth Board will determine whether this will be a pressure/ priority in the future. Was £50k per year ongoing.	
R14	Regulatory	Creation of additional Principal Planning Officer post within Strategic Planning and Enterprise Team. Anticipated medium-term work programme includes projects requiring independent input at a relatively senior level. This includes (but is not necessarily limited to): Local Plan roll-forward, new settlement and forthcoming reviews of Luton and South Cambridgeshire local plans.	64	64	64	64		
R15	Regulatory	Integration of a permanent full time Economic Development Officer post within the Council's staffing establishment. This role is currently shared with East Herts for a fixed term (so there is currently no ongoing budget).	26	26	-	-	Subject to agreement with East Herts, to continue the shared post for 2 more years. Reduce the pressure to £26k in 2020/21 and 2021/22 (previously £53k per year ongoing).	
R16	Regulatory	Creation of a part-time (0.5FTE) resource to allow the Environmental Health team to concentrate on air quality matters and emerging Climate Change Strategies.	26	26	26	26	Query over the exact details of what was proposed. Description amended to make it clear that relates to Air Quality and Climate Change.	Reservations about creation of posts for non-statutory functions when trying to save money.

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			2020/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000		
R17	Resources	Purchase and maintenance of software that will assist in the implementation the Council's Gender Pay Gap Action Plan.	3	2	2	2		
R18	Chief Executive	District Wide Survey. The contract for the next two rounds of the District Wide Survey, which is undertaken every two years, has recently been awarded at a slightly higher value than assumed in the current budget estimates. Investment therefore represents the increase in resource required.	-	2	-	2		
R19	Place	Introduction of a discounted annual rate of £20 for garden waste collection for eligible customers from 20/21. The discount would be offered to residents who are in receipt of housing benefit or universal credit (approx. 7000 properties). Estimated impact is based on the current overall uptake of the collection service at 50%, with approximately 3,500 customers moving to the discounted rate.	47	70	70	70	Amount in first year will be part-year as subscription period runs from August, so amount amended from £70k to £47k. Query over amounts and how they were calculated. Confirmed that they are a prudent (high) estimate of level of take-up of concessionary rates, but there are likely to be administration costs (up-front and ongoing) as well, which are yet to be determined.	
R20	Chief Executive	Provision of e-bulletin service. Initially funded from the corporate Strategic Priorities Fund, subscribers can sign up to a range of topics including waste, jobs, news, parks and countryside. Current subscriber numbers total 8586 and have grown month on month since the service was launched in September 2018.  <b>UPDATE: Current number of subscribers is now over 9,000.</b>	7	7	7	7		
R21	Chief Executive	Additional year of design and hosting of NH Now digital magazine. With the first edition in September 2018, NH Now magazine is produced 3 times a year and promoted via social media. Focus of magazine is on what makes North Herts a great place to live and work, including profiling community groups, local businesses, places to visit and events. While readership has grown, with only 3 editions produced more time is needed to grow readership and evaluate its success. Proposed to survey Citizens Panel for their views on the magazine next year.	2	-	-	-		
R22	Chief Executive	Permanent employment of a Digital Media and Engagement Officer. The current two year fixed term post is funded from the corporate Strategic Priorities Fund. The appointment to the role in March 2019 has however already had a significant impact on the level of engagement with the Council through social media, in particular Facebook, primarily through providing the capability to create more interactive content, e.g. videos, picture stories etc... It is therefore now proposed to make the role permanent from April 2020.  <b>UPDATE ON IMPACT TO DATE: Facebook engagement has increased substantially in the first 6 months since appointed. Added over 1,000 fans (314 in six months before appointment), published 584 posts (compared with 392), reached 929,000 users (compared with 501,000), created nearly 15,000 engagements (i.e reactions, comments and shares; compared with 6,700) and almost doubled the number of shared posts (2,175 compared with 1,101).</b>	32	32	-	-	To continue current temporary arrangement for 2 more years only (2020/21 and 2021/22). Previously had been £32k per year ongoing.	
R23	Place	Delay to the anticipated efficiency from the provision of a Crematorium at Wilbury Hills (see PE3). Delivery of the crematorium and the 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, it will delay 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 (revised profile would see a £50k saving in 2022/23 and £100k per year from 2023/24 onwards). If 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.	50	100	50	-		
R24	Resources	Renewable energy - gas. The investment value represents the estimated premium for purchasing renewable (green) gas. This is a premium of around 20% on current costs (an additional 0.7p/kWh compared with current rates of around 3.5p/kWh). The actual cost will depend on the availability at the point of agreeing to the change.	10	10	10	10		Reservations about non-statutory expenditure when trying to save money.
R25	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.	-	2	3	3		

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R26	Legal & Community	Additional Community Engagement Officer post. Facilitation of county wide crowdfunding platform, volunteer programme, governance and youth council/greater youth civic engagement, additional town talks and community engagement events, support of Co-operative Network council network and additional cabinet panels under the new Council Priorities 2020-2025	31	31	31	31		Reservations about creation of posts for non-statutory functions when trying to save money.
R27	Chief Executive	Interest cost and minimum revenue provision charge in respect of borrowing to finance proposed property investments in line with NHDC's Commercial Strategy and Property Investment Strategy. <b>Currently assumed at zero, but borrowing will be required for Commercial investment</b>	TBC	TBC	TBC	TBC		
R28	Legal & Community	Reverse reduction in Area Committee Grants so that maintained at £42k per year. See PE5.	8	15	20	24		
R29	Commercial	Specialist advice in relation to Co-operative Economic Development	10				NEW PROPOSAL from Administration workshop so added in	N/a- identified at the Joint Adminsitration budget workshop
R30	Legal & Community	Provide inflationary increase (2%) for MOUs with CVS and Citizens Advice North Herts	3	7	10	14	NEW PROPOSAL from Administration workshop so added in	N/a- identified at the Joint Adminsitration budget workshop
R31	Legal & Community	Provide one-off funding to Citizens Advice North Herts	50	-	-	-	NEW PROPOSAL from Administration workshop so added in	N/a- identified at the Joint Adminsitration budget workshop
R32	Legal & Community	Central pot for Area Committee Grants	10	-	-	-	NEW PROPOSAL from Administration workshop so added in. One year only to see how it works and assess priorities next year.	N/a- identified at the Joint Adminsitration budget workshop
<b>Total Net Budget Increase from new pressures and investment proposals</b>			<b>758</b>	<b>749</b>	<b>608</b>	<b>548</b>		