

INTEGRATED PLAN

PART B - STRATEGIC DIRECTION AND FINANCIAL CONSEQUENCES

Enterprise, Education & Skills Services Portfolio

Contents	Page
Portfolio on a Page	92
Section 1: Future Strategic Direction	
• Key priorities for the portfolio over the period 2017/18 – 2019/20	93 - 94
• Key pressures and challenges facing the portfolio for 2017/18 – 2019/20	94 - 97
• Key projects/programmes that the portfolio will deliver 2017/18 – 2019/20	97 - 98
• Benchmarking and other information used in setting Strategic Direction and assessing service outcomes	98 - 100
• Key Savings proposals and impact	100
• Key Risks, mitigation and resilience plans	101
Section 2: Revenue Budget Information	
• Key Budget Movements:	
○ Technical Adjustments	
○ Exceptional Inflation	
○ Pressures	
○ Savings	
• Revenue Budget by Objective Area	102 - 104
	105 - 106
Section 3: Capital Programme	107 - 108

Enterprise, Education & Skills Portfolio

Strategic Direction: to support economic development and education within Hertfordshire

Scope

Education & Skills

To improve standards in schools while the council still has responsibility in this area, ensure there are sufficient school places to meet demand and work with schools in relation to continuing responsibilities for children with special educational needs and disadvantaged groups.

To promote the economic prosperity of business and residents in Hertfordshire in collaboration with the LEP and in line with the Strategic Economic Plan.

Summary of Key Savings Proposals

- Home to school transport.
- Services to maintained schools funded from Education Services Grant (ESG).

Key Risks in achieving IP proposals

- Unable to secure expansion of good quality MATS locally
- Falling school funding leads to progressive increase in schools budget deficits
- Inability to secure affordable and deliverable school sites to meet future need
- The outcome of LEP's GD3 bid to Government will affect whether or not the LEP can deliver its priorities set out in its Strategic Economic Plan.

Summary of budget

	16/17	17/18 forecast	18/19 forecast
Net Budget (Revenue)			
<i>Enterprise</i>	£0.6m	£0.3m	£0.4m
<i>Education</i>	£34.8m	£29.0m	£27.8m

Summary of Key Priorities and Programmes

- To manage the council's exit from existing roles and activities, and reshape some of those that remain including supporting Herts for Learning to develop a multi academy trust (MAT).
- To seek to preserve and enhance for the future the existing high quality of educational provision in the county.
- To meet demand for additional school places, most particularly secondary places and places to support new housing development.
- To continue to work closely with the LEP to secure economic prosperity.
- To promote the tourism economy in Hertfordshire through Visit Herts

Capital Programme

	17/18	18/19	19/20
	£53.2m	£39.4m	£37.3m

Key Capital Schemes: School expansions and Broadband
Capital Strategy: To invest to meet demand for additional school places

Enterprise, Education and Skills Portfolio: Future Strategic Direction

1. What are the key priorities for the portfolio over the period 2017/18 – 2019/20?

Enterprise

- One of The County Council's Corporate Plan priorities is "Opportunity to Prosper", which aims to build a strong economy for Hertfordshire and prosperity for its residents and business.
- The County Council does not have its own Economic Development service but delivers this priority by working closely with the Hertfordshire Local Enterprise Partnership and is represented on the Board by the Executive Member for Enterprise, Education and Skills. The County Council core funds the LEP to the value of £250,000 per annum, and has a Service Level Agreement in place for economic development services.
- The LEPs priorities as set out in its strategic Economic Plan are
 - Global excellence in science and technology (including Bioscience, life science and pharmaceuticals, film, digital animation and creativity).
 - Harnessing relationships with London and focussing on the county's three transport corridors – M1, A1(M) and M11/A10.
 - Reinvigorating our places, including our New Towns.
 - Creating the foundations for growth – more housing, better infrastructure, better skills.
- The LEP secured over £220m through the first Growth Fund Round, and submitted a £87m bid to Government in June this year as part of Growth Deal Round 3. This is to advance a number of key projects around the county, including
 - Regeneration of Central Stevenage;
 - Enterprise Zone: Open Innovation Hub;
 - Enterprise Zone: Infrastructure Interventions;
 - Skills Equipment and Estate Fund;
 - Dacorum College of FE Campus Phase 2;
 - Essex Road Hoddesdon – Bridge and Industrial Estate access improvements;
 - A10 Buntingford Highway capacity improvements;
 - A414 Growth Corridor Study.
- A decision on the Growth Deal bid is expected from Government in the New Year.

Education and Skills

The priorities for the portfolio are:

- To improve further existing standards in Hertfordshire maintained schools, for the period whilst HCC has responsibility in this area
- To manage the council's exit from existing roles and activities where necessary, and reshape some of those that remain.
- To seek to preserve and enhance for the future the existing high quality of educational provision in the county.
- To seek to maintain effective relationships between HCC and schools in relation to continuing responsibilities for SEND and disadvantaged children.
- To meet demand for additional school places, most particularly secondary places and places to meet needs arising from new housing development.

2. What are the key pressures and challenges facing your portfolio for 2017/18 – 2019/20?

Enterprise

- Hertfordshire has recovered well from the recession and the economy is picking up strongly.
- There are two key issues emerging from this:
 - The need to ensure future economic growth is smart and sustainable. This will rely on strong relationships between HCC, the LEP, the Districts and businesses to ensure the focus is on supporting our key sectors, attracting jobs and inward investment, encouraging entrepreneurship, and lobbying for resources.
 - Addressing the potential 'brakes' on the economy that could affect its success – lack of housing, labour and skills shortages and infrastructure to support future growth. This will rely on:
 - working closely with the Herts Infrastructure and Planning Partnership and Districts on bringing forward land for new homes and jobs;
 - Working with the LEP, DWP and Colleges of FE, and Business on the delivery of the Hertfordshire Skills Strategy;
 - developing a Transport Vision and a pipeline of new infrastructure projects to support growth;
 - maximizing the potential regeneration opportunities of our New Towns and other town centre locations for growth.

- HCC is not a 'provider' in this area and therefore our role in Economic Development is very much to work in partnership to deliver key projects. As the pace of the economy picks up, there is likely to be increased demand on County Council technical resources from competing projects and the need to find alternative sources / approaches to funding.

Education & Skills

There are three major sets of pressures/challenges facing the service. These are:

- Financial;
- Legislative and regulatory change;
- Demographic;

The service's response to these is described in Section 3.

Financial

The service's budgets are largely funded from the Dedicated Schools Grant. The allocation of this is planned by the Council working in partnership with the Schools Forum, which has a range of independent powers. DSG funded expenditure in 2017/18 is expected to be £919m, somewhat higher than the aggregate of all other HCC services. It is divided as between High Level Needs (SEN) services (£104m), Early Years (£80m), and schools-related budgets (£735m). In previous years, the second major source of funding was the non-ring-fenced Education Services Grant (ESG) which supported £7.3m of expenditure. HCC itself funds about £20m, 95% of which is home to school transport.

The first major strategic financial challenge for the next four years is managing DSG-funded services, and in particular schools, against a substantial real-terms reduction (after inflation and pressures). Our estimates for 2016/17 and 2017/18 are for an aggregate real terms reduction approaching 5% over the two years. Following that, prediction is more difficult. However, the National Audit Office has recently quoted DfE estimates that schools will face on average a reduction of 8.7% in real terms in their budgets between 2016/17 and 2019/20. This excludes the impact of the loss of ESG on Academies (about 2% of budgets).

Locally, it seems that the national funding formula will reduce secondary schools' budgets by around 2.5%, with a modest increase in primary schools but very unevenly spread. This will largely be in place by 2019/20. Hertfordshire in aggregate will gain by c0.4%.

In summary therefore, secondary schools will generally experience a reduction in real terms budgets of about 12.5% by 2019/20, with primaries perhaps 8% on average (partly because they did not previously receive substantial ESG funding). It is unclear what impact such unprecedented changes will have on the operation of the local schools system.

As a result of real-terms budget reductions amongst other factors an increasing number of schools are falling into deficit. This problem will become progressively more severe as budgets fall over time. For maintained schools, HCC is responsible for intervention in support of these schools. For Academies, responsibility lies with the Education Funding Agency. Over the past year we have worked with schools to restructure and reduce their staffing, and support them with consequential programmes of redundancy. The wider impact of funding reductions over time will potentially be on standards, and also on the extent to which schools are willing to take responsibility for behaviour and other problems rather than to see these as matters for the local authority.

The second major challenge is to respond to the withdrawal of ESG. For this portfolio, the share of the reduction equates to £3m in 2017/18 rising to £5m in 2018/19. This will also impact on schools. Our IP proposals include the first stage (£3m) of reductions; proposals for the next stage are yet to be developed in detail. Major components are reductions in the cost to HCC of the contract we have with HfL, mitigated by increasing schools' contributions and increasing use of DSG. The operation of Herts Music Service is also undergoing major changes so as to reduce the contribution made by HCC to its costs to zero over time.

The major capital programme challenge over the next four years is developing and delivering a continuing programme of school expansions and new schools, both to meeting rising underlying demand for places, and to provide the schools infrastructure required as a result of major new housing developments. The capital programme for expansion of schools (and maintenance of maintained schools) is all externally-funded, largely through grant from the DfE. Annual expenditure is between £60-70m over time, but may increase with rising secondary aged pupils and the infrastructure requirements of large additional housing developments. The major new housing development at Bishops Stortford North will alone require more than £40m of investment in schools over the next few years.

Funding received from government for High Level Needs in the form of DSG on the other hand is set to rise over the next three years, with planning under way to adapt and develop our services to meet growing needs. Early education services are also expanding.

The success of the service, across the board, depends critically on the quality of relationships and partnerships with local schools, individually and collectively, and with the various arms of Government including particularly the Regional Schools Commissioner. Our ability to achieve both local educational objectives and wider objectives around disadvantaged children depend absolutely on this. A major task for senior management is the maintenance and development of the existing good structure of relationships and partnerships.

The wider policy context for the service's work is that it is in support of the council's priority of opportunity to thrive. The Children's Services' Strategic Plan 2015-2018;

Shaping the Future sets out the priorities for the next three years, and includes key projects/programmes which are discussed further below.

Legislative and regulatory change

In March the Government published a White Paper which foreshadowed the ending of local authorities' role in management of and quality for mainstream education. The withdrawal of the funding which supports HCC in this role – ESG – as referred to above gives effect to this change albeit that legislation to remove and modify necessary statutory responsibilities has yet to follow. Responsibility for vulnerable children and for provision of school places remains.

Recently, the policy priorities of the DfE have changed, towards disadvantaged children including those just above the threshold for receipt of free school meals, encouraging social mobility, and increasing the capability of the education system. Academisation as such has taken a lower profile, but remains a clear longer-term aspiration for Government. The major challenge for the service over the next few years is therefore to manage HCC's exit from these responsibilities over an extended period in such a way as to preserve or enhance standards, limit financial costs, and maintain relationships that support our continuing role in relation to vulnerable children. In practice this means continuing and substantial involvement in the shaping of the process of conversion of schools to Academy status over the next few years.

For the time being improvement in standards in schools remains a central driver for HCC and inspection of local authorities against this is expected to recommence. Longer term funding for this role remains obscure.

The Government is also considering changes to arrangements regarding faith based education and selective admissions. Neither of these is likely to impact to a great extent on HCCs future responsibilities though they would be potentially significant changes in the local education system.

Demographic

Growing numbers of school-aged children has driven a major programme of expansion of primary school places; the need for expansion is now increasing in the secondary phase.

3. What are the key projects/programmes that the portfolio will deliver 2017/18 – 2019/20?

Enterprise

As well as continuing to work with the LEP on delivering their Strategic Economic Plan and Growth Deal 3 projects, the County Council will need to support District Councils and partners on the development of their Local Plans and key projects including Stevenage First, the Hemel Enterprise Zone, Hatfield Regeneration, the

A414 corridor and the M11/East Herts/West Essex growth plans. The County Council will continue to work with the LEP, employers and DWP on the Hertfordshire Skills Strategy.

Ensuring the success and sustainability of Visit Herts the new Hertfordshire Destination Management Organisation and Tourism Partnership. A key decision on the re-procurement of this contract and HCC's continued funding will be made in the Autumn.

Education and Skills

The major projects being undertaken are as follows:

School places: Delivery of continuing more-limited primary expansion programme and of the enhanced secondary expansion programme. This includes in particular completion of the acquisition of sites for new secondary school in SW Herts and Bishops Stortford, and progressing with the EFA and other partners a new secondary free school in Harpenden. Longer run site identification through the Local Plan processes continues to be critical in terms of meeting future needs.

Multi-academy trusts: Work with Herts for Learning in development of a local Multi-Academy trust (MAT) sponsored by HfL is a central component of our plans for a managed transition of schools to non-LA control. Relationships with the emerging large faith-based MATs are also significant.

Funding for school improvement: Work with HfL and schools round seeking continued de-delegation of funding to allow the continuation of school improvement and support will be critical to the maintenance of standards beyond summer 2017.

Intervention in schools in financial difficulties: The continuation of the major programme of involvement/intervention in schools with financial difficulties will continue, including any necessary consequent structural reforms, together with work to enable smooth transfer to academy status within suitable MATs.

4. How has the portfolio reviewed its effectiveness / value for money in delivering service outcomes?

Enterprise

The County Council's direct Enterprise Budget comprises;

£250k core funding for the LEP;

£50k for Visit Herts;

The latest available National Audit vfm tables show that the County Council spends £1.21 per head of population on economic development, compared to the County and single tier average of £13.13 per head. Hertfordshire overall employment rate, median weekly earning, number claiming Job Seekers Allowance, levels of

qualifications and number of active businesses are all in the upper quartile compared to the county and single tier average (source: Public Sector Audit value for money profiles 2013/1;

Feedback from Department of Business, Energy and Industrial Strategy (BEIS) in their annual strategic review of the Hertfordshire LEP confirmed the Herts LEP is seen as a well-managed high performing LEP, with over 90% of its 2015/16 Growth Deal fund committed or spent. The LEP's Assurance Framework has been audited twice in 2015/16 – once by the NAO, and also by HCC as Accountable Body. Both secured substantial assurance;

In 2015/16 the LEP was successful in securing an Enterprise Zone for Hertfordshire which should generate over £80m to support economic growth in the county. The LEP has supported over £135m of HCC Transport Schemes through the Single Local Growth Fund, including Croxley Rail Link, A120 and A602 schemes. The current Growth Deal bid also includes a number of highway/transport related projects including Central Stevenage, Essex Road, and A10 Buntingford;

The LEP manages the £60m EU funding allocation from Central Government. As part of this process HCC has been selected as a preferred provider for the £7m Better Opportunities Fund that aims to support young people and those with low skills into work;

The LEP's £500k core funding from BIS / DCLG is predicated on HCC also providing core funding. HCC's core funding of the LEP does offer HCC a degree of leverage at the LEP Board which has so far been positive and secured support for HCC projects and objectives. The LEP is currently looking at ways to be self-sufficient in terms of core funding, and HCC as Accountable Body will in future charge for any Legal/Financial services it provides to the LEP;

HCC's pump priming support for the Visit Hertfordshire is for 2 years (from September 2015) and is contractual. Visit Herts has secured £65K of funding from new local partners and £250k of national funding, since it was established in September 2015.

Education and Skills

Schools-related services were funded by the (non-ring-fenced) Education `Services Grant (ESG). Historically we have spent significantly (20%) less than the grant provided by DfE. This is strong evidence of value for money, as DfE's assessment of need was based on its analysis of national patterns of expenditure, suitably reduced. By 2018/19 we will need to have moved to alternative sources of funding for schools-related services.

The other major revenue spend within the portfolio relates to home-to-school transport. We have progressively reduced the service entitlement to a statutory minimum only, so that the key driver of expenditure relates to the cost-effectiveness of the service provided, not to management of demand. There has been a lengthy

review of all aspects of small vehicles procurement and management, with some limited savings. Limiting future cost increases remains challenging.

5. What are the key savings proposals that have been identified to meet the budget gap 2017/18 to 2019/20; what additional actions will need to be taken to achieve these, and what are the potential impacts?

Enterprise:

No savings are proposed to the County Council's core funding to the Hertfordshire LEP. In November Members agreed to the continuation of funding and the procurement of the joint HCC/LEP Destination Management Service.

Education and skills

The service has two elements:

Home to school transport and school place planning

These are currently paid for by HCC. Savings have been made in recent years in HTS by removing all provision beyond the statutory minimum entitlement, and a range of measures to reduce costs, raise charges, reduce service specification and encourage alternative forms of provision to manage demand. Some savings in mainstream HTS costs as a result of these initiatives are included within our IP proposals. As regards transport for pupils with Special Educational Needs the service is currently substantially overspending its budget and it will not be possible to reduce costs below current budget levels. .

Services to maintained schools funded from Education Services Grant (ESG)

In response to the withdrawal of ESG from September each area of service to which it relates has been reviewed, with the intention of reducing expenditure to zero once the grant has been withdrawn in full in 2018/19. This will require removal of the HCC contribution to the Music Service, with consequential restructuring, price increases and service reductions to the extent required. Support for maintained schools provided by Herts for Learning will also cease in 2018/19 save to the extent that it can be funded externally, either by schools de-delegating funding to pay for its retention, or from DfE grant for school improvement, or from other funding sources. For 2017/18 we have been successful in supplementing residual ESG funding from schools and other sources.

6. What are the key risks in delivering projects and programmes for this portfolio, and what mitigations are in place? What steps are being taken to ensure resilience?

Enterprise

The key risk to the Enterprise part of this portfolio is whether or not the LEP is successful in securing Growth Deal 3 funding which is critical to the delivery of major enterprise and skills projects.

Another key risk to the Hertfordshire economy is uncertainty caused by Britain's decision to leave the EU on business confidence and continued inward investment.

Education and skills

The key risks are as follows:

- De-delegation of funding for school improvement and support proves impossible after 2018/19 either as a result of DfE Regulation or lack of support from schools themselves, leading to deterioration in standards and quality;
- We are unable successfully to support and encourage schools in developing rapidly strong local MAT/Academy structures, in particular including a MAT sponsored by HfL;
- Schools' willingness to work in collaboration with HCC especially round the most vulnerable young people begins to diminish, for example as a consequence of progressive reduction in schools funding;
- Falling school funding leads to progressive increase in schools budget deficits;
- Longer term school place planning is undermined by inability to secure affordable and deliverable school sites to meet future need through the local plan process.

Some of these risks are difficult to mitigate, and the mitigation of others is part of our mainstream work. An example of this relates to activity continually being undertaken to identify and secure sites for future new school provision.

Two major areas of mitigation activity are as follows:

- Working with HfL to create an HfL-sponsored MAT, so as to give choices to schools about joining effective local MATs
- Working with maintained schools on a programme of financial activity intended to reduce costs and limit budget deficits, via joint Financial Action Groups.

KEY BUDGET MOVEMENTS 2017/18 - 2019/20

	2017/18 TOTAL £000s	2018/19 TOTAL £000s	2019/20 TOTAL £000s
Technical Adjustment	(2,798)	(2,798)	(2,798)
Demography	22	22	22
Legislative	271	693	693
Other Pressures	637	887	887
TOTAL PRESSURES	930	1,602	1,602
Existing Efficiencies	(146)	(154)	(154)
New Efficiencies	(4,195)	(6,038)	(6,038)
New Policy Choice	(470)	(470)	(470)
TOTAL SAVINGS	(4,811)	(6,662)	(6,662)

Ref	Description	Dept	Type of budget movement	2017/18 TOTAL £000s	2018/19 TOTAL £000s	2019/20 TOTAL £000s	Approximate current budget £'000
	Technical Adjustments						
TA02	<u>ESG</u> Retained Duties to be DSG Funded	CS	Technical Adjustment	(2,798)	(2,798)	(2,798)	2,798
	Service Specific Inflation						
	None						
	Pressures						
D03	<u>Corporate Parenting - Higher Education</u> As a result of an upward trend in academic attainment a larger number of students are expected to attend university in the 2016/17 Academic year. The number of students actively studying is expected to rise from 44 in 2014/15 (academic year) to 75 in 2016/17 (academic year). This increase in numbers is expected to cause a pressure on the budget to ensure appropriate support is provided and sufficient funding is available to support students.	CS	Demography	22	22	22	1,728
L01	<u>SEN</u> There is a potential pressure due to statutory duties arising from the Children and Families Act (2014) regarding the assessment and monitoring of children and young people with SEND aged 0-25 years. At present this is part funded by the SEND Reform Grant but as a finite resource provision will be required to continue the conversion to and monitoring of Education, Health and Care Plans, and associated duties and statutory responsibilities.	CS	Legislative	271	693	693	1,587
OP01	<u>SN HTS Transport</u> This pressure has arisen as a result of less competitive market place. An analysis of recently retendered contracts has been undertaken and, on average the costs for "like for like" contracts (ie where the number of pupils being transported has remained the same) has increased by 17%, whilst the number of contractors bidding for work has decreased by 48%. Whilst some of this may be a result of inflationary pressures, the majority is likely to be caused by improving market conditions, which allow companies to be more selective in the contracts they choose to undertake, and charge a premium for less attractive contracts.	CS	Other Pressures	437	887	887	12,456

Ref	Description	Dept	Type of budget movement	2017/18 TOTAL £000s	2018/19 TOTAL £000s	2019/20 TOTAL £000s	Approximate current budget £'000
OP02	<u>Hadham Road Development appeal costs</u> Planning application likely to be refused for this land which is a critical component of the funding package for schools development to support the new housing at Bishop's Stortford North. If this does not go ahead the Council are likely to lose an £8m capital receipt. An appeal is likely, and this pressure provides for costs falling in 2017/18.	CS	Other Pressures	200	0	0	148
EEI01	<u>Savings</u> <u>Home to School Transport</u> Encouraging the use of local SEN Provision and the changes in SEN Home to School Transport Policy should produce efficiency savings on the SEN Home to School Transport budget. Continuation of projects to encourage the parents of primary, SEND or ESC pupils to school on public transport or in their own vehicles, as opposed to requiring taxis, to promote independent travel.	CS	Existing efficiencies	(130)	(130)	(130)	5,440
EEI02	<u>Home to School Transport - Additional</u> Further reductions resulting from implementation of earlier policy changes, including behavioural changes by service users as a consequence of higher charges and withdrawal of escorts.	CS	New policy choice	(470)	(470)	(470)	5,440
EEI04	<u>Schools PFI contract</u> The most recent assessment of the financial position on the school PFI project is that there is scope for a continuing saving of £150,000. A one-off saving is also expected in 2017/18, but might be achieved earlier, in 2016/17.	CS	New efficiencies	(350)	(150)	(150)	7,736
EEI05 & SSS04 (X1)	<u>Printing Contract Savings</u> Savings through a reduction in print costs achieved through the new managed print service contract.	CS	Existing efficiencies	(16)	(24)	(24)	n/a
EEI06	<u>Herts Music Service</u> The service is in the process of reorganisation in order to reduce direct financial support provided by HCC by half in 2017/18, and in full the following year. A range of measures are planned to achieve this, including reducing funding provided to schools for initiatives and innovation, management and staffing reductions, review of the way in which concessions are provided on tuition costs, and review of charging policies.	CS	New efficiencies	(391)	(391)	(391)	782
EEI07	<u>Premature Retirement Cost and redundancy</u> Currently costs of redundancies in maintained schools are met centrally. The provision for this will be reduced and in consequence a greater part of such costs will need to be met from schools' own budgets, increasing their financial deficits in the short term.	CS	New efficiencies	(456)	(456)	(456)	4,818
EEI08	<u>School improvement (Herts for Learning)</u> It is proposed to reduce the HCC contribution to the contract with Herts for Learning by this figure from September 2017. The current service will be continue through additional money delegated by maintained schools, some reductions in service levels, and some use of DSG where justifiable.	CS	New efficiencies	(1,752)	(1,752)	(1,752)	3,425
EEI09	<u>Transfers of relevant spend from ESG to DSG</u> There are some items of expenditure which can in future be funded from High Level Needs DSG.	CS	New efficiencies	(92)	(92)	(92)	92
EEI10	<u>Off site visits:</u> Expenditure in providing advice to schools in this area will need to be fully funded from trading or cease from September 2017	CS	New efficiencies	(20)	(20)	(20)	44

Ref	Description	Dept	Type of budget movement	2017/18 TOTAL £000s	2018/19 TOTAL £000s	2019/20 TOTAL £000s	Approximate current budget £'000
EEI11	<u>Other ESG related reductions</u> The shortfall in funding added to DSG for " Retained Duties" is currently estimated at £149k in a full year. Reductions to meet this are being developed and will include elements of the attendance service, but the Regulations governing this area of expenditure have yet to be issued by DfE.	CS	New efficiencies	(149)	(149)	(149)	1,414
EEI12	<u>Further ESG related savings</u> ESG cuts in funding from September 2017	CS	New efficiencies	0	(2,043)	(2,043)	n/a
EEI14	<u>Virtual School Service Reduction and Grant Funding</u> There is scope to meet some of the costs of the service from pupil premium plus funding and the terms of provision of this funding make it appropriate to do so. A review of the operation of the service is also planned with the intention of realising further savings	CS	New efficiencies	(237)	(237)	(237)	1,728
EEI23 & SSS05	<u>Children's Services Efficiencies (excl. CLA)</u> 1% efficiency savings. This line shows a number of small efficiencies across the budgets in CS. Other elements of this efficiency are shown on other savings lines in the IP where appropriate	CS	New efficiencies	(151)	(151)	(151)	179,019
EEI18 & SSS11 (X2)	<u>Enabling the Worker (ETW)</u> This shows small ETW efficiencies across a number of service areas in CS with the remainder being included in other service lines.	CS	New efficiencies	(8)	(8)	(8)	n/a
EEI19	<u>School Place Planning Efficiencies</u> Efficiencies resulting from a review of requirement for revenue development budgets in school planning where opportunities exist for capitalising costs	CS	New efficiencies	(31)	(31)	(31)	1,851
EEI20 (X2)	<u>Integrated Services for Learning Efficiencies including ETW</u> Savings to be made from reduction of two posts and a switch of the cost of a further post to DSG. The post has historically been charged elsewhere but is part of a DSG funded service so this anomaly has been addressed.	CS	New efficiencies	(136)	(136)	(136)	6,604
EEI21 (X2)	<u>Thriving Families Efficiencies including ETW</u> This area is to be reviewed and the savings will come from a revised operational delivery model being implemented.	CS	New efficiencies	(48)	(48)	(48)	1,949
EEI22 (X2)	<u>Services to Young People Efficiencies including ETW</u> The Youth Connexions model and strategy are to be reviewed and revised, which will result in these savings.	CS	New efficiencies	(374)	(374)	(374)	15,336

Note 1

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

Savings - Printer savings cross cutter (X1)	(76)	(113)	(113)
Savings - Enabling the worker (X2)	(1,122)	(1,807)	(1,807)
Savings - Environment departmental overheads (X3)	(174)	(174)	(174)

ANALYSIS OF REVENUE BUDGET BY OBJECTIVE AREAS

2016/17 Original Net Budget £'000	Objective Area	Gross Budget 2017/18 £'000	Income £'000	Net Budget 2017/18 £'000	Net Budget 2018/19 £'000	Net Budget 2019/20 £'000
6,623	<p>Education & Early Intervention</p> <p><u>Integrated Services for Learning</u> Integrated Services for Learning (ISL) delivers services for children and young people with additional and special educational needs, including a number of statutory LA duties. The service comprises of 5 integrated local teams and some central teams. It includes Educational Psychology, Special Educational Needs, Early Years (Special Educational Needs and Disability - SEND), Attendance, Access to Education team for Refugees and Travellers.</p>	5,640	(128)	5,512	5,871	5,871
18,650	<p><u>Admissions & Transport</u> The Admissions Service manages the school admissions process including coordinating in-year applications for all maintained schools. The majority of academies and voluntary aided schools within the county have also chosen to opt into the process. The service also manages and administers the eligibility and entitlement policies for home to school transport for all mainstream children and young people.</p>	18,348	(115)	18,233	18,683	18,683
4,676	<p><u>Education Services</u> Education Services includes responsibility for ensuring the statutory duties in relation to School improvement are met by the local authority. These services are now commissioned through Herts for Learning (HfL) the schools company.</p> <p>This area also contains budget for the development of 14-19 learning strategy which includes the provision of Apprenticeships.</p>	2,172	(150)	2,022	(20)	(20)
4,818	<p><u>Premature Retirement</u> This area of the budget relates to the liabilities arising from premature retirements in schools.</p>	4,455	0	4,455	4,455	4,455
34,767	Education & Early Intervention Total:	30,615	(393)	30,222	28,989	28,989
340	<p>Children's Services Overheads</p> <p><u>Performance and Business Support</u> The Performance and Business Support area contains the following areas which support the whole of CS department:</p> <ul style="list-style-type: none"> • Performance and Improvement • IT Budget • Business Infrastructure Service • Children and Young People's Strategic Commissioning 	105	0	105	105	105

2016/17 Original Net Budget £'000	Objective Area	Gross Budget 2017/18 £'000	Income £'000	Net Budget 2017/18 £'000	Net Budget 2018/19 £'000	Net Budget 2019/20 £'000
(356)	<u>Education & Early Intervention Central</u> This area of the budget covers the general overheads of running the department. It includes Integrated Education System (IES) support costs and Directorate spend. Also included within this area is the allocation of DSG income to cover support costs for DSG funded LA managed services.	(973)	(328)	(1,301)	(1,309)	(1,309)
(16)	Children's Services Overheads Total:	(868)	(328)	(1,196)	(1,204)	(1,204)
572	Environment <u>Economic Development and Local Enterprise Partnership</u> Working in partnership with the Hertfordshire Local Enterprise Partnership (LEP) ,this budget aims to ensure Hertfordshire develops and maintains a strong economy and promotes economic prosperity for all.	827	(500)	327	436	436
572	Environment Total	827	(500)	327	436	436

Proposed Enterprise, Education & Skills Portfolio Capital Programme 2017/18-2019/20

The total proposed Capital Programme 2017/18 to 2019/20 for the portfolio is £129.870m and for 2017/18 is £46.177m. This includes all new bids and re-programming from 2016/17 at the end of quarter 2. The programme is largely funded from grants and external contributions, with £2.877m of HCC Funding requested over the IP period.

	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m
HCC Funding	1.140	0.930	0.807	2.877
Grant	45.667	27.983	14.387	88.037
Contributions	2.070	0.465	1.048	3.583
Reserves	1.500	-	-	1.500
S106	2.800	10.000	21.073	33.873
Total	53.177	39.378	37.315	129.870

New Capital Bids

The portfolio has proposed three new capital bids, as below. The new schemes have capital costs of £4.760m in 2017/18 and require £54.948m of capital expenditure over the next three years. £0.807m of HCC funding is required.

Scheme	Total Cost 2017/18	HCC Funding 2017/18	External Funding 2017/18	Total Cost project cost including 2017/18	Total HCC funding for the total project	Total External Funding for the project
	£m	£m	£m	£m	£m	£m
Primary Expansion Programme 7: Meeting the rising demand for school places for September 2017.	2.917	-	2.917	8.750	-	8.750
New School Developments: Spend anticipated within 2017/18 - 2019/20 to provide schools where future developments or a shortage of places is known.	1.843	-	1.843	44.343	-	44.343
Broadband Delivery Project Phase 3: (N): To ensure that the final percentage of Hertfordshire premises (residential and business) can receive access to superfast broadband.	-	-	-	1.855	0.807	1.048
	4.760	-	4.760	54.948	0.807	54.141

Proposed Enterprise, Education & Skills Portfolio Capital Programme 2017/18-2019/20

	Enterprise, Education and Skills <i>New Request (N) or Existing Request (E) or Revised Request (R)</i>	Total Scheme Cost	2017/18 Integrated Plan					2018/19	2019/20	
			Cost	HCC Funding	Grant	S106	Contributions	Reserves	Cost	Cost
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	Remaining Furniture and Equipment budgets across School Expansions (E)		200	-	200	-	-	-	200	137
2	Primary Expansion Programme 6 (E)								-	
	Leavensden Green		2,350	-	920	1,430	-	-	-	-
	Almond Hill junior School		1,875	-	1,875	-	-	-	-	-
	Balance of Temp 6 Budget		895	-	895	-	-	-	-	-
3	Secondary School Expansion Programme (E)- SEC2 & 2.5: Meeting the rising demand for school places.	20,527	18,908	-	17,665	1,243	-	-	-	-
4	Primary Expansions Programme 7 projection (N): Meeting the rising demand for school places for September 2018.	8,750	2,917	-	2,917	-	-	-	5,833	-
5	New School Developments (N): Spend anticipated within 2017/18 - 2019/20 to provide schools where future developments or a shortage of places is known.	44,343	8,843	-	8,716	127	-	-	21,250	14,250
6	Bishop's Stortford North (E): 6FE Secondary School, plus 3FE and 2 FE Primary School: Note that the configuration of schools has been assumed, this could be 6FE Secondary School, 2 x 2FE Primary Schools plus 1FE Primary School, which would have a higher Total Scheme Cost.	57,290	-	-	-	-	-	-	10,000	21,073
7	Secondary Schools Land Acquisitions (E) : The purchase of land to serve Secondary School places.	13,492	9,297	-	9,297	-	-	-	700	-
8	Broadband Delivery Project Phase 2: (E) : Phase 2 of a programme that is to ensure that 95% of Hertfordshire premises (residential and business) can receive access to superfast broadband. This project is a joint project with Buckinghamshire.	12,210	7,892	1,140	3,182	-	2,070	1,500	1,395	-
9	Broadband Delivery Project Phase 3: (N) : To ensure that the final percentage of Hertfordshire premises (residential and business) can receive access to superfast broadband.	1,855	-	-	-	-	-	-	-	1,855
TOTAL ENTERPRISE, EDUCATION AND SKILLS			53,177	1,140	45,667	2,800	2,070	1,500	39,378	37,315