INTEGRATED PLAN

PART B - STRATEGIC DIRECTION AND FINANCIAL CONSEQUENCES

EDUCATION, LIBRARIES AND LOCALISM

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Education, Libraries and Localism Portfolio

Strategic Direction:
- To ensure a good education for local children.
- Deliver Inspiring Libraries and Heritage Services strategies.

Key priorities and programmes:
- To enhance the existing high quality educational provision in the county, including for children with SEND.
- To maintain effective relationships between HCC and schools individually and collectively.
- To meet demand for additional school places, most particularly secondary and special school places and places to meet needs arising from new housing development.
- Technology and Property projects in both Libraries and Heritage Services.
- Roll out of a further 9 Community Libraries across the county.
- Exploring the potential of Library Services moving into an Alternative Delivery Model.

Key services provided:
- Oversight and improvement of quality of education in Hertfordshire, especially in maintained schools
- Provision of school places, management of admissions and home to school transport.
- Key strategic partnerships that include: Hertfordshire Armed Forces Community Covenant Board and Hertfordshire Lifestyle and Legacy Partnership.
- The delivery of Archive and Local Studies (HALS), 46 libraries and outreach services.

Key risks in achieving IP proposals:
- Failure of schools to support the county council in meeting its objectives
- Failure of maintained schools to agree to fund key activities for HCC to maintain them effectively.
- That the business case for an Alternative Governance Model for Libraries does not recommend a strong enough case to proceed with the change in governance.
- The roll out of community libraries does not progress quickly enough, due to communities capacity and/or property issues.

Education, Libraries and Localism Portfolio

Net Revenue Budget

£m
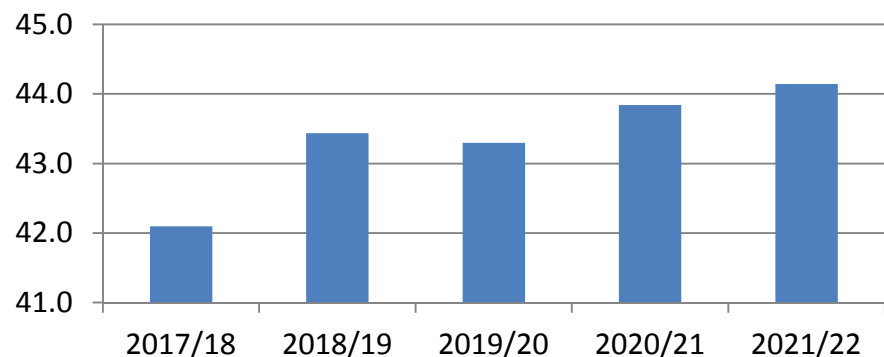
Key Revenue Pressures:

- Special Education Needs home to school transport - increased underlying costs of this statutory service.

- Customer Engagement & Libraries 2017/18 Vacancy Factor - it has not been possible to achieve the saving through vacancy management in a public facing service without unacceptable service reductions.

Summary Revenue Budget Movements

	2018/19 TOTAL £000	2019/20 TOTAL £000	2020/21 TOTAL £000	2021/22 TOTAL £000
Service Specific Inflation	20	20	20	20
Other Pressures	2,037	3,235	3,774	4,134
TOTAL PRESSURES	2,037	3,235	3,774	4,134
Existing Efficiencies	(1,873)	(1,873)	(1,873)	(1,873)
New Policy Choice	(17)	(17)	(17)	(17)
TOTAL SAVINGS	(1,890)	(1,890)	(1,890)	(1,890)

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Capital Programme	68,867	80,580	44,803	37,131

Key Revenue Savings Proposals:

- Savings required due to reduction in Education Services Grant

- Hertfordshire Archives & Local Studies - review of the service.

Key Capital Schemes:

- Primary and Secondary expansion programme

- New School developments

- Schools repairs and maintenance to buildings

- Co-location of libraries

Education, Libraries and Localism Portfolio: Future Strategic Direction

1   What are the key priorities for the portfolio over the period 2018/19 – 2021/22?

Education

- To seek to preserve and enhance for the future the existing high quality of educational provision in the county, including for children with Special Education Needs and Disabilities (SEND).

- To improve further existing standards in Maintained Schools in Hertfordshire, whilst HCC has responsibility in this area

- To manage the council's transition away from itself funding significant activity relating to standards and service provision in mainstream education.

- To seek to maintain effective relationships between HCC and schools individually and collectively in relation to continuing responsibilities for SEND and disadvantaged children.

- To meet demand for additional school places, most particularly secondary and special school places, including in particular in relation to behaviour and Alternative Provision; and school places to meet needs arising from new housing development.

Libraries and Localism

- The Library Service will continue its programme of improving Hertfordshire library buildings to ensure that they are bright, attractive, welcoming, flexible, tech-enabled spaces in convenient locations.

- The Library Service will continue to seek opportunities to extend self-service access to libraries by rolling out swipe-card access and supported self-service initiatives.

- To review and finalise the transition of Tier 3 Libraries into volunteer-partnered Community Libraries with a view to completing the roll-out in 2018/19.

- A new model for library service delivery will be explored, with the aim to achieve an additional £500,000 revenue budget saving commencing in 2019/20.

- Digitising Hertfordshire Archive and Local Studies (HALS) collections to improve public access and income generation remains a priority for the next few years.

- Progressing options for the long terms solutions for storage of Archive collections.

- Continuing to make further savings through income generation and reviewing service levels at HALS.

- Continuing the partnership work that is pivotal to the localism brief and makes an important contribution to the 'Opportunity to Take Part' theme of the Council's Corporate Plan. Two of these key partnerships are; Hertfordshire Armed Forces Community Covenant Board and Hertfordshire Lifestyle and Legacy Partnership.

2   What are the key pressures and challenges facing your portfolio for 2018/19 – 2021/22?

<u>Education</u>

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

- Financial;
- Legislative and regulatory change; and
- 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 (DSG). 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 2018/19 is expected to be £947m, somewhat higher than the aggregate of all other HCC services. It is divided as between High Level Needs (SEN) services (£108m), Early Years (£85m), Central Services (£6m) and schools-related budgets (£747m). In previous years, a second major source of funding was the non-ring-fenced Education Services Grant (ESG) which supported £7.3m of expenditure. HCC itself funds about £26m, 75% of which is home to school transport, and the largest other element our SEN services within Integrated Services for Learning (ISL).

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 average real terms reduction in excess of 4%. Following that, despite a more-optimistic view presented by DfE, we expect next year to see local reductions after inflation of perhaps 1%. Such judgements are becoming harder to make, since schools budgets are largely protected in cash terms, or provided with modest increases, whereas general price inflation is now 3% and there is no real expectation of a pay settlement at or below 1% for academic year 2018/19.

This excludes the impact of the loss of ESG on Academies (about 2% of budgets).

When originally announced, the National Funding Formula (NFF) would have reduced secondary school budgets locally, and increased primary, with other shifts between small and large schools and less deprived and more deprived. Some of these changes have been mitigated by the introduction of various protections, so that "losers" will lose only over a longer period of time as inflation erodes the value of cash protections. However, there remains doubt over if, when and how the NFF will be implemented since implementation of the full, "Hard" NFF requires primary legislation.

Partly as a result of real-terms budget reductions 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, which equated to £3m in 2017/18 rising to £5m in 2018/19. In 2016 our proposals included the first stage (£3m) of reductions; this year the remaining £2m will be removed as described in Section 3, below.

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 meet 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 round disadvantage 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 2016 the Government published a White Paper which foreshadowed the ending of local authorities' role in management of and quality for mainstream education. All schools were to be required to become Academies. Following ministerial changes, however, government priorities have shifted 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 longer-term aspiration for Government. There is now an expectation that local authorities may retain responsibilities for maintained schools for a considerable time to come. Indeed without primary legislation on education – and none is planned – this is now inevitable for the foreseeable future. Conversion of schools to become single-academy trusts is no longer seen as necessarily beneficial unless educational benefits can be demonstrated, especially in the primary phase, with resulting and growing emphasis on the development of Multi-Academy trusts.

At the same time, where schools are converting voluntarily or not, continuing and substantial involvement in the shaping of the process of conversion of schools to Academy status over the next few years is required. Our aim is to help to ensure the maintenance and enhancement of standards, attention towards the needs of disadvantaged children, and the preservation of co-operation and collaboration of schools through involvement in what is described as the "Hertfordshire Family of Schools".

A major challenge for the service over the next few years is now to plan and take the steps required if HCC is effectively to discharge its role in maintaining those schools which do not wish to become Academies for the medium term future.

However, as referred to above, the Government has nonetheless withdrawn the funding which previously allowed HCC to undertake these roles – the Education Services Grant (ESG). This requires us to move to a situation where HCC itself no longer funds significant activity relating to standards and service provision in mainstream education. This is a challenge both financially, but also in relation to the changes in roles and relationships which inevitably follow when funding is sought from others to allow such activities to continue.

The progressive implementation of the Special Educational Needs reform programme has placed major demands on services. In particular there has been a great increase in planning to meet individuals' needs, via the Education and Health Care Plan (EHCP) process, which has required considerable enhancement of staff. There has been a rapid increase in demand for EHC Plans and entitlements to services/support after the age of 21, and consequent pressure both on service provision and on Home to School Transport.

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.

Large-scale new housing development in the county requires long term planning and then delivery of new or additional school provision. The service leads in shaping this and ensuring delivery of appropriate nature and quality.

Increasing numbers of children with SEND require enhancement and reshaping of special schools and services.

<u>Libraries and Localism</u>

The implementation of 'Inspiring Libraries' was expected to save £2.5 million from the annual revenue budget over a three-year period from 2015/16 – 2017/18. In practice, the savings achieved have been as follows:

2015/16 – £1 million

2016/17 - a further £1 million

The remaining £500,000 savings of the three years of 'Inspiring Libraries' implementation, were planned to be achieved by completing the roll-out of 16 community libraries across the County in 2017/18. This is progressing, but the need

to win the trust and support of volunteer groups in each community means that it is a slower process than originally anticipated.

Of the total Library Service revenue budget of £9.4 million, around 10% is expected to be contributed by income generation. A number of new revenue streams have been explored as part of the Inspiring Libraries Strategy, including commissioned services, charges for the hire of library space, and donations for early years activities. However, this new income has to be balanced against the sharp decline in traditional sources of library income. Income from overdue charges is reduced because it is so much easier for customers to renew their items online, and income from DVD charges is falling as this is becoming an increasingly obsolete format. As a result, any income generated from new revenue sources is serving to offset the decline rather that raising additional money for the service.

This means that the final £500,000 of the expected savings from 'Inspiring Libraries' will not be fully achieved in the current financial year (2017/18). Whilst these saving areas will continue to be challenge it is hoped that the full saving can be achieved in 2018/19.

Localism is a key priority for the county council and corporate policy team. It is an agenda that is often embedded within service delivery and cross cutting themes, such as volunteering. However, beyond the funds available through locality budgets, there are no specific budgets allocated to the delivery of localism.

The property infrastructure for both Libraries and Heritage services remains a continued opportunity and challenge. A range of libraries will have been re-provided or refurbished in 2017/18 including Berkhamsted, St Albans and Hitchin plans are in place for a further six libraries over the next few years. However, of the 11 libraries set out in the in the Inspiring Libraries Strategy as top priority for re-location or re-provision, there is currently no viable solution identified for four of them.

During the next ten years, it will be necessary to plan for and take steps to secure the long term storage needs of HALS. The service is currently accruing physical archives at a rate of an average of 10 cubic metres per year. Current estimates project that there is sufficient space for archive collections for approximately 8-10 years. There are also challenges in maintaining the quality of the current storage space at County Hall, to ensure it is fit for the purpose of storing of archive materials to required standards. Work has started to specify the requirement of a new building, including investigating recently developed archive storage buildings nationally.

Technology and digital solutions likewise present a range of opportunities and challenges. Digitisation of the HALS collections will provide opportunities for increased access to archives and income, however digitising the collection is time and resource heavy causing challenges for the service as they aim to achieve their savings targets.

The Library app has proved a huge success with over 10,000 renewals of library loans each month. Open+ has been piloted at Croxley Green Library and after this successful pilot it is now in place at Berkhamsted, extending self-service opening hours at the libraries. The potential of technology and digital solutions to improve and extend services for residents are significant, however developing robust user centre solutions with suppliers can be challenging yet worth pursuing as they often achieve long term revenues savings but are reliant on upfront investment.

3 **What are the key projects/programmes that the portfolio will deliver 2018/19 – 2021/22?**

Education

The major projects being undertaken are as follows:

Mainstream School places: Delivery of continuing more-limited primary expansion programme and of the enhanced secondary expansion programme. This includes in particular progressing with the EFA and other partners a new secondary free school in Harpenden and another in SW Herts; and progressing provision of 3 schools as part of the Bishops Stortford North development. Longer run, site identification through the Local Plan processes continues to be critical in terms of meeting future needs.

Special school places/ SEND strategy:

Creating sufficient good school places for all pupils, including those with special educational needs (SEN) and disabilities, is a high priority for the Council. Local authorities have important specific responsibilities for children and young people with SEN and disabilities. This is a vital role that requires long-term strategic planning, informed by detailed local knowledge enhanced through consultation with parents and carers, and good relationships with local schools. We will continue to work with maintained schools, academies, and others to agree how special educational needs should be met across Hertfordshire, including considering the best ways of supporting mainstream schools to meet these needs, for example through access to specialist services. We will need to consider the range of specialist provision available, and how the places available in special schools, special units and resourced provision meet the changing needs of children and young people.

Intervention in schools in financial and standards 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.

Programme of support to improve standards and attainment in schools: this will continue, undertaken by HfL and funded by schools/centrally-held DSG.

Home to school transport (HTS)

Savings have been made in recent years in HTS by removing all provision beyond the statutory minimum entitlement for mainstream schools, and a range of measures to reduce costs, raise charges, reduce service specification and encourage alternative forms of provision to manage demand. However, during the course of 2016/17 and 2017/18 these measures have been progressively overwhelmed by rising costs and demand for transport for pupils with Special Educational Needs.

A major review of the costs and method of delivery of transport has been undertaken, involving several HCC departments and led by Environment who manage the procurement and provision of school transport. Substantial savings in costs are hoped for but there will be a time lag before the necessary changes in procurement processes can be implemented.

Within Children's Services we will be looking again at entitlement and intensity of vehicle usage, in particular for children with disabilities over the age of 16 and for young adults.

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

Funding for school improvement: Work with Herts for Learning (HfL) and schools 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 2018.

In response to the withdrawal of ESG each area of service to which it relates has been reviewed, with the intention of reducing expenditure towards zero once the grant has been withdrawn in full in 2018/19.

For 2018/19, the removal of the last tranche of grant will mean that support for maintained schools provided by HfL on behalf of HCC will cease save to the extent that it is funded externally, in particular by maintained schools "de-delegating" funding to pay for its retention. Following consultation, around 75% of schools agreed to support de-delegation to cover the costs of the relevant part of our contract with HfL for 2018/19.

Music Service: the other significant centrally-provided service is Herts Music Service. Net expenditure on the service by HCC (excluding overheads provided) was £1m in 2016/17; we hope to reduce this to £0.5m in 2017/18 and to £200k in 2018/19. A service transformation programme is underway.

Libraries and Localism

In the Inspiring Libraries Strategy there was recognition that there would be value in exploring whether an alternative delivery model for Hertfordshire Libraries was the best means of delivering the ambitions of the Inspiring Libraries Strategy and achieving future budget savings. Future savings targets include £500,000 in 2019/20.

A multi-disciplinary group has been set up to determine whether an alternative delivery model would be the best way forward for the Library Service from 2019/20.

A range of library projects are in place to further progress technology and property developments, that improve the customer experience and deliver savings for the service. The roll out of community libraries remains a high priority for the service in 2018/19, to complete the first phase of the Inspiring Library Strategy and associated £2.5m savings.

The Heritage Strategy agreed in March 2016 has a range of projects around income generation, digitisation and future storage requirements.

The localism portfolio has responsibility for a number of key strategic partnerships that include:

- Hertfordshire Armed Forces Community Covenant Board, which is responsible for maintaining and developing the county's relationship for its armed forces community past and present.
- Hertfordshire Lifestyle and Legacy Partnership, which brings together key partners involved in sport, recreation, culture and volunteering from across the

county. One of the key priorities of this partnership is developing a co-ordinated approach to sport and arts and culture across the county to maximise opportunities to attract additional external funding.

The localism agenda will be focused through key collaboration projects include; continuing the focus on promoting and encouraging greater levels of volunteering after the end of Hertfordshire's Year of Volunteering. Ensuring the County Council supports its elected members effectively to fulfil their role as community activists and working more effectively with partners (such as other tiers of local government and voluntary and community groups) on local issues.

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

Education

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. In any event, though, HCC funding of this area of activity will end in April 2018.

The most significant area of expenditure by HCC is home-to-school transport. We have jointly commissioned an external review – The Edge review—to identify how operational savings might be achieved, though none are expected in 2018/19. The operation of Home to School Transport is undertaken by Environment Department on behalf of Children's Services.

Our benchmarking of HTS transport costs is based on DfE statistics relating to 2017/18 budgets. By comparison to other upper tier authorities our spend per head of total school population (aged 3-16) is the lowest of 27 authorities for mainstream under 16; and 3rd lowest of 27 for special (under 16). However our figures for 16-18 special spend and 18+ special spend are relatively high and the focus of further work.

Budgeted spending per capita on High Level Needs (SEND) services in aggregate (met from DSG) is 4th lowest of 27 upper tier authorities and 2nd lowest of 11 statistical neighbours.

The costs of our ISL service has been critically reviewed as part of scoping the proposed increase in funding of £1m linked to the implementation of the nationally-mandated SEN Reform Programme.

Libraries and Localism

In developing and implementing the Inspiring Libraries Strategy the Library Service visited a number of comparator authorities to understand best practice in terms of technology, community engagement and capital developments, aiding the services' thinking in achieving the £2.5 m savings target by 2017/18 and options for further savings beyond 2017/18.

The Library Service has achieved £1m savings for 2015/16 and a further £1m saving for 2016/17 continuing the decreasing expenditure trend illustrated in the

graph below, which also demonstrates the increase in visits to libraries (virtual and physical) for the same time period. The final year of the first phase of 'Inspiring Libraries' savings has been challenging, savings will be made but not the full £500k.
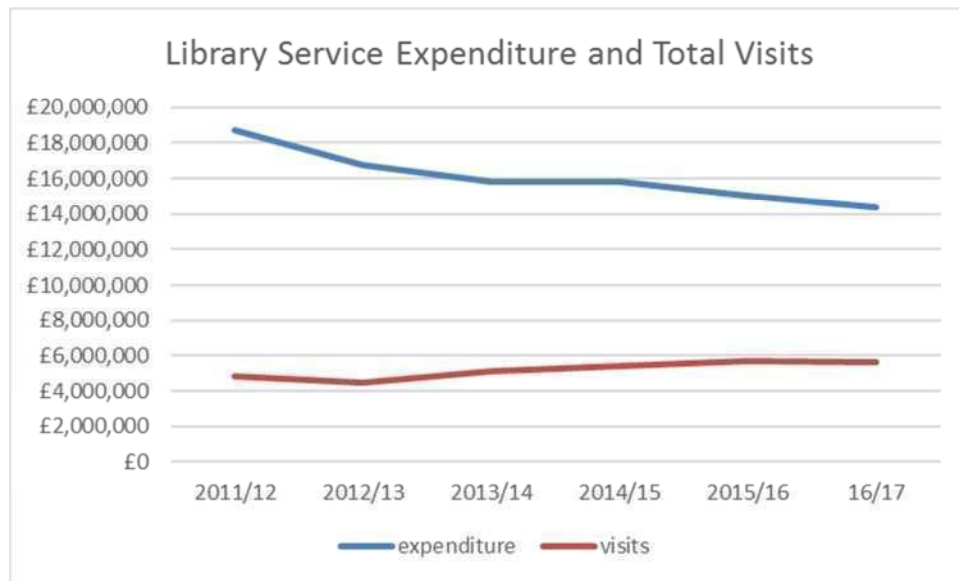
The net cost for library services per 1,000 population has decreased from £16,746 in 2011/12 to £12,209 in 2016/17 and for the same time period, the cost per visit has reduced from £3.90 to £2.55

Total revenue expenditure on public libraries is down by 19% since 2011. In Hertfordshire, it is down by over 25%

Councils across the country are looking to develop localism in different ways. At Hertfordshire County Council, the lead for developing this agenda rests with the Corporate Policy team but will rest in other areas in other local authorities. Given this, there is no benchmarking data available. However, in the absence of this, work had previously been undertaken by the Corporate Policy team in 2013 to compare and contrast its approach on corporate policy with three authorities that were either of a similar size, were a neighbouring authority and/ or were facing similar challenges. This research showed that the level of capacity and approach that councils dedicate to this area does vary considerably. However, the level of resource that the County Council allocates to this area seems slightly less than that of the two authorities examined that employ a similar approach. One County Council spent roughly £630,000 and had 10 members of staff working on corporate policy activities. The other spent roughly £730,000 and had 9.33 FTE working on corporate policy activities. Hertfordshire County Council's Corporate Policy team currently has a budget of £546,000 with & members of staff (6.6 FTE).

There do not seem to be any examples where other county councils are doing anything dramatically different to the approach the Hertfordshire County Council is employing in this area. However, the Corporate Policy Team does regularly engage with other councils through the County Council Network and Association of County Chief Executives to share best practice and keep abreast of different approaches that other councils might be exploring.

5   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?

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;

- 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 intensive work with maintained schools on a programme of financial activity intended to reduce costs and limit budget deficits, via joint Financial Action Groups.

As regards internal workforce planning, the main issue is recruitment and retention on Educational Psychologists. Market forces supplements are in place, and are regularly reviewed.

Libraries and Localism

In terms of the Library Service the implementation of 10 community partnered libraries and income targets remains high risk in terms of achieving this within 2018/19 to make the full £2.5m saving identified in the first phase of Inspiring Libraries implementation.

There is a risk that the work to explore an alternative delivery model for Hertfordshire Libraries may decide this is not the best means of delivering the ambitions of the Inspiring Libraries Strategy and achieving the next phase of budget savings identified for 2019/10. This outcome will put pressure on the service to identify other ways of making savings.

Clear project plans and milestones are in place to guide the implementation of future community libraries but every community is different in their capacity and appetite for the change.

Changes to the Library Service management structure to make current savings presents challenges, in ensuring the capacity and skills necessary to deliver the Inspiring Libraries Strategy. There is also a risk around succession planning for the management team of the service and several members are close to retirement. Significant time has been taken in planning the restructure of the management team to try and ensure that there is enough capacity to lead the transformation of the service, whilst balancing the necessary savings from this cohort of managers.

Finally in terms of localism, the key risk is whether it is possible to deliver the necessary cultural change both internally within the County Council and with local partners and communities in order to progress and develop its vision for localism. Internally, management of this is being taken forward through targeted learning and organisation development interventions. Externally, partner engagement is vital.

KEY BUDGET MOVEMENTS 2018/19 - 2021/22

	2018/19 TOTAL £000s	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s
Service Specific Inflation	20	20	20	20
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TOTAL PRESSURES	2,037	3,235	3,774	4,134
Existing Efficiencies	(1,873)	(1,873)	(1,873)	(1,873)
New Policy Choice	(17)	(17)	(17)	(17)
TOTAL SAVINGS	(1,890)	(1,890)	(1,890)	(1,890)

Ref	Description	Dept	Type of budget movement	2018/19 TOTAL £000s	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s	Approximate current budget £'000
	Technical Adjustments							
TA2	SEN Reform Removal of 17/18 grant funding for identified pressure; the remainder of the 17/8 allocation is being held in a reserve wth future budget allocations to be agreed.	CS	Technical Adjustment	(271)	(271)	(271)	(271)	
TA3	SEND Implementation Grant Estimated grant from the DFE for 2018/19	CS	Technical Adjustment	835	0	0	0	
	Service Specific Inflation							
	Libraries - income A review of fees and charges was carried out in 2015/16 and 2017/18. There is no scope to increase charges again in April 2018.	Resources	Service Specific Inflation	20	20	20	20	
	Pressures							
OP1	SN HTS Transport This was approved as part of the 17/18 IP.	CS	Other Pressures	450	450	450	450	12,456
OP2	Hadham Road Development appeal costs This pressure was for one year only 2017/18 and has now been removed from future years.	CS	Other Pressures	(200)	(200)	(200)	(200)	200
OP3	SEN Home to School Transport Delivery of the current level of delivered service is costing substantially in excess of budget due to increased underlying costs of this statutory service.	CS	Other Pressures	1,530	1,890	2,250	2,610	12,456
OP7	SEND reform programme implementation Significant rise in requests for statutory SEND assessments since the introduction of the reforms due to a combination of the increased age range covered and the increased expectations of stakeholders.	CS	Other Pressures	0	838	1,017	1,017	1,561
OP20	Customer Engagement & Libraries 2017/18 Vacancy Factor This pressure is as a result of the vacancy factor saving applied to Customer Engagement and Libraries budgets in 2017/18. It has not been possible to achieve this saving through vacancy management in a public facing service without unacceptable service reductions.	Resources	Other Pressures	257	257	257	257	15,728
	Savings							
EE2	Schools PFI contract In 17/18 the assessment of the financial position on the school PFI project showed a scope of a continuing saving of £150k. Although the one off saving of £200k was only for 17/18, so the saving has been removed for future years.	CS	Existing Efficiencies	200	200	200	200	7,736
EE4	Further ESG related savings ESG cuts in funding from September 2017	CS	Existing Efficiencies	(2,043)	(2,043)	(2,043)	(2,043)	2,043
EE17	Hertfordshire Archives & Local Studies Review of the HALS service.	Resources	Existing Efficiencies	(30)	(30)	(30)	(30)	576
NPC3 (X1)	Children's Services Efficiencies Reduction of £400,000 in salary budgets across CS, of which £250,000 is required to meet the unfunded costs of the Apprenticeship Levy	CS	New Policy Choice	(17)	(17)	(17)	(17)	48,242

Note 1

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

EE3 (X1) - Printing Contract Savings	(37)	(37)	(37)	(37)
NE2 (X1) - Serco SMS contract savings	(199)	(533)	(691)	(665)
EE13 (X2) - Enabling the Worker	(685)	(685)	(685)	(685)
NPC3 (X1) Children's Services Efficiencies	(150)	(150)	(150)	(150)

ANALYSIS OF REVENUE BUDGET BY OBJECTIVE AREAS

2017/18 Original Net Budget £'000	Objective Area	Gross Budget 2018/19 £'000	Income £'000	Net Budget 2018/19 £'000	Net Budget 2019/20 £'000	Net Budget 2020/21 £'000	Net Budget 2021/22 £'000
5,512	**Education & Early Intervention** Integrated Services for Learning 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.	6,365	(325)	6,040	6,043	6,222	6,222
18,233	Admissions & Transport 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.	20,754	(287)	20,467	20,827	21,187	21,547
2,022	Education Services 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. This area also contains budget for the development of 14-19 learning strategy which includes the provision of Apprenticeships.	582	0	582	582	582	582
1,736	Education Access & Provision The service monitors and forecasts supply and demand for school places, manages capacity and commissions additional school places to match demand (a statutory requirement), promote improvement in educational outcomes and other policy objectives. It identifies and secures external funding, manages relationships with DfE and formulates and sponsors any resulting capital projects and programmes. Major activities are developing and overseeing delivery of primary and secondary school expansion programmes (capital) with the Hertfordshire expansion programme one of the largest nationally. This includes the lead role in relation to new and converting academies, and free schools.	1,539	(9)	1,530	1,530	1,530	1,530
112	HR Budgets This area of the budget relates to historic HR liabilities relating to specific groups of school staff such as caretakers and teachers that HCC are required to honour.	111		111	111	111	111

2017/18 Original Net Budget £'000	Objective Area	Gross Budget 2018/19 £'000	Income £'000	Net Budget 2018/19 £'000	Net Budget 2019/20 £'000	Net Budget 2020/21 £'000	Net Budget 2021/22 £'000
0	**Milk & Meals** This budget covers the cost of running HCC's schools milk policy including purchase and sales of milk and the cost of operating the free school milk policy. Milk is run as a net nil cost service with any deficits met from DSG.	801	(801)	0	0	0	0
(324)	**BSF PFI Schemes** This budget relates to the PFI operational and unitary charges with respect to Marriotts & Lonsdale schools. Whilst It was originally expected that the PFI funded schools would become operational and unitary charge payable to the operator (Balfour Beatty Education) from September 2012 the actual handover date was 7 January 2013. The scheme is still due to end on 31 August 2037 at which stage all assets will revert to the Council. The value of the Marriotts and Lonsdale Schools (land and buildings) at the date they became operational was £43.24m. There is a net nil budget; The expenditure charges are funded through a central government PFI Initiatives grant. In the early years of the scheme, it is anticipated the scheme will run at a surplus, which will be transferred to a specific reserve. This will be utilised to fund the deficit expected in the later years of the scheme.	7,792	(7,807)	(15)	(15)	(15)	(15)
1,702	**Music Service** Hertfordshire Music Service engages over 600 instrumental and vocal teachers teaching over 25,000 children in schools and music centres across the county. The service is committed to making every child's music matter, and to improving standards in schools through music.	9,404	(7,927)	1,477	1,477	1,477	1,477
4,455	**Premature Retirement** This area of the budget relates to the liabilities arising from premature retirements in schools.	4,113	0	4,113	4,113	4,113	4,113
33,448	**Education & Early Intervention Total:**	51,461	(17,156)	34,305	34,668	35,207	35,567
105	**Children's Services Overheads** Performance and Business Support The Performance and Business Support area contains the following areas which support the whole of CS department: • Performance and Improvement • IT Budget • Business Infrastructure Service • Children and Young People's Strategic Commissioning	152	0	152	152	152	152

2017/18 Original Net Budget £'000	Objective Area	Gross Budget 2018/19 £'000	Income £'000	Net Budget 2018/19 £'000	Net Budget 2019/20 £'000	Net Budget 2020/21 £'000	Net Budget 2021/22 £'000
(1,301)	Education & Early Intervention Central 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.	(765)	(328)	(1,093)	(1,093)	(1,093)	(1,093)
(1,196)	Children's Services Overheads Total:	(613)	(328)	(941)	(941)	(941)	(941)
9,401	Resources Public Library Service Public libraries are a statutory service, providing access to reading, information, and knowledge for all Hertfordshire citizens. It is delivered through a free and accessible network of library buildings, mobile library vehicles, one prison library and also through online services.	10,434	(1,030)	9,404	8,904	8,904	8,904
590	Archives, Local Studies and Herts Museums Development Hertfordshire Archives and Local Studies collects, preserves and promotes original documents and printed material covering every aspect of life in the county relating to Hertfordshire's past and its people. Hertfordshire Museums Development aims to improve and develop museum services and raise awareness of the value of museums to the wider community.	626	(67)	559	559	559	509
(147)	AD Director Customer Engagement & Libraries AD Director Customer Engagement & Libraries	110	0	110	110	110	110
9,844	Resources Total	11,170	(1,097)	10,073	9,573	9,573	9,523
42,096	Education, Libraries & Localism Total	62,018	(18,581)	43,437	43,300	43,839	44,149

Education, Libraries and Localism Capital Programme 2018/19-2021/22

The total Capital Programme 2018/19 to 2021/22 for the portfolio is £231.381m and for 2018/19 is £68.867m. This includes all new bids and re-programming from 2017/18 at the end of quarter 2.

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
HCC Funding	1,689	728	252	252	**2,921**
Reserves	886	700	750	-	**2,336**
Grants	53,235	52,961	28,586	36,879	**171,661**
Contributions	13,057	26,191	15,215	-	**54,463**
Total	**68,867**	**80,580**	**44,803**	**37,131**	**231,381**

New Capital Bids

Education, Libraries and Localism has five new bids, one of which requires HCC funding compared to the previous Integrated Plan of £0.405m in 2018/19 and £0.810m over 2018/19 to 2021/22.

Scheme	Cost 2018/19	HCC Funding 2018/19	External Funding 2018/19	Total Cost 2018/19-2021/22	Total HCC funding 2018/19-2021/22	Total External Funding 2018/19 - 2021/22	
	£'000	£'000	£'000	**£'000**	£'000	£'000	
Primary Expansions Programme 8	4,270	-	4,270	12,200	-	12,200	Meeting the rising demand for Primary school places.
Temporary Expansions 8	2,000	-	2,000	2,000	-	2,000	Provision of temporary buildings to meet the rising demand for School Places.
Secondary School Expansion Programme - SEC 3	6,750	-	6,750	27,000	-	27,000	Meeting the rising demand for Secondary school places.
High Needs Funded Schemes	377	-	377	377	-	377	To increase capacity and to address accommodation deficiencies at Special Schools
Replacement of Library self-service RFID Kiosks	405	405	-	810	810	-	Radio frequency identification (RFID) Kiosks in libraries are coming to 'end of life' and need to be replaced.
	13,802	**405**	**13,397**	**42,387**	**810**	**41,577**	

Revised Capital Bids

The directorate has revised 2 bids compared to the previous Integrated Plan. The do not require any additional HCC funding from 2018/19 to 2021/22.

Scheme	Total Increase/ (decrease) 2018/19	HCC Funding Increase/ (decrease) 2018/19	External Funding Increase/ (decrease) 2018/19	Total Increase/ (decrease) 2018/19 to 2021/22	HCC Funding Increase/ (decrease) 2018/19 to 2021/22	External Funding Increase/ (decrease) 2018/19 to 2021/22	
	£'000	£'000	£'000	£'000	£'000	£'000	
Land Acquisitions	2,950	-	2,950	6,067	-	6,067	Budget allocated to purchase additional land to serve School Places
School's Repairs & Maintenance	(587)	-	(587)	(2,348)	-	(2,348)	An estimated decrease of £587k per annum due to an anticipated reduction of the Schools Condition Allocation Grant.
	2,363	-	2,363	3,719	-	3,719	

The programme also includes the current balance of the Schools funding envelope that is shown as New Schools Developments.

Proposed Education, Libraries and Localism Directorate's Capital Programme 2018/19 - 2021/22

	Scheme New request (N), Existing request (E) or Revised request (R)	Portfolio	Total scheme cost £'000	2018/19 Integrated Plan					2019/20	2020/21	2021/22
				Cost	HCC Funding	Reserves	Grants	Contribu tions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	**Primary Expansion Programme 6 (E):** Meeting the rising demand for Primary school places	Education, Libraries & Localism	6,739	**2,378**	-	-	763	1,615	**-**	**-**	-
2	**Primary Expansion Programme 7 (E):** Meeting the rising demand for Primary school places	Education, Libraries & Localism	4,320	**4,320**	-	-	4,072	248	**-**	**-**	-
3	**Primary Expansions Programme 8 projection (N):** Meeting the rising demand for Primary school places for September 2019.	Education, Libraries & Localism	12,200	**4,270**	-	-	4,270	-	**7,930**	**-**	-

	Scheme New request (N), Existing request (E) or Revised request (R)	Portfolio	Total scheme cost £'000	2018/19 Integrated Plan					2019/20	2020/21	2021/22
				Cost	HCC Funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
4	**Temp 8 Budget (N):** Provision of temporary buildings to meet the rising demand for School Places.	Education, Libraries & Localism	2,000	**2,000**	-	-	2,000	-	**-**	**-**	**-**
5	**Secondary School Expansion Programme - SEC2 & 2.5 (E):** Meeting the rising demand for Secondary school places.	Education, Libraries & Localism	32,541	**14,918**	-	-	11,381	3,537	**-**	**-**	**-**
6	**Secondary School Expansion Programme - SEC 3 (N):** Meeting the rising demand for school places.	Education, Libraries & Localism	27,000	**6,750**	-	-	6,750	-	**20,250**	**-**	**-**

	Scheme New request (N), Existing request (E) or Revised request (R)	Portfolio	Total scheme cost £'000	2018/19 Integrated Plan					2019/20	2020/21	2021/22
				Cost	HCC Funding	Reserves	Grants	Contribu tions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
7	**New School Developments (R):** Spend anticipated within 2018/19 - 2021/22 to provide schools where future developments or a shortage of places is known.	Education, Libraries & Localism		**9,766**	-	-	3,247	6,519	**32,100**	**23,212**	**18,707**
8	**Land Acquisitions (R):** The purchase of land to serve School places.	Education, Libraries & Localism	19,736	**2,950**	-	-	1,814	1,136	**700**	**2,417**	**-**
9	**School's Repairs & Maintenance: Schools Condition Allocation Grant (R):** Budget to assist in maintaining and managing school buildings	Education, Libraries & Localism	Annual Programme	**18,172**	-	-	18,172	-	**18,172**	**18,172**	**18,172**

	Scheme New request (N), Existing request (E) or Revised request (R)	Portfolio	Total scheme cost £'000	2018/19 Integrated Plan					2019/20	2020/21	2021/22
				Cost	HCC Funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
10	**High Needs Funded Schemes (N):** To increase capacity and to address accommodation deficiencies at Special Schools	Education, Libraries & Localism	1,932	**377**	-	-	377	-	**-**	**-**	**-**
11	**Building Schools for the Future-ICT (E):**	Education, Libraries & Localism	4,763	**103**	103	-	-	-	**103**	**56**	**56**
12	<u>**Delivering Inspiring Libraries (E):**</u> - The 'Inspiring Libraries' strategy sets out Hertfordshire Library Service's ambitions based on three main themes: • The library as a vibrant community asset – shaped with local people and partners to reflect local need, support sustainability and enrich communities. • The digital library – a service that is ambitious in its use of technology and digital formats for the benefit of residents. • An enhanced gateway to reading, information and wellbeing	Education, Libraries & Localism	3,576	**700**	-	700	-	-	**700**	**750**	**-**

	Scheme New request (N), Existing request (E) or Revised request (R)	Portfolio	Total scheme cost £'000	2018/19 Integrated Plan					2019/20	2020/21	2021/22
				Cost	HCC Funding	Reserves	Grants	Contribu tions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13	**Co-location of Libraries (E):** As agreed in the March 2016 Cabinet, to co-locate Sawbridgeworth, Redbourn and Wheathampstead libraries within retained fire stations in those areas, to deliver a multi service property asset.	Education, Libraries & Localism	1,920	**1,562**	985	186	389	2	**-**	**-**	**-**
14	**Libraries Public IT (E):** The County Council would like the Library Service to be able to offer technology and digital solutions to improve service delivery, to support digital inclusion and to empower citizens. Scheme to support the maintenance and development of public access ICT, which is "business as usual" for Libraries and Heritage Services.	Education, Libraries & Localism	Annual Programme	**196**	196	-	-	-	**196**	**196**	**196**
15	**Libraries Vehicle Replacement (E):** Replacement of a transit van for community deliveries.	Education, Libraries & Localism	24	**-**	-	-	-	-	**24**	**-**	**-**

	Scheme New request (N), Existing request (E) or Revised request (R)	Portfolio	Total scheme cost £'000	2018/19 Integrated Plan					2019/20	2020/21	2021/22
				Cost	HCC Funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
16	**Replacement of Library self-service RFID Kiosks (N):** Radio frequency identification (RFID) Kiosks in libraries are coming to 'end of life' and need to be replaced.	Education, Libraries & Localism	810	**405**	405	-	-	-	**405**	**-**	**-**
	Total			**68,867**	**1,689**	**886**	**53,235**	**13,057**	**80,580**	**44,803**	**37,131**