

# **INTEGRATED PLAN**

## **PART B - STRATEGIC DIRECTION AND FINANCIAL CONSEQUENCES**

### **Resources, Property and Enterprise Portfolio**

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# Resources, Property & the Economy Portfolio

## Strategic Direction:

- To provide professional advice and insights, and the tools to deliver services and enable change
- Promote the economic prosperity of businesses and residents in Hertfordshire in collaboration with the LEP and in line with the Strategic Economic Plan

## Key priorities and programmes:

- Driving forward digital strategies to maximise the effectiveness of digital solutions for the council and its clients.
- Leading on an effective People Strategy to deliver a high performing, engaged and committed workforce.
- Maximising the use of public sector assets to drive out efficiencies and generate ongoing revenue streams.
- Driving forward further commercial opportunities for trading, procurement and contract management.
- Leading on enabling and developing a Smart, flexible and mobile workforce.
- Enable effective approaches of prevention and demand management
- Funding – Drive forward strategic financial planning and proactively respond to the impact of proposed changes to Business Rates (NNDR) and government funding.
- To continue to work closely with the LEP to secure economic prosperity.
- To promote the tourism economy in Hertfordshire through Visit Herts

## Key services provided:

- Support services including; Assurance, Finance, HR, Improvement & Technology, Procurement, Property, Legal, Democratic & Member services, Communication and Policy support.
- Citizen focused services for Births, Deaths, Marriages and Citizenship Services, Support to the Coroner, delivery of school meals through Herts Catering Limited and the supplies service HertsFullstop
- Provision of core funding to Herts LEP and joint working to sustain economic prosperity priorities.
- Financial support to the Visit Herts Tourism Partnership.

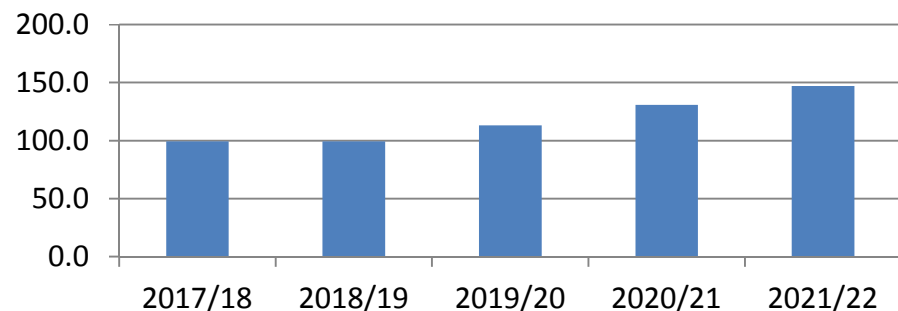
## Key risks in achieving IP proposals:

- Changes in funding and grant announcements
- Volatility of and changes to local business rates system
- Council tax reforms and changes to council tax base
- Wider inflation, interest and borrowing rate risks post Brexit
- Ability to market assets and secure revenue streams
- Continuing to attract, recruit and retain an effective workforce

# Resources, Property & the Economy Portfolio

£m

## Net Revenue Budget



## Key Revenue Pressures:

- Robertson and Farnham House lease (part of 2017/18 IP) - £0.635m
- Herts Fullstop transition - £0.112m
- County Council elections - £0.085m

## Key Revenue Budget Movements

	2018/19 TOTAL £000	2019/20 TOTAL £000	2020/21 TOTAL £000	2021/22 TOTAL £000
Technical Adjustment	(4,983)	(4,983)	(4,983)	(4,983)
Inflation to be allocated	5,869	22,537	39,071	55,934
Service Specific Inflation	34	34	34	34
Legislative	(11)	(11)	(11)	(11)
Other Pressures	5,517	6,371	10,321	14,036
<b>TOTAL PRESSURES</b>	<b>5,506</b>	<b>6,360</b>	<b>10,310</b>	<b>14,025</b>
Existing Efficiencies	(136)	(157)	(136)	(157)
Existing Policy Choice	(50)	(100)	(100)	(150)
New Efficiencies	(5,273)	(6,662)	(9,389)	(13,536)
New Policy Choice	-	(500)	(500)	(500)
<b>TOTAL SAVINGS</b>	<b>(5,459)</b>	<b>(7,419)</b>	<b>(10,125)</b>	<b>(14,343)</b>

## Key Revenue Savings Proposals:

- Further reduction in back office costs - £0.341m
- Additional income from traded and statutory services - £0.115m
- Investment return Herts Catering Ltd - £0.500m
- Property and asset management - £0.487m
- Final savings on previously agreed MRP changes - £2.755m

## Key Capital Schemes:

- 25 by 20: Property Projects
- Broadband Delivery Project Phase 2
- Capital Maintenance Improvements and Annual Programme of Minor Works
- ICT Refresh budget and Refresh Mobile Computing Devices

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Capital Programme	35,546	6,326	2,859	2,779

## Resources, Property & the Economy Portfolio: Future Strategic Direction

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

Resources provide centralised support services to the Council's departments, as well as providing front-line services including Registration, Coroners and Citizenship Services and Herts Business Services. The Resources Directorate also includes Libraries, as well as Performance and Improvement. Information on Libraries is included in the Education, Libraries and Localism Portfolio. The work of the Performance and Improvement team is primarily reported to the Public Health, Prevention and Performance Portfolio.

The net total departmental budget for 2017/18 was £72.6m and £23.35m of savings have been achieved between 2010/11 and 2017/18. A further £2.7m of savings are already assumed in the baseline figures for 2018/19 rising to £10.6m by 2021/22.

A proportion of the service is carried out through third party providers and managed under contract including pensions' administration, payroll, occupational health, IT support and development, HR and finance transactions, temporary staff recruitment, facilities management and some property services (Leasehold and empty property management & maintenance, valuation services, capital projects delivery and project management). Approximately 35% of the gross Resources budget is spent on these outsourced services.

Resources has a key role in supporting the Council's departments to improve services and make savings enabling the Council to continue to operate within increasingly difficult financial circumstances. In key areas of the service such as technology we will need to sustain the capacity of our teams in order to drive change; this may increase the pressure to drive out savings in other areas of the service to meet the authority's funding gap.

Our priorities over the medium term are to:

1. **Be proactive enablers of change** – providing leadership, direction and support to drive transformation and improvement. This includes;
  - Making the most of our **property**, office and service accommodation portfolios, including through the Council's new property company, Herts Living Ltd
  - Increasing **commercial opportunities** including those relating to major re-procurements
  - Supporting the right approaches to **prevention and demand management**
  - Using outcome driven technology to respond to fast-changing **digital opportunities**
  - Having a **high performing, engaged, and committed workforce**
  - Developing and enabling **SmartWorking** throughout the organisation

2. Ensure that Resources Directorate meets the needs of the organisation, provides best **value for money** and enables our frontline services to continue to provide effective services. We will continue to review our structures and ways of working to ensure that we are as efficient as possible and can effectively support the changing needs of the organisation.
3. Proactively respond to and manage the proposed changes to government funding and other policy changes, including the proposed devolution of Business Rates.
4. Support the Council's delivery of service led projects and programmes
5. Enable effective internal and external communication and engagement with other citizens and partners
6. Managing the strategic partnership framework for the county – Hertfordshire Forward – which brings together the key decision makers around the table to secure common purpose.
7. Support and enable the role of Members.

## Economy

- 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 Resources, Property and the Economy. County Council core funds the LEP to the value of £250,000 per annum.
- 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, and better skills.
- The LEP secured over £220m through the Growth Fund Round 1 and 2, and a further £44m this year in Round 3. This is to advance 8 key projects around the county:
  - £19.38 million to support a package of major projects to help **regenerate Stevenage town centre** (conditional on the creation of revised governance structures).
  - £3.76 million for the newly created Hertfordshire Envirotech Enterprise Zone including £3.06m to establish a new £12m **open innovation hub at the BRE (Building Research Establishment) campus** in South West Herts.
  - £7.75 million to provide loans/grants to skills providers to ensure that they continue to meet the current and future needs of local employers.

- £5.1 million to support the second phase of development at **West Herts College's £14.5m Dacorum campus**.
- £6.5m to **construct a new bridge** to improve access to a major employment area at Essex Road, Hoddesdon, providing growing employment opportunities including the creation of up to 400 new jobs.
- £1.96m to relieve congestion on the **A10 roundabout near Buntingford** and support future development in and around the town.

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

- As the provider of Support Services to the organisation the Resources Directorate needs to ensure that it responds to the ever changing needs of departments whilst continuing to identify opportunities to deliver savings and other efficiencies. This involves working with services to predict and respond to the impact of demographic pressures and other policy changes, ensuring continued effective and appropriate support services.
- Ensuring that the organisation is able to use the best technology to improve efficiency and productivity and engagement with its citizens. This will include use of the most appropriate fit for purpose technology including cloud services and ensure safe and effective transition of any changes. It will also involve maximising digital opportunities with a user-focussed end to end service re-design, exploiting data analysis to tailor services and pre-empt trends and needs and efficiencies around ways of working.
- Responding to changes in funding; in particular the risks and opportunities associated with changes to Business Rate localisation. In addition, there is an increased risk of more schools becoming Academies and insufficient funds to meet the needs of the remaining schools.
- Ensuring that we support the organisation to develop a workforce strategy that ensures that we maintain the capability and capacity to deliver current and future outcomes and we continue to attract, recruit and retain people with the right skills, abilities and values, particularly in key shortage skill areas including Social Work, Planning, Digital and Legal.
- Ensuring that we have the resources, knowledge and skills to support changes in the way we operate, including the implementation of the property company (Herts Living Ltd) and other commercial opportunities.

### Economy

- Hertfordshire has recovered well from the recession and the economy is picking up strongly.

[www.hertfordshirelep.com/media/4343/Hertfordshire%20Economic%20Outlook%202016.pdf](http://www.hertfordshirelep.com/media/4343/Hertfordshire%20Economic%20Outlook%202016.pdf)

- There are two key issues emerging from this:
  - The need to ensure future economic growth is sustained. 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 supply and skills shortages and infrastructure to support future growth. This will rely on:
  - o working closely with the Herts Infrastructure and Planning Partnership and Districts on bringing forward land for new homes and jobs
  - o Working with the LEP, DWP and Colleges of FE, and Business on the delivery of the Hertfordshire Skills Strategy
  - o developing a Transport Vision and a pipeline of new infrastructure projects and funding mechanisms to support growth
  - o 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.

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

**Procurement** – ensuring we have effective procurement and contracts management arrangements in place across the council. Enabling the effective review and procurement of Directorate contracts; including the Shared Managed Services (SMS), Temporary Staff Recruitment and Pension Fund contracts. Spotting and engaging in opportunities for collaborative procurement with other public sector partners.

**Funding and financial planning** – The IP has been extended to become a four year financial strategy. Resources will continue to support the organisation in taking a strategic, medium term view of financial challenges faced and developing option to meet these challenges. We will proactively responding to proposed changes to Business Rates (NNDR) and central government funding to ensure that the impact for HCC is understood and informs Medium Term Financial Strategy. Working with our partners, we will ensure that the impact of any changes (including local growth) are understood and reflected in the medium term financial strategy.

**Assurance** – The individual parts of the Service continue to consider opportunities for expanding their customer base e.g. further work from Academies and other Districts and Boroughs with a view to generating further revenue surplus contributions or by reducing charges in relation to Partnership Services (SIAS & SAFS).

**Insurance** –The Authority will use an independent party to carry out an actuarial review of its insurance provisions and reserves.

**Legal Services** – supporting the Council to achieve its objectives, particularly providing specialist and focussed support for major initiatives, taking the opportunity to develop shared service arrangements where appropriate, engagement with client departments to manage in conjunction with them increasing demands for legal advice and development of initiatives (e.g. on line resource hubs) to reduce the reliance on Legal Services.



**Democratic Services** – transition to a new committee management system and supporting the development of electronic, paperless meetings where appropriate.

**Coroner Service** - continued development of the case management system to enable electronic referral of sudden deaths and electronic signing and distribution of post-investigation documents to improve service to the bereaved and efficiency. Prepare for the introduction of the Medical Examiner Service April 2019.

**Registration & Citizenship Service** – continued development of customer online appointment and ceremony booking, and development of online payment system to improve customer service and service efficiency. Identifying opportunities to extend income generating service delivery to improve efficiencies.

**Customer Service** - the new Hertfordshire.gov.uk website has been live for a year and achieved the highest rating from society for IT manager in the public sector. Priorities remain for its development to maximise the potential of channel shift encouraging residents to self-serve rather than call the customer call centre; and to develop more personalised content.

**Financial and HR systems review** – Following a detailed review of SAP systems in 2017, the Council has decided not to invest in a major system upgrade. Instead we will look for incremental change to ensure that use of the core system is maximised, whilst further reviewing future options for systems and process provision. The drivers will be to seek improvements and efficiencies for the end user and bring about efficiencies from the process design.

**Human Resources** – contribute to internal and external major change programmes. Work with Finance, Improvement team, Serco and Services produce a workforce plan to include a skills strategy. Commence the review of HR and Payroll services in the lead up to 2021 contract renewal of Serco and Pensions provider in 2019.

**Corporate Policy & Communications** - Supporting services on policy and service changes, building the County Council's external profile, supporting the county's strategic partnership and joint working arrangements through Hertfordshire Forward and the Public Sector Chief Executives Group and maintaining internal communication with staff to support organisational change.

**Supporting the Organisation** – supporting services to deliver their change programmes and savings and where appropriate develop the capability and capacity to deliver improved trading income and opportunities for partnership working.

Leading on our **property and office and service accommodation**

- To make better use of the public sector portfolio of assets by sharing buildings and developing more multipurpose facilities, particularly in support of co-delivered services. This is proposed to reduce costs and deliver better outcomes wherever possible to staff and service customers. The council will work with partners through the Hertfordshire Property Partnership and One Public Estate programme.

- In the context of Local Strategic Plans and the need for significant housing and infrastructure development, to drive forward required development and return with some or all of the profit component to the public sector or, through private rented housing, to generate ongoing revenue income streams to support spending on essential services. This approach will utilise the Council's newly established property company (Herts Living Ltd).

#### Leading on increasing **commercial opportunities**

- Taking forward the Councils commercial strategy, including:
  - Implement consistent and coherent approach to HCC companies, and options for future arm's length entities
  - Developing resources to support the organisation in considering commercial opportunities
  - Review opportunities for existing trading to ensure continued sustainability (*Herts Fullstop*)
  - Enhance approach to strategic commercial planning & re-tendering
  - Enhance staff capacity and capability to improve contract management and commercial mindsets.

#### Leading on outcome driven technology to respond to fast-changing **digital opportunities**

- Targeting service-specific agile redesign to maximise quick wins – the strategy is delivery
- Encourage greater level of user-focussed end to end service re-design, exploiting data analysis to tailor services and pre-empt trends & needs
- Deliver an effective technology infrastructure to underpin resilient digital first approaches across the council
- Ensure a digitally confident and competent workforce.

#### Leading on an effective **People Strategy** to deliver a high performing, engaged, and committed workforce

- Ensuring our workforce has the capability and capacity to deliver current and future outcomes
- Positioning HCC so that we are recognised as an employer of choice
- Developing reward frameworks that support us to attract, recruit and retain people with the right skills, abilities and values
- Ensure Workforce plans are aligned with IP and service business plans
- Right person, right place doing the right thing.

#### Leading on developing and enabling **SmartWorking** throughout the organisation

- Leading widespread cultural change to drive increased collaboration, mobility and flexibility

- Delivering modern technologies to enable smarter ways of working as the new normal
- Ensure close links to office estate consolidation, people strategy and digital workstreams.

#### Supporting the right approaches to **prevention & demand management**

- Working with services and partners to identify and analyse the quantum of funding supporting prevention activity and the outcome of such spend
- Supporting the development of outcome measures and toolkits.

#### **Economy**

- As well as continuing to work with the LEP on delivering their Strategic Economic Plan and Growth Deal 3 projects, the County Council will continue to work with 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.
- Following the reprocurement of the Herts Destination Management Organisation, the County Council and partners will continue to work with Visit Herts and Tourism Partnership to grow the visitor economy and promote Hertfordshire's unique cultural, heritage and visitor attraction locally and internationally.

#### **Key savings proposals include:**

Resources Directorate has looked to reduce the costs of its operation, ensuring that it is efficient and fit for purpose. Since 2010 it has delivered savings of £23.35m rising to £31.23m by 2021/22. This included working with external partners such as London Pension Fund Agency and SERCO to lever out savings through more efficient ways of working and maximising the use of available technology where appropriate. It continues to review opportunities for efficiencies including reducing the use of our office space and joint working with partners to share fixed costs and generate income.

The proposals set out in the IP cover:

- Further reduction in back office costs – this includes savings across each of the Resources teams - £0.5781m
- Additional income from traded and statutory services - £0.140m
- Investment return Herts Catering Ltd - £0.500m
- Property and asset management - £1.516m
- Serco SMS contract savings - £0.199m

Key to future savings will be the extent to which the Directorate can identify further efficiencies from the key cross-cutting transformation programmes. In the short term there may be a requirement for additional investment to support and drive the transformational changes across the organisation.

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

The service undertook a comprehensive review of the level and scope of its services through joint work with Essex County Council, and ten other county councils to inform the 2016/17 budget plan. This exercise identified that we compare relatively favourably on costs and scope of service spending 4.4% of our gross budget on support service with only one of the 10 other councils spending a lower proportion.

Subsequent to this a number of further exercises have been undertaken:

- **Shared Internal Audit Service (SIAS)** – following prior notice of reductions in commissions the Service underwent a restructure to ensure that it was providing VFM for its clients. Changes to management structures allowed for the maximising of cost savings with a current estimate of £34k being saved in the HCC Commissioning Account.
- **Legal Services** – are part of the Public Law Partnership (PLP is the legal services partnership of authorities in Essex, Hertfordshire, Suffolk and Cambridgeshire). PLP share staff, legal information, know-how and training to ensure value for money. Our aim is also to work closely with other legal departments in Hertfordshire authorities to share training and, where appropriate, resource.
- **SERCO**– the outcome of a previous review undertaken by an independent assessor revealed that the overall contract price across all service lines is 9% below reference group average, and therefore continues to represent value for money at the aggregate level. The Council has taken advantage of the opportunity to extend the contract from March 2019 by 2 years. In doing so it has been able to negotiate further savings on the contract, reducing cost not just in Resources but in ACS and children’s services too.
- **Property services** – the work to develop the approach to management and development of property assets has involved research with external providers and other organisations to determine options and best practice in this area. Officers are working with “One Public Estate” to pump prime collaboration across all Herts public sector.
- **HR service** – The AD undertook a review in January 2017 which was implemented from July 2017 and achieved agreed savings for the 2017/18 financial year reducing the budget by £190k. The priority for 2018/19 will be to review income generation and pricing strategies the potential of which are yet to be determined.
- In addition as part of the response to the apprenticeship levy the service have engaged with the Hertfordshire LEP, Districts and the Further Education community to identify opportunities which minimise the financial impact of the levy as well as addressing the skills and availability of its future workforce. The organisational liability for the levy (excluding schools) is just over £900,000. Plans are in place to gain as much of this cost back by either appointing

appropriate vacant posts as an apprenticeship (as a strategic position on workforce planning), or using the levy to develop existing staff.

- Procurement – the Central Buying Consortium benchmarking exercise results (published in early 2017) showed that of the 8 authorities participating, Hertfordshire ranked the second from lowest for cost of service, despite having the second from highest level of externally procured spend. Likewise, the Society of County Treasurers procurement benchmarking exercise of 12 authorities (published in early 2017) ranked Hertfordshire lowest in terms of cost of the central procurement team as a percentage of net revenue budget.

## **Economy**

- The County Council's direct Economy 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 2013/14).
- 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 £50k support for the Visit Hertfordshire is for a 3 year term from July 2017 and is contractual. It is extendable for a further 2 years subject to review of delivery and performance.

## **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?**

Major budget related risks are set out in the Sensitivity Analysis (IP Part A – Overview) with a number of these relating to this portfolio. In particular:

- potential income from business rate incentives; success of the Local Enterprise Partnership; impact of business rate appeals;
- the Collection Fund balance and council tax base for future years, as well as council tax support schemes and wider council tax reforms;
- outstanding grant announcements;
- inflation: non-pay inflation including exceptional inflation;
- delivery of savings to timescale;

- interest rates, impacting on borrowing costs and investment income;
- ability to sell assets and secure capital receipts; and
- potential impact of the decision to exit the EU on inflation, treasury management, the property development market and staff recruitment and retention.

Some of the key mitigations in place include:

- Continuing to review and manage our overall resource position including changes to grant funding.
- Continued commitment to deliver savings through robust project management and ensuring the focus remains on key priorities.
- The availability of contingency funding which alongside general fund and specific reserves takes account of the uncertainties and risks across the organisation.
- Continued leadership of cross-cutting transformation programmes to support transformation change across the organisation and deliver future savings.
- Workforce planning and strategy to ensure that we recruit, engage and retain a highly performing workforce and deal with key skill shortage areas.

## **Economy**

The key risk in relation to the continued success of both the LEP and Visit Herts, is the health and resilience of the Hertfordshire economy, and the ability of partners to deliver and manage future growth well.

There are no proposals for any savings in the County Council's Economic Development budget for 2018/19. However the Government's review of LEPs may provide the opportunity to review the County Council's core funding to the LEP depending on emerging new governance models.

The council needs to communicate with residents and staff to ensure they understand the context in which decisions are being made and they have an opportunity to have their say on how services are reconfigured for the future. This can have an impact on resources but is being mitigated by implementing a review of how we communicate which is monitored and evaluated to ensure value for money and best practice.

As part of the IP process an overall Equality Impact Assessment (EqIA) is undertaken. The potential for compounded impacts on particular groups are identified in individual equality impact assessments, which generally involve engagement and consultation with a wide range of stakeholders. The process uses available data from national and local sources identified as relevant to the individual equality impact assessment which includes the results from local consultation. Action planning and monitoring is part of the process which seeks to mitigate potential effects.

**KEY BUDGET MOVEMENTS 2018/19 - 2021/22**

	2018/19 TOTAL £000s	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s
<b>Technical Adjustment</b>	(4,983)	(4,983)	(4,983)	(4,983)
<b>Service Specific Inflation</b>	34	34	34	34
<b>Legislative</b>	(11)	(11)	(11)	(11)
<b>Other Pressures</b>	5,906	6,315	10,229	13,853
<b>TOTAL PRESSURES</b>	<b>5,895</b>	<b>6,304</b>	<b>10,218</b>	<b>13,842</b>
<b>Existing Efficiencies</b>	(136)	(157)	(136)	(157)
<b>Existing Policy Choice</b>	(50)	(100)	(100)	(150)
<b>New Efficiencies</b>	(5,273)	(6,662)	(9,389)	(13,536)
<b>New Policy Choice</b>	0	(500)	(500)	(500)
<b>TOTAL SAVINGS</b>	<b>(5,459)</b>	<b>(7,419)</b>	<b>(10,125)</b>	<b>(14,343)</b>

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
	<b>Technical Adjustments</b>							
TA8	<u>SEN Reform</u> An initial amount of grant funding was been allocated in 2017/18 to meet the identified pressure within Children's Services and the remainder was held centrally, with future budget allocations to be agreed.	Rsources - Central Items	Technical Adjustment	(564)	(564)	(564)	(564)	
TA9	<u>School improvement monitoring and brokering grant</u> Removal of 18/19 grant, pending announcement of any further funding. Once grant conditions are confirmed, the budget will be allocated to services.	Rsources - Central Items	Technical Adjustment	(842)	(842)	(842)	(842)	
TA7	<u>Revenue Contribution to Capital Programme</u> Transferred to a reserve to meet capital financing in future years, reducing the need to borrow.	Resources - CFIB	Technical Adjustment	(3,577)	(3,577)	(3,577)	(3,577)	
	<b>Service Specific Inflation</b>							
	<u>Coroner Service - expenditure</u> HCC has a contract with 3 NHS Trusts to provide mortuary services for Coroner's Post Mortems (West Herts, East & North Herts and Princess Alexandra). The contract allows for the Trusts annual fee rises in line with NHS inflation. NHS inflation has consistently been higher than general inflation. Economic assumptions 2016/17 to 2020/21 paper on NHS website projects that NHS inflation for 2018/19 will be 2.0%.	Resources	Service Specific Inflation	4	4	4	4	
	<u>Registration &amp; Citizenship Service - income</u> Fees within this GL account are statutory and are set by the Home Office. There is no indication of proposed increase in fees for 2018/19, thus income will not rise.	Resources	Service Specific Inflation	5	5	5	5	
	<u>Registration &amp; Citizenship Service - income</u> Fees within this GL account are statutory and are set by the General Register Office. There is no indication of proposed increase in fees for 2018/19, thus income will not rise.	Resources	Service Specific Inflation	14	14	14	14	
	<u>Other Properties - income</u> Abel Smith is currently fully let to businesses that have agreed rent payments to HCC at set prices until the rent reviews which do not take place until 19/20. This also means that adding income inflation would create a pressure to the budget.	Resources	Service Specific Inflation	11	11	11	11	

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
	<b>Pressures</b>							
L5	<u>County Councillors - ending of superannuation scheme</u> Following County Council elections in May 2017, all members previously on the scheme will cease to be members of the LGPS.	Resources	Legislative	(11)	(11)	(11)	(11)	
OP19	<u>Robertson &amp; Farnham House</u> At the point of purchase of the freehold of Robertson and Farnham House in Stevenage, Aviva held a lease of the freehold with HCC subleasing from Aviva. This situation continues until the Aviva lease expires in September 2018. However, there is a difference in the values of the lease (£3.7m) and the sublease (£2.5m) of £1.269m which in turn will create a pressure on the overall property budget when the Aviva lease ends. As Aviva do not make profit from this arrangement they will not look to renew the lease.	Resources	Other Pressures	589	1,168	1,168	1,168	15,179
OP21	<u>Herts Fullstop - Invest to transform and increased revenue</u> Herts Fullstop is currently facing pressures in the trading environment. the business plan for next year focuses on increasing sales income to reduce the pressure, before a planned Invest to transform bid for around £1.5m of investment would increase the surplus generated (see savings section below)	Resources	Other Pressures	112	0	0	0	(1,611)
OP22	<u>County Council Elections</u> County Council Elections are held every four years. The budget is accumulated over the four years. The current level of budget is not sufficient to meet the costs in 2021. The budget also funds any by-elections during the 4 years.	Resources	Other Pressures	85	85	85	85	308
OP23	<u>Service Property - Libraries</u> Centrapark is the libraries logistics centre (in Welwyn Garden City) that stores all the books, DVDs and items that are currently not in libraries around Hertfordshire. The original annual rent for this building was £160k a year but following the rent review (on 25th March 2017) the new cost of rent will increase to £202k a year	Resources	Other Pressures	42	42	42	42	451
OP30	<u>Loss of income from PCC</u> The CFO role for the PCC is currently provided by the Assistant Director (Strategic Finance & Performance) from the Environment Department. When that individual retires, it is unlikely that the role can be covered elsewhere, and the income is therefore likely to cease.	Resources	Other Pressures	24	31	31	31	87
OP33	<u>Sessional fees for Assistant Coroners</u>	Resources	Other Pressures	20	20	20	20	822
OP34	<u>Provision of body removals service</u>	Resources	Other Pressures	74	74	74	74	822
OP24	<u>Interest cost - HCC borrowing</u> Interest cost increase due to the borrowing required to fund the rest of HCC's capital programme not funded by grants, contributions or reserves.	Resources - CFIB	Other Pressures	342	1,993	4,065	5,927	
OP25	<u>Interest on Investment Balances (external)</u> Reduction in interest earned on externally invested funds due to fall in interest rates	Resources - CFIB	Other Pressures	(43)	(7)	33	33	
OP26	<u>Minimum Revenue Provision Policy choice</u> As a result of moving the calculation of the provision to the annuity method the savings generated are front loaded and creates a pressure in future years.	Resources - CFIB	Other Pressures	450	625	625	625	
OP27	<u>Additional Borrowing to fund the Capital Programme</u> Borrowing to fund the Capital Programme results in a higher minimum revenue provision. The minimum revenue provision is the statutory amount that HCC must charge to council tax in order to repay the principal on borrowing.	Resources - CFIB	Other Pressures	645	2,243	4,083	5,845	
OP32	<u>Environment Agency Thames/Anglian Region Levy</u> The Environment Agency is a levying body for its flood defence function under the Water Resources Act 1991. Following notification of the provisional levy for 2018/19 an increase in budget is required.	Resources - Central Items	Other Pressures	19	19	19	19	
OP36	<u>Interest on Investment Balances</u> Changes in interest earned on external balances resulting from changes in forecast balances and interest rate forecast.	Resources - CFIB	Other Pressures	56	22	(16)	(16)	



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
OP37	<u>Infrastructure and Investment</u> Central provision to fund projects for development of major infrastructure and sustainable transport to address future growth; for service transformation including that planned for Adult Social Care; replenishing Insurance Fund; and other projects. Allocations to be confirmed once final 2018/19 IP funding figures are known.	Resources - Central Items	Other Pressures	3,491	0	0	0	
	<b>Savings</b>							
EE14	<u>Improvement &amp; Technology - Management Graduate scheme</u> Remove support for academic qualification and reduce cohort from 6 to 5 trainees.	Resources	Existing Efficiencies	(31)	(31)	(31)	(31)	11,549
EE15	<u>Finance - contract savings</u> This saving from the 2017/18 IP originally envisaged savings from negotiating discounts from suppliers. The saving has been delivered as part of the Serco SMS contract renegotiation	Resources	Existing Efficiencies	(80)	(80)	(80)	(80)	12,878
EE16	<u>Engagement and Consultation Phase 2</u> Ceasing the residents' survey	Resources	Existing Efficiencies	21	0	21	0	2,782
EE18	<u>Corporate Communications</u> Create income or trading opportunities e.g. Schools, Districts, Health and PCC.	Resources	Existing Efficiencies	(40)	(40)	(40)	(40)	1,034
EE3 (X1)	<u>Printing Contract Savings</u> Savings through a reduction in print costs achieved through the new managed print service contract.	XC	Existing Efficiencies	(6)	(6)	(6)	(6)	N/A
NE56	<u>Registration &amp; Citizenship Service</u> Further channel shift to online bookings and payments reducing telephone booking, including completion of ecommerce project and development of Ceremony Planner functionality in NEO.	Resources	New Efficiencies	0	(40)	(40)	(40)	(354)
NE57	<u>Democratic Services</u> Electronic publication and distribution of agendas, reports and minutes of formal meetings of the council.	Resources	New Efficiencies	0	(20)	(20)	(20)	337
NE58	<u>Property Data collection</u> Site capacity and Net capacity commissions	Resources	New Efficiencies	(100)	(100)	(100)	(100)	259
NE59	<u>Property review and rationalisation</u> This initiative is focussed on delivering a reduction in the costs of office accommodation by 2020, which includes a drive towards freehold ownership of property.	Resources	New Efficiencies	(487)	(987)	(1,487)	(1,487)	9,701
NE60	<u>Herts Fullstop - Invest to transform and increased revenue</u> The business plan for next year focuses on increasing sales income to reduce the current pressure, before a planned Invest to transform bid for around £1.3m of investment to increase the surplus generated. The saving is dependent on this investment.	Resources	New Efficiencies	0	(420)	(657)	(909)	(1,611)
NE61	<u>Better Contract Management</u> A number of the contracts across the Council have been reviewed, and where possible savings proposals have been brought forward specifically within dept proposals, including: • Serco SMS (savings increasing to £1.1m per annum) • Children's Centres Under this proposal, the Council will review other contracts due for renewal or retender and seek to negotiate savings	XC	New Efficiencies	0	(500)	(1,000)	(1,000)	
NE62	<u>Legal - increased income</u> Legal Services income target increased	Resources	New Efficiencies	(100)	(100)	(100)	(100)	4,414
NE66	<u>Prop Co</u> An initial estimated of returns from the councils property company (Herts living Ltd) has been undertaken. This will be revised once discussions can take place with the preferred bidder for the JV	Resources	New Efficiencies	0	0	(1,000)	(4,500)	-
NPC17	<u>Libraries</u> Further savings options have been scoped and a combination of a number of these options would deliver a £500k saving without needing to go through the process of developing a new Library Strategy	Resources	New Policy Choice	0	(500)	(500)	(500)	9,400
EPC3	<u>Museum &amp; Archives</u> The proposal is to reduce funding to the Hertfordshire Archives and Local Studies Service, and to the Museums Development Service, and to develop and diversify other funding streams.	Resources	Existing Policy Choice	0	0	0	(50)	587
EPC4	<u>Corporate Communications: Horizons - Transition to online</u> Looking at new on-line model and reduced number of issues linked to the implementation of Gov Delivery Email/text messaging system. Assumes reduction from 3 to 2 editions a year initially.	Resources	Existing Policy Choice	(50)	(100)	(100)	(100)	1,034
NE63	<u>Customer Service – Web Team</u> Increasing income by delivering web tools and support for other organisations.	Resources	New Efficiencies	0	(10)	(30)	(30)	572

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
NE64	<u>Customer Service - Income and Payments</u> To drive out further savings through efficiencies in how the team work, developing more self-service and making better use of systems.	Resources	New Efficiencies	0	(30)	(70)	(70)	572
NE65	<u>Carbon Reduction Credits</u> Accumulated effect of previous energy saving works	Resources	New Efficiencies	(100)	(100)	(100)	(100)	319
NE2 (X1)	<u>Serco SMS contract savings</u> Negotiation has been undertaken with Serco regarding the possible extension of the Shared Managed Services contract by 2 years to March 2021. This will contribute a saving rising to £1.1m per annum by 2019/20 (including £300k in relation to current glide path savings). These savings benefit Resources, ACS and Childrens Services, and as such the remainder of savings appear in those departments	Resources	New Efficiencies	(199)	(310)	(317)	(291)	12,878
NE67	<u>Trading: Herts Catering Ltd</u> Performance from HCL means the Council can expect additional income in the coming years. This could be a mix of dividend income and fees for services that HCC provides to HCL	Resources	New Efficiencies	(500)	(300)	(500)	(700)	(500)
NE72	<u>E-commerce</u> Replacement of the existing cash management system (Cloudbuy) with Civica and retender of merchant provider contract	Resources	New Efficiencies	(72)	(72)	(72)	(72)	235
NE73	<u>Property Managed Services (PMA) Contract</u> New tender from 1st April 2018 which is expected to result in savings	Resources	New Efficiencies	(100)	(100)	(100)	(100)	1,514
NE74	<u>Property - Elderly Peoples Residential Homes (EPH)</u> Additional annual income as a result of the Rent Review of EPH homes	Resources	New Efficiencies	(401)	(401)	(401)	(401)	(5,034)
NE75	Reduction in translation services under new contract	Resources	New Efficiencies	(25)	(25)	(25)	(25)	199
NE76	Reorganisation within Improvement Team	Resources	New Efficiencies	(15)	(15)	(15)	(15)	996
NE77	Technology - contract renewals / software replacement	Resources	New Efficiencies	(82)	(82)	(82)	(82)	7,373
NE78	<u>HR stretch target</u> Following the outcomes of the SAP review, HR/Finance will look to develop plans for service redesign and efficiency to deliver savings	Resources	New Efficiencies	0	0	(73)	(184)	3,665
NE79	<u>Finance stretch target</u> Following the outcomes of the SAP review, HR/Finance will look to develop plans for service redesign and efficiency to deliver savings	Resources	New Efficiencies	0	0	(73)	(183)	3,520
NE80	Reduction in SIAS days	Resources	New Efficiencies	(25)	(25)	(25)	(25)	614
NE90	Property - utilities - non-schools Salix savings	Resources	New Efficiencies	(129)	(157)	(221)	(221)	3,878
NE91	Reprocurement of external audit fee via Public Sector Audit Appointments (PSAA)	Resources	New Efficiencies	0	(17)	(17)	(17)	235
NE92	Additional Property saving	Resources	New Efficiencies	(100)	(100)	(100)	(100)	16,171
NE93	<u>Reserve balance</u> Review of department reserves to release any that no longer need to be held	Resources	New Efficiencies	(83)	0	0	0	(988)
NE94	<u>Minimum Revenue Provision</u> Final savings arising from 2017/18 change to MRP policy	Resources - CFIB	New Efficiencies	(2,755)	(2,751)	(2,764)	(2,764)	

**Note 1**

A number of pressures and savings impact on a several 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)

## 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
1,287	<p><b>Resources</b></p> <p><u>Resources Central Items</u></p> <p>This budget includes:</p> <p>Chief Executive: - Overall corporate management and operational responsibility, including management responsibility for all officers.</p> <p>Director of Resources &amp; Performance: - Oversee the strategic management of the department, ensuring compliance with legal and regulatory frameworks and the delivery of Statutory Services.</p>	1,267	(29)	1,238	1,238	1,238	1,238
4,133	<p><u>Herts Finance</u></p> <p>Give strategic advice and support to key financial processes. This includes the preparation of the annual revenue and capital budgets, setting and monitoring financial standards and providing finance and accountancy support functions to all council services. This budget also includes the payment of charges on banking transactions and external audit fees. Other Services - includes budgets for car loans and staff mortgages and other miscellaneous items.</p>	4,679	(511)	4,168	4,241	4,168	4,058
3,681	<p><u>Herts HR</u></p> <p>Development of corporate people strategy and policies, workforce planning, learning and organisational development, pay and reward, employee and industrial relations, equality and diversity in employment, employee well being, recruitment and retention, safe staffing, talent and succession management, leadership and management development.</p>	4,974	(1,325)	3,649	3,649	3,576	3,465
13,191	<p><u>Shared Managed Services</u></p> <p>Provides overall Contract Management for the SMS contract for all operational services provided under the partnership, regardless of service type.</p>	15,744	(2,814)	12,930	12,819	12,812	12,838

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
10,489	<p><u>Improvement and Technology</u></p> <ul style="list-style-type: none"> <li>- Provides the strategic lead and design function for IT and telecommunications infrastructure across the authority.</li> <li>- Delivers and champions the effective use of, management information and performance data for HCC departments, corporate management and partnership purposes.</li> <li>- Delivers improvement programmes and project management for key authority wide and departmental initiatives ensuring Equalities and Diversity issues are effectively addressed.</li> <li>- Supports the organisation's Data Protection, Freedom of Information, Open Data and Records Management activity.</li> <li>- Supports the organisation's commissioning and procurement activity providing technical support, supplier relationship advice and best practice advice to enable effective, value for money contracting.</li> </ul>	13,137	(2,588)	10,549	10,549	10,549	10,549
16,171	<p><u>Property</u></p> <p>Property Teams: - Provide the strategic asset management and advice function in support of land, buildings and other property assets owned or leased by the County Council. Act as the Corporate Client for outsourced property services including property lease and managing agent function, property and land specialist consultancy services, property &amp; land disposals and acquisitions services. Deliver Development Services function for county assets (planning permissions), responses to District Council Strategic Land Use Plans and negotiates S106/CIL infrastructure development funding agreements.</p> <p>Central &amp; Shared Buildings - This budget covers the facilities management and running costs for all shared offices (County Hall, Apsley, Stevenage and Mundells), as well as certain other divisional buildings throughout the county. It is managed by Property and all costs are recovered by recharges to the building occupiers.</p> <p>Service Property Costs - Property are responsible for the provision of 'hard' Facilities management (reactive and planned maintenance works) across the majority of operational service properties, e.g. the libraries, fire stations etc.</p> <p>Corporate Managed Properties - This budget covers the management of all properties that are not being used for direct services delivery by the county council, including those in the property disposal programme.</p> <p>Staff Housing Pool - Managed by Aldwyck Housing Association, this provides staff temporary housing and provides an income that is used to pay for the repairs and maintenance of the properties.</p>	32,212	(16,454)	15,758	15,809	14,245	10,745

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
275	<p><u>Assurance (Internal Audit, Scrutiny and Health &amp; Safety)</u> Internal Audit - Internal Audit gives assurance to members and senior managers on all the Council's governance, risk management and internal control arrangements, so as to ensure that these key areas work effectively to deliver council objectives.</p> <p>Counter Fraud - Counter fraud activity delivered by the Shared Anti Fraud Service; pro-active and re-active work to prevent and detect fraud</p> <p>Scrutiny - Scrutiny has the responsibility to hold the Executive to account by scrutinising decisions made by, or on behalf of the Council or Cabinet, and any operational or policy aspect of the council's business. It also has the power to scrutinise health services.</p> <p>Health and Safety - The team delivers strategic and operational Health and Safety advice and guidance, with a risk-based model of service delivery.</p>	1,772	(1,474)	298	298	298	298
5,567	<p><u>Legal Services &amp; Statutory Services</u> Legal Services - Provide high quality legal and administrative services to enable the County Council to carry out its policies and statutory obligations within the law and the council's own procedures in a cost effective manner.</p> <p>Highway Boundaries &amp; Land Charges Unit - The Highway Boundaries and Land Charges Unit undertake searches on behalf of district councils, solicitors, and members of the public into inquiries about the status of roads, rights of way, and other highway matters. They also answer enquiries relating to common land.</p> <p>Elections - The elections budget represents the budget needed to pay for any by-elections in year, and to fund the cycle of county council elections which take place every four years.</p> <p>Democratic Services - This team is responsible for supporting county councillors to carry out their formal duties as councillors. It is responsible for arranging and supporting all of the council's formal meetings, including County Council and Cabinet meetings, and ensuring that an accurate record of these is maintained.</p> <p>Coroners Service - The Coroner Service provides administrative and investigatory services to Her Majesty's Coroner for the district of Hertfordshire, in accordance with the responsibilities of the relevant authority as defined in the Coroners and Justice Act 2009. The service investigates sudden or unexpected deaths.</p> <p>Registration &amp; Citizenship Service - Hertfordshire Registration &amp; Citizenship Service is responsible for registering births, deaths, marriages and civil partnerships, and citizenship services in Hertfordshire. The services provided include weddings, civil partnerships, civil funerals, civil namings, citizenship ceremonies, nationality &amp; settlement checking services, change of name deeds and reaffirmation of vows.</p>	9,235	(3,642)	5,593	5,533	5,533	5,533

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
(1,548)	<u>Hertfordshire Business Services</u> Hertfordshire Business Services comprises of the following sections: • Hertfordshire Contract Management Services • Hertfordshire Supplies • Hertfordshire Fleet Management Services (HFMS) • Hertfordshire Reprographics • Surecare Supplies	9,561	(11,260)	(1,699)	(2,231)	(2,468)	(2,720)
3,896	<u>Insurance</u> The insurance costs of the County Council are met through this budget. These costs include external insurance premiums paid, an amount set aside each year to meet the internally insured claims and excesses on externally insured claims, and the operational cost of running the County Council's insurance service.	3,903	0	3,903	3,903	3,903	3,903
1,228	<u>Care Payments</u> The care payments team make payments to care providers and citizens paying for their own care.	1,336	(110)	1,226	1,226	1,226	1,226
2,784	<u>Corporate Policy</u> Corporate Policy is concerned with analysing national policy developments, research studies and best practice to support the formulation of policy across the county council. This includes leading on the corporate plan, the localism agenda and the coordination of policy consultation.	2,794	0	2,794	2,773	2,794	2,773
1,037	<u>Communications</u> Communications aims to increase awareness of county council services through effective communication with residents, stakeholders and other target audiences. It is responsible for developing and implementing the council's corporate and departmental communications strategies.	1,021	(77)	944	894	894	894
527	<u>Customer Services</u> The Customer Service team are responsible for managing the Serco contract for the Customer Service Centre including Blue Badge service, leading on our website www.hertsdirect.org , providing the complaints service for Children Services and Health and Community Services and delivering the school appeals service.	924	(406)	518	478	418	418
(500)	<u>Herts Catering Limited Dividend</u> Hertfordshire Catering Ltd is a commercial company wholly owned by HCC, providing the majority of school meals in Hertfordshire.	0	(1,000)	(1,000)	(800)	(1,000)	(1,200)
<b>62,218</b>	<b>Resources Total</b>	<b>102,559</b>	<b>(41,690)</b>	<b>60,869</b>	<b>60,379</b>	<b>58,186</b>	<b>54,018</b>
327	<u>Environment</u> <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.	321	0	321	321	321	321
<b>327</b>	<b>Environment Total</b>	<b>321</b>	<b>0</b>	<b>321</b>	<b>321</b>	<b>321</b>	<b>321</b>

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
	<b>Central items</b>						
14,297	<u>Capital Financing</u> The revenue costs of the capital programme are met through this budget. It is made up of the interest costs of borrowing to fund the capital programme and the Minimum Revenue Provision, which is the amount put aside each year to repay the borrowing.	9,060		9,060	10,837	12,664	14,426
11,595	<u>Interest on Balances</u> The council's cash balances not required immediately to pay for services are invested to earn interest and this budget reflects the interest earned. The interest earned is offset by the allocation of interest to the various reserves the council holds cash balances for e.g. client accounts and the insurance fund.	11,950		11,950	13,603	15,677	17,539
6,317	<u>Contingency</u> This budget provides for potential cost increases in areas of risk/uncertainty. Level to be confirmed once final funding figures available in February.	6,022		6,022	4,061	4,061	4,061
-	<u>Infrastructure and Investment</u> Central provision to fund projects for development of major infrastructure and sustainable transport to address future growth; for service transformation including that planned for Adult Social Care; replenishing Insurance Fund; and other projects. Allocations to be confirmed once final 2018/19 IP funding figures are known.	3,491		3,491	0	0	0
2,112	<u>Lee Valley Regional Park and Environment Agency levies</u> The county council has to contribute to the funding of these two organisations. • The Lee Valley Regional Park Authority develops, preserves and manages an area next to the River Lee as a regional park. • The Environment Agency issues a local levy to the county council to fund flood defence.	2,131		2,131	2,131	2,131	2,131
2,602	<u>Other</u> Includes inflation for pay awards still under negotiation and future years inflation	5,591		5,591	21,759	37,793	54,656
<b>36,923</b>	<b>Central Items Total</b>	<b>38,245</b>	<b>0</b>	<b>38,245</b>	<b>52,391</b>	<b>72,326</b>	<b>92,813</b>
<b>99,468</b>	<b>Resources, Property &amp; the Economy Total</b>	<b>141,125</b>	<b>(41,690)</b>	<b>99,435</b>	<b>113,091</b>	<b>130,833</b>	<b>147,152</b>

## **Resources, Property & the Economy Capital Programme 2018/19-2021/22**

The total Capital Programme 2018/19 to 2021/22 for the portfolio is £47.510m and for 2018/19 is £35.546m. This includes all new bids and re-programming from 2017/18 at the end of quarter 2.

	<b>2018/19 £'000</b>	<b>2019/20 £'000</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>	<b>Total £'000</b>
<b>HCC Funding</b>	29,595	4,100	2,484	2,404	<b>38,583</b>
<b>Reserves</b>	1,875	1,375	375	375	<b>4,000</b>
<b>Contributions</b>	4,076	851	-	-	<b>4,927</b>
<b>Total</b>	<b>35,546</b>	<b>6,326</b>	<b>2,859</b>	<b>2,779</b>	<b>47,510</b>

### **New Capital Bids**

Resources has one bid which require additional total HCC funding compared to the previous Integrated Plan. In total, £23.2m of additional funding is requested for 2018/19 to 2021/22.

<b>Scheme</b>	<b>Cost 2018/19 £'000</b>	<b>HCC Funding 2018/19 £'000</b>	<b>External Funding 2018/19 £'000</b>	<b>Total Cost 2018/19- 2021/22 £'000</b>	<b>Total HCC funding 2018/19- 2021/22 £'000</b>	<b>Total External Funding 2018/19 - 2021/22 £'000</b>	
25 by 20	22,200	22,200	-	23,200	23,200	-	Support for the delivery of the 25 by 20 programme



## Revised Capital Bids

The directorate has revised four bids compared to the previous Integrated Plan. In total these require additional HCC funding of £0.247m in 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	
Health & Safety works to County Hall Car Parks	69	69	-	69	69	-	Additional Funding of £69k required due to the extent of remedial works required.
Rural Estate-Annual programme	178	178	-	178	178	-	The budget for 18/19 has increased by £178k due to specific requirements identified at 3 rural estate properties
Broadband phase 2	1,541	-	1,541	2,392	-	2,392	Additional external funding relates to forecasted additional funding to be received from BT relating to additional customer take up of superfast Broadband.
Salix funded projects	75	-	75	300	-	300	Increase of £75k per annum due to additional grant allocation.
	<b>1,863</b>	<b>247</b>	<b>1,616</b>	<b>2,939</b>	<b>247</b>	<b>2,692</b>	

Broadband contract 3, which was included in the 17/18 IP, has been taken out of the current IP whilst the costs of the scheme and funding of this are being discussed and agreed.

## Proposed Resources 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	Reserve s	Contribu tions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	<b><u>Broadband Delivery Project Phase 2 (E)</u></b> : Phase 2 of a programme that is to ensure that 97% of Hertfordshire premises (residential and business) can receive access to superfast broadband. This is a joint project with Buckinghamshire.	Resources, Property & the Economy	14,602	7,594	2,018	1,500	4,076	851	-	-
2	<b><u>Capital Maintenance Improvements (Non-Schools) &amp; Non Schools Annual Programme of Minor Works (E)</u></b> : Budget to assist Facilities Management in maintaining and managing the stock of properties for which it is responsible. If capital is not made available this will impact directly on revenue resources. Now includes £50k for Libraries plus £200k for EPC improvements that were previously budgeted for separately. (E)	Resources, Property & the Economy	Annual Programme	1,750	1,750	-	-	1,750	1,750	1,750
3	<b><u>ICT Refresh budget and Refresh Mobile Computing Devices (E)</u></b>	Resources, Property & the Economy	Annual Programme	1,389	1,389	-	-	1,389	600	600

	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	Reserve s	Contribu tions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000
4	<b>Salix Funded Projects (R):</b> Investment in energy conservation projects generating revenue savings, The energy saving costs are then used to repay the capital expenditure which then funds further energy projects. There may be revenue savings for schemes that have now exceed their payback period.	Resources, Property & the Economy	Annual Programme	375	-	375	-	375	375	375
5	<b><u>Required Health &amp; Safety works to Car Park surfaces and associated infrastructure to County Hall Car Parks (R)</u></b>	Resources, Property & the Economy	1,094	250	-	-	-	-	-	-
6	<b>Herts Fullstop (E):</b> Vehicles required to support the work of Herts Fullstop.	Resources, Property & the Economy	Annual Programme	316	316	-	-	657	80	-

	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	Reserve s	Contribu tions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000
7	<b><u>Access control and Car Park control improvements (E)</u></b> : This project will deliver car park management systems to both rear and front car parks at County Hall. All car parks are currently over-subscribed with no control over who is accessing or using these areas. The safety of users is compromised by excessive parking in non-car park areas. Access to the site for emergency vehicles is also compromised.	Resources, Property & the Economy	700	390	390	-	-	-	-	-
8	<b><u>Rural Estate – Annual Capital Buildings, Land &amp; Equipment Programme (R)</u></b> : Budget required for capital equipment and building improvements on the rural estate.	Resources, Property & the Economy	Annual Programme	232	232	-	-	54	54	54
9	<b><u>Acquisition of assets, Hertford (Leahoe) (E)</u></b> : The acquisition of one house at Leahoe Gardens, Hertford. The council own all the properties in the immediate area, apart from one house, that has a delayed completion date.	Resources, Property & the Economy	2,600	800	800	-	-	-	-	-

	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	Reserve s	Contribu tions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000
10	<b>25 by 20 Phase 1 (E):</b> As part of HCC's Smart Property approach and delivery of revenue savings the authority has committed to save 25% of the costs of its office accommodation portfolio by 2020.	Resources, Property & the Economy	750	250	250	-	-	250	-	-
11	<b>25 by 20 Phase 2 (N):</b> Support for the delivery of the 25 by 20 programme.	Resources, Property & the Economy	23,200	22,200	22,200	-	-	1,000	-	-
	<b>Total</b>			<b>35,546</b>	<b>29,595</b>	<b>1,875</b>	<b>4,076</b>	<b>6,326</b>	<b>2,859</b>	<b>2,779</b>