

The service structure, levels of service, affordability and efficiencies are consistently under review, in order to deliver a sustainable service for the future and try to counter inflation. However, if the inflation costs beat the efficiency savings then service reductions may need to be considered.

The service will reach out to customers through new web pages (which will be easier to navigate) and the use of new media and improve the quality and reliability of communication through the integration of HCC and Ringway Communications and training of CSC staff.

The Highways Service is developing strategies to develop a pipeline of talent and a robust talent development programme to ensure it retains key staff. In particular, these include growing our own staff through apprenticeships, pro-actively searching for interns and running a graduate programme.

HCC works in partnership with Hertfordshire Constabulary to deliver the suite of NDORS Driver Offender Retraining Courses. The contract for this service is due to expire and, due to the number of other service providers, there is a risk that the County Council is not successful in regaining the contract. As previously stated there has been a recent reduction in the number of referrals to speed awareness courses which could directly impact on a range of non-statutory HCC road safety prevention activity. Work is already underway to prepare a response document to any invitation to tender received from the Constabulary.

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

	2018/19 TOTAL £000s	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s
<b>Service Specific Inflation</b>	1,116	1,116	1,116	1,116
<b>Previous Policy Decision</b>	50	0	0	0
<b>Demography</b>	64	94	124	155
<b>Other Pressures</b>	100	100	135	185
<b>TOTAL PRESSURES</b>	<b>214</b>	<b>194</b>	<b>259</b>	<b>340</b>
<b>Existing Efficiencies</b>	(7)	(7)	(7)	(7)
<b>Existing Policy Choice</b>	(468)	(1,012)	(1,717)	(1,717)
<b>New Efficiencies</b>	(75)	(248)	(294)	(321)
<b>TOTAL SAVINGS</b>	<b>(550)</b>	<b>(1,267)</b>	<b>(2,018)</b>	<b>(2,045)</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>							
	None							
	<b>Service Specific Inflation</b>							
	<u>Highways: Ringway Contract - expenditure</u> Indexation for 2018/19 under the contract is based on estimated Highways Term Maintenance Association indices	Environment	Service Specific Inflation	741	741	741	741	
	<u>Highways: Opus Arup Contract - expenditure</u> Indexation for 2018/19 under the contract is based on RPIX estimated between January 2017 and January 2018.	Environment	Service Specific Inflation	375	375	375	375	
	<b>Pressures</b>							
PPD1	<u>County Travel Survey</u> A comprehensive travel survey is carried out every three years so that the county can identify changing needs and trends for its services and react accordingly.	Environment	Previous Policy Decision	50	0	0	0	
D3	<u>Road length increases - routine maintenance</u> Additional budget is required to finance the extra maintenance requirements due to increased road adoptions for new residential and commercial developments.	Environment	Demography	64	94	124	155	16,864
OP11	<u>Essential Upgrade of Highways Asset Management System</u> This is the removal of a pressure that was added in 2016/17 for an update to the highways asset management system for which supplier support is being withdrawn.	Environment	Other Pressures	(50)	(50)	(50)	(50)	
OP13	<u>Legal Support for Procurement</u> Removal of time-limited pressure in 2017/18	Environment	Other Pressures	(100)	(100)	(100)	(50)	
OP14	<u>Revenue impact of the A120 Bypass Capital programme.</u>	Environment	Other Pressures	0	0	35	35	
OP15	<u>Driver Training</u> Based on current levels there is a worst case scenario that only 25,000 clients are referred in 2018/9 which would result in a net budget shortfall of £250,000.	Environment	Other Pressures	250	250	250	250	1,000
	<b>Savings</b>							
EPC1	<u>Revenue impact of the LED Street Lighting – Phase 4</u>	Environment	Existing Policy Choice	(468)	(1,012)	(1,717)	(1,717)	15,656
NE12	<u>Revenue impact of the Street Lighting Refurbishment</u> Revenue savings are achieved via the ongoing reduction in energy consumption, carbon emissions and maintenance costs.	Environment	New Efficiencies	(26)	(133)	(161)	(188)	15,656

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
NE22	Revenue impact of the Replacement of Existing Belisha Beacons with LED Units Capital programme This bid sets out the proposal to replace the existing units with LED technology, which will significantly reduce both the energy consumption and ongoing maintenance visits. It is estimated there will be an annual reduction in maintenance costs, with a potential saving in charges associated with energy and carbon tax.	Environment	New Efficiencies	(31)	(31)	(31)	(31)	-370
NE14	Reduced Street Lighting Scouting frequency	Environment	New Efficiencies	(18)	(53)	(71)	(71)	
NE70	Revenue savings from the Traffic Signals Replacement 18/19 Capital Bid The new installations enable the Council to review future maintenance regimes and costs. This creates the potential to reduce future maintenance costs by £225,000 over the 15 year lifespan. Replacement of the signal equipment will cut energy consumption by 78%. Without factoring in rising energy costs this generates a total saving over the 15 year lifespan of project of £245,325.	Environment	New Efficiencies	0	(31)	(31)	(31)	1,050
EE3 (X1)	Printing Contract Savings Savings through a reduction in print costs achieved through the new managed print service contract.	XC	Existing Efficiencies	(7)	(7)	(7)	(7)	N/A

**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)

## 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
	<b>Environment</b>						
4,131	<u>Structural Maintenance</u> This primarily consists of works which slow the rate of highway deterioration caused by wear and tear or extreme weather	4,013	(124)	3,889	3,889	3,889	3,889
17,137	<u>Routine Maintenance</u> This area covers work of a cyclical nature required to maintain highways in a serviceable and operational condition, such as grass cutting, emptying gullies, keeping signals operational and sign cleaning.	18,473	(500)	17,973	18,003	18,068	18,099
3,410	<u>Winter Maintenance</u> Aimed at keeping roads and footpaths open and as safe as possible during periods of severe cold winter weather, most of the budget is spent on precautionary salting but provision is also made for the emergency clearance of snow and ice.	3,509	0	3,509	3,509	3,509	3,509
7,275	<u>Lighting</u> This budget covers the regular maintenance and energy costs of all aspects of road lighting – lit signs and bollards as well as the county's 100,000 plus street lights.	6,948	(122)	6,826	6,109	5,358	5,331
4,316	<u>Traffic Management and Safety</u> The primary aim of this budget is to reduce road accident casualties and improve movement. This means addressing the issues of safety, ease of movement and environmental concerns of all road users - motorists, pedestrians, cyclists and those affected by, or living alongside, roads.	6,285	(1,763)	4,522	4,522	4,522	4,522
3,920	<u>Transport Planning Policy and Strategy</u> This budget is concerned with the development and monitoring of transport policies providing the basis for bids made to government and other external funding sources and the development of transportation plans. It is also the place where the charges made to utilities under the New Roads and Street Works Act and Traffic Management Act to reduce congestion are managed.	8,915	(4,799)	4,116	4,066	4,066	4,116
1,668	<u>Advance Preparation and Consultation</u> The department has a medium term programme of projects which are in preparation. Part of this development work requires close working with local communities and consulting widely on all transportation schemes.	1,645	0	1,645	1,645	1,645	1,645
<b>41,857</b>	<b>Highways Total</b>	<b>49,788</b>	<b>(7,308)</b>	<b>42,480</b>	<b>41,743</b>	<b>41,057</b>	<b>41,111</b>