

## SCRUTINY OF THE INTEGRATED PLAN PROPOSALS 2016/17 – 2019/20

### PORTFOLIO: ENTERPRISE, EDUCATION & SKILLS

#### INTRODUCTION

The portfolio has responsibility for ensuring the quality of schools and children's achievement as well as providing school places to all who need them. The priorities for school improvement as laid out in the [School Improvement Strategy](#) are; ensuring a good or outstanding school for every child and young person, closing the gap between underachieving groups and all Hertfordshire children and young people and eliminating discrepancies in attainment at 'district' level.

**Enterprise:** the County Council has a clear interest in sustaining a strong economy in Hertfordshire. It does this by working closely with the Hertfordshire Local Enterprise Partnership (LEP) and helping to create the conditions for economic prosperity and growth e.g. developing the right infrastructure, supporting entrepreneurship, inward investment, key sectors and local businesses to grow and ensuring young people and the local workforce have the right skills to secure employment and economic independence.

#### 6 Key issues

##### **Enterprise:**

- Ensuring economic growth of Herts is sustainable and smart and provides economic opportunity for all
- Ensuring the needs of businesses and our key sectors are heard and that Hertfordshire County Council is 'easy to do business with'
- Supporting the Herts LEP to deliver the Strategic Economic Plan and ensuring Hertfordshire secures significant future Growth funding for Infrastructure Skills and Business Support

##### **Education:**

- Expanding school capacity to meet rising demand.
- Maintaining and improving educational standards in a context of reduced funding.
- Maintaining a cohesive and collaborative local education system in a context of major change to the role and powers of the local authority.

#### KEY THEMES AND QUESTIONS

##### STRATEGY AND CAPITAL INVESTMENT

##### **How do the future service plan priorities contribute to the Corporate Priorities?**

Hertfordshire County Council's [Corporate Plan](#) 2013-17 identifies the main ambitions and commitments that provide the foundations for the county council's activities between now and 2017. Corporate priorities were reviewed

in 2013 and revised to 'Opportunity to Prosper, Opportunity to Thrive, Opportunity to be Healthy and Safe, and Opportunity to Take Part'.

**Opportunity to Prosper** - this corporate objective aims to build a strong economy for Hertfordshire. As a strategic partner and core funder of the Hertfordshire Local Enterprise Partnership (LEP) the County Council works to create the conditions for economic growth and prosperity.

The Enterprise function co-ordinates the county council's approach to achieving the strategic goal of having a strong and prosperous economy by securing economic development functions through partnerships with the LEP and other providers. By coordinating programmes across a range of service departments in HCC we support business, improve the skills of the local workforce, promote inward investment and coordinate growth and infrastructure provision.

The recently published Children's Services Strategic Plan for 2015 – 2018, 'Shaping The Future', whilst contributing to the other priorities, primarily focuses on the 'Opportunity to Thrive'. Specifically, Children's Services strategic direction is aimed at achieving the following priorities:



### How are you managing your service to make it more efficient?

The County Council's budget for Economic Development is now approximately £300k per annum - comprising of £250k for LEP core funding and £50k for the Tourism Partnership. Significant budget reductions have been made in the past and all work is now delivered in partnership to leverage added value for the County Council's contribution.

We continually review how best to improve efficiency, including what services to deliver in house and what to purchase. Most importantly in recent years we established Herts for Learning (HfL). HfL is a school- company owned in partnership with schools in the county and is commissioned by Hertfordshire county Council to deliver the local authority's statutory duties in relation to school improvement. This has enabled support to schools and school improvement to be sustained at a much lower cost.

The largest area of Hertfordshire County Council spending on education is on home to school transport. We have progressively reduced the services offered to the statutory minimum, and are currently consulting on removal of escorts for primary-aged children transported to mainstream schools. We have explored and developed ways of working with parents – providing travel cards and mileage reimbursement to help them take their own children to school, at reduced costs. There has also been some reduction in the costs of the transport services that we buy in through greater efficiency in delivery.

A range of programmes have been developed with schools and HfL to try to reduce service costs for schools and enable them to operate more effectively. These affect the DSG-funded budget.

The Integrated Services for Learning (ISL) Attendance Teams deliver the local authority's statutory duties in relation to non-school attendance. This includes issuing Penalty Notices for Truancy and taking prosecutions in the magistrates' courts in cases of non-attendance. The Attendance teams offer a traded service to academies to address attendance issues both at a whole school strategic level and on an individual casework basis. Despite a challenging financial environment the Attendance teams have shown a promising increase in income from trading with academies on the previous financial year.

### **How are you developing and delivering partnership approaches to make best use of the Hertfordshire pound and improve outcomes for our citizens?**

The County Council does not have a 'stand-alone' Enterprise / Economic Development function. Following the creation of the LEP, the County Council has delivered this function in partnership:

- First, there is the partnership with the LEP for the delivery of economic development services to the county. The County Council pays a contribution towards LEP core costs which is set out through a service level agreement.
- The second major area is the Tourism Partnership with the LEP and other stakeholders. This has delivered an efficiency saving for Hertfordshire County Council; by the joint procurement of a Destination Management Service for the County, which has the aim of becoming self-funding over the next two years.
- Responsibility for the County Council's strategic relationship with the LEP rests with the County Council's Spatial Planning and Economy function.

For Education our strategy is to move even further away from Hertfordshire County Council's direction and control, towards partnerships with schools and school funding of activity. We are doing this in practice through the development of Herts for Learning, the devolution of funding to schools for some specific functions, schools involvement in Special Educational Needs (SEN) via the Delivering Special Provision Locally planning process, the strengthening of relationships with the Schools Forum and the development of Local

Partnerships with schools that support early intervention with vulnerable children and families.

Our SEND (Special Educational Needs and/or Disability) strategy sets out our direction of travel on this. Given the extensive involvement of schools and to a lesser extent other service providers in services for children with SEN, any approach not based on extensive and effective partnership would fail.

**How have you prioritised capital investment and what opportunities have you considered that might mitigate or reduce future capital and/or revenue costs?**

There are two major areas of capital investment; expanding school capacity, and maintenance of (community) school buildings, these are detailed within Part B, Service Direction and Financial Consequences – Education, Enterprise & Skills Portfolio; Proposed Capital Programme 2016/17 – 2018/19 p.86 - 89. Schools capital investment in both of these areas is limited to that which can be met from external funding, without any call on HCC's own resources. Funding from DfE is largely in the form of capital grant. It is complemented by developers contributions, based on planning agreements negotiated over years as housing developments are approved. Substantial effort is directed towards inputting to District Council's Local Development Frameworks, the developing Community Infrastructure Levy (CIL) and other planning documents to seek to maximise long term availability of sites and other forms of contribution. The council is continuing to work with Free School providers in areas of demand for school places, so as to bring in further external funding. Four new primary schools have been provided through this route and are now open. Two secondary schools have been approved to proceed by DfE and we are working with the Education Funding Agency on delivery. To date we have been able to meet the demand for additional school places within the external funding available. The risks to this are covered elsewhere in this document.

**Have you considered any other investment approaches to reduce future costs to the authority?**

The County Council works closely with the LEP to maximise the Single Local Growth Fund (SLGF) pot and EU funding for Hertfordshire. The County Council has secured funding from both sources for specific Transport / Infrastructure and Skills related project over the last year.

The primary schools maintenance programme has resulted in considerable improvements in energy efficiency and savings for schools. The school expansion programme has also led to an increase in the numbers of (more efficient) 2 Form Entry primary schools and a reduction in the number of 1Form Entry, as the smaller schools have been expanded. When housing developments require small (one form entry) new schools, we look carefully at any options for moving and expanding existing small schools as a way of improving future efficiency and quality.

The progressive transfer of responsibility for schools maintenance from Hertfordshire County Council to central government and the possible

introduction of an institution-based national funding formula creates dilemmas on the extent to which we should be concerned about spending money now to minimise future costs, where those future costs (or benefits) will not fall on the Council anyway but any additional costs today will do.

## **ENGAGEMENT**

### **How have the proposals been informed by staff/public/partner engagement?**

The County Council works closely with the LEP and the Tourism Partnership and engages with a wide range of business and other stakeholders to determine future priorities and direction for Economic Development Work.

Schools and major stakeholders are engaged in budget planning through the Schools Forum. Major changes are the subject of formal consultation with the schools – there is an annual consultation over the summer and usually another on emergent issues mid-year. A consultation on an aspect of the funding formula is currently live.

The development of special education provision is overseen by both local and county-wide DSPL (Delivering Special Provision Locally) structures, largely comprised of school representatives. County-wide direction is set by the DSPL Executive, which includes parent, school and CCG representatives.

Parents and carers are also engaged in developing special educational needs provision. A County-wide Parents' Reference Group for DSPL meets regularly and local parent representatives are members of each of the nine Area DSPL groups. Parents and carers were involved in the management and development of Hertfordshire's SEND (Special Educational Needs and Disability) Pathfinder and contributing to the local implementation of the national SEND reform programme. School expansion and new school provision is the subject of formal public consultation.

The proposal to look at ceasing home to school escorts for primary aged pupils came forward from a cross departmental working group on small vehicles. If agreed by Cabinet on 14 December, public consultation on the proposal will be undertaken in January 2016 seeking views from all families impacted, small vehicles companies and schools. An initial letter explaining the proposal and plan to consult has been sent to all families with children currently travelling.

The number of directly employed staff involved in education service delivery is small. Nonetheless the usual departmental processes of information-giving, engagement and feedback are employed.

### **How do your proposals support engagement with or delivery to local communities including the enhancement of the role and visibility of Members?**

The County Council's Executive Member for Enterprise, Education and Skills is a member of the LEP Board.

The County Council's Deputy Executive Member for Enterprise, Education and Skills is a member of the new Destination Management Partnership Board.

The transition to the new school transport arrangements has included local member participation in identifying potential local solutions which serve community needs.

Key consultees and advocates are engaged with school reorganisations and expansions. There are regular programmes of briefings and member engagement, both at county-wide level and with members round issues specific to their divisions.

The development of a strong and diverse economy generally helps to underpin resilience and the creation and support of independent communities.

**To what extent do your proposals encourage self reliance e.g. volunteering, accessing services on line etc. enabling people and communities to help themselves?**

The development of a strong and diverse economy is central to sustaining business growth, high levels of employment and self-reliant citizens. The LEP has established a new website and all of its newsletters, plans and reports and Board agendas / minutes are available online. Many of the LEPs services for business are delivered online. A new website is being developed for the Destination Management Service in the County.

Voluntary effort is critical to local education provision, with thousands of local people engaged in their schools as governors and tens of thousands of parents involved in primary schools, both helping in their schools and in fund raising. We are continuing to fund support for governors and via Herts for Learning.

The school admissions and transport service has, over the last 10 years, converted from a 100% paper based application service to a service where over 99% of applications for each transfer process are now made on line via the county's council's website – [www.hertsdirect.org/admissions](http://www.hertsdirect.org/admissions).

This has resulted in significant savings in printing, posting and data input costs as well as providing an effective, simple and secure application process for parents and families. Online applicants are informed of school allocations by email and can make continuing interest applications and submit appeals online. This year, for applications for secondary schools for September 2016, only 108 applications were made on paper from a total cohort of over 13,000. Parents can continue to make late secondary applications online until April 2016.

We have just moved to on line applications for the in year process too and already have over 70% take up, ongoing signposting and work with schools will increase this in the next year to ideally match the take up of the under 11s and secondary transfer processes.

We publish detailed application and allocation statistics online on allocation day and this information is updated regularly throughout the process. Parents can access individual pupil allocation information via their allocation email and the online system. The provision of detailed information online has resulted in a drop in calls made to the customer service centre with a subsequent reduction in costs.

The “Find your nearest school” online facility has dealt with over 308,000 online queries since September 2011. Nearest school information was previously provided by the CSC – at a cost of approximately £2 per call – therefore providing a saving of over £616,000 in 4 years.

The National Citizen Service (NCS), providing the opportunity for volunteering activity and delivered by Youth Connexions is promoted heavily in all school and colleges across Hertfordshire. There is a good take up by 16 year olds in all Districts. Many young people continue to volunteer after NCS is completed.

Section 1.2 above describes how we are seeking to encourage and enable parents to take their own children to school, in situations where they have a home to school transport entitlement.

## **PERFORMANCE, STANDARDS & TARGETS**

### **What contribution are you making to the broader partnership working both within Hertfordshire County Council and outside?**

Section 2.1 above describes the way in which policy and service development takes place with our partners. The two key partnership forums are probably Schools Forum and the DSPL Executive, which have formalised representation from schools, parents/governors and other stakeholders.

Also see 1.3 above.

In addition;

1. Hertfordshire County Council officers either have been or are currently involved in a number of other forums, such as Hertfordshire Planning Group, Locality Reviews, the Community Infrastructure Levy group and Hertfordshire Infrastructure Planning Partnership to work together with Districts in order to understand development needs, consider best use of assets, look at funding issues and opportunities and consider appropriate local plan policy making.

2. Property (Development Services team) co-ordinates work across most Hertfordshire county Council’s Services (except Environment teams such as Highways who provide their own advice directly) in order to respond to District Local Plan consultations and third party planning applications. The teams (i.e. including Services) consider the impact of both strategic and individual developments on the county council’s services and infrastructure. The Development Services team leads on developing and managing relationships with District local planning authorities, as well as private developers. The specific impacts of developments are managed by securing suitable policies and site allocations in Local Plans and through completion of legal agreements (Planning obligations or S106 agreements). This involves significant in-house and external partnership working and is necessary to secure funding and land to pay for new schools, nurseries, youth, library services etc.

### **What contribution is your service making towards the efficiency savings Hertfordshire County Council needs to make?**



The County Council's direct Enterprise Budget comprises

- £250k core funding for the LEP
- £50k for Tourism Partnership / Hertfordshire Destination Management Organisation (DMO)

The LEP's £500k core funding from BIS / DCLG is predicated on Hertfordshire County Council also providing core funding. The national funding of LEP's is currently under review. Hertfordshire County Council's core funding of the LEP does offer Hertfordshire County Council a degree of leverage at the LEP Board which has so far been positive and secured support for Hertfordshire County Council projects and objectives. Hertfordshire County Council's pump priming support for the Hertfordshire Destination Management Organisation is for 2 years (from September 2015) and is contractual.

All savings proposals below are detailed within Part B – Service Direction and Financial Consequences – Education, Enterprise & Skills; Key Budget Movements 2016/17 – 2019/20 p.83 – 84, and include:

£995k in home to school transport savings (16/17) rising to £1,125k by (17/18) (Ref. EEI009, EEI025, EEI026, EEI027 & EEI028).

£105k savings are being made from rationalisations in operational support (16/17) (Ref. EEI016).

Children's Services as a Department is committed to delivering efficiency savings of £750k (all years) by reviewing staffing and generation of internal efficiencies – this saving is spread over the Children's Services, and Education, Enterprise and Skills Portfolios (Ref. EEI032 & SSS023).

Further savings of £250k (all years – similarly across both CS & EE&S portfolios) are to be generated by development of the SmartWorking agenda, creating efficiencies via to better use of IT, better connectivity, and developing working practices (Ref. EEI035, SSS025).

Contributions are being made to authority wide cross cutting saving in printing costs of £19k (16/17) rising to £43k (18/19) (Ref. EEI034 & SSS024), and savings arising from the implementation of E-Invoicing of £42k (all years) (Ref. EEI033).

### **What is your services contribution to the IP cross-cutting themes and how are these impacting on your proposals?**

Opportunity to prosper is a key cross cutting theme of the Corporate Plan and the County Council's work on Economic Development is central to this theme.

### **How are you continuing to drive service improvement and how do you compare against the top performers in your area?**

The National LEP Network is the organisation which brings together the 39 LEPs across the country to share knowledge and best practice. The LEP network produced a benchmarking exercise last year which measured economic resilience, which scored the Hertfordshire LEP as the fifth best in the country, in terms of being an effective well-functioning partnership, securing investment and external

funding for the county, and delivery. Nationally the Hertfordshire LEP is seen as 'punching above its weight' in the recent CSR, Hertfordshire LEP was awarded Enterprise Zone (EZ) status for the Maylands / St Albans area.

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's 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).

In 2014/15 the LEP reviewed its Governance Arrangements and continues as an informal partnership with Hertfordshire County Council acting as the Accountable Body to Government for LEP decisions and funding. Hertfordshire County Council approved the LEP's governance framework in January 2015.

The new Destination Management organisation for Hertfordshire is in the process of benchmarking the tourism economy in the county. Visit Kent is a well-regarded Destination Management Organisation which has won national awards for its work elsewhere.

2015 data for key stage 2 shows that 83% of Hertfordshire pupils achieved Level 4 or better in the combined measure for reading, writing and mathematics. This is in line with the 2014 result of 83.1%. The statistical neighbour average was 80.2% and the national average 80%. The key stage 2 gap between Free School Meal (FSM) children and non FSM children has reduced from 18.3% in 2014 and 17.4% in 2015. This is lower than the statistical neighbour (21.7%) and national (18.2%) average for 2014. The gaps for progress in reading, writing and mathematics are also closing, showing an improving trend over the last three years.

Provisional data is showing a considerable reduction in the percentage of Children Looked After (CLA) achieving level 4+ in reading, writing and mathematics from 69% to 53%, this was impacted upon by a small number of CLA with specific difficulties in writing. However there has been an increase in the percentage of CLA making expected between KS1 and KS2 rising from 83% to 89.3% in reading, 83% to 87% in writing and 77% to 89% in mathematics (the highest level to date).

Key Stage 4 (GCSE) data for 2015 will be released towards the end of January 2016.

In August 2015 85.4% of schools in Hertfordshire were judged by Ofsted to be good or outstanding the highest proportion to date. This is higher than the national average of 83.9% and statistical neighbour average of 83.7% and also a sustained improvement from 72% of Hertfordshire schools being judged to be good or outstanding in August 2012 and 82.1% in August 2014.

## **SUSTAINABILITY, DELIVERABILITY & IMPLEMENTATION**

### **How is your service supporting economic growth and prosperity?**

This is the main purpose of the Local Economic Partnership (LEP) of which the Hertfordshire county Council is a core funder.

### **What effect is the change in the economy and society having on your services? e.g. levels of demand, inflation, changing income etc. and how are these impacts being managed or mitigated?**

The economy of Hertfordshire is recovering well after the recession and the LEP has set out its priorities in its Strategic Economic Plan. The aim of the Strategic Economic Plan is to maintain Hertfordshire competitiveness, based on its key sectors and location within the Golden Triangle of leader Oxford and Cambridge.

In the longer term, major new housing developments are a major driver for new school provision, operating in a different way to the general increases and declines in underlying demography. Considerable work is being undertaken at present in relation to new housing in Bishops Stortford, and to a degree in Broxbourne. This is likely to become generalised at a number of key sites across the county over the next few years.

It is difficult at this stage to assess what the impacts of the changes in the economy which are currently being signalled (increasing demand for goods and services, falling unemployment etc.) will have on this service area. Medium-term, reductions in welfare benefits may have a range of impacts; it remains to be seen how far changes to work incentive will affect levels of employment. The national living wage will have an appreciable impact on costs in the schools sector.

### **What are the major risks to delivery of your proposals and how are you proposing to manage these? e.g. capacity, time, budget in regard to these proposals.**

The key risk to the future economy of Hertfordshire is the area's appetite for economic growth, the ability to secure inward investment, and addressing some of the potential constraints on the economy e.g. infrastructure, lack of housing, employment, land supply, skills shortage

- Hertfordshire has recovered well from the recession and the economy is picking up strongly. There are two key issues emerging from this:
  - - The need to ensure future economic growth is smart and sustainable. This will rely on strong relationships between Hertfordshire County Council, the LEP, the Districts and businesses to ensure the focus is on supporting our key sectors, attracting jobs and inward investment, encouraging entrepreneurship, and lobbying for resources.
    - Addressing the potential 'brakes' on the economy that could affect its success – lack of housing, labour and skills shortages and infrastructure to support future growth. This will rely on (i) working closely with the Herts Infrastructure and Planning Partnership and

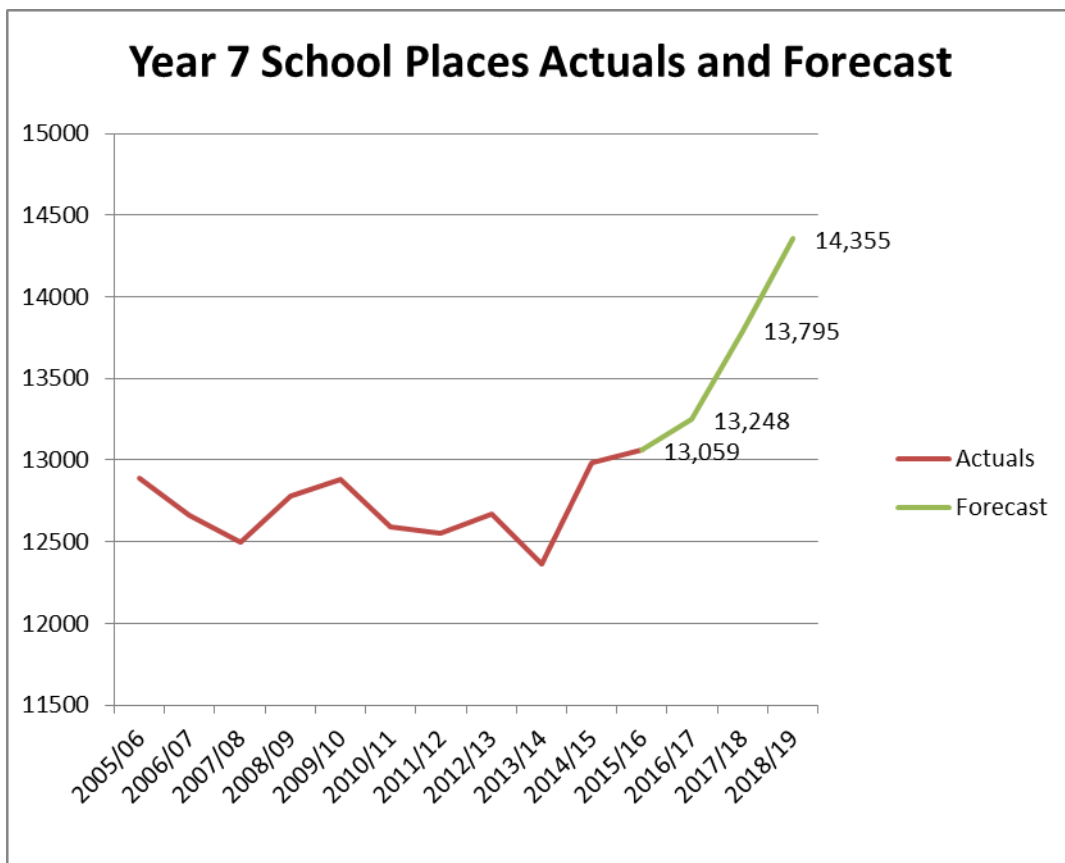
Districts on bringing forward land for new homes and jobs. (ii) Working with the LEP, Department for Work & Pensions (DWP) and Colleges of FE, and Business on the delivery of the Hertfordshire Skills Strategy. (iii) developing new infrastructure projects to support growth (iv) maximizing the potential regeneration opportunities of our New Towns and other town centre locations for growth.

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

**What is the basis of your demographic predictions? What effect is demographic change having on your service? How flexible is your budget to demographic changes?**

The population of Hertfordshire is expected to increase from 1.1m to 1.5m over the next 20 years, as a result of local population growth and pressures from London. Growth pressures are likely to be significant in terms of the need for jobs and housing. The LEP's latest economic bulletin is [here](#)

The school expansions programme is informed by detailed forecasting work on demand for school places in each planning area. These projections are reviewed for accuracy each year, and from time to time external reviews of accuracy and methodology are also commissioned. The process is also subjected to public scrutiny and attach in planning enquiries. It has proved robust.

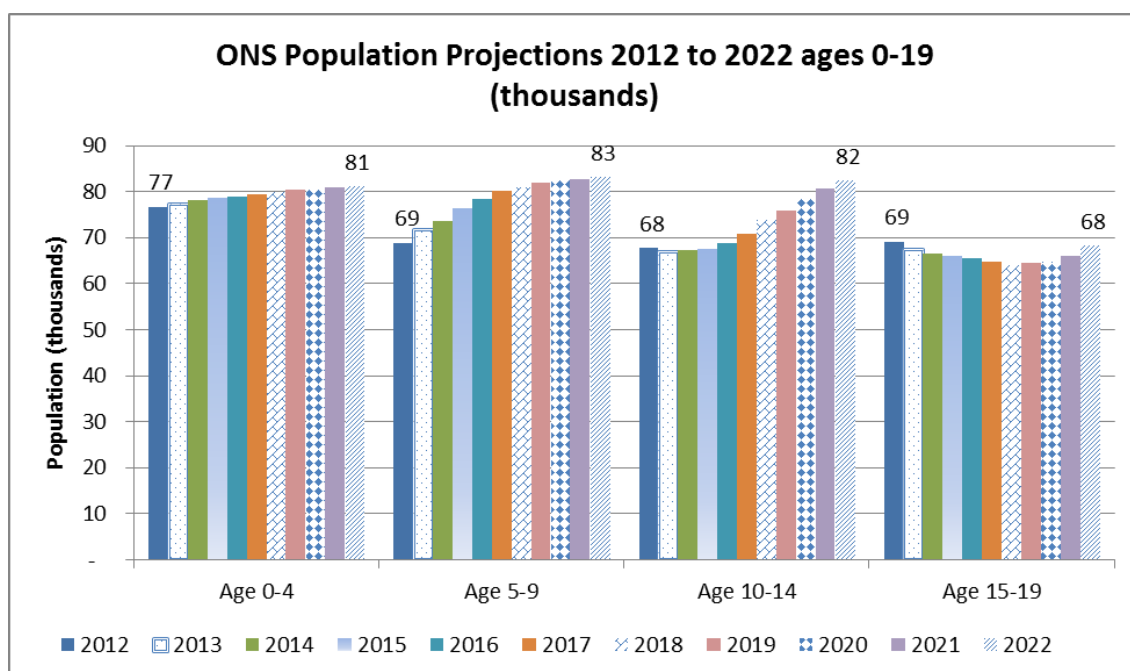


Forecasting shows that there is expected to be a 10% increase in year 7 school places by the 2018/19 academic year (an additional 1296 pupils compared with 2014/15 academic year.)

It is a general feature of children’s services that necessary costs of service rise and fall with child population numbers. Government funding flowing into Hertfordshire County Council is usually formula-driven to reflect this. For example:

- School level DSG is driven by pupils in schools, as is the Education Services Grant which relates to elements of non-Dedicated School Grant (DSG) education activity.
- Early Years funding via DSG)is pupil driven (under 5’s)

Demographic projections by Office of National Statistics (ONS) indicate a rising child population, in particular in the age groups 5-9 and 10-14 both projecting increases of over 20% in the ten year period 2012 to 2022. Overall an 11.5% increase is projected for the population aged 0-19.



Demographic pressures are felt particularly in services for under 5's, and this has been taken account of in discussions round the development of the IP.

The demography of the county has an indirect effect on this service area, in that the nature of the workforce may influence the focus for the activities (e.g. worker retention, focus on young people’s training needs etc.), but it is more closely related to economic indicators in terms of Gross Domestic Product (GDP); GDP per Capita, unemployment etc.

