

INTEGRATED PLAN

PART B - STRATEGIC DIRECTION AND FINANCIAL CONSEQUENCES

Education, Libraries & Localism Portfolio

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Education, Libraries and Localism Portfolio

Strategic Direction:

- To ensure a good education for local children.
- Deliver Inspiring Libraries and Heritage Services strategies.
- Continuing the partnership work that is pivotal to the localism brief.

Key priorities and programmes

- To enhance the existing high quality educational provision in the county, including for disadvantaged children, as measured by educational outcomes and Ofsted judgements
- To maintain effective relationships between HCC and schools individually and collectively
- To meet demand for additional school places, most particularly secondary and special school places and places to meet needs arising from new housing development.
- To secure a sustainable future for the Hertfordshire Music Service, developing plans for a move to charitable status. To procure an alternative provider for Hertfordshire Library Services.
- To establish a Hertfordshire Libraries Public Service Mutual.
- To continue the Library Service's programme of improving Hertfordshire library buildings and technology offer.
- Progress options for the long terms solutions for storage of Archive collections.

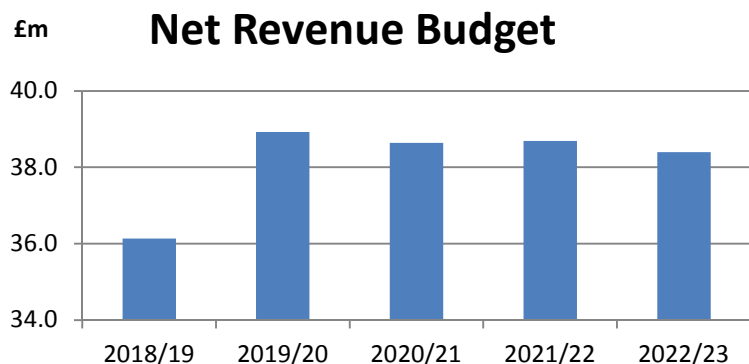
Key services provided:

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

Key risks in achieving IP proposals

- Failure of schools to support the county council in meeting its objectives
- Failure of maintained schools to agree to fund key activities for HCC to maintained them effectively
- Regulatory or other changes on the part of the Department for Education or other bodies adversely affecting our ability to achieve our objectives
- That contracting out the Library Service to an independent organisation, will not deliver the necessary savings without reducing the quality of the service.

Education, Libraries and Localism Portfolio



Key Revenue Pressures:

- Removal of redundant mobile classrooms
- Increased employers contributions for centrally-employed teachers, including in Hertfordshire Music service
- Demographic and legislative change pressures home to school transport (HTS) for children with SEND
- Cost pressures on SEND HTS

Key Budget Movements

	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s	2022/23 TOTAL £000s
Technical Adjustment	600	-	-	-
Other Pressures	1,433	2,258	2,629	2,618
Existing Policy Choice	(179)	(420)	(472)	(492)
New Efficiencies	(724)	(990)	(1,256)	(1,521)
TOTAL SAVINGS	(903)	(1,410)	(1,728)	(2,013)

Key Revenue Savings Proposals:

- Children's Services operational efficiencies
- Savings in mainstream home to school transport costs
- Transport efficiencies linked to SEND Invest to Transform bid.
- Savings in Libraries within the current library strategy.

Capital Programme

	2019/20 £000s	2020/21 £000s	2021/22 £000s	2022/23 £000s
	69,254	77,335	75,936	42,869

Key Capital Schemes:

- Bishop Stortford North new schools programme
- Primary and secondary schools expansion programmes

Education, Libraries & Localism Portfolio: Future Strategic Direction

1 What are the key priorities for the portfolio over the period 2019/20 – 2022/23?

Education

- To seek to preserve and enhance for the future the existing high quality of educational provision in the county, including in schools for children with Special Education Needs and Disabilities (SEND).
- To improve further existing standards for all pupils, both in Academies and in Maintained Schools for which HCC has a direct responsibility
- In particular to improve attainment of disadvantaged pupils both through the Great Expectations programme and by other means
- To support schools in addressing the challenges posed by decreasing funding levels.
- To seek to maintain effective relationships between HCC and schools individually and collectively in relation to continuing responsibilities for SEND and disadvantaged children.
- To meet demand for additional school places, most particularly secondary and special school places, including in particular in relation to behaviour and Alternative Provision; and school places to meet needs arising from new housing development.

Libraries and Localism

- The procurement of an alternative provider for Hertfordshire Library Services with the aim of reducing budget by £500,000 without compromising the quality of the service.
- The establishment of a Hertfordshire Libraries Public Service Mutual, which can tender for the Library Service contract.
- To continue the Library Service's programme of improving Hertfordshire library buildings to ensure that they are bright, attractive, welcoming, flexible, tech-enabled spaces in convenient locations.
- To improve Library Service technology infrastructure, moving to cloud solutions.
- Digitising Hertfordshire Archive and Local Studies (HALS) collections to improve public access and income generation remains a priority for the next few years.
- Progressing options for the long terms solutions for storage of Archive collections.
- Continuing the partnership work that is pivotal to the localism brief and makes an important contribution to the 'Opportunity to Take Part' theme of the Council's Corporate Plan. Two of these key partnerships are; Hertfordshire Armed Forces Community Covenant Board and Hertfordshire Lifestyle and Legacy Partnership.
- On-going effective management of Member's Locality Budget Scheme.

2 What are the key pressures and challenges facing the portfolio for 2019/20 – 2022/23?

Education

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

- Financial
- Legislative and regulatory change
- Demographic

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

Financial

The service's budgets are largely funded from the Dedicated Schools Grant (DSG). The allocation of this is planned by the Council working in partnership with the Schools Forum, which has a range of independent powers. DSG funded expenditure in 2019/20 is expected to be £962m, somewhat higher than the aggregate of all other HCC services. It is divided as between High Level Needs (SEN) services (£111m), Early Years (£85m), Central Services (£7m) and schools-related budgets (£759m). HCC itself funds about £6m, the largest part of which is home to school transport.

The first major strategic financial challenge for the next four years is managing DSG-funded services, and in particular schools, against a substantial real-terms reduction (after inflation and pressures). Whilst the rate of reduction will be less next year than over the past few years, our estimates are still for an average real terms reduction of 1% per pupil for schools. It remains to be seen what the future year's position will be; that will be determined in part through the outcome of next summer's Comprehensive Spending Review. We are currently taking all available opportunities to promote an informed debate amongst stakeholders including local MPs round pressures and the impact of reductions in both Special and Mainstream schools.

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

Partly as a result of real-terms budget reductions, an increasing number of schools are falling into deficit. Low and/or falling rolls are also a problem. This problem is becoming progressively more severe in the Primary phase, exacerbated in those areas where Reception numbers are now falling, and for those schools which are not full. For maintained schools, HCC is responsible for intervention in support of these schools. For Academies, responsibility lies with the Education Funding Agency. Over the past year we have worked with schools to restructure and reduce their staffing, and support them with consequential programmes of redundancy. The wider impact of funding reductions over time will be on the breadth of the secondary curriculum which schools can offer, on standards, and also on the extent to which

schools are willing to take responsibility for behaviour and other problems rather than to see these as matters for the local authority.

The major capital programme challenge over the next four years is long term strategic planning for future schools infrastructure, and more immediately developing and delivering a continuing programme of secondary school expansions, together with new schools. This is both to meet rising underlying demand for places, and to provide the schools infrastructure required as a result of major new housing developments. The capital programme for expansion of schools (and maintenance of maintained schools) is all externally-funded, largely through grant from the DfE. Annual expenditure is between £60-70m over time, but may increase with rising secondary aged pupils and the infrastructure requirements of large additional housing developments. The major new housing development at Bishops Stortford North will alone require more than £98m of investment in schools and land. All of this will be externally-funded, including capital receipts consequent on the development.

Funding received from government for High Level Needs in the form of DSG on the is set to rise over the next few years, with planning under way to adapt and develop our services to meet growing needs. However, there is a considerable risk that the rate of growth will not match increases in demands – the experience of most other local authorities. Largely this falls under the Children’s Services portfolio, as does early years.

The success of the service, across the board, depends critically on the quality of relationships and partnerships with local schools, individually and collectively, and with the various arms of Government including particularly the Regional Schools Commissioner. Our ability to achieve both local educational objectives and wider objectives round disadvantage depend absolutely on this. A major task for senior management is the maintenance and development of the existing good structure of relationships and partnerships. Linked to this is the formulation of a new School Improvement Strategy, owned by all local stakeholders, which will set out the roles and relationships of each of them and locally-agreed priorities for improvement action.

Legislative and regulatory change

In March 2016 the Government published a White Paper which foreshadowed the ending of local authorities’ role in management of and quality for mainstream education. All schools were to be required to become Academies. Following ministerial changes, however, government priorities have shifted towards disadvantaged children including those just above the threshold for receipt of free school meals, encouraging social mobility, and increasing the capability of the education system. Academisation as such has taken a lower profile, but remains a longer-term aspiration for Government. There is now an expectation that local authorities may retain responsibilities for maintained schools for a considerable time to come. Indeed without primary legislation on education – and none is planned – this is now inevitable for the foreseeable future. Conversion of schools to become single-academy trusts is no longer seen as necessarily beneficial unless educational benefits can be demonstrated, especially in the primary phase, with resulting emphasis on the development of Multi-Academy trusts.

At the same time, where schools are converting voluntarily or not, continuing and substantial involvement in the shaping of the process of conversion of schools to

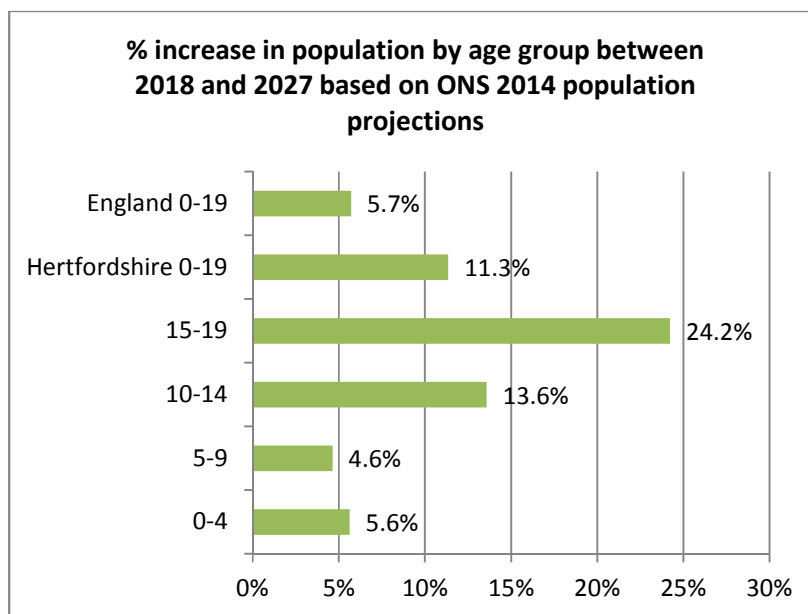
Academy status over the next few years is required. Our aim is to help to ensure the maintenance and enhancement of standards, attention towards the needs of disadvantaged children, and the preservation of co-operation and collaboration of schools through involvement in what is described as the “Hertfordshire Family of Schools”.

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

However, last year the Government completed withdrawal of the funding which previously allowed HCC to undertake these roles – the Education Services Grant (ESG). This required us to move to a situation where HCC itself no longer funds significant activity relating to standards and service provision in mainstream education. This is a challenge both financially, but also in relation to the changes in roles and relationships which inevitably follow when funding is sought from others to allow such activities to continue. Our ability to operate effectively in the future both in terms of maintaining schools and in terms of influencing standards and quality across the county, depend on our ability to gain the support of maintained schools to “de-delegate” funding to us, as well as the support of the generality of our schools for our funding strategy in Schools Forum.

Demographic

Growing numbers of school-aged children has driven a major programme of expansion of primary school places; the need for expansion is now increasing in the secondary phase. The graphic below illustrates pressures over the medium term, as the primary “bulge” moves through into secondary and post-16 age groups. This is supplemented across the age spectrum by anticipated new housing.



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

Increasing numbers of children with SEND and in particular the increases in numbers of children with Education Health and Care Plans require enhancement and reshaping of special schools and services.

Libraries and Localism

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

- 2015/16 - £1 million
- 2016/17 - a further £1 million
- 2017/18 - an additional £200,000

In 2017/18 the Library Service aimed to save £500,000, however due to the need to win the trust and support of volunteer groups in each community the roll out of community libraries was a slower process than originally anticipated and the full year savings were not achieved.

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

Whilst these saving areas will continue to be challenge it is hoped that the full savings of £2.5m from 'Inspiring Libraries' will be fully achieved in the current financial year (2018/19).

Localism is a key priority for the county council and corporate policy team. It is an agenda that is often embedded within service delivery and cross cutting themes, such as volunteering. However, beyond the £78,000 available through locality budgets, there are no specific budgets allocated to the delivery of localism.

The property infrastructure for both Libraries and Heritage services remains a continued opportunity and challenge. A range of libraries will have been re-provided or refurbished in 2018/19 including St Albans, Wheathampstead, Redbourn and an exciting opportunity saw the co-location of Hoddesdon Post Office into the Library. However, of the 11 libraries set out in the in the 2014 Inspiring Libraries Strategy as top priority for re-location or re-provision, there is currently no viable solution identified for four of them.

During the next ten years, it will be necessary to plan for and take steps to secure the long term storage needs of HALS. The service is currently accruing physical archives at a rate of an average of 10 cubic metres per year. Current estimates project that there is sufficient space for archive collections for approximately 7-10 years. There are also challenges in maintaining the quality of the current storage space at County Hall, to ensure it is fit for the purpose of storing of archive materials to required standards. This year a feasibility study has taken place to specify the requirement of a new building, including investigating recently developed archive storage buildings nationally. The information from this study will support the identification of a suitable site for a new storage facility, cost estimates and early discussions with the Heritage Lottery Fund around potential match funding.

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

The Library app has proved a huge success with over 10,000 renewals of library loans each month and developments in e-book library provision, with the adoption of Borrow Box, has seen e-book lending issues continue to increase from 101,000 in 2013/14 to 268,000 in 2017/18. The service will have three Creatorspace, once St Albans refurbishments is complete in the spring, so far, this new technology offer for customers has proven popular with 1,526 attendees at Creatorspace activities in 2017/18 and in the first six months of 2018/19 there have been 891 attendees. The potential of technology and digital solutions to improve and extend services for residents are significant, however developing robust user centre solutions with suppliers can be challenging yet worth pursuing as they often achieve long term revenues savings but are reliant on upfront investment.

The Library service has a diverse set of IT, developed over many years and delivering a sector leading landscape. It incorporates both established traditional IT and several innovative services associated with being a leader around public library provision, however, the current mix of technologies is becoming expensive to sustain and with more and more innovation the current landscape's complexity is increasing. The service is already starting on its cloud journey, adopting in a small way the opportunities offered by the cloud. However, there is a need to make this move more rapidly and decisively to embrace this new technological revolution.

3 What are the key projects/programmes that the portfolio will deliver 2019/20 – 2022/23?

Education

The major projects being undertaken are as follows:

Mainstream School places: Delivery of the continuing more-limited primary expansion programme and of the enhanced secondary expansion programme. This includes in particular progressing provision of 3 schools as part of the Bishops Stortford North development, and a number of other primary and secondary projects. Longer run, site identification through the Local Plan processes continues to be critical in terms of meeting future needs.

Special school places/ SEND strategy: Creating sufficient good school places for all pupils, including those with special educational needs (SEN) and disabilities, is a high priority for the Council. Local authorities have important specific responsibilities for children and young people with SEN and disabilities. This is a vital role that requires long-term strategic planning, informed by detailed local knowledge enhanced through consultation with parents and carers, and good relationships with local schools. We will continue to work with maintained schools, academies, and others to agree how special educational needs should be met across Hertfordshire, including where opportunities arise bidding for external funding, for example through the Free Schools programme.

Intervention in schools in financial and standards difficulties: The major programme of involvement/intervention in schools with financial difficulties will continue,

including any necessary consequent structural reforms, together with work to enable smooth transfer to academy status within suitable MATs. A major new initiative is the workshops that have been held for primary schools in financial difficulty. The CS Education Leadership Team commissioned HfL to deliver a series of sustainable schools workshops across the County. A group of around 100 schools that either had low balances or were causing financial concern were invited to attend, and as an outcome will be supported to prepare, develop and implement Action Plans to address their financial challenges.

Home to school transport (HTS) - mainstream pupils: A major review of the costs and method of delivery of transport has been undertaken, involving several HCC departments and led by Environment who manage the procurement and provision of school transport. Savings in costs are hoped for but there will be a time lag before the necessary changes in procurement processes can be implemented. Some savings are expected in 2019/20, as a result of earlier policy changes round removal of passenger assistants for primary-aged children, together with some drop in primary demand as overall pupil numbers fall.

Funding for school improvement: Work with Herts for Learning (HfL) and schools seeking continued de-delegation of funding to allow the continuation of school improvement and support, will be critical to the maintenance of standards beyond summer 2019.

Currently over 90% of the cost of education-related activity including support for maintained schools provided by HfL on behalf of HCC is funded by schools, in particular by maintained schools “de-delegating” funding to pay for its retention. Next summer we will need to consult schools again, so as to secure their support for continuing this activity in future.

Music Service: The Hertfordshire Music service is a centrally-important contributor to the quality of life and range of musical experience and participation available to young people in Hertfordshire. Net expenditure on the service by HCC (excluding overheads provided) was £1m in 2016/17. In order to ensure the future sustainability of the service, we need to reduce or eliminate this net cost, become more commercially-focused, and transform the way it operates whilst maintaining the same, high quality offer to young people. A key part of this is the intended migration of the service to a charitable status, outside the direct control of HCC.

Libraries and Localism

In the Inspiring Libraries Strategy there was recognition that there would be value in exploring whether an alternative delivery model for Hertfordshire Libraries was the best means of delivering the ambitions of the Inspiring Libraries Strategy and achieving future budget savings.

A saving target has been set for Libraries in 2019/ 20 and beyond of £0.5m. To achieve this saving without compromising on the quality of the service and its ability to deliver against the Inspiring Libraries Strategy, the county council will undertake a procurement exercise to award a contract for the delivery of library services to an independent organisation. A Public Sector Mutual will be set up by the current in-house libraries team, with the aim of tendering for this contract. These two pieces of work are being lead independently of each other, both are significant complex projects.

A range of library projects are in place to further progress technology and property developments that improve the customer experience and deliver efficiencies for the service.

The Heritage Strategy agreed in March 2016 has a range of projects around income generation and digitisation. The Archive future storage requirements project has now commenced and over the next couple of years identifying a site for the storage, potential partners and match funding will all be progressed to enable the delivery of a new archive storage facility in the county.

The localism portfolio has responsibility for several key strategic partnerships that include:

- Hertfordshire Armed Forces Community Covenant Board, which is responsible for maintaining and developing the county's relationship for its armed forces community past and present.
- Hertfordshire Lifestyle and Legacy Partnership, which brings together key partners involved in sport, recreation, culture and volunteering from across the county. One of the key priorities of this partnership will be helping the county consider how it responds to the Government's new strategies in regards to both sport and arts and culture.

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

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

Education

The major area of expenditure by HCC within the portfolio is home-to-school transport for mainstream pupils. We jointly commissioned an external review – The Edge review- with a series of recommendations which are being pursued corporately.

Our benchmarking of HTS transport costs is based on DfE statistics relating to 2018/19 budgets. By comparison to all other upper tier authorities our spend per head of total school population (aged 3-16) is the second lowest 27 authorities for mainstream under 16 home to school transport. Our spend is £33 per head as against an arithmetical average of £81 for all counties.

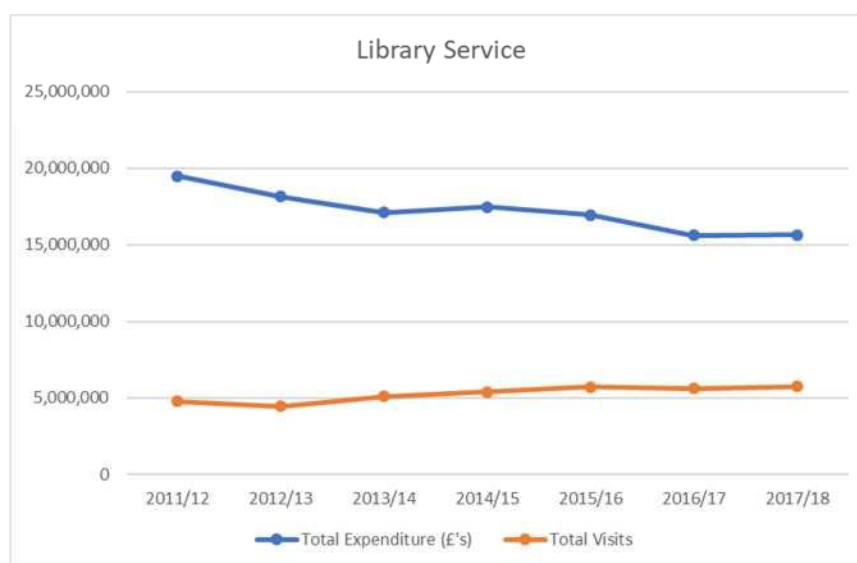
One of the key ways in which the service pursues its educational objectives is via our contract with HfL, albeit HCC funds only a very small part of this. The effectiveness of the contract is assessed via termly review meetings against specific targets expressed in terms of attainment.

During the year, the specific area of attainment of disadvantaged pupils at KS4 was considered by Scrutiny; a review of the management of the HfL contract was undertaken by SIAS; and a peer review undertaken by East of England colleagues into attainment overall.

Libraries and Localism

In developing and implementing the Inspiring Libraries Strategy the Library Service visited several comparator authorities to understand best practice in terms of technology, community engagement and capital developments, aiding the services' thinking in achieving the £2.5m savings target and future options for further savings beyond 2018/19. In the last year this has included visiting and liaising with Library Services that have been outsourced by authorities, with a particular emphasis on Library Services that have been 'spun out' into alternative deliver models.

The Library Service has achieved £1m savings for 2015/16, a further £1m saving for 2016/17 with savings continuing to be achieved in 2017/18; this decrease in expenditure trend is illustrated in the graph below, which also demonstrates the increase in visits to libraries (virtual and physical) for the same time period.



The net cost for Hertfordshire library services per 1,000 population has decreased from £15,993 in 2011/12 to £12,503 in 2017/18 and for the same time period, the cost per visit has reduced from £3.72 to £2.56.

Councils across the country are looking to develop localism in different ways. At Hertfordshire County Council, the lead for developing this agenda rests with the Corporate Policy team but will rest in other areas in other local authorities. Given this, there is no benchmarking data available. Previous reviews undertaken have indicated that, whilst councils approach to corporate policy varies considerably, the amount of resource the County Council's dedicates to this area is broadly in line to other similar authorities. Hertfordshire County Council's Corporate Policy team currently has a budget of £532,000 with 7 members of staff (6.2 FTE), this has decreased in the last year from a budget of £585,000 and 9 members of staff (7.8 FTE) in 2017/18.

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

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

Education and skills

The key risks are as follows:

- De-delegation of funding for school improvement and support proves impossible after 2019/20, either as a result of DfE Regulation or lack of support from schools themselves, leading to deterioration in standards and quality. Similar risk in relation to availability of Central Services DSG;
- Schools' willingness to work in collaboration with HCC especially round the most vulnerable young people begins to diminish, for example as a consequence of progressive reduction in schools funding;
- Falling school funding leads to progressive increase in schools budget deficits;
- Longer term school place planning is undermined by inability to secure affordable and deliverable school sites to meet future need through the local plan process.

Some of these risks are difficult to mitigate, and the mitigation of others is part of our mainstream work. Examples include:

- Great Expectations programme launched by HfL, working with schools to improve attainment of disadvantaged pupils.
- Intensive work with maintained schools on a programme of financial activity intended to reduce costs and limit budget deficits, via joint Financial Action Groups and Sustainable Schools workshops.
- Development of a partnership School Improvement Strategy, to define and reinforce collaborative relationships.

Libraries and Localism

There is a risk that contracting out the Library Service to an independent organisation, will not deliver the necessary savings without reducing the quality of the service. There are a number of risks involved in any complex procurement exercise of this size, which are being managed as part of the project however key risks include; timescales and delivery of part savings in 2019/20 and increase in costs in disentangling the Library Service from the county council.

Changes to the Library Service management structure in the last year presents challenges, in ensuring the capacity and skills necessary to deliver the Inspiring Libraries Strategy and set up a Public Sector Mutual capable for tendering for the Library contract. There is also a risk around succession planning for the management team due to retirement.

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

KEY BUDGET MOVEMENTS 2019/20 - 2022/23

	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s	2022/23 TOTAL £000s
Technical Adjustment	600	-	-	-
Other Pressures	1,433	2,258	2,629	2,618
TOTAL PRESSURES	1,433	2,258	2,629	2,618
Existing Policy Choice	(179)	(420)	(472)	(492)
New Efficiencies	(724)	(990)	(1,256)	(1,521)
TOTAL SAVINGS	(903)	(1,410)	(1,728)	(2,013)

Ref	Description	Dept	Type of budget movement	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s	2022/23 TOTAL £000s	Approximate current budget £'000
Technical Adjustments								
TA14	<u>School Improvement Monitoring & Brokering Grant</u>	CS	Technical Adjustment	600	-	-	-	
Service Specific Inflation								
	None							
Pressures								
OP1	<u>SN HTS Transport</u> This was approved as part of the 17/18 IP.	CS	Other Pressures	360	720	1,080	1,080	14,301
OP20	<u>Mobile Classroom Removal</u> Costs of removal to storage of mobile classrooms provided on school sites to accommodate temporary expansions, which are no longer required and where planning consent for temporary use has expired.	CS	Other Pressures	120	120	120	120	90
OP42	<u>Lease Car Rebate</u> Cross cutting pressure arising from a sharp fall in the lease care rebate estimate across all departments with Lease cars.	CS	Other Pressures	117	298	309	298	(343)
OP61	<u>SEN Home to School Transport</u>	CS	Other Pressures	656	810	810	810	14,301
OP56	<u>Employer Contribution for Central Staff in Teachers Pension Scheme</u> The current employer contribution rate of 16.48% will be increasing to an estimated employer contribution rate of 23.6%, for the period 1 September 2019 until 31 March 2023.	CS	Other Pressures	180	310	310	310	

Ref	Description	Dept	Type of budget movement	2019/20 TOTAL £000s	2020/21 TOTAL £000s	2021/22 TOTAL £000s	2022/23 TOTAL £000s	Approximate current budget £'000
	Savings							
NE2	<u>SEND ITT Bid - HTST</u> As a result of the SEND Transformation savings in the number of CYP requiring transport are expected	CS	New Efficiencies	(155)	(421)	(687)	(952)	10,500
NE3	<u>Children's Services Efficiencies</u> Various savings as a result of smart working, printing costs, etc, as well as our continuing and regular review of all non front-line posts as and when vacancies arise. It will include a review of the CS leased car rebate budget.	CS	New Efficiencies	(419)	(419)	(419)	(419)	3,864
NE5	<u>Home to School Transport</u> This saving is from reduced demand for transporting mainstream primary pupils. Procurement savings stemming from the Edge Review are not yet confirmed and have not been included at this stage.	CS	New Efficiencies	(150)	(150)	(150)	(150)	1,215
EPC8	<u>Libraries</u> The procurement of an alternative provider for Hertfordshire Libraries should deliver £500k savings, whilst delivering against the current Library Strategy.	Resources	Existing Policy Choice	(179)	(420)	(422)	(442)	-
EPC9	<u>Museum & 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	-	-	(50)	(50)	-

Note 1

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

OP42 Lease Car Rebate - AC&H, CYP&F, R&P

254 525 537 520

NE3 Children's Services Efficiencies CYP&F, EL&L

(500) (500) (500) (500)

ANALYSIS OF REVENUE BUDGET BY OBJECTIVE AREAS

Net Budget 2018/19 £'000	Objective Area	Gross Budget 2019/20 £'000	Income £'000	Net Budget 2019/20 £'000	Net Budget 2020/21 £'000	Net Budget 2021/22 £'000	Net Budget 2022/23 £'000
20,467	<p>Education & Early Intervention</p> <p><u>Admissions & Transport</u></p> <p>The Admissions Service manages the school admissions process including coordinating in-year applications for all maintained schools. The majority of academies and voluntary aided schools within the county have also chosen to opt into the process. The service also manages and administers the eligibility and entitlement policies for home to school transport for all mainstream children and young people.</p>	21,530	(406)	21,124	21,372	21,466	21,201
582	<p><u>Education Services</u></p> <p>Education Services includes responsibility for ensuring the statutory duties in relation to School improvement are met by the local authority. These services are now commissioned through Herts for Learning (HfL) the schools company.</p> <p>This area also contains budget for the development of 14-19 learning strategy which includes the provision of Apprenticeships.</p>	517	-	517	517	517	517
1,530	<p><u>Education Access & Provision</u></p> <p>The service monitors and forecasts supply and demand for school places, manages capacity and commissions additional school places to match demand (a statutory requirement), promote improvement in educational outcomes and other policy objectives. It identifies and secures external funding, manages relationships with DfE and formulates and sponsors any resulting capital projects and programmes. Major activities are developing and overseeing delivery of primary and secondary school expansion programmes (capital) with the Hertfordshire expansion programme one of the largest nationally. This includes the lead role in relation to new and converting academies, and free schools.</p>	2,274	-	2,274	1,674	1,674	1,674
111	<p><u>HR Budgets</u></p> <p>This area of the budget relates to historic HR liabilities relating to specific groups of school staff such as caretakers and teachers that HCC are required to honour.</p>	111	-	111	111	111	111
0	<p><u>Milk & Meals</u></p> <p>This budget covers the cost of running HCC's schools milk policy including purchase and sales of milk and the cost of operating the free school milk policy.</p> <p>Milk is run as a net nil cost service with any deficits met from DSG.</p>	801	(801)	-	-	-	-

Net Budget 2018/19 £'000	Objective Area	Gross Budget 2019/20 £'000	Income £'000	Net Budget 2019/20 £'000	Net Budget 2020/21 £'000	Net Budget 2021/22 £'000	Net Budget 2022/23 £'000
(15)	<p><u>BSF PFI Schemes</u></p> <p>This budget relates to the PFI operational and unitary charges with respect to Marriotts & Lonsdale schools. Whilst It was originally expected that the PFI funded schools would become operational and unitary charge payable to the operator (Balfour Beatty Education) from September 2012 the actual handover date was 7 January 2013.</p> <p>The scheme is still due to end on 31 August 2037 at which stage all assets will revert to the Council. The value of the Marriotts and Lonsdale Schools (land and buildings) at the date they became operational was £43.24m.</p> <p>There is a net nil budget; The expenditure charges are funded through a central government PFI Initiatives grant. In the early years of the scheme, it is anticipated the scheme will run at a surplus, which will be transferred to a specific reserve. This will be utilised to fund the deficit expected in the later years of the scheme.</p>	7,866	(7,840)	26	26	26	26
219	<p><u>Music Service</u></p> <p>Hertfordshire Music Service engages over 600 instrumental and vocal teachers teaching over 25,000 children in schools and music centres across the county. The service is committed to making every child's music matter, and to improving standards in schools through music.</p>	9,688	(9,202)	486	615	615	615
4,113	<p><u>Premature Retirement</u></p> <p>This area of the budget relates to the liabilities arising from premature retirements in schools.</p>	4,278	-	4,278	4,278	4,278	4,278
27,007	Education & Early Intervention Total:	47,065	(18,249)	28,816	28,593	28,687	28,422
152	<p>Children's Services Overheads</p> <p><u>Performance and Business Support</u></p> <p>The Performance and Business Support area contains the following areas which support the whole of CS department:</p> <ul style="list-style-type: none"> • Performance and Improvement • IT Budget • Business Infrastructure Service • Children and Young People's Strategic Commissioning 	720	(2)	718	718	718	718
(1,093)	<p><u>Education & Early Intervention Central</u></p> <p>This area of the budget covers the general overheads of running the department. It includes Integrated Education System (IES) support costs and Directorate spend. Also included within this area is the allocation of DSG income to cover support costs for DSG funded LA managed services.</p>	(1,067)	(325)	(1,392)	(1,211)	(1,200)	(1,211)
(941)	Children's Services Overheads Total:	(347)	(327)	(674)	(493)	(482)	(493)

Net Budget 2018/19 £'000	Objective Area	Gross Budget 2019/20 £'000	Income £'000	Net Budget 2019/20 £'000	Net Budget 2020/21 £'000	Net Budget 2021/22 £'000	Net Budget 2022/23 £'000
	Resources						
	<u>Public Library Service</u>						
9,404	Public libraries are a statutory service, providing access to reading, information, and knowledge for all Hertfordshire citizens. It is delivered through a free and accessible network of library buildings, mobile library vehicles, one prison library and also through online services.	11,123	(1,056)	10,067	9,827	9,825	9,805
	<u>Archives, Local Studies and Herts Museums Development</u>						
559	Hertfordshire Archives and Local Studies collects, preserves and promotes original documents and printed material covering every aspect of life in the county relating to Hertfordshire's past and its people. Hertfordshire Museums Development aims to improve and develop museum services and raise awareness of the value of museums to the wider community.	668	(68)	600	600	550	550
	<u>AD Director Customer Engagement & Libraries</u>						
110	AD Director Customer Engagement & Libraries	114	-	114	114	114	114
10,073	Resources Total	11,905	(1,124)	10,781	10,541	10,489	10,469
36,139	Education, Libraries & Localism Total	58,623	(19,700)	38,923	38,641	38,694	38,398

Education, Libraries and Localism Capital Programme 2019/20-2022/23

The total capital programme 2019/20 to 2022/23 for the portfolio is £265.394m and for 2019/20 is £69.254m. This includes all new bids and re-programming from 2017/18 at the end of quarter 2.

	2019/20	2020/21	2021/22	2022/23	Total
	£'000	£'000	£'000	£'000	£'000
HCC funding*	8,559	12,754	14,724	196	36,233
Reserves	4,142	1,046	14,717	2,828	22,733
Grants	45,909	29,678	34,926	33,224	143,737
Contributions	10,644	33,857	11,569	6,621	62,691
Total	69,254	77,335	75,936	42,869	265,394

HCC funding in the table above includes primary school expansion schemes and new school developments where HCC funding is required in the short term to fund capital expenditure but which are expected to be fully funded by future s106 developer contributions and capital receipts.

New capital bids

Education, Libraries and Localism has six new bids, as set out in the table below. One new bid requires HCC investment of £12.858m over the IP period.

Scheme	Cost 2019/20	HCC funding 2019/20	Other funding 2019/20	Total cost 2019/20-2022/23	Total HCC funding 2019/20-2022/23	Total other funding 2019/20 - 2022/23	Description
	£'000	£'000	£'000	£'000	£'000	£'000	
Primary Expansions Programme 9	2,100	1,197	903	4,754	2,140	2,614	To meet the rising demand for Primary school places for September 2020.
Temporary Expansions Programme 9	2,000	-	2,000	2,000	-	2,000	Budget to support the costs associated with the provision of temporary accommodation to meet the demand for school places.
Secondary School Expansion Programme - SEC 3.5	2,000	-	2,000	2,000	-	2,000	Meeting the rising demand for Secondary school places.
Secondary School Expansion Programme plus Additional Accommodation Schemes - SEC 4	1,200	-	1,200	2,400	-	2,400	Meeting the rising demand for Secondary school places.
Schools Healthy Pupil Capital Fund	1,086	-	1,086	1,086	-	1,086	To improve children's and young people's physical and mental health.
Hertfordshire Archive and Heritage Centre	1,500	1,500	-	12,858	12,858	-	To relocate Hertfordshire Archives and Local Studies collections and services.
Total	9,886	2,697	7,189	25,098	14,998	10,100	

Revised capital bids

The portfolio has revised three bids compared to the previous Integrated Plan. In addition, updated bids for vehicle replacement programmes are included in the portfolio capital programme. Spend on these annual programmes are variable, dependent on the use and condition of the asset and assessment of need and risk.

Scheme	Total increase/ (decrease) 2019/20	HCC funding increase/ (decrease) 2019/20	Other funding increase/ (decrease) 2019/20	Total increase/ (decrease) 2019/20 to 2022/23	HCC funding increase/ (decrease) 2019/20 to 2022/23	Other funding increase/ (decrease) 2019/20 to 2022/23	Reason
	£'000	£'000	£'000	£'000	£'000	£'000	
Land acquisitions	-	-	-	2,750	-	2,750	Budget allocated to purchase additional land to serve school places.
School's Repairs & Maintenance	(587)	-	(587)	(2,348)	-	(2,348)	An estimated decrease of (£587k) per annum due to an anticipated reduction of the Schools Condition Allocation Grant.
New School Developments	1,500	1,500	-	39,016	9,625	29,391	Spend anticipated within 2018/19 - 2021/22 to provide schools where future developments or a shortage of places is known. Forward funding is required to bridge the gap between when capital expenditure is incurred and the funding by capital receipts and S106 is available.
Total	913	1,500	(587)	39,418	9,625	29,793	

Proposed Education, Libraries and Localism portfolio capital programme 2019/20 - 2022/23

Ref	Scheme New (N), existing (E), revised (R), re-profiled (P)	Portfolio	Total scheme cost £'000	2019/20 Integrated Plan					2020/21	2021/22	2022/23
				Cost	HCC funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
E1	Primary Expansion Programme 1 – 5 (P) Residual works plus remaining furniture and equipment allocations for primary school expansion programmes	Education, Libraries & Localism		439	-	-	439	-			
E2	Primary Expansion Programme 6 (P) To meet the rising demand for primary school places	Education, Libraries & Localism	3,100	800	-	-	800	-	-	-	-
E3	Primary Expansion Programme 7 (P) To meet the rising demand for primary school places	Education, Libraries & Localism	1,480	1,000	-	-	1,000	-	-	-	-
E4	Primary Expansions Programme 8 Projection (P) To meet the rising demand for primary school places for September 2019.	Education, Libraries & Localism	8,200	6,070	-	-	6,070	-	1,500	-	-
E5	Primary Expansions Programme 9 Projection plus Additional Accommodation Schemes (N) To meet the rising demand for school places for September 2020	Education, Libraries & Localism	4,754	2,100	1,197*	-	903	-	2,654	-	-

Ref	Scheme New (N), existing (E), revised (R), re-profiled (P)	Portfolio	Total scheme cost £'000	2019/20 Integrated Plan					2020/21	2021/22	2022/23
				Cost	HCC funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
E6	Temporary Expansions Programme 9 (N) Budget to support the costs associated with the provision of temporary accommodation to meet the demand for school places.	Education, Libraries & Localism	2,000	2,000	-	-	2,000	-	-	-	
E7	Secondary School Expansion Programme - SEC2 & 2.5 (P) To meet the rising demand for secondary school places.	Education, Libraries & Localism	10,608	2,570	-	-	2,570	-	-	-	
E8	Secondary School Expansion Programme - SEC 3 (P) To meet the rising demand for secondary school places.	Education, Libraries & Localism	23,617	11,383	-	-	9,589	1,794	834	-	
E9	Secondary School Expansion Programme – SEC 3.5 (N) To meet the rising demand for secondary school places.	Education, Libraries & Localism	2,000	2,000	-	-	2,000	-	-	-	
E10	Secondary School Expansion Programme plus Additional Accommodation Schemes - SEC 4. (N) To meet the rising demand for secondary school places.	Education, Libraries & Localism	2,400	1,200	-	-	1,200	-	1,200	-	

Ref	Scheme New (N), existing (E), revised (R), re-profiled (P)	Portfolio	Total scheme cost £'000	2019/20 Integrated Plan					2020/21	2021/22	2022/23
				Cost	HCC funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
E11	New School Developments (R, P) Spend anticipated within 2019/20 - 2022/23 to provide schools where future developments or a shortage of places is known.	Education, Libraries & Localism		17,653	5,355*	2,775	673	8,850	43,151	48,031	24,094
E12	Land Acquisitions (R, P) The purchase of land to serve school places.	Education, Libraries & Localism	14,391	-	-	-	-	-	3,902	2,654	-
E13	School's Repairs & Maintenance: Schools Condition Allocation Grant (R) Budget to assist in maintaining and managing school buildings	Education, Libraries & Localism	Annual Programme	17,579	-	-	17,579	-	17,579	17,579	17,579
E14	Schools Healthy Pupil Capital Fund (N) Funding to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions.	Education, Libraries & Localism	1,086	1,086	-	-	1,086	-	-	-	-
E15	Building Schools for the Future-ICT (P) ICT expenditure relating to the 'Building Schools for the Future' programme.	Education, Libraries & Localism	1,216	138	138	-	-	-	-	-	-

Ref	Scheme New (N), existing (E), revised (R), re-profiled (P)	Portfolio	Total scheme cost £'000	2019/20 Integrated Plan					2020/21	2021/22	2022/23
				Cost	HCC funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
L1	Delivering Inspiring Libraries (P) The 'Inspiring Libraries' strategy sets out Hertfordshire Library Service's ambitions based on three main themes: <ul style="list-style-type: none"> • The library as a vibrant community asset • The digital library • An enhanced gateway to reading, information and wellbeing 	Education, Libraries & Localism	6,000	1,367	-	1,367	-	-	1,046	1,047	1,000
L2	Libraries Public IT (E) Continued investment in hardware, software and infrastructure in order to keep services up to date and relevant and to enable the Library Service to offer technology and digital solutions to improve service delivery, to support digital inclusion and to empower citizens.	Education, Libraries & Localism	Annual Programme	196	196	-	-	-	196	196	196
L3	Libraries Vehicle Replacement Programme (R) Replacement of a transit van for community deliveries.	Education, Libraries & Localism	Annual Programme	25	25	-	-	-	344	-	-

Ref	Scheme New (N), existing (E), revised (R), re-profiled (P)	Portfolio	Total scheme cost £'000	2019/20 Integrated Plan					2020/21	2021/22	2022/23
				Cost	HCC funding	Reserves	Grants	Contributions	Cost	Cost	Cost
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
L4	Replacement of Library Self-Service RFID Kiosks (P) Replacement of self-service kiosks currently in use in libraries which are coming to 'end of life'. Provide customers with the facility to self-serve including issues, returns, renewals and payments.	Education, Libraries & Localism	910	148	148	-	-	-	-	-	-
L5	Hertfordshire Archive and Heritage Centre (N) To plan, develop and build a new facility to relocate Hertfordshire Archives and Local Studies collections and services. The new premises will include public facilities and archive quality storage and working space.	Education, Libraries & Localism	12,858	1,500	1,500	-	-	-	4,929	6,429	-
Total				69,254	8,559	4,142	45,909	10,644	77,335	75,936	42,869

*Includes primary school expansion schemes and new school developments where HCC funding is required in the short term to fund capital expenditure but which are expected to be fully funded by future s106 developer contributions and capital receipts.