

**HERTFORDSHIRE COUNTY COUNCIL
RESOURCES PROSPERITY PARTNERSHIP AND
CONSULTATION SCRUTINY COMMITTEE
Thursday 23 January 2003 at 10.30 a.m.**

COUNTY COUNCIL PROPOSED RESOURCE BUDGET 2003/04 TO 2006/07

Addendum Report to Item 7

Report of the Finance Director

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Executive Member:- David Beatty

1. Purpose of the report

- 1.1 To inform the Scrutiny Committee of the recommendations and comments from each of the Scrutiny Committees and update it on additional information and budget related issues which have arisen since the Cabinet met on 19 December 2002.

2. Scrutiny Committee Recommendations

- 2.1 During January Scrutiny Committees have considered the Cabinet's proposals on the revenue budget and the Capital Programme. The recommendations and comments made by each Scrutiny Committee are detailed in Appendices 1A to 1D.

3. Summary

- 3.1 The revenue budget proposed by December Cabinet would result in a council tax increase of 15.7%. For every £3 million of service improvements council tax will increase by a further 1%.
- 3.2 Within the proposed 2003/04 capital programme £400,000 of unallocated resources are available. The impact of this needs to be considered by Cabinet, along with the £1.6 million of resources released as a result of the government grant which is being made available towards the closure of Norton school.

4. Additional Information – Revenue

4.1 Uncertainties

The December Cabinet Report highlighted the following uncertainties:

- the final FSS
- pay awards for teachers and firefighters

- the council taxbase and collection fund surplus
- registration of in house hostels
- contracts and litigation
- charging for delayed discharges
- fairer access to care
- standards fund

No additional information has become available on any of these issues since the December Cabinet meeting. The impact of these issues on the revenue budget will be considered when the final position on all of the uncertainties is known. This will be reported to the County Council in February.

4.2 Pressures for Change

Since the December Cabinet report an 11% increase has been announced in the cash limit for Magistrates Courts. This will increase the County Council's share of their funding by £100,000.

5. Capital Update

- 5.1 Since the December Cabinet meeting, the Government has announced the Education Capital settlement for Hertfordshire. The following table summarises this in respect of the authority's externally funded programme.

	2003/04 £ million
Basic Need (2001/02 to 2003/04)	7.312
New Deal for Schools Modernisation *	6.279
New Deal for Schools Condition Grant *	6.894
Nurseries in disadvantaged areas	0.394
New Deal for Schools Seed Challenge Grant	1.238
New Deal for Schools Devolved Formula Grant *	12.584
Total	34.701

* includes non VA schools and LEA liability for VA schools

In addition, Personal Social Services Capital Grants have been announced for Hertfordshire as follows:

	2003/04 £ million
Personal Social Services Capital Grants	
Children's Services: ICT for Looked After Children	0.135
Improving Information Management	0.386
Total	0.521

The impact of this is to increase the CSF 2003/04 externally funded programme from the estimate of £32.637 million to £34.990 million and the ACS 2003/04 externally

funded programme from £486,000 to £718,000. Revised sheets updating the externally funded capital programme for Adult Care Services and Children, Schools and Families are attached at Appendix 3.

- 5.2 The proposed capital programme as set out in the minutes of the December Cabinet meeting would leave £400,000 of the estimated available capital resources for 2003/04 (reported in the December Cabinet report) unallocated. In addition, the Government has also recently confirmed that it is making available a grant of £1.6 million in 2003/04 towards the cost of the closure of Norton School. The impact of these items on the proposed capital programme will need to be considered.
- 5.3 A summary of the capital programme proposed by December Cabinet and updated for information in paragraphs 5.1 and 5.2 is attached at Appendix 3.

ADULT CARE SERVICES

Comments:

The Committee welcomed (i) the increase in resources for Adult Care Services which this Committee has long desired and (ii) the move closer to the Formula Spending Share (FSS) but note that our spend is still below the standard.

Recommendations to Cabinet

- (a) Whilst welcoming the flexibility the Comprehensive Performance Assessment (CPA) excellent rating gives the County Council on ring-fenced grants, the Committee wish to strongly urge the Cabinet to ensure that these monies are allocated in their entirety to meet Adult Care Services objectives and targets.
- (b) The Committee supports the allocation of £3m growth reflecting the issues raised in the Social Services Inspectorate's report and, in particular welcome the £1m to be included into preventative care to promote independence and help elderly people live in their own homes for which proposals will be reported at a later date.
- (c) Capital Budget

The Committee noted the Capital Budget and recorded concern about the importance of securing funding for Jubilee and Marsh Lane Resource Centres as these are crucial to the implementation of the Physical and Sensory Disability Best Value Review.

COMMUNITY INFORMATION AND PROTECTION

Recommendations to Cabinet

The Committee wished to make the following comments to Cabinet regarding the process of budget scrutiny:

- (a) That the Committee felt unable to scrutinise effectively the outcome of the budget decision when they had not been provided with details of those options that had been considered but later rejected.
- (b) That the Committee unanimously agreed that scrutiny could be more helpful and effective if the Committee had been involved at an earlier stage of the budget setting process.
- (c) That the Committee support the growth item for hand held fireground radios as a service improvement and health and safety requirement.

ENVIRONMENT

Recommendations to Cabinet

- (a) The Committee broadly welcomed the overall budget, but made a number of significant comments.
- (b) The Committee welcomed the significant increase in resources for road and footway improvements.
- (c) The Committee welcomed the extra resources for street lighting that will enable the Environment Department to begin to address the problems of the aging lighting infrastructure.
- (d) The Committee in general supported the split of the LTP allocation. However some Members expressed concern that there was a pressing need for improvements to secure better bus services – including the provision of information, and urged the Executive Member to continue to explore every possible option on this front.
- (e) Concern was expressed that the Executive Member and Director should continue to rigorously pursue efficiency savings in all areas of the department. The particular example of contractor working practices was highlighted.
- (f) The Committee asked the Director to keep under review the resources required to input into Local Plans and noted that a BVR was underway to consider staff resources following enactment of the new Planning Bill.
- (g) The Committee expressed concern over the demands on the Council caused by climatic change – in particular flood alleviation.
- (h) The Committee recognised the work that has been done through the Waste Strategy. However the Committee felt that action on a national level to limit packaging is required to address this issue and urged the Director and Executive Member (and indeed all of us) to continue to press for change at every opportunity.

CHILDREN SCHOOLS AND FAMILIES

To be provided at the meeting.

**PROPOSED CAPITAL PROGRAMME 2003/04 – 2005/06
ADULT CARE SERVICES**

Scheme	Total Scheme Cost £'000	2003/04 £'000	2004/05 £'000	2005/06 £'000	Subsequent Years £'000
<u>General Programme Schemes</u>					
Jubilee Day Centre, St Albans – Reprovision	1,095		250	750	95
County Wide Learning		150			
Disabilities Hostel Reprovision					
Enhance Network Links to ACS sites	960	250	265	225	
Gypsy sites (see also external funding)	648	162			
DDA Work	300	150	150		
Marsh Lane Resource Centre, Ware – Reprovision	1,251	125			1,126
Minor Works to support maintenance backlog following condition survey		341	100	100	100
Total General Programme	4,254	1,178	765	1,075	1,321
<u>Self-financing Schemes</u>					
Dacorum Project (inc. Berkhamsted Day Centre) ¹	680	680			
Balmoral Day Centre – Watford ¹	1,800	1,800			
Total Self Financing Programme	2,480	2,480			
<u>Externally Funded Schemes²</u>					
Gypsy Sites (see also general funded schemes)	648	486			
DoH Grant					
- Improving information Management	232	232			
Total External Programme	880	718			
Total Programme	7,614	4,376	765	1,075	1,321

Note

¹ A Cabinet report will be required to agree the principles and management arrangements of these schemes.

² The externally funded schemes have been revised to include a DoH Capital Grant.

**PROPOSED CAPITAL PROGRAMME 2003/04 – 2005/06
CHILDREN, SCHOOLS AND FAMILIES**

Scheme	Total Scheme Cost £'000	2003/04 £'000	2004/05 £'000	2005/06 £'000	Subsequent Years £'000
<u>Externally Funded Schemes¹</u>					
Standards Fund Grants:					
SF604 NDS Devolved Formula ²	12,584	12,584			
SF605 NDS Seed Challenge ²	1,238	1,238			
SF611 NDS Condition Funding ²	6,894	6,894			
SF614 Nurseries in Disadvantaged Areas	394	394			
Letchworth Secondary Reorganisation	1,600	1,600			
DoH Grant					
- IT for Looked After Children	135	135			
- Improving Information Management	154	154			
Earmarked Basic Credit Approvals:					
Schools Access Initiative 2003/04	1,831	1,831			
Basic Need and expansion of popular schools 2003/04 Approvals	3,591	251	1,904	1,436	
Basic Needs 2002/03 Approvals:					
Stevenage Secondaries	1,633	865	653		
Buntingford & Puckeridge Secondaries	774	410	310		
St Albans Secondaries	2,045	1,084	818		
Harpenden Secondaries	261	138	104		
Tring Secondaries	1,876	995	751		
Basic Need 2001/02 Approvals:					
St Albans Secondaries	2,070	828			
Bushy Primaries	531	212			
Cheshunt Secondaries	159	64			
Sandon	114	46			
Harpenden Secondaries	1,471	588			
Specialist Schools Capital³					

**PROPOSED CAPITAL PROGRAMME 2003/04 – 2005/06
CHILDREN, SCHOOLS AND FAMILIES**

Scheme	Total Scheme Cost £'000	2003/04 £'000	2004/05 £'000	2005/06 £'000	Subsequent Years £'000
Supplementary Credit Approvals:					
NDS Modernisation Fund	10,071	6,279			
Total External Programme	49,426	36,590	4,540	1,436	
Total Programme	95,302	53,376	13,656	5,108	402

Notes

- ¹ All figures shown above, apart from 2001/2002 and 2002/2003 Basic Need Approvals, have been revised in the light of Capital Funding Announcements received after the December 2002 Cabinet Report was written.
- ² Figures shown above include LEA liability for Voluntary Aided (VA) schools but do not include the grant paid directly to them.
- ³ A number of schools are expected to submit bids for specialist school capital funding and each successful school will receive a maximum of £100,000.