

**HERTFORDSHIRE COUNTY COUNCIL
RESOURCES, PROSPERITY,
PARTNERSHIP AND CONSULTATION
SCRUTINY COMMITTEE
23RD JANUARY 2003 at 10.45 a.m.**

CORPORATE SERVICES PROPOSED RESOURCE BUDGET 2003/04 – 2006/07

Report of Corporate Services Chief Officers

Author:- Alison Cannur (01992 555457)

Executive Member:- David Beatty

1. Purpose of the report

- 1.1 To scrutinise the proposals on the revenue budget and capital programme made by Cabinet at its meeting on 19 December (attached at Appendix 1). These are for a revenue budget of £11.769 million for the Corporate Services portfolio in 2003/04 as detailed at Appendices 2, Capital schemes of £2.454 million as detailed at Appendix 3, annual provisions of £1,104 million as detailed at Appendix 4 and proposals of £0.9 million for additional revenue spending as detailed in Appendix 1 (proposal 1(2)).
- 1.2 To make recommendations as appropriate. These will be considered by Cabinet on 27 January, along with the latest information on resources and the outstanding uncertainties. The County Council will agree the budget and council tax level on 13 February.

2. Proposals For Additional Spending

These proposals are put forward for discussion in relation to Cabinet proposal 1.2. (Appendix 1).

Crime Prevention

2.1 Rural Mobile Neighbourhood Warden Teams

To build on the existing urban based schemes (wardens and Police Community Support Officers) by providing a rural mobile warden service. The range of warden responsibilities could include:-

- 1) Disrupting youth related disorder that could lead to offending.
- 2) Providing a high visibility presence, thereby promoting public reassurance.
- 3) Reporting incidences of criminal damage, graffiti, fly-tipping, abandoned vehicles.

- 4) Liaising with local community groups and resolving concerns where they can, and signposting to relevant agencies for further assistance.

The team would be uniformed and supplied with mobile phones/pagers in order to maintain contact with Police/CCTV Control Centres/Housing departments and other relevant services. Each team would cost £110,000 (plus set up costs) with the suggestion that 4 teams are implemented.

2.2 Reduce Alcohol Related Violence/Disorder

There is an urgent need to implement a countywide co-ordinated approach to dealing with alcohol related crime. Communities see disrupting the adverse influence of excessive alcohol usage as a high priority. The current Home Office funding streams focus on the drugs misuse agenda but specifically exclude alcohol related projects. Therefore, potential projects would include:-

- Improved rehabilitation/treatment services across the county
- Reducing the number of alcohol influenced offenders in the criminal justice system
- Strengthening the support arrangements for pub watch/town centre management operations & door registration systems.

2.3 Countywide Handy Van Scheme

A handy van provides assistance to vulnerable individuals, including the elderly and disabled who have been, or are likely to be, victims of crime. Services provided by a handy van scheme vary but include the fitting of locks/bolts and other target hardening measures, as well as other minor DIY jobs. This proposal, building on three existing schemes currently working out of Watford, St Albans and Broxbourne would widen the coverage of service to a countywide basis. User surveys undertaken by the managers of the three existing schemes have shown high levels of satisfaction.

APPENDIX 1

CABINET – 19 DECEMBER 2002

COUNTY COUNCIL RESOURCE BUDGET 2003/04 TO 2006/07

Proposals

1. That:

- (1) The following budget is proposed in order to avoid cuts in services and to reinstate year on year cash reductions in Standards Fund grants for Schools and LTP resources:

	£m	% Council Tax Increase
*Base Budget 2003/04	942.857	12.9
Make good schools and LEA cash losses from Standards Fund changes	5.900	
Provide funding to cover reduced LTP allocation for roads maintenance	<u>2.650</u>	
	951.407	15.7

*Standstill less efficiencies + Education FSS passporting.

to produce a proposed best value budget as set out below:

	2003/04 Proposed Budget	
	£m	
Adult Care Services		173.837
Children, Schools and Families		671.912
Community Information		19.639
Corporate Services		11.769
Environment		94.432
Protection		
Fire & Rescue	33.338	
Coroners	0.808	
Emergency Planning	0.276	
Registration	0.734	
Trading Standards	<u>2.458</u>	37.614
Central Items		44.225
Asset Management Revenue Account		<u>(102.021)</u>
		<u>951.407</u>

£m

- (2) In recognition of pressures for improvements in public services the following areas for growth are proposed which Executive Members will discuss in detail with Scrutiny Committees in January:

Adult Care Services

- | | |
|--|-----|
| (i) Intermediate, residential and nursery care to cut waiting lists and allow earlier discharge of patients from hospital | 2.0 |
| (ii) Provision of practical housekeeping support for older people with lower dependency levels to enhance their quality of life. | 1.0 |

Resources

- | | |
|--|-----|
| (iii) Youth Crime Prevention | |
| - Mobile Neighbourhood Warden Teams | 0.4 |
| - Alcohol related violence programme | 0.4 |
| - Countywide mobile support for victims of crime | 0.1 |

Children, Schools and Families

- | | |
|---|-----|
| (iv) Implementing CSF behavioural strategy | 2.0 |
| (v) Support for families with vulnerable children | 0.5 |

Environment

- | | |
|----------------------------------|-----|
| (vi) Maintenance and Improvement | |
| - Road and footway improvement | 1.7 |
| - Road lighting improvements | 0.8 |

Fire

- | | |
|-----------------------------------|-----|
| (vii) Hand held fireground radios | 0.1 |
|-----------------------------------|-----|

2. That the Environment Scrutiny Committee and Transport Panel analyse the LTP and that the Director of Environment includes a recommended allocation in his report to the March meeting of the Cabinet on the Integrated Works Programme.
3. That the Executive Member for Children, Schools and Families takes forward any implications arising in respect of the Education Capital settlement and raises them for consideration by the Children, Schools and Families Scrutiny Committee.
4. That the Capital Programme for 2003/04 – 2005/06 be approved as set out in the attached schedules (Appendix 2 attached), including the annual provisions set out in Appendix 10 of the report (Appendix 3 attached).

5. That the Finance Director be authorised to borrow on behalf of the County Council for the year ending 31 March 2004 such amounts as are required to meet approved capital expenditure within the limits of the basic and supplementary credit approvals received; the amounts to be borrowed for periods which will not result in the overall borrowing limit of £250 million being exceeded, and of which no more than £100 million shall be short term and 30% with variable interest rate terms.

5. That vehicles and equipment up to a value of £3.5 million be purchased by the County Council in the year ending 31 March 2003, the total cost of which to be financed by entering into operating lease agreements as defined by Regulation 20 of the Local Authorities (Capital Finance) Regulations 1997, with the County Council acting as lessee.

PORTFOLIO: CORPORATE SERVICES

PROPOSED RESOURCE BUDGET 2003/04 – 2006/07

Chief Officers / Heads of Function :

- Bill Ogle, Chief Executive (01992 555600)**
- Andrew Laycock, County Secretary (01992 555500)**
- Chris Sweeney, Finance Director (01992 555304)**
- Alan Warner, Corporate Director, People & Property (01992 556650)**
- Anne Fisher, Assistant Chief Executive (01992 558690)**
- Clare Kaye, Assistant Chief Executive (01992 555300)**

Contact for queries: Alison Cannur (01992 555457)

This Appendix outlines details of the proposals for a revenue budget of £11.769 million (on a best value accounting basis).

APPENDIX 2 – CONTENTS

- A Revenue Budget 2003/04 – 2006/07 and Movement from Current Year’s Budget**
- B Pressures for Change**
- C Savings**

APPENDIX 2A

**REVENUE BUDGET 2003/04 – 2006/07
AND MOVEMENT FROM CURRENT YEAR'S BUDGET**

	2003/04	2004/05	2005/06	2006/07
	£'000	£'000	£'000	£'000
2002/03 Original Budget	10,093	10,093	10,093	10,093
Technical Adjustments 2002/03	253	253	253	253
2002/03 Adjusted Budget	10,346	10,346	10,346	10,346
Technical Adjustments 2003/04	(291)	(291)	(291)	(291)
Inflation	783	783	783	783
Pressures for Change:				
<i>Previous Policy Decisions</i>				
1. Loss of income from pending disposal of Offley Place	42	42	42	42
<i>Full Year Effect of Previous Efficiencies</i>				
1. Single Status	(4)	(6)	(6)	(6)
<i>Other Pressures</i>				
1. Local Government Pension Scheme	117	117	117	117
2. Increments	97	159	177	196
3. Revenue Effects of Capital	(40)	(10)	(10)	(10)
4. Capital Payback	105	105	105	105
5. Retendering Property Services Contract	(228)	(228)	(228)	(228)
6. Single Status -Assimilation of Manual Worker Grades	1	2	3	3
7. Business Rates	(32)	2	2	2
<i>Cashable Efficiency Savings</i>				
1. Corporate Services office expenses/fees	(79)	(79)	(79)	(79)
2. Herts Property	(20)	(20)	(20)	(20)
3. Civic Buildings	(24)	(24)	(24)	(24)
4. Staff Housing	(11)	(11)	(11)	(11)
5. Corporate Finance/Provisions	(19)	(19)	(19)	(19)
6. Additional income	(20)	(20)	(20)	(20)
7. Staff Restructuring	(7)	(7)	(7)	(7)
2003/04 STANDSTILL BUDGET	10,716	10,841	10,860	10,879
Capital Charges	1,053	1,053	1,053	1,053
2003/04 BEST VALUE BUDGET	11,769	11,894	11,913	11,932

PRESSURES FOR CHANGE

Previous Policy Decisions

1. <u>Loss of income from pending disposal of Offley Place</u>		
The reduction in business pending and following disposal of Offley Place means that the budget surplus will not be achieved in 2003/04, or in subsequent years.	+ £42,000	2003/04 onwards

Full Year Effect of Previous Efficiencies1. Single Status Savings

Savings arising from the implementation of the single status package from 1 July 2000.	- £4,000	2003/04
	- £6,000	2004/05 onwards

Other Pressures1. Local Government Pension Scheme

Estimated costs of the increase in employers' contribution to the Local Government Pension scheme.	+ £117,000	2003/04 onwards
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2. Increments

Increased pay costs due to incremental progression of staff.	+ £97,000	2003/04
	+ £159,000	2004/05
	+ £177,000	2005/06
	+ £196,000	2006/07

3. Revenue Effects of Capital

These are the revenue consequences of undertaking capital works within the agreed capital programme.	- £40,000	2003/04
	- £10,000	2004/05 onwards

4. Capital Payback

Payback associated with the general capital programme.	+ £105,000	2003/04 onwards
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5. Retendering Property Services Contract

The costs incurred in retendering the contract were one-off and related to 2002/03 only.	- £228,000	2003/04 onwards
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6. Single Status – Assimilation of Manual Worker Grades

Costs arising from the assimilation of former manual workers onto the existing HCC grading scheme as part of the national single status agreement.	+ £1,000	2003/04
	+ £2,000	2004/05
	+ £3,000	2005/06 onwards

7. Business Rates

Estimated additional costs arising from the 2000 revaluation of property for rating purposes.	- £32,000	2003/04
	+ £2,000	2004/05 onwards

SAVINGS

Cashable Efficiency Savings

1. <u>Corporate Services</u> Savings will be made across all corporate services budgets, including office expenses, professional and miscellaneous fees, and training budgets.	-£79,000	2003/04 onwards
2. <u>Herts Property</u> Following the renewal of the property contract and the transition to new services providers, this saving will be achieved by making efficiencies in the use of the consultancy budget within Hertfordshire Property.	-£20,000	2003/04 onwards
3. <u>Civic Buildings</u> It is anticipated that efficiency savings of this order can be made in the costs of Facilities Management following the transfer of this service back in-house.	-£24,000	2003/04 onwards
4. <u>Staff Housing</u> Savings are being made on management fees and repairs and maintenance for the staff housing pool, partly due to the reduced number of properties. A saving of £11,000 is achievable.	-£11,000	2003/04 onwards
5. <u>Corporate Finance</u> It is anticipated that a further £19,000 net interest can be gained on cash flow savings by submitting the VAT returns electronically rather than manually. This ensures that the VAT reclaims are made even more quickly each month.	-£19,000	2003/04 onwards
6. <u>Generation of additional income</u> Additional external income, can be generated from the Money Advice Unit; training courses and advice contracts with external agencies, from County Secretarys; the Planning and Highways agreement and from County Personnel.	-£20,000	2003/04 onwards
7. <u>Staff Restructuring</u> As a result of vacancies within the Audit Section, staff restructuring has generated additional savings.	-£7,000	2003/04 onwards

Non-cashable Efficiency Savings

1. Connect

By utilising the knowledge base developed and enhanced through the new intranet, Connect, we will enable people to self serve their queries and issues more often. This will free up at least 0.7% of officer time which amounts to £90,000 of efficiency saving.

- £90,000

2003/04
onwards

CORPORATE SERVICES

Scheme	Total Scheme Cost £'000	2003/04 £'000	2004/05 £'000	2005/06 £'000	Subsequent Years £'000
<u>General Programme Schemes</u>					
Corporate Finance and HR Systems	2,043	1,116	142		
Windows 2000	1,677				1,677
County Hall Replacement Chillers	448	448			
County Hall Reception/Logis Central and Shared: Disability					250
Discrimination Act	945	300	200	200	245
Council Chamber Sound System	90	90			
Off site storage of paper records	54				54
Starter home initiative – housing scheme		500	500	500	500
Total General Programme	5,577	2,454	1,162	700	2,726

Capital Programme: Annual Provisions

Service Priority Band	Scheme Description and Location	Individual Projects over £50,000?	2003/04 £'000	2004/05 £'000	2005/06 £'000	2006/07 £'000	Subsequent Years £'000
CORPORATE SERVICES							
1	Email resilience and monitoring	y	80	80	80	80	80
1	Establish & deploy a single electronic directory	y	60	60	60	60	60
1	centralised server backup	y	50	50	50	50	50
1	Predictive analysis software tools	y	55	55	55	55	55
1	Server upgrades	y	60	60	60	60	60
1	Minor works - corporate ICT infrastructure	n	52	52	52	52	52
1	Land Purchase, Feasibility Studies & Rationalisation Schemes	n	235	235	235	235	235
1	Development Opportunities Fund	n	106	106	106	106	106
1	Energy Conservation	n	193	193	193	193	193
1	Civic Buildings	n	90	90	90	90	90
1	Health and Safety	n	123	123	123	123	123
Service Total			1,104	1,104	1,104	1,104	1,104