

HERTFORDSHIRE COUNTY COUNCIL

REPORT OF THE POLICY COMMITTEE 27 JANUARY 2000

NOTE: The report to the Policy Committee on the County Council's Budget and Local Performance Plan (item 4 on the agenda for their meeting on 27 January) was sent to all members of the County Council. The other reports mentioned below have been sent to members of the Policy Committee and other members who have requested them. Further copies are available from Janet Purcell, Room 222, County Secretary's Department, County Hall, Hertford.

1. COUNTY COUNCIL'S REVENUE AND CAPITAL BUDGETS AND LOCAL PERFORMANCE PLAN 2000/01

(See also supplementary report of the Corporate Director (Strategy) and the Chief Financial Officer – to follow - paragraph 1.1.8 refers)

1.1 Background

- 1.1.1 This is the first year in which the County Council has to produce a Local Performance Plan, which covers all its activities, sets targets for performance and the Council's priorities for the future. The Policy Committee decided that such issues should be addressed in conjunction with resources available to deliver on those targets and priorities, and thus have aimed to bring together the consideration of the LPP with the resources budgets for capital and revenue. This report, including the recommendations of the 27 January Policy Committee, is the final stage in the process, which has been the subject of a number of reports to the Policy Committee and other Committees since last June.
- 1.1.2 The Policy Committee have received and considered various reports since last June, providing information about a strategy for the 2000/01 budget and beyond. The Resource Budget which has been developed includes both revenue and capital budgets.
- 1.1.3 On 16 December 1999 the Committee set guideline revenue budget figures for service committees to use when developing their recommended budgets in January. These targets were shaped by the provisional spending allocations provided by Central Government, and forward projections of the budget pressures faced by the County Council. Service Committee recommendations to meet the revenue guideline figures were reported back to, and considered by the Committee on 27 January together with the latest information then available about resources, pay inflation, council tax levels and reserves. At that meeting the Capital Programme recommended by the Capital Panel was also considered.

- 1.1.4 The Council Tax increase and consequent increase in the budget requirement will be scrutinised by the Government when they consider whether to exercise capping powers. They will also look at the cumulative increase over 1999/00 and 2000/01. Although the criteria for capping are not known, available information suggests that of the Council Tax options included in the public consultation, a rise of 7.7% would be considered excessive and 7% would be questionable.
- 1.1.5 On the basis of this information the Policy Committee propose a budget which would result in:-
- A revenue budget of £790.4 million,
 - The establishment of a maintenance reserve for capital purposes of £2.2 million,
 - A contribution to council tax benefit costs of £1.5 million,
 - A capital programme (excluding annual provisions) of £43.0 million in 2000/01, including County Funded capital expenditure of £9.1 million,
 - Estimated general reserves (excluding school reserves) as at 31 March 2000 of £12.0 million,
 - A Council Tax increase of 6.5%,
 - Capitalisation of £3 million of Annual Provisions
- 1.1.6 The Committee, in agreeing their recommendations, also agreed that the Chief Executive contact DETR to explain the local circumstances behind the decision of this committee to recommend a 6.5% increase in Council Tax to allow DETR to comment before the Council meeting and, in the course of this, to raise the issue of the insufficiency of Social Services SSA to meet the costs of services to people with learning disabilities.
- 1.1.7 This report summarises the information considered by the Committee. Detailed information is contained in the full report, which was circulated to all members, and in the budget reports considered by the Service Committees during the last cycle.

These recommendations also take into account the information available to the Policy Committee on the consultation exercise on the Council's budget and priorities, and incorporate consideration of the LPP.

- 1.1.8 A supplementary officer report will follow which will
- give a full breakdown on the consultation exercise
 - enclose the final version of the LPP, including amendments made since the Committee meeting by the Chief Executive, in consultation with the Chairman of the Policy Committee and the Opposition Policy Spokesman.
 - update the Council on budget related issues that have arisen since Policy Committee, including information on pay awards, the final SSA settlement and the level of council tax.

1.2 Consultation

The public consultation strategy combined four main elements:-

- (a) The household leaflet/questionnaire
- (b) The Citizens' Panel Survey
- (c) The Citizens' Workshop
- (d) The Staff Workshop

Full results of the workshops and the citizens' panel survey (and initial results of the household exercise) were reported to the Committee on 17 December. An appendix including these results was also prepared for all Service Committees.

A final and complete report on the consultation exercise will be presented to the Council on 15 February, by which time all results will have been analysed.

1.3 The Budget recommended by Policy Committee

1.3.1 The Committee's recommendations are contained in section 1.7 of this report.

Recommendation 1 sets out the proposed revenue budgets for each committee including central items and the cost of council tax benefit.

Recommendations 2, 8 and 9 are broadly technical.

Recommendation 3 proposes a council tax increase of 6.5%.

Recommendation 4 proposes the approval of Education carry forward requests.

Recommendation 5 proposes approval of the Capital Programme (Appendix 4 of this report), and recommendation 6 proposes £3 million of capital resources remain unallocated at this stage.

Recommendation 7 agrees the County Council's response to the DETR's consultation Paper on the single capital pot.

1.3.2 The recommendations lead to a revenue budget of £790.354 million, excluding Council Tax benefit costs and including the establishment of a maintenance reserve for capital purposes of £2.2 million. This is supported by the capitalisation of £3 million of Annual Provisions and £1.1 million from the Gateway provision brought forward. At this budget the contribution to council tax benefit costs would be £1.538 million. Recommended Committee budgets are shown in Table 1 below.

Table 1: Recommended Revenue Budget

	£'000
Education	471,778
Environment	63,541
Information Access	16,250
Policy	10,288
Protection Services	30,000
Social Services (net of grants)	170,258
Central Items	26,039
Appropriation to Maintenance Reserve	2,200
	790,354
Capitalisation of Annual Provisions	(3,000)
Charged to Gateway provision brought forward	(1,123)
Council Tax Benefit	1,538

787,769

- 1.3.3 The recommended revenue budget for 2000/01 is shown in Appendix 1 in the usual County Fund Summary format. The recommended budget of £790,354 million represents an increase of 44.6 million or 5.9% over the current year (after making adjustments for changes in funding, and excluding the contribution to council tax benefit costs).
- 1.3.4 Table 2 below analyses the change between the adjusted budget 1999/00 and the proposed budget for 2000/01.

Table 2 : Revenue Budget Movement Statement 1999/00 to 2000/01

	£'000	£'000	Change on Adjusted Budget
Original Budget 1999/00		745,662	
Technical Adjustments 1999/00		<u>339</u>	
Adjusted Budget 1999/00		<u>746,001</u>	
Technical Adjustments 2000/01		7,354	1.0%
Inflation:			
Full year Effect of 1999/00 pay awards	42		
Part Year effect of 2000/01 pay awards	13,141		
Price Inflation	6,080	19,263	2.6%
Pressures for change		16,348	2.2%
Grants		(7,948)	(1.1%)
Efficiency Savings		(3,146)	(0.4%)
Service Reductions		(860)	(0.1%)
Growth		11,142	1.5%
Contribution to Reserves		2,200	0.3%
Original Budget 2000/01		790,354	5.9%
Capitalisation of Annual Provisions		(3,000)	(0.4%)
Charged to Gateway provision brought forward		(1,123)	(0.2%)
Contribution to council tax benefit		1,538	0.2%
Budget for council tax purposes		787,769	5.6%

- 1.3.5 The budget as currently constructed makes provision for 3% pay awards for all pay groups. The settlement of the teachers' award will be announced shortly after the meeting of the Committee on 27 January and details will be set out in the supplementary officer report referred to at 1.1.8 above. The County Council will need to agree how to deal with the budget implications of that award.

- 1.3.6 The Policy Committee on 16 December 1999 agreed that provision for pay awards be held centrally until awards are known. Following the announcement of the teachers' pay award, the final allocation to schools can be made and reflected in the budget of locally managed schools and GM schools.
- 1.3.7 Table 3 below analyses the increase between the adjusted 1999/00 budget and the original budget 2000/01 by committee on the basis that provision for 2000/01 pay awards will be allocated to services during the year on the current estimated basis. A more detailed analysis is provided in Appendix 2. Appendix 3 shows the pressures for change and recommended efficiency savings, service reductions and growth items for 2000/01.

Table 3 : Change in Revenue Committee Budgets 1999/00 to 2000/01

Committee:	£'000	%
Education	24,910	5.6
Environment	1,599	2.6
Information Access	874	5.7
Policy	272	2.7
Protection Services	1,673	5.9
Social Services	10,451	6.5
Central Items	<u>2,374</u>	10.0
	42,153	

- 1.3.8 The recommended Capital Programme is set out in Appendix 4.

1.4 Impact on Future Years

- 1.4.1 This section compares expenditure levels resulting from the recommended budget, with resource estimates to indicate the level at which council tax increases and the use of reserves need to be used to support the revenue expenditure in 2000/01. It also examines the longer term outlook for expenditure and resources.
- 4.2 Table 4 overleaf compares the recommended revenue budget with the provisional SSA. This shows, in the absence of any further changes, the extent to which council tax increases, reserves and capital resources will be used to support the revenue budget in 2000/01.

Table 4 : Comparison of Recommended Revenue Budget to Resources 2000/01

	Revenue Budget £'000
Recommended Revenue Budget*	790,354
Provisional SSA	762,921
Difference	<u>27,433</u>
Funded by:	
Council Tax	23,310
Capitalisation of Annual Provisions	3,000
Gateway Provision brought forward	1,123
	<u>27,433</u>

* excluding council tax benefit costs

- 1.4.3 Table 5 below projects the resource budget recommended by the Policy Committee over the next three years and compares the outcome with forecast resources. Pressures for additional spending in future years arise from demographic pressures, particularly within Education and Social Services, increasing costs of employers' pension fund contributions and pay and price inflation, which has assumed to be 2.5% per year.

Table 5 – Comparison of Projected Revenue and Expenditure and Resource Estimates

	2001/02	2002/03	2003/04
	£m	£m	£m
Revenue Expenditure (including Education growth)	827.9	867.1	906.5
Resources:			
SSA	800.6	833.0	866.9
Capitalisation of Annual Provisions	3.0	3.0	3.0
Council Tax above SSA	<u>22.7</u>	<u>22.7</u>	<u>22.7</u>
	826.3	858.7	892.6
Difference	1.6	8.4	13.9

- 1.4.4 Sustainability of the budget in future years depends on expenditure projections, the level of reserves and central Government spending allocations. The resource forecast shown in Table 5 assumes annual increases in SSA in 2001/02 in line with the statements made in the Comprehensive Spending Review, while the projections for 2002/03 and 2003/04 are based on increases of 5% for the Education SSA and 2.5% for other SSA subblocks.
- 1.4.5 Table 6 below shows the forecast capital resources and expenditure. This assumes the ongoing use of £3 million of capital resources a year to fund annual provisions

Table 6 – Comparison of Projected Capital Resources and Expenditure

	2000/01	2001/02	2002/03
	£m	£m	£m
Total Available Capital Resources	9.1	8.9	8.9
Capital Expenditure	9.1	8.9	5.9
Difference	-	-	3.0

1.5 Impact on Council Tax Payers

- 1.5.1 With a recommended budget set at £790.4 million and assuming a collection fund surplus of £3.3 million, the Band D Council Tax for County Services would be £619.20, an increase of 6.5% or £37.80 over the current year.

1.6 Local Performance Plan

- 1.6.1 The Committee have approved the Local Performance Plan, subject to any amendments which may be made by the Chief Executive in consultation with the Chairman of the Policy Committee and the Opposition Policy Spokesman. The Plan, with such amendments (and improved in presentation) will be circulated to all members with the supplementary officer report referred to in 1.1.8.
- 1.6.2 The LPP must contain certain prescribed information, is subject to external audit, and the first one must be published by 31 March 2000. A 3-tier approach has been taken to the LPP, to ensure a close connection between the top priorities chosen by members, ongoing operational services, the financial and legal parameters of the Council, and public accessibility to the Plan. The three elements are:
- (a) The 'raft of plans' produced by services. Some of these are statutory (eg the Education Development Plan). Some are bidding documents (eg the Local Transport Plan). All contain relevant performance information and have been subject to significant consultation in their own right.
 - (b) The LPP itself, as a single document conforming to government guidance. Inevitably this is a lengthy publication, even with extensive signposting to the service plans, and will be of primary interest to stakeholder and partner organisations
 - (c) A 'summary of the plan', which highlights the Council's key priorities, is widely distributed and signposts the other 2 elements.
- 1.6.3 The District Auditor has been closely involved in all the preparation of the LPP, and is satisfied with progress to date.

1.7 RECOMMENDATIONS

1. That the revenue budgets for 2000/01 proposed by service committees and set out in Appendices 1 and 3 of the report be agreed, subject to:
 - i) a reduction in the central contingency of £170,000 to reflect the forecast reduction in capital financing costs.
 - ii) additional funding of £74,000 being approved for new regional planning.
 - iii) additional provision of £2.2 million to establish a new capital reserve for highways maintenance; the spending programme for which will be prepared by the Capital Panel and the allocations from the reserve agreed by the Chief Financial Officer following consultation with the Capital Panel.
 - iv) a contribution to council tax benefit costs of £1,538,000.

to produce a budget as set out below:

	£'000
Education	471,778
Social Services	177,706
Social Services Grants	(7,448)
Environment	63,541
Protection Services	30,000
Information Access	16,250
Policy	10,288
Central Items	26,039
Appropriation to Maintenance Reserve	2,200
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	790,354
Capitalisation of Annual Provisions	(3,000)
Charged to Gateway provision brought forward	(1,123)
Council Tax Benefit	1,538
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Budget for council tax purposes	787,769

2. That the provisions for 2000/01 pay awards be made at 3% and delegated to service committees when the awards are known.
3. That, to support the proposed expenditure proposals, a council tax increase of 6.5% be agreed.
4. That the following carry forward requests made by the Education Committee be approved:
 - i) the underspend of £200,000 in the MECSS.
 - ii) the £350,000 underspend relating to Additional Welfare and Tuition to be used in 2000/2001 to meet urgent expenditure arising from the OFSTED report on the LEA.
5. That the Capital Programme recommended by the Capital Panel as set out in Appendix 4 be approved.
6. That £3 million of estimated capital resources available in 2002/03 be held back to cover potentially large capital requirements that may emerge.
7. That the County Council response to the DETR's consultation on the introduction of the Single Capital Pot be agreed.
8. That the Chief Financial Officer be authorised to borrow on behalf of the County Council for the year ending 31 March 2001 such amounts as are required to meet approved capital expenditure within the limits of the basic and supplementary credit approvals received, such amounts to be borrowed for periods which will not result in the overall borrowing limit of £150 million being exceeded, and of which no more than £70 million shall be short term and 30% with variable interest rate terms.
9. That vehicles and equipment up to a value of £1.75 million be purchased by the County Council in the year ending 31 March 2001, 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.

COUNTY FUND SUMMARY

	1998/99* ¹ Actual £'000	1999/00* ¹ Original £'000	1999/00* ¹ Latest Approved Budget £'000	2000/01 Original £'000
Education	422,874	446,887	447,133	471,778
Environment	58,026	61,418	62,316	63,541
Information and Access				
Community Information	13,781	14,366	14,635	15,653
Registration Service	550	634	672	597
Committee Total	14,331	15,000	15,307	16,250
Policy	8,365	10,080	11,637	10,288
Protection				
Fire and Rescue	20,787	22,308	22,620	23,103
Fire Pensions	3,027	3,758	3,758	4,329
Coroners' Service	658	582	582	649
Emergency Planning	75	150	193	188
Rent Officer Service	7	1	1	0
Trading Standards	1,491	1,546	1,640	1,731
Committee Total	26,045	28,345	28,794	30,000
Social Services	147,541	160,185	160,268	170,258
Magistrates' Courts	1,053	1,067	1,087	1,066
Probation	1,259	1,294	1,337	1,370
Commissions and Cross Services Issues ^{*2}	1,572	0	0	0
Contingency	0	230	355	1,495
Precepts	6,165	6,526	6,526	6,684
Contribution Reserves provisions)	(624)	0	0	2,200
Capital Financing & Interest on Balances	12,899	14,590	13,856	15,424
Total Revenue Budget	699,506	745,662	748,616	790,354
Capitalisation of Annual Provisions				(3,000)
Charged to Gateway provision brought forward				(1,123)
Council Tax Benefit				1,538
Budget for Council Tax Purposes				787,769

Notes: The figures for 1998/99 and 1999/00 have been adjusted to reflect the changes in committee structure made in May 1999 and October 1999.

- 2) Cross Service Issues budgets have been included in Service Committee figures for 1999/00 onwards.

ANALYSIS OF BUDGET FIGURE SET BY POLICY COMMITTEE ON 27 JANUARY 2000

	Education £ million	Social Services £ million	Environment £ million	Protection Services £ million	Information Access £ million	Policy £ million	Central Items £ million	Total £ million
Original Budget 1999/00	446.9	159.9	61.4	28.3	15.0	9.1	25.1	745.7
Technical Adjustments 1999/00	0.0	0.0	0.5	0.0	0.4	0.9	(1.5)	0.3
Adjusted Budget 1999/00	446.9	159.9	61.9	28.3	15.4	10.0	23.6	746.0
Technical Adjustments 2000/01	(0.3)	7.0	0.2	0.1	0.3	0.0	0.1	7.4
Adjusted Budget 2000/01	446.6	166.9	62.1	28.4	15.7	10.0	23.7	753.4
Inflation	11.3	4.0	1.7	0.6	0.3	0.4	0.9	19.2
Base Budget	457.9	170.9	63.8	29.0	16.0	10.4	24.6	772.6
Service Pressures for Change:								
Previous Policy Decisions	0.5	(0.2)	0.0	0.0	0.0	0.0	0.0	0.3
Legislative Changes	0.3	0.0	(0.2)	0.0	0.0	0.0	0.0	0.1
Demography	3.0	6.0	0.5	0.0	0.0	0.0	0.0	9.5
Other Service Pressures	1.3	1.8	0.4	0.8	0.4	0.2	1.5	6.4
Grants	(0.5)	(7.4)						(7.9)
Sub-Total	4.6	0.2	0.7	0.8	0.4	0.2	1.5	8.4
Efficiency Savings	(1.2)	(0.8)	(0.4)	(0.2)	(0.2)	(0.3)	0.0	(3.1)
Service Reductions	0.0	0.0	(0.8)	0.0	0.0	(0.1)	0.0	(0.9)
Growth	10.5	0.0	0.2	0.4	0.0	0.1	0.0	11.2
Appropriation to Maintenance Reserve								2.2
Resultant Revenue Budget	471.8	170.3	63.5	30.0	16.2	10.3	26.1	790.4
Percentage change between 1999/00	5.6%	6.5%	2.6%	5.9%	5.7%	2.7%	10.0%	5.9%

and 2000/01								
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Revenue Budget 2000/01 – 2001/02
And Movements from Current Year's Budget

EDUCATION COMMITTEE

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	446,887	446,887
Technical Adjustments	(19)	(19)
1999/00 Adjusted Budget	446,868	446,868
Technical Adjustments 2000/01	(294)	(569)
2000/01 Adjusted Budget	446,574	446,299
Inflation	11,342	11,342
Pressures for Change		
<i>Previous Policy Decisions</i>		
1.Jewish Primary Schools	(160)	(160)
2.PC Replacement & Support	(43)	(43)
3.Additional Days	(160)	(160)
4.Workwise	(45)	(116)
5.SEN Units & Bases	40	40
6.SEN Home to School Transport	(50)	(50)
7.SEN Strategy	(60)	(60)
8.Hospital Special Schools	(50)	(50)
9.School Amalgamations	(75)	(75)
10.Early Years Curriculum Policy	1,113	1,101
11.Borehamwood	665	(886)
12.Repairs & Maintenance	<u>(590)</u>	<u>(590)</u>
	585	(1,049)
<i>Demographic Change</i>		
1.Pupil Numbers	<u>3,000</u>	<u>6,000</u>
	3,000	6,000
<i>Legislative Change</i>		
1.Teachers Superannuation	440	440
2.European Working Time Directive	(305)	(305)
3.Under Eights	120	120
4.GM Schools Protection	<u>0</u>	<u>(650)</u>
	255	(395)
<i>Other Pressures</i>		
1.Superannuation – LGPS	370	782
2.Increments	80	101
3.Revenue Effects of Capital	20	20
4.Business Rates	700	700
5.Capital Payback	<u>100</u>	<u>100</u>
	1,270	1,703

Appendix 3 (continued)

Growth		
1.School Budgets	3,933	3,933
2.Standards Fund	4,379	4,379
3.Repairs & Maintenance	1,000	1,000
4.Life Long Learning / Post 16 Collaboration	500	500
5.Developing School Management	250	250
6.Review Process Contingency	<u>400</u>	<u>400</u>
	10,462	10,462
Efficiency savings		
1.MECSS Transition	(260)	(260)
2.Dual Use	(150)	(150)
3.SEN Out County	(200)	(200)
4.SEN Additional Welfare & Tuition	(350)	(350)
5.School Meals	(150)	(150)
6.Severance	<u>(100)</u>	<u>(100)</u>
	(1,210)	(1,210)
Additional Grant Income	(500)	
Resultant budget	471,778	473,152

Revenue Budget 2000/01 – 2001/02
and Movements from Current Year's Budget

ENVIRONMENT COMMITTEE

	2000/01 £000	2001/02 £000
1999/2000 Original Budget	61,418	61,418
Technical Adjustments 1999/2000	524	524
1999/2000 Adjusted Budget	61,942	61,942
Technical Adjustments 2000/01	193	193
2000/01 Adjusted Budget	62,135	62,135
Inflation	1,725	1,725
Base Budget 2000/01	63,860	63,860
Pressures for Change		
<i>Demographic Change</i>		
D1. Domestic Waste Volumes	400	750
D2. Road Lengths	25	50
D3. Child Concessions - Population Increase	<u>40</u>	<u>80</u>
	465	880
<i>Legislative Change</i>		
L1. Electricity at Work Act	(400)	(400)
L2. Countryside Bill	50	150
L3. Public Inquiries	100	100
L4. Preparation for De-Trunking	<u>50</u>	<u>50</u>
	(200)	(100)
<i>Other Pressures</i>		
P1. Revenue Effects of Capital	14	23
P2. Superannuation - Local Government Pension Scheme	91	192
P3. Increments	60	110
P4. Capital Payback	132	188
P5. Lotus Notes	<u>30</u>	<u> </u>
	327	513
Standstill Budget	64,452	65,153
Efficiency Savings		
E1. School Crossing Patrols	(15)	(15)
E2. Aldenham Country Park	(30)	(30)
E3. Winter Maintenance Efficiencies	(50)	(50)
E4. Increased Income (Landfill Tax Credits)	(50)	(50)
E5. Workwise Savings	(70)	(70)
E6. Reduced IT Costs	(80)	(80)
E7. Savings from TSC Contract	<u>(100)</u>	<u>(100)</u>
	(395)	(395)

Appendix 3 (continued)

	2000/01 £000	2001/02 £000
Service Reductions		
R1. Reduced Funding for Passenger Transport Supported Routes	(100)	(100)
R2. Reduced Passenger Transport Access Improvements	(250)	(250)
R3. Rural Estates Moratorium	(60)	(60)
R4. Reduction in Consultation, Preparation and Design	(180)	(180)
	(590)	(590)
Growth		
G1. Structure Plan Review	100	75
G2. Speed and Safety	<u>100</u>	<u>100</u>
	200	175
Service Reductions to Offset Growth		
R5. Further Reduction in Consultation, Preparation and Design	(50)	(50)
R6. Reduce Transport Improvements (incl. Town Centres)	(150)	(150)
	(200)	(200)
Resultant Budget	63,467	64,143

Revenue Budget 2000/01 - 2001/02
and Movements from Current Year's Budget

INFORMATION AND ACCESS – SUMMARY

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	15,000	15,000
Technical Adjustments 1999/00	376	376
1999/00 Adjusted Budget	15,376	15,376
Technical Adjustments 2000/01	276	150
2000/01 Adjusted Budget	15,652	15,526
Inflation	343	343
Pressures for Change		
<i>Previous Policy Decisions</i>		
Registration Service	(34)	(34)
<i>Other Pressures</i>		
Community Information	454	757
Registration Service	24	24
<i>Efficiency Savings</i>		
Community Information	(150)	(150)
Registration Service	(39)	(39)
Resultant budget	16,250	16,427

COMMUNITY INFORMATION

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	14,366	14,366
Technical Adjustments 1999/00	376	376
1999/00 Adjusted Budget	14,742	14,742
Technical Adjustments 2000/01	280	179
2000/01 Adjusted Budget	15,022	14,921
Inflation	327	327
Pressures for Change		
<i>Other Pressures</i>		
P1.Local Government Pension Scheme	69	147
P2.Increments	61	123
P3.Revenue Effects of Capital	98	178
P4.Capital Payback	176	259
P5.Loss of Video Income	50	50
<i>Efficiency Savings</i>		
E1 Travel and Subsistence	(14)	(14)
E2 Hertford Museum	(10)	(10)
E3 Vacancy Management	(126)	(126)
Resultant budget	15,653	15,855

REGISTRATION SERVICE

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	634	634
Technical Adjustments 1999/00		
1999/00 Adjusted Budget	634	634
Technical Adjustments 2000/01	(4)	(29)
2000/01 Adjusted Budget		
Inflation	16	16
Pressures for Change		
<i>Previous Policy Decisions</i>		
P1. Replacement Computers	(64)	(64)
P2. 1998/99 Carry Forward	30	30
<i>Other Pressures</i>		
P3. Local Government Pension Scheme	6	12
P4. Increments	4	7
P5. Revenue Effects of Capital	1	2
P6. Capital Payback	3	3
P7. GRO software year 2000 solution	10	
Efficiency savings		
E1. Additional income	(39)	(39)
Resultant Budget	597	572

Revenue Budget 2000/01 – 2001/2002
and Movements from Current Year's Budget

POLICY

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	9,044	9,044
Technical Adjustments 1999/00	972	972
1999/00 Adjusted Budget	10,016	10,016
Technical Adjustments 2000/01	(5)	(25)
2000/01 Adjusted Budget		
Inflation	332	332
Pressures for Change		
<i>Legislative Change</i>		
P1 Modernising Local Government	60	60
P2 Transfer of Rent Officer function	6	6
<i>Other Pressures</i>		
P3 Superannuation	66	138
P4 Increments	60	95
P5 Health & Safety – outcome of Inspection	10	10
P6 Revenue effects of capital	12	21
P7 Capital payback	26	30
Growth		
G1 PC support for Corporate Services	35	35
G2 Improve internal communications	20	20
G3 Finance Trainees for HCC	25	25
Efficiency savings		
E1 Chairman's allowances	(12)	(12)
E2 Bank & audit charges	(15)	(15)
E3 CPU efficiencies	(30)	(30)
E4 Asset disposals	(16)	(16)
E5 Staff turnover	(13)	(13)
E6 Miscellaneous running costs	(36)	(36)
E7 Chief Exec / DSI staff restructuring	(9)	(9)
E8 Elections	(4)	(4)
E9 Week 53 provision	(12)	(12)
E10 Managed Services	(20)	(20)
E11 Private lease car income	(10)	(10)
E12 Increase external income	(25)	(25)
E13 Commissions & Cross Service Issues	(103)	(103)
Service Reductions		
S1 Property Management budgets	(19)	(19)
S2 Use of consultancy / agency staff	(11)	(11)
S3 Miscellaneous running costs	(7)	(7)
S4 Grants	(3)	(3)
S5 Members' Services	(22)	(22)

S6 Chief Executive's initiatives fund	(8)	(8)
Resultant budget	10,288	10,388

Revenue Budget 2000/01 – 2001/2002
and Movements from Current Year's Budget

PROTECTION COMMITTEE - SUMMARY

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	28,345	28,345
Technical Adjustments 1999/00	(18)	(18)
1999/00 Adjusted Budget	28,327	28,327
Technical Adjustments 2000/01	138	127
2000/01 Adjusted Budget	28,465	28,454
Inflation	538	538
Pressures for Change		
<i>Previous Policy Decisions</i>		
1. Fire Cover Review	(145)	(155)
2. Millennium Funding	(50)	(50)
3. Carry Forward 99/00 underspend	150	150
<i>Legislative Change</i>		
1. Change to Home Office Grant mechanism	26	43
<i>Other Pressures</i>		
1. Superannuation	29	61
2. Increments	19	34
3. Revenue Effects of Capital	(11)	(9)
4. Capital Payback	184	240
5. Loss of rental income from ambulance service	50	100
6. Mortuary Fees	55	55
7. Fire-fighters Pension Scheme deficit	500	500
<i>Growth</i>		
1. Community Fire Safety	250	250
2. Equal Opportunities	40	40
3. Re-instatement premises R&M	50	50
4. Vehicle Maintenance contract	60	60
<i>Efficiency savings</i>		
1. Vehicle fleet maintenance adjustment	(25)	(25)
2. Income generation / Commercial income	(50)	(50)
3. Carry forward from 1999/2000	(135)	
Resultant Budget	30,000	30,286

Revenue Budget 2000/01 – 2001/2002
and Movements from Current Year's Budget

FIRE AND RESCUE

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	22,308	22,308
Technical Adjustments 1999/00		
1999/00 Adjusted Budget	22,308	22,308
Technical Adjustments 2000/01	11	2
2000/01 Adjusted Budget	22,319	22,310
Inflation	401	401
Pressures for Change		
<i>Previous Policy Decisions</i>		
P1 Fire Cover Review	(145)	(155)
P2 Millennium Funding	(50)	(50)
P3 Carry Forward 99/00 underspend	150	150
<i>Other Pressures</i>		
P4 Superannuation	17	36
P5 Revenue Effects of Capital	(12)	(10)
P6 Capital Payback	183	239
P7 Loss of rental income from ambulance service	50	100
<i>Growth</i>		
G1 Community Fire Safety	250	250
G2 Equal Opportunities	40	40
G3 Re-instatement premises R&M	50	50
G4 Vehicle Maintenance contract	60	60
<i>Efficiency savings</i>		
E1 Vehicle fleet maintenance adjustment	(25)	(25)
E2 Income generation / commercial income	(50)	(50)
E3 Carry forward from 1999/2000	(135)	
Resultant Budget	23,103	23,346

Revenue Budget 2000/01 – 2001/2002
and Movements from Current Year's Budget

FIRE PENSIONS

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	3,758	3,758
Technical Adjustments 1999/00		
1999/00 Adjusted Budget	3,758	3,758
Technical Adjustments 2000/01		
Inflation	71	71
Pressures for Change		
<i>Other Pressures</i>		
P1 Fire-fighters Pension Scheme deficit	500	500
Resultant Budget	4,329	4,329

TRADING STANDARDS

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	1,546	1,546
Technical Adjustments 1999/00		
1999/00 Adjusted Budget	1,546	1,546
Technical Adjustments 2000/01	122	122
Inflation	42	42
Pressures for Change		
<i>Other Pressures</i>		
P1 Superannuation	10	20
P2 Increments	11	22
Resultant Budget	1,731	1,752

Revenue Budget 2000/01 – 2001/2002
and Movements from Current Year's Budget

CORONERS SERVICE

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	582	582
Technical Adjustments 1999/00	0	0
1999/00 Adjusted Budget	582	582
Technical Adjustments 2000/01	(2)	(2)
2000/01 Adjusted Budget	580	580
Inflation	14	14
Pressures for Change		
<i>Other Pressures</i>		
P1 Mortuary Fees	55	55
Resultant Budget	649	649

EMERGENCY PLANNING

	2000/01	2001/02
	£000	£000
1999/00 Original Budget	150	150
Technical Adjustments 1999/00	(18)	(18)
1999/00 Adjusted Budget	132	132
Technical Adjustments 2000/01	8	6
2000/01 Adjusted Budget	140	138
Inflation	10	10
Pressures for Change		
<i>Legislative Change</i>		
P1 Change to Home Office grant distribution mechanism	26	43
<i>Other Pressures</i>		
P2 Superannuation	2	5
P3 Increments	8	12
P4 Revenue Effects of Capital	1	1
P5 Capital Payback	1	1
Resultant Budget	188	210

Revenue Budget 2000/01 – 2001/02
and Movements from Current Year's Budget

SOCIAL SERVICES COMMITTEE

	2000/01	2001/02
	£'000	£'000
1999/00 Original Budget	159,835	159,835
Technical Adjustments 1999/00	(28)	(28)
1999/00 Adjusted Budget	159,807	159,807
Technical Adjustments 2000/01	7,090	6,438
2000/01 Adjusted Budget	166,897	166,245
Inflation	4,043	4,043
2000/01 Base Budget	170,940	170,288
<i>Pressures for Change</i>		
<i>Previous Policy Changes</i>		
Externalise EPH's	(150)	(250)
Externalise Home Care	(40)	(500)
<i>Demography</i>		
Children & Families, Learning Disabilities, Elderly and FYE of 1999/00 placements	5,047	10,094
FYE of Grant Schemes	1,001	2,002
<i>Other Pressures</i>		
Superannuation- Local Government Pension Scheme Increments	474	1,001
Revenue Effects of Capital	400	400
Capital Payback	331	564
Joint Finance Taper	118	193
IT Leasing Costs	172	304
IT Leasing Costs	250	250
Standstill Budget	178,543	184,346
Funded from 2000/01 Special and Specific Grants	(7,448)	(7,448)
Standstill Budget after Grant	171,095	176,898
<i>Efficiency Savings and Service Changes</i>		
Transport	(44)	(44)
Charging more for children with Disability, 16-18	(50)	(50)
Overprovision of elderly day care	(75)	(75)
Workwise	(77)	(77)
Review of Charging Policy	(233)	(233)
Quantum Transitional Grant	(108)	(108)
Efficient Commissioning/ Electronic Monitoring	(250)	(250)
Resultant Budget	170,258	176,061

Proposed County Funded Programme 2000/01 - 2002/03

Scheme	Total Scheme Cost £'000	2000/01 £'000	2001/02 £'000	2002/03 £'000	Full Year Revenue Effects £'000
Protection Committee - Fire & Rescue					
IT Upgrades	327	57	55	55	
IT Equipment for Command & Control Centre	420	85	60	60	
Replacement of Operational Uniform	631	251	224		(15)
Essential Operational Equipment	425	139	129	24	
Road Traffic Accident - Essential Operational Equipment	525			175	
Breathing Apparatus Telemetry	100	100			
Service Total	2,428	632	468	314	(15)
Information and Access - Community Information					
DDA Compliance: Furniture and Equipment Phase 2	69	31			8
DDA Compliance: Building Works - Doors and Lifts	164	60	70	24	1
DDA Compliance: Building Works and Facilities	1,156	89	77	77	16
Upgrade of the Communications Network	331	221			113
INTERNET Service Enhancement	150	102			70
CD ROM Network Enhancement/Replacement	150	120			15
Automated Library System Replacement	500	320			50
Service Total	2,520	943	147	101	273
Environment					
Aldenham Country Park – Dam	300	300			
Cheshunt Link Road Land Compensation	300	300			
Rights of Way capital works	195	65	65	65	
Provision of Disabled Crossing Point Facilities	300	100	100	100	
Maintenance of the Highway Asset (LTSM)	3,000	1,000	1,000	1,000	
Street Lighting Planned Replacement Programmes	750	250	250	250	
Service Total	4,845	2,015	1,415	1,415	

Proposed County Funded Programme 2000/01 - 2002/03

Scheme	Total Scheme Cost £'000	2000/01 £'000	2001/02 £'000	2002/03 £'000	Full Year Revenue Effects £'000
Social Services					
Other Learning Disability Schemes - Tannerswood Close	400	150			140
Children with Disabilities - Ripon Road, Stevenage	425	225			470
Learning Disability Hostel - Scarborough House	200	200			70
Learning Disability Residential Provision	1,035	100	400	535	
Service Total	2,060	675	400	535	680
Policy					
Gateway (Customer Services Centre and Website)	3,300	1,162			(400)
Telecomms - Telephone Switch Replacement	558	178			
Telecomms - internet	130	87			56
Telecomms - Data network	700	423		170	129
Telecomms - Workwise	242	158	19	65	60
Service Total	4,930	2,008	19	235	(155)
Education					
1998/99 Design Starts					
Westfield Secondary	180	71			
Verulum Secondary	350	140			
1999/2000 Design Starts					
South-West Herts Secondary places (Francis Coombe)	3,800	339	2,495	700	
Marriotts	500	265	200		
Richard Hale	315	167	126		
Woolgrove MLD	315	167	126		
Woodfield SLD	210	111	84		
Amwell View SLD	500	265	200		
Barnwell	500	265	200		

Proposed County Funded Programme 2000/01 - 2002/03

Scheme	Total Scheme Cost £'000	2000/01 £'000	2001/02 £'000	2002/03 £'000	Full Year Revenue Effects £'000
Education continued					
Broxbourne	263	139	105		
Sandringham	315	167	126		
Cavendish	400	212	160		
Roundwood Park	263	139	105		
Thomas Alleyne's	110	58	44		
2000/01 Design Starts					
Applecroft	140	10	74	56	
Heathcote	120	8	64	48	
Millbrook JM	275	19	146	110	
Prae Wood JMI	170	12	90	68	
Sheredes Secondary	450	32	239	180	
St Albans Girls	1,100	77	583	440	
William Ransom JMI	210	15	111	84	
Astley Cooper	350	25	186	140	
Broxbourne	120	8	64	48	
Edwinstree	300	21	159	120	
Grove Road	275	19	146	110	
Hemel Hempstead	175	12	93	70	
Kingsway Junior	105	7	56	42	
Roundwood Park	350	25	186	140	
Ashlyns	200	14	106	80	
2001/02 Design Starts					
Bushey Meads	1,500		105	780	
Bowmansgreen	850		47	13	

Proposed County Funded Programme 2000/01 - 2002/03

Scheme	Total Scheme Cost £'000	2000/01 £'000	2001/02 £'000	2002/03 £'000	Full Year Revenue Effects £'000
Education continued					
2002/03 Design Starts					
St. Albans Primary Provision	350			25	
Service Total	15,061	2,809	6,423	3,254	
Total	31,844	9,082	8,872	5,854	783

Self Financing Programme

Scheme	Total Scheme Cost	2000/01	2001/02	2002/03	Full Year Revenue Effects
	£'000	£'000	£'000	£'000	
Policy Committee					
Workwise – St Albans	2,500	2,500			
Service Total	2,500	2,500			
Protection Committee - Fire & Rescue					
Replacement of Watford Fire Station	?		?		
Replacement of St Albans Fire Station	?		?		
Service Total					
Environment					
Winter Maintenance Depot Development –Expenditure	2,673	2,000	673		(50)
Service Total	2,673	2,000	673		(50)
Social Services					
Learning Disability Day Centre - Balmoral Replacement	1,000	500	500		
Service Total	1,000	500	500		
Education					
Welwyn Garden City Secondary Review	7,000	550			
Borehamwood Reorganisation	12,011	7,518	2,435		
Hillmead JMI Relocation	2,100	1,113	840		
Muriel Green Nursery School Relocation	750	398	300		
North-east St. Albans Nursery Places	80	80			
Rye Park Nursery	400	212	160		
Braughing	900	600			
Meriden Nursery School, Watford	180	95	72		
Service Total	23,421	10,566	3,807		
Total	29,594	15,566	4,980		(50)

Externally Funded Programme

Scheme	Total Scheme Cost	2000/01	2001/02	2002/03	Full Year Revenue Effects
	£'000	£'000	£'000	£'000	£'000
Environment					
Local Transport plan allocation	?	10,063			
Service Total		10,063			
Social Services					
Lonsdale School	100	100			140
Service Total	100	100			140
Education					
New Deals for Schools - Phase 3	5,333	1,960	(363)		
New Deal for Schools - Phase 4	?	?	?		
Devolved Schools Capital	3,617	3,099	518		
Basic Need - 2000/01 Approvals	3,674	1,286	1,837	551	
Basic Need - 1999/2000 Approvals:					
North Harpenden Primary	350	186	140		
Stevenage Secondary	1,429	757			
Basic Need - 1998/99 Approvals:					
Braughing Primary	38	15			
Stevenage Primary	585	234			
North-east St. Albans Primary	175	70			
Croxley Green Primary	323	129			
St. Albans Secondary	845	338			
Balance of Basic Need funding	200	80			
Service Total	16,569	8,154	2,132	551	
Probation and Magistrates Courts	57	57			
Total	16,726	18,374	2,132	551	140

2. LOCAL GOVERNMENT BILL AND NEW MEMBER STRUCTURES

2.1 The Local Government Bill

The Local Government Bill currently before Parliament contains a number of changes that will have a fundamental effect on local government. It includes changes to member structures, requirements on standards of conduct among members; and the introduction of a new power for councils to promote the economic, social and environmental well-being of their areas. The Bill is likely to receive the Royal Assent this year and become effective in early 2001.

2.2 New Member Structures

This is probably the most significant part of the Bill as it will radically alter the constitutional face of local government. Every council will be required to establish executive arrangements which will replace the traditional committee system.

The models for new executive arrangements

Executive arrangements may follow one of three models:

(i) An elected mayor, with a cabinet of Councillors.

In this model executive decisions are taken by the mayor, a member of the cabinet, a committee of the cabinet or an officer.

(ii) An elected mayor and a council manager.

The manager is an officer. Decisions are taken by the mayor and manager acting together or by another officer.

(iii) An executive leader.

This is a councillor appointed by the council, together with a cabinet of members appointed by the leader or by the council. Decisions are taken by the leader, other members of the cabinet, a committee of the cabinet or an officer.

The Cabinet in model a) or c) may be one party.

The Government will make Regulations to determine which decisions are to be taken by the Executive, and which must be reserved to the full Council. It is also expected that the traditional committee system will be retained for quasi-judicial decision-making, e.g. planning matters and staff appeals.

Overview and Scrutiny.

Whichever form of Executive is proposed, the Council will have to establish one or more Overview and Scrutiny Committees. These Committees (which will be politically proportionate) will examine the decisions taken by the Executive and make recommendations to the Executive and/or to full Council.

Consultation

The Council must consult

- electors
- other interested parties

before drawing up its proposals for Executive Arrangements.

If the proposals include an Elected Mayor model, the Council must hold a referendum before implementing them. If the referendum supports the proposals they must be implemented. Normally, only one referendum may be held in a 5 year period.

A petition signed by no less than 5% of the electorate can requisition a referendum on an Elected Mayor model.

The Secretary of State will be able to require a Council to hold a referendum on any model.

2.3 Recent changes in the County Council's Structure

The County Council has, historically, adapted its member structure and introduced new ways of working in order to streamline decision making. This has included the reduction in the number of sub-committees, the introduction of informal panels to develop policy and the extensive delegation of powers to enable officers to take decisions in consultation with members.

In May 1999 the County Council approved further changes in anticipation of the proposals for new member structures outlined in the Government's White Paper "Modern Local Government : In touch with the people". The County Council changes included the reduction in the size of each committee, the introduction the Improvement and Review Committee to oversee Best Value and the recognition of a Cabinet.

2.4 Local Panels

The County Council also introduced Local Panels in 1999. These were established as a mechanism for briefing members on local issues and for developing partnerships.

The Local Panel network was an attempt to place the local dimension within formal structures, with specific reference to local briefing, partnership development, public consultation and feedback to the centre. In setting up the Panels there was wide recognition of the need for flexibility across the county and across services.

Progress with the panels has been varied although most have met at least once and two (Dacorum and Stevenage) are making significant progress. *[The report to the Policy Committee (item 9) highlights the main points that have arisen from the panel meetings.]*

It follows that the role of Local Panels may evolve as other decisions are made on member structure issues, including the development of appropriate community leadership and scrutiny roles.

The Committee have, therefore, agreed that the local panels continue to operate as informal bodies, working within existing resources. They will be further reviewed in the light of developments on new member structures.

2.5 Next Steps

The new law will require the Council to make further radical changes in the way decisions are taken. The Council needs to consider the implications of the Bill and draw up proposals.

A number of issues will need to be considered, including:-

- which model for Executive Arrangements is best suited to the County Council?
- how should the public be consulted on the options and when?
- how should the introduction of the new arrangements fit with the County Council elections in May 2001?
- how are scrutiny arrangements best organised to ensure that the decisions of the Executive can be properly examined and lessons learned?
- how does the County Council ensure that the new arrangements are transparent and inspire confidence among the public?
- what is the role of the backbencher and opposition member?
- how are decisions on best value reviews taken under the new structure?
- what implications are there for the officer structure, particularly given the need to support scrutiny activity as well as the Executive?

A member panel has been established to consider these issues and to draw up proposals for new member structures. Their remit is:-

- (a) To make recommendations to the meeting of the Council on 16 May 2000 on new member structures which take account of the requirements of the Local Government Bill and which will deliver effective, open and accountable decision – making.
- (b) To ensure that the recommendations include proposals for revised structures which can be brought into effect from the Autumn 2000 cycle.

Robert Ellis
Chairman
County Hall

Hertford

27 January 2000