

Budget

2006/07



Corporate Finance
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Foreword

Welcome to the 2006/07 edition of the Hertfordshire County Council budget book, setting out the planned use of resources to achieve the council's policy objectives. It brings together core budget data and highlights key issues facing the authority in the medium term.

Government influences the level of council tax by the way it allocates Formula Grant to local authorities and the budget for 2006/07 has been set in the context of receiving the minimum grant increase of 2 per cent.

The council is committed to continuing its efficiency drive, as an integral part of the annual budget cycle and has identified £15.2 million of efficiency savings for 2006/07 (significantly more than was achieved in 2005/06).

We will be focusing our resources on the following seven key challenges:

- Helping people feel safe and secure
- Tackling the causes and impact of congestion
- Dealing with worn out roads and pavements
- Reducing the impact of new developments on the environment
- Maximising opportunities for all children and young people
- Supporting the independence of the growing number of older people
- Maximising efficiency savings and helping keep council tax at an acceptable level

These challenges are a fundamental part of our 2006 - 09 Corporate Plan and reflect the views of Hertfordshire residents that took part in a budget options and spending priorities consultation. They stated that they would like the council tax to be set at a level that would allow some services to be improved, the top priorities for any service improvements being:

- Dealing with worn-out roads and pavements;
- Reducing crime;
- Supporting the independence of the growing number of older people; and
- Supporting children at risk of harm.

These findings were considered by county councillors and informed their budget and council tax decisions for the 2006/07 financial year.

This budget book is written in plain English, however the use of some accountancy terms has been unavoidable and so a glossary of terms has been included at page 89. Some of the financial information we present can be complex so we strive to ensure that it is explained as simply as possible. With this in mind, we would like to receive your suggestions and/or comments on the book by contacting us as follows:

- by letter at County Hall, Pegs Lane, Hertford, Herts SG13 8DQ;
- by telephone on 01992 555337; by fax on 01992 555296; or
- by email: budget@hertsc.gov.uk.

This publication can be found on Hertfordshire County Council's website at www.hertsdirect.org/budgetbook. Alternatively, copies of this budget book can be obtained by contacting Hazel Stuart on the number above.



Chris Sweeney
Finance Director

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Abbreviations

ACS	Adult Care Services
AWPU	Age Weighted Pupil Unit
BVACOP	Best Value Accounting Code of Practice
BVPI	Best Value Performance Indicators
CAMHS	Child & Adolescent Mental Health Services
CDC	Corporate & Democratic Core
CDSU	Crime & Drugs Strategy Unit
CIPFA	Chartered Institute of Public Finance & Accountancy
CMS	Countryside Management Service
CSF	Children, Schools & Families
CSI	Commercial Services & Information Technology Unit
DDA	Disability Discrimination Act
DEFRA	Department for Environment, Food & Rural Affairs
DfES	Department for Education & Skills
DfT	Department for Transport
DoH	Department of Health
ESC	Education Support Centres
EU	European Union
FRS	Financial Reporting Standard
HALS	Hertfordshire Archives & Local Studies
HBS	Hertfordshire Business Services
HPT	Hertfordshire Partnership Trust
HR	Human Resources
IB	Intervention Board
ICT	Information & Communications Technology
IRIS	Integrated Recording Information System
LAC	Looked After Children
LGA	Local Government Association
LGPS	Local Government Pension Scheme
LPSA	Local Public Service Agreement
MFG	Minimum Funding Guarantee
NDS	New Deal for Schools
ODPM	Office of the Deputy Prime Minister
PCSO	Police Community Support Officers
SCE (C)	Supported Capital Expenditure (Capital Grant)
SCE (R)	Supported Capital Expenditure (Revenue)
SEN	Special Educational Needs
SENCO	Special Educational Needs Co-ordinator
SERMU	Safety, Emergency & Risk Management Unit
SHARP	Simplifying Hertfordshire's Accounting & Resource Processes
SLA	Service Level Agreement
SLS	Schools Library Service
SMHOP	Specialist Mental Health Teams for Older People
WTE	Whole Time Equivalent

Budget Background and Process

Background

The budget is the financial statement of the council's policies and priorities and the annual plan for the provision of services to the people of Hertfordshire.

The level of funding provided by the Government is a major influence on the decision making process and the county council has to balance the demands and expectations of services and the effect of pay and price increases against the burden placed upon the council tax payer. This is one of the major issues for county councillors and officers.

Process

The process for setting the 2006/07 budget was policy driven, reflecting the authority's strategic priorities as described in its 'Medium Term Financial Strategy', as well as the consideration of risks that could deflect services from delivering their objectives.

This year, in order to achieve a more transparent alignment of budgets with priorities, 'Strategic Compasses' were developed. These compasses were used to illustrate, for each of the key service outcomes, their current position and direction of travel against a grid of performance and cost. This service planning process then ran in tandem with the budget process which started in early summer with service reviews of cost pressures and the identification of efficiency savings.

The level of central Government funding for revenue expenditure is crucial in setting the authority's budget and the Local Government Finance Settlement was notified to the council on 31 January 2006. The Government had already announced the level of support for local authority capital investment in December 2005. The financing of the authority's capital programme is shown in Appendix 7, pages 73 and 74.

Cabinet met on 7 February 2006 to set out its revenue and capital programme proposals and these were then reviewed by the Overview and Scrutiny Committee. The Cabinet met again on 19 February to recommend a budget to the county council after consideration of the views of the Overview and Scrutiny Committee together with final tax base and collection fund figures.

The county council met on 27 February 2006 and approved the budget and council tax for the financial year 2006/07. The agreed budgets for each service are shown in the summary revenue budget on page 14.

Net Revenue Budget

The table below shows the net revenue budget for 2005/06 and analyses the movements to get to the 2006/07 net revenue budget, which has been set at £575.659 million.

County Council Net Revenue Budget 2006/07

	£m
Net Revenue Budget 2005/06	1,089.002
Movements:	
Removal of One-off Funding	(17.000)
Transfer of Funding for Schools	(530.692)
Technical Adjustments	3.715
Inflation	23.443
Base Budget	568.468
Pressures for Change	25.369
Grant Funding	(4.522)
Service Improvements	1.585
Efficiency Savings	(15.241)
Net Revenue Budget 2006/07	575.659

Inflation

Inflation affects the county council the same way as it does anybody else, by increasing its costs.

An inflation rate of 2.10% for non-pay items has been allowed for in the 2006/07 budget (2.15% after adjusting for under provision in previous years). The inflation provision allowed for pay awards is an average of 2.95% for all staff. A breakdown of the £23.4 million inflation total is provided below:

Inflation	£m	% of Adjusted Revenue Budget 2006/07
Prices (non pay items)	16.371	3.0
Pay Awards 2005/06	0.727	0.1
Pay Awards 2006/07	6.345	1.2
Total Inflation	23.443	4.3

Revenue Budget Changes

A net increase of £7.2 million was made on the base budget of £568.5 million. This figure is made up of pressures for change of £25.4 million, service improvements of £1.6 million, and off-set by grant funding of £4.5 million and efficiency savings of £15.2 million. The major items are listed below and full details are given in Appendix 2, pages 53 to 60.

Pressures for change	£m
Service specific:	
ACS - Learning disability demography	5.2
ACS - Elderly demography	2.6
ACS - Reduction in Supporting People grant	1.0
ACS - Physical disability demography	0.8
ACS - Mental health demography	0.8
ACS - Maximising charging income	(0.3)
ACS - Introduction of fairer charging	(2.8)
CSF - Safeguarding children	1.3
CSF - Looked After Children strategy	0.9
CSF - Electronic Social Care records	0.4
CSF - Home to school transport - Volume increases: SEN	0.4
CSF - Recruitment & retention of qualified social workers	0.2
CSF - Independent Review Team	0.2
CSF - Leaving care	(0.3)
Fire - Implementation of Integrated Risk Management Planning	0.3
CDSU - Police Community Support Officers (PCSO's)	0.2
Environment - Hazardous Waste Regulations	0.8
Environment - Road length increases	0.7
Environment - Domestic waste volumes	0.5
Environment - Baldock Bypass - Routine maintenance	0.4
Environment - New Roads & Street Works Act - Section 74 Income	0.3
Environment - Bus routes requiring support	0.2
Resources - ICT infrastructure upgrades	0.2
Central Items:	
Capital Financing & Interest on Balances	5.7
Impact of Amending Reports 2004/05 and 2005/06	1.1
Office rationalisation	0.9
Environment Agency precepts	(0.3)
Across all services:	
Capital payback	1.5
Local Government Pension Scheme employer's contributions	1.0
Revenue effects of capital	0.3
Revenue effects of telecoms	0.3
Business rates	0.2

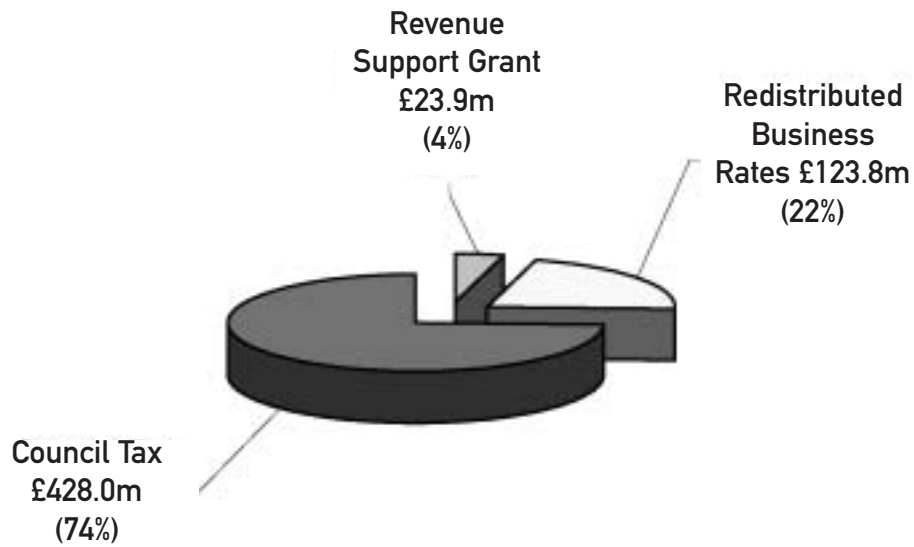
Service Improvements	£m
Environment - Revenue support for capital	1.0
CSF - Additional opening hours at libraries	0.6
Efficiency Savings (Including the full year effect of previous efficiencies)	£m
Savings that meet the Gershon criteria:	
Service specific:	
ACS - Supporting People	1.0
ACS - Review day services for older people	0.5
ACS - Rollout enabling homecare	0.5
ACS - Herts Partnership Trust (HPT) - better purchasing	0.3
ACS - Transport	0.2
ACS - Reduction in top up targets for older people	0.2
ACS - Delayed discharges agreement	0.2
ACS - Individual banded budgets for Learning Disability placements	0.2
ACS - Community Learning Disability Teams	0.2
ACS - Expert purchasing of care placements for Learning Disability	0.2
ACS - Various efficiency savings under £0.2 million	1.0
CSF - Long term efficiency gains	1.7
CSF - Home to school transport	1.2
CSF - Looked After Children Strategy - out county placements	1.1
CSF - Looked After Children "invest to save" strategy	0.9
CSF - Looked After Children - transport	0.5
CSF - Standards & school effectiveness	0.4
CSF - Youth Service	0.3
CSF - Human Resources	0.2
CSF - Fostering project	0.2
CSF - Various efficiency savings under £0.2 million	0.5
Environment - Hertfordshire Highways	0.6
Environment - Various efficiency savings under £0.2 million	0.6
Across all services:	
SHARP savings	0.5
Recruitment (Manpower) contract	0.4
Employers liability insurance	0.3
Other Savings:	
Service specific:	
ACS - Learning & Development grant additional work	0.2
CSF - Various efficiency savings under £0.2 million	0.4
CDSU: Increased Government funding for PCSO's	0.2
Resources - Various efficiency savings under £0.2 million	0.3

Reserves

The county council estimates its balance of general reserves to be £24.0 million at 31 March 2006.

Where the Money Comes from

Total £575.7 million



Note: Funding from Central Government in the form of Formula Grant (£147.7 million) consists of Revenue Support Grant and Redistributed Business Rates.

Government Funding

Spending Reviews

In its Spending Reviews, the Government decides how much it can afford to spend, reviews its expenditure priorities and sets targets for the improvements, which are to be delivered from any additional funding. Each Spending Review covers a rolling three-year period.

In July 2005, the Government announced it will report on the next Spending Review period covering the three financial years 2008/09, 2009/10 and 2010/11 during the summer of 2007. A report on the public spending challenges will be made in 2006.

Local Government Finance Settlement 2006/07 and 2007/08

Central Government provides revenue funding to local authorities through general grant, known as Formula Grant, and specific grants.

The annual Local Government Finance Settlement is concerned with the distribution of Formula Grant, made up of Revenue Support Grant and Redistributed Business Rates. Specific grants are not part of the finance settlement but are usually announced around the same time.

This year, for the first time, the finance settlement covers two years in which the second year's settlement (2007/08) is provisional, and is the first step towards three-year settlements.

Formula Grant Distribution System

This year, the Government has introduced a new grant system, known as 'the four-block model', to distribute Formula Grant.

Each authority's Formula Grant allocation consists of four sub-blocks:

- a 'relative needs' allocation using a Relative Needs Formulae (RNF) which is similar to FSS
- a negative amount based on 'relative resources' (the ability of authorities to raise money locally through council tax)
- a 'central allocation' based on a per head amount
- an allocation to ensure a minimum increase in grant (floor 'damping')

The new formula grant distribution model still makes assumptions about the amount of relative needs between authorities and the amount which will be funded through council tax.

It also still provides some authorities with additional resources to meet the extra cost of providing an equivalent level of service because of the higher labour and locality costs which they face, when compared with other authorities in the country.

Other changes to the formula grant distribution system include:

- Additional resource equalisation has been reflected in the weightings given to the relative needs and resources sub-blocks; and
- All census-related needs indicators have been updated to use 2001 Census data.

Hertfordshire County Council's Finance Settlement 2006/07 and 2007/08

Each year, the Government guarantees a minimum increase in Formula Grant for all authorities. An authority which receives the minimum grant increase is known as a floor authority. Hertfordshire is a floor authority in both 2006/07 and 2007/08.

The Government's floor mechanism provides some assistance to authorities, like Hertfordshire, which have lost out significantly from the introduction of the new four-block model grant system.

In 2006/07 the amount of Formula Grant has been set at £146.603 million, an increase of 2.0 per cent, or £2.896 million, when compared with 2005/06 on a like-for-like basis (after taking account of changes in function and funding).

In 2007/08 the amount of Formula Grant has been provisionally set at £150.436 million an increase of 2.7 per cent, or £3.955 million, when compared with 2006/07 on a like-for-like basis (after taking account of changes in function and funding).

Council Tax Limitation - Capping

The Government has a reserve power to tell councils to set a lower budget requirement if it considers the budget requirement and council tax have increased excessively. No guidance is given prior to councils setting their budget requirements as to what level of council tax increase is acceptable, other than they expect the average council tax increase in England in both 2006/07 and 2007/08 to be less than 5 per cent.

At the end of March the Government announced that two authorities had been identified for budget capping this year. This has not affected Hertfordshire for 2006/07.

Current Funding Issues

- **Lyons Inquiry** - in September 2005 the Government extended the scope and timetable of the Lyon's Inquiry into local government funding, to include the issues relating to the wider functions of local government and its future role. The initial remit was to make recommendations on how best to reform council tax.

Sir Michael published a consultation paper on the future role and functions of local government in December 2005. The Inquiry will conclude with a final report to Ministers on the role, function and finance of local government in late 2006.

- **Council Tax Revaluation**, which was to take effect from 2007, has now been postponed in order to take full account of the wider remit of the Lyon's Inquiry.

Council Tax

The county council's element of the council tax was increased by 4.95 per cent (or £46.48 for a Band D household).

The level at which council tax is set depends on a number of factors including:

- the amount of grant received from central government;
- county council spending pressures;
- the level of efficiency savings achieved by the county council;
- the level of fees and charges recovered from clients using services provided by the county council; and
- the use of reserves.

For every £1 million increase in the authority's budget this adds £2.32 to a Band D household.

During 2005/06 the district councils collected more money in council tax than they expected and the county council's share of this surplus on the collection fund is £3.5 million.

Calculation of Band D Council Tax 2006/07

Tax base	430,983.24
	£m
Budget Requirement 2006/07	575.659
Less:	
Revenue Support Grant	(23.901)
Redistributed Business Rates	(123.818)
Surplus on Collection Fund	(3.443)
Met by council taxpayers	424.497
Band D Council Tax 2006/07	984.95

Each residential dwelling is billed for council tax, whether it is a house, bungalow, flat, maisonette, mobile home or house boat, and whether it is owned or rented. Each property is allocated to one of eight bands according to its market value on 1 April 1991. Properties in band D will pay the basic charge and properties in other bands will be charged proportionately.

The tax bands and the county council's element of the council tax for the financial year 2006/07 are set out in the table below.

Council Tax Bands & Amounts

Band	Property Value at April 1991	Proportion of Band D Council Tax	£
A	£40,000 or less	6/9ths	656.63
B	£40,001 - £52,000	7/9ths	766.07
C	£52,001 - £68,000	8/9ths	875.51
D	£68,001 - £88,000		984.95
E	£88,001 - £120,000	11/9ths	1,203.83
F	£120,001 - £160,000	13/9ths	1,422.71
G	£160,001 - £320,000	15/9ths	1,641.58
H	£320,001 or greater	18/9ths	1,969.90

Summary Revenue Budget 2006/07 - Where the Money Goes

2004/05 Actual £'000		2005/06 Original Budget £'000	2005/06 Revised Budget £'000	2006/07 Original Budget £'000
189,589	Adult Care	205,021	207,438	218,993
	Children, Schools & Families			
554,534	Education (Schools)	605,055	604,464	-
85,018	Education (Non-schools)	70,995	70,128	69,059
80,581	Children's Services	84,602	83,835	85,287
19,196	Libraries, Heritage & Arts	20,190	20,245	20,669
	Community Safety:			
37,160	Fire & Rescue	36,205	36,151	40,919
2,181	Crime & Drugs Strategy Unit	2,685	2,943	2,692
2,619	Trading Standards	2,734	2,622	2,569
794	Coroners Service	839	958	966
827	Registration Service	860	880	808
373	Emergency Planning	629	629	665
103,577	Environment	109,743	109,864	117,836
12,771	Resources (Corporate Services)	11,691	13,693	10,107
2,199	Magistrates' Court Committee	-	-	-
	Central Items:			
-	Contingency / Special Provision	6,235	6,319	5,942
1,897	Precepts	2,012	2,012	1,789
20,234	Capital Financing & Interest on Balances	22,962	22,975	28,745
-	Additional Capital Programme Support	12,200	12,200	-
-	Office Rationalisation Project	2,300	2,300	940
5,810	Non Distributed Costs	6,797	6,797	4,808
(113,239)	Asset Management Revenue Account	(108,538)	(108,519)	(37,993)
12,401	Pensions Interest Cost & Expected return on Assets	22,569	22,569	23,276
(7,249)	Pension Reserve Appropriation	(28,784)	(28,803)	(22,418)
1,011,273	NET REVENUE BUDGET	1,089,002	1,091,700	575,659
5,407	Funded from Reserves	(14,500)	(14,559)	-
1,016,680	BUDGET REQUIREMENT	1,074,502	1,077,141	575,659

See notes on next page

Notes:

1. Education (Schools) - From 1 April 2006, school spending is no longer financed through general grant but through a new specific grant known as the Dedicated Schools Grant. This means the reporting of school spending has also changed, and no longer forms part of the Budget Requirement calculation.
2. The Magistrates' Courts Service transferred to the Unified Courts Administration, a single government funded executive agency from 1st April 2005. Local authorities are no longer involved in the funding of this service from 2005/06.
3. The service budget figures include capital charges and the FRS17 pension adjustment. The figures are shown in Appendix 4 excluding these adjustments.

Summary of Average Staff Numbers (WTE)

2004/05 Actual		2005/06 Original Estimate	2005/06 Revised Estimate	2006/07 Original Estimate
1,911	Adult Care	1,995	1,995	2,044
	Children, Schools & Families:			
10,675	Education (Schools)	10,458	10,458	11,232
1,654	Education (Non-schools)	1,732	1,732	1,431
3,732	Children's Services	3,854	3,854	3,557
464	Libraries, Heritage & Arts	483	483	503
	Community Safety:			
929	Fire & Rescue	931	931	932
10	Crime & Drugs Strategy Unit	10	14	14
62	Trading Standards	57	57	55
13	Coroners Service	13	13	13
39	Registration Service	39	42	41
14	Emergency Planning	14	18	18
660	Environment	670	670	700
676	Resources (Corporate Services)	671	678	689
20,839	TOTAL	20,927	20,945	21,229

Capital Programme

The capital programme is the county council's spending plan for investment in land, building projects and major information technology developments.

The capital programme includes expenditure on both major capital schemes and minor capital works, such as repairs and refurbishment schemes (annual provisions).

This year the county council approved a capital programme of £171.160 million of which £56.732 million is financed by central Government in the form of revenue and capital grants. The balance of £114.428 million is financed by the county council through capital receipts, revenue budget, capital reserves and contributions from third parties.

The programme is planned over a three-year period, but only the first year (2006/07) carries the spending approval of the county council. The size of the programme for the second and third years will eventually depend on the availability of resources, which have yet to be finalised.

The Government's change to the system of allocating formula grant to local authorities in 2006/07 has meant that the grant increase no longer provides floor authorities like Hertfordshire with sufficient funding to cover the new 'supported' borrowing allocations issued by central Government.

Further details of the capital programme and how it is funded are given in Appendices 7 to 9.

County Council Capital Programme 2006/07 to 2008/09

	2006/07 £'000	2007/08 £'000	2008/09 £'000
Adult Care	11,802	5,751	2,188
Education	67,835	63,843	27,093
Children's Services	8,195	8,448	-
Libraries, Heritage & Arts	2,177	1,517	1,230
Community Safety - Fire & Rescue	2,902	2,677	2,677
Community Safety - Other	44	44	44
Resources (Corporate Services)	20,629	8,129	6,884
Environment	57,576	44,159	43,546
TOTAL CAPITAL PROGRAMME	171,160	134,568	83,662

Adult Care

The total budget for Adult Care is £218,993,000

The vast majority of elderly and disabled people and people with mental health problems want to live independently. They and/or their families turn to social care services for support when frailty, disability or ill health mean that independence may be lost, or they feel there is a risk of harm.

The Adult Care Services department works closely with health services, district councils, and the private and voluntary sector, using its resources to arrange, develop and provide care and support in the community for older people and adults who have learning disabilities, sensory loss or physical disabilities. The council also funds adult mental health services provided by Hertfordshire Partnership NHS Trust, with a transferred budget of £17.8 million.

Adult Care Services is under tremendous pressure faced with rising demand, increasing needs, high expectations and tight budgets. For example, the number of new referrals each month is now 2,260, a 4% increase on the previous year, and compared with a year ago there has been a 7% increase in the demand for home care services.

With our emphasis now more on rehabilitation, it is often necessary to spend more on services for a short period so that an individual can start to manage more on their own. We are continuing to look at improved services within the resources available to help people live independently and have introduced service improvements that ensure packages of care, such as home care, deliver value for money. With over 80% of the services we arrange provided by the private and voluntary sector, our close monitoring of their quality continues to be a high priority.

Approximately 1 in 28 people generally, and 1 in 8 people aged 65 or more, ask for our help each year. As well as providing direct support we also provide information, advice and support to people and their carers who are struggling to cope with everyday life and we fund services in the voluntary sector so that people in need are not totally dependent on us. In addition to our day services, we also provide an emergency social care service operating outside office hours for children and adults at risk.

Some services (mental health, learning disability, child and adolescent mental health, drug and alcohol services) are jointly commissioned and these budgets are hosted by the county council. This budget is formed with contributions from all partners (Primary Care Trusts and ourselves) for each of the care groups covering health and social care and relating to the whole county. Decision-making in relation to these budgets takes place at the Joint Commissioning Partnership Board. Membership of this board comprises four county councillors, four primary care trust representatives and a number of co-opted members and observers from the voluntary sector.

Key Issues for 2006/07

- Where possible we will offer a choice in care services and how they are delivered.
- The care services we arrange or provide will be geared towards enabling people to manage as far as possible without extra help and towards their rehabilitation.
- We will provide information and advice through a wide range of channels and funding.
- Where appropriate we will pass requests for help to community support services and preventative services, which are accessible without the need for a formal assessment. This year we will be providing £8.8 million to the voluntary sector to provide local services on our behalf.
- Assessments of need will be centred on the individual and their personal circumstances. The information, care and support offered will be tailored to meet individual needs and recognise personal preferences.
- We want more people to arrange their own care or support through our direct payment scheme, which is another way of ensuring personal choice.
- Following the introduction of online referrals, we are now planning to introduce an online system for personal needs assessments.
- We are continuing to modernise our day services in line with the national agenda (Valuing People: rights, independence, choice, inclusion) which broadly aims to ensure that people with learning disabilities lead full and rewarding lives. In 2006/7 we will also be reviewing the provision of day services for older people.
- We will continue to create additional accommodation for people with learning disabilities to meet rising demand. The type of accommodation and support will vary depending on the needs of those concerned.
- We will continue to work with district councils, primary care trusts and housing associations to create more extra care sheltered housing so that residents can access 24 hour home care services, tailored to meet their own individual circumstances.
- Our commissioning section will work closely with operational colleagues to ensure that a full range of service solutions are in place locally including services to meet the needs of minority ethnic groups.
- We are working with care home organisations to ensure there will be care home places in the right location to meet the demands of those aged 75+ bearing in mind the predicted rise of 12% between 2000 and 2011.
- We will continue to develop support and services for carers so that they can continue in their role and respond to the requirements of the Carers Act (which came into force in April 2005) by providing carers with an assessment of their needs.
- We are working with home care agencies to tailor new services that will focus on rehabilitation and enabling, that are flexible and able to meet the requirements of the individual and specialist services for people who are mentally infirm.
- We are working with health colleagues on prevention and easy access to services, streamlining assessment and the overall package of services.

Direct Services £243,889,000

These resources are used to arrange and provide care and support such as home care, day services, and supported living either directly through our in-house services or through contracts with the independent sector. Resources are also used to give information and advice, assess needs and arrange help. We encourage adults who need extra care and support to consider taking advantage of the Direct Payments scheme so that they can arrange their own care.

Services for older people £104,537,000

The number of older people aged 65+ in the county is set to rise by 8% between 2003-2011 whilst the number aged 75+ is set to increase by 13% between 2003-2011 and those aged 85+ by 35% between 2003-2011. Older people are much more likely than any other group to need social care support. One in every 8 people in the county aged 65+ receives either community care or other residential care arranged by Adult Care Services (we arrange 46,000 home care hours in a week). In future more older people will be living alone and less support may be available from family carers. Together with the increasing numbers of older people and longer life expectancy this has significant resource implications for social care and health services in Hertfordshire.

Services in this budget include assessment and care management, day services for 1,670 people, home care services for 9,500 people and residential or nursing care for 4,620 people with a physical disability. The budget also provides equipment to older people who need help with daily living skills and provides occupational therapy assessment and support to people who need major housing adaptations.

We continue to work with district councils and Primary Care Trusts and the private and voluntary sector to develop alternatives to residential and nursing care.

People with a Physical Disability and Sensory Loss £25,883,000

We aim to enable adults assessed as needing social care support to live as safe, full and as normal a life as possible, preferably in their own home. We are also supporting various Welfare to Work initiatives to improve support for disabled people in the workplace.

Services for this group of people include; assessment and care management, funding of 270 residential placements and day care for 380 adults with a physical disability. In addition, our Sensory Services team provides support to over 1,200 people and our Employment Direct service supports around 440 people in a year in securing and remaining in work.

Direct Payments

We are increasing the number of people who are able to arrange to purchase their own care directly with providers. The numbers involved have grown from 175 in April 2004 to 420 in April 2006.

Supporting Users and their Carers

There are an estimated 117,000 carers in Hertfordshire of whom 27,000 are caring for more than 20 hours a week. Of these, research indicates 10,000 plus will cease to be carers and 10,000 will take on new caring roles each year.

To promote carers' own health and well being and support them to continue in their caring role we use the Carers' Grant to increase the flexibility and range of breaks that are available and improve carers' access to financial advice.

Beacon Status - In 2005/06 we were awarded Beacon Status for our work in developing support for carers. Our services for carers were described as 'outstanding'.

People with a Learning Disability £66,538,000

Hertfordshire has one of the highest rates of incidence of people with a learning disability in local authority supported residential care. The life expectancy of people with learning disabilities is increasing and there is an increased survival rate to adulthood of children with severe and complex needs.

There are about 6,700 people with learning disabilities in the county and 2,730 adults with learning disabilities are known to care services. We provide accommodation for 920 people and day care for 1,590 people. The average net cost of providing a year 's residential care for a person with moderate learning disabilities is £42,000. We aim to enable people with learning disabilities to access mainstream services and lead as independent lives as possible. However for some people with severe and complex needs highly intensive 24 hour care must be provided, with access to specialist assessment and therapeutic services.

Gypsy Services

This central unit manages the county council's gypsy sites and, where appropriate, deals with unauthorised encampments of gypsies and travellers.

Support Services £20,256,000

These resources are used to:

- Develop and implement countywide strategies and policies
- Support centrally managed functions
- Support countywide services

These functions integrate the department's responsibilities for purchasing and providing services, assessing people's needs and managing care packages. For example:

- Providing policy advice
- Measuring overall community need and allocation of resources
- Ensuring services operate in accordance with legislation
- Setting standards, monitoring performance and investigating complaints
- Financial management and support
- Planning and commissioning new or changing services
- Planning, commissioning and reviewing Supported Housing
- Developing and managing purchasing and contracting arrangements
- HR services of recruitment, employee relations, staff development and training
- Supporting and developing information systems and technology

Summary Service Revenue Budget

2004/05 Actual £'000		2005/06 Original Budget £'000	2005/06 Revised Budget £'000	2006/07 Original Budget £'000
DIRECT SERVICES				
Older People:				
10,419	Care management & assessment	11,873	11,873	13,215
108,475	Purchased services	111,309	111,309	115,524
3,677	Services provided in-house	3,727	3,727	3,527
122,571	subtotal (Gross Expenditure)	126,909	126,909	132,266
(23,257)	Income: Older People	(24,481)	(24,481)	(27,729)
99,314	Net Expenditure: Older People	102,428	102,428	104,537
People with a Physical Disability:				
2,485	Care management & assessment	2,773	2,773	2,689
20,243	Purchased services	23,180	23,180	23,736
3,158	Services provided in-house	3,600	3,600	3,349
25,886	subtotal (Gross Expenditure)	29,553	29,553	29,774
(3,643)	Income: People with a Physical Disability	(3,835)	(3,835)	(3,891)
22,243	Net Expenditure: People with a Physical Disability	25,718	25,718	25,883
People with a Learning Disability:				
4,089	Care management & assessment	3,625	3,625	3,777
65,904	Purchased services	68,445	70,645	76,745
25,106	Services provided in-house	26,364	26,431	27,847
95,099	subtotal (Gross Expenditure)	98,434	100,701	108,369
(38,961)	Income: People with a Learning Disability	(41,012)	(41,012)	(41,831)
56,138	Net Expenditure: People with a Learning Disability	57,422	59,689	66,538
People with a Mental Health Problem:				
24,891	Gross Expenditure	30,896	30,896	34,080
(4,457)	Income	(5,999)	(5,999)	(8,744)
20,434	Net Expenditure: People with a Mental Health Problem	24,897	24,897	25,336
Gypsy Services:				
1,043	Gross Expenditure	700	700	719
(816)	Income	(794)	(794)	(812)
227	Net Expenditure: Gypsy Services	(94)	(94)	(93)

Continued on next page

2004/05 Actual £'000		Original Budget £'000	Revised Budget £'000	Original Budget £'000
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DIRECT SERVICES CONTINUED

Supporting People:				
22,755	Gross Expenditure	21,342	21,342	21,688
-	Income	-	-	-
22,755	Net Expenditure: Supporting People	21,342	21,342	21,688
292,245	DIRECT SERVICES: TOTAL GROSS EXPENDITURE	307,834	310,101	326,896
(71,134)	DIRECT SERVICES: TOTAL INCOME	(76,121)	(76,121)	(83,007)
221,111	DIRECT SERVICES: TOTAL NET EXPENDITURE	231,713	233,980	243,889

SUPPORT SERVICES

790	Money Advice Unit	837	861	825
13,547	Strategic centre & support services	16,748	17,515	14,778
2,389	Recharges from central departments	2,544	2,544	2,994
1,914	Budgets held centrally	2,127	2,127	1,659
331	Asylum Seekers	-	-	-
18,971	TOTAL SUPPORT SERVICES	22,256	23,047	20,256

240,082	TOTAL DIRECT & SUPPORT SERVICES	253,969	257,027	264,145
(54,058)	Special & specific grants	(55,014)	(55,014)	(48,093)
186,024	Subtotal	198,955	202,013	216,052
4,725	Corporate & Democratic Core Recharges	(427)	(427)	(470)
(388)	Capital Charges	5,127	4,486	4,532
(772)	Pension charge under FRS17	1,366	1,366	(1,121)
189,589	SERVICE TOTAL	205,021	207,438	218,993

Note:

- Care management staff for SMHOP's were previously split between Older and Physical Disability care groups. For 2006/07 they are shown fully within the Older People care group and the 2005/06 figures have been rebased.
- The budget for Money Advice Unit has been transferred from Corporate Services.

Average Staffing Numbers (WTE)

2004/05 Actual		2005/06 Original Estimate	2005/06 Revised Estimate	2006/07 Original Estimate
989	In House Services	1,032	1,032	1,066
607	Areas & Localities	584	584	592
289	Support Services	355	355	362
26	Money Advice Unit	24	24	24
1,911	SERVICE TOTAL	1,995	1,995	2,044

Children, Schools & Families

Children, Schools and Families (CSF) wants to support and enable all children and young people in Hertfordshire to enjoy good health, live a healthy lifestyle and stay safe from harm and neglect. CSF wants children and young people to grow up able to look after themselves, enjoy their life as children, and also make a positive contribution and develop the right skills to lead a rewarding and fulfilling adult life. The service does this by working closely with the children themselves, their schools and their families to offer quality advice, support and guidance.

The interests of children are placed firmly at the centre of everything that CSF does, working with children, parents, carers and staff in early years and schools to build children's confidence, self-esteem and to prepare them for life ahead. Professionals from different services work together using their experience and knowledge to help children in Hertfordshire get the most out of their school years.

Safeguarding and promoting the welfare of children and young people is paramount. CSF has a duty to protect children from abuse and neglect and help children and young people get the most from life.

CSF staff work closely with national and local voluntary groups, the police, health service, district councils and the private sector.

CSF aims to help children with a variety of needs: those who may have learning difficulties, physical difficulties, social problems, are particularly gifted, need help in schooling or need someone to talk to.

Key Issues for 2006/07

- Directing the use of the Dedicated Schools Grant; funding schools at the level of the DfES minimum funding guarantee and allocating other available resource to support continued improvement in educational attainment.
- Promoting the capacity of schools and other universal services to ensure that children succeed.
- Improving the educational provision for under-performing and vulnerable groups through investment in alternative provision and more vocational and work-based learning.
- Supporting the development of a network of children's centres and extended schools to provide a range of integrated educational, care and health services for children and families in their local communities.
- Developing local preventative strategies to stop children failing in schools or living in an unsupportive family or community environment, in collaboration with partners.
- Further investment in preventative community based services. The 2006/07 budget includes 'invest to save' proposals which release resources to be invested in preventative strategies for Children in Need.
- Repositioning the library service to meet the needs of the community through investment in both opening hours and the infrastructure.
- Delivering statutory requirements in relation to Electronic Social Care Records and ensuring consistency in referral, assessment and long-term case work through investment in staff and ICT.

Education: Schools

The total budget, which is solely funded from the Dedicated Schools Grant, is £566,033,000

Funding for schools related expenditure is provided from 1 April 2006 by means of a ring-fenced specific grant known as the Dedicated Schools Grant. Grant announcements are made for a multi-year period to provide improved certainty for schools. The first multi-year period is two financial years 2006/07 and 2007/08. From 2007/08 the announcements will cover three financial years. The estimated figure for 2006/07 is £566,033,000.

The grant provides for a Minimum Funding Guarantee (MFG) per pupil for schools. The guarantees for 2006/07 are a 3.4% increase in funding per pupil for secondary and special schools and 4.0% per pupil for primary and nursery schools. The MFG is set at 3.7% for all sectors for 2007/08.

The schools related budget covers the following service areas.

Nursery Education £18,996,000

Provides for the education of 1,400 nursery pupils in nursery schools and also grant-funded pupils in private voluntary and independent nursery schools.

Primary Education £258,902,000

Provides for the education of 92,200 pupils (including pupils in nursery classes) in 407 primary schools by ensuring access to the full National Curriculum for all primary-aged children. The vast majority of the budget is controlled by school governing bodies under Local Management of Schools, including provision for non-statemented or statemented special educational needs of pupils in mainstream primary schools.

Secondary Education £245,690,000

Provides for the education of 80,300 pupils in 6 middle schools and 76 secondary schools by ensuring access to the full National Curriculum for all secondary school aged children. As with primary education most of the budget is controlled by school governing bodies, including provision for non-statemented or statemented special educational needs of pupils in mainstream secondary schools. The sixth form element of schools delegated budgets is grant funded by the Learning & Skills Council.

Special Education £42,445,000

Provides for the education of 2,200 pupils in 26 special schools. Also provides for pupils receiving education in independent schools or in schools maintained by other local authorities as well as for pupils who experience learning difficulties for which suitable provision cannot be made in a mainstream educational setting.

Education: Non-schools £69,059,000

This area of the budget supports the county council's statutory responsibilities as an education authority. It includes support for admission arrangements and access to the 529 Hertfordshire schools, including asset management, planning and provision of school places and home to schools transport. This includes work with individual pupils, through the Education Welfare Service, who cannot or will not attend, to ensure that they receive the education that they need to equip them as successful adults.

The county council provides a range of specialist services including Educational Psychology, designed to support schools and parents in meeting the learning needs of all pupils, and the core assessment and co-ordination responsibilities for children who have special educational needs.

The cost of the authority's statutory role in monitoring, challenging and supporting schools and meeting the educational needs of pupils is met through this area of the budget.

The Youth Service supports young people's transition to adulthood by providing alternative learning opportunities that encourage them to reach their full potential and become active citizens within their communities.

Children's Services £85,287,000

A range of social care and preventative services are provided to children in need, including looked after children and children in need of protection. This includes referral, assessment and case work through the social work teams in the local areas.

As lead agency in the Hertfordshire Area Child Protection Committee the county council co-ordinates the work of all agencies and services for children to ensure that they are safe from harm and their welfare promoted. The numbers of children on the child protection register per 10,000 of population for under 18 year olds was 17.5 in 2004/05 against a figure of 20.6 for 2003/04. There were 423 children on Hertfordshire's Child Protection Register as at April 2005.

Through a range of family support and community based services the county council offers support to young children and families with emotional, social or physical needs. The 8 family support centres, which were restructured during 2005/06, are on the front line in supporting early intervention and preventative strategy.

The Youth Justice Service's prime purpose is the reduction of crime and offending by children and young people. This service works in multi-agency teams, including social workers, probation staff, education and health workers, to cut youth crime and prevent young people who have been before the courts from re-offending.

The council manages a range of services for children who are looked after and placed in the care of the authority. There were 950 looked after children in 2004/05, with 20 children coming into care each month. 2.8 Hertfordshire children per 1000 are looked after by the county (the national figure is 5 per 1,000). The services provided include adoption, fostering and out of county placement. The authority also manages residential care for children and young people through nine residential homes, five for adolescents, one for younger children aged 5-11 and a number of homes for disabled children.

Libraries, Heritage & Arts £20,669,000

The council provides 52 libraries and one prison library. It also provides 13 mobile and trailer vehicles with more than 1,000 stops across the county covering every settlement, including outreach services to more than 400 centres e.g. sheltered accommodation. In 2005/06 staff answered nearly 1.8 million enquiries and issued over 7 million books, videos and DVDs, and music recordings. Just over 5.2 million visits were made to use libraries for study, reading newspapers and journals, attending reading groups or baby rhyme times, IT taster sessions etc. 441 free access public computer terminals were available for using the Internet, the on-line catalogue, CD_ROM databases or Microsoft Office applications.

The Schools Library Service (SLS) provides a traded service to schools; 59% of primary schools and 48% of secondary schools bought into the service in 2005/06. Throughout the year SLS provided 43,204 books to 239 primary schools through 433 mobile library visits. A further 126,310 books were provided to schools in project and fiction packs. In addition 711 hours of advisory time were provided in schools.

Hertfordshire Archives and Local Studies preserve and promote archive and local studies resources for the discovery and enjoyment of Hertfordshire's heritage. Collections include over 6,000 archive collections, 30,000 books, 30,000 photographs and 10,000 maps. Use of these resources is promoted through open days, courses, events and exhibitions.

Summary Service Revenue Budget

2004/05 Actual £'000		2005/06 Original Budget £'000	2005/06 Revised Budget £'000	2006/07 Original Budget £'000
	Education (Schools):			
13,815	Nursery	16,622	16,622	18,996
225,615	Primary	243,934	243,934	258,902
208,683	Secondary	231,230	230,639	245,690
38,311	Special	38,906	38,906	42,445
486,424	Subtotal	530,692	530,101	566,033
71,146	Capital charges	71,776	71,776	Note 1
(3,036)	Pension charge under FRS17	2,587	2,587	Note 1
-	Dedicated Schools Grant	-	-	(566,033)
554,534	Total Education (Schools)	605,055	604,464	-
82,818	Education (Non Schools)	70,396	69,529	70,045
(319)	Corporate & Democratic Core Recharges	(327)	(327)	(336)
3,174	Capital charges	484	484	490
(655)	Pension charge under FRS17	442	442	(1,140)
85,018	Total Education (Non Schools)	70,995	70,128	69,059
80,399	Children's Services	82,510	81,743	84,489
1,294	Capital charges	1,180	1,180	1,195
(1,112)	Pension charge under FRS17	912	912	(397)
80,581	Total Children's Services	84,602	83,835	85,287
17,487	Libraries, Heritage and Arts	17,714	17,704	19,140
(66)	Corporate & Democratic Core Recharges	(70)	(5)	(17)
2,316	Capital charges	2,198	2,198	1,798
(541)	Pension charge under FRS17	348	348	(252)
19,196	Total Libraries, Heritage & Arts	20,190	20,245	20,669
739,329	TOTAL CHILDREN, SCHOOLS & FAMILIES	780,842	778,672	175,015

Note:

1. Due to the change in funding arrangements for Schools it is necessary to show the schools net budget figure as nil as it is wholly funded by dedicated schools grant. However, the notional adjustments for capital charges and FRS17 Pension Charge still need to be calculated and are included here for information:

- Capital charges £72,685,000
- Pension charge under FRS17 -£2,029,000

Average Staffing Numbers (WTE)

2004/05 Actual		2005/06 Original Estimate	2005/06 Revised Estimate	2006/07 Original Estimate
10,675	Education: Schools	10,458	10,458	11,232
1,654	Education: Non-Schools	1,732	1,732	1,431
3,732	Children's Services	3,854	3,854	3,557
464	Libraries, Heritage & Arts	483	483	503
16,525	TOTAL CHILDREN, SCHOOLS & FAMILIES	16,527	16,527	16,723

Community Safety

The Community Safety portfolio consists of a range of services which support and protect the people of Hertfordshire.

Services within this portfolio include:

- Fire & Rescue
- Crime & Drugs Strategy Unit
- Trading Standards
- Coroners Service
- Registration Service
- Emergency Planning

A description of the services provided by each of the above and the key issues facing them for 2006/07 can be found on the following pages.

Fire & Rescue £40,919,000

Operating from 32 fire stations situated throughout Hertfordshire, the Fire and Rescue Service is dedicated to saving life and property from fires and other emergencies - be they road traffic accidents, chemical spillages, railway and aircraft mishaps or domestic flooding and trapped livestock.

The service headquarters is based at Hertford whilst the Command and Control Centre is at the service's Longfield site in Stevenage. The same location also serves as the Training and Development Centre, including a facility for instructing commercial clients in a wide range of firefighting, first aid and other skills. Longfield is also the location for the Fire Safety Directorate. As of March 2006, the Fire and Rescue Service consisted of 565 wholetime personnel, 265 retained personnel, 29 fire control staff and 139 non-uniformed support staff.

The service's key responsibilities are to prevent fires occurring and to respond if they or other emergencies occur, to minimise their impact on life and property. Its Fire Safety Officers and operational crews target local communities to ensure that people are aware of the risks of fire and take appropriate action to minimise those risks in homes. This work includes hosting displays, attending public events and exhibitions, schools and other organisations.

They also seek to ensure that all homes in Hertfordshire are fitted with effective means of detecting fire and giving early warning to occupants. Fire Service personnel also inspect commercial and public buildings to ensure they comply with the requirements of various pieces of fire safety legislation.

Key Issues for 2006/07

- Reducing fires and related deaths, injuries, property and environmental damage in Hertfordshire through proactive fire safety activities.
- Reducing other emergencies through proactive safety measures.
- Ensuring that the service is fully equipped and staff trained to the relevant standards.
- Responding to emergencies in an effective and efficient manner when they occur.
- Continuing to be a Service committed to engaging with the community and reflecting the community in its workforce, through the delivery of its Community Safety Plan.
- Working in partnership with other agencies and fire authorities to provide efficient and cost effective solutions.
- Continuing development of our Integrated Risk Management Plan.
- Developing processes and systems in working towards the electronic delivery of services.

Crime & Drugs Strategy Unit £2,692,000

The Crime & Drugs Strategy Unit is responsible for the council's statutory responsibility to reduce crime and disorder and the effects of drug and alcohol misuse. The unit works closely with the ten district councils, Hertfordshire Constabulary and a range of other agencies, implementing a variety of projects to deliver the key objectives, some of which are detailed below.

Frequently, Hertfordshire residents have confirmed that crime and substance misuse levels, the fear of crime and concerns around the level of anti-social behaviour are high priority issues for the council to focus on and reduce.

Key Issues for 2006/07

- Continuing to roll out the Police Community Support Officer (PCSO) initiative to provide high visibility reassurance to our residents, by tackling anti-social behaviour and reducing the fear of crime for individuals and communities.
- Co-ordinating intervention programmes that support problematic drug users, in order to implement the Drug Intervention Programme.
- Working with partner agencies to deliver the four strands: young people; treatment; supply and communities; of the National Drugs Strategy.
- Supporting the ten Crime & Disorder Reduction Partnerships by ensuring that projects are delivered effectively and that relevant services are co-ordinated to support the work of partner agencies.
- Implementing the Alcohol Harm Minimisation Strategy aimed at reducing the negative effects of alcohol misuse, with particular emphasis on young people and the effects alcohol misuse can have on crime and disorder, especially anti-social behaviour.
- Continuing to expand the county wide Home Security Service. This service aims to provide reassurance and peace of mind to residents of Hertfordshire by providing a high quality, free of charge, home security service. This includes the installation of home security devices, such as locks, spy-holes and key chains and offering expert advice on how to stay safe in your home.

Trading Standards £2,569,000

Trading Standards safeguards the interests of consumers and legitimate businesses by enforcing fair trading laws and advising manufacturers, importers, retailers and service providers on how to comply with the law by working with them to ensure they trade fairly. They inspect goods at all stages of production and distribution in factories, warehouses, shops and markets to make sure they meet legal standards. Samples of food and other products are purchased and taken for analysis and safety testing. They investigate unfair and illegal business practices acting on information received from complaints and enquiries by members of the public or the business community.

Trading Standards aims to achieve a safe and just trading environment by protecting consumers and businesses, challenging criminality and inspiring others to do the same.

Key Issues for 2006/07

- Taking action to prevent people being the victims of commercial crime in their own home.
- Taking action to disrupt traders from operating in the informal economy.
- Taking action to prevent harm to children and nuisance caused by young people from access to restricted goods, such as alcohol and cigarettes.

Coroners Service £966,000

The Hertfordshire Coroner Service provides investigative and administrative support to Her Majesty's Coroner for the District of Hertfordshire, in accordance with the Coroners Act 1988. The service deals with approximately 3,200 death referrals per annum of which about 400 proceed to inquest hearings.

Key Issues for 2006/07

- Potters Bar derailment inquest - The Department for Transport have agreed to fund the majority of costs with the exception of staffing costs (approximately £50,000).
- Reform of the Coroner System will proceed within the next financial year and a draft Bill is expected in spring 2006.

Registration Service £808,000

This is a front line customer service. During the period April 2004 to March 2005 10,810 births and 8,151 deaths were registered. In the same period, 8,788 notices of marriage were taken with 3,551 marriages occurring in the county. A total of 17,323 copy certificates were issued. 2004/05 was the first full year of Citizenship Ceremonies of which 1,510 took place.

Key Issues for 2006/07

- The introduction of a web based system for Registration.
- Government proposals for new governance arrangements.

Emergency Planning £665,000

The Emergency Planning Service exists to promote and develop effective emergency response arrangements both within the authority and throughout the county. It supports Hertfordshire County Council departments in the preparation of their own emergency plans and the Local Resilience Forum, working with partner organisations to identify hazards, co-ordinate inter-agency planning, training and exercising as well as supporting the authority in the actual delivery of an emergency response. It also leads in the development and implementation of business continuity arrangements across the organisation, and in the promotion of business continuity amongst the county's business community.

Key Issues for 2006/07

- Preparations internally and with partner organisations to respond to the threat of an influenza pandemic.
- Continuing to enhance the county council's own resilience and capacity to withstand major disruption to services.
- Supporting the county council and the Local Resilience Forum in meeting the new statutory requirements of the Civil Contingencies Act.

Summary Service Revenue Budget

2004/05 Actual £'000		2005/06 Original Budget £'000	2005/06 Revised Budget £'000	2006/07 Original Budget £'000
	Fire & Rescue			
28,024	Fire & Rescue	29,197	29,143	31,130
4,643	Fire Pensions	5,427	5,427	4,569
32,667	Subtotal	34,624	34,570	35,699
(65)	Corporate & Democratic Core Recharges	(70)	(70)	(73)
2,356	Capital Charges	2,185	2,185	2,213
2,202	Pension charge under FRS17	(534)	(534)	3,080
37,160	Total Fire & Rescue	36,205	36,151	40,919
2,176	Crime & Drugs Strategy Unit	2,673	2,931	2,700
7	Capital Charges	6	6	-
(2)	Pension charge under FRS17	6	6	(8)
2,181	Total Crime & Drugs Strategy Unit	2,685	2,943	2,692
2,568	Trading Standards	2,627	2,515	2,588
(5)	Corporate & Democratic Core Recharges	-	-	-
56	Capital Charges	48	48	29
-	Pension charge under FRS17	59	59	(48)
2,619	Total Trading Standards	2,734	2,622	2,569
799	Coroners	835	954	976
(6)	Corporate & Democratic Core Recharges	(7)	(7)	-
1	Capital Charges	2	2	-
-	Pension charge under FRS17	9	9	(10)
794	Total Coroners	839	958	966
798	Registration	783	803	774
(17)	Corporate & Democratic Core Recharges	(21)	(21)	(3)
62	Capital Charges	63	63	67
(16)	Pension charge under FRS17	35	35	(30)
827	Total Registration	860	880	808
373	Emergency Planning	613	613	672
(5)	Corporate & Democratic Core Recharges	(6)	(6)	(6)
9	Capital Charges	10	10	10
(4)	Pension charge under FRS17	12	12	(11)
373	Total Emergency Planning	629	629	665
43,955	TOTAL COMMUNITY SAFETY	43,952	44,183	48,619

Average Staff Numbers (WTE)

2004/05 Actual		2005/06 Original Estimate	2005/06 Revised Estimate	2006/07 Original Estimate
929	Fire & Rescue	931	931	932
10	Crime & Drugs Strategy Unit	10	14	14
62	Trading Standards	57	57	55
13	Coroners	13	13	13
39	Registration	39	42	41
14	Emergency Planning	14	18	18
1,057	TOTAL COMMUNITY SAFETY	1,064	1,061	1,059

Environment

The total budget for Environment is £117,836,000

The Environment department is responsible for a wide range of services which affect many aspects of life in Hertfordshire, including roads and rights of way, public transport, strategic planning, waste planning and disposal, and conserving and enhancing the natural and built environment.

Key Issues for 2006/07

- Ensuring that Hertfordshire Highways continues to improve and deliver the service standards expected of it.
- Starting to address the road maintenance backlog through an enhanced maintenance programme.
- Implementing an extensive and ambitious integrated works programme to maintain roads and pavements, improve safety and help reduce congestion.
- Encouraging more people to use public transport through the county's second Bus Strategy.
- Responding to major planning applications.
- Continuing the work to develop a minerals and waste development framework including a statement of community involvement.
- Ensuring Hertfordshire's voice is heard in the new planning system.
- Contributing to the Regional Plan for the East of England to ensure that our concerns and aspirations are fully expressed in the regional planning process, with a view to securing a more sustainable approach to development in the county.
- Working with district councils to raise the standards of design and sustainability of all new development in the county.
- Coordinating work on the Local Area Agreement.
- Ensuring new duties and responsibilities under the Countryside and Rights of Way Act are successfully implemented.
- Working with all district councils to review and implement Hertfordshire's Waste Strategy.
- Continuing the ongoing operation of the Hertfordshire Safety Camera Partnership and preparing for the implications of funding changes in 2007/08.
- Continuing to develop HERMIS, our advanced computerised management system, enabling us to improve our highways service.

The Role of the Environment Department

The purpose of the Environment Department is to work with local people to create a better living, working and travelling environment and improve the quality of life in Hertfordshire, now and in the future.

We do this by planning for transport, new housing and mineral extraction, by looking after the road network and public rights of way, by disposing of household waste and by conserving and enhancing the countryside. We are also responsible for promoting passenger transport, town centre enhancements, cycling schemes, safety measures for roads, road safety education and long-term transport plans for towns.

Within our limited financial resources and by working in partnership with other organisations, we aim to maintain and, where possible, improve the environment and infrastructure of Hertfordshire.

With around 4,800 km of roads, 5,000 public rights of way, 13 sand and gravel quarries, traffic 50% above national average, 116,000 street lights, 580,000 tonnes of household waste a year, 4.5 million journeys every day and thousands more new homes needed, our work touches on everyone's life.

Maintenance £37,567,000

Structural Maintenance £7,156,000

The need for cost effective solutions which extend the life of roads, bridges etc. is regularly and objectively assessed using data collection and analysis techniques for which Hertfordshire is a market leader. This area of work covers a range of activities from major longer term repairs to measures taken to slow the rate of deterioration on elements of the highway subject to progressive wear and reaction to potentially dangerous circumstances.

Routine Maintenance £20,428,000

Routine maintenance encompasses work of a cyclic nature required to maintain highway items in a serviceable condition, such as grass cutting, emptying gullies and sign cleaning. Assessment of the need for routine maintenance gives priority to safety such as pothole repair, and surfacing. The environmental maintenance standards adopted are broadly in line with the Local Authorities Code of Good Practice.

Winter Maintenance £2,733,000

Expenditure on winter maintenance is vital to maintaining the safety and freedom of movement on the county's busier highways during the most inhospitable time of year. Most of the budget is spent on precautionary salting, but provision is also made for the emergency clearance of snow and ice.

Road Lighting £7,250,000

This covers all aspects of road lighting, including regular maintenance and energy costs. Work to improve the condition of the street lighting stock will continue as well as encouraging better relationships with our energy supplier to speed up repairs of supply related faults.

Safety £6,841,000

Traffic Management and Safety £4,843,000

The prime aim of safety engineering measures is to reduce road accident casualties. This means addressing the issues of safety, ease of movement and environmental concerns of all road users - motorists, pedestrians, cyclists and those affected by or living alongside roads. Measures include new pedestrian crossings, new cycle tracks, traffic control systems, improved signing and road markings as well as measures to reduce speed through rural villages.

Road Safety Education and Training £1,098,000

The department aims to raise the traffic awareness of drivers and all other road users through education, training and publicity. Programmes include the use of drama, design and provision of educational material, together with training opportunities to enable teachers to incorporate traffic awareness messages into the curriculum.

School Crossing Patrols £900,000

The Road Safety Unit manages the school crossing patrol service within the county for all Hertfordshire schools.

Sustainable Transport Policies £17,328,000

Sustainable Transport Policies £947,000

Our aim is to implement town plans which promote other forms of transport to the car and help create a better environment in town centres and residential areas. These changes are essential to promote sustainable urban areas both in economic and environmental terms. The aim is to promote a change in attitude to car use which is reinforced by the TravelWise campaign.

Passenger Transport £11,303,000

Passenger transport has a fundamental role in implementing the council's TravelWise policies. The department arranges bus services by direct contract where services are not provided commercially. Home to school/college contracts and passes are managed on behalf of the Children, Schools and Families department and concessionary fares schemes for elderly and disabled passengers are administered for district councils. Liaison with the rail and other service operators, and the provision of bus stops, station and interchange facilities are an increasing part of the service.

We are also responsible for the running of the former Adult Care Services and Youth and Community vehicle fleets under the management of the County Transport Services Group. The rationalisation of transport provision delivers a more efficient service to the users, ensures that the county council can better monitor its adherence to its environmental policies and produces a substantial financial saving. As all the costs are the direct responsibility of other departments, County Transport Services has a net nil budget, but has an annual turnover of approximately £5.5 million.

Transport Planning Policy and Strategy £3,479,000

The department undertakes the monitoring of transport changes such as traffic flows and accidents and the success of policies. It reviews and develops transport policy, develops transportation plans and programmes and bids to government for grant (Local Transport Plan). It also undertakes development control for major development in terms of transportation requirements.

Advance Preparation and Consultation £1,599,000

The department is committed to working closely with local communities and consults widely on all transportation schemes.

Waste Management £26,547,000

The county council has a duty to make disposal arrangements for waste from district council collections (c 450,000 tonnes a year) and from its household waste sites (c 130,000 tonnes a year). Most goes to landfill sites and the landfilling operation is carried out by private companies. Since October 1996 the county council has been obliged to pay tax on every tonne of waste it disposes of in this way, with the rate of Landfill Tax being set at £24 per tonne from 1st April 2006. The government has given notice that this will rise by at least £3 every year until it reaches £35 per tonne.

Under the Environmental Protection Act 1990, the county council pays recycling credits to district councils and other bodies for waste taken out of the waste stream and recycled, as an incentive to recycling.

To address the growing waste problem facing the county, the county council is working in partnership with all the district councils in implementing a fully coordinated municipal waste strategy for Hertfordshire. In addition, work continues on the WasteAware campaign, raising awareness about the problem of waste in the county and encouraging residents to minimise their own waste. The success of these initiatives can be measured by the significant increase in the proportion of waste recycled compared to five years ago.

Strategy Planning and Information £5,941,000

Strategic planning and information are fundamental to maintain and enhance the high quality of Hertfordshire's physical and economic environment. In particular our aim is to review and maintain planning strategies such that the integration of land use with transportation and other investment strategies for settlements is secured, and to ensure that major greenfield development is kept to a minimum.

As minerals planning authority the county council has a duty to determine planning applications for mineral extraction. It is also charged with preparing a waste local plan and has a duty to determine applications for waste management facilities.

Environmental Management £4,442,000

The department has a long history of working with other sectors, notably district and parish councils, the business community and the voluntary sector, on environmental issues. Much of the work on the ground is carried out by partners in the form of charitable trusts. Key environmental services such as the Countryside Management Service are partly funded by the county council.

The department also has responsibility for maintaining the public rights-of-way network of the county and it manages the rural estate. The department also hosts the Hertfordshire Biological Records Centre which holds over 1 million records on the fauna and flora of the county.

Summary Service Revenue Budget

2004/05 Actual £'000		2005/06 Original Budget £'000	2005/06 Revised Budget £'000	2006/07 Original Budget £'000
13,143	Structural Maintenance	15,306	8,820	7,156
15,623	Routine Maintenance	13,582	16,803	20,428
2,218	Winter Maintenance	2,095	2,556	2,733
4,350	Road Lighting	4,813	6,261	7,250
35,334	Total Maintenance	35,796	34,440	37,567
3,568	Traffic Management and Safety	4,674	4,739	4,843
897	Road Safety Education and Training	1,051	1,048	1,098
688	School Crossing Patrols	848	767	900
5,153	Total Safety	6,573	6,554	6,841
1,071	Sustainable Transport Policies	1,192	1,204	947
9,991	Passenger Transport	10,747	10,901	11,303
1,964	Transport Planning Policy and Strategy	2,302	3,588	3,479
1,483	Advance Preparation and Consultation	1,674	1,684	1,599
14,509	Total Sustainable Transport Policies	15,915	17,377	17,328
20,896	Waste Management	23,110	23,106	26,547
4,922	Strategy Planning and Information	5,434	5,461	5,941
3,908	Environmental Management	4,194	4,205	4,442
84,722	Subtotal	91,022	91,143	98,666
19,903	Capital Charges	18,945	18,945	20,442
(309)	Pension Charge under FRS17	537	537	(495)
(739)	Corporate and Democratic Core Recharges	(761)	(761)	(777)
103,577	SERVICE TOTAL	109,743	109,864	117,836

Average Staffing Numbers (WTE)

2004/05 Actual		2005/06 Original Estimate	2005/06 Revised Estimate	2006/07 Original Estimate
660	SERVICE TOTAL	670	670	700

Resources (Corporate Services)

The total budget for Resources is £10,107,000

The Corporate Services department provides support for the strategic management of the council. The work of Corporate Services, and the county council as a whole, is driven by the council's ambition, to make Hertfordshire an even better place to live and work with the best public services in the country. Corporate Services plays a vital role in working towards achieving the council's 2006/07 challenges (see page 1 for list of challenges).

In addition, the aims of the Corporate Services department are to:

- Work with the Strategic Management Board to lead and develop the strategic direction of the county council as a whole.
- Support Members, the corporate governance framework and Service Departments to achieve their objectives.
- Maximise the authority's resources.
- Ensure probity and propriety and provide independent scrutiny of proposals from service departments.
- Set standards and frameworks and ensure they are observed.
- Provide support services where we are the most cost-effective providers.
- Promote the authority to the outside world.
- Help the organisation learn by promoting and supporting links between activities in different services.

These aims are achieved through the work of the groups listed on the following pages.

Central Services £14,307,000

The Chief Executive's section £1,483,000

- Leads on the development of effective arrangements for performance management and improvement. This includes the Corporate Plan which sets out the council's objectives and expected performance for the coming year and reports on past performance and the balanced scorecard - the key performance tool for Hertfordshire County Council.
- Supports diversity and equality of access to all county council services and engagement and consultation with the public.
- Delivers efficient management support to the council's decision-making processes.

Corporate Finance £1,803,000

Gives strategic advice and support to key financial processes. This includes:

- the preparation of the annual revenue and capital budgets and accounts;
- setting and monitoring financial standards;
- providing investment services, taxation services and day-to-day financial management;
- managing the pension fund, financial input to contract management, risk management and insurance; and
- providing a range of finance and accountancy functions on behalf of smaller departments.

Corporate Communications £744,000

This unit ensures Hertfordshire residents are kept up to date on the provision and performance of council services. To create a strong dialogue with residents, service users and council staff, the following communication activities are used:

- media and public relations - local and national press
- e-communications - hertsdirect.org and intranet
- marketing - new and existing services, to promote awareness and usage
- internal communications to ensure all county council staff are kept informed
- communications guidance, advice and training to county council staff

County HR £2,603,000

This small central personnel team provides advice, policy guidance, strategic direction and practical assistance to the county council and its departments to enable the organisation to maximise one of its major assets - its staff. The principal responsibilities of County HR include the management of change, development of corporate personnel policies and strategies, development and maintenance of pay practice and recruitment and retention initiatives, identification of training needs and staff development and strategies to meet these requirements, corporate guardianship of the Performance Management Scheme. In the region of £100,000 of the department's budget is used for training and the development of corporate initiatives.

Hertfordshire Property £2,762,000

Responsible for getting the best value from property assets and all of the county council's property services. The division gives strategic advice and support to key land, buildings and other asset related processes and decisions.

Hertfordshire Property staff provide professional services and consultancy in all aspects of property and accommodation services including asset management planning, managing central accommodation services, managing land and buildings and providing project and programme management services. They also provide management of the Property Services contracts. The annual turnover of property expenditure and capital receipts exceeds £160 million per year.

County Secretary £1,682,000

Provides high quality legal and administrative services to enable the county council to carry out its policies and statutory obligations within the law and the council's own procedures in a cost effective manner. It also manages three front line services: Registration of Births, Deaths & Marriages, Coroners and Trading Standards.

Internal Audit £1,011,000

Provides audit coverage for all financial systems and arrangements, advice on controls, contracts and information technology, and investigation of frauds.

Business Support Unit £387,000

Provides business support services to the departments within Corporate Services including Personnel & Training, Purchasing and Office Services, Financial Administration and support for departmental and corporate initiatives including Health & Safety, Equalities Action Planning and Business Continuity Support.

Commercial Services & Information Technology Unit £598,000

This department provides management of the Information Technology, Trading Standards, Corporate Information Systems, Customer Services Centre and e-government services.

Strategy and Consultancy £173,000

Provides change management support to major county council projects. The work of this unit is directed by SMB through an annual work programme.

Safety, Emergency and Risk Management Unit £296,000

This covers Corporate Health and Safety, Occupational Health, Emergency Planning and Risk Management. The unit supports county council departments in the provision of safe, healthy and continuous services and provides advice and leadership in the management of risk. The unit also helps to create a coherent, co-ordinated and effective multi-agency response in the event of a major emergency affecting Hertfordshire.

Corporate Property Fees £646,000

This budget is used to meet the cost of providing professional property services for the corporate management of the estate and to support corporate property strategies.

Other Corporate Charges £119,000

This represents the cost of the annual subscription to the Local Government Association (LGA) and costs relating to other small corporate services.

Members Services £1,753,000

This budget helps county councillors to carry out their function and includes the provision of comprehensive secretarial services. Approximately 70% of the budget is for expenses and allowances to members of the county council.

Other Corporate Services £18,164,000

Civic Buildings - Property Management £4,273,000

This budget comprises the facilities management and running costs for all shared buildings (County Hall, Mount Pleasant, New Barnfield and other divisional offices etc) throughout the county. It is managed by Hertfordshire Property and all costs are recovered by recharges to the building occupiers.

Bank and Audit Charges £700,000

This budget relates to the payment of charges on banking transactions and external audit fees.

Hertfordshire Business Services (HBS) £86,000

Hertfordshire Purchasing and Supplies

HBS offers a professional purchasing, supply and contract management service to the county council. The organisation operates on a trading basis and recovers its operating costs predominantly through both pay-as-you-purchase arrangements and by negotiated Service Level Agreements. HBS acts as client manager for the school meals service and vehicle maintenance. The catalogue service has a turnover in excess of £32 million serving more than 9,900 customers. HBS is a leading member of the Central Buying Consortium consisting of 17 local authorities and negotiates both joint contracts and county council specific contracts with an annual value of approximately £100 million.

Hertfordshire Reprographics

This is the county council's in-house print unit. It provides a range of reprographic services including printing, fast print, plan print and photocopying. Its objective is to provide a cost effective, fast and confidential facility for all county council services.

Corporate Training Centre

Provides a professionally serviced, value for money day training centre to the county council at one site, New Barnfield Centre (Hatfield).

Courier Service

This service provides a daily courier service between 95 county council administrative centres and district councils.

County Hall Catering

This service provides, at a subsidy of £127,000, the staff and member restaurant facilities at County Hall.

Hertfordshire Catering

With a turnover in excess of £15 million per annum, Hertfordshire Catering provides 56,000 meals a day to 415 primary schools and 40 secondary and middle schools.

Corporate Managed Properties £1,672,000

This service manages all properties that are not being used for direct services delivery by the county council, including those in the property disposal programme. This service is managed by Hertfordshire Property.

Information Technology £8,107,000

The Information Technology Portfolio consists of a range of services provided to the authority including voice and data networks, the Gateway, information systems, security and information and project management. This enables and enhances service delivery and is key to more efficient working in the future. It consists of the following areas:

The Corporate ICT function is responsible for planning and implementing the IT and telecommunications infrastructure across the authority. The group develops policy and guidance on the use of ICT, technical strategies and standards and acts as corporate client for IT support arrangements and the provision of telephone services.

The Corporate Information Systems and E-Government function is corporately responsible for information systems strategy and delivery, Information\Knowledge Management and e-Business activity. The function works in partnership with other authorities and organisations to deliver joined up e-government for Hertfordshire and manage the development of key corporate systems and their associated processes such as finance and HR/Pay.

The council's Customer Service Centre in Stevenage is open for 67 hours per week, including Saturdays, and handles more than 1 million telephone, email and postal contacts per annum, with satisfaction ratings typically over 95%. In addition, the council's interactive web presence at www.hertsdirect.org provides an extensive range of information and the ability to access the county council's services, such as applying for a school place, reporting highways faults or renewing library books. Costs are recharged out to services based on their proportion of use.

Staff Housing £133,000 (Contribution)

The Staff Housing Pool is managed by Aldwyck Housing Association and provides affordable housing for County Council employees.

Managed Financial Services £2,363,000

This service is contracted out to Serco Solutions Ltd who provide payroll, pensions, accounts payable and receivable, cashiers and leased car services for the council.

Other Services £1,096,000

Includes car loans and mortgages, grants to voluntary bodies, provisions, local land charges and postal services.

Summary Service Revenue Budget

2004/05 Actual £'000		2005/06 Original Budget £'000	2005/06 Revised Budget £'000	2006/07 Original Budget £'000
	Central Services:			
1,000	Chief Executive	1,185	1,326	1,483
2,512	Corporate Finance	1,624	1,676	1,803
699	Corporate Communications	671	670	744
1,960	County HR	2,170	2,269	2,603
2,389	Hertfordshire Property	2,774	2,770	2,762
1,478	County Secretary	1,662	1,581	1,682
805	Internal Audit	900	899	1,011
290	Business Support Unit	333	355	387
-	CSI	-	404	598
159	Strategy and Consultancy	162	162	173
171	Safety, Emergency and Risk Management	280	278	296
946	Corporate Property Fees	617	617	646
-	Other Corporate Charges	93	93	119
12,409	Central Services subtotal	12,471	13,100	14,307
(8,904)	Less: Recharges to Other Services	(9,039)	(9,039)	(10,744)
3,505	Central Services Recharge to Corporate & Democratic Core (CDC)	3,432	4,061	3,563
1,407	CDC (from other services)	1,854	1,854	1,715
1,620	Members' Services	1,691	1,660	1,753
6,532	Total CDC	6,977	7,575	7,031
	Other Corporate Services:			
3,000	Civic Buildings	3,399	3,399	4,273
677	Bank & Audit Charges	823	823	700
179	Hertfordshire Business Services	111	111	86
2,620	Corporate Managed Properties	1,856	2,453	1,672
7,417	Information Technology	6,818	7,433	8,107
(180)	Staff Housing	(119)	(119)	(133)
-	Managed Financial Services	-	-	2,363
1,710	Other Services	1,234	1,296	1,096
15,423	Other Corporate Services subtotal	14,122	15,396	18,164
(9,852)	Less: Recharges to Other Services	(10,208)	(10,208)	(15,488)
5,571	Total Other Corporate Services	3,914	5,188	2,676
12,103	Total CDC & Other Corporate Services	10,891	12,763	9,707
1,175	Capital Charges	482	521	826
(507)	Pensions Charge Under FRS17	318	409	(426)
12,771	SERVICE TOTAL	11,691	13,693	10,107

Notes:

1. The budget for the Money Advice Unit has transferred to Adult Care Services.
2. Budget for CSI has been transferred from Libraries, Heritage & Arts (Support Services) with effect from 1 April 2005.
- 3 The budget for Information Technology was previously included as a separate portfolio in the budget book but has now been consolidated within this portfolio.
- 4 Managed Financial Services was previously included within the budget for Hertfordshire Business Services but is now identified separately.

Average Staff Numbers (WTE)

2003/04 Actual		2004/05 Original Estimate	2004/05 Revised Estimate	2005/06 Original Estimate
	Central Services:			
16	Chief Executive	16	16	18
11	Corporate Communications	12	12	13
46	Corporate Finance	45	46	46
38	County HR	35	39	43
66	Hertfordshire Property	62	66	67
47	County Secretary	54	47	48
21	Internal Audit	21	21	21
11	Business Support Unit	9	11	11
4	Strategy & Consultancy	5	4	4
6	Safety, Emergency & Risk Management	5	6	6
3	Members' Services	3	3	3
3	CSI	3	3	3
117	Information Technology	115	117	119
389	Total Central Services	385	391	402
	Other Corporate Services:			
287	Hertfordshire Business Services	286	287	287
676	SERVICE TOTAL	671	678	689

1. That the Council notes with concern that:

- (a) the new grant system has resulted in Hertfordshire receiving only a 2% grant increase of £2.9 million on a total grant of £146.6 million which means that Hertfordshire becomes a 'floor' authority along with 13 other shire councils.
- (b) the new system is so perverse as to take £26 million of grant away from Hertfordshire, before damping, and requires the exercise of ministerial judgement to determine grant levels, rather than need, or the operation of any form of meaningful formula.
- (c) the grant system for 'floor' authorities no longer includes built-in financial support for capital investment in programmes such as the Local Transport Plan (LTP) or Schools Modernisation, which now become largely unsupported with a cost to council tax payers of some additional £3 million in a full year.
- (d) the burden of Government under-funding is continuing to fall on the local council tax payer.

Revenue and Capital Budget

2. That a revenue budget of £575.659 million for 2006/07, including cashable efficiency savings of £15.2 million and taking account of proposals 3, 4 and 7 below, be approved, as follows:-

	Proposed Budget (excl. capital charges and Pension Charges) £m	Capital and Pension Charges £m	Proposed Budget (incl. capital and Pension Charges) £m
Adult Care Services	215.582	3.411	218.993
Children, Schools & Families:			
<i>Education Non-schools</i>	<i>69.709</i>	<i>(0.650)</i>	<i>69.059</i>
<i>Children's Services</i>	<i>84.489</i>	<i>0.798</i>	<i>85.287</i>
<i>Libraries, Heritage & Arts</i>	<i>19.123</i>	<i>1.546</i>	<i>20.669</i>
Total Children, Schools & Families	173.321	1.694	175.015
Community Safety:			
<i>Fire & Rescue</i>	<i>35.626</i>	<i>5.293</i>	<i>40.919</i>
<i>Trading Standards</i>	<i>2.588</i>	<i>(0.019)</i>	<i>2.569</i>
<i>Registration</i>	<i>0.771</i>	<i>0.037</i>	<i>0.808</i>
<i>Coroners</i>	<i>0.976</i>	<i>(0.010)</i>	<i>0.966</i>
<i>Emergency Planning</i>	<i>0.666</i>	<i>(0.001)</i>	<i>0.665</i>
<i>Crime & Drugs Strategy Unit</i>	<i>2.700</i>	<i>(0.008)</i>	<i>2.692</i>
Total Community Safety	43.327	5.292	48.619
Resources (Corporate Services)	9.707	0.400	10.107
Environment	97.889	19.947	117.836

	Proposed Budget (excl. capital charges and pension charges) £m	Capital and Pension Charges £m	Proposed Budget (incl. capital and pension charges) £m
Central Items:			
<i>Capital Financing & Interest on Balances</i>	28.745		28.745
<i>Precepts</i>	1.789		1.789
<i>Contingency</i>	0.642		0.642
<i>Special Provision</i>	5.300		5.300
<i>Amending Reports 2004/05 & 2005/06</i>	1.117		1.117
<i>Office Rationalisation Project</i>	0.940		0.940
<i>Grant Income</i>	(2.700)		(2.700)
<i>Other</i>		29.667	29.667
Total Central Items	35.833	29.667	65.500
Pension Reserve Appropriation		(22.418)	(22.418)
Asset Management Revenue Account (AMRA)		(37.993)	(37.993)
Budget Requirement	575.659	0.000	575.659

3. That £2.7 million of the LPSA1 reward grant be used to support the 2006/07 revenue budget.
4. That the revenue budget for 2006/07 include an additional £585,000, and £963,000 in a full year, to meet the Public Library Service Standard (PLSS) on aggregate opening hours; and that provision be included in the capital programme to commence the repairs, refurbishment and replacement of libraries as part of the 'Libraries for the 21st Century' initiative, which seeks to make the Hertfordshire Libraries Service an excellent service.
5. That in 2006/07, and subsequent years, the expenditure of £2.7 million on Highways Maintenance which had been included as a one-off in the current year's revenue budget, be provided from the capital programme.
6. That £10 million be included in the capital programme for additional capital investment in Highways Maintenance in 2006/07; the work carried out for the record £62.5 million of highways spending, including the additional £10 million, to be closely monitored to ensure value for money and a noticeable and lasting improvement in the County's roads and footways (the additional £10 million investment in Highways Maintenance, together with £2.7 million capital programme provision, making a total provision, including both revenue and capital budgets, of £62.5 million, representing a real terms increase of £10 million over 2005/06).
7. That the £10 million capital investment in Highways Maintenance be met by withdrawing £9 million from reserves and £1 million from the revenue budget.
8. That service proposals for the use of their estimated £3.6 million, over 2 years, (40%) share of available Local Public Service Agreement (LPSA)1 reward grant, as set out in Appendix 14 of the 7 February Cabinet budget report, be agreed for 2006/07, but that approval to fund costs falling in 2007/08 be subject to confirmation of the final reward grant allocation.

9. That a Capital Programme of £171.160 million for 2006/07, including the Local Transport Plan (LTP) and the Schools Modernisation Programme (both of which are no longer fully supported by Government funding) and as set out in the 7 February Cabinet Minutes (Annex B) (attached), taking account of proposals 4, 5, 6 & 7 above be approved. This programme to be funded as follows:

	2006/7	2007/8	2008/9
	£m	£m	£m
<i>Capital Grants</i>	51.011	39.616	5.017
<i>Capital Receipts</i>	37.083	15.632	11.850
<i>Capital payback Contributions</i>	2.765	4.252	4.865
<i>Revenue Support (non-schools)</i>	1.554	2.065	2.575
<i>Revenue Support (schools)</i>	14.231	15.736	15.778
<i>Reserves</i>	10.000	-	-
<i>Borrowing</i>	54.516	57.267	43.577
Total	171.160	134.568	83.662

10. That a Schools Budget be approved at the level of the Government's Dedicated Schools Grant (DSG) for Hertfordshire and the available headroom be allocated as set out in Appendix 3 to the report (item 8A). Further, that, in relation to the £750,000 available in 2006/07 from protection no longer required for the schools Minimum Funding Guarantee, a report should be made to the Education panel on how this can best be targeted to improve the achievement and aspirations of challenging children and young people experiencing higher levels of deprivation.
11. That in view of the likely impact on service users and carers of the increases in charges for Adult Care Service the Council recommends that the impact of these charges be monitored through the scrutiny process.
12. That a Council Tax increase of 4.95% to support the revenue budget of £575.659 million be agreed.
13. That the Band D Council Tax for the County Council in 2006/07 be £984.95 and that the amount of tax calculated for all bands be as follows:

Band A	£656.63
Band B	£766.07
Band C	£875.51
Band D	£984.95
Band E	£1,203.83
Band F	£1,422.71
Band G	£1,641.58
Band H	£1,969.90

14. That the precept amounts required from the District Councils be as follows:

Broxbourne Borough Council	£35,191,180.06
Dacorum Borough Council	£54,870,579.55
East Hertfordshire District Council	£55,016,834.78
Hertsmere Borough Council	£39,926,918.15
North Hertfordshire District Council	£47,230,420.90
St Albans City & District Council	£58,551,337.70
Stevenage Borough Council	£26,944,302.05
Three Rivers District Council	£36,836,381.44
Watford Borough Council	£30,530,495.15
Welwyn Hatfield District Council	£39,398,492.48

Total **£424,496,942.26**

Medium Term Financial Strategy

15. That the Council agrees as its medium term financial strategy for the period 2006/07 to 2008/09, the framework and proposals set out in the Medium Term Financial Strategy document (Appendix 5 of the report), and that the following sentence be inserted into section 1 of this strategy document:

‘The County Council is facing unavoidable cost pressure rises of 8.5% per annum on average over the next three years, 1.5% of which relates to demographic pressures such as increasing numbers of elderly people and persons with learning disabilities, on top of this the authority faces the new burden of financing the cost of that capital borrowing previously supported by Government grant. Even after having identified significantly more efficiencies than ever before, the projected average Government grant increase of just 2.4% per annum over the same period, falls far short of that required to fund a standstill budget’.

Council Tax Leaflet

16. That the Chief Executive be authorised to issue the Council Tax leaflets after consultation with the Leader of the Council.

Summary of Pressures for Change, Growth and Savings by Service

Appendix 2

Adult Care

	Pressures & Growth £'000		Savings £'000
Learning disability	5,220	Introduction of fairer charging	2,824
Elderly	2,593	Maximising charging income	327
Physical disability	812	Previous policy decisions	3,151
Mental health	788	Business rates	2
Demography	9,413	Other pressures	2
Introduction of national minimum standards	40	Supporting people budget	1,000
Legislative changes	40	Review day services for older people	500
Reduction in supporting people grant	1,000	Rollout enabling homecare	500
LGPS employer's contributions	283	Herts Partnership Trust (HPT) - better purchasing	300
Capital payback	198	Expert purchasing of care placements for learning disability	250
Revenue effects of capital	93	Manpower contract	207
Regrading of in house unit managers' posts	31	Transport	200
Revenue effects of telecomms	21	Reduction in top up targets for older people	200
Other pressures	1,626	Delayed discharges agreement	200
		Learning & Development grant additional work	200
		Individual banded budgets for learning disability placements	180
		Community Learning Disability Teams	150
		Finance	140
		Central units staff	123
		Home Care externalisation	104
		In-house: reduction in holiday entitlements	100
		Cost benefits of long stay booking system	100
		Greater use of sheltered housing	100
		Reduce Blue Badge admin	100
		SHARP / Business Process Review	80
		Employer's liability insurance	56
		Enabling homecare	50
		Better procurement & individual budgets for physical disability	50
		Mainstreaming supporting people admin	37
		Disability information project	30
		Meals on wheels	20
		Reduce elderly & physical disability agency staff	20
		Efficiency savings	4,997
TOTAL PRESSURES/GROWTH	11,079	TOTAL SAVINGS	8,150
NET TOTAL	2,929		

Children, Schools & Families

	Pressures & Growth £'000		Savings £'000
Education (Schools)			
Hertsmere Jewish High School	165	Changes in pupil numbers	1,600
Previous policy decisions	165	Demography	1,600
Autism	154	Management information contract testing	60
Specialist advisory service	100	Business rates	1
Speech & language bases	74	Other pressures	61
Demography	328	Additional welfare & tuition	200
DfES Code of Practice on free nursery education	1,527	School amalgamations	175
Provision for children out of school	709	Home & hospital education	160
Holiday pay	378	AWPU recovery	100
Legislative changes	2,614	Repairs & maintenance budgets	82
Personalised & practical learning	4,717	Centrally held human resources provisions	35
Workforce reform	1,518	Efficiency savings	752
Increase in cost of MFG	1,000		
LGPS employer's contributions	700		
Increase in schools contingency	650		
Capital payback	617		
Exam invigilation	211		
Units & bases	200		
Stevenage Federation	100		
Early years SENCOs	65		
Other pressures	9,778		
Headroom	6,147		
Service improvements	6,147		
SUBTOTAL PRESSURES/ GROWTH	19,032	SUBTOTAL SAVINGS	2,413
Education (Non-Schools)			
Home to school transport - volume increases: SEN	380	Home to school transport	1,177
LGPS employer's contributions	247	Long term efficiency gains	1,020
Revenue effects of telecomms	203	Standards & school effectiveness	436
Adult & community learning	143	Youth Service	275
Hertfordshire Youth Charter	28	Human Resources	162
Business rates	6	Music Service	125
Other Pressures	1,007	Schools causing concern & workforce school development	100
		Early retirement - school staff	100
		Discretionary awards	78
		Manpower contract savings	71
		Health & Safety	45
		Community use of schools	45
		Employer's liability insurance	33
		Efficiency savings	3,667
SUBTOTAL PRESSURES/ GROWTH	1,007	SUBTOTAL SAVINGS	3,667

Children, Schools & Families

	Pressures & Growth £'000		Savings £'000
Children's Services			
Recruitment & retention of qualified social workers	150	Leaving care	259
Previous policy decisions	150	Demography	259
Electronic social care records	377	LAC strategy - Out County	1,100
Independent review team	180	LAC 'invest to save' strategy	900
Social care complaints regulations	85	Long term efficiency gains	632
Access to records	33	LAC Transport	500
Legislative changes	675	Fostering project	200
Safeguarding children	1,319	Learning & development	200
LAC 'invest to save' strategy	900	Respite care	120
LGPS employer's contributions	106	CAMHS	100
Capital payback	100	Manpower contract savings	30
Interpreting & translation	60	Employer's liability insurance	15
Other pressures	2,485	Efficiency savings	3,797
SUBTOTAL PRESSURES/ GROWTH	3,310	SUBTOTAL SAVINGS	4,056
Libraries, Heritage & Arts			
Capital payback	186	Revenue effects of telecomms	14
Revenue effects of capital	165	Other pressures	14
Shortfall on fees & charges	134	Schools library service	27
LGPS employer's contributions	67	Manpower contract savings	23
Business rates	35	Employer's liability insurance	7
Other pressures	587	Efficiency savings	57
Additional opening hours at libraries	585	SUBTOTAL SAVINGS	71
Service improvements	585	TOTAL SAVINGS	10,207
SUBTOTAL PRESSURES/GROWTH	1,172	NET TOTAL	14,314
TOTAL PRESSURES/GROWTH	24,521		

Community Safety

	Pressures & Growth £'000	Savings £'000
Fire & Rescue		
Emergency planning officer	35	Business rates
Loss of fire certificates income	16	5
Legislative changes	51	Other pressures
Capital payback	353	5
IRMP	250	Employer's liability insurance
Breathing apparatus	33	34
LGPS employer's contributions	20	Manpower contract savings
Revenue effects of capital	10	5
Other pressures	666	Efficiency savings
		39
SUBTOTAL PRESSURES/GROWTH	717	SUBTOTAL SAVINGS
		44
Crime Reduction Unit		
Police Community	150	Increased Government funding
Previous policy decisions	150	for PCSO's
LGPS employer's contributions	2	150
Other pressures	2	Efficiency savings
		150
SUBTOTAL PRESSURES/GROWTH	152	SUBTOTAL SAVINGS
		150
Trading Standards		
Revenue effects of telecomms	14	Business rates
LGPS employer's contributions	13	5
Other pressures	27	Other pressures
		5
		Removal of Assistant Director post
		40
		Analytical requirements - more effective
		targeting
		8
		Efficiency savings
		48
SUBTOTAL PRESSURES/GROWTH	27	SUBTOTAL SAVINGS
		53
Coroners		
Toxicology & histology tests	40	ISO 9002 process review staff savings
LGPS employer's contributions	3	12
Other pressures	43	Efficiency savings
		12
SUBTOTAL PRESSURES/GROWTH	43	SUBTOTAL SAVINGS
		12

Community Safety

	Pressures & Growth £'000		Savings £'000
Registration			
Business rates	10	Web based system for birth and death registration	18
LGPS employer's contributions	8	Streamlining the processing of birth and death registrations	11
Other pressures	18	Efficiency savings	29
<hr/>		<hr/>	
SUBTOTAL PRESSURES/GROWTH	18	SUBTOTAL SAVINGS	29
<hr/>			
Emergency Planning			
LGPS employer's contributions	3	Sharing revenue costs for control vehicle with districts	5
Other pressures	3	Efficiency savings	9
<hr/>		<hr/>	
SUBTOTAL PRESSURES/ GROWTH	3	SUBTOTAL SAVINGS	9
<hr/>		<hr/>	
TOTAL PRESSURES/GROWTH	960	TOTAL SAVINGS	297
<hr/>		<hr/>	
NET TOTAL	663		
<hr/>		<hr/>	

Environment

	Pressures & Growth £'000	Savings £'000
Road length increases - structural maintenance	480	Local Transport Plan 2
Waste volumes	450	Herts Observatory
Baldock bypass - routine maintenance	400	Other pressures
Road length increases - routine maintenance	194	New Roads & Street Works Act - buried apparatus
Demography	1,524	Legislative changes
Hazardous Waste & Waste	650	Removal of global grants contribution
Electronic Equipment Regulations	100	Other pressures
Hazardous Waste - treatment of coal tar planings	80	Hertfordshire Highways
Traffic Management Act	25	Employer's liability insurance
Countryside Rights of Way Act	855	HERMIS system maintenance
Legislative changes	855	SMARTCARD savings
Capital payback	569	Abandoned vehicles
New Road & Street Works Act - Section 74 income	250	Road Safety Unit
Bus routes requiring support	200	Land management advice
LGPS employer's contributions	122	Resources Group - staffing review
Revenue effects of capital	75	Environmental management - project management
Local Area Agreement support	50	Rights of Way/CMS promotions integration
Aldenham Country Park	50	Regeneration & Partnerships Unit - restructuring
Support for lead up to 2012 Olympics	29	Manpower contract savings
Business rates	25	Internal charges for planning applications
Increased legal fees	25	Mainstream TravelWise budget
Regional transport issues	20	Land use monitoring - refocusing resources
Revenue effects of telecomms	1,465	Monitoring of traffic & accident data
Other pressures	1,465	Land management grants
Revenue support for capital	1,000	Review of overheads
Service improvements	1,000	Section 106 income
		Increased income from district council's SLAs
		Planning applications
		Efficiency savings
		1,509
TOTAL PRESSURES/GROWTH	4,844	TOTAL SAVINGS
		1,636
NET TOTAL	3,208	

Resources (Corporate Services)

	Pressures & Growth £'000		Savings £'000
Business Rates	181	Other savings	121
ICT infrastructure upgrades	154	Audit fees	80
LGPS employer's contribution	99	Bank charges	60
Capital payback	81	Reorganisation within Corporate Services	58
Members broadband	64	Manpower contract savings	27
BVPI survey	45	Information technology	24
Revenue effects of telecomms	34	Staff housing	10
Other pressures	658	Land charges	10
		SERMU	10
		Reduction in use of external consultants	8
		Employers liability insurance	8
		Printing & postage	6
		Internal Audit	5
		Efficiency savings	427
TOTAL PRESSURES/GROWTH	658	TOTAL SAVINGS	427
NET TOTAL	231		

Central Items

	Pressures & Growth £'000		Savings £'000
Capital Financing & Interest on Balances	5,693	Precepts	263
Amending report for 2004/05 & 2005/06	1,117	Other pressures	263
Office rationalisation	940	SHARP savings	500
Other pressures	7,750	Efficiency savings	500
TOTAL PRESSURES/GROWTH	7,750	TOTAL SAVINGS	763
NET TOTAL	6,987		

Summary of Pressures for Change, Growth and Savings by Service

	Pressures & Growth £'000	Savings £'000	Net £'000
Adult Care	11,079	8,150	2,929
Children, Schools & Families	24,521	10,207	14,314
Community Safety	960	297	663
Environment	4,844	1,636	3,208
Resources (Corporate Services)	658	427	231
Central Items	7,750	763	6,987
TOTAL	49,812	21,480	28,332

Overview

The actual amount of Formula Grant which an authority receives is calculated using the four blocks detailed below.

- Block 1: **Relative Needs** - based on a series of formulae which take into account an authority's relative circumstances by using information such as population and social structure.
- Block 2: **Relative Resource** - this is a negative figure and relates to the authority's ability to raise money locally through council tax, by reference to its taxbase.
- Block 3: **Central Allocation** - allocated on a per head (resident population) basis.
- Block 4: **Floor Damping Block** - if the calculations from the above three blocks do not provide sufficient funding to meet the guaranteed minimum increase in grant, the authority receives additional funding from this block.

2006/07 Breakdown of Final Formula Grant

The Formula Grant has been set at £146.6 million, an increase of 2.0 per cent after taking account of changes in function and funding and the repayment of grant under the Amending Reports for 2004/05 and 2005/06.

	£m
Relative Needs	135.980507
Relative Resource	(138.292069)
Central Allocation	127.808977
Floor Damping	22.221834
Total	147.719249
Amending Reports	(1.116519)
Net	146.602730

2007/08 Breakdown of Provisional Formula Grant

The Formula Grant has provisionally been set at £150.4 million, an increase of 2.7 per cent after taking account of changes in function and funding.

	£m
Relative Needs	140.494004
Relative Resource	(142.659241)
Central Allocation	129.423555
Floor Damping	23.177959
Total	150.436277

Main Changes in Function and Funding

There have been a number of changes in function and funding. The most significant of these are:

- School spending is no longer financed through formula grant but through a new dedicated schools grant;
- A reduction in the responsibilities for the funding of fire pensions financed through formula grant; and
- Increased level of funding for Private Finance Initiative schemes financed by a reduction in formula grant support for traditional capital schemes.

Other Changes

- **Data** - due to the fixed level of funding nationally, data changes at both a local and national level affect individual local authority formula grant allocation.
 - All census-related needs data has been updated to use 2001 Census indicators.
 - Population projections for 2006/07 and 2007/08 do not take account of the 2004 mid-year estimates (published in September 2005), but use 2003 data instead.
 - Data will not change in 2007/08 except for population and taxbase data which will be updated using projections.
- **Additional resource equalisation** - resource equalisation is about the way in which the formula grant system seeks to equalise for differences in local authorities' spending needs and ability to raise council tax. The impact of changing the weighting given to the relative needs and resource blocks has meant that Hertfordshire has received less formula grant, prior to damping, than it would have done without the change.
- **Area cost adjustment** - is built into the Relative Needs block and provides councils in some parts of the country with additional resources to meet the higher labour and locality costs they face. Two changes have been made. The weight for the rates adjustment element has been reduced and the full dataset from the Annual Survey of Hours and Earnings (ASHE) has been used.

Summary Revenue Budget - Excluding Capital Charges & Pension Adjustments

Appendix 4

2004/05 Actual £'000		2005/06 Original Budget £'000	2005/06 Revised Budget £'000	2006/07 Original Budget £'000
185,636	Adult Care	198,488	200,905	215,582
	Children, Schools & Families:			
486,424	Education (Schools)	530,692	530,101	-
82,499	Education (Non-schools)	70,069	69,202	69,709
80,399	Children's Services	82,510	81,743	84,489
17,421	Libraries, Heritage & Arts	17,644	17,699	19,123
	Community Safety:			
32,602	Fire & Rescue	34,554	34,500	35,626
2,176	Crime & Drugs Strategy Unit	2,673	2,931	2,700
2,584	Trading Standards	2,627	2,515	2,588
797	Coroners Service	828	947	976
781	Registration Service	762	782	771
368	Emergency Planning	607	607	666
83,983	Environment	90,261	90,382	97,889
12,103	Resources (Corporate Services)	10,755	12,757	9,707
1,369	Magistrates' Court Committee	-	-	-
	Central Items:			
-	Contingency / Special Provision	6,235	6,319	5,942
1,897	Precepts	2,012	2,012	1,789
20,234	Capital Financing & Interest on Balances	22,962	22,975	28,745
-	Additional Capital Programme Support	12,200	12,200	-
-	Office Rationalisation Project	2,300	2,300	940
-	Non distributed Costs	823	823	(1,583)
1,011,273	NET REVENUE BUDGET	1,089,002	1,091,700	575,659
5,407	Funded from Reserves	(14,500)	(14,559)	-
1,016,680	BUDGET REQUIREMENT	1,074,502	1,077,141	575,659

In order to reflect the Best Value initiative the financial accounting requirements for local authorities have been amended with the intention of making the calculation of the total cost of services comparable across all authorities. This includes capital charges and overheads.

The figures shown in the summary revenue budget on page 14 reflect the county council's portfolio/departmental structure. However, this appendix presents the information using service analysis required by BVACOP.

2004/05 Actual £'000		2005/06 Original Budget £'000	2006/07 Original Budget £'000
19,851	Central Services	36,549	18,951
2,993	Court Services	839	966
53,094	Cultural, Environmental & Planning Services	53,843	58,127
641,874	Education	667,032	626,986
37,161	Fire	36,166	40,671
74,479	Highways, Roads & Transport Services	78,525	81,808
(151)	Housing Services	(119)	(133)
267,838	Social Services	289,523	304,174
1,097,139	Subtotal	1,162,358	1,131,550
-	Dedicated Schools Grant	-	(566,033)
1,097,139	Net Cost of Services	1,162,358	565,517
92	Net (surplus)/deficit on Trading Services	(185)	(158)
(113,239)	Asset Management Revenue Account	(108,538)	(37,993)
720	Flood Defence Precepts	772	509
1,177	Lee Valley Regional Park	1,240	1,280
9,128	Interest & Investment Income	(5,218)	(3,985)
-	Amending Reports 2004/05 & 2005/06	823	1,117
12,401	Pension Interest Cost & Expected Return on Assets	22,569	23,276
-	Contingency	6,235	5,942
1,007,418	Net Operating Expenditure	1,080,056	555,505
	Appropriations:		
11,104	Financing of Capital Expenditure	37,730	42,572
(7,249)	Contribution to/(from) Pensions Reserve	(28,784)	(22,418)
5,407	Contribution to/(from) Reserves	(14,500)	-
1,016,680	Budget for Council Tax Purposes	1,074,502	575,659

Summary of Specific Grants 2006/07

Appendix 6

Grant	Source	Basis	£'000
Adult Care Services			
Supporting People - Social Services	ODPM	100% reimbursed up to government limit	20,973
Access & Systems Capacity	DoH	100% reimbursed up to government limit	10,992
Preserved Rights	DoH	100% reimbursed up to government limit	4,672
Carers	DoH	100% reimbursed up to government limit	2,657
Mental Health	DoH	Qualifying expenditure on improving social care for people with mental illness	2,345
Delayed Discharges	DoH	100% reimbursed up to government limit	1,959
Child & Adolescent Mental Health Services (CAMHS)	DoH	100% reimbursed up to government limit	1,231
National Training Strategy	DoH	100% reimbursed up to government limit	1,206
Young People Substance Misuse Partnership	HO	100% reimbursed up to government limit	975
Supporting People - Administration	ODPM	100% reimbursed up to government limit	715
Preventative Technology	DoH	100% reimbursed up to government limit	579
Human Resources Development Strategy	DoH	100% reimbursed up to government limit	559
AIDS support	DoH	70% of qualifying expenditure on care services for people affected by AIDS/HIV	190
Commission for Social Care Inspection Reimbursement Grant	DoH	100% reimbursed up to government limit	13
Adult Care Services Total			49,066

Grant	Source	Basis	£'000
Children, Schools & Families			
Dedicated Schools Grant (DSG)	DfES	Based on 2005/06 schools budget adjusted for changes in pupil numbers, inflation and ministerial priorities.	566,033
LSC grant for Sixth Forms	DfES	100% of approved expenditure	71,631
Standards Fund & National Grid for Learning	DfES	Between 50% & 100% of approved gross expenditure	42,728
Standards Fund - School Standards	DfES	100% of direct grants to schools	23,400
Sure Start & Transformation	DfES	Contribution Towards Delivery of Sure Start Objectives	11,361
LSC grant for Adult Education	DfES	100% of approved expenditure	2,723
Children's Services	DfES	100% of approved expenditure	2,413
Carers	DoH	100% reimbursed up to government limit	706
National Training Strategy	DoH	Provision of support, consultancy, learning and development	567
Milk Subsidy	IB	75% of net approved expenditure	303
Human Resources Development Strategy	DoH	Provision of support, consultancy, learning and development	263
Teenage Pregnancy Local Implementation	DfES	100% of approved expenditure	245
Youth Opportunity	DfES		215
Nursery Milk Subsidy	DfES	100% of approved expenditure	148
Mandatory Student Awards	DfES	100% of approved expenditure	35
Government Milk Grants	DfES	75% of net approved expenditure	1
Children, Schools & Families Total			722,772

Grant	Source	Basis	£'000
Environment			
Road De-Trunking	DfT	100% of approved expenditure	2,166
Rural Bus Services	DfT	100% of approved expenditure	764
Planning Delivery	OPDM	100% of approved expenditure	146
Travel Plan Bursery	DfT	100% of approved expenditure	170
Various	EU/DEFRA	100% of approved expenditure	347
Environment Total			3,593

Grant	Source	Basis	£'000
Fire & Rescue			
New Dimension Crewing	ODPM		35
Fire Service New Burdens	ODPM		53
Fire & Rescue Total			88

Grant	Source	Basis	£'000
Central Items			
Unallocated LPSA grant	ODPM		2,700
TOTAL SPECIFIC GRANTS			778,219

Capital Programme 2006/07 - 2008/09

Appendix 7

	Total Scheme Cost £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
PART A : MAJOR SCHEMES				
General Programme				
Adult Care	11,076	3,217	4,050	1,300
Education	71,311	15,758	20,187	9,647
Children's Services	1,600	-	950	-
Libraries, Heritage & Arts	11,228	1,744	1,084	797
Community Safety - Fire & Rescue	725	475	1,000	-
Resources (Corporate Services)	6,290	2,045	2,045	1,700
Environment	135,131	51,354	39,876	40,772
Total General Programme Schemes	237,361	74,593	69,192	54,216
Self-Financing				
Adult Care	7,322	6,550	572	-
Education	13,753	5,533	3,310	-
Community Safety - Fire & Rescue	6,500	2,000	1,250	2,250
Resources (Corporate Services)	32,200	13,700	1,200	300
Total Self-Financing Schemes	59,775	27,783	6,332	2,550
Externally Funded				
Adult Care	1,688	1,147	241	-
Education	76,520	30,700	24,381	1,481
Children's services	15,693	8,195	7,498	-
Environment	5,586	4,534	2,595	1,086
Total Externally Funded Schemes	99,487	44,576	34,715	2,567
TOTAL MAJOR SCHEMES	396,623	146,952	110,239	59,333
PART B: ANNUAL PROVISIONS				
Adult Care		888	888	888
Education		15,844	15,965	15,965
Libraries, Heritage & Arts		433	433	433
Community Safety - Fire & Rescue		427	427	427
Community Safety - Other		44	44	44
Resources (Corporate Services)		4,884	4,884	4,884
Environment		1,688	1,688	1,688
TOTAL ANNUAL PROVISIONS		24,208	24,329	24,329

	Total Scheme Cost £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
PART C: TOTAL CAPITAL PROGRAMME				
Adult Care	20,086	11,802	5,751	2,188
Education	161,584	67,835	63,843	27,093
Children's services	17,293	8,195	8,448	-
Libraries, Heritage & Arts	11,228	2,177	1,517	1,230
Community Safety - Fire & Rescue	7,225	2,902	2,677	2,677
Community Safety - Other	-	44	44	44
Resources (Corporate Services)	38,490	20,629	8,129	6,884
Environment	140,717	57,576	44,159	43,546
TOTAL CAPITAL PROGRAMME	396,623	171,160	134,568	83,662
PART D: FINANCED BY				
Central Government:				
Capital Grant - SCE (C)		47,329	39,446	5,018
Schools' Revenue Contribution		9,404	10,018	10,060
Total Central Government		56,733	49,464	15,078
County Council:				
Usable Capital Receipts		37,083	15,632	11,850
Borrowing		59,342	62,985	49,294
Use of Reserves		10,000	-	-
Direct Revenue Contributions		1,554	2,065	2,575
Capital Payback Reserve		2,765	4,252	4,865
Contributions from third parties		3,683	170	-
Total County Council		114,427	85,104	68,584
TOTAL CAPITAL PROGRAMME		171,160	134,568	83,662

List of Major Capital Schemes 2006/07 - 2008/09

Appendix 8

Adult Care Services

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
GENERAL PROGRAMME SCHEMES					
Existing Programme:					
Marsh Lane Day Centre ¹	3,091	3,091	827	300	
Jubilee Day Centre	2,800	2,800	750	1,800	
Older people specialist dementia care	185	185	90		
Additional Funding for Schemes in Existing Programme:					
Jubilee Day Centre - additional costs	400	400		200	200
New Proposals:					
IRIS - Further development joint with CSF	3,100	3,100	1,000	1,000	600
Gypsy Sites (see also externally funded programme)		300	300		
Learning Disability High Needs Supported Living	1,500	1,500	250	750	500
TOTAL GENERAL PROGRAMME	11,076	11,376	3,217	4,050	1,300
SELF-FINANCING SCHEMES					
Schemes with full Cabinet Approval:					
Jupiter Drive	2,000	2,000	1,500	400	
Balmoral Day Centre	795	795	650	45	
Hornbeams Day Centre	1,727	1,727	1,600	127	
Subject to Cabinet Approval:					
Little Bushey Lane	2,800	2,800	2,800		
TOTAL SELF-FINANCING PROGRAMME	7,322	7,322	6,550	572	-
EXTERNALLY FUNDED SCHEMES					
Gypsy Site Refurbishment grant	1,200	900	900		
Department of Health Improving Information Management grant	488	488	247	241	
TOTAL EXTERNALLY FUNDED PROGRAMME	1,688	1,388	1,147	241	-
TOTAL PROGRAMME FOR ACS	20,086	20,086	10,914	4,863	1,300

Notes:

1. Includes additional funding of £391,000 approved at September 2005 Cabinet

Children, Schools & Families: Education

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
GENERAL PROGRAMME SCHEMES					
Existing Programme:					
2002/03 Design Starts:					
Heathcote Secondary	802	802			321
Presdales Secondary, Sports Hall (see also additional finding for schemes in the existing programme)		1,975		250	
Verulam Secondary	2,053	1,338	223		
2003/04 Design Starts:					
Holtsmere End Infants	300	300	210		
2004/05 Design Starts:					
Birchwood High (see also externally funded programme)		5,399	1,977	1,422	
St Clement Danes (contribution) ¹	2,125	2,125	1,000		
St George's, Harpenden (contribution)	2,600	300	300		
Goffs ²	3,183	3,100	1,325		
2005/06 Design Starts:					
Care Registration Standards, Lonsdale	550	550		350	
Key stage 4 Learning Centres, Hemel Hempsted	400	400		100	
Grove Junior	250	250	116		
Bengeo JM	250	250	100		
Bedmond JM	275	275	110		
Tudor Primary	475	475	190		
Additional Funding for Schemes in Existing Programme:					
Howe Dell	10,196	2,895	2,000	895	
Key Stage 4 Learning Centre, Potters Bar	950	950	225		
Presdales Secondary, Sports Hall	2,475	500		500	
Watford Grammar School for Boys (see also self financing programme)		300		300	
New Proposals:					
Redbourn Infant School	300	300	300		
Chater Infant School	300	300	300		
Key stage 4 Learning Centres: Hitchin	375	375	200	175	
Watford (Chessbrook)	375	375	200	175	
Ashwell Primary ³	975	869	125	744	
School musical instruments	100	100	100		

Children, Schools & Families: Education

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
'Supported Borrowing':					
Modernisation, all schools 2004-06	16,361	16,361	2,014		
Schools Access Initiative ⁴	1,852	1,852	1,852	1,852	1,852

Proposed Modernisation Programme 2006-08:⁵

Area Reviews - primary and secondary school places	3,367	3,367	300	1,567	1,500
Chancellors, Fearnhill, Leventhorpe, The Priory, The Sele	1,800	1,800	360	1,440	
Aycliffe Drive	475	475	95	380	
Beech Hyde	350	350	70	280	
Edwinstree	180	180	36	144	
Longmore	100	100	20	80	
Broadfield Junior	320	320	64	256	
Ponsbourne St Mary's	250	250	50	200	
Furneaux Pelham	250	250	50	200	
Highfield	2,400	2,400	480	1,920	
Roundwood Park	2,500	2,500	500	2,000	
Queens	2,050	2,050	410	1,640	
Bushey Manor	400	400	80	320	
Woolenwick	400	400	80	320	
De Havilland	200	200	40	160	
Woolgrove	250	250	50	200	
Sheredes	200	200	40	160	
Sandringham	130	130	26	104	
Camps Hill	175	175	35	140	
Abbots Langley	175	175	35	140	
Hartsfield JMI	175	175	35	140	
Morgans JMI	175	175	35	140	
The Cavendish, The Chauncy, St Albans Girls' School, Sandringham	1,500	1,500		300	1,200
Brookmans Park	175	175		35	140
Mount Pleasant Lane JMI	175	175		35	140
Wheatcroft Primary	175	175		35	140
Eastbury Farm	175	175		35	140
The Hemel Hempstead	650	650		130	520
Francis Bacon	150	150		30	120

Children, Schools & Families: Education

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Redbourn JM	150	150		30	120
Stonehill	150	150		30	120
Kimpton	150	150		30	120
Simon Balle	200	200		40	160
The Links Education Support Centre	300	300		60	240
Newberries	150	150		30	120
Graveley	500	500		100	400
Bernards Heath Infant School	350	350		70	280
Tanners Wood	350	350		70	280
Sir John Lawes	1,600	1,600		320	1,280
Hartsbourne	150	150		30	120
Priors Wood	150	150		30	120
Thorn Grove	150	150		30	120
Spellbrook Primary	117	117		23	94
TOTAL GENERAL PROGRAMME	71,311	66,505	15,758	20,187	9,647

SELF-FINANCING SCHEMES

Subject to Cabinet Approval:

Watford School of Music

<i>Expenditure - HCC</i>	<i>2,900</i>	<i>2,600</i>	<i>1,400</i>	<i>1,000</i>	
<i>Expenditure - Watford Grammar School for Boys</i>	<i>2,244</i>	<i>2,244</i>	<i>1,244</i>	<i>1,000</i>	
St. Mary's School, Cheshunt	1,700	1,700	850		
Firs & Havers Amalgamation	2,609	2,406	39		
Stevenage Primary re-organisation ⁶	4,300	3,310	2,000	1,310	
TOTAL SELF-FINANCING PROGRAMME	13,753	12,260	5,533	3,310	-

EXTERNALLY FUNDED SCHEMES

Standards Fund Grants:

New Deal for Schools Devolved Formula Capital	37,709	37,709	18,345	19,364	
Modernisation, all schools 2004-06	8,180	8,180	746		
Modernisation, primaries 2004-06	9,090	9,090	60		
Targeted Capital Funding: Turnford School	5,168	4,520	3,164	678	678
Birchwood High School	12,472	5,773	2,769	2,201	803

Children, Schools & Families: Education

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
Other Grants:					
Youth Capital Fund	784	784	392	392	
DfES Sure Start, extended schools	3,117	3,117	1,541	1,576	
Howe Dell, Hatfield (developer's contribution) (see also general programme)		6,173	3,683	170	
TOTAL EXTERNALLY FUNDED PROGRAMME	76,520	75,346	30,700	24,381	1,481
TOTAL PROGRAMME FOR EDUCATION	161,584	154,111	51,991	47,878	11,128

Notes:

1. General programme contribution to be supplemented with additional funding from the external programme.
2. The school is making a contribution of £83,000 to this scheme.
3. There is a further contribution of £106,000 from previous years' unspent Basic Need available for this scheme.
4. Schools Access Initiative is only announced for two years, 2007/08 figure is used as best estimate of 2008/09 allocation.
5. The £23.789 million 'Modernisation Programme' shown here comprises 50% of the Government's 2-year modernisation capital allocations (£16.214 million) and 100% of the Government's 2-year new pupil places capital allocation (£7.759 million), funded by a combination of capital grant and supported borrowing. The remaining 50% (£16.213 million) of the Government's 2-year modernisation capital allocation contributes towards the total (£13.190 million) Education structural repairs and maintenance programme described in the Annual Provisions section of the capital programme.
6. In addition to funding from capital receipts this scheme is to receive £0.51 million from the DfES 2004-06 externally funded programme.

Children, Schools & Families: Children's Services

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
GENERAL PROGRAMME SCHEMES					
CSF Family Assessment Unit	1,600	950		950	
TOTAL GENERAL PROGRAMME	1,600	950	-	950	-
EXTERNALLY FUNDED SCHEMES					
DfES Sure Start Grant - New childcare places	6,078	6,078	3,385	2,693	
DfES Sure Start Grant - Children's centres	9,371	9,371	4,686	4,685	
DoH Improving Information Management grant	244	244	124	120	
TOTAL EXTERNALLY FUNDED PROGRAMME	15,693	15,693	8,195	7,498	-
TOTAL PROGRAMME FOR CHILDREN'S SERVICES	17,293	16,643	8,195	8,448	-

Children, Schools & Families: Libraries, Heritage & Arts

GENERAL PROGRAMME SCHEMES					
Existing Programme:					
Planned repairs & maintenance - various libraries	450	450	150	150	150
Libraries for the 21st century - Reprovision of Hertford Library	563	563	507		
Disability Discrimination Act (DDA) Compliance: buildings & facilities	74	74	50		
Additional Funding for Schemes in Existing Programme:					
Library Management System - Business Continuity proposal	110	110	110		
DDA Compliance: lift at Hemel Hempstead	140	140		140	
Installing Chip and Pin Technology	27	27	27		
Libraries for the 21st century - Redevelopment at Sawbridgeworth	147	147		147	
Libraries for the 21st century	9,717	9,717	900	647	647
TOTAL GENERAL PROGRAMME	11,228	11,228	1,744	1,084	797
TOTAL PROGRAMME FOR LIBRARIES, HERITAGE AND ARTS	11,228	11,228	1,744	1,084	797

Community Safety: Fire & Rescue

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
GENERAL PROGRAMME SCHEMES					
Existing Programme:					
Watford Fire Station (see also self financing programme)		1,000		1,000	
Disability Discrimination Act works	375	375	125		
New Proposals:					
Firefighter Alerters/Automatic Vehicle Location	100	100	100		
Drill Towers	100	100	100		
Positive Pressure Ventilation fans	100	100	100		
Incident Command Unit Equipment	50	50	50		
TOTAL GENERAL PROGRAMME	725	1,725	475	1,000	-
SELF-FINANCING SCHEMES					
Watford Fire Station	6,500	5,500	2,000	1,250	2,250
TOTAL SELF-FINANCING PROGRAMME	6,500	5,500	2,000	1,250	2,250
TOTAL PROGRAMME FOR FIRE AND RESCUE	7,225	7,225	2,475	2,250	2,250
Resources (Corporate Services):					
GENERAL PROGRAMME SCHEMES					
Existing Programme:					
County Hall structural repairs & maintenance	2,000	2,000	500	500	500
New Proposals:					
Refurbishment of toilets, County Hall	690	690	345	345	
Purchasing of PCs	3,600	3,600	1,200	1,200	1,200
TOTAL GENERAL PROGRAMME	6,290	6,290	2,045	2,045	1,700
SELF-FINANCING SCHEMES					
The Way We Work project	32,200	32,200	13,700	1,200	300
TOTAL SELF-FINANCING PROGRAMME	32,200	32,200	13,700	1,200	300
TOTAL PROGRAMME FOR RESOURCES	38,490	38,490	15,745	3,245	2,000

Environment:

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
GENERAL PROGRAMME SCHEMES					
Existing Programme:					
Structural Maintenance - Non Principal Roads	12,930	12,930	4,310	4,310	4,310
Structural Maintenance - Principal Roads	4,710	4,710	1,570	1,570	1,570
Street Lighting Refurbishment	1,380	1,380	460	460	460
Road Marking Refurbishment	900	900	300	300	300
Disabled Crossing Facilities	1,150	1,150	230	460	460
Work to secure Local Transport Plan Funding	780	780	340	110	330
Rights of Way - Maintaining Statutory Duty	540	540	180	180	180
Baldock Bypass - Contingency	820	820		550	270
A10 - Post Bypass Works	330	330	330		
Additional Funding for Schemes in Existing Programme:					
Structural Maintenance - Non Principal Roads	18,090	18,090	6,030	6,030	6,030
Structural Maintenance - Non Principal Roads	8,226	8,226	2,742	2,742	2,742
Structural Maintenance - Non Principal Roads enhanced investment	10,000	10,000	10,000		
Rights of Way - Maintaining Statutory Duty	360	360	120	120	120
New Proposals:					
Street Lighting - Emergency Column Replacement	2,400	2,400	800	800	800
Household Waste Recycling Centres Improvement Programme ¹		1,000			500
Next Generation HERMIS	450	450	50	300	100
Traffic Management Act - Roadspace Management Software	45	45	45		
'Previously Supported Borrowing':					
Local Transport Plan Major Schemes:					
Baldock Bypass	5,586	5,586	3,250	1,250	1,086
Local Transport Plan Integrated Transport ² :	34,791	34,791	11,422	11,504	11,865
Local Transport Plan Maintenance ² :					
Structural Maintenance - Carriageways & Footways	23,964	23,964	7,875	7,840	8,249
Structural Maintenance - Bridges	4,050	4,050	1,300	1,350	1,400
TOTAL GENERAL PROGRAMME	131,502	132,502	51,354	39,876	40,772

Environment:

	Total Scheme Cost £'000	Total from this Source £'000	2006/07 £'000	2007/08 £'000	2008/09 £'000
EXTERNALLY FUNDED SCHEMES					
Defra waste performance and efficiency grant ¹	3,629	2,629	1,284	1,345	
Local Transport Plan Major Schemes: Baldock Bypass (capital grant)	5,586	5,586	3,250	1,250	1,086
TOTAL EXTERNALLY FUNDED PROGRAMME	9,215	8,215	4,534	2,595	1,086
<hr/>					
TOTAL PROGRAMME FOR ENVIRONMENT	140,717	140,717	55,888	42,471	41,858

Notes:

- The first two years of the Household Waste Recycling Programme are funded by Defra waste performance and efficiency grant (externally funded programme). Funding from the general programme will be £0.5 million per annum in 2008/09 and 2009/10. This budget is usually used to fund minor improvements of less than £50,000 each at the county council's 19 Household Waste sites. However, it is occasionally used to contribute towards more significant developments as and when opportunities arise.
- The Highways & Transport Panel agreed, by a majority, to ask the Cabinet to provide sufficient funds to cover the full 'allocation' as set out in the Government's settlement letter of 14th December (£11.422 million for Integrated Transport and £9.175 million for maintenance).

General note about Environment Capital Programme:

- For all schemes the total scheme cost is total expenditure in this plan period 2006/07 to 2008/09, i.e. it excludes expenditure in earlier or later years.
- For highways related schemes, scheme costs have been inflated by estimated highways inflation of 9.67% in order to maintain the real terms level of 2005/06 county capital investment.

Capital Programme: Annual Provisions

Appendix 9

Any projects which exceed £50,000 in value are shown individually below.

Scheme Description and Location	2006/07 £'000	2007/08 £'000	2008/09 £'000
ADULT CARE SERVICES			
Planned maintenance	270	270	270
Minor works	268	268	268
Minor adaptations	350	350	350
TOTAL ADULT CARE SERVICES	888	888	888
CHILDREN, SCHOOLS & FAMILIES: Education			
Minor Works Improvements:			
Abbots Langley Primary	70		
Able Smith Primary	80		
Aldbury C of E Primary	60		
Bridgewater School	90		
Chambersbury Primary	35		
The Highfield	80		
How Wood JMI	40		
John Warner	100		
Longdean School	42		
Longmore ESC	100		
Thomas Alleyne	100		
Verulam School	40		
Carry forward from 2005/06	(4)		
Other Minor Works	30		
Total Minor Works Improvements	863	863	863
Structural Repairs and Maintenance:			
Electrical:			
The Chauncy School	54		
Hobbs Hill Wood Primary School	71		
St Luke's	71		
The Priory School	81		
The Barclay School	58		
Mechanical:			
Heathlands School	141		
Larwood School	158		
St Mary's JM	106		
Rowans Primary	62		
Holtsmere End Junior School	61		
Downfield JMI School	131		

Scheme Description and Location	2006/07 £'000	2007/08 £'000	2008/09 £'000
Broxbourne Secondary	176		
Hertford Heath School	76		
Birchwood High School	166		
Roofing:			
St. Catherine 's	143		
Bridgewater Middle	163		
Hobbs Hill Wood Primary	81		
The Priory	74		
Flamstead End Primary School	61		
Goffs Oak Junior Mixed Infants and Nursery School	91		
The Thomas Alleyne School	163		
Fleetville Infant and Nursery School	52		
Sandringham School	76		
Sir John Lawes School	62		
The Hemel Hempstead School & Heath Barn	62		
The Astley Cooper School	206		
Structural:			
Broxbourne Secondary	96		
Window walling:			
Longmeadow Primary	118		
Swallow Dell	61		
Verulam	148		
Allocated to repairs & maintenance schemes under £50,000	10,121	13,312	13,312
Total Structural Repairs and Maintenance	13,190	13,312	13,312
Mobile Classrooms: Maximum of 3 doubles and 3 singles	429	429	429
Minor Works reorganisation	111	111	111
Health And Safety	479	479	479
Feasibility Studies	23	23	23
Technology enhancements	146	146	146
School Meals Equipment	603	603	603
TOTAL EDUCATION	15,844	15,965	15,965

Scheme Description and Location	2006/07 £'000	2007/08 £'000	2008/09 £'000
CHILDREN, SCHOOLS & FAMILIES: Libraries, Heritage & Arts			
Library Automation	183	183	183
Public PC Provision	164	164	164
Libraries Refurbishment & Equipment	11	11	11
Minor refurbishments to a number of Libraries & HALS	75	75	75
TOTAL LIBRARIES, HERITAGE AND ARTS	433	433	433
COMMUNITY SAFETY: Fire & Rescue			
Repairs and Maintenance	131	131	131
Health and safety	30	30	30
Minor Works	39	39	39
IT Equipment	26	26	26
Operational Equipment	22	22	22
IT Equipment for Command and Control	60	60	60
IT Upgrades	55	55	55
Essential Operational Equipment	64	64	64
TOTAL FIRE AND RESCUE	427	427	427
COMMUNITY SAFETY: Other			
Trading standards	25	25	25
Registration	19	19	19
TOTAL COMMUNITY SAFETY OTHER	44	44	44
RESOURCES (CORPORATE SERVICES)			
Vehicle purchasing	3,000	3,000	3,000
Feasibility studies, rationalisation work and contingent land purchase, of which Smallford Pit exceeds £50,000.	1,045	1,045	1,045
Energy Conservation	214	214	214
Civic Buildings - Repairs and Maintenance	99	99	99
Civic Buildings - Health & Safety	136	136	136
Corporate ICT Infrastructure	390	390	390
TOTAL RESOURCES	4,884	4,884	4,884

Scheme Description and Location	2006/07 £'000	2007/08 £'000	2008/09 £'000
ENVIRONMENT			
Sustainable Transport Policies ¹	1,465	1,465	1,465
Household Waste Recycling Sites - Improvements ²	140	140	140
Environmental Management	83	83	83
TOTAL ENVIRONMENT	1,688	1,688	1,688
TOTAL ANNUAL PROVISIONS	24,208	24,329	24,329

Notes:

1. Contribution towards larger schemes that are part financed through the Local Transport Plan. Whilst individual projects are often over £50,000, funding from this budget to each scheme is not.
2. This budget is usually used to fund minor improvements of less than £50,000 each at the county council's Household Waste sites. However, it is occasionally used to contribute towards more significant developments as and when opportunities arise.

Glossary of Terms

Actual Spending 2004/05

The total income and expenditure actually incurred during the financial year April 2004 to March 2005.

Annual Provisions

Capital expenditure on minor capital works of a non-routine nature, such as repairs and refurbishment schemes.

Asset Management Revenue Account (AMRA)

An account the council is required to maintain under the capital accounting arrangements which have applied from 1994/95 onwards. It contains the credit for capital charges and government grants deferred contributions, offset by charges for depreciation and external interest payments.

Base Budget

The 2005/06 original budget adjusted for changes in funding and/or function (technical adjustments) and inflation. These figures are calculated before any changes are made as a result of policy decisions. Once all policy decisions have been made the budget for 2006/07 is set.

Best Value Budget

The budget adjusted to incorporate the requirements of the CIPFA Best Value Accounting Code of Practice (BVACOP), to allow greater consistency between authorities for Best Value comparisons.

Budget Requirement

The approved total net spending of a local authority to be financed from Revenue Support Grant, Redistributed Business Rates and Council Tax. It excludes income from fees and charges, certain specific grants and reserves.

Capital Charges

Charges covering fixed assets used in the provision of the service. The charge comprises depreciation plus notional interest (representing the cost of tying up resources in the asset).

Capital Expenditure (or Capital Spending)

All expenditure on the acquisition, creation or enhancement of (fixed) assets should be treated as capital expenditure. Fixed assets are tangible assets that yield benefits to the local authority for more than one year. Section 40 of the Local Government and Housing Act 1989 defines expenditure for capital purposes. It broadly comprises expenditure on:

1. The acquisition of land, buildings, plant, apparatus and vehicles.
2. The construction of roads and buildings.

3. The enhancement of land, roads and buildings (where it lengthens substantially the useful life of the asset or market value or increases substantially the extent to which the asset can be used).

Expenditure, which does not fall within the definition, must be charged to a revenue account.

Capital Programme

The council's three-year plan for capital expenditure on both major capital schemes and minor capital works.

Capital Receipts

Proceeds from the sale of land, buildings or other capital assets. Capital receipts are used to repay the debt outstanding on assets financed from loans, or to finance new capital expenditure. Receipts however cannot be used to finance revenue expenditure.

Collection Fund surplus/deficit

A surplus/deficit arising from either more or less council tax than expected being collected by the district councils.

Corporate and Democratic Core

The costs of support to elected members (e.g. advice, reports, and attendance at meetings) carried out in service departments but charged centrally in the Best Value budget.

Council Tax

Council tax is a charge based on the value of the property people live in to help pay for local services. The tax is based on property values which are distributed across eight valuation bands (A to H).

Demography

Used in context of pressures for growth on the budget, resulting from changes in the population if the cost of care per person is not changed year on year.

Depreciation

A charge representing that part of a resource (fixed asset) consumed during the year.

Externally Funded

A collective term used to describe those major capital schemes financed principally by central government (capital grants) and contributions received from third parties such as property developers.

Fees and Charges

Income raised by charging users of services for the facilities. For example, the supply of school meals and home care.

Financing Charges

Charges borne by the committee revenue accounts to meet the cost of financing the council's capital expenditure. These charges include the principal and interest elements of loans outstanding, leasing rentals and revenue contributions to capital outlay.

Floor Authority

Education and Personal Social Services authorities will receive at least a minimum formula grant increase of 2.0 per cent in 2006/07 and 2.7 per cent in 2007/08. An authority which receives the minimum grant increase is known as a floor authority. Hertfordshire is a floor authority in both years.

Financial Reporting Standard 17 (FRS17) Retirement Benefits

FRS17 is an accounting standard that requires that an organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future.

General Programme

A collective term used to describe those major capital schemes financed by government borrowing and resources generated by the authority such as proceeds from the sale of council property (general usable capital receipts) as well as revenue budget.

Gershon Efficiency Targets

Each year central Government requires local authorities to achieve 2.5 per cent efficiency savings, of which at least half should be cashable. Cashable savings arise when the same level of service activity can be delivered at a lower cost. Whilst, non-cashable savings refers to increased levels of activity or improved quality of service without an increase in cost.

Gross Expenditure

Total expenditure before any income is taken into account.

Net Expenditure

The result of gross expenditure reduced by income from sales, fees, charges and grants (but not Revenue Support Grant and Redistributed Business Rates).

Net Revenue Budget 2006/07

The original estimated cost of services for the financial year from April 2006 to March 2007.

Non-distributed Costs

This previously included any past service contribution to meet a pension fund deficit, early retirement costs and costs of other long-term unused but unrealisable assets. Following implementation of FRS17 reporting requirements this now includes the costs of other long-term unused but unrealisable assets only.

Original Budget 2005/06

The original estimated cost of services for the financial year from April 2005 to March 2006.

Pensions Charge under Financial Reporting Standard 17 (FRS 17)

Retirement Benefits

This adjustment reflects the reporting requirements of FRS17. All defined pension costs, including the amount relating to discretionary awards have been taken out of revenue accounts and replaced with pension entitlement earned in the year as advised by an actuary.

Pensions Interest Cost and Expected Return on Assets

The interest cost is the expected increase during the period in the present value of the pension scheme liabilities because the benefits are one period closer to settlement. The expected return on assets is the average rate of return expected over the remaining life of the related obligation on the actual assets held by the scheme.

Pension Reserve Appropriation

This has been introduced to ensure implementation of FRS17 reporting requirements will not impact on the Budget Requirement.

Precept

The levying of an amount by one local authority on another. Thus the county council levies a precept on the district council (which is the charging authority). The charging authority must include in the tax it levies a sum sufficient to meet the county council precept.

Pressures for Change

Those items required to achieve the same level of service as last year, including the impact of previous policy decisions, demography and new legislative requirements.

Previous Policy Decisions

The additional costs or savings falling on the new budget that arose from decisions taken in previous budgets.

Prudential Capital Finance System

The new Prudential Capital Finance system introduced from April 2004 is underpinned by the CIPFA Prudential Code for Capital Finance in Local Authorities. The Prudential Code sets out indicators that local authorities must use, and the factors that they must take into account to demonstrate that their capital plans are affordable, prudent and sustainable.

Recharges

The transfer of costs from one account to another. Part of the cost of Central Services is recharged/transferred to the service departments that use them. For example, the cost of legal work completed by the authority's solicitors in the County Secretary's department for Children, Schools & Families will be recharged to the Children, Schools & Families' budget.

Redistributed Business Rates

People who occupy non-domestic properties (such as shops, factories, offices and warehouses) do not pay council tax on those properties. Instead they pay business rates which is based on a national rate in the pound set by the government, multiplied by the rateable value of the premises they occupy. Business rates are collected by billing authorities (district councils) on behalf of central government and then redistributed among all local authorities, police authorities and fire authorities on the basis of an amount per head of population.

Reserves

Sums set aside to meet general revenue or capital expenditure needs in the future without being earmarked for any particular service or project. Reserves offer scope for greater flexibility in financing future expenditure.

Revenue Budget

An estimate of annual income and expenditure which sets out the financial implications of the Council's policy for the year.

Revenue Support Grant (RSG)

A grant paid by Central Government in aid of local authority services in general, as opposed to specific grants, which may only be used for a specific purpose.

Self-Financing

A collective term used to describe those major capital schemes, which replace an existing asset with a new asset, where the new property is financed principally by proceeds from the sale of the existing ('old') asset.

Service Improvements

Additional expenditure which increases the quality or volume of a service.

Specific Grants

Government grants to local authorities for particular projects or services. These do not include Formula Grant or Capital Grants.

Strategic Compass

This is a process which assesses how well key service priorities are being met in terms of performance and cost. The aim is to achieve high performing services at a low cost over a period of time. It is also about aligning the budget with key service priorities.

Supported Borrowing - refer also to Supported Capital Expenditure (SCE)

Supported Capital Expenditure (Revenue) relates to the amount of local authority capital expenditure that the government is prepared to support through borrowing. Support can be either through the Single Capital Pot SCE(R) or Separate Program SCE(R). Local authorities receive funding for supported borrowing through the Formula Spending Share (Capital Financing sub-block) and Formula Grant distribution system.

Supported Capital Expenditure (SCE)

From April 2004, central government support for local authority capital investment takes the form of either Supported Capital Expenditure (Revenue) or Supported Capital Expenditure (Capital Grant), abbreviated to SCE(R) and SCE(C) respectively.

Tax Base

A measure of the ability to raise council tax in the county. It is the sum of estimates made by finance offices in district councils of the number of Band D equivalent properties on which council tax is expected to be paid.

Technical Adjustments

These refer to changes relating to transfer of function, changes in funding or changes in responsibility between departments.

Total from this source (list of major capital schemes)

This refers to the amount of funding from either general programme, self-financing programme or externally funded programme.

Hertfordshire County Council - making Hertfordshire
a better place to live by providing:

- Care for older people
- Support for schools, pupils and parents
- Support for carers
- Fire and rescue
- Fostering and adoption
- Support for people with disabilities
- Libraries
- Admission to schools
- Road maintenance and safety
- Protecting adults and children at risk
- Trading standards and consumer protection
- Household waste recycling centres

These are only some of our services.
Find out more at www.hertsdirect.org