

**HERTFORDSHIRE COUNTY COUNCIL  
2017/18 BUDGET AND COUNCIL TAX FACTSHEET**

**Our budget:**

| 2016/17<br>£m  |   | Page /<br>para. | 2017/18<br>£m  |
|----------------|---|-----------------|----------------|
| 394.3          | Health & Community Services             |                 | 411.1          |
| 50.2           | Public Health                           |                 | 48.9           |
| 1,074.0        | Children's Services (including Schools) |                 | 1,106.1        |
| 122.9          | Environment                             |                 | 122.1          |
| 37.5           | Community Protection                    |                 | 37.2           |
| 124.9          | Other services                          |                 | 127.2          |
| 32.3           | Borrowing and Interest                  |                 | 25.9           |
| <b>1,836.1</b> | <b>Gross Budget</b>                     |                 | <b>1,878.5</b> |
|                | <b>Less:</b>                            |                 |                |
| (913.3)        | Ring-fenced Grants (including Schools)  |                 | (955.4)        |
| (112.3)        | Sales, Fees & Charges                   |                 | (116.2)        |
| (16.0)         | Partner Contributions                   |                 | (18.3)         |
| (0.4)          | Use of reserves                         |                 | -              |
| <b>794.1</b>   | <b>Net Budget</b>                       |                 | <b>788.6</b>   |
| (114.1)        | Business Rates Income / Top-up Grant    | 4 / (g)         | (115.9)        |
| (80.0)         | Revenue Support Grant (RSG)             | 3 / (g)         | (44.5)         |
| (50.0)         | Public Health Grant                     | 3 / (a)         | (48.8)         |
| (33.2)         | Non-ringfenced Grants                   | 4 / (h)         | (28.9)         |
| (7.9)          | Collection Fund                         | 4 / (j)         | (6.9)          |
| (9.8)          | Adult Social Care Precept               | 4 / (k)         | (25.5)         |
| <b>499.1</b>   | <b>Council Tax Requirement</b>          |                 | <b>518.1</b>   |

For 2017/18 Hertfordshire County Council's basic element of the council tax has increased by £1.99%. For a typical household (band D) this is an increase of £23.61 for the year. You may notice that your council tax bill refers to an increase of 2.0%. This is because we are required by legislation to show the increase rounded to one decimal point.

The Government has given permission for local authorities to raise extra money to meet the increasing demand for social care, through a separate increase in council tax of up to 3.00%. Hertfordshire County Council agreed to this increase, raising an extra £15.5 million for these services. It means each Band D household will be asked to pay an extra £35.60 this year to support social care. In total your council tax bill for a band D property will be £1,245.83 in 2017/18.

## How has the budget moved since 2016/17

|   | Page / para. | 2017/18<br>£m |
|---|--------------|---------------|
| <b>Original Budget</b>                              |              | <b>794.1</b>  |
| Changes in specific grant funded services           | 2 / (a)      | <b>(3.1)</b>  |
| Inflation   | 2 / (b)      | <b>4.8</b>    |
| Pressures for Change:                               |              |               |
| <i>More people receiving our services</i>           | 3 / (c)      | <b>19.4</b>   |
| <i>Changes in what we are required to do by law</i> | 3 / (d)      | <b>5.7</b>    |
| <i>Other unavoidable pressures</i>                  | 3 / (e)      | <b>8.3</b>    |
| Use of reserves                                     | 3 / (f)      | <b>0.4</b>    |
| Savings   | 4 / (i)      | <b>(41.0)</b> |
| <b>NET BUDGET</b>                                   |              | <b>788.6</b>  |

Explanation of these movements is set out below:

- (a) **Changes in specific grant funded services** provided by the council and the way these are funded by central government will decrease our budget by £3.1 million. This includes
- a reduction of £1.2 million in Public Health budget to match a reduction in funding;
  - a reduction of £2.8 million relating to services that were previously funded by Education Services Grant, which will now be funded from schools budgets. This is offset by £0.8m new funding for School Improvement Monitoring and Brokering
  - an increase in budget of £0.6 million relating to Phase 2 of the Troubled Families programme to match increased funding;
- (b) **Inflation** relating to pay, utility bills, business rates and contracts will increase costs by £4.8 million (expenditure inflation of £6.5 million less income inflation of £1.7m).
- (c) **More people receiving our services** will increase our costs by £19.4 million. This includes:
- learning disability clients £12.6 million;
  - elderly clients £4.2 million;
  - physical disabilities clients £0.4 million;
  - mental health clients £0.2 million;
  - children looked after clients £1.0 million;

- increasing numbers of children being adopted and moving to Special Guardianship Orders (SGO) £0.3 million;
  - an increasing number of families with no recourse to public funds (NRPF) who require support under Section 17 of the Children Act while their claims for asylum or leave to remain in the country are being considered by the Home Office £0.4 million; and
  - increasing numbers of unaccompanied asylum seeking children £0.4 million.
- (d) **Changes in what we are required to do by law** will increase our costs by £5.7 million. The main reasons for this include:
- as a result of the Government announcement to increase the minimum wage to a national living wage there will be pressures on costs paid to care providers of £5.6 million; and
  - an increase in the rate of landfill tax to be applied from 1st April, bringing the rate paid to around £86.10 per tonne, at a cost of £0.2 million.
- (e) **Other pressures** of £8.3 million, which include:
- interim waste contracts which are expected to carry considerable extra costs whilst we continue to develop a more permanent solution for waste disposal and are estimated to be in the region of £0.9 million in 2017/18, rising to £4.4 million 2018/19;
  - support for an additional 11 people with learning disabilities / challenging behaviour who are leaving NHS accommodation in independent hospitals into intensive community care packages at a cost to the local authority of £0.5 million;
  - a pressure of £0.4 million on Special Educational Needs Home to School Transport which has arisen as a result of a less competitive market place, leading to increased contract costs;
  - a one-off transfer of £3.6 million to a reserve to meet capital financing in future years, reducing the need and cost of borrowing;
  - an increase in contingency of £2.3 million to help manage the wide range of financial and operational risks, including continued uncertainty in contributions towards the cost of social care from Clinical Commissioning Groups (CCGs); and
  - a number of smaller pressures affecting services, totalling £0.7 million.
- (f) Reversal of a one-off **use of reserves** in 2016/17 of £0.4 million.
- (g) A reduction in core government funding, mainly **Revenue Support Grant**, of £33.6 million.

- (h) A net reduction in **non-ringfenced grants** of £4.3 million, mainly due to the transitional withdrawal of Education Services Grant (£8.7 million), offset by the provision of a one-off Adult Social Care Support Grant from Government (£4.2 million).

The impact of the above has been reduced by:

- (i) The council **planning to save** £41.0 million mainly by finding ways to be more efficient, with minimal savings being taken from policy decisions affecting frontline services. A breakdown of the 2017/18 savings by service can be seen below:

|                             | <b>Policy Choice</b> | <b>Efficiency Savings</b> | <b>2017/18 Total Savings</b> |
|-----------------------------|----------------------|---------------------------|------------------------------|
| <b>Service Area</b>         | <b>£m</b>            | <b>£m</b>                 | <b>£m</b>                    |
| Children's Services         | 0.470                | 10.335                    | 10.805                       |
| Community Protection        | -                    | 0.736                     | 0.736                        |
| Environment                 | 0.369                | 2.256                     | 2.625                        |
| Health & Community Services | 4.635                | 7.028                     | 11.663                       |
| Public Health               | -                    | 0.032                     | 0.032                        |
| Resources & Performance     | -                    | 3.899                     | 3.899                        |
| Central Items               | 10.402               | 0.838                     | 11.240                       |
|                             | <b>15.876</b>        | <b>25.124</b>             | <b>41.000</b>                |

- (j) A share of the council tax/business rates **collection fund** of £6.9 million (a surplus/deficit arises on the collection fund when either more or less council tax/business rates than anticipated is collected by the district councils);
- (k) raising additional funding for social care through an **Adult Social Care precept**, increasing council tax by £15.5 million; and
- (l) raising basic council tax by 1.99% which delivers £10.3 million

The graphs below show where our funding will come from in 2017/18, and the services it will provide.

