

Supplement to the agenda for General Overview & Scrutiny Committee

Tuesday 17 November 2015

11.00 am [or upon the rising of Health & Social Care Overview and Scrutiny Committee]

The Council Chamber, The Shire Hall, St. Peter's Square, Hereford, HR1 2HX

Questions from the public [forms part of item 5 on the HSCOSC agenda]

Presentation: Financial Planning Assumptions 16/17 - 19/20

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The following question was received before the identified deadline (Thursday 12 November 2015)

Question	Response
<p>Question 1, from Caith Dye (Ms)</p> <p>The draft corporate plan states that over the next four years the Council will improve the provision of good information and advice (HSCOSC item 6/GOSC item 5, Appendix A, p6, point 1). Following the decision earlier this year not to renew the CAB's contract the Council no longer funds the provision of free, independent, quality assured and accredited legal advice for county residents. The CAB's future is extremely uncertain as reserves are currently being used to keep the generalist service open.</p> <p>Is there any information as to where the advice the Council intends to provide will come from, and how whether it is 'good' or not will be measured?</p>	<p>Response to question 1:</p> <p>Herefordshire Council's contract with Herefordshire Citizen's Advice Bureaux came to an end on March 31st last. Independently of that decision a service was commissioned by the Adults and Wellbeing Directorate to provide information, advice and signposting as required by the Care Act 2014. This service is called WISH (Wellbeing Information and Signposting for Herefordshire) and will launch in the New Year via website and physical hub. It will provide information as well as signposting to activity and services via a variety of organisations, including existing internal and external advice providers. Herefordshire Council no longer commissions advice services at the legal level provided by CAB, however we continue to work with CAB and other partners to consider future support for residents.</p>

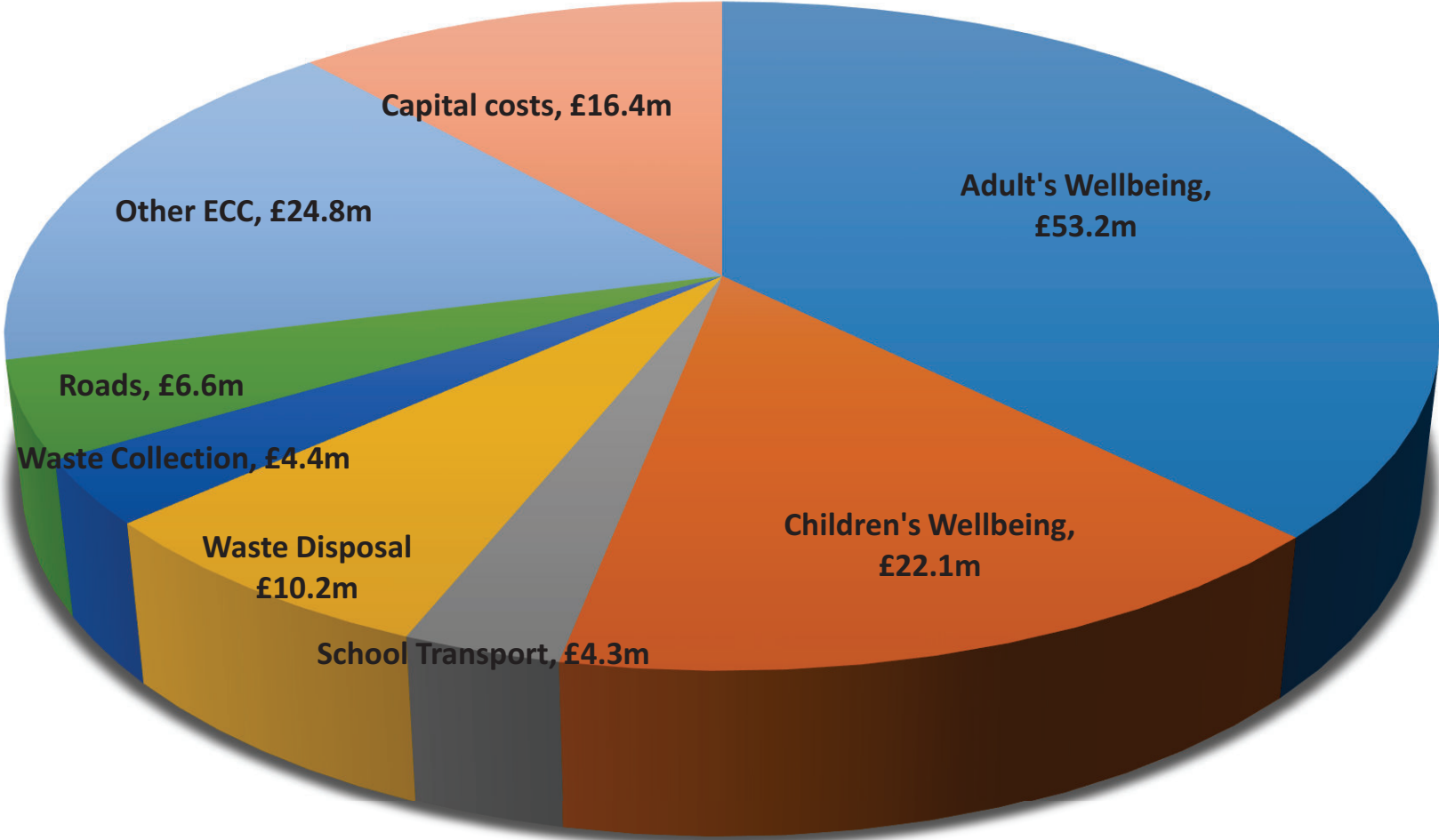
Financial Planning Assumptions 16/17 – 19/20



Corporate plan key priorities

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy and the number of people in work
- Secure better services, quality of life and value for money

Herefordshire Council Net Budget 2015/16 £142m



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£32m Savings Needed!

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Austerity ... Half way there?

Half way through the austerity measures, £59m of savings to date and £32m forecast to 2019/20....

Total £91m of savings between 2010 and 2020



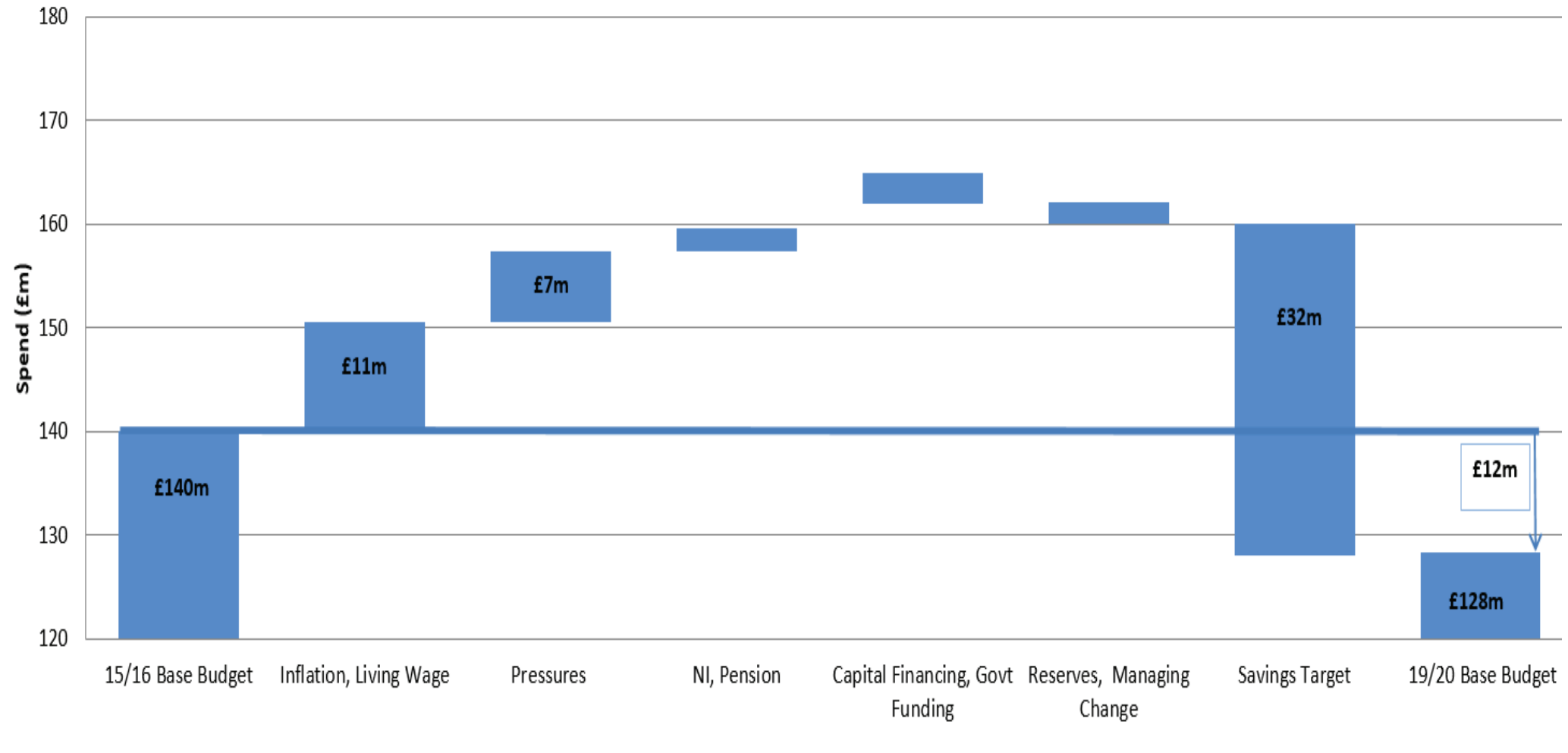
Why doesn't
spending reduce
by the savings
target?



How did you work
out grant reductions?



Why doesn't spending reduce by the savings target?



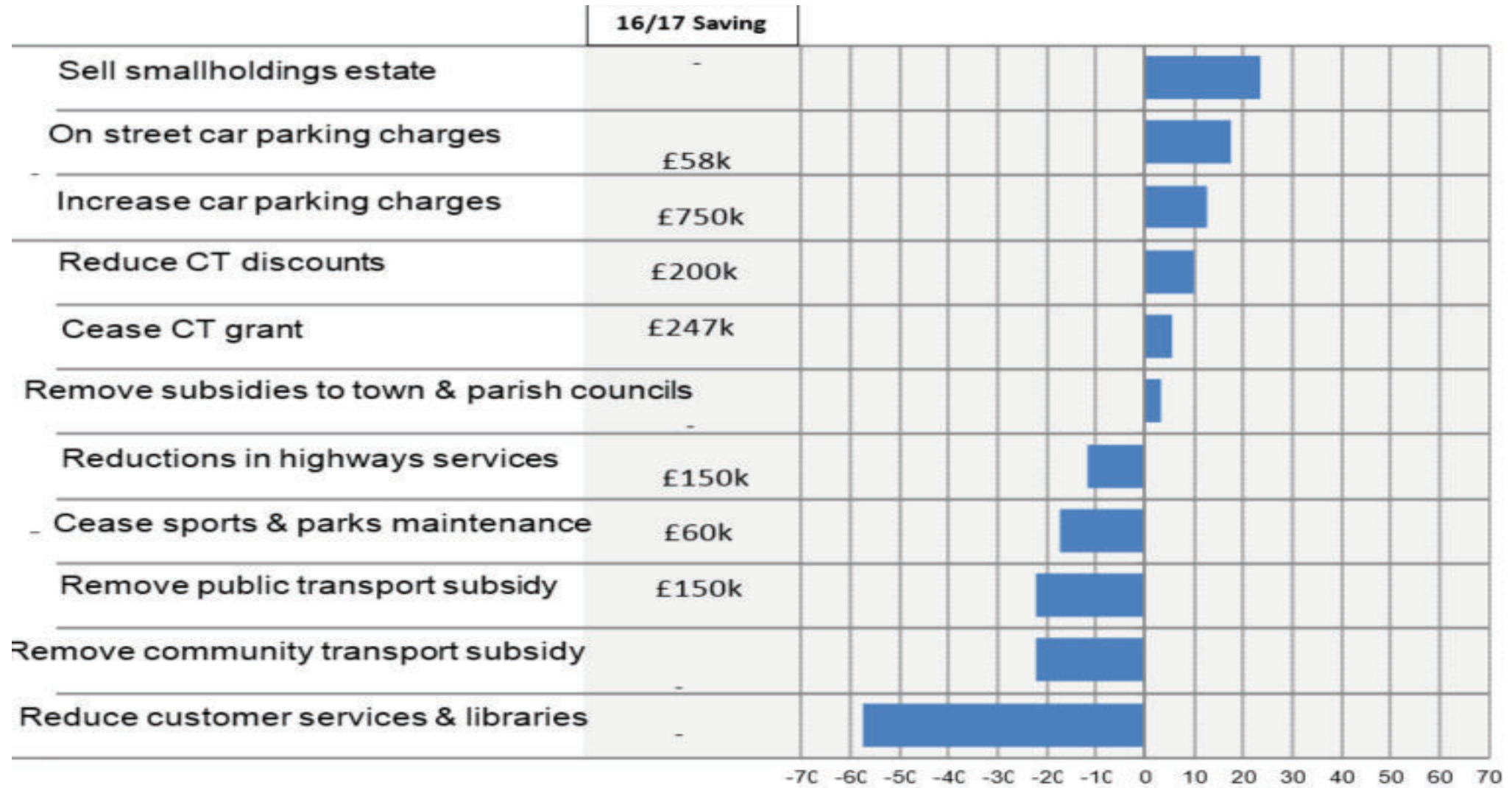
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Current Savings Proposals

Directorate	2016-17 £000	2017-18 £000	2018-19 £000	2019-20 £000	Total £000
Adults and wellbeing	4.0	2.3	1.8	1.7	9.8
Children's wellbeing	1.0	1.3	1.4	1.1	4.7
Economy, communities and corporate	4.9	3.1	3.2	1.1	12.3
Organisational redesign savings	0.6	0.3	0.1	0.2	1.2
Total	10.5	7.0	6.5	4.0	28.0

£4m gap in 2019/20

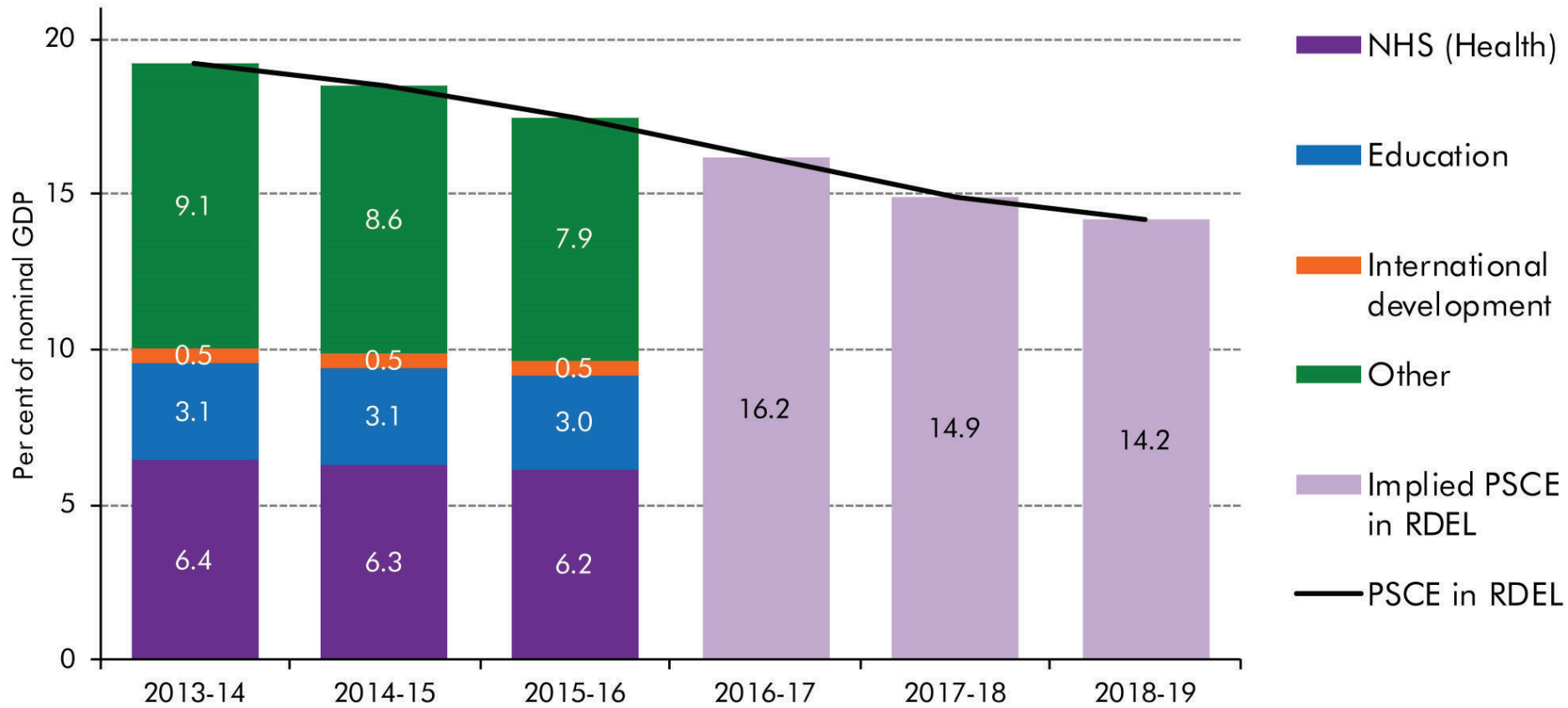
Consultation



How did you work out grant reductions?

Government Funding	2013/14	2014/15	2015/16
	£m	£m	£m
Formula or Revenue Support Grant	42.9	35.8	26.5
Business rates top up	6.6	6.7	6.8
New Homes Bonus	2.1	2.8	3.6
Locally retained business rates	22.0	22.4	23.3
Totals	73.4	67.7	60.2
Reduction %	10%	14%	12%

Treasury Budget 2014/15 % Public Spending of GDP



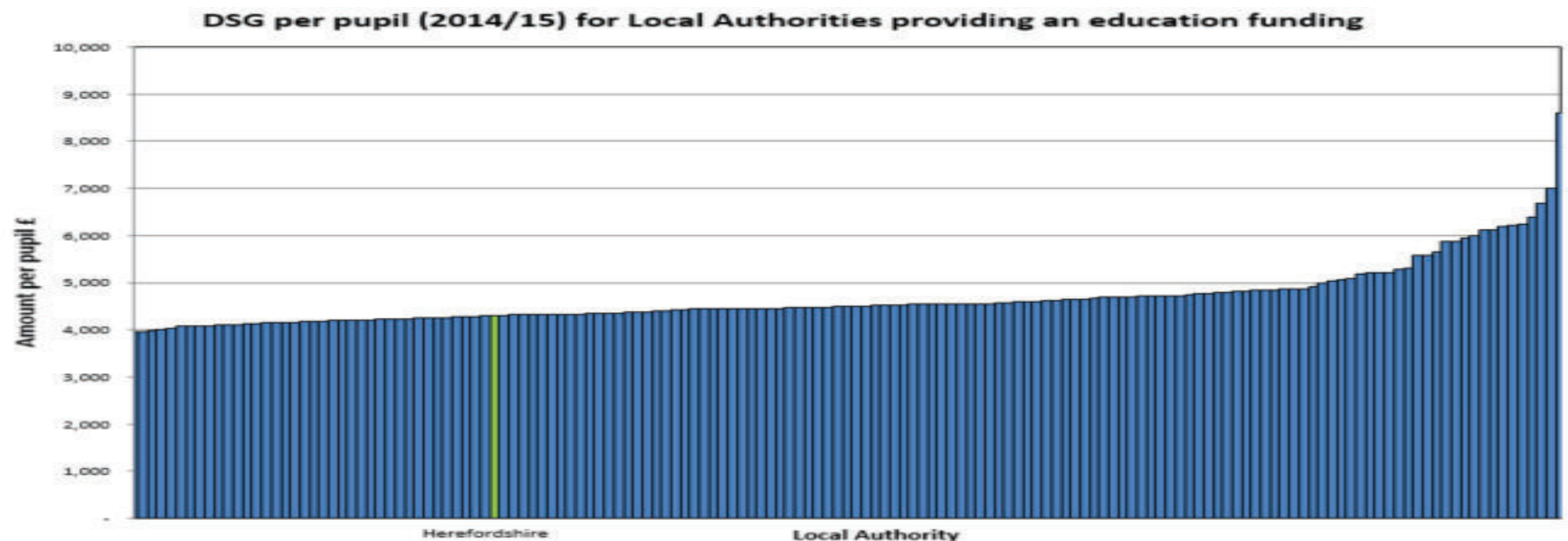
Office for budget responsibility September 2014

PSCE – Public Sector Current Expenditure

RDEL – Day to day expenditure on Public Services

Dedicated School Grant - £96m 16/17

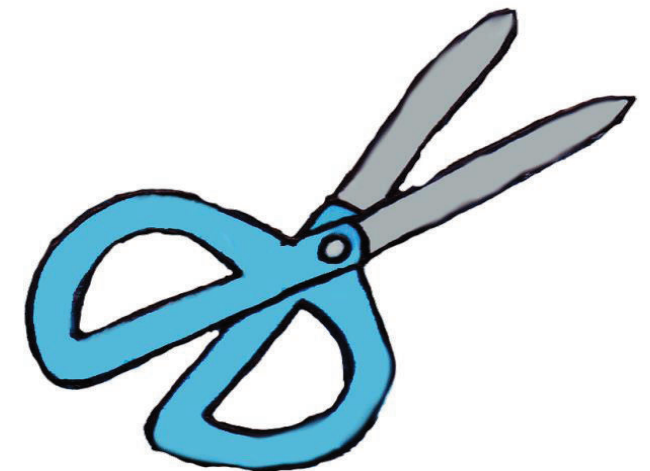
- Protected in cash terms but increasing cost pressures pension, national insurance, living wage and pay awards ... add at least **15%** to school costs over the next five years.
- Financial viability will become increasingly more difficult.



Agreed Departmental Cuts

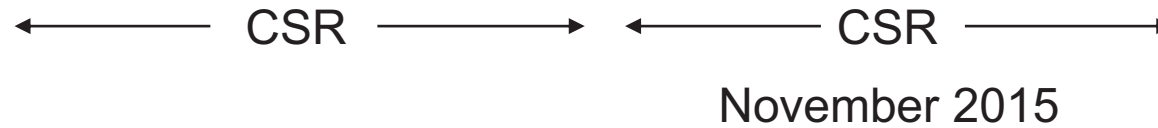
Provisionally agreed to average cuts of
30% in current funding of £60m

In 2019/20 between £36m - £42m



How did you work out grant reductions?

Government Funding	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Reduction %	10%	14%	12%	12%	12%	12%	12%



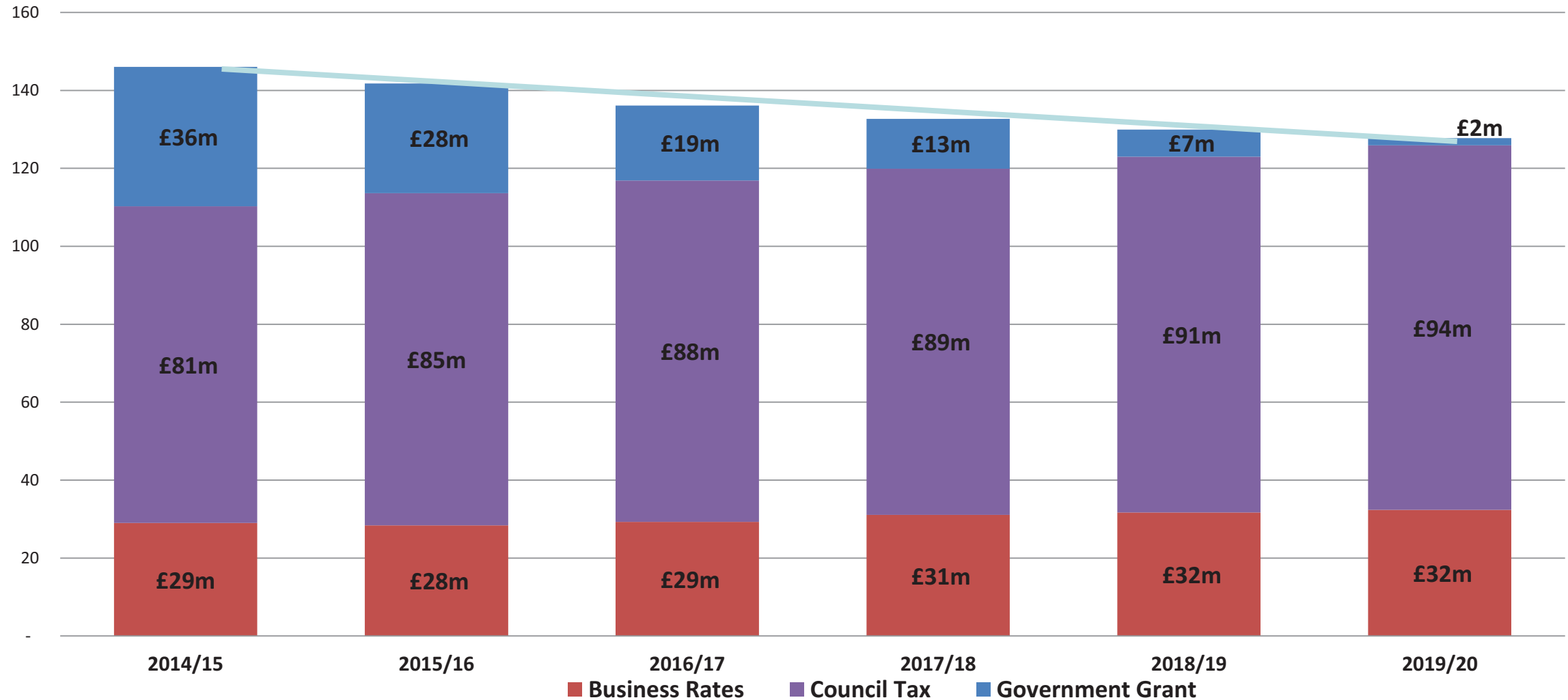
How did you work out grant reductions?

Government Funding	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m	£m	£m	£m
Formula or Revenue Support Grant	42.9	35.8	26.5	19.2	12.8	7.0	1.9
Locally retained business rates	22.0	22.4	23.3	23.5	24.0	24.5	25.0
Business rates top up	6.6	6.7	6.8	7.0	7.1	7.2	7.4
New Homes Bonus Grant	2.1	2.8	3.6	4.2	4.3	4.1	4.0
Totals	73.4	67.7	60.2	53.9	48.2	42.8	38.2
Reduction %	10%	14%	12%	12%	12%	12%	12%

Forecast net budget 14/15 – 19/20

£146m down to £128m

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Retention of business rate income

- 100% of business rates by 2019/20
- Currently £23m for 49% plus £7m top up grant
- Fiscal neutral
- Further responsibilities and services will be devolved to local government
- Spending review in 25 November

Questions?

