

SUPPLEMENT TO THE AGENDA FOR

Cabinet

Thursday 19 January 2017

2.00 pm

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

4. 2017/18 REVENUE BUDGET, MTFS AND TMS

Pages

3 - 12



Meeting:	Cabinet
Meeting date:	19 January 2017
Title of report:	To propose council tax for 2017/18 and approve the 2017/18 revenue budget
Report by:	Cabinet member corporate strategy and finance

Please note a revised version of appendix 2 to this report “Detailed savings plans by directorate” has been published which makes the following amendments and corrections:

Economy, Communities & Corporate table – original pages 22-23

- Organisational redesign savings of £93k are now included under efficiency savings initiatives in first row of the table, taking total savings from these initiatives to £363k.
- Clarified that phased removal of subsidy for community transport organisations will deliver nil savings in 2017/18.

Corporate Savings table – original page 23

- Revisions to the Council Tax Reduction Scheme – correction to show savings of £150k.

General formatting change to improve readability.

Appendix 2 (revised)

Detailed savings plan by directorate

Adults and Wellbeing Directorate		
Savings Proposal	Impact	2017-18 £000
Review, recommissioning and decommissioning of block contracts - including full year impact of 2016/17 savings	Reduction in some council funded services and supported housing by utilising alternative funding streams to increase community capacity, raising expectations and performance of existing information and advice services and enabling access to universal services. Individual EIA's will be undertaken as each contract is reviewed and recommissioned / decommissioned.	550
Reducing the need for formal care services by utilising strengths based reviews and incorporating informal community based support in care plans	Reduction in demand for formal care services and holding demographic pressures to 80% of expected. Access to support for those with eligible needs will be unaffected. Focus on developing community social support.	350
Managing contract inflation and securing contract efficiencies	No impact to service users and analysis of market sustainability undertaken to minimise impact on providers. The equalities impact of this proposal will be low/negligible as integral to their contract with the council, each contractor has an expectation to meet the Equalities Act 2010 criteria and this forms part of the contract monitoring arrangements to ensure that any impact is understood and addressed.	200
Review of high cost packages to ensure value for money placements through better use of supported living accommodation, community based options and workforce culture change programme resulting in more effective working practices with better outcomes for service users	Reducing costs of learning disability cohort leading to more equitable service provision that meets eligible needs at a reduced average cost in line with comparator authorities. The equalities impact of this proposal on service users will be low/negligible as they will be assessed correctly and against the criteria of new services available, and which are required to meet eligible needs.	700
Maximise income generation through increased telecare sales and client contributions for domiciliary care	The impact of the changes will be affordable as all services will only be charged for following individual financial assessments in accordance with Care Act (2014)	150
Reduction in staffing through partnership working and mobile working	No direct impact on service users due to increased productivity	200
Early delivery of public health savings		200
Sale of beds to self-funders		50
Total		2,400

Children's Wellbeing Directorate		
Savings Proposal	Impact	2017-18 £000
Manage contract inflation and secure contract efficiencies	The equalities impact of this proposal will be low/negligible. Integral to their contract with the Authority, each contractor has a scheduled expectation to meet the Equalities Act 2010 criteria and is part of the contract monitoring arrangements to ensure that any impact is understood and addressed.	250
Reduction in the number of looked after children	Will provide better long term outcomes for children who are in care and promote families staying together. The equality impact of this proposal will be low and fits in with the government proposal to ensure as many children as possible are cared for safely at home.	566
Accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services	Improved school attendance, educational achievement, reduced anti-social behaviour, youth offending and increased employment. This targeted programme provides supportive interventions to specific families whatever their background. Under the Equality Act 2010 this work, undertaken by the council and its partners, pays 'due regard' to the need to: <ul style="list-style-type: none"> - Eliminate unlawful discrimination, victimisation and harassment - Promote equality with regard to the protective characteristics; although due to the targeted approach not specifically using the Protective characteristics. - Promote good relations. 	100
Organisational restructure to reflect the service requirements	Ensuring families benefit from a consistent and established service through a stable and capable social worker workforce.	243
Total		1,159

Economy, Communities & Corporate		
Savings Proposal	Impact	2017-18 £000
Efficiency savings Initiatives include: Management savings, staff restructures, saving on printing cost, reduction in storage costs at the Modern Records Unit.	No impact - efficiency savings	363
Back Office Services and Corporate Accommodation efficiencies	No impact - efficiency saving	500
Car Parking charges increase	<p>Increase in fees to support the Council's sustainable transport policies and manage available spaces to support local economy. Potential adverse impact on trade if charges deter visitors. Structure of charges will aim to address local circumstances and encourage visitors and shoppers to visit Hereford and the market towns. Income will be targeted to support transport services in accordance with the Council's Local Transport Plan.</p> <p>Concessions for 'blue badge' holders are not affected by the recommendations, this includes staff parking in council car parks. Any increase in charges will have an impact on all users of the car parks. The impact will naturally vary according to the necessity and frequency of use and what alternative transport arrangements are practicable. Whilst this impact is non-discriminatory in the sense that it applies to all, it is inevitably an impact that is less easily 'absorbed' by those with lower levels of household income. The balance between the impact on individual users and the wider public interest of the council has been considered, and in this context the proposal is considered to be justified.</p>	225
On-Street Car parking Project	<p>Introduction of on street charges in central Hereford and potential extension of residents parking in surrounding areas which will provide ongoing revenue to support transport services. Proposals will improve traffic circulation, increase turnover and availability of short term parking for shoppers, ensure provision for loading and unloading and improve parking for residents living close to the city centre.</p> <p>The only protected group relevant to this proposal would be disabled people who have a 'blue badge' concession for parking. The introduction of a charge for on street parking cannot be applied to 'blue badge holders' and hence they would not be negatively affected by the proposal. The proposal will be subject to further consultation and any details around location of identified disabled parking bays will be considered in the light of consultation responses.</p>	172

<p>Reduced cost of Public and School / College Transport and moving public transport information to online only</p>	<p>Reduction in public transport services, increased income from parental contributions and post 16 SEN transport users. Further savings from contract efficiencies.</p> <p>A transport funding review is underway which will explore a range of opportunities to reduce costs across all local passenger transport services and alternative sources of funding to support such service. Savings are likely to be achievable through the integration of passenger transport contracts, service efficiencies, moving more users onto commercial and supported bus services and review of eligibility for services. If this approach does not achieve the full savings target, it may be necessary to further reduce public transport subsidy.</p> <p>Public consultation carried out in autumn 2016 will inform decisions for 2017/18.</p> <p>Decisions have already been taken to withdraw transport services and these were subject to a full consultation and EIA . As future proposals are developed consultation and EIA will be undertaken and will form elements of future reporting and consideration by members.</p>	<p>275</p>
<p>Phased removal of subsidy for Community Transport organisations</p>	<p>The phased reduction in the support to Community Transport (CT) providers commenced in 2015/16 and the exploration of alternative funding sources to support such services. To continue this to full reduction by 2019/20 will have provided a five year transition period for providers to seek opportunities to increase their independent financial viability. Support has been made available for providers to take on more contracted work and also to assist them to increase their capacity. Grants have been available for new fleet and could be made available in future subject to funding being available.</p> <p>CT reductions were considered within the consultation for the transport and travel review 2014 but at that stage there was no proposal to completely withdraw direct council support. If the council wishes to progress full withdrawal of support from 2018/19 then a further consultation and EIA would be required before confirming this decision. Whilst CT provides services for people who are 'disadvantaged' it is noted that this is not in itself a specifically defined protected characteristic within the EIA duty we are aware that the majority of CT users are elderly and/or have a disability which reduces transport options.</p> <p>Consultation in relation to public transport savings will be used to inform this proposal.</p>	<p>nil in 2017-18</p>
<p>Change the Highway Maintenance Plan to allow higher quality planned repairs to be undertaken for significant safety related pothole defects rather than the current temporary fixes required to meet reactive timescales. This will reduce the overall cost and reduce the need for repeat treatments.</p>	<p>Remaining full-year impact of measures implemented during 2016/17.</p> <p>There are approximately 50 potholes a month that were previously filled temporarily in this way and this change has allowed them to form part of a programme of works on the basis of a risk assessment based on location, road type and traffic flow, as occurs with other defects. The new method will be more cost effective.</p>	<p>150</p>

<p>Phased removal of subsidies to parish councils for the Lengthsman and Parish Paths .</p>	<p>Decision taken to phase funding out over the MTFS period. The condition of minor roads in Parish areas will be dependent upon whether Parish Councils choose to replace the subsidy with their own resources.</p> <p>Those communities that do not contribute to the funding or provide support to the scheme will see a reduction in the level of service for lower level activities currently carried out on the network by Parish and town councils.</p> <p>With P3 schemes , users of the ROW network could be affected by the reduced level of maintenance if parishes are unable/ unwilling to increase the level of activity from volunteers.</p>	<p>100</p>
<p>Community asset transfer of parks and open spaces</p>	<p>Sports pitch and parks maintenance cost saving through a programme to transfer responsibility for assets to community groups, town and parish councils and others. Impact of this proposal could see communities taking greater care and ownership of their local environment.</p> <p>Positive outcome on communities taking on responsibility for open spaces.</p> <p>If community or interest groups cannot be found and we are unable to continue the current level of maintenance, some users of open spaces may be affected in the reduction of amenity use.</p>	<p>100</p>
<p>Increased income and efficiency within Public Realm Services</p>	<p>Increase income from increased enforcement in relation to works carried out by utility companies on the highway (NRSWA) - reduction in highway defects.</p> <p>Investment in fleet and plant to reduce ongoing revenue cost and maintenance. No adverse impact upon service.</p> <p>Environmental service redesign</p> <p>Review of service to streamline and reduce cost of cleansing and monitoring of waste/litter related issues. Improved environment through better coordination.</p>	<p>230</p>
<p>Waste & Sustainability Increased income from commercial waste collections.</p>	<p>No further impact. Service changes relating to commercial waste collections and waste treatment savings do not impact on residents but on organisations.</p>	<p>30</p>
<p>Income from Solar Panels and Street Lighting Energy Efficiency Savings Capital investment in solar panels to reduce energy costs and attract Government renewable energy subsidies Expiry of repayments for energy efficiency loan supporting Street Lighting investment</p>	<p>No impact - energy efficiency saving</p> <p>The solar PV procurement process included a mandatory section on Equality and Human Rights, which was developed in conjunction with the Council's Corporate Diversity team.</p>	<p>145</p>

Facilities Management Service	Shire Hall and Town Hall to become appointment based centres. Increased income from charging for council civic buildings.	30
Withdrawal of Museum and Heritage Services subsidy	Income generation through charging at the Old House from April 2017, remodel of the learning offer to schools, volunteers to support the opening of the Museum at Broad Street in Hereford. Limited impact on protected characteristics. Though charging may have an impact across all ages, special free open days will take place to support local people able to visit the Old House without cost. Education events to take place at the Old House as part of a schools programme.	100
Savings in Customer and Library Services	Retained library service across the county, and remodelled customer services following an appointment based approach, a comprehensive digital offer, phone service, and face to face service in Hereford. A full needs and impact assessment completed for October 2016 cabinet. A retained county library services was the key finding of the consultation to mitigate negative impact, along with a delivered service for people who are housebound. For customer services any change to the offer to be delayed until 2018 to understand the impact on people requiring face to face support for benefits.	380
Sub Total		2,800

Corporate Savings		2017-18 £000
Revisions to the Council Tax Reduction Scheme - as approved by Council on 18 December 2015 the level of subsidy to non protected claimants has been reduced from 84% to 80%, this represents the continued savings expected	The lowest earners in Herefordshire previously paid 16% of their total Council tax bill, for non protected claimants this increased to 20% from April 2016. There is a risk that some claimants may not be able to pay the increased charge this risk has been mitigated via a revised hardship scheme. Pensioners will continue to receive additional discounts and the vulnerable will continue to have access to welfare support to mitigate these changes.	150
Removal of the Council Tax Reduction subsidy to parishes - as approved by Cabinet on 3 December 2015 this is the removal of the remaining grant funding to parishes	This saving has no impact on parish percept requirements, the removal of the grant has been phased to limit the potential effect on tax payers	42
Interest savings from reduced short term borrowings, due to the capital receipt arising from the disposal of the rural estate, pending reinvestment in capital and regeneration projects	This may effect some tenants of council owned property The programme of asset disposals are largely based upon realising the value of surplus property or land assets which take account of the property rationalisation proposals set out in the Council's Accommodation Strategy. The Asset Review disposals to date are not considered to be carrying any adverse impacts on any of the groups or classifications considered within the Equalities framework.	250
Organisational redesign savings	Efficiency savings	49
Sub Total		491

