

AGENDA

General Overview & Scrutiny Committee

Date: **Monday 24 November 2014**

Time: **11.30 am ***

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

Notes: * Please note: the Budget 2015/16 and Medium Term Financial Strategy presentation shall be given at the Health and Social Care Overview and Scrutiny Committee (HSCOSC) at 10.00am; public questions will be dealt with at this meeting. General Overview and Scrutiny Committee will convene at 11.30am or upon the rising of HSCOSC.

For any further information please contact:

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Agenda for the Meeting of the General Overview & Scrutiny Committee

Membership

Chairman

Councillor WLS Bowen

Vice-Chairman

Councillor BA Durkin

Councillor AM Atkinson

Councillor AJM Blackshaw

Councillor ACR Chappell

Councillor DW Greenow

Councillor EPJ Harvey

Councillor TM James

Councillor JG Jarvis

Councillor RL Mayo

Councillor PJ McCaull

Councillor AJW Powers

Councillor A Seldon

Councillor DB Wilcox

Co-optees

(education items)

Mr P Burbidge

Miss E Lowenstein

Mr P Sell

Roman Catholic Church

Secondary School Governor

Church of England

AGENDA

Pages

The presentation on the Budget and Medium Term Financial Strategy shall be given for *all* scrutiny members at the Health and Social Care Overview and Scrutiny Committee (HSCOSC) at 10.00am. Any questions from the public will be dealt with at this meeting. HSCOSC will then discuss relevant areas of the budget.

General Overview and Scrutiny Committee will then convene at 11.30am, or upon the rising of the HSCOSC, to discuss remaining elements of the budget.

The reports being provided to both committees are identical.

Please note: *all* scrutiny members should attend from 10.00am.

1. APOLOGIES FOR ABSENCE

To receive apologies for absence.

2. NAMED SUBSTITUTES (IF ANY)

To receive details of members nominated to attend the meeting in place of a member of the committee.

3. DECLARATIONS OF INTEREST

To receive any declarations of interest by members.

4. MINUTES OF PREVIOUS MEETING

To receive the minutes of the meeting held on 4 November 2014.

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5. BUDGET 2015/16 AND MEDIUM TERM FINANCIAL STRATEGY

To seek the views of the overview and scrutiny committees on the budget proposals to be presented to Cabinet on 15 January 2015.

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- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
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The Chairman or an attendee of the meeting must take the signing in sheet so it can be checked when everyone is at the assembly point.

HEREFORDSHIRE COUNCIL

MINUTES of the meeting of General Overview & Scrutiny Committee held at The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Tuesday 4 November 2014 at 10.00 am

Present: Councillor WLS Bowen (Chairman)
Councillor BA Durkin (Vice-Chairman)

Councillors: ACR Chappell, EPJ Harvey, TM James, JG Jarvis, PJ McCaull, AJW Powers, A Seldon and DB Wilcox

In attendance: Councillors H Bramer (Cabinet Member), J Hardwick, AW Johnson (Cabinet Member), MD Lloyd-Hayes, JW Millar (Cabinet Member), GJ Powell (Cabinet Member) and PD Price (Cabinet Member)

21. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors AJM Blackshaw, DW Greenow and RL Mayo. Apologies had also been received from Mr P Burbidge and Miss E Lowenstein (education co-optees).

22. NAMED SUBSTITUTES (IF ANY)

There were no named substitutes.

23. DECLARATIONS OF INTEREST

8 Proposed Revisions to the Council Tax Reduction Scheme 2015/16.

Councillor BA Durkin, Non-Pecuniary, A council appointed representative to Herefordshire Citizens' Advice Bureaux Trustee Board.

24. MINUTES

The minutes of the meeting held on 8 September 2014 were received.

RESOLVED: That the minutes of the meeting held on 8 September 2014 be approved as a correct record and be signed by the Chairman.

25. SUGGESTIONS FROM THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY

No suggestions had been received in advance of the meeting. The Chairman invited members of the public in attendance to suggest issues and Claire Keetch, Chief Executive of Herefordshire Citizens' Advice Bureaux (CAB) suggested that, in view of the proposed revisions to the Council Tax Reduction Scheme and the potential for additional non-payment, the authority should consider how increased need for legal and debt advice could be met, especially considering the uncertainties around funding for the CAB service.

26. QUESTIONS FROM THE PUBLIC

Questions had been received from the following: Claire Greener of the NFU on behalf of the Herefordshire Tenants' Association in relation to agenda item 4, Minutes; and Victoria Wegg-Prosser in relation to agenda item 7, Proposed Capital Programme 2015/16 to 2017/18. The

questions and officer responses were published in a supplement to the agenda and also circulated at the meeting.

Noting that a number of tenants were present, the Chairman said that he understood that there would be no changes to the policy in relation to smallholdings during the remainder of the current administration. He said that there would be no debate on the issue at this meeting but the Head of Corporate Asset Management and the County Land Agent were available to speak to people outside the meeting.

27. PROPOSED CAPITAL PROGRAMME 2015/16 TO 2017/18

The Chief Financial Officer presented the report, the key points included:

- i. Comments were invited from the committee on the proposed capital programme, for submission to Cabinet and subsequently to Council.
- ii. The current capital programme amounted to £146.7m. The proposed additions to the scheme would cost £57.5m of which £48.6m would be funded from external sources.
- iii. A summary of the additions was appended to the report and an overview was provided of the principal requirements.
- iv. It was reported that the total outstanding debt was £168m as at 31 March 2014 and was being repaid at £10m per annum. With additional investment already approved and the proposed additions identified in the report, the debt requirement would be £200m as at 31 March 2018.
- v. The authority had a long-term debt to asset percentage of 26%; this reflected the average position for all unitary authorities.

The principal points of the ensuing debate included:

1. The Chief Financial Officer advised that the profile of the funding depended upon the details of the scheme involved; overviews were provided in relation to the South Wye Transport Package and Hereford Enterprise Zone.
2. In response to a question from a member, the Chief Financial Officer explained that purchase of gritters would provide better value for money than leasing and the borrowing cost would be funded by the winter service budget. The Director for Economy, Communities and Corporate said that a list of all vehicles in the council's ownership would be provided to the member.
3. Another member questioned why the savings in terms of vehicle leasing costs were not identified in the report and the Chief Financial Officer advised that the report identified capital programme intentions going forward, subsequent decision reports would set out the value for money and financing considerations in detail. The member felt that there was an inconsistency in terms of presentation compared to the Hereford Enterprise Zone and the Chief Financial Officer said that he would review the relevant paragraphs before submitting the report to Cabinet.
4. The committee was advised that the Marches Local Enterprise Partnership Board was due to make a decision on the distribution of business rates and the identified investment in the Enterprise Zone would not proceed without a suitable arrangement in place.
5. In response to questions about the Three Elms Trading Estate, the Head of Corporate Asset Management and the Cabinet Member for Contracts and Assets

outlined the background to the issue and how the cost of borrowing would be funded from rental income.

6. It was questioned whether investment in Colwall Primary School was being viewed in terms of the potential impact on schools provision in the wider catchment, especially given plans for the expansion of Ledbury Primary School. The Chief Financial Officer said that the schools estate strategy was being updated and any investment would need to be made in the context of that strategy. He added that a separate project was looking at various options for Colwall Primary School.
7. In response to comments, the Chief Financial Officer said that the wording of the report would be reviewed to ensure that there was clarity about the categorisation of funded and self-financing schemes and about the amounts making up the £8.9m additional corporate investment need.
8. A member commented that the potential sale of £60m of assets over the next three years, as identified in the Medium Term Financial Strategy (MTFS), would have an impact on the debt to asset percentage. Another member suggested that it would be helpful if projected figures and percentages to 2018 could be provided as part of the update to the MTFS.
9. In response to a question, the Chief Financial Officer advised that details about the costs of borrowing were provided in regular budget monitoring reports to Cabinet.
10. Noting the reference in the report 'the additional prudential borrowing may impact on other areas where cost savings may have to be made to ensure affordability', a member felt that some indication should be provided of the potential service areas affected. The Chief Financial Officer said that, although intended as a strategy paper, he would add further information to the report.
11. In response to a question, the Director said that the £10.7m figure within the current capital programme for the link road was a best estimate but would depend on concluding land acquisitions.
12. In response to comments from a member, the Chief Financial Officer acknowledged that: the use of the term 'asset' was perhaps different within the public sector compared to the private sector but external auditors used debt to asset percentage as a standard indicator in the appraisal of local authority finances; and the budget was informed by current business rates and potential changes going forward.
13. The Cabinet Member for Health and Wellbeing said that he would provide a detailed response to a question from a Councillor in attendance about the Disabled Facilities Grant identified in the current capital programme.
14. In response to a comment about the need for tenants to have certainty about the smallholdings estate, the Chairman re-iterated that a decision had been postponed until the next administration and would be subject to appropriate scrutiny.
15. A member commented on the agricultural and industrial assets secured for Herefordshire when the former Hereford and Worcester County Council was disbanded.
16. The Head of Corporate Asset Management gave an overview of the some of the lease dilapidations and other contractual obligations as a consequence of the rationalisation of council accommodation and expiry of leases. Whilst acknowledging the commercial sensitivity around the sums involved, a committee member suggested that a list of properties and the related timescales would be

helpful. The Chief Financial Officer later advised that there was public access to the leases available through the council's website.

17. Another committee member felt that this committee should be provided with specific information not only on the position with potential lease liabilities leases but also in the context of assumptions made about the sale of £60m of assets as identified in the current MTFS. The Leader responded by advising that Council had approved the current MTFS and it had already been clarified that there would not be any disposal of such assets until the next administration. Members expressed viewpoints on the information that could be shared, protecting negotiating positions, public accountability, and the timing of decisions. The Assistant Director Governance commented on the information available through the Land Registry and explained public interest and commercial sensitivity considerations.
18. Further to paragraph 17 above, a committee member requested that detailed information be provided to the committee, marked exempt if necessary, about the assets that the council holds and proposes to form part of the three tranches of £20m of disposals over the next three years. The Leader emphasised that, apart from the broad assumptions already identified within the current MTFS, no other decisions had been made about these assets and would not be until the next administration, therefore he was not aware of anything else to disclose. The Chief Financial Officer re-iterated the purpose of this report was to seek views on the proposed additional capital investment programme and explained the potential financial and other consequences associated with not proceeding with the schemes. The committee member, re-iterating the point made at paragraph 8 above, noted that debt to asset percentage was given as context to inform the decision on the proposals and was relevant to imminent discussions on the budget.
19. In response to debate on the issue, the Director suggested that a list of the wide range of council assets could be provided, alongside estimated asset values per acre for different use classes. The committee was reminded that separate decisions would be required to deliver individual elements of the MTFS. A committee member and the Leader re-iterated their respective positions on the matters discussed. The Director said that, to assist members, a briefing note could be provided to explain the assumptions that officers were working to in relation to the MTFS.

RESOLVED: That

- (a) The report to Cabinet and Council be updated to reflect the clarifications sought by the committee; and**
- (b) Committee members be provided with details of the range of council assets and a briefing note on the assumptions being used in relation to the Medium Term Financial Strategy.**

28. PROPOSED REVISIONS TO THE COUNCIL TAX REDUCTION SCHEME 2015/16

The Chief Financial Officer presented the report and the following matters were highlighted:

- a. The national council tax benefit system was abolished with effect from 1 April 2013 and Herefordshire Council set up a localised Council Tax Reduction (CTR) scheme.

- b. For 2014/15, CTR support by the council was based on 84% of the applicant's council tax charge. The Medium Term Financial Strategy (MTFS) approved by Council in February 2014 assumed reductions in the level of support to 76% in 2015/16 and to 70% in 2016/17.
- c. Comments were invited from the committee on the proposed revisions to CTR for submission to the Leader (Cabinet Member for Corporate Strategy and Finance) and subsequently to Council.
- d. Cumulative surplus had been delivered against the plan in 2013/14 and 2014/15 and it was anticipated that there would be surplus of £211k in 2015/16 which could be used to provide a contribution towards demographic pressures.
- e. Approximately 5,000 residents of working age were in receipt of CTR at the maximum reduction of 84%, with a further 2,034 claimants having financial circumstances which entitled them to partial reduction.
- f. It was reported that the proportion of summonses issued for non-payment of council tax was significantly higher for those in receipt of CTR than those not in receipt of CTR; an additional charge for the cost of summonses was added to claimants' debts.

The Chairman used his discretion to allow Richard Hadley of Ledbury Town Council to address the committee on this subject. Town Councillor Hadley made a number of comments, including:

- there was a high level of concern about this proposal, not just from those directly affected but also the wider community;
- although public bodies had to look at potential cost savings and revenue generation, he did not consider this proposal to be acceptable;
- the level of increase in 2015/16 (for a Band D property) for a resident in receipt of CTR would be around £130, representing a significantly higher increase than that for a resident not in receipt of CTR;
- he considered the proposal unfair and felt that it targeted the poorest sections of the community;
- claimants had received 100% discount under the national system, so the percentage increases each year were substantial;
- the proposal contradicted the national strategy of lifting the least well off people out of tax thresholds;
- Herefordshire had the lowest average earnings in the West Midlands region and some of the lowest in the country;
- indices of poverty did not take into account the additional costs of living in rural areas;
- one third of rural households were considered to be living in fuel poverty;
- the proposal would affect hard working families and individuals, people with disabilities and long term health problems;
- unemployment was generally low, meaning that CTR claimants were just ordinary people that found themselves in difficult circumstances;
- information obtained from the council showed that around 7,000 people were facing court summonses, not only resulting in administrative and court costs but also impacts on the health and wellbeing of those families and individuals concerned;

- social breakdown could have impacts on communities and on long term costs for the council; and
- the funding required could be met by marginal increases in council tax rates.

The Chairman thanked Town Councillor Hadley for his comprehensive and impassioned contribution; individual committee members also extended their thanks.

Points made by the Leader included:

- i. He could not disagree with many of the sentiments expressed but members had to consider the figures; he felt that it was potentially misleading to use percentage increases given the low base level.
- ii. Unlike public authorities, utility suppliers were not expected to reduce bills for low-income households for the costs of services.
- iii. Collection rates had remained consistent despite recent changes to CTR.
- iv. Other taxpayers had to pick up the burden for those in receipt of CTR.
- v. Council tax could not be raised by more than 2% without a referendum and expressed a personal view that a sizeable number of people would consider it right that people should make a contribution towards their costs.
- vi. Although there might be sound arguments for not applying the increase, it was inescapable that the money had to be found from somewhere.

A summary of the debate is provided below:

1. Increasing numbers of people in the county were struggling to meet council tax, utility and transportation costs and many were already relying on food banks and other forms of charity.
2. Reference was made to the suggestion by Claire Keetch (see minute 25 above) and a concern expressed about the potential impact of increased workload for the CAB at a time of uncertainty around grant funding.
3. As the situation had resulted from a change at national level, individuals and groups should also make their concerns known to the local MPs.
4. Utility companies could not cut services off any longer and it would be difficult for public authorities to ration services.
5. In view of the high proportion of CTR recipients receiving court summonses, it was questioned whether the proposals might be more costly and self-defeating in the longer term. It was also questioned whether the £85 charge covered the staff time for dealing with a summons. In response, the Chief Financial Officer advised that there was additional workload associated with chasing debt but many processes were automated and Herefordshire was one of the best performing authorities in the country in terms of collection rates and cost efficiency. Attention was drawn to the appendix to the report which showed examples of potential amounts payable by CTR claimants; it was noted that the majority of people in receipt of CTR lived in Band A and B properties. It was reported that the collection rate from claimants in receipt of CTR was about 95%, as at the end of October 2014, albeit it was being collected at a slower rate.

6. A number of members said that they felt uncomfortable with the level of increase proposed and, acknowledging the costs and uncertainties associated with a referendum, felt that the authority need to find other ways of making savings or generating income.
7. Some members made observations about inequalities within the taxation system, especially the proportion of income paid towards taxation by people with less means. A member commented that stable collection rates might result from people wishing to avoid court summonses but nevertheless something had to give way within already constrained budgets. Another member felt that the argument that some people faced a disproportionate percentage increase in contributions should not be dismissed; it was added that the amount of money involved was relatively small compared to the council's overall budget but would have immense repercussions for those affected.
8. The Leader acknowledged the moral arguments but re-iterated the financial pressures facing the authority and the need to consider different perspectives. He commented that the incomes of many people were not much above those people in receipt of CTR but they were expected to pay the full council tax liability and could be in a worse net position.
9. A member said that: there was merit in looking at absolute and relative figures; there was concern that the level of increase went beyond the break even point; it was disappointing that it was not considered that there was time to analyse different restrictions used by other local authorities; the table on page 31 of the agenda ought to be presented in a different way to reflect what was being collected in year and to clarify the treatment of surplus; the fact that people in receipt of CTR were more likely to receive a summons than those not in receipt demonstrated how fragile their finances already were; there was a lack of clarity about the knock on effects in terms of the health and wellbeing of families and individuals and the resulting service pressures which ultimately fell to the council as costs elsewhere.
10. Further to paragraph 9 above, the member commented that the Income and Charging Task and Finish Group commissioned by the committee had identified guidelines to recover service costs and the council had also engaged consultants to identify additional savings and income opportunities. Therefore, it was questioned whether the authority had delivered the full range of measures before proposing revisions to CTR.
11. The Chief Financial Officer clarified the purpose of the table on page 31 and the key considerations and confirmed that it could be amended to make it more transparent to the user.
12. A member commented on the potential hidden costs of the proposal and noted that the consequences of the breakdown of a small number of families could offset the projected income.
13. A Councillor in attendance commented on how reductions in part-time working hours for women were placing them in difficult financial positions.
14. It was suggested that the executive should look in greater detail at what was happening in other local authorities and it was noted that the response rate from CTR claimants to the consultation on the proposal was much higher than that usually received from the general population to the consultation on council tax. The Chief Financial Officer said that further information on other unitary authorities could be provided within the report. A member suggested that additional figures be obtained from Cornwall, Devon and Somerset authorities.

RESOLVED: That

- (a) The executive be notified that the committee is not content with the conclusions of the report and considers that the Council Tax Reduction Scheme should remain at the present level;
- (b) The executive be urged to explore alternative savings or income opportunities, as identified by the Income and Charging Task and Finish Group, before considering any future changes to the scheme; and
- (c) Detailed analysis be undertaken of other restrictions put in place by other local authorities.

29. DRAFT WORK PROGRAMME AND TASK AND FINISH GROUPS

The committee received the draft work programme and updates were received, from the respective chairman, on progress with the task and finish groups on Community Infrastructure Levy, Development Management (Planning) and Balfour Beatty Living Places.

A committee member noted that there was important work to be undertaken on Digital Strategy but time was limited before the pre-election period.

RESOLVED: That the work programme be noted.

30. DATE OF NEXT MEETING

Monday 24 November 2014

The meeting ended at 1.05 pm

CHAIRMAN



MEETING:	General Overview and Scrutiny Committee
MEETING DATE:	24 November 2014
TITLE OF REPORT:	Budget 2015/16 and Medium Term Financial Strategy (MTFS)
REPORT BY:	Chief Financial Officer

Classification

Open

Key Decision

This is not an executive decision.

Wards Affected

Countywide

Purpose

To seek the views of the overview and scrutiny committees on the budget proposals to be presented to Cabinet on 15 January 2015.

Recommendation(s)

THAT:

- (a) **the Committee comments on the budget proposals.**

Alternative Options

- 1 There are no alternative options as Cabinet is required to seek the views of the relevant overview and scrutiny committee on budget and policy framework item

Reasons for Recommendations

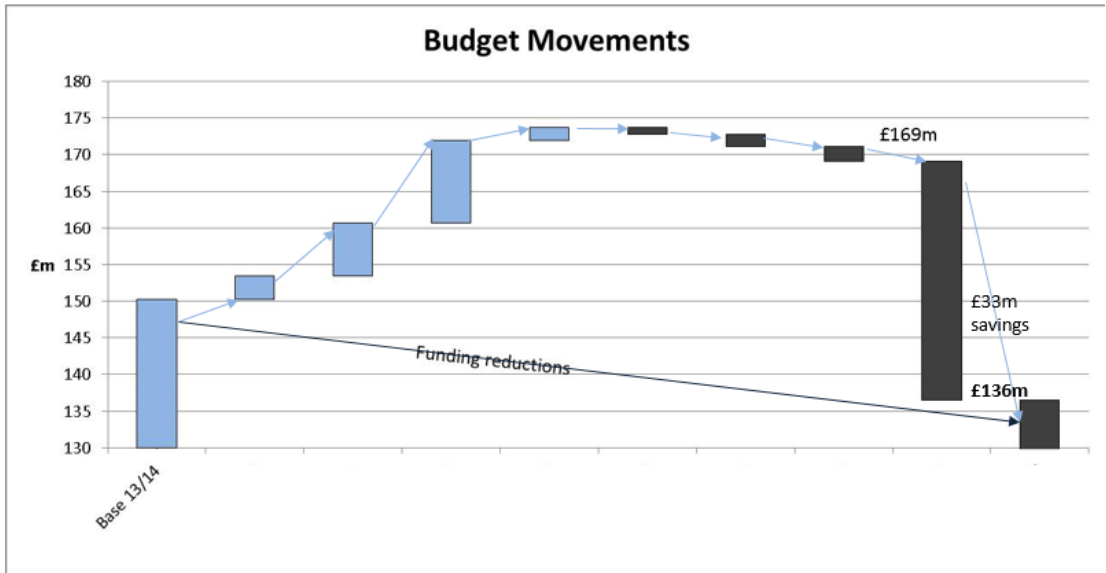
- 2 To meet the requirements of the constitution and ensure that Cabinet has all relevant information available to inform its decision-making.

Key Considerations

- 3 The medium term financial strategy (MTFS) has been updated to reflect current spending, reviewed savings plans, contingencies and demographic pressures and assumes a 1.9% increase in council tax. Central government funding for 2015/16 will be announced on 17 December, this report is based on the indicative funding settlement announced last year. Initial proposals are being discussed by both Health and Social Care Overview and Scrutiny Committee and General Overview and Scrutiny Committee on 24 November.
- 4 Although on target to deliver within the overall budget in 2014/15 there is slippage in some savings and additional pressures in both 2015/16 and 2016/17.
- 5 Council will approve the 2015/16 budget on 6 February 2015. It will also approve the MTFS to 2016/17 although this will be refreshed with the new administration between June and October 2015 to cover the period 2016/17 to 2018/19.

Current savings plan 2014/15 – 2016/17

- 6 The MTFS agreed by Council in February 2014 set out the estimated £33.7m funding gap arising from increased costs and reduced funding.



£15.4m or 45% of these savings were targeted to be delivered in the current financial year, with an additional £18.3m to be delivered in 2015/16 and 2016/17. This is in

addition to the £33m of savings delivered 2011/12 – 2013/14. Of the overall savings required in the period 2011/12 – 2016/17, £67m, approximately £50m has been delivered.

	2014/15 £000	2015/16 £000	2016/17 £000	Total £000
Adult and wellbeing* (AWB)	5,490	3,935	3,646	13,071
Children's wellbeing (CWB)	2,500	1,132	1,736	6,368
Economy, communities and corporate (ECC)	7,407	3,602	4,269	15,278
Savings identified	15,397	8,669	9,651	33,717

* Public Health responsibility including savings transferred to adult and wellbeing for 2015/16 and 2016/17.

Base budget 2015/16

- 7 A draft of directorate base budgets for 2015/16 is set out below and in detail in appendix 1. This reflects increases in inflation and pensions, pressures, savings and other adjustments.

Draft Revenue Budget Summary 2015/16

	Base net Budget 2014/15 £'000	Net changes £'000	Draft Net Budget 2015/16 £'000
Adults Wellbeing	54,923	(1,561)	53,362
Children's Wellbeing	21,242	777	22,019
Economies, Communities & Corporate	53,065	(2,836)	50,229
Directorate Total	129,230	(3,620)	125,610
Capital financing - debt repayments			9,587
Capital financing - interest			6,197
Change Management (One-off)			3,418
Government grants			(4,388)
Other central budgets			1,390
Reserve top up			500
Total net spend			142,314
Financed by:			
Formula grant			25,935
Council tax			83,323
Retained NNDR			24,600
Business rates top up			6,871
Reserves – funding of one off change management costs			1,585
			142,314

Review of savings plans – Slippage/(additional) savings

- 8 Savings have been reviewed as part of the budget process and revisions made, these are attached as appendix 2 and are summarised in the table below. The review has

highlighted net slippage or a shortfall against the target of £3.6m over the two years. 2016/17 slippage is significant, over 50% of savings have now been removed from the savings plans, this is after some savings having been replaced with new ones. The end columns show the difference between the updates and those agreed by Council in February 2014.

	Revised Savings Plans			Slippage/(additional)		
	2015-16 £'000	2016-17 £'000	Total £'000	2015-16 £'000	2016-17 £'000	Total £'000
Adults	4,300	1,863	6,163	(365)	1,783	1,418
Children's	1,129	1,220	2,349	3	516	519
ECC & Central	3,754	2,310	6,064	(152)	1,959	1,807
Total	9,183	5,393	14,576	(514)	4,258	3,744

9 The reasons for the differences are set out by directorate below:

- Adults – pressures within the health system have had a direct negative impact on the planned demand management savings during 2014/15. From March 2015 a proportion of the budget within adult social care will be through the Better Care Fund pooled arrangements with the Herefordshire Clinical Commissioning Group (CCG). These funds are only paid to the council via the CCG, on the basis of performance in a reduction of admissions to residential and nursing care and a reduction in emergency admissions to hospital. It is therefore important to recognise that any decisions about additional savings on areas in this pool will have to be negotiated with the NHS locally and nationally. However, the pool does incentivise the CCG and the acute and primary care providers to manage effectively the part of the system that is placing the greatest strain on the adult social care demand management approaches. Collaborative working with public health has been accelerated following integration within the adult and wellbeing directorate, meaning £0.5m planned for delivery in 2016/17 will be delivered a year early.
- Children's – removal of the target for delivering £0.5m of savings in 2016/17 from the introduction of a social impact bond. Other savings have been replaced with new ones but require one-off investment of £0.8m to be repaid from additional savings in 2017/18.
- ECC – re-profiling of estimated £60m in capital receipts planned to replace borrowing will mean £2.5m of revenue savings will not be delivered until 2017/18. This has partially been mitigated by additional support savings, namely Hoople and ICT of £0.5m, £0.8m over the two years.

10 Detailed analysis of proposed savings plans and stress testing (adult wellbeing has had an external assurance stress test) is currently been undertaken and alternative schemes have been identified where possible. Further work will be undertaken with directors to ensure remaining plans are robust, though some savings are proving

difficult to deliver. Where there are shortfalls identified, these need to be replaced. With little discretionary budget remaining across the authority this will be challenging.

New pressures affecting budget planning

	2015/16 £000's	2016/17 £000's	Total £000's
Children's			
Baseline placements (in year)	762		762
Child sexual exploitation prevention	100		100
	862	-	862
Adults			
New / additional demographic pressures	114	146	260
Transitions - ongoing impact of 2014/15 growth	900		900
Transitions - expected growth in placements 2015/16	200	100	300
	1,214	246	1,460
ECC			
Grass cutting	400		400
Rockfield car park		30	30
Valuations		41	41
	400	71	471
Corporate			
Insurance premiums	200		200
Grant reduction assumption 7%		873	873
Cost of funding new capital investment need	100	300	400
Safeguarding board	100		100
	400	1,173	1,573
Total	2,876	1,490	4,366

Pressure management

- 11 Additional contingency was allowed in the MTFs to provide for slippage/optimism of future savings and unforeseen pressures. In addition, provision set aside for increases in the cost of the waste disposal contract and inflation have not all been required. These total £2.1m in 2015/16 with an additional £3.5m in 2016/17.
- 12 Children's wellbeing and adults & wellbeing senior management reviewing changes in policy and investigating options to partially mitigate the transitions pressure identified above. A new approach will need to be developed and embedded over the next 12 months otherwise the budgetary pressure will rise in excess of the figures currently assumed due to the numbers currently in school who will require adult social care support in the next few years.
- 13 Applying these against the net difference in savings and pressures will bring the 2015/16 budget into balance, although a significant savings gap of £2.2m in 2016/17 will require additional savings to be identified over the coming weeks.

- 14 There is an additional significant, at least £3m, of unbudgeted risks not provided for in the budget.

Summary

- 15 The table below sets out the net changes to the overall budget expectations on 2015/16 and 2016/17.

	2015/16 £000	2016/17 £000	Total £000
Slippage/(additional)savings	(514)	4,258	3,744
Pressures	2,876	1,490	4,366
Pressure management	(2,106)	(3,499)	(5,605)
Net	256	2,249	2,505

- Current savings plans are going through a process of additional scrutiny and challenge to ensure they are deliverable and sustainable.
- All pressures have been challenged and assurance is required that the council is not funding other bodies responsibilities. In addition the adults & wellbeing budgets relating to adult social care have gone through an external assurance and stress test process and amendments have been reflected where improvements were identified as needing to be made.
- Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities is critical for medium term change.
- Additional savings of £2.2m need to be identified in 2016/17 and commissioning and policy decisions must be made over the coming months to enable the change management to take place for these savings to be delivered in 2016/17.
- Key areas of focus include, sustaining the current focus on a new relationship with citizens and communities, managing the price paid where the council is the commissioner and/or where this is taking place with partners with a specific reference to health, improvements in commercial interface including contract management, using technology to enable new ways of working including significant channel shift around self-service and automated business process improvement and a subsequent headcount reduction.

Community Impact

- 16 The MTFs and budget demonstrate how the council is using its financial resources to deliver the priorities within the agreed corporate plan.

Equality and Human Rights

- 17 The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying “due regard” in our decision making in the design of policies and in the delivery of services.
- 18 We are currently carrying out a number of service specific equality impact assessments for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010.
- 19 The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.

Financial Implications

- 20 As set out in the report.

Legal Implications

- 21 The Committee is asked to consider and scrutinise the proposed budget to enable a recommendation to full Council whose responsibility it is to set the budget.
- 22 The key statute for the budget making process is the Local Government Finance Act 1992. The Council is required to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure.
- 23 An intention to set a deficit budget is not permitted under Local Government legislation

Risk Management

- 24 Section 25 of the Local Government Act 2003 requires the chief finance officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
- 25 The budget has been updated using the best available information, current spending, anticipated pressures and an assessment of the grant settlement.
- 26 The areas below have not been included in the budget as pressures with compensating savings. The risks are covered by the corporate revenue contingency of £0.7m and general reserves of £3m above the £4.5m minimum balance. These

would address any issues arising in 2015/16 but would need to be addressed within the budget in 2016/17 and beyond.

Risks	2015/16 £000	2016/17 £000	Total £000
Care Bill	600	1,700	2,300
Council tax capped at 1%	750		750
Welfare reform		150	150
Council tax reduction increase doesn't get approved	160	230	390
	1,510	2,080	3,590

- The government has indicated that the costs of the Care Act implementation are sufficiently funded through the Better Care Fund and some additional grant. The final guidance has reduced some pressure and delayed implementation of some key elements but the internal review would indicate a different view and reflects the position of the majority of West Midlands councils. This view has been supported by all political parties. The Local Government Association and Association of Directors of Adult Social Services continue to lobby for additional funding and a continuing and unexpected increase of activity relating to the Mental Capacity Act is also continuing with all councils urgently lobbying government to allocate additional funds immediately. Locally additional investment has already been made, but substantial waiting lists have now been built up and present a significant risk as these are statutory safeguarding responsibilities. All councils are reporting a similar position.
- Government may also reduce the council tax cap to 1%, this would require an additional £750k of savings in 2015/16
- Welfare reform cost will not be funded by the government from March 2015, however some indications are that lobbying on this issue may mean a change in approach.
- The increase in council tax reduction from 16% to 30% in the period can be reduced to a 24% increase to reach the budget target met, however if not agreed by Council in December 2014 would need compensating savings.

Consultees

Shaping our priorities

- 27 This year's budget consultation was conducted slightly differently to previous years, in that we used an online budget simulator which invited residents to balance the council's budget.
- 28 This provided a slightly more complex consultation, which didn't just involve offering opinions. However, these results will not be used in isolation, as they will be added to

the results from our previous consultations, which have and will continue to help us shape our priorities.

Quality of Life survey

- 29 In 2011 and 2012, we undertook Quality of Life surveys with local residents. A random sample of 4,125 households was surveyed and asked a range of questions about public services and the quality of local people's lives. The results are available online at <http://factsandfigures.herefordshire.gov.uk/2056.aspx>.

Your Community - Your Say

- 30 We also held a series of conversations with local people across the county discussing their concerns and priorities in their communities.
- 31 The results of the Your Community - Your Say events are available online at <http://factsandfigures.herefordshire.gov.uk/2323.aspx>.
- 32 We considered the views of residents identified through these two projects when agreeing our corporate plan and setting the budget priorities for 2013/14.

Consultation on the 2014/15 budget

- 33 In proposing the budget for 2014/15, we started with what we understood were local people's priorities based on the results of the Quality of Life survey and the Your Community - Your Say project.
- 34 We focused the budget on a small number of priorities, which were in line with priorities of local people and consulted on these in the budget proposal.
- 35 The full details of this consultation and results are available online at www.herefordshire.gov.uk/government-citizens-and-rights/democracy/council-finances/budget-consultation/our-priorities.

Proposing the budget for 2015/16

- 36 In preparing the budget for 2015/16, we started with the priorities that local people had previously identified and which we had focused upon in the 2014/15 budget.
- 37 Our public consultation was on a budget that we felt, given the constraints of increased demand and reducing income, invested in the key priorities for the county and the council. This was based on a good understanding of the priorities of local people built up over a number of years of research and consultation.
- 38 Alongside the main online budget simulator, we also engaged with the public through six face to face consultation events in Bromyard, Hereford, Kington, Ledbury, Leominster and Ross-on-Wye and two parish council events in July and October. We also held four live question and answers sessions on the council's Twitter and Facebook accounts.
- 39 The details of this consultation and results are available online at www.herefordshire.gov.uk/budgetconsultation2015

Key messages from the consultation

- For **adult social care**, while some responses chose to decrease the budget most respondents chose to keep the budget the same (71 per cent) with 29 per cent opting to increase it.
- For **children and young people**, after responses that decreased the budget were excluded, the same pattern emerged with 71 per cent choosing to keep the budget the same and 29 per cent opting to increase it.
- For **unavoidable fixed costs**, after responses that decreased the budget were excluded, the same pattern emerged with 72 per cent choosing to keep the budget the same and 28 per cent opting to increase it.
- For **investing in improving roads and transport**, most respondents chose to keep the budget the same (38 per cent) with a third opting to increase it and 29 per cent opting to decrease it.
- For **building new homes and creating jobs**, opinion was divided with a third of responses opting to decrease, increase or not change the budget. A similar pattern emerged for **strategic and neighbourhood planning** and **grass cutting**.
- Responses for **regulatory services, environment, cultural and customer services** and **waste management** showed a similar pattern of about 44 percent opting to increase the budget with about a third opting to decrease the budget.
- Nearly 80 per cent of responses chose to decrease the budget for **council back office functions**; this was the highest average decrease amount.
- On average the results indicated a reduction in the council tax increase to 0.9% from 1.9%.

Appendices

Appendix 1 – Directorate base budgets 2015/16

Appendix 2 – Breakdown of updated savings plans by directorate

Appendix 3 – Results on the 2014/15 budget

Background Papers

- None identified.

APPENDIX 1

Draft Revenue Budget Summary 2015/16

Directorate	Base Budget 2014/15	Net changes	Draft Budget 2015/16
	£000	£000	£000
Adults Wellbeing	54,923	(1,561)	53,362
Childrens Wellbeing	21,242	777	22,019
Economies, Communities, Corporate and Chief Executive	53,065	(2,836)	50,229
Total Directorates	129,230	(3,620)	125,610
Net capital financing costs			15,784
Change management (One off Costs)			3,418
Government grants			(4,388)
Other central budgets			1,390
Transfer to General Balances			500
Total net spend (Budget Requirement)			142,314
Financed by;			
Formula grant			25,935
Locally retained rates			31,471
Council tax			83,323
Reserves – Funding of one off change management costs			1,585
			142,314

REVENUE BUDGET 2015/16
SUMMARY

Service	Current Budget 2014/15	Pensions and Inflation	Pressures	Savings	Other Adjusts	Total Budget
	£000	£000	£000	£000	£000	£000
Adults Wellbeing						
Adults Operations	6,470	(3)	0	0	0	6,467
Commissioning	7,242	(1)	0	0	0	7,241
Director and Management	(2,282)	921	1,214	(4,300)	697	(3,750)
Adults	15,052	(30)	0	0	(2)	15,020
Learning Disabilities	2,411	(6)	0	0	(0)	2,405
Mental Health	20,501	(96)	0	0	1	20,406
Older People	5,059	(25)	0	0	0	5,034
Physical Disabilities	470	(2)	0	0	1	469
Public Health	0	0	0	0	70	70
Total Adults Wellbeing	54,923	758	1,214	(4,300)	767	53,362
Childrens Wellbeing						
Education and Commissioning	5,614	101	0	(181)	15	5,549
Safeguarding and Early Help	16,650	135	762	(848)	1	16,700
Central Childrens Directorate Costs	(1,023)	470	100	(100)	322	(231)
Total Childrens Wellbeing	21,242	706	862	(1,129)	338	22,018
Economy, Community & Culture and Chief Executive Directorate						
Economic, Environment & Cultural Services	939	(117)	0	(966)	(39)	(183)
Placed Based Commissioning	37,966	1,052	400	(1,542)	(1,352)	36,524
Finance	2,363	10	0	(35)	(821)	1,516
Community and Customer Services	3,019	(1)	0	(443)	0	2,575
Governance	3,571	(10)	0	0	190	3,751
Directorate Support	421	708	0	(90)	18	1,057
Property Services	2,551	61	0	(20)	105	2,697
Director and Corporate Costs	2,235	0	0	(100)	156	2,291
Total Economy, Community and Culture	53,065	1,702	400	(3,196)	(1,742)	50,229
Consolidated Revenue Account	16,905	90	335	(558)	(67)	16,705
Total Herefordshire Council	146,134	3,255	2,811	(9,183)	(704)	142,314

REVENUE BUDGET 2015/16
CHILDRENS WELLBEING

Service	Base Budget 2014/15	Pensions and Inflation	Pressures	Savings	Other Adjusts	Total Budget
	£000	£000	£000	£000	£000	£000
Education and Commissioning (Excluding DSG)						
Additional Needs	2,329	0	0	0	25	2,354
Children's Commissioning	1,369	14	0	(181)	(0)	1,202
Commissioning Management	410	0	0	0	1	411
Development and Sufficiency	1,260	86	0	0	(18)	1,328
Education Improvement	246	(0)	0	0	8	254
Total Education and Commissioning	5,614	101	0	(181)	15	5,549
Directorate						
Directorate Grant Income	(1,785)	0	0	0	323	(1,462)
Directors Office	166	466	100	(100)	0	632
Improvement	350	1	0	0	(1)	350
Youth Offending	247	3	0	0	(0)	249
Total Directorate	(1,023)	470	100	(100)	322	(231)
Safeguarding and Early Help						
Safeguarding and Review	615	0	0	0	(0)	615
Early Help and Family Support	1,845	0	0	0	0	1,846
Fieldwork	3,072	4	0	(251)	0	2,825
Looked After Children	6,919	69	0	(14)	0	6,974
LAC External Placements	2,636	62	762	(583)	(0)	2,877
Safeguarding development	821	0	0	0	0	821
Safeguarding and Early Help Management	741	0	0	0	1	742
Total Safeguarding and Early Help	16,650	135	762	(848)	1	16,700
Total Childrens and Wellbeing	21,242	706	862	(1,129)	338	22,018

REVENUE BUDGET 2015/16
ECC & Chief Executive

Service	Base Budget 2014/15	Pensions and Inflation	Pressures	Savings	Other Adjusts	Total Budget
	£000	£000	£000	£000	£000	£000
Economic, Environment and Cultural Services						
Collections and Archives	495	(0)	0	0	0	495
CCTV and Car Parking	(2,729)	(74)	0	(500)	259	(3,044)
Cultural Services	1,542	0	0	(466)	(81)	995
EEC Management	277	0	0	0	0	277
Environmental Health	659	(5)	0	0	(116)	538
Environmental Services	(977)	(34)	0	0	(1)	(1,012)
Economic Development	663	0	0	0	0	663
Strategic Planning	527	0	0	0	(100)	427
Trading Standards and Licensing	482	(4)	0	0	(0)	478
Total Economic, Environment and Cultural Services	939	(117)	0	(966)	(39)	(183)
Placed Based Commissioning						
Commissioned Services	5,624	148	0	(385)	0.00	5,387
Directorate Services	373	0	0	0	0	373
Highways and community services	6,731	196	0	0	(1)	6,926
Parks and Countryside	1,648	30	400	(150)	(201)	1,727
Transport and Access Services	8,523	211	0	(595)	(1,150)	6,989
Environment and Waste	15,067	468	0	(412)	0	15,123
Total Placed Based Commissioning	37,966	1,052	400	(1,542)	(1,352)	36,524
Finance						
Financial Management	1,583	0	0	(35)	(166)	1,382
Internal Audit	179	0	0	0	68	247
ICT	2,141	10	0	0	(217)	1,934
Benefits and Exchequer	(1,540)	0	0	0	(507)	(2,047)
Total Finance	2,363	10	0	(35)	(821)	1,516
Community and Customer Services						
Sustainable Communities	4	0	0	0	0	4
Customer and Library Services	2,013	2	0	(403)	(3)	1,609
Community Regeneration	479	(3)	0	(40)	3	439
Economic Projects	249	0	0	0	0	249
Regeneration	274	0	0	0	0	274
Total Community and Customer Services	3,019	(1)	0	(443)	0	2,575
Governance						
Assistant Director Governance	138	0	0	0	0	138
Corporate HR	391	0	0	0	(9)	382
Equality, Information and Records	322	(3)	0	0	0	319
Governance	1,504	(6)	0	0	129	1,627
Legal Services	1,216	(1)	0	0	70	1,285
Total Governance	3,571	(10)	0	0	190	3,751
Directorate Support						
Management	421	708	0	(90)	18	1,057
Total Directorate Support	421	708	0	(90)	18	1,057
Property Services						
Maintenance	4,418	71	0	0	82	4,571
Corporate Asset Management	(1,867)	(10)	0	(20)	23	(1,874)
Total Property Services	2,551	61	0	(20)	105	2,697
Director and Corporate Costs						
Directors	991	0	0	(100)	74	965
Corporate Costs	1,244	0	0	0	82	1,326
Total Director and Corporate Costs	2,235	0	0	(100)	156	2,291
Total ECC and Chief Executive	53,065	1,702	400	(3,196)	(1,742)	50,229

REVENUE BUDGET 2015/16
ADULTS WELLBEING

Service	Base Budget 2014/15 £000	Pensions and Inflation £000	Pressures £000	Savings £000	Other Adjusts £000	Total Budget £000
Adults Operations						
General Fund Housing	618	(2)	0	0	1	617
Locality Operations	3,907	0	0	0	0	3,907
Operations Mgt	819	0	0	0	0	819
Provider Services	1,126	(2)	0	0	(0)	1,124
Total Adults Operations	6,470	(3)	0	0	0	6,467
Commissioning Adults						
Commissioning Staff	7,242	(1)	0	0	0	7,241
Total Commissioning	7,242	(1)	0	0	0	7,241
Director and Management						
Director and Management (incl Savings)	(3,601)	921	1,214	(4,300)	697	(5,069)
Transformation and safeguarding	1,319	0	0	0	0	1,319
Total Director and Management	(2,282)	921	1,214	(4,300)	697	(3,750)
Commissioned Care						
Learning Disabilities	15,052	(30)	0	0	(2)	15,020
Mental Health	2,411	(6)	0	0	(0)	2,405
Physical Disabilities	20,501	(96)	0	0	1	20,406
Memory & Cognition	5,059	(25)	0	0	0	5,034
Sensory Support	470	(2)	0	0	1	469
Total Commissioned Care	43,493	(159)	0	0	(0)	43,334
Total Adults Wellbeing	54,923	758	1,214	(4,300)	697	53,292
Public Health	0	0	0	0	70	70

Savings Proposals Summary 2015/16 to 2016/17

	Original Savings Plans			New Savings Plans			APPENDIX 2 Movement		
	2015/16 £000	2016/17 £000	Total £000	2015-16 £'000	2016-17 £'000	Total £'000	2015-16 £'000	2016-17 £'000	Total £'000
Adults Wellbeing	3,935	3,646	7,581	4,300	1,863	6,163	(365)	1,783	1,418
Childrens	1,132	1,736	2,868	1,129	1,220	2,349	3	516	519
Economic Communities & Corporate	3,602	4,269	7,871	3,754	2,310	6,064	(152)	1,959	1,807
	8,669	9,651	18,320	9,183	5,393	14,576	(514)	4,258	3,744

Draft Savings Proposals

Adults Wellbeing Directorate

Savings Proposal	Original Savings Plans			New Savings Plans			Movement		
	Proposed Reduction 2015/16 £000	Proposed Reduction 2016/17 £000	Total 2015/16 to 2016/17 £000	2015-16 £'000	2016-17 £'000	Total £'000	2015-16 £'000	2016-17 £'000	Total £'000
Manage demographic pressures/Improvements in Demand Management	616	588	1,204	-	-	-	616	588	1,204
Recommissioning & Reductions in Cost of Older People Residential and Nursing Care	75	95	170	200	200	400	(125)	(105)	(230)
Recommissioning and Reductions in the cost of Homecare	-	-	0	116	-	116	(116)	-	(116)
Workforce Reshaping	-	100	100	-	100	100	-	-	-
Revising personalisation offer	450	450	900	300	300	600	150	150	300
Contract Changes	1,021	976	1,997	521	476	997	500	500	1,000
Reductions in accommodation based support	623	287	910	823	287	1,110	(200)	-	(200)
Increased income	50	0	50	150	0	150	(100)	-	(100)
High Cost care reductions	100	100	200	300	100	400	(200)	-	(200)
Remove funding for non eligible services	300	300	600	150	150	300	150	150	300
Use of technology to reduce cost of care	200	250	450	200	250	450	-	-	-
Collaborative use of the public health grant	500	500		1,000		1,000	(500)	500	-
Slippage - demand management 2014/15				(1,160)		(1,160)	1,160	-	1,160
Maximisation of CHC funding				500	-	500	(500)	-	(500)
Workforce Reshaping (2g)				300		300	(300)	-	(300)
Workforce Reshaping (Snr Mgmt)				200		200	(200)	-	(200)
Improved contracts / provider management				500	-	500	(500)	-	(500)
Reduce carers respite				200	-	200	(200)	-	(200)
Total	3,935	3,646	7,581	4,300	1,863	6,163	(365)	1,783	1,418

Draft Savings Proposals
Children's Wellbeing Directorate

Savings Proposal	Original Savings Plans			New Savings Plans			Movement		
	Proposed Reduction 2015/16 £000	Proposed Reduction 2016/17 £000	Total 2014/15 to 2016/17 £000	2015-16 £'000	2016-17 £'000	Total £'000	2015-16 £'000	2016-17 £'000	Total £'000
Reducing Residential Care - Children currently looked after by the authority reaching adulthood and ceasing to receive residential care	422	611	1,033	588	495	1,083	(166)	116	(50)
Target reduction in children's residential placement costs from service redesign and development of alternative / preventative approaches to reduce need for high cost residential placements	200	200	400	0	0	-	200	200	400
Reshape Social Care Management including a reduction in the requirement for agency social work staff	260	325	585	259	549	808	1	(224)	(223)
Social work academy set up to recruit, train support career progression. In addition the Authority will also investigate alternative funding methods e.g. Social Impact Bonds in order to invest in areas which will provide future financial benefits and support a sustainable financial position.		500	500			-	0	500	500
Redesign Children's Centre offer, Early help/family support Remodelling - use of voluntary sector to deliver universal services / integrate with local services / potential reduced hours to divert centre staff to undertake activities in social care such as supervised visits. Renegotiate existing contracts.	100		100			-	100	-	100
Reshape functions - identified savings	150	100	250			-	150	100	250
Adoption Initiative				181	176	357	(181)	(176)	(357)
Children in Need Service design				101	0	101	(101)	-	(101)
	1,132	1,736	2,868	1,129	1,220	2,349	3	516	519

Draft Savings Proposals

Economy, Communities & Corporate

Savings Proposal	Original Savings Plans			New Savings Plans			Movement		
	Proposed Reduction 2015/16 £000	Proposed Reduction 2016/17 £000	Total 2015/16 to 2016/17 £000	2015-16 £'000	2016-17 £'000	Total £'000	2015-16 £'000	2016-17 £'000	Total £'000
Waste & Sustainability Introducing alternate weekly collection of waste and limited collection to the contents of a refuse wheelie bin.	412	50	462	412	50	462	-	-	-
Country Parks and Picnic Sites - Disposal of small sites and reduction in subsidy for larger sites at Queenswood and Bodenham Lake	150		150	150		150	-	-	-
Public Transport Fewer bus services across the County	718	250	968	595	250	845	123	-	123
Council Tax reduction Scheme - reduction in discount awarded for some council tax payers in receipt of welfare benefits from 91.5% to 84% in 2014/15, reducing further in 15/16 and 16/17. Note: Pensioners are exempt from the changes	308	230	538	308	230	538	-	-	-
Discretionary Rate Relief - Removal of discretionary National Non-Domestic Rates/Business Rate relief for some voluntary organisations	150		150	150	0	150	-	-	-
Back Office Services (including Finance, Revenues and Benefits, Legal and Equality teams & Info)	200		200	420	450	870	(220)	(450)	(670)
Asset Review Disposal or increased income to reduce debt charges		2,750	2,750	100	250	350	(100)	2,500	2,400
Withdrawal of Subsidies to Cultural Services partners	511	724	1,235	466	863	1,329	45	(139)	(94)
Regulatory Services Reduction in all regulatory services to the statutory minimum	90	100	190	90	100	190	-	-	-
Car Parking Provide adequate supply of parking to support economic activity whilst maximising financial return from HC's land holding.	600		600	600		600	-	-	-
Removal of funding to HVOSS, HALC & CAB	40	165	205	40	117	157	-	48	48
Customer & Library Services Remove funding from all libraries with the exception of Hereford, Leominster and Ross.	423		423	423	0	423	-	-	-
	3,602	4,269	7,871	3,754	2,310	6,064	(152)	1,959	1,807

Budget 2015/16

Consultation results

Final report

Version 1.0

Strategic intelligence team

Date: 20 October 2014

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Introduction

The consultation on Herefordshire Council's budget for 2015/16 began on Tuesday 22 July 2014 and ended on Friday 10 October 2014. This report presents the key points from the analysis of responses received by midnight on 10 October. The consultation for 2015/16 was publicised on the council's website with the following background documents:

- Savings proposals summary 2014/15 to 2016/17
- Budget 2014/2015 and medium term financial strategy report to full Council dated 7 February 2014
- Council tax leaflet 2014/15

Further background information given to respondents on the budget consultation is provided in Appendix 1.

Method

The way in which people were encouraged to respond was mainly via an online budget simulator called '**YouChoose**'. This was following the criticism of previous budget consultations that insufficient financial information was given to make an informed decision. The budget simulation tool gave information on net budget in key sections of the council and allowed respondents to increase, decrease or opt for no change to the proposed budget for these sections.

There were three sections where the council cannot reduce spending further, given the scale of savings already made and legal requirements: 'adult social care', 'children and young people' and 'unavoidable fixed costs'. However, the budget simulation tool would still physically allow respondents to reduce spend if they wished, but as the guidance notes to the consultation clearly stated, those responses that reduced spend in adult social care, children and young people and unavoidable fixed costs would be discounted.

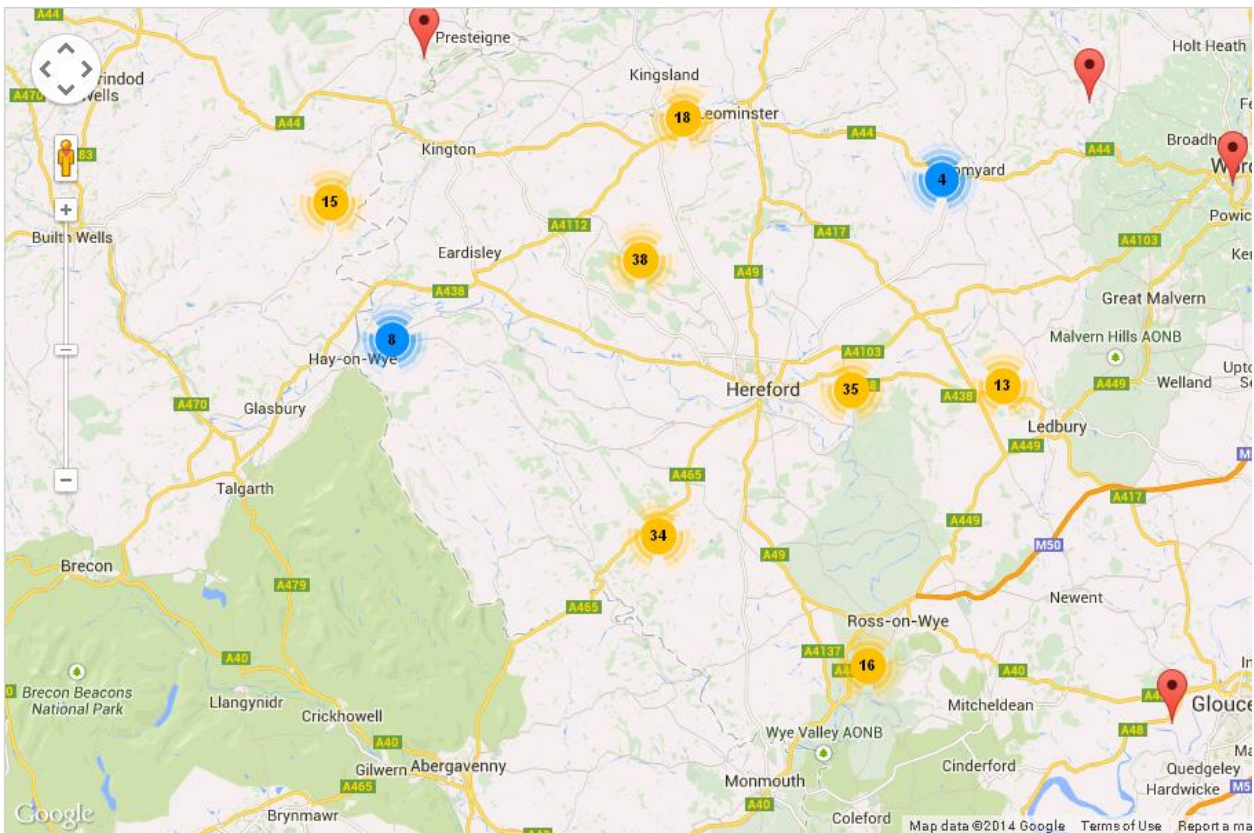
Other ways of responding:

- Online feedback form from the Herefordshire Council website if respondents didn't want to use the budget simulator.
- Comments from two parish council events and six consultation events in the city and market towns in September.

Responses

The following responses were received:

- There were a total of 253 responses to the online simulator tool, however as the guidance notes to the consultation clearly stated, those responses that reduced spend in key areas were discounted, which left 127 valid responses to the budget simulation model. The results for these 127 responses are shown in this report but a separate analysis for all 253 responses is available in Appendix 3 for reference.
- 12 responses to the online survey form, one response on the council's Facebook page and two submitted in the form of an email; one from an elected member and the other by the Herefordshire Citizen's Advice Bureau (see Appendix 3 for the content of these).
- A geographical analysis of the submissions to the budget simulator shows a spread of responses, as shown in the map below. This shows 'hotspots' of responses from that area. A few from outside the county which may have been from residents who work outside the county or people who work in the county but live elsewhere.



Results

The results give an analysis of the information from the budget simulation model, calculated for each section as follows:

- Percentages of responses opting to decrease / increase / no change to the net budget for each section (see Table 1).
- Average increase or decrease of net budget per section (see Chart 1). Chart 2 shows this as a proportion of the net budget per section to show the scale of the average increase or decrease made to the budget by respondents using the simulation tool; particularly in the sections with a greater starting budget, for example adult social care and children and young people.

Key points to note:

- For **adult social care**, while some responses chose to decrease the budget (which were excluded), most respondents chose to keep the budget the same (71 per cent) with 29 per cent opting to increase it. This section showed the greatest average increase in net budget (£1.66 million) but this is only 3.2 per cent of the net budget for this area.
- For **children and young people**, after responses that decreased the budget were excluded, the same pattern emerged with 71 per cent choosing to keep the budget the same and 29 per cent opting to increase it.
- For **unavoidable fixed costs**, after responses that decreased the budget were excluded, the same pattern emerged with 72 per cent choosing to keep the budget the same and 28 per cent opting to increase it.
- For **investing in improving roads and transport**, most respondents chose to keep the budget the same (38 per cent) with a third opting to increase it and 29 per cent opting to decrease it.
- For **building new homes and creating jobs**, opinion was divided with a third of responses opting to decrease, increase or not change the budget. A similar pattern emerged for **strategic and neighbourhood planning** and **grass cutting** as shown in Table 1. The average increase or decrease for these areas and **regulatory services** was small, but a much larger proportion of the starting budget (i.e. these budgets are relatively smaller than those for adult and children's services).
- Responses for **regulatory services, environment, cultural and customer services** and **waste management** showed a similar pattern of about 44 percent opting to increase the budget with about a third opting to decrease the budget.
- Nearly 80 per cent of responses chose to decrease the budget for **council back office functions**; this was the highest average decrease amount.

Table 1: Percentage of responses to increase, decrease or opt for no change to the net budgets in each area:

Budget options	Percentage count of increases and decreases		
	%decrease	%no change	%increase
Adult social care	0%	71%	29%
Children and young people	0%	71%	29%
Unavoidable fixed costs	0%	72%	28%
Improving roads and transport	29%	38%	33%
Building new homes and creating jobs	33%	33%	34%
Strategic and neighbourhood planning	36%	35%	29%
Grass cutting	34%	34%	32%
Regulatory services	36%	43%	21%
Cultural and customer services	33%	44%	23%
Waste management and sustainability	32%	44%	24%
Council back office services	18%	79%	3%

Chart 1: Average increase or decrease in net budget

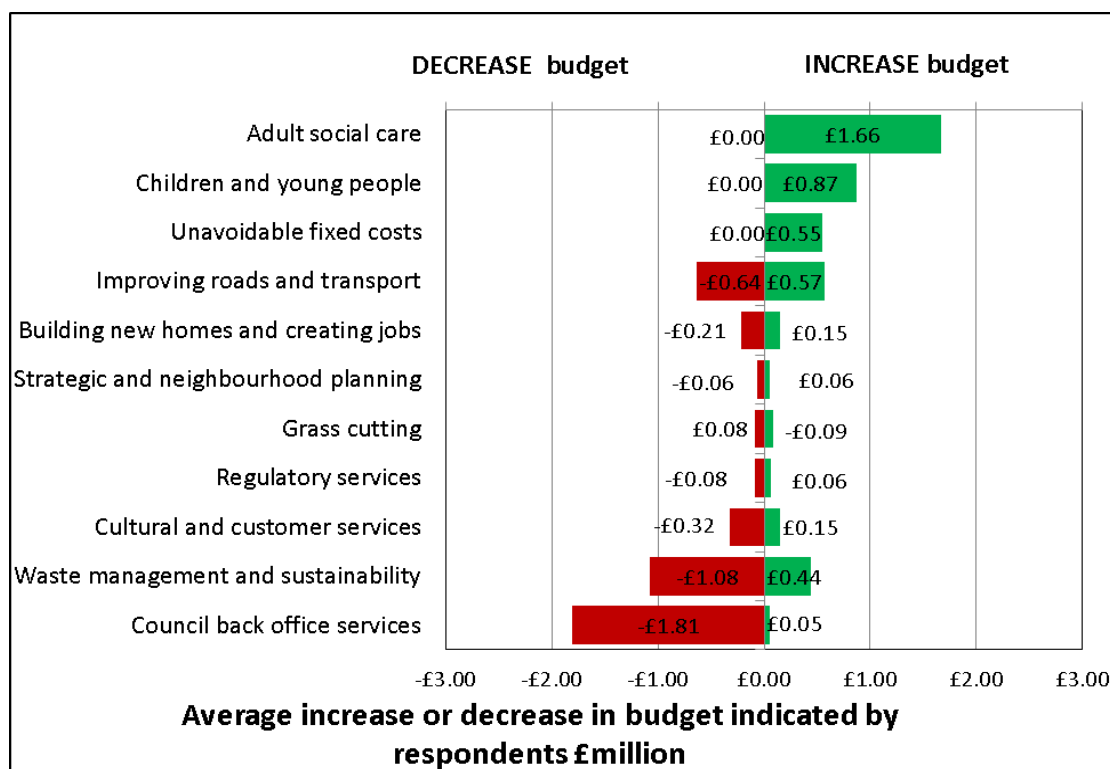
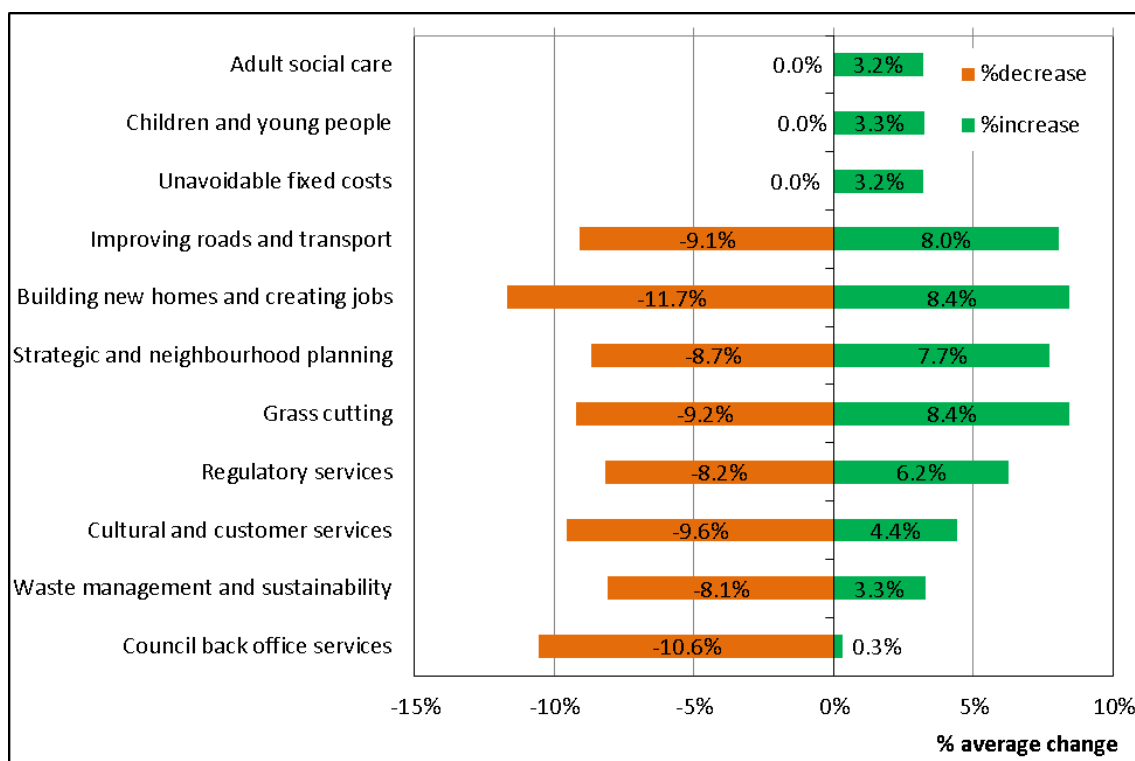


Chart 2: Average increase or decrease to net budget as a proportion of the starting budget for each section



- The budget simulator assumed a council tax rise of 1.99 per cent. Respondents could opt to either keep this the same, decrease or increase it. However the guidance clearly stated that ‘If you wish to increase this level, by law we will be required to hold a public referendum, which would incur a significant cost to the council. The average **council tax change** opted for was a decrease of 1.06 per cent from the starting point, in effect a 0.93 per cent increase (1.99 – 1.06%).
- Of those who responded to the options for **generating income**, 61 opted to do this from the council tax reduction scheme, 55 by discretionary rate relief and 52 via parking.
- For **efficiency**, similar numbers opted to reshape service functions (64) with a similar number opting for council back office services (61) and the smallest number opting for reducing bus service subsidies (34).

Comments

Please see **Appendix 2** for all the comments and suggestions received via the online simulator tool, online form and the e-mailed responses from the Herefordshire Citizen's Advice Bureau and a Councillor.

About the respondents

Where the information was given, 58 per cent of the respondents are men (42 per cent women); 11 per cent of respondents are disabled; 85 per cent are 'White British'. Age of respondents ranged from 2 per cent under 18 years old; 8 per cent aged 18 to 24; 20 per cent aged 25 to 34; 25 per cent aged 35 to 44; 21 per cent aged 45 to 54; 14 per cent aged 55 to 64 and 11 per cent aged 65 or over.

Appendix 1: Background information

All councils across the country need to make unprecedented savings in light of significant government funding reductions and Herefordshire Council is no different.

Over a six year period from 2011 to 2017, we have to save nearly £70 million. To date we have saved £34 million, but we still need to save an additional £33 million in the next three years.

What are our priorities?

We have agreed that we must focus our priorities and resources towards:

- Keeping children and young people safe and giving them a great start in life
- Enabling residents to live safe, healthy and independent lives
- Investing in projects to improve roads, create jobs and build more homes

Unfortunately, it is not just severe funding reductions we are facing but also an increasing population with additional needs, particularly in priority areas such as children and young people and adult social care.

In the simplest terms, we can no longer continue to pay for all the services we have traditionally provided. Therefore we must prioritise the services we provide and how we provide them. This means we may need to radically reduce or completely stop providing certain services, especially if they are not within our priority areas. However, even within our priority areas, we have still needed to make reductions to balance our budget.

The council agreed a financial plan to deliver these savings at a meeting on 7 February 2014, the detail of which is included in the savings proposals document on this page. The proposals for 2014/15 are due to be implemented and the council will decide whether to continue with these in February 2015 or implement an alternative proposal, partly based on the public responses received during the consultation.

What we've already saved

When attempting to balance the budget using the online simulator, please bear in mind that we have already made significant savings in a number of areas, so further savings in these particular areas may be limited. For example:

Area	Approximate savings since 2011	
Children and young people	£6 million	Reducing contract costs, stopping universal youth services, changing children's centre services
Adult social care	£10 million	Reducing contract costs and overheads
Other council	£18	Streamlining and reducing back office functions

areas	million	
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Areas where we cannot reduce our spending further

This means that in the areas where we cannot reduce our spending any further:

- Adult social care
- Children and young people and
- Unavoidable fixed costs

The simulator will still allow you to change the budget, whilst in reality we cannot make any changes. If you make changes to an area where no further savings can be made at this time, we will have to disregard your submission.

The simulator shows our net budget

This is our net budget as opposed to our gross budget, so doesn't include funding which can only be spent on certain areas, such as school funding.

The simulator uses whole percentage points

Please note that the budget simulator works in whole percentage points (1%) and not parts of a percentage point (0.25%).

Assumptions about council tax

The simulator assumes a council tax rise of 1.9%. If you wish to increase this level, by law we will be required to hold a public referendum, which would incur a significant cost to the council. If you do wish to see an increase or decrease in council tax, please state this in the comments box at the end of the simulator.

Appendix 2: Comments and suggestions received

From the budget simulator tool

Suggestions
Reduce the number of councillors at county and parish level and/or their remuneration/expenses. Waste less money playing politics and concentrate on delivering good value for money services.
Retain priority services such as refuse collection, street lighting and bus services; ditch the grand schemes such as central link road. It would be good to have good city centre bus interchange facilities.
Further savings can be reduced by reducing internal beauracracy; staff are under increasing pressure to make savings. Increase parking charges which should help finance bus services which should not be cut any further.
Difficult to get around if more cuts are made to bus services. Budget for transport should be increased.
No more cuts to bus services, my daughter has lost a job because she is unable to get home from work by bus as she used to . I don't drive so have no car.
Improve roadside infrastructure such as bus as shelters, pavements etc.
Spend more not less on sustainable transport like bus services and Park and Ride
Save the bus services, any more cuts and people will be totally isolated.
YOU need to LOOK at seeking wider private investment from abroad. A lot of the Money that is helping London now is from China and Russia and in some cases India and Brazil. Being mindful of any negative strings you may find an interest in helping with infrastructure or special projects
Reduce salaries of those receiving more than £50,000
Get rid of town twinning, working lunches and civic receptions. Charge / remove all services that require interpretation from an English format.
None
REDUCE HEADTEACHERS PAY AND BENEFITS IN MAINSTREAM SCHOOLS
Decentralise service planning and management to the Wards. Move central office staff out to offices in temporary buildings in each Ward. The kind of buildings used on building sites. Take funds from all budgets into Ward budgets. Set up mutual not-for-profit organisations in each Ward. The Executive Committees of these organisations would include the Ward Councillor, two members from each Parish Council in the Wards and 2 residents of the Ward. The finances and legal aspects of the Ward organisations would be outsourced to the finance and legal departments of Herefordshire Council. And so on in the same ways.
Decentralise service planning and management to the Wards. Move central office staff out to offices in temporary buildings in each Ward. The kind of buildings used on building sites. Take funds from all budgets into Ward budgets. Set up mutual not-for-profit organisations in each Ward. The Executive Committees of these organisations would include the Ward Councillor, two members from each Parish Council in the Wards and 2 residents of the Ward. The finances and legal aspects of the Ward organisations would be outsourced to the finance and legal departments of Herefordshire Council. And so on in the same ways.
Reduce number of committees and councillors
Save cultural and bus services, we don't all have cars!
The recent cuts to bus services have been very severe with many people now unable to travel. The budget for transport should not be cut any further.
Increase spending on sustainable transport.
Please do not cut services any further.

Appendix 3

Suggestions
Regulatory and statutory services need to be maintained. The voluntary sector needs to be taking more responsibility for the arts/cultural services. Technology needs to be utilised to reduce the customer service area.
Improve economy of market towns by improving bus services, paid for by increased parking charges.
Increase council tax.
Reduce traffic congestion by increasing parking charges to fund better bus services.
Please do not reduce bus services any more than you have. I am disabled and rely on bus services to get around.
none
Council officers under increasing stress having to cut services.
Look at other areas of savings rather than bus services which contribute to the economy. Parking should be increased and revenue used to providing bus services
Reducing bus services will leave many isolated.
None.
Need to protect environment and public safety so need to ensure environmental health is adequately funded?
Increase spending for sustainable transport, better bus services.
Stop making further cuts to bus services which are important for the economy and avoiding rural isolation.
By introducing charges for on street parking in Hereford City and the Market Towns there is the possibility of raising £2.5 million per annum. It is quite noticeable that Herefordshire Council are still employing people to carry out works which are not a statutory service this would equate to approx. £50k per person, possible savings £500,000 per annum
Money should be spent on preventative services, prevention is cheaper than cure. More multiagency working, reducing duplication, clear aims/responsibilities of agencies. Voluntary sector are key.
Make an attempt at drawing in revenue by allowing companies to advertise on the wheelie recycling/refuse bins.
Cut Hoople out they are to expensive! Bring Collection of Council tax back in house! External Companies should not be responsible for Collection of our Taxes! Stop employing Senior Managers who are not qualified to be in post stop nepotism immediately! Initiate a pay freeze across all departments and re-evaluate your top earners! You have Staff on 35,000 a year who move boxes around!! No staff without line management responsibility should be paid in excess of 25,000 and only then if they are critical! You really haven't got a clue what's going on!
1. Instead of increasing parking charges in current locations have a look at where cars are being parked i.e. Holmer rd., etc. and put parking meters in, or put no parking anytime. 2. If you do not spend money on the up keep of roads then people will not come to the city new shopping precinct or not. 3. Build a few hundred houses (no don't sell the land you do it) sell them you make 1000's, then you get the council tax
Salaries for council staff are considerably higher than equivalent jobs in Herefordshire in the private sector. For reasons of fairness and equality, salaries of council staff should be reduced to match equivalent jobs in the private sector, including all pension benefits in that calculation.
Keep some part of Merton Meadow south of the proposed relief road, as a car park for revenue generation and put social housing onto the former Whitecross School site within inclusion on the playing field for more community facilities.
No more cuts to bus services in Herefordshire.

Appendix 3

Suggestions
I personally think we have too many parish councils and far too many councillors. Reducing these will save a fair amount of money and unnecessary duplication. We need to invest heavily in new homes and new jobs and reduce costs elsewhere as far as possible
Increase council tax by 15%
Reduce spending on council committees, increase funding for sustainable transport including bus services and cycling.
Make the county more sustainable increase measures for better bus services
This is a very silly game you are playing. If you were capable of doing your jobs properly, then rather than accepting central governments dictates, you would form a pressure group with other local authorities and demand that central government increases its your funding. Take on the government, increase council tax by 10% by re accessing council tax banding and increasing taxes to properties worth over £450K with a huge hike in taxes to properties worth over £1m, simultaneously demand a 10% increase in central government funding.
Better collaboration between different services within the council - e.g. different jobs in the council delivering similar functions, when you could have one job delivering a number of functions across the organisation. Better streamlining of services/processes/systems and cutting down on bureaucracy will give efficiency savings. Getting rid of lower levels jobs is not necessarily the answer as it is these people who tend to do all the work, rather than those in the higher paid positions, and there is often talent amongst these people that deserve to be developed.
Stop spending money on 'doing up' buildings like Shire Hall and Plough Lane. Stop wasting money by continuously changing private contractors. EG each time a new company takes over the cleaners they get new uniforms. The last change led to perfectly serviceable paper towel dispensers etc. being ripped out and replaced. At what cost? Make more effort to seek out alternative funding. Lobby government and local MPs for the same level of grants as inner city areas receive. Stop wasting money by setting up companies (Hoople) and partnership deals (NHS) which all go wrong. Invest in tourism to bring in cash from outside the county. Most people visiting Hereford despair at how 'tired' it looks, litter, few public toilets, a museum/art gallery which is rarely open,'so called' tourist information which never seems able to help. A scruffy, down at heel Butter market, a burnt out building (for years) in High Town etc. etc. And NO, the new shops don't make up for this FEW tourists visit Hereford to visit a soul less shopping mall, they want history and character. Riverside eating and drinking. Why not employ chief officers with Imagination and Flair. The salaries they are paid surely they can come up with ideas for income generation.
The latest bus service cuts are enough, to sustain economic growth bus services need to be increased.
Involve more local organisations and people BEFORE making decisions Forget all the 'closed door' deals and nonsense
Reduce wages of the highest earners in the council significantly, sell your share in Hereford united, be open in decision making (i.e. purchase of rockfield for a car park)
A cross the board pay cut increasing as it goes up and not affecting people at living wage or below.

Suggestions
<p>Cut senior management in the council. Not sure what they do. Far too many over-paid people. They are always very keen to get volunteers for things - why don't they volunteer their services for free, or at least volunteer for a pay cut? Cut spending on council buildings. New reception area at Plough Lane - WHY??? What a waste of money. Also why are the lights on there all the time even in sunny weather? We need to do all we can to attract tourists into the county. Tourists spend money, thereby enabling businesses to retain staff, or even employ more. Grass cutting - essential to attract visitors as without this the place looks a complete mess. Also more street cleaning and litter collection is needed as at the moment many roads are a disgrace. If I was a tourist I would not stop here to spend money. Cut congestion - why are buses never promoted? Why there are park & share, park and cycle, but not park & bus? Please could we have a bus shelter on broad street - this is the stop most used by tourists and at the moment there is no shelter there. Also the stop is much used by commuters - a long wait in the pouring rain is not much thanks for taking the bus. To encourage more people to come into the city to spend money you really need to do something about the traffic coming from the south of the county. Not too bad at the moment, but over last winter journeys from Ross to Hereford were taking an average (yes average and not just a one off) of 2 hours. With a journey like this, come the weekend I will NOT be coming into Hereford to shop - I will go to Gloucester. I understand that the sequence on the Asda roundabout traffic lights was changed last summer. Please could you change it back to enable people from the south of the county to get into the city? Please be wary of building too many new houses without the jobs to go with them. Without the jobs we will just get retired people who will need adult social care much sooner and who probably spend less.</p>
<p>Increase Council Tax above the 1.9% threshold, notwithstanding the additional costs and 'criticism' from central government. Maximise all possible sources of income. Sell all non-essential assets. Spatially concentrate still further, all council departments/functions and, where possible, sell 'saved' buildings/land. Where possible (radical view), 'flatten', still further, all staff structures. Where possible (radical view), further increase the outsourcing of services. Centralize Library & Information Services in Hereford. Reduce all subsidies to cultural etc. organizations.</p>
<p>Reduce the number of Councillors and Director-level staff Reduce payments to Councillors Increase monitoring staff on the main contract to keep contract costs as low as possible, Relet this contract as soon as possible, dividing the work into smaller packages given to smaller contractors - yes this will entail higher management and monitoring costs but it will still reduce the overall contract costs. Some Council have taken highway works and grounds maintenance back in house, this is also a model that should be explored, providing that experienced staff are employed to manage this.</p>
<p>Communication and education of change, reasons and outcomes is vital</p>
<p>Reduce amount of street lighting during the middle of the night - say midnight to 5am</p>
<p>Stop wasting money on Council offices giving them facelift Stop wasting money on Council running costs Cut the grass SORT OUT THE ROADS!</p>
<p>Stop giving our jobs, healthcare, houses and benefits to foreigners who turn up at our doorstep milking the system. Reduce costs elsewhere to fund better policing</p>
<p>The implementing of Solar PV to all suitable council runs facilities which in turn will save money In the long run. The initial investment could be funded in part by government Initiatives that I presume the council is eligible for such as feed in tariff.</p>

Suggestions
Savings shouldn't come from frankly ludicrous schemes such as not cutting the grass. The fact is that councils in general are poorly run. If a business was run in the same way as Herefordshire Council, it wouldn't still be running today. It's time for a change of tact. Cutting back-office staff and removing funding for organisations which provide useful services is counter-productive and will undoubtedly cause more long term damage to the county. There needs to be a reduction or at the very least a re-evaluation of staff numbers starting at the top, not the bottom. Any excess in people at the bottom of the council's food chain only exists as a result of ineffective management and lack of real accountability further up that chain. I can't understand how it can happen and continue for as long as it has, but it needs to be sorted. Throwing more people at problems never solves them. On the plus side, the new shopping development is great, so well done for getting that in place!
Reduce the obscene pensions paid out to ex-council employees. The pot set aside for pension payment could be reduced and transferred to the funds for this year's budget. After all, most peoples pension funds have been reduced, why not council workers??
The way you have set this up makes it impossible for people to properly make suggestions for change. Slider movements dictate what the impacts are to be. I can't choose to spend less on road projects and more on the integration of school and public transport and active traffic management technology in the city - for example. I can't spend some of adult social care funds sustaining cultural activities which support social engagement and inclusion for vulnerable groups. I can't opt to pay more council tax for the funds to be ring-fenced for local service provision. So I guess the toolkit is aptly named 'You choose' ... because that's just what you've done. What a sham and a shame!
Reduce money given to parish councils, they never spend it all! Charge more money for services that currently cost.
More has to be done to make Herefordians feel glad to live here. By taking care of the infrastructure and overall look and feel Hereford has we can help attract development and investment within the County. This in turn brings a wealth of experience knowledge and funds to help our existing infrastructure and help make the most of developments that are already present. The budget for car sitting around £90million is by far the biggest outlay of the council. By look at where the funds are going i.e. outside agencies perhaps the idea may be to bring those services in house by investment during a set period of time and then looking at saving going forward. It is time for the people who pay and help contribute to the City get something that they can be proud of. More input from the people living here would be a great way to start rather than secret meetings behind closed doors which inevitably get leaked anyway.
Lower parking charges!! £3 all day that's expensive when you're parking there 6days a week!!!
A full examination by an independent body of all bills and expenses and check there is no cheaper alternative. If something has to be subsidised, why? And if so should it be and WHAT HAPPENS IF COUNCIL DOES NOT PAY FOR THESE THINGS will our world stop?
More focus on the long term future of Herefordshire and the prosperity of the whole area. Current priorities such as Adult Social Care and Child Safeguarding must be balanced with supporting long term growth plans for the region. By this I mean, supporting the typical Herefordshire industries that can create jobs in the future such as tourism, food and drink, farming, small-medium business support etc. IT/Fastershire is a must as the road/rail infrastructure can never compete with other UK areas. When will the provision of food in the UK become a priority? When it starts to run out? When will the government focus on making manufacturers reduce packaging at source and stop expecting our local councils to spend valuable resources recycling it?

Suggestions
<p>You reduced grass cutting/trimming. Why not have a permanent set aside margin/area where appropriate for wildlife. A bit like the farmers does. Places like bishops meadow could easily have very sizeable areas around the edge, and all those banks, that could be left and have a high cut just once a year in autumn. The football area needs cutting regularly, more than now, as its not a good surface at the moment. You could have some pathways cut through long grass to make walks and shortcut routes. It could be actually be a benefit to wildlife, improve diversity and be a very useable space for all. Perhaps we need to get away from the "over tidy" park and other open spaces.</p>
<p>The substantial costs of the changes at the Shire hall should not be spent (wasted) on Councillors (of whom I am supportive). This is disgraceful considering the cuts that Council Workers have been affected by (I am not an employee). The hiring out of what is (or 'was' from September) rooms at the Shire hall brings in an income stream for the Council. The barring of members of the community from hiring these rooms (as they currently do) for most of the day in order to allow Councillors to 'move in' and use them is not only a poor decision for those users, but also considerably reduces the revenue potential of this centrally located building (to only evenings and weekends). A real lost business opportunity here, especially with such helpful custodians etc. The sliding scale idea for spending is great - thank you for allowing us to comment. It is a shame that we were not availed the same opportunity and shown the figures of the above!</p>
<p>I would be happy to pay more than a 2% increase in council tax if I had the confidence in council leadership and management to spend it wisely. I am unimpressed with the decisions that are taken and the people that are in place, even in middle management levels. I strongly suggest performance related pay - if the CEO, for example, made demonstrable, measurable improvements, then I truly believe he would be worth the high salaries we citizens seem forced to pay. Also, swaying people away from a 2%+ increase in cost of council tax just because it would cost money to do so is biasing the answer. Surely surveys should bias people's response?</p>
<p>Examine revenue implications of capital projects e.g. road building.</p>
<p>I think this looks like a vanity project for the council, I think the major cuts needed to fund essential services including re opening the public toilets can be made by restructuring the management structure and excessively high wages and take a good look at all council properties owned and I am sure there a few sales can be made to find the deficit. Also the council should publish all monies paid to 'consultancy' businesses who are paid from the council and I am sure these figures could be looked at with scrutiny</p>
<p>People need to pay for the services they receive, even social care - you get what you pay for. You can't expect people who work to keep subsidizing other.</p>
<p>Reduce staff numbers by as much as possible whilst trying to maintain front line staff. Rent out council buildings for commercial use. Reduce management jobs. Centralise services in fewer or one location which should be Hereford. Reduce opening hours of services in market towns whilst ensuring that longer opening hours for services in Hereford. Maintain bus services so that people from market towns can access services in Hereford rather than in there local market town which is no longer sustainable.</p>
<p>Please, stop changing city centre roads. Resurface them instead. Also, if you can, stop building new shopping center etc. This has no impact on how do we live in the city. We need something to be done to the traffic. Especially on Belmont Road. This is disgraceful what is going on over there. We want our city small but tidy. If the city will look untidy and dirty, we are going to loose people with money. And question: why are you giving so much to the people on benefits? New houses and improvements to old ones? Do something good for working ones. We pay council taxes. I can see that our city has gone down in quality in past few years dramatically. Thank you for letting us have a word in choosing what could be done for us. Remember thou, it is you who are taking responsibility for what is done in Hereford.</p>

Suggestions
Save money by using local providers instead of awarding massive contracts to low-quality out of county providers The voluntary sector not only are the experts in their area but offer fantastic value for money Reconsider procurement and commissioning functions as currently not effective Stop use of interims and consultants - use local experts instead
Reduce councillor allowances - only pay INCURRED expenses not attendance allowances, Bring the role back to people that people who have a passion for their community and not see it as a career or salary supplement. Only buy IT equipment if there is a definite business case, adopt the approach in all budgets of "the answer is no unless you can prove the expenditure will pay for itself in one year". Give department manager and higher management strict financial objectives that reflect in their appraisals and pay increments.
If you give a flat rate council tax increase not a % based system I would think it a fairer TAX. A lot of people's only saving is in their house and they have reduced income so 5 increases are not fair. Increase council workers pension contributions through payee not via the council tax system involve the probation service to pick up the grass cutting and cleaning our lanes and centres
Bus services should not be cut any further.
Excellent idea to give the public the chance to play with the budget, give us the option of increasing council tax too. The options are a bit restricted too. You might find out more of what people really want. I wouldn't stop building affordable housing but I would stop building more expensive houses that developers often build first and then delay the affordable ones. How about an option not to build a by-pass, show how much that would release from reserves and you might have a functioning council with plenty of options.
Increase council tax, the country is rich, people need to spend more money on the essential services that a fair and decent society needs and less on ever large TVs and ever smarter phones. Make strategic plans for true sustainability not just for short term growth based on job creation and have the balls to stick to them. If their really is such an outcry over some long grass that you feel you need to approve half a million more spending to cut it then there's no change in balancing a budget let alone securing a sustainable future. Having the responsibility of being councillors and council officers is not just about giving the public what it wants you are better informed, you must lead and educate or we will all be governed by the lowest common denominator.

Suggestions
<p>Cut senior management positions within the council. There is far too many highly paid staff - not sure what they actually do. Cut unnecessary spending on council buildings - e.g. why was new reception area needed at Plough Lane? Huge numbers of lights on all the time at Plough Lane even on a bright sunny day - really looks like you have money to waste. Need to do as much as possible to attract visitors into the county to spend money, thus maintaining and even creating jobs. Visitors will only come if it is a pleasant and CLEAN place. Shops, restaurants and so on can only keep going & keep employing staff if people spend money in Herefordshire. Spending on roads, pot-hole repairs, street cleaning, litter picking and grass cutting is essential if we are to keep visitors coming into the county to spend money. The litter on main roads is truly awful and not a great way to advertise our county to tourists passing through. Charging for car parking will deter tourists thus keeping money away from the county. The argument is always that other areas charge for car parking - yes they do, but there are no parking charges when shopping online at home. We need to encourage people to come out and spend money in our shops, thus keeping local people in employment. Money needs to be spent on public transport if we are to reduce congestion and keep Herefordshire a pleasant place to live and work. Please can we have a bus shelter on Broad Street? This is a stop used by many visitors to the county due to proximity to the Cathedral and their experience of the county is often a long wait in the pouring rain with no shelter. Something needs to be done about the congestion on roads coming into Hereford from the south of the county (Ross and Belmont roads). At the moment things are not too bad, but over the previous winter, for months on end a journey from Ross to Hereford was taking an average of well over 2 hours. Doesn't really make me want to come into Hereford to spend money - it is easier to get into Gloucester so I'll go there. I believe that the sequence of the traffic lights at Asda was changed; this seems to have had the effect of stopping people from the south of the county coming into Hereford. Please could it be changed back? Be wary of building too much new housing without the jobs to go with it. Otherwise we just end up with more retired people, who may need social care services sooner and probably spend less money.</p>
<p>get rid of jobs worth pen pushers let every parish keep the council tax paid in their area and use that money for their parish only</p>
<p>Streamline Geoff Hughes section of staff far to many working in the communities section</p>
<p>DO NOT SPEND £130 MILLION ON THE VANITY PROJECT RELIEF ROAD WHICH WILL INCREASE THE DEBT BY 65%. ARE YOU PEOPLE COMPLETELY INNUMERATE?</p>
<p>cut staffing and close and sell plough lane office increase bin collection to 2 times a week reverse traffic through high town close theatre stop the rugby club and shut all libraries</p>
<p>Investigate <named councillor>. He's a wrong un.</p>

Comments received via the online form

Comments
<p>Keep the City and County looking good and inviting to tourists. The way in which grass cutting, street cleaning and other street scene matters have been handled have been crass and which make us look 3rd world and an embarrassment for welcoming visitors. To balance any such cut backs, reduce subsidies and ensure all bodies including individuals and companies pay for the service they use (e.g. charge 50p for use of a library book for a month)</p>
<p>Increase council tax by 10% to pay for services</p>
<p>I think savings can definitely be made by outsourcing the library delivered service, or having volunteers as there are 6 weekly vehicle checks, repairs, staffing and maintenance and fuel costs. This service used to be run by volunteer organisations like "Hereford Wheelers" who just charged for their petrol usage. This is a much more cost affective means of delivery. There could also be a thinning out of some of the middle management instead of hitting vital front of house services.</p>
<p>Reduce duplication. Streamline management - take out at least one layer. Remove unnecessary paperwork/form filling. Get rid of unproductive staff.</p>
<p>Car park charges.</p>
<p>REDUCE THE PROCE OF PARKING AT THE SWIMMING POOL, NO ONE PARKS THERE ANYMORE. CHEAPER APRKING AND IT WAS FULL... NO BRAINER REALLY!!</p>
<p>I would like the council tax to go up by 7-10% to allow the council to do the things it is currently cutting due to the reduction in government funding.</p>
<p>Stop pouring money into developing a Hereford relief road. It will have a miniscule effect in reducing congestion in the city and will make the county's debts even worse. Borrowing money leads to huge debts. Money could be better spent in removing pinch points in the city. I profoundly disagree with charging council tax to household who are on benefits.</p>
<p>We know the Council is willing to let us 'have our say' on budget planning but an important element in genuine consultation is to listen to what we have to say, act on it and let us know how you have listened and acted. Time after time we have said you should reduce the massive overpayment of Directors and Senior Managers. You have said you have addressed this. But this year the Council still has 103 people on salaries over 50,000 a year and last year you had 116 employees on salaries over £50,000, This reduction is small and as we know, actual salaries have increased for some individuals. You say you need to pay this to attract top quality Managers but your track record is one of ever spiralling incompetence. The Council should give due consideration to this point even though the Leader of the Council is known to be incapable of listening to Herefordshire people. (This comment received to council's Facebook page)</p>
<p>I feel that the pay received by the management of the council, in particular the executive's, is far too excessive. Therefore a reduction in their salary would save the council a lot of money that could be used else where e.g. road repairs, hedge and grass cutting, street cleaning and recreation facilities.</p>
<p>Why should any council member receive more salary than the Prime Minister? No one is should receive a higher salary than him.</p>

Response by Councillor Chave

Comments on Budget Consultation: 2015/2016

1.9% increase in Council Tax assumed.

Are we taking another £11million out of the budget this year, or more, or less?

The only income we really have any control over IS **Council Tax**. Surely given the economic climate (of further cuts from central government which does not appear to value local delivery of local services, whilst not reducing demands made on it), we will HAVE to increase this income base – and why not have a **referendum** to share some responsibility for the consequences of whatever is decided?

Council Tax is funding just 25% of our expenditure.

Some things to reduce the budget:

- Take the capital investment for road building out – we need to better maintain what we've already got before we build more.
- Exercise extreme caution about borrowing – and loading debt onto future generations.
- Campaign for changes to Council Tax – so those who can afford to pay more do pay more (means testing?) Pensioners should NOT be excluded from increases! And why should those in “mansions” be paying the same as those living in a house that was worth £320,000 or more in 1991? (And how on earth are these bands assessed against current house prices anyway, given the number of residences built since 1991?)
- Reduce reliance on expensive private contractors to deliver public services – use our own staff managed by us – so we are more flexible and have more control over what is done, where, when and by whom – and to what quality!
- Reduce travel expenses and additional allowances for members – consider means testing! The same could apply to senior officers, though I guess this would have to be voluntary.
- Assess “savings” on recent budgets honestly – for example, has the reduction in grass cutting actually saved, or cost more – because more expensive machinery is required to do the task? Publish the numbers, give us the evidence.
- Keep a very tight control on the EFW plant – so it does not cost more than has been agreed.
- Offer residents the option to contribute MORE to support particular services – such funds would need to be ring-fenced – like public subscription used to fund building in the early 1900s – possible beneficiaries might be a pothole fund, libraries and the museum, a looked after children fund etc – could crowd funding also be used to support this?
- Encourage and enable community groups to do more for themselves, by supporting HVOSS to support them, and offering an umbrella public liability insurance deal.

- Ensure that extensions and improvements that move a property into another band for Council Tax are promptly and properly accounted for in the Council Tax bill.
- Be more open and honest about which services are statutory and must be done – and what your interpretation of that is.
- Publish the rates received from the Old Market development – so we can see what benefit the £90m investment is having to our coffers, likewise with Skylon Park, Rotherwas Enterprise Zone etc in due course.

Absolutely do NOT make the poorest people in the county pay more by further reducing the Council Tax Relief. Remove the blanket exemption for pensioners. According to the revs and bens newsletter, 10,294 summons were issued in 2013/14, when the rate to be paid was 16% - I calculate this as stress and misery for 12% of our county households (as according to UH2014, we have 82,700 homes in the county). Perhaps some of the summonses were repeats or additions issued to the same people? Even so. Consequences for wellbeing, and health, among our most vulnerable residents.....

You will argue that there is capacity in the system to squeeze more out of these people. I say the same applies (only more so) to ALL our residents (including pensioners), and that this supply should be tapped first – we should ALL be sharing the corporate, social responsibility for paying for our public services.

Some observations:

The consultation is (as always) “light” on consequences.....

I haven’t bothered with the simulator after a couple of looks at it, because:

- Projects to improve roads / create jobs / build more homes – spending between £10.9m and £11m has “no consequences”. Reducing spending from £10.8m to £8.45m has four negative consequences – this logically suggests we might reduce the spending to £8.45m, and the consequences will be no worse than if we spent £10.8m – a difference of £2.35m!
- There is no option under “how can we bring more money in” to INCREASE Council Tax above 1.9% (and hold that referendum, so at least we’d have a proper mandate whichever way it goes) – yet surely this has to be our best option for bringing more money in.

Personally I would increase parking charges a little more – although people moan, they still seem to be driving their cars, and parking them.....

Response by Herefordshire Citizen's Advice Bureau

Budget Consultation 2015/2016

The Consultation

The withdrawal of the CAB grant from April 2014 was proposed in the 2013/2104 consultation and the CAB responded to that consultation, which was well documented in the collation of responses from the Council's Research Team; indeed that document highlighted the significant support for the CAB service.

The consultation for 2015/2016 publicised on the Council's Website, consisted of the budget simulator and accompanying documents:

- Savings Proposals Summary 2014/15 to 2016/17
- Budget 2014/2015 and Medium Term Financial Strategy Report to Council dated 07/02/2015
- Council Tax Leaflet 2014/2015
- And a hyper link to the 2014/2015 budget consultation

Prior to the meeting of Full Council, the CAB received two letters; one from Cllr Harry Bramer (dated 15th January 2014) and one from Cllr Tony Johnson (dated 20th January 2014). Both letters confirmed the continuation of the full grant to the CAB for 2014/2015, and both made reference to the exploration of commissioning against Council priorities beyond March 2015.

Given that the savings proposals published for the 2015/2016 budget consultation refer only to the documents listed above, it is not entirely clear what the budget proposal is in respect of the CAB. The savings proposal document refers to reductions in 2015/2016 and 2016/2017 but since the figures given are associated with organisations in addition to the CAB, it is not clear what the savings proposal for the CAB is. Additionally, clause 19.9.1 refers to a variance of the proposals following consultation, and says that it "will phase in funding reductions over the next three years to CAB.....".

Prior to responding to this consultation I have sought clarification from Herefordshire Council Officers on exactly what is proposed in terms of the Citizens Advice Bureau, bearing in mind what has been published in this consultation and the letters from Cllr Johnson and Bramer aforementioned. I am not sure I have an entirely clear response.

I would comment that I am not sure how useful a tool the budget simulator is at all, but particularly for those most disadvantaged in our society. The CAB seems to appear in the Cultural and Customer Services section, though is not mentioned in the explanatory note, and if people wanted to increase funding to this section of the budget, the explanatory note, did not mention the CAB or voluntary sector at all. If a "small" reduction of £3.15m or less is made to this

section, then the consequences box highlights removal of support to the voluntary sector and, in terms of the CAB, specifically states that "...the Citizens Advice Bureau is due to have its grant funding withdrawn in the future".

Interestingly, if a larger reduction of £3.19 m or more is made the consequence reported by the software refers to the withdrawal of subsidies to local organisations but makes no reference to support to the voluntary sector, and specifically the CAB. So people using the simulator are only alerted to possible detriment to the CAB if a small reduction is chosen.

Herefordshire CAB's Service

Herefordshire CABx is a member of the national Citizens Advice organisation and is governed by strict quality and membership standards that ensure that the advice given to clients is accurate, up to date and can be relied upon; however, whilst part of a National Brand, all CAB's are local, autonomous charities.

The CAB service principles are that:

The CAB service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity and promotes equality and challenges discrimination.

The CAB service aims are to:

1. Provide the advice people need for the problems they face.
2. Improve policies and practices that affect people's lives

In respect of the first of those service aims, advice covers a huge range of issues across English Civil Law, but broadly fits into the following categories:

Welfare Benefits

Advice is available on the complete range of benefits: JSA, State Pension and pension credit, National Insurance, Housing Benefit, Working Tax and Child Tax Credits, DLA care and mobility components, Attendance Allowance, Income Support, Social Fund loans, Child Benefit, Employment Support Allowance, Carers Allowance, Universal Credit, Personal Independent Payments, Localised Social Welfare, Localised Support for Council Tax, Benefit Cap, discrimination and other welfare benefit issues.

Money, Finance and Debt

This is a huge area of work and advice is available on discrimination, maintenance and child support arrears, bank and building society overdrafts, credit, store and charge cards, unsecured personal loans, catalogue and mail order debts, water supply and sewage debts, unpaid parking charges, mortgages and secured loans, hire purchase, fuel debts, rent arrears, benefits overpayments, council tax arrears, bankruptcy, Debt Relief Orders, bailiffs, utility debts, insurances, hire purchase, pensions, savings and investments, financial

advisers, debt management services, credit reference agencies, payment protection insurance.

Housing

Advice covers discrimination, homelessness or threatened homelessness, Local Authority Homelessness service, temporary accommodation, problems with registered social landlord property, private rented property or owner occupier issues, environmental and neighbour issues.

Employment

Advice covers discrimination, dismissal and redundancy, employment tribunals and appeals, schemes for the unemployed, self-employment, terms and conditions of employment, health and safety, pay and entitlements, parental and carers rights, dispute resolution, resignation and applying for jobs.

Consumer and Travel

Advice covers discrimination issues, new and second hand vehicles, vehicle repairs and servicing, food and drink, health clubs, gyms and sports, competitions and prize draws, private sales and internet auctions, building repairs and improvements, double glazing, furnishings, floor coverings, electrical appliances, clothing and footwear, personal development courses, disability aids and adaptations, public transport, driving, parking and congestion charges, package holidays, timeshare and vacation clubs, holidays and passports.

Family and Relationships

Advice covers discrimination, domestic violence, children and child support issues, death and bereavement, certificates and proof of ID, marriage, cohabitation and civil partnerships, social services and support, divorce, separation and dissolution.

Tax and Utilities

Advice on discrimination, income tax, council tax and other tax issues, fuel, water and sewerage, telephones and mobiles, TV – including satellite, digital and cable, internet and broadband, other communication issues.

Immigration

Advice on discrimination, asylum seekers, failed asylum seekers, refugees, family, dependents and partners, visitors, workers, students, nationality and citizenship, and other immigration issues.

Health and Education

Advice on discrimination, pre-school organisations, schools, FE and 6th form colleges, higher education, adult education, health and community care, hospital

services, hospital services (mental health), General Medical Practice, residential care, community care and community care (mental health), NHS costs and charges.

There is significant research¹ to evidence that people experience multiple problems and that each time a person experiences a problem, they become increasingly likely to experience additional problems. This same research also looks at problem clusters and trigger problems, for example where divorce is the primary problem type, related problems can exist around money, children, housing and a range of other issues.

1. Causes of Action: Civil Law and Social Justice, Pascoe Pleasance

Because the CAB can deal with all these enquiry areas, it can, and does, take a holistic, client centered approach to resolving all of a client's problems.

There is no other agency in Herefordshire that can offer this holistic advice service.

Quality of Advice

Herefordshire CABx holds the Advice Quality Standard and the Advice Quality Standard with Casework in debt, employment, housing and welfare benefits. Herefordshire CAB is registered with the Office of the Immigration Services Commissioner (OISC) for the provision of Level 1 Immigration Advice. Herefordshire CAB is fully licensed with the Office of Fair Trading to provide debt advice (this license moves to the Financial Conduct Authority from 01 April 2014).

I am not aware of any agency in Herefordshire that holds all these Quality Marks and/or legal licenses in respect of the provision of advice.

The impact of advice

In 2013/2014 Herefordshire Citizens Advice Bureaux dealt with 5,180 unique clients, helping with around 15,000 advice problems. The highest enquiry areas were welfare benefits, debt, employment, relationship and family issues and housing.

It should be noted that this 5,180 statistic is the total of unique people who sought advice during the year, and that many clients visit the bureau more than once in order to resolve their problem(s); the average being three contacts per advice enquiry.

During this year the bureau improved the financial position of individuals by £4.4 million, mainly through accessing welfare benefits and managing and writing off debts. St Martins and Hinton in Hereford City's South Wye was the ward achieving the highest financial outcomes, demonstrating the organisation's ability to be reaching those in the most deprived areas of our community. The

Appendix 3

financial outcomes for this ward alone, totals just over £900,000; by itself, over 7.5 times as much as the annual Local Authority grant to the CAB of £117,460.

The profile of CAB clients shows them to be predominately living on low incomes, with significant numbers having a disability or long term health condition, including identified mental health problems.

Welfare Reform

The Coalition Government is taking £18 billion a year out of the welfare budget and these cuts across the UK can be apportioned to calculate what that means for Herefordshire, as follows:

Mid Year Population 2009 (ONS)	Herefordshire 179,100
Lost Benefits Income 2011	£6,753,350
Additional Lost Benefits Income 2012	£14,303,769
Additional Lost Benefits Income 2013	£19,926,730
Additional Lost Benefits Income 2014	£11,419,828

As it is widely recognized that those on low benefits related income, spend their money in the local economy, the loss of benefit income can be calculated to have an effect on the loss of local jobs², as follows:

Mid Year Population 2009 (ONS)	Herefordshire 179,100
Lost Benefits Income 2011	£6,753,350
Jobs Lost 2011	157
Additional Lost Benefits Income 2012	£14,303,769
Jobs Lost 2012	332
Additional Lost Benefits Income 2013	£19,926,730
Jobs Lost 2013	462
Additional Lost Benefits Income 2014	£11,419,828
Jobs Lost	265
Total Lost Benefits Income Annually – 2014	£52,408,677
Jobs Lost 2011 - 2014	1,216

2. Fraser of Allander Institute, University of Strathclyde

Unclaimed means tested benefits are calculated at £28,448,124 and unclaimed Working Tax Credit at £10,985,063, with associated potential jobs saved through benefit take up, of 660 and 255 respectively.

Herefordshire CAB's input into the local economy can be calculated based on its benefits and debts outcome recording as follows:

Herefordshire CABx Benefits and Debt Results				
	Benefits	Debt	Total	Jobs Saved
Q1 2013/14 Annualised ³	£1,780,849.52	£1,513,339.48	£3,294,189.00	76

2012/2013	£1,976,449.74	£872,111.31	£2,848,561.05	67
2012/2014	£3,757,299.26	£2,385,450.79	£6,142,750.05	143

3. It should be noted that these figures are annualised on the basis of Q1 of 13/14 statistics; at the time of producing this response, the whole year figures splitting benefits and debt are not known. This then also, affects the following multiplier calculation as underestimated.

The multiplier effect of spending by benefits recipients is estimated to be 1:6, with people on benefits level income spending their money locally and immediately. The value to the Herefordshire economy of the two years results, in only one area of work, becomes £6, 142,750.05 x 6 = **£9,828,400**.

It has been said that if the CAB were not to be in existence in Herefordshire then this economic benefit would not be lost to the county as it would be picked up elsewhere, for example, by the in house Welfare Rights team. This simply is not true. Firstly the Welfare Rights team does not provide debt advice. Secondly, the Welfare Rights team, as I understand it, is not an open access service, but has a remit limited to older people and those deemed vulnerable for adult social care. Thirdly, it has been acknowledged that there is currently no capacity in that team to take on the additional welfare benefit advice issues currently dealt with by the CAB. As referred to earlier, people's problems often come in clusters, and dealing with one problem in isolation, such as welfare benefit entitlement, may only solve part of that individual's problem. Finally, there is the issue of genuine independence and impartiality; the CAB's commitment is to find the best outcome for the client and it's absolute independence means that it has no conflict of interest that might arise with for example, within different parts of the authority.

Universal Credit

Although the timetable for the introduction of Universal Credit has slipped Herefordshire Citizens Advice Bureaux has a vital role to play in local planning in order that affected individuals can be supported through the transition to Universal Credit.

Lord Freud, the Minister for Welfare Reform, wrote to all Local Authority Chief Executives in February of 2013, announcing the publication of the DWP's Universal Credit Local Support Framework document.

The framework covers who may need help and what services may be needed and emphasises the need to work in local partnerships to plan and deliver these services, and although the Local Authority may not have the figures yet, there is some funding attached to the delivery of this support.

Because of the levels of trust and reach, Citizens Advice Bureaux are the most likely place that Universal Credit claimants will turn to for support. The DWP's own research into the Direct Payment Demonstration project found that "the most common source of advice that was sought about money management, bank accounts or debt problems was Citizens Advice Bureau. No other source came close."³

4. DWP RR822 Direct Payment Demonstration Projects: Findings from a baseline survey in five project areas in England and Wales. <http://research.dwp.gov.uk/asd5/rports2011-2012/rrep822.pdf>

To help inform the CAB service's understanding of the level and nature of support individuals will need in making the transition to Universal Credit, Citizens Advice established a "Managing Migration Pilot" with Birmingham, Ynys Mon and North Dorset CAB's. These three bureaux took part in a six month project between March and September 2013, collecting data from over 1,700 'universal credit relevant' clients (from 3,460 overall CAB clients).

The headline figure from the baseline results of the pilot is that:

- 92% of clients needing to make the migration to Universal Credit will need support to make the transition.

The project considered five areas of capability where clients may need support: monthly payments, budgeting, banking, staying informed and getting online. Of those 92% of clients needing support, 38% needed help in all five capability areas.

The baseline findings from this survey show that the migration to Universal Credit is about much more than having on line access, but very much a mix of advice and support needs.

Herefordshire Citizens Advice Bureaux is ideally placed to play a leading role in helping to support statutory authorities in preparing for and delivering support to those affected by Universal Credit and there is a high risk to that successful transition locally, without CAB input.

Health and Wellbeing

There is a wealth of research linking advice and ill health and poverty and ill health. The following is a list of published research which has found possible links between advice and:

- improvements to health
- benefits in access to health services and medication
- positive practitioners' views
- improvements to social determinates of health
- impacts of specific categories of advice.

General Health:

- 62 per cent of GPs agreed or strongly agreed that the service improved general health. (Borland and Owens, 2004).
- 80 per cent of patients reported improvement in their physical or mental wellbeing following CAB advice. (Hobby et al, 1998).
- Wear Valley – 12 of 18 staff reported service had benefited health of patients. (Hobby et al, 1998).

- Improvement in health for those receiving benefit increase (Veitch quoted in Hoskins and Carter, 2000).
- Improvements in mental and physical health in those receiving additional benefit. (Abbot and Hobby (99) study quoted in Hoskins and Carter, 2000).
- Being healthier following increased benefit income (Moffatt, 2008).
- 47 per cent of users of debtline reported that their health had improved (Williams, 2004).

Improved change in health:

- Following welfare benefits advice (Campbell, 2007).

Improvements to chronic illness:

- 61 per cent of GPs felt that advice helps patients deal with chronic illness (Borland and Owens, 2004).

Weight loss:

- Following receipt of additional benefit; less weight loss. (Moffat et al, 2004).

Sleeping better:

- Following receipt of additional benefit; were sleeping better, (Moffat et al, 2004)

IBS:

- Clients in debt report exacerbating pre-existing health conditions such as IBS (Turley and White, 2007).

High blood pressure:

- Following receipt of additional benefit; reduced high blood pressure, (Moffat et al, 2004).

Reduction in bodily pain:

- Caused by increased income (Abbot et al, 2005).

Prescriptions down:

- 41 per cent fewer prescriptions by patients using CAB service. (Hobby et al, 1998).
- Reduction of anti-depressants following advice (Clarke, 2001).

Feeling better:

- 88 per cent of users reported that they felt better after seeing the advice worker (Borland and Owens, 2004).

Dental problems:

- High levels of financial strain and poor coping behaviour associated with

higher levels of periodontal disease and other dental problems. (Jacoby, 2002).

Physical health:

- 80 per cent of patients reported improvement in their physical or mental wellbeing following CAB advice. (Hobby et al, 1998).
- Improvements in mental and physical health in those receiving additional benefit. (Abbot and Hobby (99) quoted in Hoskins and Carter, 2000).
- Marked negative effect of debt on physical and mental health ((Ahlstrom) quoted in Williams, 2004)).
- Debt/income ratio is significantly associated with worse physical health and self-reported health. (Jacoby, 2002).

Mental Health:

- Improved mental health due to increased income (Abbott and Hobby, 2000a), (Abbott and Hobby 2002) (Abbot et al, 2005).
- 46 per cent of interviewees said accessing money advice and being provided with appropriate support had improved their mental health and wellbeing. (Gillespie et al, 2007).
- Significant improvement in mental health found. (Caiels and Thurston is quoted in Wiggan and Talbot, 2006).
- Of those with mental disorder 23 per cent were in debt, 10 per cent had utility disconnection. More debts people had the more likely they were to have mental disorder. (Jenkins et al, 2008).
- Indices of financial capability are significantly associated with health. Strong association between financial capability and psychological wellbeing reducing probability of individual suffering a health problem related to anxiety or depression by 15 per cent. (Taylor, 2009).
- 70 per cent of over-indebted households suffered from mental health

Volunteering

Herefordshire Council makes continued reference to looking to local communities to take on responsibility for local services and to encouraging individuals, communities and organisations to do more for themselves and their local area, and to enabling the voluntary and community sectors to provide different services.

In many operational, strategic and partnership forums, the community and voluntary sector is often referred to as a key partner to take on services.

There seems a huge disconnect between these stated aims and ambitions and the proposal to cut support to the voluntary sector and specifically the CAB service.

Volunteers/communities/voluntary agencies/community groups/charities are often used interchangeably and referred to as one homogenous group. The reality is very different and there is a hugely diverse range of volunteers and

volunteering opportunities throughout the county. A member of a community who calls in to check on an elderly neighbour is different from an individual who turns up on a Saturday to pick litter up from a local park, who is different again, from a volunteer who gives a day a week to provide legal advice at the CAB. This is not a question of one type of volunteering being seen to better or more valuable than the next, but about understanding the differences and the differing levels of support needed to support that volunteering activity.

Legal advice of the kind undertaken by the CAB is not easy; it is complex advice based on knowledge and interpretation of English Civil law. A CAB adviser requires high level of training over several months, supervision and support to achieve and maintain competence, a premises to operate from, insurances, IT equipment and telephones, a sophisticated and complex information system, legal texts and references, stationary, postage, and everything else that comes with front line service delivery.

The economic value of volunteering can be calculated by taking matching volunteer roles to equivalent paid jobs using the ONS Annual Survey of Hours and Earnings. Using the 2012 ONS data, the economic value of volunteering in Herefordshire is calculated at approximately £250,000 per annum.

Whilst there are some people who will look in on an elderly neighbour, or the many carers counted as volunteers through the necessity of their situation, most people choose to volunteer for an organisation or cause they have a particular interest in, with the CAB being a significant beneficiary of such volunteering over many years.

Support for Maintaining the CAB grant

The Citizens Advice brand is widely recognised and respected with the service being ranked 1st out of 22 national charities on being helpful, approachable, professional, informative, effective, reputable and accountable.⁴

5. nfpSynergy Brands Attributes survey 2010

During the 2013/2014 budget consultation the bureau received (1,140) signatures to its petition against the Local Authority withdrawing any of its grant funding. Copies of the paper petition collected in bureaux and the on line submissions were attached to the bureau's budget 13/14 consultation response. I am also aware that numerous individuals and agencies either wrote to Cllr Johnson or spoke to him in support of maintaining a CAB service. Since the issues are the same I expect this public support for the CAB service to be taken account when consideration is given to the 14/15 budget consultation responses.

The bureau is currently taking part in the national Citizens Advice campaign in support of the delivery of free advice, and to date over 300 individuals have signed the "advice matters" pledge.

Funding from other sources

The consultation assumes that the CAB can be self-sustaining and find funding from other sources.

The CAB, like most charities, has always sought funding from a variety of sources. The grant from the Local Authority has never completely covered the cost of the service provided. It is worth noting that the monetary grant to the CAB back in 2000 was £100,000, which if inflation had been applied, the grant would today stand at £147,000.

The Local Authority grant, however, is hugely important in helping to lever in funding from other sources. The vast majority of funders like to see, and sometimes require, that an organisation is supported by its Local Authority as this gives the funder reassurance that it is investing wisely.

The other point to raise about funding from other sources is that, almost without exception, it is funding to provide a particular type of service, perhaps to a specific client group, and is nearly always time limited. For example, the bureau receives funding from Macmillan Cancer Support, but that funding is, not unreasonably, restricted to patients with a cancer diagnosis, their family and carers. Similarly, money received from Registered Social Landlords pays for debt advice for their tenants only. Both of these examples provide really excellent and targeted services, but they do not pay for the generalist “open door” service.

As for being self-sustaining; there is not a single model in the country of an advice service like the CAB service being self-sustaining. The service is free to the individual and this is a fundamental principle of the CAB service.

Equalities Impact Assessment

The 2013/2014 budget consultation’s own EIA acknowledged the significant impact on people in crisis accessing CAB services if funding were to end to the CAB service, and suggested that a detailed EIA would almost certainly be required. It is not clear whether or not that more detailed EIA has been carried out; if it has then it is not published within the budget consultation documents. In respect of the EIA that was published as part of the 2013/2014 budget consultation, the following questions are raised:

1. What consultation has taken place locally with Age UK, prior to listing that organisation as a mitigation/exit route for advice seeking clients aged 50+?
2. The EIA suggests a mitigation/exit route for clients with disabilities as “signposting to disability charities”. Can the Council confirm to which specific charities the document refers?
3. Upon what basis has it been determined that Age UK has the capacity to take on additional advice services?

4. Upon what basis has it been determined that the cited “disability charities” have the capacity to take on additional advice services?
5. Upon what basis has it been determined that AGE UK has the appropriately trained and legally accredited personnel to take on the advice remit currently covered by the CAB?
6. Upon what basis has it been determined that the cited “disability charities” have the appropriately trained and legally accredited personnel to take on the advice remit currently covered the CAB?
7. Can the Council clarify what “Website information” is being referred to in terms of the mitigation/exit route for all other protected characteristics listed?
8. Can the Council confirm what analysis has been done of advice/information available on websites?
9. Is the Council satisfied that there is an understanding of the difference between the provision of information and the provision of legal advice, and can the Council confirm upon what basis it has been decided that “website information” is an adequate substitute for proper legal advice?
10. “Advice” is a very broad term. Can the Council clarify what analysis has been undertaken to aid understanding of the varying levels of provision broadly termed as “advice” but which range from simple provision of information through a website or a leaflet to representing a client in court or at a tribunal?
11. Other EIA’s contained in the reports pack, have identified other groups as being affected by the proposals, acknowledging that they are not protected equality characteristics, such as the effect on volunteers. Can the Council comment on why, the effect of the loss of volunteering resources is not highlighted in the CAB’s EIA?
12. Other EIA’s contained in the reports pack have taken account of other factors such as poverty and low income. Can the Council explain why no account of poverty appears to have been taken in the CAB EIA, considering that the majority of CAB clients are in poverty or on low incomes?
13. Other EIA’s contained in the report refer to the use of Mosaic data as a useful tool to aid understanding of customers and how they access services. Can the Council confirm if Mosaic data has been considered in respect of aiding the understanding of advice clients and how they access services?
14. The reports pack includes a number of EIA’s which differ significantly in terms of content, methodology, depth of analysis and format. Can the Council confirm what criteria has been used to produce the EIA’s and explain why some include factors outside of the protected equality characteristics and others don’t, why a range of other factors, such as poverty/low income and rurality have been used in some and not others, why some acknowledge the need to consider the combined factors of issues such as age, disability and poverty and others do

not, and why some appear to include consultation with specific service and other stakeholders, such as users, staff, local councils etc, and again, others do not?

15. The EIA refers to the Equality Duty 2010 having three aims (general duty).

The very aims of the Citizens Advice Service are to:

- **provide the advice** people need for the problems they face and **improve the policies and practices** that affect people's lives.
- provide free, independent, confidential and impartial advice to everyone on their rights and responsibilities. We value diversity, promote equality and challenge discrimination

When someone contacts the CAB the cause of their problem is often an unfair policy, practice or piece of legislation. The CAB service in Herefordshire contributes significantly to the elimination of discrimination, harassment and victimisation through its individual advice work with clients as well as its social policy work, and this was recognised at a national level recently when the bureau received a commendation from Citizens Advice for its work supporting gypsies and travellers in the county with housing issues, issues relating to the provision and condition of traveller sites, employment, discrimination and domestic violence issues. Is the Council satisfied that there has been sufficient analysis of the work undertaken by the CAB in Herefordshire to reflect this level and complexity of legal advice work?

16. Is the Council satisfied that there has been sufficient analysis of the impact of the loss of CAB services on levels of child poverty, fuel poverty and social and financial inclusion in the county?

17. Can the Council explain why no assessment has been made of the financial risk/impact to the authority at the loss of CAB services?

18. Is the Council satisfied with the overall risk rating of the withdrawal of funding of CAB services as “medium” given that the consequences of poor advice or no advice can result in individuals’ losing their homes, their liberty, their jobs, and other serious consequences such as risk of domestic violence and ill health, prevented by the provision of quality, timely legal advice?

Summary

1. The CAB makes a positive and significant contribution across a range of policy areas, underpinning statutory provision and corporate priorities:

- Child poverty
- Financial inclusion
- Fuel poverty
- Prevention of homelessness
- Reducing health inequalities, particularly in respect of reducing the social gradient
- Improving health and wellbeing
- Supporting families

- Improving access to services
 - Supporting stronger communities through volunteering
 - Development of employment skills through volunteering
 - Community cohesion
 - Reduction in offending behavior through integrated offender management pathways
 - Supporting the maintenance of independence
2. In Herefordshire, the CAB is the only independent, free, open access generalist legal advice service able to offer quality controlled services across the range of Social Welfare Law.
 3. The CAB improves the financial position of individuals in this county by £4.4 million per annum; money largely re-circulated in the local economy
 4. CAB volunteer time can be calculated at around £250K per annum
 5. Good and timely advice stops problems spiraling out of control. One event such as losing a job can lead to debts, rent arrears, eviction, stress and even family breakdown. Advice can stabilize someone's financial situation and avoid homelessness, which as well as the benefits to the individuals and families involved, can save the state money in re-housing, benefit payments and health costs.
 6. Citizens Advice research (2010) estimates that between £2 and £9 is saved for every £1 invested in advice:
 - Every £1 spent on housing advice saves £2.34
 - Every £1 spent on debt advice saves £2.98
 - Every £1 spent on benefits advice saves £8.80
 - Every £1 spent on employment advice saves £7.13
 7. Demand for advice is widespread, 1 in 5 people have sought advice on housing, employment, debt or benefits problem (Local Government Association 2012)

Appendix 3: Analysis of all responses

There were a total of 253 responses to the online simulator tool, however as the guidance notes to the consultation clearly stated, those responses that reduced spend in key areas (**adult social care, children and young people and unavoidable fixed costs**) were discounted in the main report on the results.

However for reference, this appendix includes an analysis of all 253 responses.

Key points to note:

- For **adult social care**, whilst most of respondents chose to decrease the budget (47 per cent), 36 per cent respondents chose to keep the budget the same with 18 per cent opting to increase it. This section showed the greatest average increase in net budget (£1.74 million) but this is only 3.3 per cent of the net budget for this area.
- For **children and young people**, the same pattern emerged with 42 per cent choosing to decrease the budget, 38 per cent choosing to keep the budget the same and 19 per cent opting to increase it.
- For **unavoidable fixed costs**, also shows the same pattern emerged with 43 per cent choosing to decrease the budget, 39 per cent choosing to keep the budget the same and 19 per cent opting to increase it.
- For **investing in improving roads and transport**, most respondents chose to increase the budget (45 per cent) with a quarter choosing to keep the same and 30 per cent opting to decrease it. A similar pattern emerged for **grass cutting** as shown in Table 1.
- For **building new homes and creating jobs**, opinion was divided with 38 per cent of responses opting to decrease, 40 per cent to increase and 24 per cent not change the budget. A similar pattern emerged for **strategic and neighbourhood planning**.
- The average increase or decrease for the areas **building new homes and creating jobs, strategic and neighbourhood planning, grass cutting and regulatory services** was small, but a much larger proportion of the starting budget (i.e. these budgets are relatively smaller than those for adult and children's services).
- Responses for **regulatory services, environment, cultural and customer services** and **waste management** showed a similar pattern of about a half of respondents opting to decrease the budget with about a quarter opting to keep the budget unchanged.
- Three quarters of respondents (74 per cent) chose to decrease the budget for **council back office functions**; this was the highest average decrease

amount.

Table 1: Percentage of responses to increase, decrease or opt for no change to the net budgets in each area:

Budget options	Percentage count of increases and decreases		
	%decrease	%no change	%increase
Adult social care	47%	36%	18%
Children and young people	42%	38%	19%
Unavoidable fixed costs	43%	39%	19%
Improving roads and transport	30%	25%	45%
Building new homes and creating jobs	38%	23%	40%
Strategic and neighbourhood planning	40%	24%	36%
Grass cutting	34%	23%	43%
Regulatory services	49%	26%	25%
Cultural and customer services	50%	23%	27%
Waste management and sustainability	47%	23%	30%
Council back office services	74%	16%	10%

Chart 1: Average increase or decrease in net budget

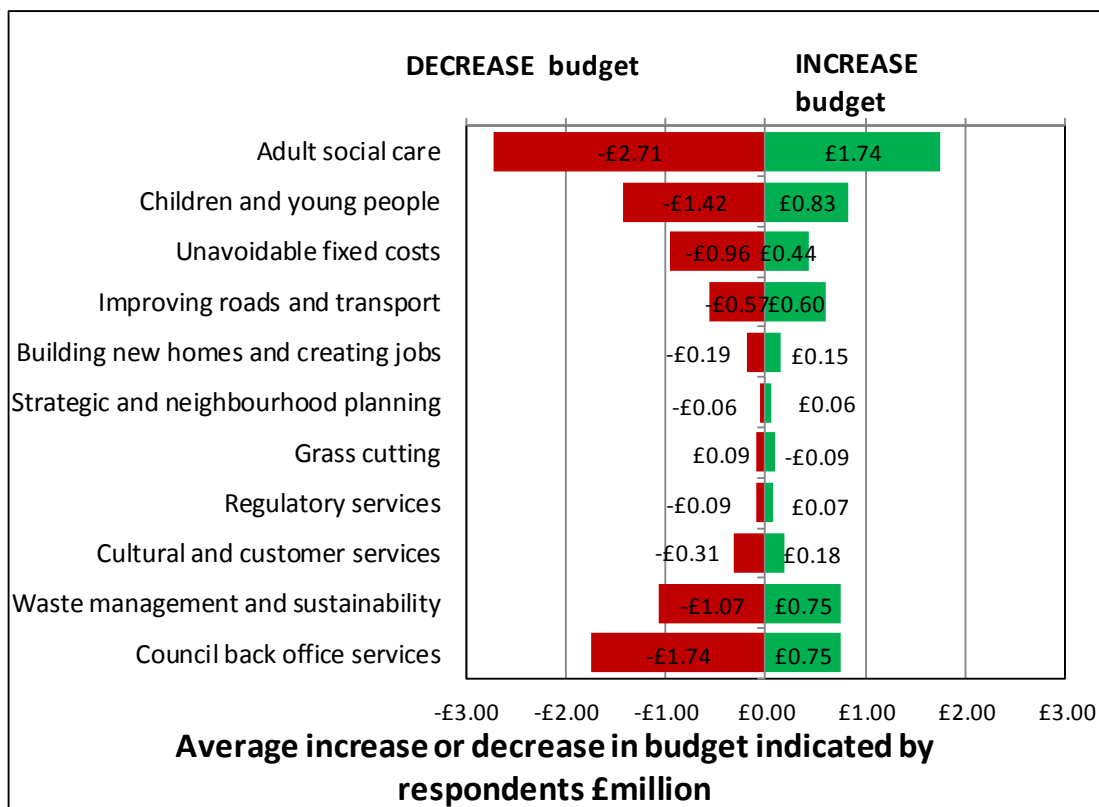
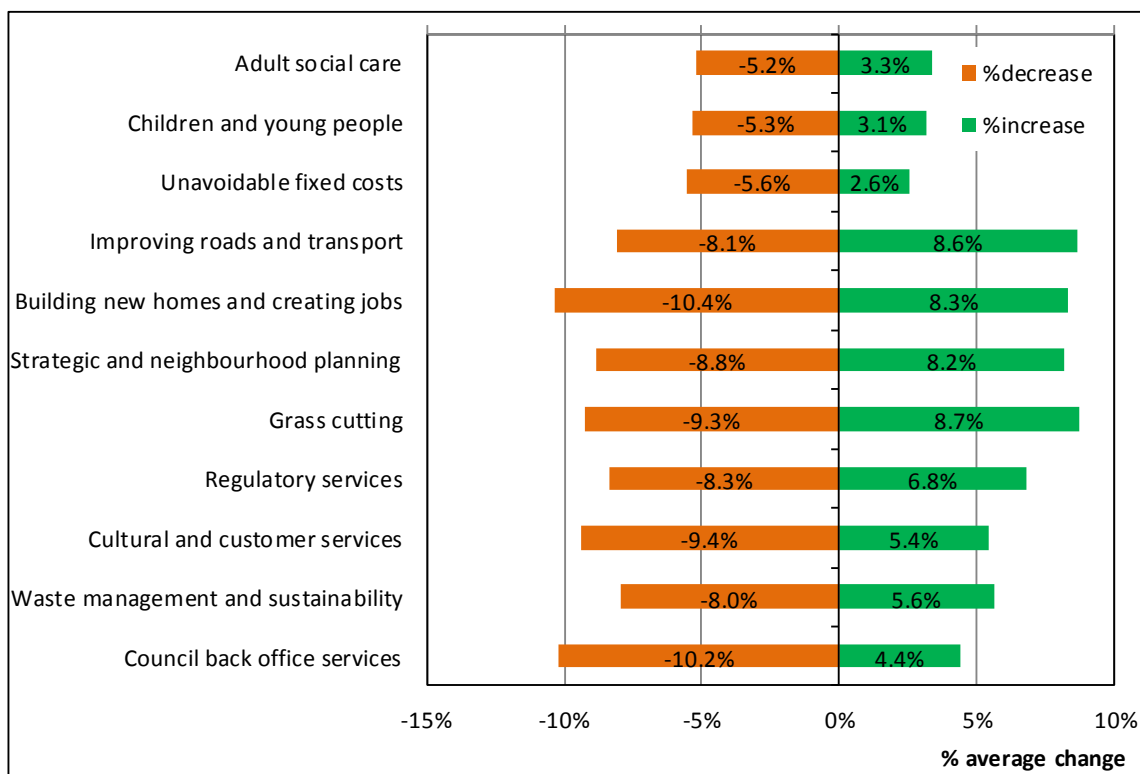


Chart 2: Average increase or decrease to net budget as a proportion of the starting budget for each section



- The budget simulator assumed a council tax rise of 1.99 per cent. Respondents could opt to either keep this the same, decrease or increase it. However the guidance clearly stated that 'If you wish to increase this level, by law we will be required to hold a public referendum, which would incur a significant cost to the council'. The average **council tax change** opted for was a decrease of 2.68 per cent from the starting point, in effect a 0.69 per cent decrease (1.99 – 2.68%).
- Of those who responded to the options for **generating income**, 127 opted to do this from the council tax reduction scheme, 113 by discretionary rate relief and 115 via parking.
- For **efficiency**, similar numbers opted to reshape service functions (121) with a similar number opting for council back office services and the smallest number opting for reducing bus service subsidies (69).

About the respondents

Where given, 62 per cent of the respondents are men (38 per cent women); 12 per cent of respondents are disabled; 86 per cent are 'White British'. Age of respondents ranged from 1 per cent under 18 years old; 7 per cent aged 18 to 24; 23 per cent aged 25 to 34; 24 per cent aged 35 to 44; 27 per cent aged 45 to 54; 11 per cent aged 55 to 64 and 8 per cent aged 65 or over.

