

Delivering our priorities with much less money

Our response to what you told us in the budget consultation

Final

Version 5.1

Background

We know from previous consultations and engagement with local people that

- Local people want to see improvement in access to decent housing they can afford, wages and job prospects and the quality of roads
- Local people also agree that protecting vulnerable people is very important
- Many local people would like us to invest in a range of other services, for example to support art, museums, libraries, public transport and sport

Our priorities are to

- Keep children and young people safe and give them the best start in life
- Enable residents to live safe, healthy and independent lives
- Invest in projects to improve roads, create jobs and build more homes

Our priorities were reviewed and agreed by a series of cross-party working groups of councillors in the summer of 2013.

To meet our priorities we will need to

- Encourage individuals, communities and organisations to do more for themselves and for their local area
- Radically reduce the cost, breadth and level of services we provide
- Ensure the services that we do provide are cost effective

We face unprecedented reductions in our funding from central government. On 29 October 2013 we published our proposals for how we would deliver our priorities over the next three years while making £33m savings.

We asked you to review them.

In particular we asked:

- are there particular groups that will be impacted by these proposals?
- can you suggest ways we could reduce the impact on particular groups while still making the significant budget reductions we need?
- can you give us specific ideas and suggestions about what we or others could do differently to meet our priorities?

The consultation closed on 20 December. We have analysed the responses and published them in a separate report.

Thank you to everyone who took part in the consultation. Cabinet members and senior managers have reviewed all of the comments. There were many specific suggestions about ways we could deliver services differently and more cost effectively which we will consider over the coming months.

Radically reducing costs in our non-priority areas and ensuring the services we do provide are cost effective

A very strong message across the consultation was that people wanted us to be sure we were as efficient and cost-effective as possible. Many people challenged us to reduce our back-office and management costs further. We recognise that people expect the council to operate as efficiently as possible.

We have reduced our organisation by 228 posts in the current financial year. This is on top of 76 posts in the previous financial year. This is a very significant reduction, we have not increased the amount we spend on agency workers over the same time.

We also plan to reduce the use of agency staff across the organisation over the next year and beyond.

We have reduced the cost of making people redundant by capping the payments that people can receive. Previously staff earning more than £23,400 per year received more generous redundancy payments.

Our staff agreed to take 2 days unpaid leave each year which has reduced our wage bill by £225,000 in this financial year.

There are opportunities to increase our income but we must ensure that is done in a fair way. We will continue with our plans to review charging across a wide range of services.

We recognise that many people are concerned that much-valued services will close when the council withdraws funding. We do not agree with this. We believe that services can be maintained or even improved if they are delivered in different ways. For example, the community toilet scheme means that many more conveniences are available to the public across the county.

While most bus routes in Herefordshire are run without council subsidy the rural bus network is largely subsidised. We are committed to reviewing this to ensure best value for the taxpayer. We believe that by having a more coordinated service and developing community transport schemes we can reduce costs. While it may still be necessary to reduce the services which we are able to subsidise, we will work hard to ensure that a core bus network remains.

Further consultation with passengers and communities will be undertaken as the bus network is reviewed.

As a result of the consultation we propose:

We will do everything we can to ensure that the vital 'market day' bus services in rural areas are protected.

We agree with the comments that suggest we could further reduce our core and management costs by more outsourcing and by merging particular service areas with other councils or organisations. We will do as much of that as possible over the next three years.

Council tax and business rates

We recognise that the issue of council tax increases is really important to local people. In particular we received comments about the impact on income-poor working-age people. We believe that the best solution to this is to increase wages in the county and we will be working hard to improve jobs and wages.

We agree with the many comments supporting an increase of council tax on empty and second homes.

As a result of the consultation we propose:

We do not propose to trigger a referendum by planning for a 5% rise in council tax.

We have looked again at the budget for next year. If we did not increase the level of council tax by 1.9% we would have to find an additional £700,000 in savings, on top of the £15.4million we have already identified. Given both the demographic and inflationary pressures and very legitimate concerns raised in other parts of the consultation we will need to raise council tax by 1.9% this year.

Working age people who qualify for council tax reduction will have to pay a bigger share of their bill themselves under our budget. We recognise that this is a big change so we will phase the increases over the next three years.

We will remove the discounts people receive on the council tax bills when their properties are empty. Where properties are empty for two years or more we will charge a premium,. Long-term empty properties will be charged at 150% of the standard council tax rate.

Helping more communities deliver more of their own services

We recognise that local communities, local councils and other organisations face real challenges in taking over responsibility for services that historically Herefordshire Council has delivered.

We agree that we need to do what we can to support communities and the voluntary organisations within Herefordshire in this period of great change to funding. Wherever this is possible, we will give both the opportunity and time to organisations and communities to find new ways of working that allow us to stay within our budget.

Volunteers already play a hugely important role across services and communities. We want to build on that strength and maximise the opportunities for volunteers to become involved in the delivery of services.

As a result of the consultation we propose:

We will be forced to continue to reduce the funding to library services from April 2015. We will work even harder to facilitate the use of self service, online services, greater support from volunteers and user groups, opportunities for trading, and possibly local financial support.

While we do need to change the way we work with voluntary and community groups, we agree with some of the concerns raised and recognise that this will take some time and we would not want to destabilise any group. We do want to be consistent with all the groups in this sector while ensuring best value for the Herefordshire taxpayer.

We believe we can support this sector in many different ways including the transfer of buildings and the provision of training and expert advice. We will phase in funding reductions over the next 3 years to both HVOSS and CAB and work with them to see what other forms of support are available.

We will continue to talk to local councils and community organisations to find opportunities to transfer appropriate buildings and pieces of land to communities.

Investing in projects to improve roads, create jobs and build more homes

We agree with many of the points made in response to this area of the consultation.

In September 2013 we appointed Balfour Beatty as our provider of highways and related services with a commitment to improve services. We have included an additional £20m capital investment in our budget to improve the condition of roads over the next two years and reduce the need for reactive maintenance in future.

We recognise that there is a need for additional housing. We have budgeted to ensure we can deliver significant numbers of affordable units. The majority of new housing will be developed by the private sector but the council will have a key role to play in making sure the infrastructure is in place to enable this.

We also agree that business should lead economic development. The council will have a role to play in making sure the infrastructure that business needs is in place and attracting additional investment into the county. The budget includes capital investment for broadband provision, the link road, and the Enterprise Zone. We will continue to work with the Marches Local Enterprise Partnership to ensure that Herefordshire continues to receive external funding for infrastructure projects.

The council has recently approved the Local Development Framework. This important planning document will enable the building of 16,000 new homes spread throughout the county, the supporting infrastructure, and in particular a western bypass for Herefordshire.

As a result of the consultation we propose:

We have agreed with our partners in the Herefordshire Business Board to support them in holding an economic summit in Herefordshire. This will enable businesses to agree what they will do and what the council will do to deliver many new jobs to Herefordshire.

We will continue the existing business engagement contract with Hereford and Worcester Chamber of Commerce but with a reduced level of funding.

Keeping children and young people safe and giving them the best start in life

We agree with many of the points made in response to this area of the consultation.

We must recruit and retain more social workers. While recognising that we have to be as efficient as possible we also need to recruit and retain experienced social work managers.

We believe that the voluntary sector and local communities have a greater role to play in supporting children. We will be looking to work with and support volunteers across our services.

We don't agree that cultural services funded by the council play a significant role in preventing harm to children and young people.

We will continue to support targeted, evidence based, preventative strategies to support the most vulnerable and ensure best use of taxpayers' money.

We will be investing in public health initiatives which will play a significant role in improving and protecting the health of children.

Enabling residents to live safe, healthy and independent lives

We agree with many of the points made in response to this area of the consultation.

We recognise the crucial role played by many charities. It is better for everyone when communities and voluntary groups play a wider role in supporting adults' wellbeing. We do want to work more effectively with them but this does not mean that we are able to fund them.

Across the county more effective use could be made of general community facilities such as village or church halls, or local pubs.

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Public health became our responsibility in 2013. We have a grant from Public Health England to invest in evidence based initiatives to improve the health of the population, primarily around stopping smoking, increasing active lifestyles and reducing obesity.

With our new public health responsibilities we are reviewing a wide range of preventative services for adults and children and redesigning them to offer the best quality at the best value for money, such as health checks, sexual health services, and drug and alcohol misuse services. We are collaborating with partners across the community to prevent ill health and support people to change their behaviour so their lifestyles become healthier.

Conclusion

As a result of this consultation we propose to vary our proposals in the following ways:

We do not propose to trigger a referendum by planning for a 5% rise in council tax.

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