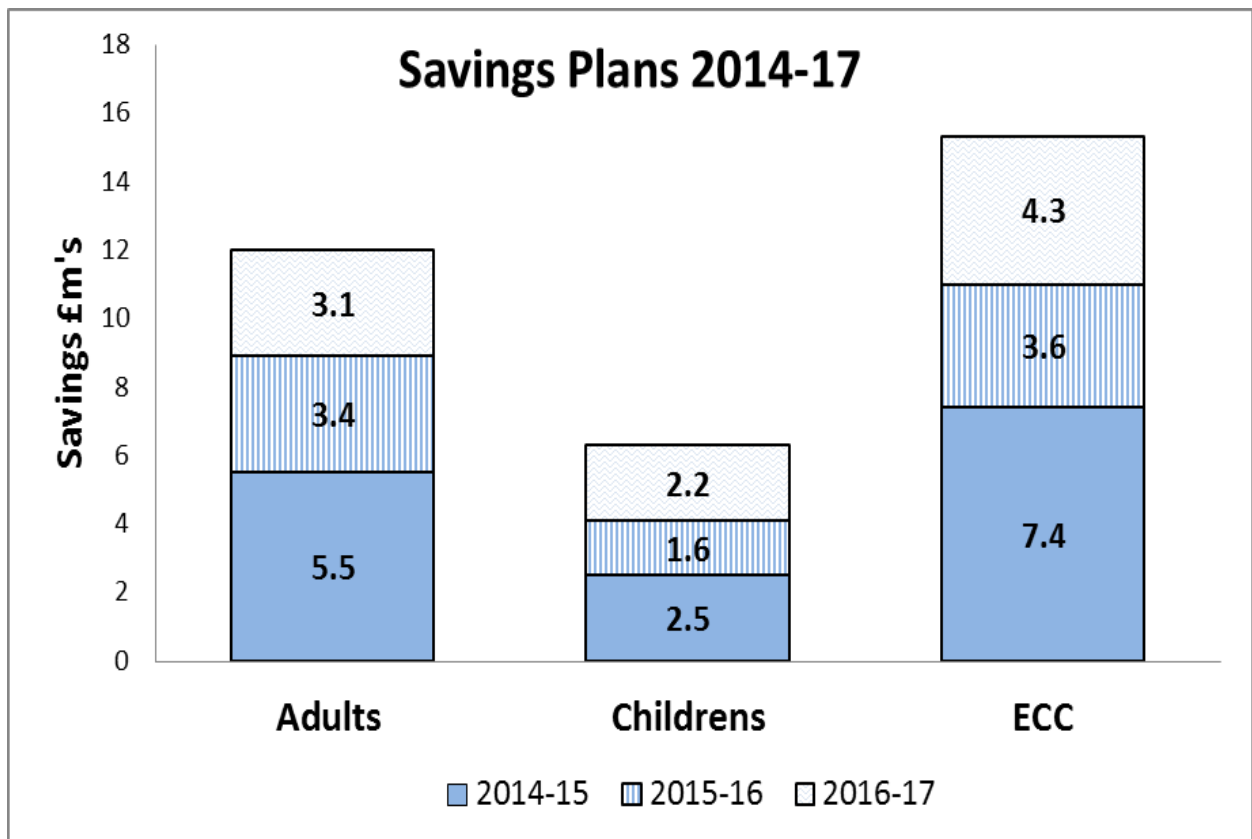


Savings Monitoring 2014-2017

This report sets out performance against savings agreed by Council in February 2014. Savings plans are monitored on a monthly basis.

This report will form part of the future budget monitoring reports to Cabinet – this represents good practice.

The savings targets for 2014-17 are £33.7m. The chart below shows the breakdown by directorate over the 3 years.



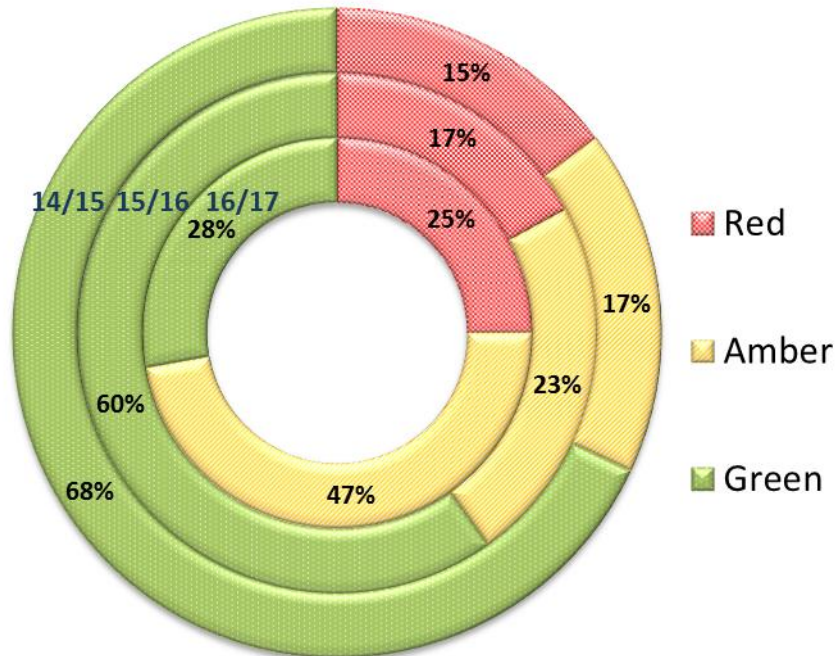
Performance against the Savings Plans in 2014-15

The performance against these targets has been RAG (Red, Amber, and Green). In 2014-15 68% of the £15.3m target will be achieved.

This table and diagram shows the performance for the Council in total.

	Red £000s	Amber £000s	Green £000s	Total £000s
2014-15	2,256	2,635	10,411	15,302
2015-16	1,509	2,036	5,294	8,839
2016-17	2,407	4,554	2,690	9,651
	6,172	9,225	18,395	33,792

Herefordshire Council Savings 2014-17



The details of the savings plans can be reviewed on the following link

http://councillors.herefordshire.gov.uk/documents/s50016921/Appendix%205b_Equality%20Impact%20of%20Budget%20Proposals.pdf

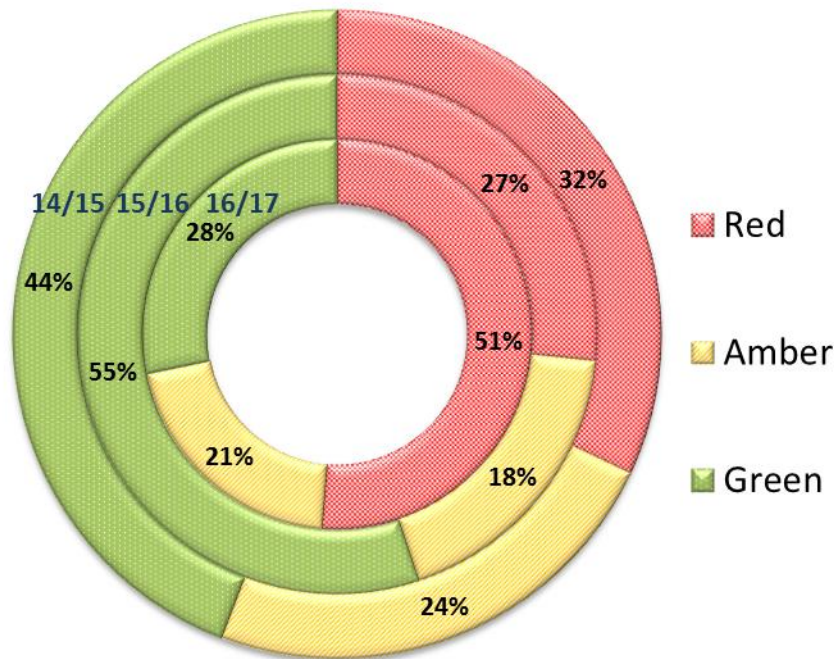
For each directorate the current savings plans have been rated, an explanation of red and amber targets.

Adults & Wellbeing

The Savings target for 2014-15 was £5.5m, and 44% of this has been delivered.

	Red	Amber	Green	Total
	£000s	£000s	£000s	£000s
2014-15	1,760	1,304	2,426	5,490
2015-16	916	625	1,894	3,435
2016-17	1,613	645	888	3,146
	4,289	2,574	5,208	12,071

Adult's Wellbeing Savings 2014-17



2014-15 Savings Plan

Red

- **Managing Demographic Pressures** – AWB has experienced a growth in demand for services during the current year at a faster rate than the overall national level. Whilst effective management of the service has kept pace with the increase in demand, it has made it impossible to deliver the expected saving in addition.
- **Resource Allocation System (FACE RAS)** – Initial testing of assessments under the new FACE RAS showed an expected reduction of approximately 10% in the value of assessed need. In practice, most cases being reviewed / reassessed have been due to a change in circumstance which has often resulted in a higher assessment of need. This has led to only partial delivery of the expected saving. Additional resources have been sourced to expedite the reassessments required and it is hoped that this will help to deliver the forecast savings in 2015/16
- **Removal of funding for non-eligible users** – the introduction of FACE RAS was expected to result in a number of service users no longer being eligible for services. The removal of non-eligible users is reliant upon re- assessments and there is currently a delay in delivery due to competing project priorities which have led to workforce capacity issues resulting in delays, those reassessments that have taken place indicate that a lower proportion of service users will prove to be non eligible than was originally expected.

Amber

- **Next stage integration** – these contracts have all been awarded but will require strong contract management in order to ensure that the expected level of savings are achieved. Partial savings will definitely be realised but the community equipment contract, in particular, is putting full benefits realisation at risk.
- **High cost care packages** – delivery of this saving is now being monitored through a regular weekly placement panel. High cost packages are now being targeted and it is hoped that the savings target will now be met.
- **Contract changes** – The expected saving in this area will only be partially delivered in 2014/15 due to staff changes / vacancies which led to a delay in the renegotiation / re-procurement of some contracts

2015-16 & 2016-17 Savings Plans

Red

- **Managing Demographic Pressures** – AWB has experienced a growth in demand for services during 2014/15 and demographic modelling shows that this trend is likely to continue into future years. Alternative savings plans have been proposed for 2015/16 as this saving is no longer considered to be deliverable.
- **FACE RAS** – Additional resources have been sourced to expedite the reassessments of service users whose needs have not changed significantly since the introduction of FACE RAS but who have not yet been reassessed. It is hoped that this together with a revised savings target for this project will make the savings outlined for future years achievable.
- **Removal of funding for non-eligible users** – the introduction of FACE RAS was expected to result in a number of service users no longer being eligible for services. The savings targets associated with this project have been reduced to a more realistic level as part of the 2015/16 budget setting process

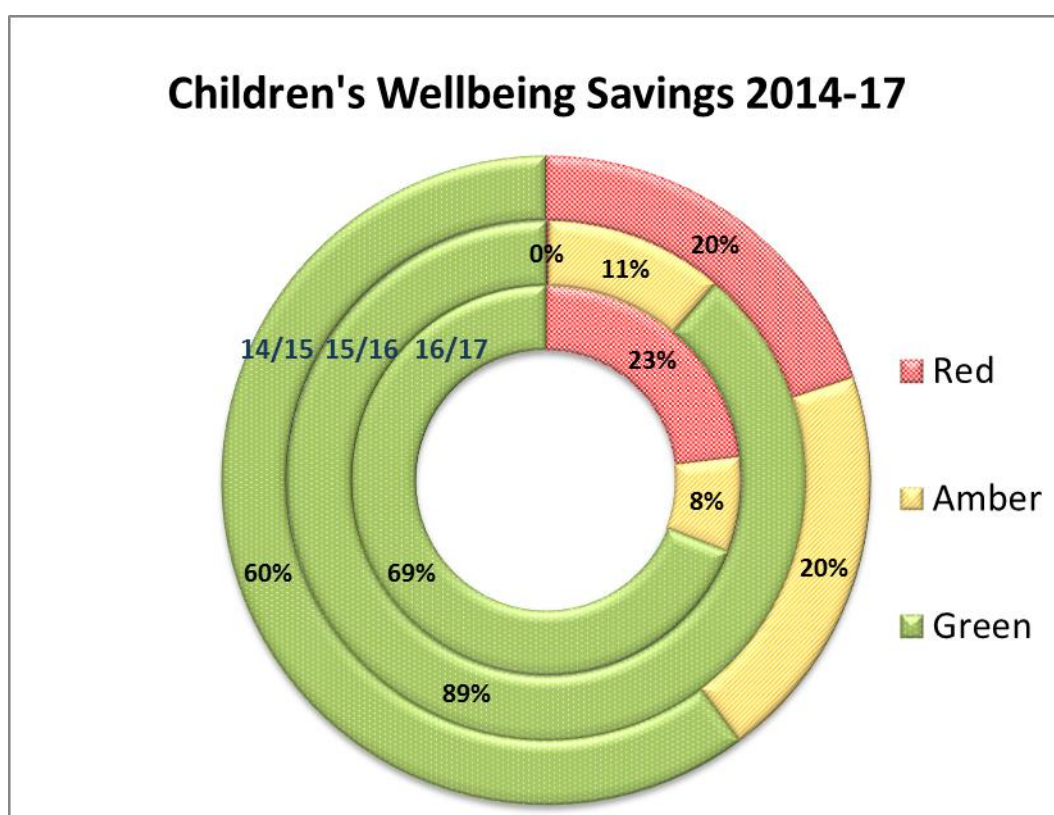
Amber

- **Next stage integration** – strong contract management will need to continue in future years to ensure that the expected level of saving is achieved and maintained.
- **High cost care packages** – delivery of this saving target is now being managed and monitored through a regular weekly placement panel. As long as this remains in place and accepts robust challenge of all high cost / above RAS package proposals it is expected that this savings target will be deliverable.

Children's Wellbeing

The savings target for 2014-15 is £2.5m, 60% has been delivered.

	Red	Amber	Green	Total
	£000s	£000s	£000s	£000s
2014-15	496	499	1,505	2,500
2015-16	3	181	1,448	1,632
2016-17	516	176	1,544	2,236
	1,015	856	4,497	6,368



2014-15 Savings Plans

Red

- Despite an increase of 12% of the number of children in care, placement costs for Looked after Children have been maintained in year. However, as a result of this increase, additional savings have not been achieved. The start of the Herefordshire Intensive Placement Support Service (HIPSS) will support delivering future savings.

- The NQSW programme is performing well. This is enabling release of some staff. There has also been successful recruitment of permanent staff into some management positions. The decision to reduce caseloads for social workers together with a growth in cases in the Children with Disabilities service has meant that the number of agency staff has not reduced as fast as originally planned. A five point approach is being taken to identify how to accelerate a reduction in cost whilst maintaining manageable case loads, low turnover and better quality.

Amber

- 70% of the Business Support savings have been achieved. A review of the service has identified the need for resource to deliver an efficient service.
- The contract savings for short break has been achieved; however there is additional pressure from the provision of services from Ledbury Road.
- Management restructure savings have not been fully implemented, this is under review.

2015-16 & 2016-17 Savings Plans

Amber

- Savings delivered through the Children in Need and Multi Agency Safeguarding Hub restructures relies on appointing permanent social workers rather than agency staff.
- The care strategy and adoption strategy both place reliance on finding carers who are able to provide places. Additionally identifying children suitable for the HIPSS approach will enable the savings to be delivered.

Red

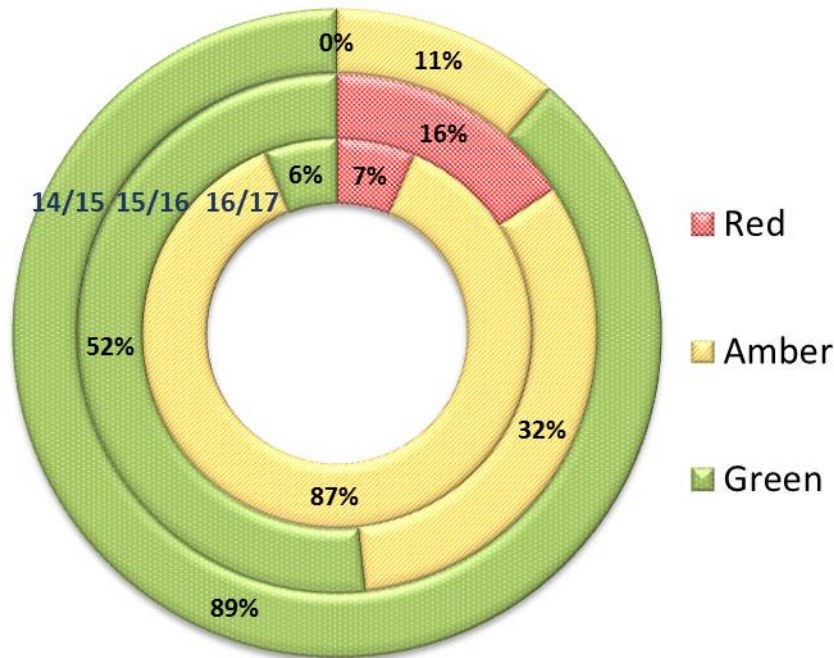
- The savings plans for Social Impact bonds have not been scoped, however alternative options are being considered.

Economy, Communities & Corporate

The Savings target for 2014-15 is £7.3m, 89% has been delivered.

	Red	Amber	Green	Total
	£000s	£000s	£000s	£000s
2014-15	-	832	6,480	7,312
2015-16	590	1,230	1,952	3,772
2016-17	278	3,733	258	4,269
	868	5,795	8,690	15,353

ECC Savings 2014-17



2014-15 Savings Plans

There are no savings plans currently rated RED and only 11% rated AMBER

Amber

- There are currently pressures on the Public Realm contract budget in relation to grass cutting. Whilst this is being met from the corporate contingency budget and in year underspends, this will need to be mitigated in future years.
- There are currently pressures on maintenance budgets within Property Services which are being managed within Directorate budgets but put risk on fully delivering the savings plan.

2015-16 Savings Plans

Red

- This risk mainly relates to the saving due from the Council Tax reductions scheme and is subject to Council decision in December 2014.
- There is also risk around the achievement of Home to School transport saving based on increasing parent/carer contributions for discretionary riders. This has not yet been agreed.

Amber

- Whilst Car parking income levels have improved and are likely to contribute £300k towards the savings target for 15/16 of £600k, further increases to

parking charges are not yet agreed. There is also risk on the on-street parking project.

- Whilst progress has been made on identifying a Community Interest Company to manage the Queenswood and Bodenham Lakes site, this has not yet been agreed.
- A plan to deliver £500k savings over two years within the Transportation team is currently being developed.

2016-17 Savings Plans

Red

- This risk mainly relates to the saving due from the Council Tax reductions scheme and is subject to Council decision in December 2015.

Amber

- The risk in 2016/17 mainly relates to savings on borrowing cost as a result of achieving £60m capital receipts from sale of Council's smallholding and other surplus properties. This plan is currently being developed and is likely to lead to re-profiling of the saving over a longer period which has been included in the draft medium term budget plan.