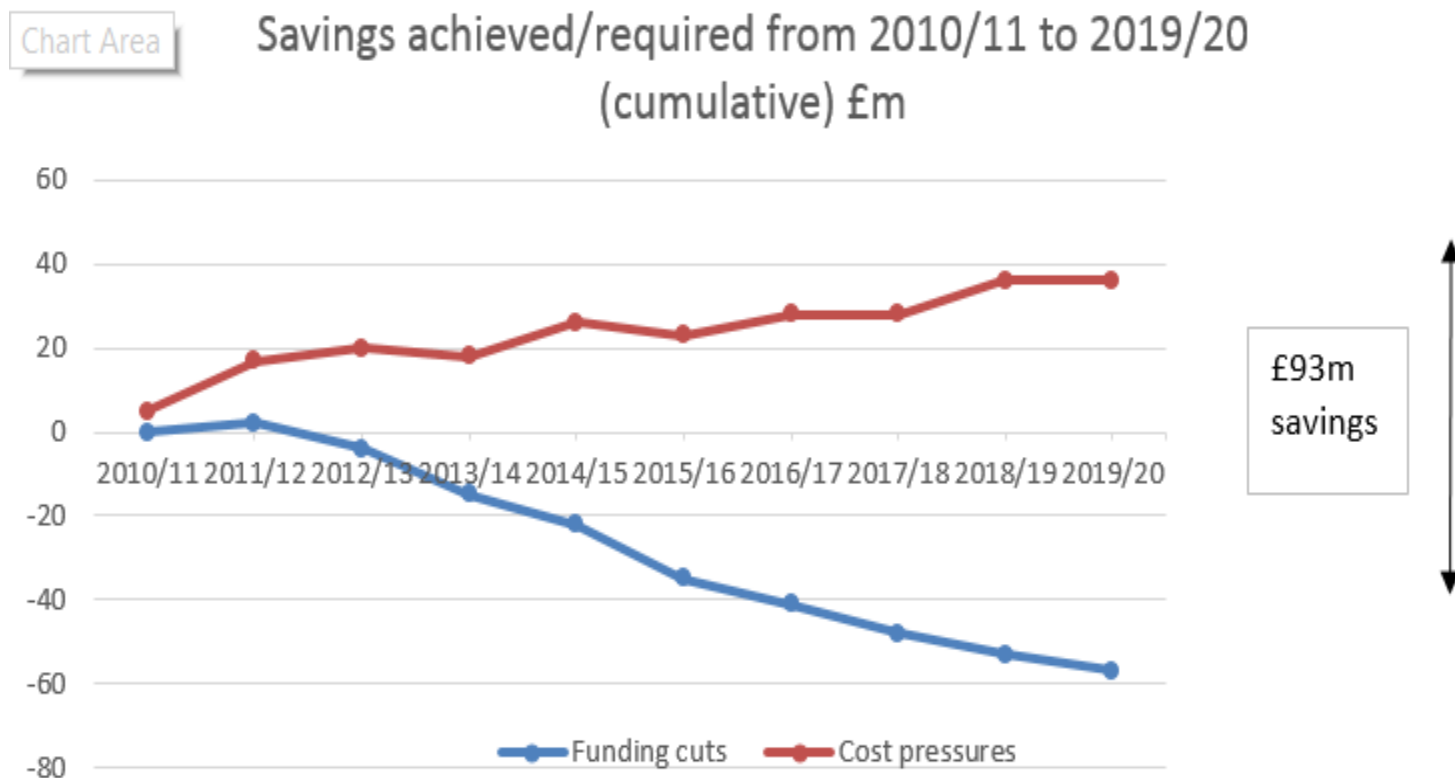


**2019/20 Budget
General
Scrutiny Committee**

30 November 2018

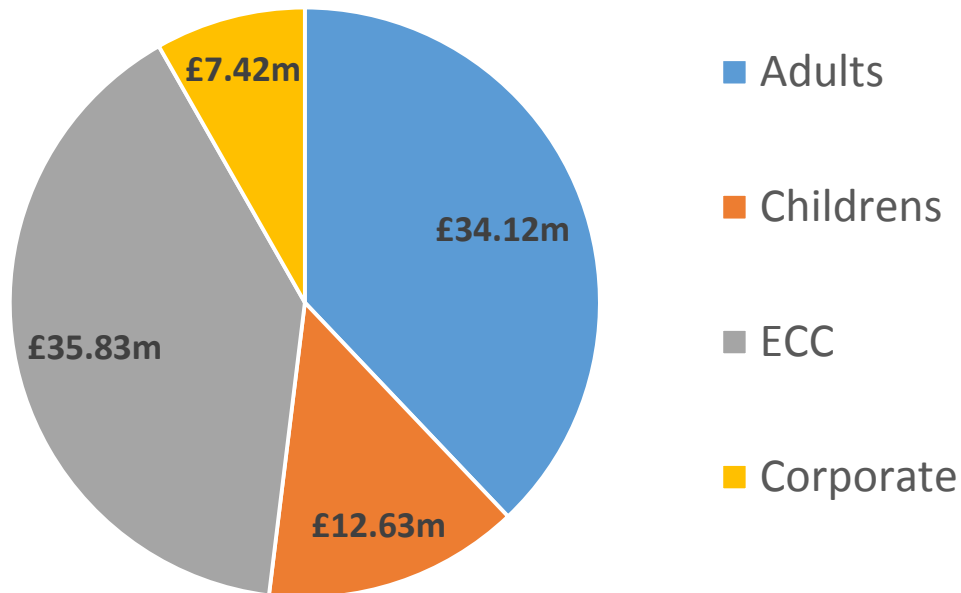
What we have delivered...

- Reduction in revenue support grant



£90m of achieved savings by 18/19

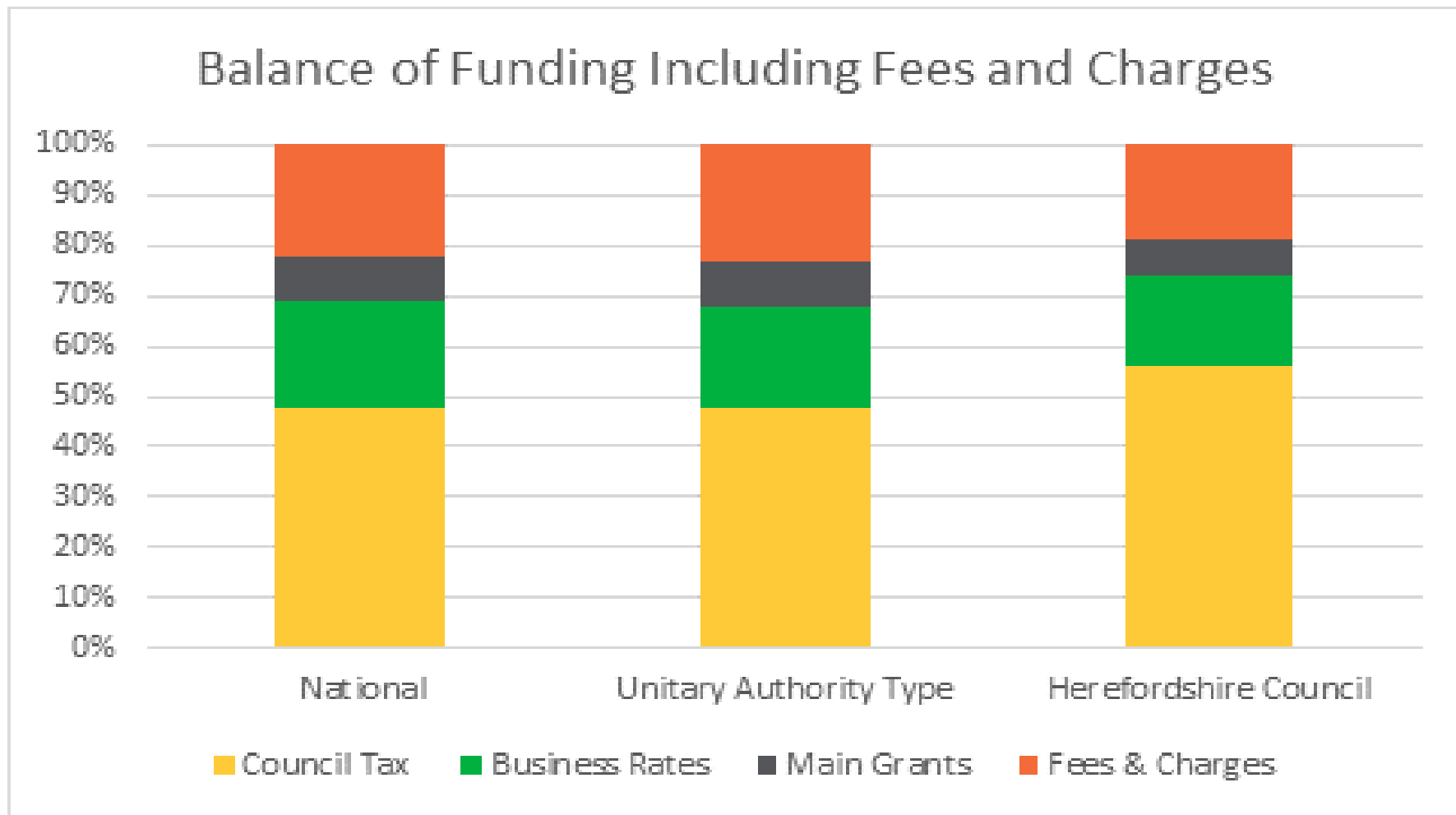
£90m of Savings by directorate



£77m of savings made between 2010 and 2017/18. A further £13m made in 2018/19

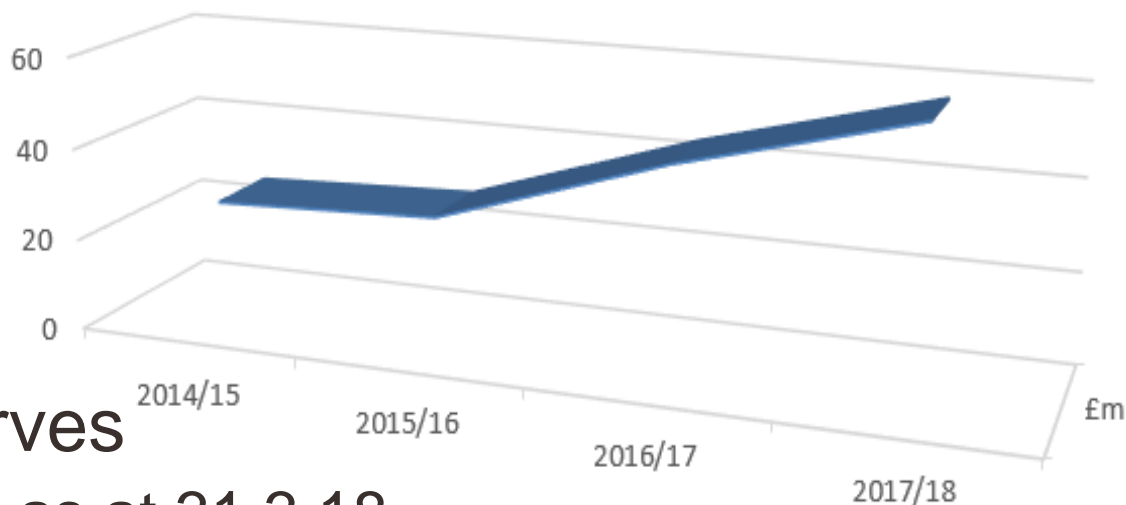
The current saving requirement for 2019/20 - 21/22 is £8m

Indicator of financial resilience



Where we are...

earmarked reserves



- Earmarked reserves

- Totalled £50.7m as at 31.3.18
- Cabinet reviewed in June 2018

- Going forward to be uplifted in 2018/19:-

- £3.8m financial resilience reserve (MRP savings)
- £2.3m additional final 2018/19 settlement monies

Net Revenue Budget 2019/20

	£k
Council Tax assumed 4.9%	103,908
Business rates	35,457
Revenue support grant	620
Collection fund surplus (one off)	500
New homes bonus	2,029
Rural services delivery grant	4,093
Adult social care grant (one off)	2,380
Total net budget	148,987

The Base Net Budget requirement

Directorate	18/19 revised base £k	Pressures £k	Savings £k	Base Budget £k
Adults and Communities	52,087	5,288	(700)	56,675
Children and families	23,958	3,427	(200)	27,185
Economy and Place	34,046	1,417	(2,517)	32,946
Corporate Services	9,424	146	(315)	9,255
Total Directorate	119,515	10,278	(3,732)	126,061
Central	24,609	(1,483)	(200)	22,926
Total Net Budget	144,124	8,795	(3,932)	148,987

Base budget for 2019/20

	Revised base budget	Savings	Contract inflation pressure	Feasibility	Pay inflation pressure	Other movements	Total
	£k	£k	£k	£k	£k	£k	£k
Economy and place	34,046	(2,517)	774	100	543	0	32,946
Corporate services	9,424	(315)	13	0	133	0	9,255
Sub total:	43,470	2,832	787	100	676	0	42,201
Central	24,609	(200)	0	0	0	(1,483)	22,926
Total:	68,079	3,032	787	100	676	(1,483)	65,127

Savings plan targets for 2019/20

	Total	E&P	Corporate services	Central
	£k	£k	£k	£k
Workforce and delivery savings	237	178	59	200
Efficiency savings	430	394	36	0
Reduced cost of transport	225	225	0	0
Phased removal of subsidies to parish councils	100	100	0	0
Waste & sustainability	30	30	0	0
Savings in museums and archives	250	250	0	0
Accommodation strategy	360	360	0	0
Procurement savings	500	500	0	0
Public Realm savings	200	200	0	0
Base budget realignment	500	280	220	0
Total	3,032	2,517	315	200

Economy and Place

Particular focus on Corporate Plan priorities to:

- **Support the growth of our economy;**
- **Secure better services, quality of life and value for money**

Through:

- Delivery of Core Strategy and Economic Vision
- Efficient and effective delivery of place services

Delivery of strategic capital projects to support Economic Vision

- Total E&P capital programme funding (2018/19 – 2021/22) £171.6m:
- Projects include:
 - South Wye Transport Package
 - Hereford City Centre Transport Package
 - Hereford Transport Package
 - Development and Regeneration Partnership projects
 - Investment at Hereford Enterprise Zone
- New capital programme funding requests due to be considered at February 2019 Council (totalling £27.1m for E&P from 2019/20 – 2021/22)

Maintaining essential assets - Extra highways monies

- Budget 2018 – Government is allocating £420m for local highways maintenance (£5.108m for Herefordshire)
- This new capital funding is on top of the funding allocated to highway authorities for local highways maintenance
- £2.608m will deliver work already programmed in 2018/19 and £2.5m will deliver additional in year resurfacing work
- The £2.608m can be utilised into 2019/20 to deliver pothole patching work and a programme of surface treatments
- This approach will enable us to meet Government's spend criteria and ensure that we invest in our capital programme in accord with our Asset Management Strategy and in a way that achieves better value for money

2019/20 Assumptions

- Council Tax increase of 4.9% for 2019/20 (includes 2% adults precept)
- Improved better care fund (ibcf) £5.7m (£4.5m Adults and £1.2m new schemes).
- Public Health grant of £9.0m
- Placement cost in Adults and Childrens based on current service users in August 18.

Running different race 2020/21 onwards

- Comprehensive spending review;
- Continuance of Adults precept or 2% extra on core?;
- Green paper – Adults Social Care;
- Schools High Needs block pressures;
- ICBF / BCF replaced?;
- Market changes;
- Business rate retention – work in progress – local determination of reliefs:

Running different race 2020/21 onwards

- Spend to save changes coming on stream;
- Assumption that efficiencies will service part of pressures;
- Financial resilience reserve funding spend to save projects.