

**Budget 20/21 and corporate  
priorities (2020 -2024)**

General Scrutiny committee

*29<sup>th</sup> November 2019*

# Development of corporate priorities



**Herefordshire Council** *Our ambition for Herefordshire*



“Respecting the past, shaping our future - we will help build vibrant **communities**, create a thriving local economy and protect and enhance our **environment**”.



**Community**  
**Build communities to ensure everyone lives well and safely together**

- Ensure all children are healthy, safe and inspired to achieve
- Help keep our families and communities healthy and independent
- Ensure that children in care, and moving on from care, are well supported and make good life choices
- Protect and improve the lives of vulnerable adults
- Join up health and social care services in communities
- Create environments that make wellbeing inevitable
- Use technology to enable independent living
- Get the right mix of housing for our communities
- Build our own sustainable council houses



**Economy**  
**Support an economy which builds on the county's strengths and resources**

- Use council assets to create more jobs
- Develop environmentally sound infrastructure that attracts investment to our county
- Invest in education and the skills needed by employers
- Raise the average wage of people working in Herefordshire
- Encourage younger people to build their lives here
- Enhance digital connectivity for communities and business
- Protect and promote our heritage, culture and natural beauty to increase tourism and attract new businesses
- Invest public money locally wherever possible



**Environment**  
**Protect our environment and keep Herefordshire a great place to live**

- Understand our carbon footprint and act to reduce it
- Lead our transition to a low carbon economy
- Improve and extend travel options throughout the county
- Ensure the best use of the county's natural resources
- Reduce waste and increase reuse, repair and recycling
- Protect the county's biodiversity, value nature and uphold environmental standards
- Address the climate emergency and support behaviour change of residents and businesses

**Our principles**

**Partnership** | We collaborate to maximise our strengths and resources  
**Sustainability** | We use resources wisely so Herefordshire is preserved for future generations  
**Integrity** | We make decisions based on evidence and work with respect, openness and accountability  
**Democracy** | We strengthen local democracy, decision making and service delivery and involve more young people  
**Communication** | We listen to and learn from our communities and help people connect through culture, creativity and care

 hfdscouncil [www.herefordshire.gov.uk](http://www.herefordshire.gov.uk)

- Series of workshops held to develop the overarching plan and identify the key themes of Economy, Community, Environment
- “1 page plan” developed to set out the ambition of the council and the principles of ways of working
- The themes and 1 page plan then tested through a series of public engagement events held throughout the county
- Public engagement feedback is continuing to inform the proposed budget 20/21, corporate plan and MTFS

# Key themes

Priority theme	
<b>Sustainability (environmental)</b>	Enabling the county to operate differently/different future offer – fundamental review of Core Strategy Alternative travel options Sustainable house building
<b>Sustainability (financial)</b>	Investing money from small holdings principle must provide long term return on investment
<b>Connectivity</b>	Public transport schemes to connect city and market towns and complement regional and national networks Development of walking and cycle networks to enable alternative travel options Development of network of physical places (community hubs) for people to connect face to face Digital connectivity to enable the use of assistive living technology and online trading

# Public engagement – approach taken and feedback

- 16 Pop-up events in all Market Towns in high footfall locations
- Voting on 6 priorities using tokens in ballot boxes
- Sticky dot exercise for sub-priorities
- Comments sheet
- 3 small group discussions with seldom heard groups
- 1 roundtable group discussion (Parish Summit)
- On-line consultation replicating pop-up methodology

## Numbers engaged

- **1,056** people engaged in face-to-face consultation
- **271** young people engaged (19% of total no. engaged)
- **358** people engaged in on-line consultation
- Total number of people engaged in consultation **1,414**

## Net Revenue Budget 2020/21

	£k
Council Tax assumed 4%	109,397
Business rates	36,726
Rural services delivery grant	5,101
Adult social care grant	4,875
<b>Total net budget</b>	<b>156,099</b>

# Budget proposals

		£000s
<b>Funding:</b>		
	4% Council Tax	
	Provisional settlement	
	Deferral of rate retention	
	<b>MTFS Base Budget</b>	<b>146,601</b>
Known pressures	Contract inflation	
	Fee uplift	
	Increments	5,055
	Savings	(2,350)
Additional pressures	Looked after children	1,100
	Social care pool	2,054
	Legal structure	350
	Edge of Care	1,000
	Improving social care services	1,000
	<b>Base Budget requirement</b>	<b>154,810</b>
	<b>Funding for Wish list / Pressures</b>	<b>1,289</b>

## The Base Net Budget requirement

Directorate	19/20 revised base £k	Pressures £k	New Initiatives £k	Savings £k	Base Budget £k
Adults and Communities	53,965	2,717	200	(600)	56,282
Social care pool			2,054		2,054
Children and families	27,185	714	3,100	(300)	30,699
Economy and Place	27,594	1,364	1,070	(873)	29,155
Corporate Services	15,086	169	425	(77)	15,603
<b>Total Directorate</b>	<b>123,830</b>	<b>4,964</b>	<b>6,849</b>	<b>(1,850)</b>	<b>133,793</b>
Central	22,771	91	(56)	(500)	22,306
<b>Total Net Budget</b>	<b>146,601</b>	<b>5,055</b>	<b>6,793</b>	<b>(2,350)</b>	<b>156,099</b>

## Economy and Place

	19/20 revised base £k	Savings £k	Contract inflation £k	Core strategy review £k	Other new initiatives £k	Total £k
Proposed budget	27,594	(873)	1,364	600	470	29,155

## Corporate

	19/20 revised base £k	Savings £k	Contract inflation £k	Legal structure £k	Community engagement £k	Digital infrastructure £k	Total £k
Proposed budget	15,086	(77)	169	350	50	25	15,603

## Central

	19/20 revised base £k	Savings £k	Contract inflation £k	Council tax charging policy £k	Total £k
Proposed budget	22,771	(500)	91	(56)	22,306



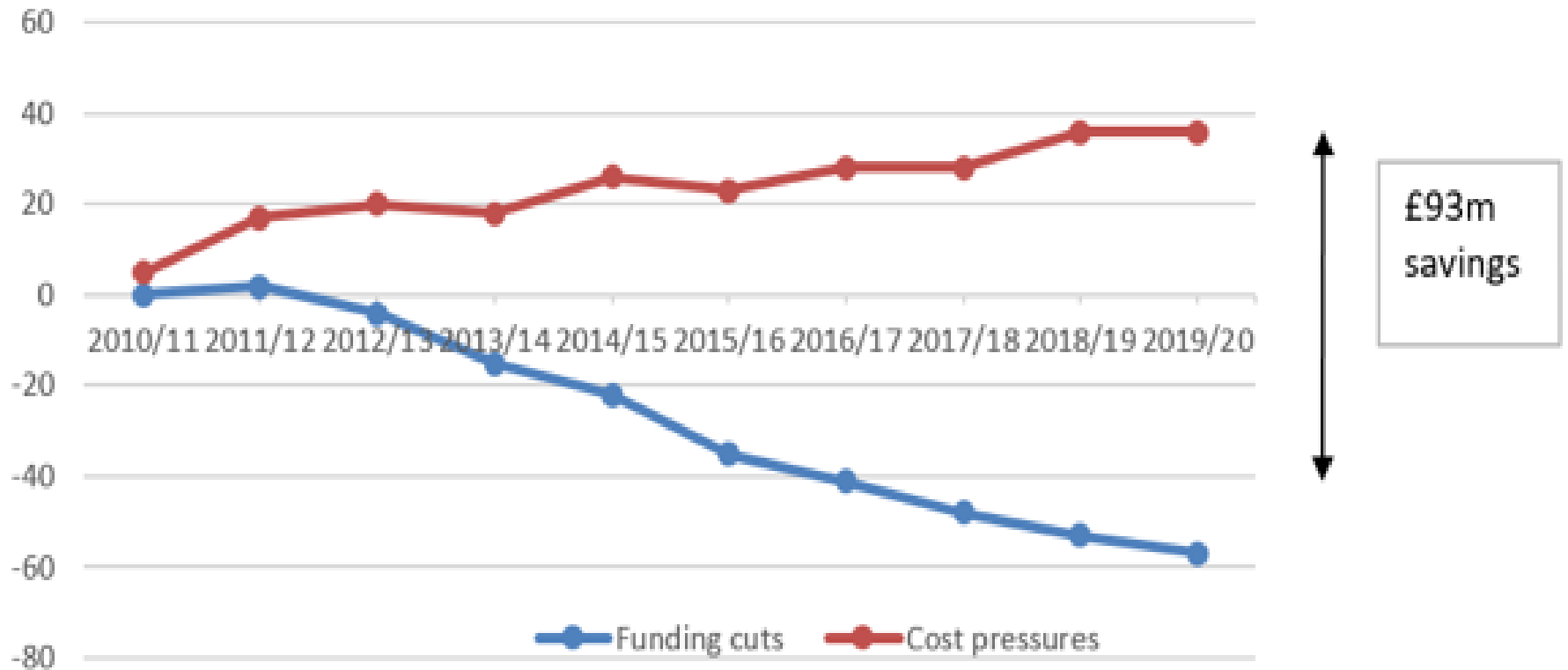
# Savings

- The 2020/21 savings target of £2.4m is on track to be delivered
- It is proposed to amend the savings plan to remove the £250,000 savings from Museums and Archives to be replaced with contract efficiencies that have been identified within the public realm contract

# 2020/21 Assumptions

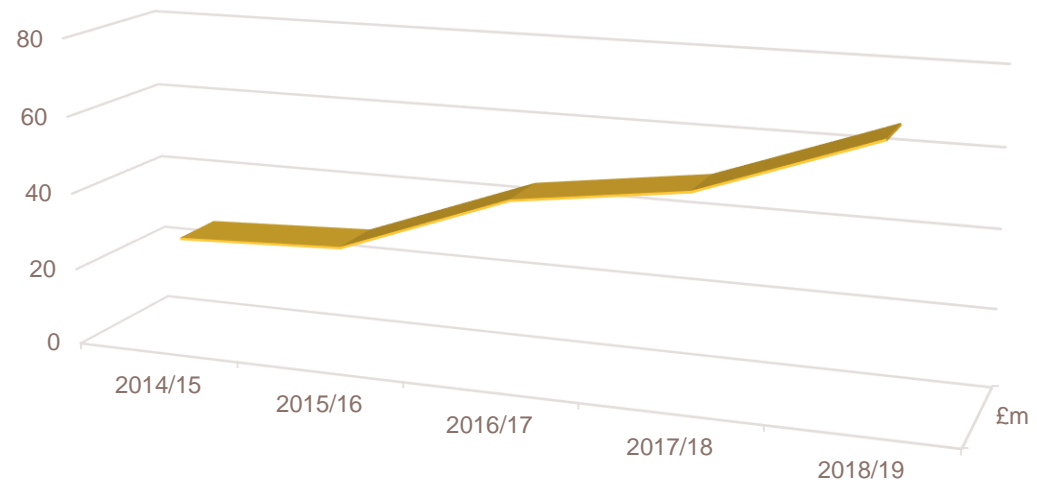
- 4% increase in Council Tax ( 2% general, 2% Adults Social Care) Band D = £1,575.29 increase of £1.17 per week;
- Improved better care fund (ibcf) £5.7m (£4.5m Adults and £1.2m new schemes);
- Public Health grant of £9.2m, ring fence to continue;
- The Governments proposed local government settlement for 2020/21 included;
- Business rate reform and fair funding review delayed;
- The savings for 2020/21 outlined in the MTFS agreed in Feb 2019 are delivered;
- 200 additional new homes above assumed growth in new homes included in MTFS :

## Savings achieved/required from 2010/11 to 2019/20 (cumulative) £m



# Where we are...

## earmarked reserves



- Earmarked reserves

- These include unspent grants (e.g. Dedicated Schools Grant £8.9m)
- Established for specific future commitment
- Expected to total £66.7m as at 31.3.19
- Cabinet to review annually, last reviewed in Oct 2019

Charges per month (average Band D property)  
2019/20 Monthly Council Tax receipt

<b>** Daily life **</b>	<b>£'s</b>
* Bin collections and Environment	13,72
* Roads, bridges and care of public spaces	7,35
* Schools and education	104,61
* Buses and community transport	6,39
* Libraries, records and customer services	1,30
<b>** Looking after adults **</b>	
* Older People in residential/nursing care	13,28
* Older people supported at home	9,17
* Disabled adults	27,55
* Lifestyles services (substance abuse, sexual health)	2,64
* Health improvement (Public Health nursing, health checks, smoking cessation)	5,61
* Housing	0,52
<b>** Looking after children **</b>	
* Child protection	4,72
* Children in care	15,19
* Children with special needs	3,53
<b>** Local government running costs **</b>	
* Election, governance and legal services	3,24
* Directors & Staff costs	0,65
* Organisational administration	1,41
* IT, Transactions and billing (Hoople)	5,19
* Insurance and property maintenance	5,08
* Capital finance - Debt repayment	7,35
* Capital finance - Interest payments	7,20
<b>** Economic growth **</b>	
* Economic development and regeneration	1,27
* Broadband - rural rollout	0,13
* Planning	2,42
	<b>249,52</b>
*****	
<b>** VOUCHER **</b>	
<b>** Other income to supplement council tax **</b>	
* Investment Property income	-2,92
* Car parking	-5,33
* Planning	-2,10
* Capital finance - Interest received	-2,01
* Public Health grant	-7,70
* National Education funding (schools)	-103,24
*****	
<b>TOTAL TO PAY (per month)</b>	<b>£126,22</b>
*****	
MORE INFORMATION AT	
WWW.HEREFORDSHIRE.GOV.UK/COUNCILTAX	
01/04/19 09:00 1234 23 42	
*****	

# Current spending - Till Receipt

	20-21 £s		20-21 £s
<b>** Daily life **</b>		<b>** Local government running costs **</b>	
* Bin collections and Environment	13.87	* Election, governance and legal services	3.50
* Roads, bridges and care of public spaces	6.97	* Directors & Staff costs	0.56
* Schools and education	99.16	* Organisational administration	1.39
* Buses and community transport	5.97	* IT, Transactions and billing (Hoople)	5.25
* Libraries, records and customer services	1.22	* Insurance and property maintenance	4.84
<b>** Looking after Adults **</b>		* Capital finance - Debt repayment	6.97
* Older People in residential / nursing care	14.39	* Capital finance - Interest payments	9.57
* Older people supported at home	9.89	<b>** Economic growth **</b>	
* Disabled adults	28.92	* Economic development and regeneration	1.74
* Lifestyles services (substance abuse, sexual health)	2.84	* Broadband - rural rollout	0.15
* Health improvement (Public Health nursing, health checks, smoking cessation)	5.67	* Planning	0.35
* Housing	0.53		<b>246.32</b>
<b>** Looking after children **</b>		<b>Income that supplements council tax</b>	
* Child protection	4.29	* Investment Property income	(2.94)
* Children in care	14.97	* Car parking	(5.42)
* Children with special needs	3.31	* Capital finance - Interest received	(2.01)
		* Public Health grant	(7.70)
		* National Education funding	(96.98)
			<b>131.27</b>

# Proposed areas for investment

Title	Narrative	Revenue costs				Capital investment	Capital Bid £000s
		2020-21 £000s	2021-22 £000s	2022-23 £000s	2023-24 £000s		
1 Assisted living	Implementing technology enabled living (TEL) at scale	Funded from reserves				x	1,500
2 Super-hubs	Super hubs to support communities. Capital investment plus resource to manage and develop community engagement.	200				x	2,000
3 Tourism	Tourism - Destination Business Improvement District (BID development)						
	Tourism - Marketing and Visit Herefordshire website budget allocation						
	Fund for staffing to deliver the Leominster Heritage Action Zone project	200	40	40		x	3,800
4 Community Engagement	Creating a greater understanding within services of what will make a positive difference to people's lives. Resource for staff and engagement promotion	50	50	50	50		
5 Employment Land & Incubation Space	The acquisition of employment land would facilitate the expansion or relocation of local businesses potentially leading to a higher business rates income and the generation of more and better paid jobs. delivery options, legal implications, market assessments, constraints.	100	100	100		x	13,631
6 Leominster Urban Extension	Completing the design, approvals and business case for the Leominster Southern Transport Package would result in the council having a definitive infrastructure package, including sustainable measures.	Deferred				x	
7 Core strategy review	Full review, assessed needs of the county. Staff resource and evidence based research. Including transport options for cycling and walking and new schemes such as Eastern Link	600	500	500	550		-
8 New models of Housing	Undertake evaluation of directly investing in the development and delivery of new homes including homes for private rent, market sale and affordable housing. Cost for a consultant to develop options.	Funded from reserves				x	800
9 Public transport service	Revenue budget to protect existing bus services and frequencies	100	100			x	8,500
10 Council Tax charging policy	Variation to the local council tax discount scheme. The policy decision change could increase the council tax income.	(56)	(100)	(100)	(100)		
11 Digital – Transformation, infrastructure and knowledge management	More services delivered digitally including linked to back office systems. More people using the internet to access services. Digital Transformation Unit – to really drive digital transformation it needs a dedicated team to work with services to change how they operate		400	280	280		
	Fibre network across Herefordshire for businesses to be able to trade globally. Households to be connected to support learning, communication, access to services and aid health and well being. Greater adoption and exploitation of the existing and planned fibre network.	25	25	25	25		
	Work to integrate data, internally between service areas within the council and alongside partners (such as health), and application of artificial intelligence, will allow the opportunity for a better understanding of our residents and allow us maximise preventative opportunities for individuals, families and communities, and inform decision making.		500	150	150		-
12 Energy models and green energy efficiency	Renewable heating technologies: Biomass (wood fuelled) boilers, Biomass pellet stoves with integrated boilers providing space heating, Ground to water heat pumps, Air to water heat pumps, Solar thermal panels	Manage within existing budget					
13 Climate change	Continue natural flood management work within the 7 (current) catchment areas beyond March 2021 and extend the offer and grant funding all across Herefordshire	70	70				
<b>Total of Revenue</b>		<b>1,289</b>	<b>1,685</b>	<b>1,045</b>	<b>955</b>	<b>0</b>	<b>28,731</b>

# Economy & Place New Initiatives funding

Revenue funding has been allocated to fund new initiatives - £1,070k in 20/21

	<b>New Initiative</b>	<b>20/21 £000</b>
4 5 6	Tourism - Destination Business Improvement District (BID development) Tourism - Marketing and Visit Herefordshire website budget allocation Fund for staffing to deliver the Leominster Heritage Action Zone project	200
8	Employment Land & Incubation Space The acquisition of employment land would facilitate the expansion or relocation of local businesses potentially leading to a higher business rates income and the generation of more and better paid jobs. delivery options, legal implications, market assessments, constraints	100
10	Core strategy review Revised plan, assessed needs of the county. Staff resource and evidence based research	600
13	Public transport service Revenue budget to protect existing bus services and frequencies	100
21	Climate change Continue NFM work within the 7 (current) catchment areas beyond March 2021 and extend the offer of NFM solutions and grant funding all across Herefordshire, thus enabling us to further develop an integrated approach to flood management with other initiatives/organisations, e.g. Farm Herefordshire, Wye Catchment Partnership and Herefordshire Nutrient Management Plan	70
	<b>Total Funding</b>	<b>1,070</b>



# Tourism and Leominster Heritage Action Zone

£200k revenue to be spend on

- Supporting the tourism industry to develop their own Destination Business Improvement District providing support across the whole county
- Maintaining support for Visit Herefordshire ahead of the outcome of the Destination Business Improvement District
- Supporting the development and implementation of the Leominster Heritage Action Zone project

£3.8m capital for Leominster Heritage Action Zone project to achieve vision for Leominster to become one of the country's more sustainable towns, includes refurbishment of the town centre

# Employment Land and Incubation Space

£100k revenue has been allocated together with £13.6m capital

Will enable the growth of the Herefordshire economy addressing the lack of provision of suitable employment land and business space in market towns. The allocated budget will

- Prepare the business case for employment land and business incubation space including seeking external funding
- Bring forward suitable high quality employment land and business space in the market towns facilitating the expansion or relocation of local businesses

# Transport and Core Strategy Review

£2,150k has been allocated over four years with £600k allocated in 20/21

Core strategy review commenced in 2019 and Hereford transport schemes identified for review

Will be used for developing land use and transport strategies for the long term sustainability and development of the county. This funding will enable work to proceed with this review including

- Development of evidence base
- Consideration of options
- Consultation
- Statutory processes
- Environmental assessments including consideration of climate emergency

# Transport

## Public transport service support

£100k to enable support for existing rural services and frequencies which provide essential connectivity to market towns and services, particularly for vulnerable groups

## Active travel measures and super cycle highways

£1m capital allocation will enable programme of improvements providing a network of active travel routes across the county

## Passenger transport fleet

£30.5m subject to grant funding for procurement of vehicles to place with contracted services. Will reduce contract costs and upgrade services whilst reducing environmental impacts

# Hereford Transport Package

£4m capital allocation that will be used to enable further development of the Hereford Transport Package including progressing measures to improve transport within the city and the package of walking, cycling, bus and public realm schemes.

Programme is subject to further governance and guided by the outcome of the review of the bypass scheme

# Affordable Housing

£800k has been allocated to

- Bring empty properties back into use with a focus on long term empty properties
- Increase available housing for local people
- Reduce spend of the Housing Prevention fund and the use of temporary accommodation