

Supplement to the agenda for

Scrutiny Management Board

Friday 23 January 2026

10.00 am

**Conference Room 1 - Herefordshire Council, Plough Lane
Offices, Hereford, HR4 0LE**

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7.	2026/2027 DRAFT BUDGET - REVENUE	3 - 14

Saving Proposals

2026/27

**Community Wellbeing
Children & Young People
Economy & Environment
Corporate Services & Central Budgets**

Total Savings Proposals 2026/27: £19,954k

Directorate	Source of Saving Proposal				TOTAL
	Control of Costs £'000	Managing Demand £'000	Increasing Income £'000	Delivering Efficiencies £'000	2026/27 £'000
Community Wellbeing	4,100	455	1,620	1,200	7,375
Children & Young People	1,310	1,966	-	72	3,348
Economy & Environment (inc Transport)	3,875	500	200	2,629	7,204
Corporate Services & Central Budgets	1,449	-	-	578	2,027
TOTAL	10,734	2,921	1,820	4,479	19,954

	Delivered on 01/04/26 £'000	Delivered over 2026/27 £'000	TOTAL £'000
Community Wellbeing	850	6,525	7,375
Children & Young People	1,263	2,085	3,348
Economy & Environment (inc Transport)	2,870	4,334	7,204
Corporate Services & Central Budgets	1,881	146	2,027
TOTAL	6,864	13,090	19,954
34%		66%	

Community Wellbeing Directorate Savings Proposals 2026/27: £7,375k

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
CONTROL COSTS £4,100k					
C1	Partnership working: increased and robust market engagement to secure cost savings, improved value for money and increased capacity	Negotiation with the market to pilot partnership commissioned provision, in order to secure up to 50% of required capacity across residential, nursing, home care and supported living with long term contracts.	2,500	-	2,500
C2	Voluntary & Community Sector: development of micro-provider market and Voluntary & Community Sector commissioning framework	Develop a commissioning framework for the voluntary and community sector – low entry and open to all council activities with the ability to run mini competitions for specific areas of work. CWB to look to move activity that is non personal care to the VCS market; develop micro provider market in areas where it is difficult to secure agency coverage building on local experience and expertise.	300	-	300
C3	Hoope Community Equipment: remodelling of community equipment contract for delivery of goods and services to achieve increased value for money in 2026/27	Review current operating model following mobilisation of the new contract; develop an equipment framework for preferred suppliers rather than spot purchasing and to secure discount on bulk standard items.	400	-	400
C4	Hoope Learning Disability Service: remodelling of learning disability service using CareCubed to determine and model appropriate fees	Use CareCubed to ensure that the fees are appropriate according to the needs of the residents; review the respite provision in the light of the expansion of Shared Lives.	250	-	250
C5	Shaw Contract: reset of the current contract (contract end date of 2033) to secure services at no additional cost to offset spot purchases	Negotiate with Shaw to secure residential beds within the current contract price, to offset spot purchasing costs.	250	-	250
C6	CareCubed: application of benchmarking tool to support improved negotiations with providers and agree a fair cost of care	Use the CareCubed tool on all packages of care to ensure that the correct price is negotiated and agreed. CareCubed provides an industry standard for care pricing.	400	-	400
INCREASE INCOME £1,620k					
I1	Review charging for self-funders: to establish and promote an enhanced offer for residents in line with neighbouring authorities	Develop an integrated offer for self-funders, including brokering care home placements, for which a charge would be levied in line with neighbouring authorities; work with communications team to create a supporting brochure.	120	-	120
I2	Financial assessments: review to ensure all assessments are conducted efficiently and fairly,	Investment in resource to support financial assessments being completed in a timely way – no charging for care	1,000	-	1,000

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
	enabling contributions to the council to be identified and collected in a timely manner	can be made until the assessment is completed. Backlog of assessments to be cleared initially. Process for undertaking annual reviews to be implemented to ensure that ongoing care contributions are correct.			
I3	Fees and charges: review of fees and charges across the directorate	Review of all fees and charges across the directorate to ensure that they are appropriately uplifted for inflation and alignment with neighbouring authorities.	250	-	250
I4	Direct payment cap changes: to align with other rates	There is currently no cap on direct payments which makes it inequitable with other rates. Review the direct payment ceiling so that it aligns with average residential care costs.	250	-	250
MANAGE DEMAND £455k					
D1	Front door: improvements to self-referral portal including online forms and improved technology enabled communities (TEC) offer	Review the triage and referral process to ensure that appropriate people are being redirected to Community Connectors; develop options for online referral and self assessment; further develop the TEC offer so that TEC is in place prior to any formal referral through to social care.	50	-	50
D2	Review of long-term cases: to ensure right size packages of care	Review packages of care according to an agreed schedule to confirm that they are meeting needs and that all options for TEC have been considered. The initial cohort will be packages of care agreed for people coming out of hospital. Some reviews will result in an increase in care being provided. All reviews will be undertaken on an individual basis, taking a holistic review of the person.	405	-	405
DELIVER EFFICIENCIES £1,200k					
E1	Magic Notes: implementation of software to support social worker assessments	Magic Notes is an AI tool that the council piloted during 2025. It captures the discussions that the social worker has with a resident, populating an assessment template. It is the responsibility then of the social worker to review and amend the assessment prior to finalising. Feedback from the pilot was very positive with workers reporting that they could concentrate on the discussions without having to type into their laptops at the same time. There will be a resource saving as a result of full implementation.	400	400	-

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
E2	Maximise existing Copilot functionality: to support non-social work staff, enabling improved contract management and administration	Copilot is an AI tool that is part of the M365 IT setup for every member of staff. Through prompts, it searches documents, emails and files to create content, summarise information and automate tasks. There will be a resource saving as a result of full implementation	200	200	-
E3	Culture, Museum, Libraries reshape: to deliver service efficiencies	Review the structure of the combined service to identify opportunities for efficiency; implement digital and process improvements, eg self service in libraries.	100	-	100
E4	Talk Community reshape: to deliver service efficiencies	Review the structure of the service to identify opportunities for efficiency, including consultation on removing posts, maintaining focus on prevention.	250	-	250
E5	Vacancy management: deletion of vacant posts across Directorate	Six vacant posts have been identified in the establishment and have been deleted	250	250	-
			7,375	850	6,525

Children & Young People Directorate Savings Proposals 2026/27: £3,348k

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
CONTROL COSTS £1,310k					
C1	Reduction in Social Worker Agency posts: planned reduction based on requirements of current cohort	Progress in line with improvement plan to secure permanency in workforce and reduce higher agency costs.	800	800	-
C2	Early Help Service: planned removal of Head of Service post (currently vacant) as part of locality model changes	This was completed as part of the individual's retirement and within the locality re-design where roles and responsibilities were re-designated. No impact on operational service delivery	70	70	-
C3	SEND Staff: removal of posts not currently filled to deliver savings in staffing costs	This was planned as a response to recognise increasing workloads. Funding found through grant for fixed period pending SEND reforms	123	123	-
C4	Agency Cap Recruitment: reduction in existing agency hourly rates for social workers to move the service closer to CAP rates whilst retaining experienced social workers	Agency staff in longer term roles approached to seek hourly rates reduction to move towards regional cap. Agreed in 17/20 staff. No impact on service delivery	79	79	-
C5	Staffing review/vacancies: reshaping of services to deliver net savings in staffing budgets	Reviewed medium/long term managed vacancies to agree permanent deletion of posts for saving contribution with minimal impact on existing staff.	238	119	119
MANAGE DEMAND £1,966k					
D1	Complex needs budget: reduction to reflect decrease in complex needs placements in 2026/27 within the Section 75 budget (pooled funding arrangement across Health, Education and Social Care)	Cohort of children jointly funded through ICB and LA S75 agreement reviewed as ICB withdrew S75. Commitment for each existing placement agreed with continued joint funding until transition to next placement as determined by the child/young person's plan. Transition to Adult services added to demand forecast in Adult services	1,265	-	1,265
D2	Unaccompanied Asylum-Seeking Children (UASC) budget: reduction in average weekly placement costs for UASC supported lodgings placements	Budget forecast on young people attaining 18yrs and moving from foster care/residential as per their care plans. No adverse impact on young people	235	-	235
D3	Supported Accommodation budget: reduction in budget to reflect decrease in required placements for internal supported accommodation in 2026/27	Budget forecast for young people attaining 18yrs + and planned moves to independent accommodation	83	-	83
D4	Independent Foster Agency budget: reduction in budget to reflect movement of current cohort	Budget forecast for young people attaining 18yrs + and planned moves to independent accommodation	383	-	383

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
	turning 18 in 2026/27 who will move to internal/external supported accommodation				
DELIVER EFFICIENCIES £72k					
E1	Safeguarding Board: Reduction in business unit costs as agreed by the partnership with each partner receiving benefit from this efficiency proposal	Safeguarding Board administration support reviewed taking into account vacancies and improvements. Business case for reduction agreed by the partnership	72	72	-
			3,348	1,263	2,085

Economy & Environment Directorate Savings Proposals 2026/27: £7,204k

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
CONTROL COSTS £3,875k					
C1	SEN and Home to School transport review	Continuation of review of contract prices to secure reductions in taxi journey costs, increased partnership working with schools to explore shared transport options, development of in-house delivery model to provide a council managed service for routes transporting 1-4 passengers.	2,000	-	2,000
C2	Service budget reductions: 5% reduction in controllable spend across directorate budgets	5% reduction across a range of service budgets where there is controllable spend. For example a 5% reduction in the property maintenance budget achieved through identifying efficiencies and/ or prioritisation of activity.	500	500	-
C3	Public Realm contract: LEAN efficiencies in services delivered through public realm contract	As in previous years, contract efficiencies will be sought from the Public Realm Contract as part of the Annual Plan approval process.	375	375	-
C4	Car-parking: income arising covering costs from increasing activity from existing sources to better cover costs increasing costs associated with parking and highways	Review of parking charges to include introduction of pop and shop, increasing some parking charges to cover additional expenses from price freeze since 2023 and reviewing enforcement.	900	-	900
C5	Realigning developer contributions to cover costs: additional income from reassigning S278 (Highways Act) developer fees and fees and commuted sums from developers from S38 agreements under the Highways Act 1980	Increase in fees connected with new highway works to serve developments.	100	-	100
INCREASE INCOME £200k					
I1	Inflationary uplifts: to increase income from fees and charges across the directorate	Inflationary increase across traded services.	200	-	200
MANAGE DEMAND £500k					
D1	Subsidised public transport: review of public transport subsidised routes to reflect demand and usage of current routes	Review all public transport to seek cost reductions and potential for commercial routes to reduce subsidies. Explore better use of BSIP.	500	-	500
DELIVER EFFICIENCIES £2,629k					
E1	Vacancy management: deletion of vacant posts across Directorate	Review of vacant posts that can be deleted from the structure, achieved through re-prioritisation of activity, and or utilisation of technology/ new ways of working.	500	500	-

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
E2	Grant utilisation: additional utilisation of the Local Transport grant (LTG)	Reassign LTG to cover eligible activity.	50	50	-
E3	Reallocation of directorate reserves: to maintain expenditure for Public Rights of Way (£250k), Drainage (£445k) and Lengthsman Scheme (£250k) added to base budget in 2024/25 on receipt of additional funding at Final Local Government Settlement	Reallocation of reserves into revenue budget.	945	945	-
E4	Waste stock: reduction in levels held of household waste collection stock	Reducing number of receptacles held in stock.	60	-	60
E5	Energy costs: reduction in energy budget resulting from efficient usage and lower kw prices	Efficient energy usage.	80	-	80
E6	Grant utilisation: review of application of the Public Health Ringfenced Grant (PHRG) against eligible directorate expenditure	Reassign external grant funding, review staffing resource subsidised by PHRG.	294	-	294
E7	Grant utilisation: utilisation of Bus Services Improvement grant (BSIP) on Public Subsidised Routes	Assign BSIP funding to socially necessary subsidised bus routes.	500	500	-
E8	Transfer: transfer of toilet facilities to parish council	Capital investment to improve public toilet provision followed by transfer of maintenance responsibilities to the relevant parish council (in agreement with the Parish Council).	200	-	200
			7,204	2,870	4,334

Corporate Services Directorate Savings Proposals 2026/27: £2,027k

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
CONTROL COSTS £1,449k					
C1	Revenue cost reduction: capitalisation of Finance Team costs for staff activity supporting delivery of capital projects	Capitalisation of costs in respect of Finance Team staff supporting the delivery of the capital programme to bring assets into use.	75	75	-
C2	Revenue cost reduction: capitalisation of Legal Service costs for staff activity supporting delivery of capital projects	Capitalisation of costs in respect of Legal Team staff supporting the delivery of the capital programme to bring assets into use.	150	150	-
C3	Staffing costs reduction: reduced staffing costs in ICT/Transformation budgets following removal of Director of Transformation & Strategy post and reallocation of budget to Chief Digital & Information Officer post	Base budget funding for the vacant Director of Transformation & Strategy will be removed and base budget added to fund the new Chief Digital & Information Officer post which will support the council's work in this area.	96	96	-
C4	Revenue cost reduction: application of capital receipts to fund eligible transformation expenditure permitted via Flexible Capital Receipts permissions	As proposed in the Capital Programme for 2026/27, the application of capital receipts is proposed to fund qualifying expenditure to deliver transformation change programmes across the organisation.	600	600	-
C5	Revenue cost reduction: reduction in employers' deficit pension contributions linked to actuarial valuation	Following the triennial valuation of the pension fund, a reduced rate for employers' deficit pensions contributions has been confirmed by the actuary.	498	498	-
C6	HR & OD Services: review to deliver service efficiencies	The priorities and structure of the service will be reviewed to ensure we maximise efficiency whilst continuing to support council objectives.	30	30	-
DELIVER EFFICIENCIES £578k					
E1	Corporate Performance & Intelligence Service review and reshape: to deliver service efficiencies	The work of the Corporate Performance & Intelligence team will be re-prioritised with a focus on analysis and insight. The planned changes also reflect changes in Directorate needs including reduced application support requests and increased opportunities for self-service, using tailored reporting and technology, by staff across the council.	200	100	100
E2	Communications review and reshape: to deliver service efficiencies	The work of the Communications team will be reprioritised in line with a new operating model delivering support for all statutory communication functions alongside key internal communications, external publications and engagement.	198	198	-

Ref	Savings Description	Proposed activity	TOTAL 2026/27 £'000	On 01/04/26 £'000	Over 2026/27 £'000
E3	Vacancy management: review of service delivery and deletion of vacant posts in Legal & Democratic Services	Deletion of vacant posts across Legal & Democratic Services and service reviews to maximise efficiency whilst continuing to enable delivery across council Directorates.	180	134	46
			2,207	1,881	146

