

Deputy Chief Executive's Office

Dean Taylor

Members of the Council

Our Ref: Friday 24 May 2013
Please ask for: Geoff Hardy, Governance Services
Direct Line: 01432 383408
E-mail: ghardy@herefordshire.gov.uk

17 May 2013

Dear Councillor,

Council (Extraordinary Meeting) - Supplementary Report

Please find attached a supplementary report that was not available prior to the publication of the agenda for the forthcoming meeting (Friday 24 May 2013, at 2.30 pm). Please bring these papers to the meeting.

4. SERVICE BUDGET REDUCTIONS AND FUTURE FINANCIAL PLANNING

To progress the Council's change programme, to report on the service plan reviews for 2013/14 conducted in March/April aimed at de-risking identified areas of weakness to ensure the Council's plans are resilient and remain within its overall funding envelope of £150.296 million, and to seek agreement on next steps.

Ward: **All Wards**

Yours sincerely,

Geoff Hardy, Governance Services

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cc. Members and officers in receipt of Council papers

MEETING :	COUNCIL
DATE:	24 MAY 2013
TITLE OF REPORT:	SERVICE BUDGET REDUCTIONS AND FUTURE FINANCIAL PLANNING
REPORT BY:	DAVID POWELL: CHIEF FINANCE OFFICER

1. Classification

Open.

2. Key Decision

This is not a key decision.

3. Wards Affected

County-wide.

4. Purpose

To progress the Council's change programme, to report on the service plan reviews for 2013/14 conducted in March/ April aimed at de-risking identified areas of weakness to ensure the Council's plans are resilient and remain within its overall funding envelope of £150.296 million, and to seek agreement on next steps.

5. Recommendations

- THAT:**
- (a) Following the completion of the budget review the necessary steps are taken to deliver a balanced budget in 2013/14;**
 - (b) The proposed areas of savings are agreed;**
 - (c) Confirmation that any movement of budget to reflect these changes will be progressed in accordance with the constitution requirements as and when individual elements are approved following any necessary consultation; and**
 - (d) Equality Impact Assessments will be undertaken on proposals as necessary.**

6. Key Points Summary

- In common with normal good practice, the new Chief Executive conducted a review of all service plans to identify and de-risk potential areas of delivery weakness.

- The review identified an £8.432 million net gap in the ability to deliver a balanced budget. This comprises £7.402 million in Peoples Services and £1.032 million of procurement savings.
- The reviews have brought forward some schemes which were due to commence later in the year, where possible proposals have been identified which enable the Council to take action this year to address some of the reducing government grant allocations for the next two years.
- Planning for the next budget cycle and Medium Term Financial Plan will commence in May 2013. This will include a review of core Council services and functions, to consider how the Council can successfully meet the challenges of the following two years which require a further £23 million of reductions.

7. Alternative Options

- 7.1 There is no alternative to ensuring that services operate within total Council budget limits, however there are alternatives to approaches that may be taken to continue services and functions that the Council may be unable to fund in future.

8. Reasons for Recommendations

- 8.1 The Council must stay within its available resources to ensure it does not deplete its reserves and delivers financial stability in the light of ongoing Government reductions in funding.

9. Introduction and Background

- 9.1 Herefordshire Council has made budget reductions of £21.1 million over the last two years, and needs to plan further reductions of £32.2 million over the next three years, starting with 2013/14. This is the challenging environment that all Councils are working in at present, and it is important that Herefordshire Council's plans are as resilient as possible.
- 9.2 Whilst these funding reductions are challenging for the organisation, they also present the opportunity for the Council to position itself strongly for the future, as a 21st Century Council. The Council will continue to secure core community services, but the opportunity now exists for the Council to be more focussed and to include consideration of how those services that the Council may be unable to support in the future may be taken on by local communities, or other organisations as has happened with the Youth Service, community asset transfers and community libraries.
- 9.3 Whilst the Council will need to set out which of its functions and services to local communities will remain core and be fully sustainable, there are also significant opportunities to advance economic development within the County as a means of improving not only economic conditions but also relieving pressure and demand for Council services. These will be fully pursued. The Council will be open to new partnerships with the public, private and third sectors and the community.

10. Key Considerations

- 10.1. The Chief Executive undertook a review of budget and service plans in March. This review assessed the delivery plans and the financial outlook. Proposals were developed in April to

ensure the Council has resilient plans to stay within its budget envelope and has a programme of actions to begin to address the financial position for the next two years.

- 10.2. The overall net budget of £150.296 million represents the total amount available for all Council services.
- 10.3. The financial risks are acute if the Council does not stay within its means. This arises from a combination of increased pressure for services and funding reductions that require the delivery of a cumulative total of £53.3 million savings in the five years to 2015/16.
- 10.4. The Chief Executive and senior management teams, working with the Chief Finance Officer, identified a net budget gap totalling £8.4 million, as detailed in Appendix B. It is appropriate that this is addressed quickly in the financial year.
- 10.5. During April directorates worked with cabinet members to identify further reductions in costs to a wide range of services, amounting to at least £8.4 million to meet the position outlined in paragraph 10.4. The approach now follows two parts:
 - The urgent operational revenue issues to reduce costs in-year by £8.4 million; and
 - From May onwards, to re-shape, re-focus and reduce Council services to ensure it operates within its reduced funding limits by focussing on its core business.
- 10.6. The appendices to the report cover the proposals to meet the requirement to reduce costs by £8.4 million, the projected position for the general reserve, and the breakdown of the shortfall.
- 10.7. Whilst addressing identified risk in the 2013/14 budgets we must also prepare for the next three year medium term financial plan. The overall position will be further refreshed after the spending review announcement due on 26 June 2013.
- 10.8. Given the anticipated further Government funding cuts expected to be announced on 26 June difficult decisions are also necessary now in preparation for the likely reductions. The response to the review of our delivery plan means that risk is being minimised going forward into a period of further financial reductions. The approach being taken puts the Council on a stronger footing to meet future reductions in government funding.
- 10.9. The review has formed part of the new financial control process that places an emphasis on controlling expenditure. The overall approach to budget management will be further strengthened from May onwards by a monthly Financial Control session for each directorate. These sessions, to be chaired by the Chief Finance Officer will require the senior team from each directorate to review service expenditure against budget. The sessions will have particular focus on exceptions, variances from planned expenditure and areas where expenditure can be reduced. The sessions will discuss exceptions, the potential for further savings, and identify corrective action where it is required to redress any over-spends.
- 10.10. It is important to acknowledge that there are some beneficial changes to the way the Council thinks about meeting need. Enabling people who use adult social care and children's services to have more choice and control (often known as personalisation) is a key priority for Herefordshire Council. Personalisation is recognised nationally as one of the only ways to respond to increasing demand, within the context of a future of limited public funds whilst maintaining quality services. Personalisation recognises and promotes the potential for people to look after their own health and well-being, collectively and individually.
- 10.11. Personalisation means thinking about public services and social care in a different way,

starting with the person, their individual circumstances and the community they live in rather than the services that are available. As we manage within an ever decreasing budget, our priority is to bring together health, social care and broader council functions and practitioners including housing to focus on early intervention and prevention. The starting point will be on encouraging people to draw on assets within the community rather than always looking to organisations to deliver services.

- 10.12. The council employs and manages 1,042 full time equivalents (FTEs) directly. In addition, around 265 full time equivalents are seconded to the Wye Valley and 2gether NHS Trusts. This report deals with the impact on the workforce in terms of full time equivalent which is a smaller number than the actual number of jobs because two or more part time jobs may be added up to make a single full time equivalent.
- 10.13. Over the past two years the Council has responded to the financial challenges by significantly reducing the number of staff employed by 280 posts. Based upon the savings already planned for 2013/14 a further 100 to 120 full time equivalent reductions were estimated. The additional savings now planned are expected to reduce the number of full time equivalents by around an additional 290. These further reductions will impact during 2013/14 and 2014/15 and will need to be adjusted to reflect any changes identified through the process of stakeholder consultation.
- 10.14. It is important to note that these reductions will be achieved in a number of ways including effective vacancy management, voluntary mutually agreed resignations, potential TUPE transfers and redundancy. The table below shows the service areas where proposed budget reductions will impact on posts.

Function	Proposed FTE reduction
Peoples directorate The majority of the proposed reductions will impact staff seconded to Wye valley NHS Trust providing adult social care services with some smaller reductions in commissioning and early help services	140
Places directorate The proposed reductions will impact on a number of functions including culture, leisure and environmental services	50
Corporate directorate The proposed reductions will impact in the areas of Information Technology, Communication, HR, Information Management, Research, Equality, Finance, Property Services, Legal, Health & Safety, Emergency Planning, Customer Services and Democratic Services. Hoople Ltd fte reductions are included in these figures.	100

- 10.15. The timetable for handling these reductions will vary depending upon the nature of the function and the extent to which stakeholder consultation is required about the proposed change. Where the proposed change is clear and no external stakeholder consultation required staff consultation can commence immediately after the decision. Other areas will need longer to develop more detailed proposals and engage in stakeholder consultation which may of course impact the proposals and therefore change the financial and workforce implications.
- 10.16. Looking forward as agreed by Cabinet in April 2013 we will be focussing on the future shape of the council and its core functions as we progress through this year, in order that we have a

clear plan to sustain good core services through the next two years of £23 million cuts. This may lead to further contraction and job losses in future years.

10.17. Looking forward the five priorities for 2013/14 and the next three years are as follows:

- Delivering a balanced budget and staying within financial resources.
- In parallel with delivering these cuts, the Council needs to re-shape its services and downsize the organisation to reduce costs by a further £23 million in the following two years, and be ready to face the future years' impacts.
- Alongside this, the Council faces the major challenge of raising inadequate performance in Children's Safeguarding, strengthening performance in Adults Services and modernising and transforming the approach to meeting need.
- The Council's main route to direct Whitehall funding of economic growth, is through an effective Local Enterprise Partnership (LEP). Currently steps are being taken to strengthen the LEP.
- Our customers are likely to have an expectation of the Council continuing to provide its current range of services in future. This is now unrealistic and the Council must explain and consult where appropriate on the need for changes as well as the nature of these changes.

11. Community Impact

11.1 The Corporate Plan agreed by Council in November 2012 has two broad priorities: supporting the development of a successful economy and improving quality of life for the people of Herefordshire. The Council remains committed to ensuring public services are prioritised to meet the needs of the most vulnerable. However, the proposals in this report will have an impact on some Council services and this will be assessed as part of the next steps.

11.2 It is also important that the collective impact of budget reductions on parts of the community (for example in market towns or rural areas) is understood. This will be undertaken in conjunction with our partners (for example changes to health care) where appropriate.

12. Equality and Human Rights

12.1 Reducing inequalities is a stated outcome within the corporate plan and the Council's budget and charging principles reflect the need for fairness and support the targeting of resources towards those in most need. Equality impact assessments will be undertaken as an integral part of the planning and implementation of any proposals in this report which require a change to the service being delivered.

12.2 In addition, officers will further assess those elements which are perceived as engaging the Council's duties under the Equality Act 2010 and report further as necessary.

13. Financial Implications

13.1 The financial implications of the report are covered within the contents.

14. Legal Implications

- 14.1 The Council is required to ensure it stays within its overall resources. This includes the overall reserves position and it is important that steps are taken so that the reserves are sufficient to meet unexpected service expenditure requirements.
- 14.2 The overall net budget set by the Council in February remains unchanged. The constitution makes provision for in-year virement of resources between budget heads to be made under the authorisation of the Chief Finance Officer and/or Cabinet Member.
- 14.3 Where appropriate relevant consultation will take place before specific decisions are taken and acted upon.
- 14.4 The report recognises that equality impact assessments and further consultation with stakeholders (and staff) will need to be undertaken before any final decisions on service changes or service reductions are made. It is important that this further work is undertaken appropriately in order both to inform the final decision making process and to mitigate the risk of legal challenge to individual service changes, or the wider change programme. In particular, consultees must be given sufficient information and adequate time to allow them to reach an informed view on the proposals; and all decision makers must have sufficient time to consider the consultation responses thoroughly before any final decisions on service changes are taken.
- 14.5 The impact assessments and consultation responses need to be considered from a corporate (whole organisation) perspective, to ensure that all groups of stakeholders are treated fairly. Depending upon the outcome of the consultation process, it may be necessary to put forward alternative proposals for savings, which may, in turn, require further consultation with those affected.

15. Risk Management

- 15.1 The reduced funding envelope for local government has created additional risks to those normally associated with budget setting.
- 15.2 Unless Directorates' action plans for delivery of savings are regularly managed and overseen corporately there is a risk that the totality of the risks (financial, legal, reputational, safety) to the organisation are not understood by decision makers nor mitigated against.
- 15.3 The requirement to ensure compliance and to avoid legal challenge may lead to delay and slippage to the financial savings being achieved and will require the need for contingency plans to be made.

16. Consultees

- 16.1 Extensive engagement with residents and others took place during 2012/13 as part of the approval process for the Corporate Plan and the Budget 2013/14. The 'Your Community, Your Say' engagement process included the Quality of Life survey; locality based engagement events during Autumn 2012; and a subsequent consultation in January 2103 regarding particular proposals to reduce service delivery in some areas.
- 16.2 The consultation process was set within the context of significant financial cuts resulting in major changes in the way that public services are commissioned and delivered. The results from the consultation were reported to Cabinet and Council before decisions were made. The

detailed consultation responses are now being used by officers as part of the implementation of the budget proposals.

- 16.3 This evidence base will also be used to assess the impact of the proposals in this report, **but** this will be supplemented, where required and appropriate, by additional consultation with service users and other affected residents and groups, to ensure that the full potential impact is assessed and taken into account before final decisions are made or implemented. We will also continue to engage with residents, community groups and partners as part of the further work on reshaping the Council.
- 16.4 Subject, to Council's decision, consultation will also be undertaken with staff as appropriate, as outlined above.

17. Appendices

- 17.1 Appendix A - Council's Reserves
- 17.2 Appendix B - Outcome of the Chief Executive's Review of 2013/14 Service Delivery Plans
- 17.3 Appendix C - List of Service Reductions and Cost Savings

18. Background Papers

- 18.1 None.

Council Reserves

As part of the budget setting process the level of reserves was reviewed. Given the financial pressures the Cabinet agreed that the General Fund Reserve would be increased as follows:

2013/14	£2m	addition
2014/15	£1m	addition
2015/16	£1m	addition

It is recommended this approach (as a minimum) continues to be part of our financial management. At the beginning of 2012/13 the General Fund Reserve was £6.1 million. This compares with our policy to have a minimum General Fund Reserve of 3% of net budget (£4.5 million in 2013/14). It is important that the Council has an appropriate level of reserve to absorb unforeseen events and emerging pressures. The projected opening reserve for 2013/14 is as follows:

2012/13 General Fund	£6.1m
Less provisional 2012/13 overspend	(£3.5m)**
Add budgeted addition	£2.0m
Projected 2013/14 General Fund	£4.6m

*** as reported in the February 2013 projected outturn*

In addition the revenue account has a £0.77 million contingency arising from central government redistributions announced late in the budget cycle.

The Council also has specific reserves. However the majority are schools related. The largest non-school reserve is the Waste Disposal reserve of £2.65 million after a budgeted £0.25 million addition. This reserve is likely to be needed to support the joint waste contract with Worcestershire.

The summary of available resources outlined above should not be seen as an indication of additional funding in 2013/14. A reasonable level of reserves must be maintained and this is a matter for the Council to receive advice on from the Section 151 Officer. As indicated current policy is to hold 3% of net budget as a General Fund Reserve; this equates to £4.5 million. If the Council's reserves go below this by the end of 2013/14 reserves would need to be topped up as part of budget setting unless the policy on reserves is changed.

The Section 151 Officer must also assess whether the Council has sufficient resources to meet its commitments and take steps if this is not the case.

Outcome of the Chief Executive’s Review of 2013/14 Service Delivery Plans

The overall net gap in the ability to deliver a balanced budget totalled £8.4 million and comprises the following:

	£m
Procurement savings at risk	1.03
Learning Disabilities Grant	3.80
Savings shortfall and new pressures	3.60
	<u>8.43</u>

The £8.432 million overall net gap comprised £7.402 million in Peoples Services and £1.032 million of procurement savings. The £7.402 million in Peoples Services includes a £3.8 million service specific grant that is now included in our direct grant from government. This money from central government was “passported” to Peoples Services to cover the loss of grant but the grant remained in the budget as an income line. This income will not be received so therefore it becomes an additional savings requirement.

The Chief Executive instructed the Chief Finance Officer to investigate the cause and consequences of the error. A review was immediately conducted by our auditor (KPMG). The review has provided some key learning points, but it is important to note KPMG’s confirmation that the incorrect treatment of the £3.8 million had no impact on the Council’s net budget total that forms the basis of setting the Council Tax.

The requirement to address the identified £8.432 million risk in 2013/14 has been met by the following (detail contained in Appendix C).

	£m
Adult Services	3.538
Children’s Services	0.977
Public Health	0.097
Places and Communities	1.442
Corporate Services	2.699
	<u>8.753</u>

BUDGET SAVINGS 2013/14

DIRECTORATE: PEOPLE

Version Control (Date): 03 May 2013 v1.0

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
Adult Social Care						
Contract Review - Major Contracts - Negotiations and Integrated Pathway Transformation	12,511	1,150	416	734		ASC has a number of large contracts with the independent sector and the NHS. Improved efficiency and value for money on existing contracts will be delivered through contract management via contract variations through negotiation and new contracts. In addition the current Supporting People contract will be ended and only those with substantial and critical needs will receive on going support from adult social care
Contract Review - Major Contracts - Increased focus on statutory responsibilities through Personal Budgets	212	92	58	34		A number of contracts with the voluntary and independent sector have ended or are to end in the near future. These contracts will not be replaced, communication and transition arrangements where required will be put in place. Contracts which have already ended have been communicated with and transition plans are being worked through where organisations wish to continue without council funding Cabinet Decision Required: The contract with the provider for some Village Wardens also terminates on the 31/03/2013. The original plan was to reduce the cost of the contract, and fully withdraw Adult Social Care funding by March 2014. Cabinet is asked to approve not putting in place any contract for 13/14 and therefore if local communities wish to retain Village Wardens alternative sources of funding will need to be identified.
Reducing Cost of Care Packages - Increased use of prevention such as telecare, reablement and the resource allocation system/Personal Budgets to be aligned to overall budget for adult social care	35,046	500	500			This includes a series of interventions that are part of national policy to deliver personalisation and accelerate self directed support with more people receiving personal budgets and having choice and control. In addition the proposal includes ensuring that the available money for community services is allocated across all adult service user groups with substantial and critical needs fairly and transparently and nationally recognised pricing tools such as the Care Funding Calculator are routinely applied. The proposals also include a commissioning and contract model for home care services which a new rate to be implemented during this financial year
Increased Income - Continued application of the Fairer Charging Policy approved in 12/13 and improved business process for debt recovery	2,896	211	211			This continues and will deliver a full year financial impact of the Fairer Charging Policy. In addition transport charges introduced as part of that process will now be applied as set out in the policy. In recognition of the anticipated increase in people wishing to take Direct Payments, a DP administration service generating small amount of income is to be developed and operated from within the Welfare Rights and Financial Assessment Team which will be at a reduced rate to that currently available in the market.
Demand Management - Reduction of numbers of people supported through Adult Social Care with a focus on those people who meet eligibility and their carers	As cost of care above	507	507			This proposal is based on enabling more people to live at home longer and ensuring that those people who receive a personal budget have substantial and critical needs as per the published eligibility criteria.
Commissioning and Integrated Pathways Reorganisation - The shift away from block contracts, the acceleration of self directed support and national policy for councils to be system leaders and commissioners of the adult social care system requires current organisational structures to be reviewed	10,550	1,596	896	700		The contractual s75 arrangements with Wye Valley ends in September 13 for the management of the social work and care delivery teams with the end of secondment arrangements for social care staff to the NHS. The changes in national policy and service users increasingly wishing to have more choice and control over how they spend their personal budget requires a new pathway and organisational structure to be put in place and some functions and services may in the future be commissioned from other organisations or not directly provided by the council. Integrated pathways with health and housing are priorities for adult social care and a Next Stage Integration programme of work will oversee these changes. Service users and their families views will be a key part of the development in these pathways. In addition, the shift from block contracting requires a review of commissioning and contracting capacity. These proposals are anticipated to deliver a potential headcount reduction of 130 fte and will be subject to formal consultation and then a cabinet decision for approval in July 2013.
Utilisation of Grants	N/A	700	700			Maximise use of available grants
Commissioning Workforce redesign	1,320	250	250			Redesign commissioning workforce
TOTAL ASC SAVINGS		5,006	3,538	1,468		

BUDGET SAVINGS 2013/14
DIRECTORATE: PEOPLE
Version Control (Date): 03 May 2013 v1.0

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
Children's Safeguarding						
Review and Reduce Placement Costs (mitigation of pressure)	2,506	400	400			No Cabinet decision required. Work will involve reviewing placements, identifying alternatives and moving children and young people within the legal and best practice frameworks.
Reduce staffing capacity in Children in Need, FAST and Children with disability teams	2,200	65	65			The proposal is to reduce staffing capacity across the children's fieldwork social care teams, and focus particularly upon reducing spend on agency staff.
Reduce the teaching support for looked after children to term time only	131	23	23			80% of looked after children are in good or outstanding schools and all are in at least adequate schools. Explore option of funding from the DSG.
Prevention and Early Help						
Reconfigure early years support and development	189	96	96			Changing requirements for early years will require a new model and consultation. Following consultation, a cabinet decision will be brought forward in July 2103.
Offset family support costs in early help teams	795	110	110			The Council has received an additional grant from the Government to improve adoption services. The proposal is to use 110k of the Adoption Grant to offset the costs of family support workers in early help teams and enable outstanding life story work for adopted children to be completed
Reduction in locality services	59	59	59			Currently a sum of money is available for lead professionals to spend on low level interventions to meet identified needs early and quickly. 36k available for this will be removed. £23k had already been released in delivering youth service savings.
Children with Disabilities and Special Educational Needs						
Fund independent travel trainer from Dedicated Schools Grant	68	11	11			Developing independence on public transport is an important element of work to enable young people to be more independent and also reduces the cost of Home to School transport. This will require the agreement of the Schools Forum
Commissioning Capacity						
Reduction in posts focused on work for children and young people	240	63	63			delivered
Improvement and contingency funding. Director held budget	212	150	150			Funding had been identified to undertake external case file audits and further improvement activity this year. Alternative methods of getting external scrutiny of case file quality will need to be identified. This saving has been delivered.
TOTAL CHILDREN AND DIRECTORATE SAVINGS		977	977			

BUDGET SAVINGS 2013/14
DIRECTORATE: PEOPLE
Version Control (Date): 03 May 2013 v1.0

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
Public Health						
Utilisation of PH grant to support LA services	7,753	97	97			
		-				
		-				
TOTAL PUBLIC HEALTH		97	97	-	-	

TOTAL PH Budget £7753k - Ring Fenced Grant

BUDGET SAVINGS 2013/14
DIRECTORATE: PLACES AND COMMUNITIES
Version Control (Date): 3 MAY 2013

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
Culture and Leisure (including Arts, Libraries, Heritage Services, Tourism, Halo)	3,009	1,431	611	674	147	Recognising the statutory duties within the area, the next step is to engage with partners, stakeholders, service users and staff on alternative delivery models that will enable services to be sustained with little or no Council subsidy. The full range of options will be explored from community led delivery to income generation opportunities and selective closures, service reductions and reduced opening hours. A detailed Cabinet report is expected in September 2013 and some of the management changes can be implemented in advance of the Cabinet decision.
Community and Regulatory Services (including Community Protection, CCTV, Car Parking, Conservation, Archaeology and other Planning services)	2,006	986	296	690		The next step is to produce detailed delivery plans for generating income opportunities and/or efficiency savings which may involve significant staff reductions around each of these services, cutting red tape and integration with other services. This work will consider the full range of options including reducing / ceasing certain services, community or partner delivery and income generation. A detailed Cabinet report will be produced once this work has been completed and is expected in September 2013. We are able to implement a significant proportion of these changes in advance of the Cabinet decision.
Environment (including Countryside, Parks, Waste, Toilets)	10,979	1,256	607	489	160	The next step is to develop detailed proposals for contract management savings, increasing charges and the potential further transfer and/or integration of services. This work will consider the full range of options including reducing / ceasing certain services, community or partner delivery and income generation. The delivery of these savings is linked to a Cabinet decision currently scheduled for July 2013 on the Energy from Waste Site. Individual Cabinet Member decisions will be required on all of the other matters by the end of July 2013.
Management and efficiency savings		238	78	88	72	All of these savings are capable of being delivered without any further Cabinet decisions or external consultation.
SUB TOTAL		3,911	1,592	1,941	379	*Equality Impact Assessments, an assessment of our legal requirements and consultation will be carried out prior to implementation on all of the above proposals.
SAVINGS TARGET NOT YET IDENTIFIED		-	150			
ADDITIONAL SAVINGS		3,761	1,442	1,941	379	

BUDGET SAVINGS 2013/14
DIRECTORATE: CORPORATE SERVICES
Version Control (Date): 3 MAY 2013

Budget Area	Existing Budget (£'000)	Total Saving ('000)	Saving 2013/14 (£'000)	Saving 2014/15 (£'000)	Saving 2015/16 (£'000)	Proposal
Customer Services	1,638	880	80	360	440	Customer services currently provided through the info shops and council telephone call centre will where appropriate be provided on-line (agreed by Cabinet 18/4/13). The next stage is to consult stakeholders regarding future service levels in market towns.
Law, Governance & Resilience	2,889	438	379	59		Reduction in the cost of services, including: Democratic Services costs (fewer meetings and changing how meetings are serviced); Members Services budget; Registration Service costs; emergency planning and health and safety.
Finance, Commercial Services & Property	1,164	900	775	125		Reduction in property maintenance spend and restructuring of property services.
Hoople Contract	8,262	1,400	725	675		Reductions in Hoople contract for corporate support services (human resources, information technology and finance)
People, Policy and Partnerships	3,072	954	807	147		Reduction in corporate support functions including: communications, research, equalities, information management, information technology (non pay budgets) (to be considered in conjunction with Hoople Ltd reductions).
Staff (DCE)	504	175	130	45		Post deletion
Council Wide		667	517	150		Increased income from advertising and sponsorship. Savings from changes to employee terms and conditions; consultation underway
SUB TOTAL CORPORATE DIRECTORATE SAVINGS		5,414	3,413	1,561	440	
Savings targets held in budget but not yet identified (Herefordshire 2020 review)		-	714	-		
TOTAL CORPORATE DIRECTORATE SAVINGS		4,700	2,699	1,561	440	

