

# AGENDA

## Health & Social Care Overview and Scrutiny Committee

Date: **Tuesday 17 November 2015**

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Time: **10.00 am**

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Place: **Council Chamber, The Shire Hall, St. Peter's Square,  
Hereford, HR1 2HX**

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Notes: Please note the **time, date** and **venue** of the meeting.

For any further information please contact:

**David Penrose, Governance Services**

Tel: 01432 383690

Email: [dpenrose@herefordshire.gov.uk](mailto:dpenrose@herefordshire.gov.uk)

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If you would like help to understand this document, or would like it in another format, please call David Penrose, Governance Services on 01432 383690 or e-mail [dpenrose@herefordshire.gov.uk](mailto:dpenrose@herefordshire.gov.uk) in advance of the meeting.

# **Agenda for the Meeting of the Health & Social Care Overview and Scrutiny Committee**

## **Membership**

|                      |                                  |
|----------------------|----------------------------------|
| <b>Chairman</b>      | <b>Councillor PA Andrews</b>     |
| <b>Vice-Chairman</b> | <b>Councillor J Stone</b>        |
|                      | <b>Councillor ACR Chappell</b>   |
|                      | <b>Councillor PE Crockett</b>    |
|                      | <b>Councillor CA Gandy</b>       |
|                      | <b>Councillor DG Harlow</b>      |
|                      | <b>Councillor JF Johnson</b>     |
|                      | <b>Councillor MD Lloyd-Hayes</b> |
|                      | <b>Councillor MT McEvelly</b>    |
|                      | <b>Councillor PD Newman OBE</b>  |
|                      | <b>Councillor A Seldon</b>       |
|                      | <b>Councillor NE Shaw</b>        |
|                      | <b>Councillor D Summers</b>      |

## AGENDA

|   | <b>Pages</b> |
|---|--------------|
| <b>1. APOLOGIES FOR ABSENCE</b><br>To receive apologies for absence.  |              |
| <b>2. NAMED SUBSTITUTES (IF ANY)</b><br>To receive details of any Members nominated to attend the meeting in place of a Member of the Committee.  |              |
| <b>3. DECLARATIONS OF INTEREST</b><br>To receive any declarations of interest by Members in respect of items on the Agenda.   |              |
| <b>4. MINUTES</b><br>To approve and sign the Minutes of the meeting held on 22 September 2015.  | 9 - 14       |
| <b>5. QUESTIONS FROM THE PUBLIC</b><br>To note questions received from the public and the items to which they relate.<br><br><i>(Questions are welcomed for consideration at this meeting so long as the question is directly related to an item listed on the agenda. The deadline for questions from the public will be <b>Thursday 12 November at 10am</b>. This will help to ensure that an answer can be provided at the meeting).</i> |              |
| <b>6. CORPORATE PLAN 2016-20</b><br>To seek the views of the committee on those elements of the council's corporate plan 2016-20 relevant to its own remit in order to inform cabinet's recommendation to council (specifically the impact on health and social care which are reflected in each of the corporate priorities in the draft corporate plan at appendix A.)  | 15 - 26      |
| <b>7. BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (MTFS) – DRAFT PRIOR TO GOVERNMENT FUNDING ANNOUNCEMENT</b><br>To seek the views of the committee on the draft medium term financial strategy (MTFS) 2016-20 and the budget proposals for 2016-17. Specifically the impact of the proposals on health and social care which are detailed in appendix 2  | 27 - 98      |



## **PUBLIC INFORMATION**

### **Public Involvement at Scrutiny Committee Meetings**

You can contact Councillors and Officers at any time about Scrutiny Committee matters and issues which you would like the Scrutiny Committee to investigate.

There are also two other ways in which you can directly contribute at Herefordshire Council's Scrutiny Committee meetings.

#### **1. Identifying Areas for Scrutiny**

At the meeting the Chairman will ask the members of the public present if they have any issues which they would like the Scrutiny Committee to investigate, however, there will be no discussion of the issue at the time when the matter is raised. Councillors will research the issue and consider whether it should form part of the Committee's work programme when compared with other competing priorities.

#### **2. Questions from Members of the Public for Consideration at Scrutiny Committee Meetings and Participation at Meetings**

You can submit a question for consideration at a Scrutiny Committee meeting so long as the question you are asking is directly related to an item listed on the agenda. If you have a question you would like to ask then please submit it **no later than two working days before the meeting** to the Committee Officer. This will help to ensure that an answer can be provided at the meeting. Contact details for the Committee Officer can be found on the front page of this agenda.

Generally, members of the public will also be able to contribute to the discussion at the meeting. This will be at the Chairman's discretion.

(Please note that the Scrutiny Committee is not able to discuss questions relating to personal or confidential issues.)

# The Public's Rights to Information and Attendance at Meetings

## YOU HAVE A RIGHT TO: -

- Attend all Council, Cabinet, Committee and Sub-Committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting.
- Inspect minutes of the Council and all Committees and Sub-Committees and written statements of decisions taken by the Cabinet or individual Cabinet Members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting. (A list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public Register stating the names, addresses and wards of all Councillors with details of the membership of Cabinet and of all Committees and Sub-Committees.
- Have a reasonable number of copies of agenda and reports (relating to items to be considered in public) made available to the public attending meetings of the Council, Cabinet, Committees and Sub-Committees.
- Have access to a list specifying those powers on which the Council have delegated decision making to their officers identifying the officers concerned by title.
- Copy any of the documents mentioned above to which you have a right of access, subject to a reasonable charge (20p per sheet subject to a maximum of £5.00 per agenda plus a nominal fee of £1.50 for postage). Agenda can be found at [www.herefordshire.gov.uk/meetings](http://www.herefordshire.gov.uk/meetings)
- Please note that filming, photography and recording of meetings is permitted provided that it does not disrupt the business of the meeting.
- The reporting of meetings is subject to the law and it is the responsibility of those doing the reporting to ensure that they comply.
- Access to this summary of your rights as members of the public to attend meetings of the Council, Cabinet, Committees and Sub-Committees and to inspect and copy documents.

## **HEREFORDSHIRE COUNCIL**

**SHIRE HALL, ST PETER'S SQUARE, HEREFORD, HR1 2HX.**

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HEREFORDSHIRE COUNCIL

**MINUTES of the meeting of Health & Social Care Overview and Scrutiny Committee held at Council Chamber, The Shire Hall, St. Peter's Square, Hereford, HR1 2HX on Tuesday 22 September 2015 at 10.00 am**

**Present:** Councillor PA Andrews (Chairman)  
Councillor J Stone (Vice Chairman)

Councillors: ACR Chappell, CA Gandy, DG Harlow, JA Hyde, MD Lloyd-Hayes, PJ McCaull, MT McEvelly, PD Newman OBE, AJW Powers, A Seldon, NE Shaw and D Summers

**In attendance:** Councillors AJW Powers

**Officers:** C Baird (Assistant Director, Commissioning and Education), J Davidson (Director of Children's Wellbeing), G Hughes (Director, Economics, Community & Corporate), P Meredith (Assistant Director Safeguarding and Early Help), Dr A Talbot-Smith (Consultant in Public Health), C Ward (Deputy Solicitor to the Council) and D Penrose (Governance Services)

**22. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors PE Crockett and J Johnson.

**23. NAMED SUBSTITUTES (IF ANY)**

Councillor J Hyde for Councillor J Johnson and Councillor PJ McCaull for Councillor PE Crockett.

**24. DECLARATIONS OF INTEREST**

None.

**25. MINUTES**

The Minutes of the Meeting held on the 22 September 2015 were approved and signed as a correct record.

**26. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY**

None.

**27. QUESTIONS FROM THE PUBLIC**

None.

**28. STROKE PATHWAY PROJECT**

The Committee received a presentation on the Stroke Pathway Project. The Service Unit Manager, Urgent Care and Care Closer to Home highlighted a number of issues within the presentation including:

- Stroke Pathway Staffing. The unit was staffed by a locum and one stroke consultant.
- That the Acute pathway had been agreed and partially implemented, although there would be more work to be undertaken when the second CT scanner was in place in December. A mobile scanner would be available from October.
- The early supported discharge team in place and that evaluation of the team was being undertaken by Healthwatch, the Carers Association and Stroke Association.

In reply to a question from a Member, the Head of Clinical Outcomes and Service Transformation, Herefordshire Clinical Commissioning Group said that mortality rates from stroke were high in terms of the population, but that work was in hand in primary care to identify patients at risk of stroke.

In reply to a further question, she went on to say that the financial sustainability of the service had been questioned from the outset, not least as part of the NHS England evaluation process. There were a number of services for which travel time could have a critical impact on the outcome of the patient, and one of these was stroke. As time was the major factor in dealing with patients, it had been decided that services should be achieved and maintained in the county. Telemedicine also had a part to play, and issues of cost would continue to be addressed, in order to ensure the service was sustainable over the longer period.

**Resolved: That the report be noted**

## 29. URGENT CARE PATHWAY

The Committee received a report on the Urgent Care Pathway Project.

The Head of Clinical Outcomes and Service Transformation, Herefordshire Clinical Commissioning Group presented the report and highlighted the following areas:

- That the current pathway was inefficient, duplicated services, which was confusing for local residents, and was focused on A & E performance, which was failing to meet targets.
- The development of an integrated urgent care pathway would improve outcomes for patients and would be a significant part of the solution to the challenges faced by the Wye Valley Trust. An opportunity existed to expedite this pathway, as existing contracts for some elements of the service would expire in 2016/17.
- An alternative approach was being taken to establish a local urgent care network that would help to influence the national NHS England (NHSE) policy framework as well as dovetailing with the Regional Urgent Care Network that was now required by NHSE
- The model was being refined with input from stakeholders and user groups. The focus would be on functions rather than on individual organisations.
- That the service redesign work that was being undertaken would include a greater emphasis on the third sector and the involvement of the community.

In reply to a Member's comment, she said that there was currently access to primary care on a 24 hour and seven day basis as the out of hours provider was also contracted to undertake home visits if required.

In reply to a further question, she said that patient flow through the system varied between individual cases, and that clinical discharge rates did dip over the weekend. It should be possible to obtain a breakdown of costs associated with patient discharge, and she undertook to provide a briefing note to the Committee.

**Resolved:**

**THAT**

- a) the report be noted; and;
- b) A briefing note on costs associate with patient discharge from the County Hospital be provided to the Committee.

### **30. CHILDREN'S SAFEGUARDING PERFORMANCE DATA**

The Committee received a report of the performance in relation to children's safeguarding for the month of June 2015, together with trend data over the previous 12 months. The Assistant Director, Safeguarding & Family Support highlighted the following areas:

- That although there were five staff vacancies in the social work teams, this had been reduced from fourteen earlier this year. The difficulty of recruiting staff was matched by issues regarding turnover. Consideration was being given to further investment in the team.
- That the number of agency staff had been significantly reduced,
- That there had been a significant overspend by a number of local authorities on children's services.
- That there had been a reduction in children in residential care in Herefordshire.
- That a new Head of Service had been appointed.

In reply to a question from a Member, the Director of Children's Wellbeing said that the rates for Agency staff would be set by the fourteen West Midlands Authorities. There was a dearth of permanent staff. If the council was unable to recruit social work staff, then different staff would be taken on in order to free up existing social workers to focus on the specifics of their cases, rather than on the administration associated with them.

**Resolved: That the report be noted**

### **31. CHILDREN'S SELF EVALUATION FRAMEWORK**

The Committee noted the children's self-evaluation document. The Director of Children's Wellbeing said that the Association of Directors of Children's Services (ADCS) held an annual peer challenge day in October, and this provided an opportunity for Herefordshire to receive external assessment and validation on its progress over the previous year. The self-assessment would be kept as a live document by the Council.

It was proposed that the Directorate would benefit from external challenge of the Looked after Children Services, recruitment and retention of staff and adolescent mental health.

**Resolved: That the report be noted**

## 32. ADULT SOCIAL CARE LOCAL ACCOUNT

The Committee received a report on the Adult Social Care Local Account. The Director of Adults & Wellbeing highlighted the following issues:

- Work undertaken as part of the implementation of the Care Act 2014.
- Safeguarding work that had been undertaken as part of the work delivered by the Local Authority.

In the ensuing discussion, the following points were raised:

- That the work that the Making it Real Board had oversight of had been completed and was an indication that the Authority was moving in the right direction.
- That the communication and engagement officer was overseeing the promulgation of information concerning the wellbeing, information and signposting hub (WISH), and would engage local Members in specific wards wherever possible.
- That one of the purposes of the Local Account was to facilitate challenge of the Service, and this had been undertaken as part of the external Peer Review processes that had taken place twice over the previous 18 months. Significant progress had been achieved over the previous year and there were currently no areas for concern.
- That there was a new independent Chairman of the Adult Safeguarding Board, and that membership of the Board had been restructured and was more representative across the community. It was working to make safeguarding a more personal issue under the guidance of the Board and other agencies.
- That a case audit had been undertaken, and whilst there had been significant improvement, there was scope for further progress.
- Members asked for more granularity of the figures around the quality of life survey in order to be better able to understand what the issues were.

In reply to a question from a Member, the Director said that the Independent Living Fund (ILF) had been closed by Government at the end of June, and funding for the rest of the year had been received, less 5%, which had been calculated as a reduction in the number of people in the system. It was unclear at this stage as to what changes to funding would be made from 2016/17 onwards. The ILF rules had been different from the national eligibility criteria under which adult social care was administered. Therefore, in moving from one system to the other, a number of individuals were experiencing changes in the level of care to which they were entitled. Work was in hand to make the direct payment system simpler to use, but it should be remembered that as this was still public money, so controls were required to ensure it was spent on the appropriate areas.

- That it was clear that there was insufficient financial resources for all those who had previously been in receipt of care, and further work was being undertaken as to how care in the home was provided, with a view to ensuring resources were closely targeted on meeting needs.

In reply to a question, the Director said that that the costs of some elements of residential and home care were higher in the County than the national average. This might reflect the fact that as the delivery of these services in a rural area was sometimes

higher than in an urban one. Travel time between appointments and staff recruitment were both more problematic in the County. The percentage of those who paid for their own care was also higher in Herefordshire, which meant that the council's ability to control the prices in the local care market was limited.

**Resolved: that the report be approved.**

**33. HEALTHWATCH HEREFORDSHIRE**

The Committee noted a report on the activities of Healthwatch Herefordshire.

**Resolved: That the report be noted**

**34. WORK PROGRAMME**

The Committee noted its work programme.

It was agreed that a Task and Finish Group on Early Year Provision and Children's Centres would be set up under the Chairmanship of Councillor C Gandy. Councillor A Seldon and D Summers undertook to join the Group.

**Resolved: That the work programme be noted.**

The meeting ended at 12.50 pm

**CHAIRMAN**





|                         |   |
|-------------------------|---|
| <b>MEETING:</b>         | <b>Health and social care overview and scrutiny committee</b> |
| <b>MEETING DATE:</b>    | <b>17 November 2015</b>                                       |
| <b>TITLE OF REPORT:</b> | <b>Corporate plan 2016-20</b>                                 |
| <b>REPORT BY:</b>       | <b>Assistant director, commissioning</b>                      |

## Classification

Open

## Key decision

This is not an executive decision.

## Wards affected

County-wide

## Purpose

To seek the views of the health and social care overview and scrutiny committee on those elements of the council's corporate plan 2016-20 relevant to its own remit in order to inform cabinet's recommendation to council (specifically the impact on health and social care which are reflected in each of the corporate priorities in the draft corporate plan at appendix A.)

## Recommendation(s)

THAT:

- (a) **The committee provides comments on the draft corporate plan 2016-20, specifically the impact on health and social care.**

## Alternative options

- Under its constitution the council is required to have an up to date corporate plan. The committee may choose to recommend alternative priorities or proposals, but in doing so any alternatives should be informed by the evidence base available and the prevailing financial and policy context.

## Reasons for recommendations

- The corporate plan forms part of the council's budget and policy framework. The council's budget and policy framework rules require that cabinet have regard to the

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Further information on the subject of this report is available from  
Richard Ball, assistant director commissioning on (01432) 260965

views of overview and scrutiny in developing their recommendations to Council on budget and policy framework items.

## **Key Considerations**

3. The corporate plan does not seek to set out everything that the council is seeking to achieve; however, alongside the medium term financial strategy, it does provide the overarching policy framework within which decisions will be taken and resources allocated.
4. Once the content of the plan has been approved, further work will be undertaken to ensure the plan is presented in a more user-friendly way, and reflecting the council's identity and branding. The plan will inform the development of delivery plans demonstrating how the aims of the corporate plan are to be achieved.

## **Community Impact**

5. The draft plan provides the council's vision for the people of Herefordshire, drawing on the evidence base of [Understanding Herefordshire](#).
6. Amongst the key considerations identified in Understanding Herefordshire were:
  - the need to provide opportunities and support to children from disadvantaged and socially isolated communities;
  - reducing health inequalities for people living in poorer areas of the county;
  - the need for the population to partake in healthier lifestyles, with the NHS Health Checks scheme making a valuable contribution;
  - a need to support and develop educational institutions to deliver lifelong learning, which may help retain and attract young people within and to the county and help to deliver and maintain the higher skill levels needed;
  - the provision of subsidised housing.

## **Equality and human rights**

7. Increasing equality of opportunity and access, and reducing inequalities underpin the corporate plan. Individual elements of activity within the delivery plan will undergo equality impact assessments as an integral part of their planning and implementation.

## **Financial implications**

8. There are no direct financial implications arising from this report.

## **Legal implications**

9. There are no legal implications arising from this report.

## **Risk management**

10. There are risks associated with the production of any strategic plan at a time of significant change. However, without a clear indication of the strategic priorities, there is a greater risk that resources may not be directed to areas of greatest needs. Risk assessment of activities planned to implement the corporate plan will be assessed as an integral element of the delivery planning process.

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Further information on the subject of this report is available from  
Richard Ball, assistant director commissioning on (01432) 260965



11. Many of the risks in the corporate risk register will be further mitigated as the corporate plan evolves and the delivery plans are developed to address the key issues, which will demonstrate how the aims of the corporate plan will be achieved.

## **Consultees**

12. The views of residents and the community have been captured as part of the recent [priorities and budget consultation](#) which ran throughout the summer. Whilst the consultation confirmed the proposed corporate plan priorities, almost three quarters of respondents thought that the council should identify other priority areas. These additional areas largely complemented the proposed priorities, and will be used to inform the development of delivery plans.

## **Appendices**

Appendix A - Draft corporate plan 2016-20

## **Background Papers**

None



## HEREFORDSHIRE 2020

### Foreword

Welcome to Herefordshire Council's Corporate Plan for the period 2016 – 2020. The plan records our progress to date, reaffirms our priorities and sets out our ambitions for the next four years.

Herefordshire Council continues to deliver against bold and ambitious plans and, by working with our local and national partners, we will continue to improve the quality of life for the county's residents.

By the end of the decade we will:

- Be even more focused on delivering good core services across the children's wellbeing, adults wellbeing and economy, communities and corporate directorates.
- Have encouraged and supported even more local services to be run by communities themselves.
- Have improved skills and educational attainment within our communities to address the problem of low wages in the county.
- Have enabled the development of new economic activity and external investment to introduce better and better-paid jobs.
- Have delivered new infrastructure to support economic growth and the provision of more good quality affordable homes across the county.
- Have delivered high speed broadband to all who need it.
- Have worked closely with central government as it transforms the ways in which local authorities are funded.
- Have developed and be well on the way to implementing a county wide Economic Masterplan prepared in partnership with business and communities.
- Have further embraced digital technology to save costs, to improve mobile-working and to offer residents 24/7 access to always on services.

In common with local authorities across the country, Herefordshire Council is facing significant financial challenges as central government strives to balance its budget. We are at the 6 year point of a 10 year 'austerity period' during which the council will face increasing demands on the services it provides whilst simultaneously making savings totalling £91 million.

Over the last five years the council's performance has improved across a wide range of services.

Building the foundations for a successful economy has been, and will continue to be, a key priority. We have enabled major improvements including the delivery of flood relief schemes; a new livestock market; a privately funded retail and leisure development on the site of the old livestock market; access to superfast broadband; an Enterprise Zone in Rotherwas, Hereford; improved leisure facilities across the county and improvements to the highway network. We have also put in place a Core Strategy that will provide a blueprint for developing the county over the period to 2031.

The council recognises that it is in the unique position of acting as a hub for the public sector, the private sector and the 3rd sector and accepts the responsibility to work with our partners and to provide leadership through the essential process of change in these most challenging of times.

Alongside delivering essential services, we will continue to build the infrastructure, encourage inward investment and create a business friendly environment to enable the economic growth that will ensure Herefordshire prospers in the future.

These are challenging times, but the council will meet the challenges whilst continuing to build bold and ambitious plans for the future.

## Herefordshire: an introduction

Herefordshire Council provides a wide range of services that combine to make a difference to residents' lives on a daily basis, including education, social care, highways and transport, planning, culture, waste management, environmental health and trading standards.

The council is funded by a combination of grants from central government, local council tax, local business rates and charges for some council provided services. The economic downturn has led to significant reductions in the funding we receive from central government. At the same time, there has been increased demand for some of our most important services, in particular those that protect vulnerable children and adults. We have been proactive in meeting that challenge, recognising that we need to radically change the way we work, in order that we can continue to deliver high quality services to the residents of the county.

This plan outlines our strategy for the next four years. It sets out how we will reshape services and become more efficient.

The plan focuses on the following four strategic priorities:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy and the number of people in work
- Secure better services, quality of life and value for money

## Setting the scene

- Herefordshire's population is about 186,100, having grown by six per cent (10,000 people) since 2001 (compared to nine per cent in England and Wales overall). About one-third of the population lives in Hereford city, a third in the market towns and a third in rural areas.
- Herefordshire is a popular destination for visitors, those with holiday homes and second homes and, in some areas, for out-of-county commuters.
- The county's population has a considerably older age profile than that for England and Wales, with 23 per cent of the population aged 65 years or above, compared with 17 per cent nationally. This includes 5,700 people aged 85 years or above. There are 25 per cent more people aged 65 years or over than there were in 2001, compared with a 19 per cent increase nationally. There is a similar proportion of under-16s as nationally (17 compared to 19 per cent).
- Herefordshire has a lower proportion of younger working age adults (aged 16 to early forties) compared with England and Wales as a whole, but has a higher proportion of older working age adults (mid-forties to 64).
- As a whole, Herefordshire has relatively low levels of multiple deprivation. In general people are healthy, live longer compared with nationally, and have positive experiences of the things that affect their lives and well-being. However, some areas of south Hereford, Leominster and Ross are amongst the 25 per cent most deprived in England. Although the government's 2010 Index of Multiple Deprivation ranks Herefordshire 145<sup>th</sup> out of 326 local authorities, there are areas of significant poverty and deprivation within the county.
- Average wages in the county are significantly below both the regional and national averages. Average house prices are high compared with elsewhere in the region. The affordable housing ratio is the worst in the West Midlands, with houses at the lower end of the market, costing around 8.6 times the annual wage of the lowest earners.
- Unemployment in the county is low. Both agriculture and tourism are a more important source of jobs in the county than elsewhere in the West Midlands. Self-employment is more common in Herefordshire than in the rest of the UK.

- Although Herefordshire performs better than the national average at GCSE, and those who are entered for Level 3 qualifications do well, there are relatively few people in the workforce with higher-level skills. Whilst there are a number of further education establishments throughout the county, there is limited higher education provision, and knowledge-based industries are under-represented in the county. There is net out-migration of young adults from the county in search of wider opportunities for employment and higher education.

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## Key achievements

This section highlights some of our notable achievements over the lifetime of our previous corporate plan (2013-16).

### **Economy - create and maintain a successful economy:**

- Worked with the private sector to support the development of the Old Market retail centre, bringing £90 million of private investment into the county and creating over 1,000 jobs, whilst relocating the new livestock market which is now one of the leading markets in the country;
- Made fibre broadband available to over 50 per cent of premises in the county, and over 300 businesses supported to improve digital skills;
- Developed the enterprise zone – 45 per cent let or under offer;
- Built the Connect 2 cycleway and foot bridge;
- Secured **£XX million** through the Local Enterprise Partnership (LEP);
- Implemented a multi-million pound programme to improve the quality of Herefordshire's roads;
- Adoption of the Herefordshire Local Plan Core Strategy, which will provide the basis for planning and development in the county;
- Energy from waste plant;
- Facilitated development of **XX** houses, of which **XX** were 'affordable';
- Built the Herefordshire Archive and Records Centre, a cost efficient and purpose built records facility which now houses the county's archive records, archaeology unit, historic environment record, and the biological records centre together in one building;
- Invested £9 million in modernising and improving Halo Leisure run leisure facilities across the county; and
- The unemployment rate (JSA claimants) has fallen from 2.5 per cent to 0.6 percent.

### **People - enable residents to be independent and lead fulfilling lives:**

#### Children

- Exceeded the UK average for GCSE and A-level results in 2014 and 2015;
- Provided nursery placements for nearly all 3 to 4 year olds, and increased the number of places for 2 year olds, giving children a great start in life;
- Supported families to achieve better education results and better paid employment opportunities;
- Successfully participated in national developments: the New Belongings Project, significantly enhancing and improving planning, opportunities and outcomes for care leavers; SEN Direct, a new brokerage and information service for children and families with disabilities; Families First (Troubled Families);
- Increased the proportion of 16 year olds leaving statutory education that go in to further education, employment or training; and
- Improved public health outcomes for children.

#### Adults

- Provided support to 2500 of the most vulnerable people in our communities, including 750 people living in residential or nursing care homes;
- Refreshed our direct payments policy, updated our direct payment fact sheets and produced easy to read literature to make it easier for people to have choice and control with a direct payment;
- Worked closely with colleagues in the NHS, and have introduced an integrated urgent care team that work together to assess and put in place care and support at home to help people avoid going into long-term care or hospital. This team also helps to get people back home quickly following hospital admission;

- Redesigned the organisation to create a new management post to focus on prevention. This post brings together a number of services that enables people to stay at home, such as Telecare and housing adaptations, and leads our efforts to act as a catalyst to the development of strong and resilient communities that are able to support people through the difficult times in life;
- Used a grant from Sports UK to enable a project to work with those people who are currently not engaged in physical activity;
- Implemented a new information service that will support people to remain independent through signposting to relevant support and offering the ability to self-assess their needs;
- Worked with XX families and individuals seeking new housing in order to help them secure stable living arrangements, which provides the foundation for good health and wellbeing;
- Improved our safeguarding services by implementing a person-centred approach through Making Safeguarding Personal, and reviewed and launched a new Herefordshire Safeguarding Adults Board which provides oversight of safeguarding issues across partner organisations. We responded to XX instances where safeguarding concerns were raised;
- Improved our approach to personalisation and involved more service users and providers in developing our services by improving the Making it Real Board and appointing an engagement lead to lead this work; and
- Continued to work on our public health initiatives and are amongst the best performing local authorities in the West Midlands for the delivery of NHS Health Checks.

#### **Efficient and effective services:**

- Balanced the budget - cutting waste, rationalising buildings, and being innovative delivered £49 million of savings;
- Council Tax has risen by no more than 2 per cent per annum over the last XX years;
- Key frontline services have been protected;
- The responsibility for public health has been integrated into the council;
- Customer Service call response rates have improved through different ways of working and an increasing shift to the use of on-line services;
- Reviewed the council's website to enable residents and businesses to access services, make applications and make a payment;
- Increased the number of libraries run by the community;
- Piloted a Well Being function in Kington Library as a model of combining services important to local people;
- Implemented a programme of health and wellbeing initiatives for council staff, which has led to reduced levels of absence;
- Improved waste disposal and waste collection services through investing £40 million in a new energy-from-waste plant, saving taxpayers £45 million over the lifetime of the plant;
- Saved £500,000 annually by introducing a fortnightly refuse collection, and increased the recycling rate;
- Reprocurved the public realm contract;
- Rationalised and modernised the residual estate;
- Devolved a range of services to parish and community groups; and
- Utilised information technology and council premises to support better ways of working for our workforce.

## The Priorities

The council, as with any other organisation, works towards an agreed set of priorities. We have consulted widely with residents and stakeholders as we have developed this plan to ensure that we are providing appropriate services to the residents who need them. We remain committed to efficiently maximising the use of resources in order to secure better services, quality of life and value for money whilst complying with our legal duties and corporate priorities.

The corporate plan does not seek to cover everything the council does but instead focuses upon those issues and services that we have identified, with the help of residents and service users, to be the most important. From this we have developed our four priorities. We will include the detail of the actions the council will take to deliver against those priorities in our annual delivery plan, and within directorate and service plans.

The delivery plan will identify key measures to enable us to track our progress in delivering the corporate plan priorities. The council will report quarterly and annually, as appropriate, on the progress being made.

### **Enable residents to live safe, healthy and independent lives**

**Our approach is to be proactive in helping and encouraging people to live healthier lifestyles and developing resources that offer more choice and control in remaining independent, therefore reducing or delaying the need for formal social care.**

In the next four years we will:

- Improve the provision of good information and advice to enable people to support themselves and each other, getting the right help at the right time as needs change.
- Build supportive relationships and resilient communities, acting as a catalyst for communities to become stronger.
- Build services that help people get back on track after illness and support disabled people to be independent, including through ensuring the provision of good quality housing.
- Ensure that care and support is personalised, of good quality, that it addresses mental, physical, and other forms of wellbeing and is better joined-up around individual needs and those of their carers.
- Work with the community to devolve services and assets where there is an improvement in local delivery.
- Combine the use of facilities to create a network of Health and Wellbeing Centres linked to communities.
- Ensure safe and secure neighbourhood environments, with attractive, safe surroundings, good quality local amenities, and the ability of people to enjoy life where they live.

### **Keep children and young people safe and give them a great start in life**

**We want children and young people to grow up healthy, happy and safe with supportive families and carers.**

In the next four years, as highlighted in the Herefordshire children and young people's plan (CYPP), together with our partner organisations we have identified the following six priorities:

- **Early Help:** By March 2018 we will have provided early help to 600 families to help them to improve education, health and employment outcome.
- **0-5 Early Years:** There are 9,800 children aged 0-5 years in Herefordshire. We will reconfigure £3.5 million to deliver early years services including children centre services, health visiting and



school nursing to improve the health, well-being, developmental and educational outcomes of children aged 0-5 years.

- **Mental Health and Emotional Well-Being:** There are an estimated 8,620 children and young people that require support with their mental health or emotional resilience. The CYPP will make improvements so that children, young people and their families are identified and supported to access help in a timely manner.
- **Children and Young People in Need of Safeguarding:** We will continue to develop a continuum of provision that can effectively identify and respond to safeguarding risks and needs ranging from the initial signs of the call for early help to a range of evidence-based interventions for a variety of complex situations.
- **Addressing Challenges for Adolescents:** We will develop better evidence based approaches to support young people in adolescence to ensure a more successful transition to adulthood.
- **Children and Young People with Disabilities:** There are approximately 5,000 children and young people who have a special educational need and/or disability in Herefordshire. The Partnership will promote and enable access to universal opportunities and services for children with disabilities and their families and ensure a range of provision to meet identified need.

### **Support the growth of our economy and the number of people in work**

**We believe it is important to have a strong local economy. We want Herefordshire to be a place where businesses want to settle and can flourish. We also want our town centres to be vibrant and successful and our neighbourhoods to be attractive and sustainable.**

**The county is already home to a wide range of businesses, from global companies to small enterprises. We believe we should continue to support and encourage the growth of our high value business sector and our small enterprises that are equally as important to our economy.**

**At the same time, we want to encourage a broad mix of businesses that will offer employment to local people. We also want to make sure residents, particularly young people, have the right skills needed for local employers. In doing this we want to achieve a sustainable infrastructure that protects and promotes nature, communities and the county's economy.**

In the next four years we will:

- Support economic growth and connectivity (including broadband, local infrastructure, transport and economic development).
- Finalise and implement plans that strengthen and diversify the economy of Herefordshire.
- Make the best use of existing land and identify new opportunities to enable existing businesses to stay and expand, and for new businesses to locate to the area
- Make Herefordshire more attractive to younger age groups for a more balanced age profile, improving local access to skills training so that everyone can benefit from economic prosperity.
- Continue to work with further and higher education to introduce and develop a new university for Hereford, identifying buildings for teaching and student accommodation.
- Have good quality housing to meet everyone's needs.
- Support the improvement in quality of our natural and built environment, bringing about quality development to enable sustainable growth, addressing the need for better business space, affordable homes and student accommodation across the county.
- Improve the county's energy efficiency and reduce the carbon footprint.
- Ensure that the infrastructure is in place to prevent and improve community resilience to flooding.
- Continue to work with the LEP and government with a focus on: employment creation and business support; skills; health transformation; transport; broadband; property and finance; and governance.

- Have vibrant town centres with shops, restaurants and leisure facilities that keep people spending locally.

### **Secure better services, quality of life and value for money**

**We will continue to directly deliver services where we are the best organisation to do so, as well as arranging for others to deliver services on our behalf. We will make our online services simpler, ensuring they cover the things people contact us about most.**

**The outcomes we want to achieve are to get the maximum benefit from public money; achieve cost savings through the use of shared services, outsourcing opportunities and a reduction in the use of consultants; delivery of value for money services; with a modern diverse workforce.**

In the next four years we will:

- Secure the highest possible levels of efficiency savings and value for money to maximise investment in front-line services and minimise council tax increases.
- Ensure our essential assets, including schools, other buildings, roads and ICT, are in the right condition for the long-term, cost-effective delivery of services.
- Review management of our assets in order to generate on-going revenue savings, focusing on reducing the cost of ownership of the operational property estate by rationalising the estate and by improving the quality of the buildings that are retained.
- Apply appropriate regulatory controls.
- Design services and policies that support positive engagement and interaction with residents, including the use of information technology, to improve customer experience and ability to access a range of services on-line.
- Further improve commissioning and procurement to deliver greater revenue efficiencies and savings.
- Recruit, retain and motivate high quality staff, ensuring that they are trained and developed so as to maximise their ability and performance.
- Be open, transparent and accountable about our performance.

## **Governance**

*TO BE WRITTEN*

## **Financial Strategy**

The Medium Term Financial Strategy (MTFS) is a key part of the council's integrated corporate, service and financial planning cycle, which ensures that this plan has been developed in the context of available resources. The MTFS demonstrates, at a high level, how the council intends to address the financial challenges it faces in delivering the priorities.

The MTFS presents the financial position showing how the council intends to maintain financial stability, deliver efficiencies, and support investment in priority services, whilst demonstrating value for money and maintaining service quality.

*TO BE WRITTEN ALONGSIDE THE MEDIUM TERM FINANCIAL STRATEGY*



|                         |   |
|-------------------------|---|
| <b>MEETING:</b>         | <b>Health and social care overview and scrutiny committee</b>                                 |
| <b>MEETING DATE:</b>    | <b>17 November 2015</b>   |
| <b>TITLE OF REPORT:</b> | <b>Budget and medium term financial strategy (MTFS) – draft prior to funding announcement</b> |
| <b>REPORT BY:</b>       | <b>Director of resources</b>  |

## **Classification**

Open

## **Key Decision**

This is not an executive decision.

## **Wards Affected**

County-wide

## **Purpose**

To seek the views of the health and social care overview and scrutiny committee on the draft medium term financial strategy (MTFS) 2016-20 and the budget proposals for 2016-17. Specifically the impact of the proposals on health and social care, these are detailed in appendix 2.

## **Recommendation(s)**

**THAT:**

- (a) the committee provides comments to the general overview and scrutiny committee on the draft MTFS (at appendix 1 to this report) and the 2016-17 budget proposals, specifically the impact on health and social care.**

## Alternative Options

1. It is open to the committee to recommend alternative spending proposals or strategies; however given the legal requirement to set a balanced budget should additional expenditure be proposed compensatory savings proposals must also be identified.

## Reasons for Recommendations

2. The council's budget and policy framework rules require that cabinet have regard to the views of overview and scrutiny in developing their recommendations to Council on budget and policy framework items.

## Key Considerations

3. Herefordshire Council is addressing the most challenging financial conditions in living memory, 2015/16 being year six year of a ten year 'austerity period' in which the Council will make savings totalling £91m. The council is on schedule to have matched up to those challenges, delivering savings of £59m by the end of 2015/16.
4. Whilst focused on services to residents it has been important to reduce the size of the council, demonstrate efficiency and good use of resources by:
  - Reducing the workforce by 20%.
  - Rationalizing buildings we owned in order to centralize in fewer business centres.
  - Making stronger connections across public sector organization – making resources go further.
  - Reducing wasted expenditure on paper, and shifting as first choice to digital, in our offices.
  - Supporting the shift of staff to working mobile, rather than fixed locations.
5. The MTFs, attached at appendix 1, has been updated to reflect current spending, a review of savings plans, contingencies, demographic pressures and assumes a 1.9% increase in council tax. Central government funding for 2016-17 is expected to be announced in the week beginning 14 December following the publication of the comprehensive spending review on 25 November. This report is based on the anticipated funding settlements from information published as part of the July 2015 budget, subsequent announcements and discussions with the society of county treasurers.
6. On 5 October 2015 it was announced that local authorities would be able to retain 100% of business rates by the end of the parliament, 2019-20. Local authorities will also be able to reduce business rates or, for those areas with a devolution deal and an elected mayor, increase business rates with agreement from business members on their LEP.
7. As part of the changes further responsibilities and services will be devolved to local government. More detail on the types of powers which will be given to councils is expected to be announced in the spending review in November.
8. The chancellor also re-iterated the commitment to reduce the public sector spending deficit to zero in the same period so the same level of reductions in council spending

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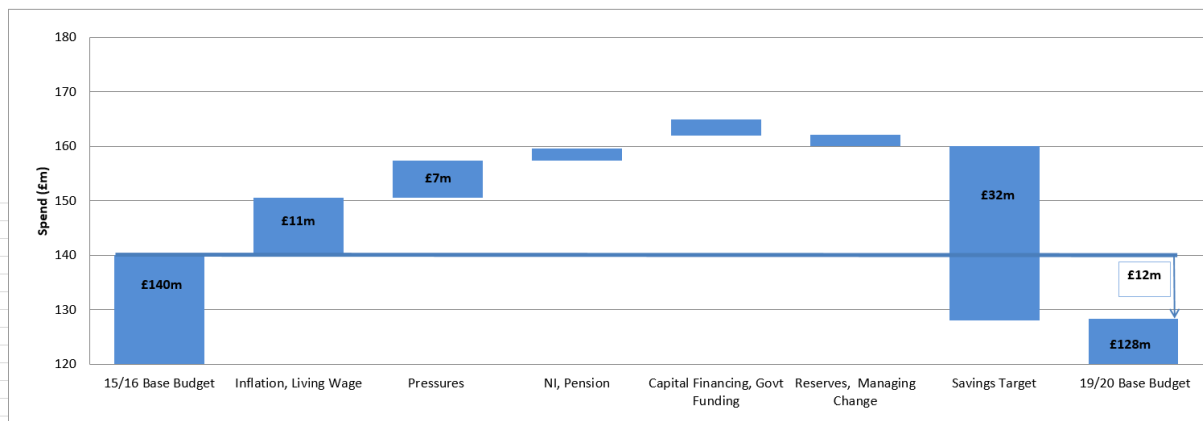
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can be assumed. As a relatively low recipient of business rates this initiative could be disadvantageous to Herefordshire.

9. It won't be known until late December the central government funding for 2016-17 however prudent financial management means we must plan on the best known information and can review approved spending plans once the detail is known, if there are any significant changes.
10. Council will be asked to approve the 2016-17 budget on 5 February 2016. It will also approve the medium term financial strategy and the corporate plan to 2019-20.

### Savings plan 2016-17 to 2019-20

11. The council delivered £49m of savings in the financial years 2010-11 to 2014-15, with an additional £10m required in the current financial year, 2015-16.
12. Looking forward an additional £32m of savings in the financial period 2016-17 to 2019-20 is needed. This gives total savings for the financial period 2010-11 to 2019-20 of £91m.



13. Savings have been reviewed as part of the budget process and revisions made, these are attached as appendix 2 and are summarised in the table below. The review has highlighted an overall gap of £4m shortfall against the target, all in 2019/20, outside of the CSR period. Some savings have now been removed from the plan and some savings having been replaced with new ones work continues on targeting the remaining gap in 2019/20 and providing contingency for slippage against plans.

## Savings Proposals Summary 2016/17 to 2019/20

| Directorate                        | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total 16-20<br>£000 |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|---------------------|
| Adults and wellbeing               | 4.0             | 2.3             | 1.8             | 1.7             | 9.8                 |
| Children's wellbeing               | 1.0             | 1.3             | 1.4             | 1.1             | 4.7                 |
| Economy, communities and corporate | 4.9             | 3.1             | 3.2             | 1.1             | 12.3                |
| Organisational redesign savings    | 0.6             | 0.3             | 0.1             | 0.2             | 1.2                 |
| <b>Total</b>                       | <b>10.5</b>     | <b>7.0</b>      | <b>6.5</b>      | <b>4.0</b>      | <b>28.0</b>         |

14. The implementation of individual savings proposals will be subject to specific consultation as necessary, prior to their implementation.

### Base budget 2016-17

15. A draft of directorate base budgets for 2016-17 is set out below, this is detailed in appendix 3. This reflects increases in inflation and pensions, pressures, savings and other adjustments.

### Draft revenue budget summary 2016-17 pending comprehensive spending review

| Directorate                                 | Base budget<br>2015/16<br>£000 | Net changes<br>£000 | Draft budget<br>2016/17<br>£000 |
|---|--------------------------------|---------------------|---------------------------------|
| Adults and wellbeing                        | 53,243                         | (1,466)             | 51,777                          |
| Children's wellbeing                        | 22,137                         | 244                 | 22,381                          |
| Economies, communities and corporate (ECC)  | 50,635                         | (1,135)             | 49,500                          |
| <b>Total Directorates</b>                   | <b>126,015</b>                 | <b>(2,356)</b>      | <b>123,659</b>                  |
| Capital financing - debt repayments         |                                |                     | 10,323                          |
| Capital financing - interest                |                                |                     | 6,773                           |
| Change management                           |                                |                     | 728                             |
| Government grants                           |                                |                     | (6,741)                         |
| Other central budgets                       |                                |                     | 2,019                           |
| <b>Total net spend (budget requirement)</b> |                                |                     | <b>136,760</b>                  |
| <b>Financed by</b>                          |                                |                     |                                 |
| Council tax                                 |                                |                     | 87,611                          |
| Locally retained business rates             |                                |                     | 22,338                          |
| Business rates top up                       |                                |                     | 6,950                           |
| Revenue support grant                       |                                |                     | 19,242                          |
| Reserves                                    |                                |                     | 619                             |
|   |                                |                     | <b>136,760</b>                  |

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## Financing

16. The 2016-17 net budget requirement assumes a 1.9% increase in council tax and a 2% inflationary increase in business rates business rates.
17. The formula grant funding assumption is based on an annual government funding reduction of 12% throughout the MTFS term as indicated in the summer budget. A 12% reduction was realised in 2015-16 and funds reduced by 14% in 2014-15.
18. Financing from reserves is used as one-off funding to pump prime spend to save initiatives.
19. Future year funding assumptions are based on a 12% per annum reduction in general central government funding. This excludes specific grant allocations. The impact is shown in the table below. This is line with indicative assessments of announcements made and reflects reductions continuing throughout the period at the same pace as seen in previous years.

| Government funding    | 2013/14     | 2014/15     | 2015/16     | 2016/17     | 2017/18     | 2018/19     | 2019/20     |
|-----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                       | £m          | £m          | £m          | £m          | £m          | £m          | £m          |
| Revenue support grant | 42.9        | 35.8        | 26.5        | 19.2        | 12.8        | 7.0         | 1.9         |
| Business rates top up | 6.6         | 6.7         | 6.8         | 7.0         | 7.1         | 7.2         | 7.4         |
| New homes bonus       | 2.1         | 2.8         | 3.6         | 4.2         | 4.3         | 4.1         | 4.0         |
| Business rates        | 22.0        | 22.4        | 23.3        | 23.5        | 24.0        | 24.5        | 25.0        |
| <b>Totals</b>         | <b>73.4</b> | <b>67.7</b> | <b>60.2</b> | <b>53.9</b> | <b>48.2</b> | <b>42.8</b> | <b>38.2</b> |
| Reduction %           | 10%         | 14%         | 12%         | 12%         | 12%         | 12%         | 12%         |
| RSG grant reduction   | 7.0         | 9.4         | 7.2         | 6.5         | 5.8         | 5.1         | 4.6         |

### Grants included in the net budget

20. Included in the proposed budget are the continuation of grants received in 2015/16 that are yet to be confirmed for 2016/17. These are:

| Grant                             | 2015/16 £000 |
|-----------------------------------|--------------|
| Housing benefit admin subsidy     | 819          |
| Council tax support – new burdens | 32           |
| Social care funding – new burdens | 1,224        |
| Public health grant               | 7,970        |
| Business rates S31 grant          | 2,354        |
| DoH social care funding           | 119          |

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|                           |               |
|---------------------------|---------------|
| Lead flood grant          | 46            |
| Extended rights to travel | 106           |
| Commons registration      | 4             |
| Better care fund          | 11,694        |
| <b>TOTAL</b>              | <b>24,368</b> |

21. The table below shows the contributions made by the council and the CCG to the Better Care Fund (BCF). The local authority expenditure is included within the AWB budget. The funding from the CCG includes the protection of social care (£4.5m) plus the Care Act funding (£0.5m).
22. The Care Market Management (scheme 2) relates to the additional pooled fund agreed by the council and the CCG. It relates to all in county residential and nursing placements for the local authority and in county residential continuing health care (CHC) placements and free nursing care (FNC) from the CCG.

| <b>Key Deliverables</b>                       | <b>LA<br/>Contrib<br/>£000</b> | <b>CCG<br/>Contrib<br/>£000</b> | <b>Pooled<br/>Budget<br/>2015/16<br/>£000</b> |
|---|--------------------------------|---------------------------------|---|
| <b>Expenditure</b>                            |                                |                                 |   |
| Minimum protection of Social Care (Scheme 1a) |                                | 4,520                           | 4,520   |
| Implementation of Care Act                    |                                | 458                             | 458   |
| Disabled Facilities Grant (capital)           | 866                            |                                 | 866   |
| Community Capacity/Social Care Capital        | 490                            |                                 | 490   |
| Community Health Redesign (Scheme 1b)         |                                | 6,716                           | 6,716   |
| Care Market Management (Scheme 2)             | 18,363                         | 8,365                           | 26,728  |
| Fund Management                               | 27                             |                                 | 27  |
| <b>Total BCF Expenditure</b>                  | <b>19,746</b>                  | <b>20,059</b>                   | <b>39,805</b>                                 |

23. Under the section 75 agreement between the council and the CCG the pooled budget arrangements the financial contributions have to be jointly agreed. Work will commence shortly to review and agree the revised base budget for pool 2 for 2016/17. This work will include a review of the risk share arrangements which were put in place for the first year of the BCF only as both partners recognised that in year operational activity may result in the need for changes.



## New pressures included in draft budget

24. Additional pressures have been identified that were not anticipated in the MTFS approved in February 2015, the living wage and pressures in adults demographic, these are set out below:

|                              | 2016-17      | 2017-18      | 2018-19      | 2019-20      | Total        |
|------------------------------|--------------|--------------|--------------|--------------|--------------|
|                              | £000's       | £000's       | £000's       | £000's       | £000's       |
| National living wage         | 686          | 618          | 491          | 539          | 2,334        |
| Adults demographic pressures | 888          | 874          | 926          | 945          | 3,633        |
| Other pressures              | 396          | (24)         |              |              | 372          |
| <b>TOTAL</b>                 | <b>1,970</b> | <b>1,468</b> | <b>1,417</b> | <b>1,484</b> | <b>6,339</b> |

25. The national living wage pressure follows the government announcement in June of plans to introduce a national living wage from April 2016 of £7.20 per hour at age 25 and above, rising annually so that by 2020 it is 60% of median UK earnings per hour which, based on data available, is likely to be around £9.30 per hour. The pressures above are based on the anticipated effect on our supply chain as a result of this cost increase.

26. Adult demographic pressures are being faced from the increasingly older population in Herefordshire and are based on the office for national statistics data.

27. The approved medium term financial strategy (MTFS) assumed savings of £1m in children's safeguarding in 2016-17. However this budget is overspending by £1.7m in 2015-16, as such the budget has been re-based and savings reviewed with the safeguarding team up to 2019-20. Savings have been profiled over the period, giving a budget increase of £0.5m in 2016-17 with budget savings assumed 2017-18 to 2019-20.

28. The government have stated that they will give cash protection to schools based on pupil numbers in the plan period. This means that the pressures effecting the council, pay-awards, national insurance and pension increases and the living wage implementation will have to be within schools cash-limited budgets. This is estimated to result in savings of 16% in schools over the period, the majority of which will have to come from staffing reductions. These savings will also have an impact in children's wellbeing, not only having to provide support to schools in financial difficulties but the knock on impact where schools will have to reduce what services they purchase from the council. The directorate will also have to reduce spending proportionately for schools that become academies.

## Reserves and balances

29. The projected general fund working balance is as follows being in excess of the policy requirement to retain a balance of 3% of the net budget (approximately £4.3m).

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| <b>Year ending</b> | <b>£m</b> |
|--------------------|-----------|
| 31.3.14            | 5.1       |
| 31.3.15            | 7.1       |
| 31.3.16            | 6.9       |

30. In addition the council has a number of revenue reserves which are earmarked for specific purposes, for example specific grant funding. The council cannot use schools balances. Including these reserves total reserves going forward are estimated to be as follows:

| <b>Balance as at:</b> | <b>General fund<br/>£m</b> | <b>Specific reserves</b> |              | <b>Total<br/>£m</b> |
|-----------------------|----------------------------|--------------------------|--------------|---------------------|
|                       |                            | <b>Schools</b>           | <b>Other</b> |                     |
| 31.03.14              | 5.1                        | 6.3                      | 17.6         | 29.0                |
| 31.03.15              | 7.1                        | 6.2                      | 20.5         | 33.8                |
| 31.03.16 estimate     | 6.9                        | 5.5                      | 19.5         | 31.9                |

31. The level of general reserves retained have increased in 2014-15 in recognition of the possibility of increased difficulty in achieving the savings plans going forward and to fund one-off investment costs in 2015-16 in addition to providing a more prudent level of contingency for additional risks.

### **Pension deficit**

32. The pension deficit on Herefordshire's fund as at 31 March 2015 totalled £211m, representing the shortfall between the estimated value of obligations and the assets held in the pension fund. This proportionate level of deficit, 42%, is normal for local authority pension funds and relates to falling returns on investments and employees living significantly longer than anticipated when the scheme was initially set-up.

33. The council ensures that funding is set aside by the time the benefits come to be paid with revised contribution rates bringing the fund into balance over a period of 21 years. Although the benefits will not actually be payable until employees retire, the council has a commitment to make the payments and this needs to be disclosed at the time the employees earn their future entitlement. In 2016/17 the council will pay £5m to repay the deficit as agreed with the pensions fund's actuaries. This amount will be reviewed after the next full valuation (due 31 March 2016) which is based on assumptions about mortality rates, salary levels, inflation and asset growth. It is currently estimated that the deficit will decrease to between £150m - £200m over the planning period.

## **Community Impact**

34. The MTFs and budget demonstrate how the council is using its financial resources to deliver the priorities within the agreed corporate plan.

## **Equality and Human Rights**

35. The Public Sector Equality Duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and

demonstrate that we are paying “due regard” in our decision making in the design of polices and in the delivery of services.

36. A number of service specific equality impact assessments are being completed for the service specific budget proposals to assess the impact on the protected characteristic as set out in the Equality Act 2010.

37. The duty means that the potential impact of a decision on people with different protected characteristics is always taken into account when these assessments have been completed then we will consider mitigating against any adverse impact identified.

## **Financial Implications**

38. As set out in the report.

## **Legal Implications**

39. When setting the budget it is important that councillors are aware of the legal requirements and obligations. Councillors are required to act prudently when setting the budget and council tax so that they act in a way that considers local taxpayers. This also covers the impact on future taxpayers.

40. The Local Government Finance Act 1992 requires a council to set a balanced budget. To do this the council must prepare a budget that covers not only the expenditure but also the funding to meet the proposed budget. The budget has to be fully funded and the income from all sources must meet the expenditure. The act also covers the legal issues around council tax setting.

41. Best estimates have to be employed so that all anticipated expenditure and resources are identified. If the budget includes unallocated savings or unidentified income then these have to be carefully handled to demonstrate that these do not create a deficit budget. An intention to set a deficit budget is not permitted under local government legislation.

42. Local authorities must decide every year how much they are going to raise from council tax. They base their decision on a budget that sets out estimates of what they plan to spend on services. Because they decide on the council tax before the year begins and can't increase it during the year, they have to consider risks and uncertainties that might force them to spend more on their services than they planned. Allowance is made for these risks by: making prudent allowance in the estimates for services; and ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient.

43. Section 25 of the Local Government Act 2003 requires an authority's chief finance officer to make a report to the authority when it is considering its budget and council tax. The report must deal with the robustness of the estimates and the adequacy of the reserves allowed for in the budget proposals (the statement is contained within the risk management section of this report). This is done so that members will have

authoritative advice available to them when they make their decisions. As part of the Local Government Act 2003 members have a duty to determine whether they agree with the chief finance officer's statutory report. If they do not they must provide clear reasons for not following the professional advice put forward by the chief finance officer.

44. Legal challenges to local authority budget setting processes have tended to turn on whether the authority has complied with its obligations under the Equalities Act 2010 - the public sector equality duty (PSED). This duty imposes a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the PSED when taking any decisions on service changes. However, the courts also recognise that local authorities have a legal duty to set a balanced budget and that council resources are being reduced by central government.
45. Where a decision is likely to result in detrimental impact on any group sharing a protected characteristic it must be justified objectively. This means that attempts to mitigate the harm need to be explored. If the harm cannot be avoided, the decision maker must balance this detrimental impact against the strength of legitimate public need to pursue the service remodelling to deliver savings. The more serious the residual detrimental impact, the greater the financial savings must be to justify the decision. The harm can only be justified if it is proportionate to the financial benefit and if there have been reasonable efforts to mitigate the harm.
46. The committee should give careful and reasoned consideration to the results of the consultation as set out in appendix 4 to this report.

## **Risk Management**

47. Section 25 of the Local Government Act 2003 requires the chief finance officer to report to Council when it is setting the budget and precept (council tax). Council is required to take this report into account when making its budget and precept decision. The report must deal with the robustness of the estimates included in the budget and the adequacy of reserves.
48. The budget has been updated using the best available information, current spending, anticipated pressures and an assessment of the grant settlement. This draft will be updated following the comprehensive spending review.
49. The most substantial risks have been assessed as part of the budget process and reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process.
50. There are additional risks to delivery of future budgets including government policy changes and unplanned pressures. A general fund reserve balance above the

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minimum requirement, a risk mitigation reserve of £4.5m and an annual contingency budget of £0.7m have been set aside to manage these risks.

51. Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities is critical for medium term change.
52. Difficulty in achieving reductions in children's safeguarding. The proposals include a saving of £1m on current spending however Herefordshire is high spending compared to statistical neighbours and the savings are felt to be deliverable.
53. Herefordshire CCG are projecting a £5m overspend in 2015/16 and are going to have to make savings in 2016/17 which may have an impact on council services.
54. The risk of on-going litigation claims which may result in one off costs falling due.

#### **Care Act**

55. The previously identified risks associated with the implementation of the Care Act (phase 2) have been significantly reduced as a result of the summer decision to delay the introduction of the care cap and other changes until 2020 but not eliminated completely. There remain financial risks for all local authorities arising from the requirement introduced in the Care Act for local authorities to pay a fair price for care.

#### **Better Care Fund (BCF)**

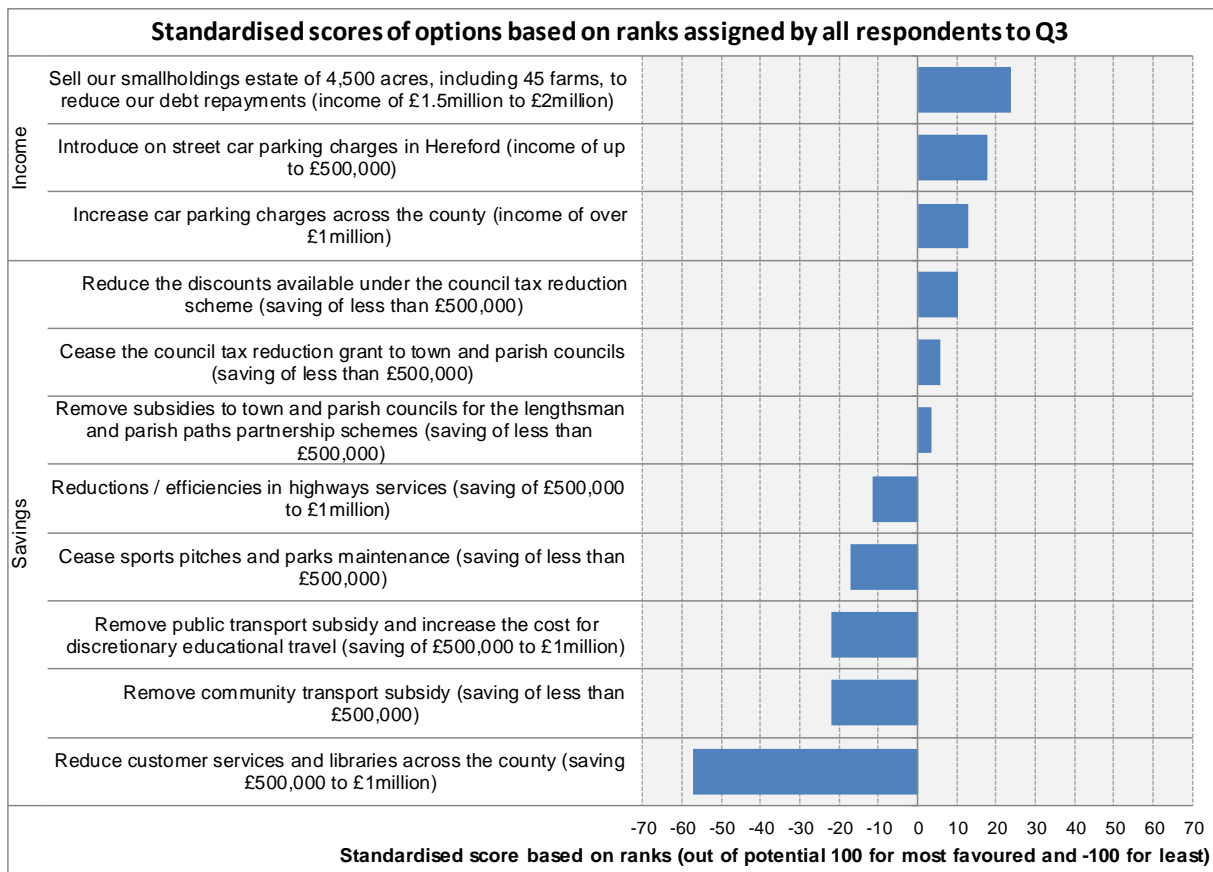
56. The local authority and CCG pooled more than the minimum requirement for the BCF for 2015-16. The additional pooled funds relate to residential and nursing placements including residential based continuing health care (CHC) placements in the county. The CCG has notified the council of pressures arising from a sharp increase in CHC placements in year. Actions are underway to mitigate and reduce this pressure and re-base the pooled budget in 2016-17.

#### **Independent Living Fund (ILF)**

57. Central government closed the ILF and transferred funding on a non-recurrent basis for current service users (less 5% attrition factor) in July 2015. Local authorities have been advised that ongoing funding will be considered as part of the CSR. The annual cost of services transferred is circa £1.3m. The local authority is reviewing client needs to ensure the correct level of financial support is offered and assessing financial contributions made by clients which is likely to reduce the total cost of the service provision but there remains a material financial pressure if funding is not identified for councils to maintain this support as part of the CSR.

## Consultation

58. Consultation on the budget proposals commenced on 23 July and completed on 9 October. The consultation sought views on priorities, savings and income proposals and included how we could do things differently. The outcome of the consultation, attached in appendix 4 will be used to guide decisions within a balanced budget.
59. The ranking below is based on responses received and analysed. There were a total of 1,979 standard responses to the consultation, of which 784 submitted online and 1,195 completed paper copies. 61% of responses supported a council tax increase above 2% to protect services and defer savings.
60. The draft responses show some clear messages, as shown in the diagram below. There was a general preference for savings that would generate income:
- 37 per cent of respondents ranked 'selling our smallholdings estate' as their first or second preference
  - 'Increase car parking charges across the county' received the next highest number of first choices (22 per cent) and was the second choice of a further 10 per cent; but 'introduce on street car parking charges in Hereford' received more first and second choices combined (35 per cent)
  - Altogether, these three options were ranked as most preferred by 70 per cent of respondents and no other option received more first choices than any of them individually.
61. There was less preference for the other savings options, with 'reduce customer services and libraries across the county' being by far the least preferred option, ranked as least preferred by over half (52 per cent) of respondents.
62. Initial proposals have been reviewed and re-phased following the consultation feedback, particularly areas seen as a higher priority by the public, libraries, community and public transport. The updated proposals are detailed in appendix 2.



## Appendices

Appendix 1 – draft MTFs pending CSR

Appendix 2 - breakdown of savings plans by directorate

Appendix 3 – detailed of draft 2016/17 budget

Appendix 4 - summary of budget consultation

## Background Papers

- None identified.

Further information on the subject of this report is available from Peter Robinson, director of resources on tel (01432) 383519

**Herefordshire Council  
Medium Term Financial Strategy  
2016/17 – 2019/20**



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# 1. Introduction

- 1.1. The MTFs covers the financial years 2016/17 – 2019/20 and demonstrates how the council will maintain financial stability, deliver efficiencies, support investment in priority services, whilst demonstrating value for money and maintaining service quality.
- 1.2. The MTFs is a key part of the council's integrated corporate, service and financial planning cycle. This cycle is designed to ensure that corporate and service plans are developed in the context of available resources and that those resources are allocated in line with corporate priorities set out in the Corporate Plan. Herefordshire's key priority areas are to keep children and young people safe and give them a great start in life, enable residents to live safe, healthy and independent lives, invest in projects to improve roads, create jobs and build more homes.
- 1.3. All local authorities are reducing services as the Government continues to significantly reduce the funding it provides to local government across England. We are at the six year point of a 10 year 'austerity period' in which the Council needs to make savings totaling £91m. The council is on schedule to have matched up to those challenges, delivering savings of £59m by the end of 2015/16.
- 1.4. The Comprehensive Spending Review is expected to be announced on 25<sup>th</sup> November 2015. This will set out the funding assessment for local authorities. The draft MTFs has been prepared on the expected impact modelling further reductions in funding. Herefordshire's Revenue Support Grant (RSG) totaled £26.5m in 2015/16, providing 18% of the councils £142m 2015/16 net budget requirement. This is projected to reduce to £2.5m in 2019/20. Recent announcements have stated that this funding will be reduced to £nil in 2019/20 however the Council will retain all business rate income which would result in an increase in overall funding alongside additional responsibilities.
- 1.5. In addition, the demand for services continue to grow with the council providing care for more people, particularly in essential areas such as children's safeguarding and adult social care.
- 1.6. The anticipated reduction in funding compounded by additional service pressures have resulted in a funding gap of £42m for the period 2015/16 to 2019/20 with savings of £10.5m needed in 2016/17, £32m 2016/17 to 2019/20.



## 2. Herefordshire's Characteristics

### 2.1 Rural Pressures

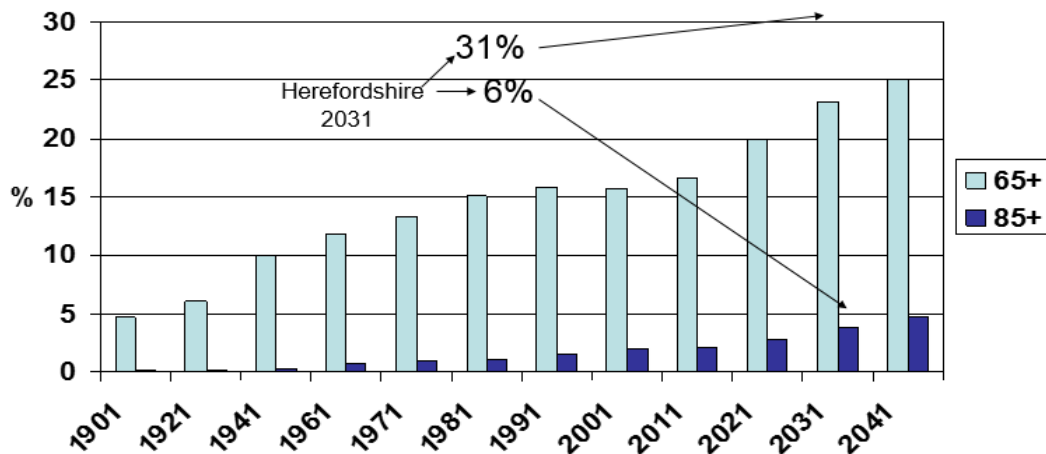
- 2.1.1 Herefordshire Council has consistently argued that the costs associated with delivering services in rural areas are not adequately funded through the current national formula. Herefordshire is the most sparsely populated county in England– with residents dispersed across its 842 square miles. Areas of poverty and deprivation exist in Herefordshire and there are crucial economic, geographic and demographic factors, relating to distance, population sparsity, ageing, social inclusion and market structure.
- 2.1.2 Social isolation is a growing concern, not least because of the disproportionately increasing number of older people living in Herefordshire – but also due to poverty and deprivation. The cost of living in rural areas, for example transport and domestic fuel costs, can be higher than in urban areas. There is also recognition that it is often the most vulnerable members of the community, such as frail elderly people and deprived families, who suffer most from the loss of local services and the high cost of living.
- 2.1.3 54% of Herefordshire's population live in rural areas; 42% in the most rural locations. Providing services to a dispersed population across a large geographic area is a challenge and additional resources are required for professionals that need to visit clients across the county. Some health services - such as a dentist and GP - are difficult to access for some of Herefordshire's residents, along with other services such as public transport or having a local post office.
- 2.1.4 The historic under funding of rural areas means that the range and level of services provided in rural areas was much lower than in urban areas before the introduction of the austerity measures. The impact of the austerity measures has therefore been much greater in rural areas.

### 2.2 Adult Social Care

- 2.2.1 Adult Social Care faces significant future pressures due to increased life expectancy and future demand due to an aging population. Currently 23% of Herefordshire residents are over 65 compared to 19% nationally. This is expected to increase to 31% by 2031, compared to 23% nationally.

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Source: ONS Population Trends and Population Projections (selected volumes).

2.2.2 In Herefordshire many people over 65 years old are active and well. However, there is a sizeable and growing group of over 65s living with chronic health conditions; dementia and increasing frailty, and it has been reported that Herefordshire has one of the lowest rates for diagnosis of dementia in England. The full extent of the implications of managing the increase in dementia is therefore likely to be underestimated.

2.2.3 The creation of the pooled Better Care Fund budget in 2015/16 aims to improve the integration of health and care services. Funding was allocated from within NHS budgets pooled with social care capital grants. This has significant implications for the future design and development of services across Herefordshire. The council and the Clinical Commissioning Group have published plans on how this funding will be spent and continue to actively work on the implications for the county.

## 2.3 Children

2.3.1 Based on provisional October 2015 pupil numbers, primary school numbers (including nursery classes) are predicted to increase in 2015/16 to 13,361, 2.2%. Secondary school numbers are predicted to be 9,434. Since the establishment of Herefordshire Council in 1998, primary school numbers have fallen by 869 from a high of 14,230 in 1998, a reduction equivalent to 6.1%. From a high point in January 2005, secondary numbers have fallen from 10,511 to 9,434 a reduction of 1,077, 10.2%, and are expected to continue to fall until 2017. School Funding is based upon pupil numbers in October each year and the Dedicated Schools Grant in 2016/17 will be funded on 13,018 primary pupils and 8,642 secondary pupils (excluding sixth form pupils) at £4,447.12 per pupil.

2.3.2 The new schools funding formula distributes the same amount of funding to Herefordshire Schools but on a different basis as Herefordshire continues to move towards the expected national school funding formula, creating winners and losers. The Minimum Funding Guarantee (MFG) limits the budget losses to 1.5% per pupil and those schools gaining budget will be capped by a similar percentage in order to fund

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the cost of the MFG protection. The additional fairer funding increase of £2.7m in 2015/16 will be consolidated into Herefordshire's funding in 2016/17. Whilst school funding is protected in cash terms by government, schools in Herefordshire will face increasing cost pressures arising from increased pension contributions, national insurance rises and unfunded pay awards which will add at least 15% to school costs over the next five years. Financial viability, particularly for smaller schools, will become increasingly more significant.

- 2.3.3 The numbers of looked after children increased during 2015/16, and stands at 298 as at 31 October 15, an increase of 9% compared with 31.10.13. The Care Placement Strategy includes action to reduce the costs of meeting the needs of children in our care.
- 2.3.4 The number of children on Child Protection Plans is 244 as at 31 October 2015, the numbers of referrals and Children in need remain at very high levels. This combined with the council's commitment to lower caseloads for social workers, and the ongoing cost of agency staff, mean that the cost of the safeguarding workforce remains high. The planned reduction of the use of agency staff is based on the ongoing positive impact of the social work academy on the recruitment and retention of newly qualified social workers, and a robust recruitment strategy for recruiting and retaining experienced social workers. In addition, the new West Midlands agency social work protocol came into effect on 1 January 2015, which is addressing the significant cost increase in this area over the past two years.
- 2.3.5 The number of children with Complex Needs cases continues to rise and indications show an increase in average cost per placement.

## 2.4 Value for Money

- 2.4.1 Using cost benchmarking data we are able to focus on areas where spend varies from other authorities with similar characteristics and challenges such as providing adult social care services to a sparsely dispersed aging population. National benchmarking data is currently available to 2013/14. This shows that overall Herefordshire Council is ranked 3rd against its thirteen statistical comparator neighbours, an improvement of three places compared to the 6th position reported in 2012/13. The relative performance by service is summarised below.

|                                    | Net spend (£m) | 2012/13 Ranking | 2013/14 Ranking |   |
|------------------------------------|----------------|-----------------|-----------------|---|
| Adult Social Care                  | 54.7           | 13              | 11              | ↑ |
| Children's services                | 38.8           | 7               | 10              | ↓ |
| Education                          |                | 4               | 3               | ↑ |
| Waste & Regulatory Services        | 20.4           | 10              | 11              | ↓ |
| Cultural & related services        | 6.7            | 5               | 2               | ↑ |
| Highways & Transportation services | 17.9           | 9               | 7               | ↑ |
| Housing services                   | 7.6            | 6               | 6               | ▬ |
| Total / Overall                    | 162.8          | 6               | 3               | ↑ |

- 2.4.2 Indicative benchmarking for 2014/15 shows that the ranking for Adult Social Care is likely to improve by at least 2 places whereas the ranking for Children's services will drop to 12th. The overall position of 3rd is positively skewed for Herefordshire due to our lower than average DSG settlement and therefore relatively low average cost of Education provision within the County.
- 2.4.3 The savings set out in the MTFS to 2019/20 are intended to bring relative spend down comparatively with statistical neighbours. Particularly in Children's Safeguarding and Adult Social Care.
- 2.4.4 Waste disposal costs are comparatively high due being in a PFI arrangement until 2023. This attracts waste infrastructure grant funding which, when included, reduces the spend to a comparable level.
- 2.4.4 Herefordshire's external auditors, Grant Thornton annually review the financial resilience, value for money and statement of accounts of the council. They do this by looking at key indicators of financial performance, its approach to strategic financial planning, its approach to financial governance and its approach to financial control. Their overall conclusion gave the council a clean bill of health, assessing all areas as green in 2014/15.

### 3 National Financial Context

#### 3.1 2015 Comprehensive Spending Review

- 3.1.1 The 2015 Comprehensive Spending Review will set out the overall spending for the public sector and will set out the Government's proposals for tackling Britain's deficit, including significant reductions in public spending.
- 3.1.2 These are challenging times, but the Council is continuing to meet those challenges whilst building bold and ambitious plans for the future.

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## 4 Herefordshire Council's Financial Context

### 4.1 Introduction

4.1.1 This section of the MTFS describes the council's financial position and approach for:

- Revenue spending
- Capital investment
- Treasury management

### 4.2 Comparative Funding Position

4.2.1 Herefordshire is not a well-resourced council. Government grant systems attempt to make allowance for the additional cost and complexity of delivering services in a sparsely populated areas but do not do enough for councils like Herefordshire where its sparse population is more evenly distributed throughout the county.

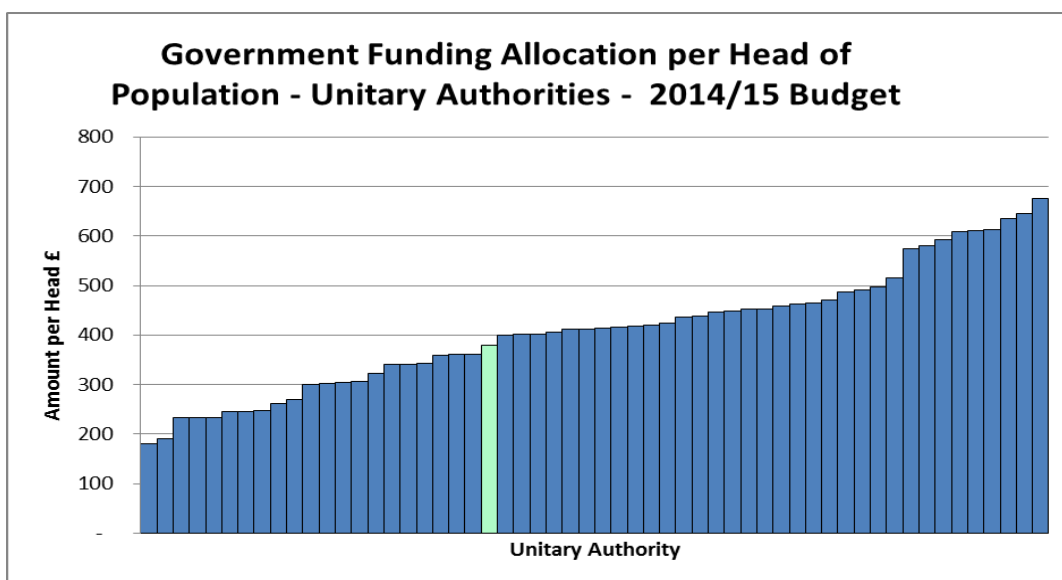
4.2.2 Herefordshire Council has consistently argued that the costs associated with delivering services in rural areas are not adequately reflected in the current formulae. The Rural Services Network (SPARSE), a body representing rural councils in England, established that an urban area on average receives 50% greater central government assistance than a rural area.

4.2.3 The Government has accepted that rural areas have been comparatively underfunded. This was reflected in an Efficiency Support for Sparse areas grant added into the financial settlement, £976k in 2015/16, however this is not enough to bridge the gap in funding requirement.

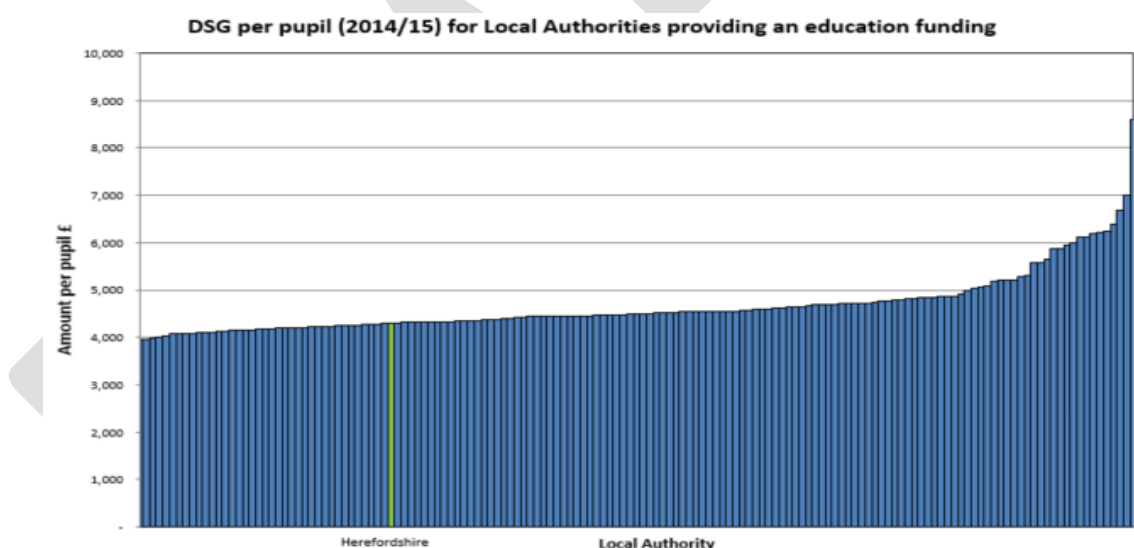
4.2.4 The 2015/16 budget figures show that:

- a) The Government Funding Allocation per dwelling is £675, 24% below the national average of £885; and
- b) Indicative Dedicated Schools (DSG) Grant per pupil is £4,435.87, 4% below the average for education authorities of £4,612.11.

4.2.5 The graph below shows Formula Grant per head of population for all unitary authorities 2014/15. It shows that Herefordshire receives less on average than the others, the 35th out of 55 unitary authorities, despite its sparsity and demographic profile.

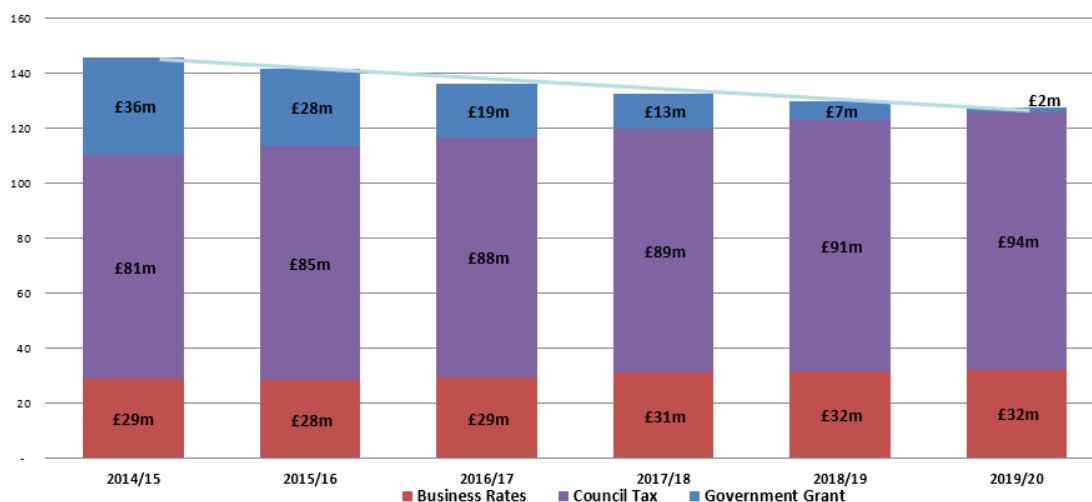


4.2.6 The graph below shows DSG per pupil for local authorities providing education functions (before deductions for academies recoupment and direct funding of academy High Needs). Herefordshire is placed 113 out of 151 authorities.



## 4.3 Funding

4.3.1 The chart below shows the projected breakdown of the council's funding, showing less and less funding being provided by central government and increased self-financing from council tax and business rates.



## 4.4 Local Government Settlement 2016/17

4.4.1 The local government settlement is expected to be announced in the week beginning 14<sup>th</sup> December 2015. This draft MTFs for Herefordshire has been prepared in line with budget assumptions of continued funding reductions in support of the government's aim to reduce the budget deficit to zero by 2019/20 whilst protecting health budgets.

## 4.5 New Homes Bonus

4.5.1 The New Homes Bonus grant funding commenced in April 2011. This grant match funds the additional council tax raised for new homes and empty properties brought back into use for the following six years. The continuation of this funding is uncertain, current MTFs assumptions presume a continuation based on the delivery of 2,000 new homes in the period 2016/17 to 2019/20.

4.5.2 Herefordshire has been awarded the following since 2011/12 with the first six years funding of £591k per annum ceasing in 2017/18;

|         | <b>Annual allocation</b> | <b>Cumulative receivable</b> |
|---------|--------------------------|------------------------------|
|         | <b>£000</b>              | <b>£000</b>                  |
| 2011/12 | 591                      | 591                          |
| 2012/13 | 824                      | 1,415                        |
| 2013/14 | 655                      | 2,070                        |
| 2014/15 | 738                      | 2,808                        |
| 2015/16 | 783                      | 3,591                        |

## 4.6 Specific Grants

4.6.1 The table below will be updated to include the 2016/17 specific grants for Herefordshire when announced in December, in the meantime 2015/16 amounts are shown.

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| <b>Grant</b>                      | <b>2015/16<br/>£000</b> |
|-----------------------------------|-------------------------|
| Housing benefit admin subsidy     | 819                     |
| Council Tax support – new burdens | 32                      |
| Social care funding – new burdens | 1,224                   |
| Public health grant               | 7,970                   |
| S31 grant                         | 2,354                   |
| DoH social care funding           | 119                     |
| Lead flood                        | 46                      |
| Extended rights to travel         | 106                     |
| Commons registration              | 4                       |
| Better care fund                  | 11,694                  |
| <b>TOTAL</b>                      | <b>24,368</b>           |

## 4.7 Dedicated Schools Grant

- 4.7.1 The Dedicated Schools Grant (DSG) is paid as a ring-fenced specific grant and funds the Schools Budget. DSG is split into three distinct blocks as follows:
- Schools Block - funding delegated to schools as determined by national funding formula
  - High Needs Block – all funding for special educational needs including post-16
  - Early Years Block – funding for private, voluntary, independent nursery providers and central early year’s services.
- 4.7.2 DSG is the main source of income for schools. Each block within DSG, although not ring-fenced, is funded separately. The schools block will be based upon a per pupil formula using the actual pupil numbers from the October school census data. The Early Years block will be calculated on a rolling basis through the year based on three termly pupil census dates.
- 4.7.3 A national review of the distribution formula for DSG based around the introduction of a national schools funding formula resulted in additional fairer funding for many low funded authorities, including an extra £2.7m for Herefordshire from April 2015. As a high delegator of funding to schools early indications from the Institute of Fiscal Studies suggested that Herefordshire schools will lose funding in the move to a national funding formula however this has not been as significant as initially thought.
- 4.7.4 Apart from the additional fairer funding allocation of £129.43 per pupil within the Schools Block, there was no inflationary uplift in DSG funding rates for the early years and high needs blocks in 2015/16.
- 4.7.5 The total schools block funding for 2016/17 is estimated to total £96m based on forecast pupil numbers. Early Years and High Needs budgets will be finalised in early 2016 following the DSG allocation for 2016/17.

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- 4.7.6 Academies are publicly funded independent local schools. Academies are independent of the council and responsible directly to and funded directly by government. They are freed from national restrictions such as the teachers' pay and conditions documents and the national curriculum. Many Herefordshire schools have embraced the change and approximately 40% of pupils will be educated in Academies from April 2015.
- 4.7.7 Academies provide a teaching and learning environment that is in line with the best in the maintained sector and offer a broad and balanced curriculum to pupils of all abilities, focusing especially on one or more subject areas (specialisms). As well as providing the best opportunities for the most able pupils and those needing additional support, academies have a key part to play in the regeneration of disadvantaged communities.
- 4.7.8 Academies receive additional top-up funding from a share of the Education Services Grant to reflect their extra responsibilities which are no longer provided by the local authority. Academies can choose to buy these services from the local authority.

## 4.8 Council Tax

- 4.8.1 The MTFS includes a council tax increase of 1.9% per annum. The council has had to deal with very significant reductions in government funding coupled with increases in demand. Over the past four years Herefordshire has delivered budget reductions of over £50m with another £10m in 2015/16 on a net budget of £142m.
- 4.8.2 As a direct result of how the government grant allocation system works Herefordshire, and other rural authorities, do not receive the same level of grant as some other councils, particularly London boroughs, despite the fact that in many instances our geography means some services, such as road maintenance and social care cost more to deliver. Rural authorities also have less ability to benefit from additional incentives offered by government such as business rate localisation.
- 4.8.3 Herefordshire Council has managed the challenge facing the public sector through focusing its resources on the services most essential to ensure the health and wellbeing of the county's residents, in particular the most vulnerable, and to promote economic growth. We have increased council tax and intend to do so again to continue this work, having already significantly reduced 'back office' operating costs and non-essential service delivery.
- 4.8.4 It is also important to note that the council tax collected includes levies not only for Herefordshire Council and the police but the fire authority and the parish councils – all of which face similar challenges in meeting the needs of the local community with increasingly scarce resource, although not all face the same capping limits as local authorities on the levy they can raise. The more we can do to increase the economic prosperity of the county the more financially sustainable these essential public services become.
- 4.8.5 The council chose to freeze council tax and took the Government's council tax freeze grant in 2011/12 and 2012/13. However, when the Government offered a further council tax freeze grant for 2013/14, 2014/15 and 2015/16 the council did not accept this and approved a 1.9% increase.

## 4.9 Reserves

4.10.1 Herefordshire has two main sources of reserve funding to support the day to day spending that is recorded in the revenue account, the General Fund balance and Specific Reserves. As the titles suggest, the latter are held for a specific purpose whilst the former could be considered a general contingency.

4.10.2 The following table shows the year-end balance on the General Fund for the last three financial years and the estimated position at 31 March 2016.

| Balance as at:    | General Fund<br>£m | Specific Reserves |       | Total<br>£m |
|-------------------|--------------------|-------------------|-------|-------------|
|                   |                    | Schools           | Other |             |
| 31.03.13          | 4.7                | 5.5               | 8.4   | 18.6        |
| 31.03.14          | 5.1                | 6.3               | 17.6  | 29.0        |
| 31.03.15          | 7.1                | 6.2               | 20.5  | 33.8        |
| 31.03.16 estimate | 6.9                | 5.5               | 19.5  | 31.9        |

4.10.3 £5.5m of the specific reserves belong to schools and cannot be used to help pay for non-schools services and other reserves include unspent government grants carried forward to be spent in future years.

4.10.4 During 2014-15 local authorities increased their reserves by £1bn in total, a significantly lower increase than in 2013-14 when authorities increased their reserves by £2bn. Herefordshire maintains a general fund reserve balance above its minimum requirement but does not hold an excessive amount in reserves. The chart below shows how Herefordshire reserves are slightly less proportionally to those held by other unitary authorities.



## 4.11 Capital Receipts Reserve

4.11.1 There is one capital receipts reserve that represents cash available to support spending on the creation or enhancement of assets, the usable capital receipts reserve. The

following table shows the level of usable capital receipts reserve for the last 3 financial years and the estimated position at 31 March 2015.

| <b>Balance as at:</b> | <b>Opening Balance<br/>£m</b> | <b>Receipts<br/>£m</b> | <b>Spend<br/>£m</b> | <b>Closing Balance<br/>£m</b> |
|-----------------------|-------------------------------|------------------------|---------------------|-------------------------------|
| 31 March 2013         | 2.8                           | 2.9                    | (2.9)               | 2.7                           |
| 31 March 2014         | 2.7                           | 5.3                    | (2.0)               | 6.0                           |
| 31 March 2015         | 6.0                           | 2.0                    | (3.6)               | 4.4                           |
| 31 March 2016 (est)   | 4.4                           | 4.1                    | (2.7)               | 5.8                           |

4.11.2 The council has a policy that ensures capital cash resources are used effectively in support of corporate priorities. As a result all capital receipts are a corporate resource and not 'owned' or earmarked for directorates unless allocated for a specific purpose.

4.11.3 The Council transferred its housing stock to Herefordshire Housing in November 2002, since then it has received a share of right to buy receipts under its preserved rights agreement on transfer. £10m of capital receipts have been received since transfer from the sale of 370 homes. This sharing agreement continues until 2032.

## 4.12 Funding Arrangements for Capital Investment

4.12.1 Capital expenditure can be funded from capital receipts, borrowing, grants and revenue contributions.

4.12.2 Government support for capital investment is through the allocation of grants, known grant funding allocations for 2016/17 are listed below, a number are yet to be announced:

- **Local Highways Maintenance Funding** - £10.564m
- **Integrated Transport Block** - £1.069m
- **Basic Need** - £0.666m

4.12.3 **Council Borrowing** - This medium-term strategy reflects the borrowing funding requirement implied by the Treasury Management Strategy to support the capital programme.

4.12.4 **Capital Receipts Reserve** – as shown in paragraph 4.11.1 the capital receipts reserve totalled £4.4m as at 1 April 2015. This is likely to rise to around £5.8m by the end of this financial year. This will be used to fund the capital programme avoiding the need to borrow.

4.12.5 **Other Funding opportunities** - The financial management strategy for increasing capital investment capacity centres on:

- **Maximising Capital Receipts** – by disposing of assets
- **Maximising Developers' Contributions** – through planning gains and the adoption of a Community Infrastructure Levy
- **Challenge Funding** – an application will be submitted to the Department for Transport for highway maintenance
- **LEP Major Scheme Grant Funding** – applications will be made for infrastructure schemes

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- **External Funding Bodies** – to distribute funding for projects that satisfy their key criteria and objectives; bids are submitted where appropriate.
- **New Homes bonus and Retained Business Rate Income Growth** – these revenue funding streams will be linked, where appropriate, to support the cost of financing capital expenditure.

4.12.6 The challenges given to retaining assets will be based on value for money and the delivery of strategic priorities and key service delivery. Surplus properties will either be recycled or disposed of and proceeds will be reinvested. The disposal of land will be allowed after consideration of sacrificing a capital receipt for transfer of the land for use as social housing or as a community asset transfer.

## 4.13 Capital Programme 2016/17

4.13.1 The 2016/17 capital programme represents funding allocations received to date, commitments from previous years and will be updated for new capital schemes following Council approval. The council's capital programme is funded by grants, borrowing and capital receipts. All schemes funded by borrowing are included in the Treasury Management Strategy and Prudential Borrowing Indicators within this MTF5.

4.13.2 The following table summarises the re-profiled approved capital investment programme.

| <b>Scheme</b>                                       | <b>Spend in prior years £000</b> | <b>15/16 £000</b> | <b>16/17 £000</b> | <b>17/18 £000</b> | <b>Future years £000</b> | <b>Total £000</b> |
|---|----------------------------------|-------------------|-------------------|-------------------|--------------------------|-------------------|
| <b>Existing Schemes</b>                             |                                  |                   |                   |                   |                          |                   |
| Road infrastructure                                 | 14,613                           | 5,387             | -                 | -                 | -                        | <b>20,000</b>     |
| Hereford city link road                             | 10,658                           | 9,513             | 3,324             | 3,505             | -                        | <b>27,000</b>     |
| Fastershire broadband                               | 8,395                            | 6,200             | 5,605             | -                 | -                        | <b>20,200</b>     |
| Energy from waste plant                             | 6,009                            | 16,000            | 17,991            | -                 | -                        | <b>40,000</b>     |
| Leisure centres                                     | 4,013                            | 3,187             | 1,800             | -                 | -                        | <b>9,000</b>      |
| Electronic document and management system           | 400                              | 400               | -                 | -                 | -                        | <b>800</b>        |
| Highways Maintenance                                | -                                | 11,523            | 10,564            | 10,244            | 27,816                   | <b>60,147</b>     |
| Hereford enterprise zone                            | -                                | 2,500             | 7,100             | 6,400             | -                        | <b>16,000</b>     |
| South wye transport package                         | -                                | 1,000             | 1,000             | 12,300            | 12,700                   | <b>27,000</b>     |
| Integrated transport plan                           | -                                | 1,069             | 1,069             | 1,069             | 3,207                    | <b>6,414</b>      |
| LED street lighting                                 | 766                              | 4,889             | -                 | -                 | -                        | <b>5,655</b>      |
| Three elms trading estate                           | -                                | 2,100             | 400               | 350               | -                        | <b>2,850</b>      |
| Solar photovoltaic panels                           | 35                               | 1,599             | 500               | -                 | -                        | <b>2,134</b>      |
| Marches and Worcestershire redundant building grant | -                                | 1,500             | -                 | -                 | -                        | <b>1,500</b>      |
| Better care fund                                    | -                                | 1,356             | -                 | -                 | -                        | <b>1,356</b>      |
| Schools capital maintenance grant                   | -                                | 1,215             | -                 | -                 | -                        | <b>1,215</b>      |

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|                                 |               |               |               |               |               |                |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Relocation of Broadlands school | -             | 1,137         | 120           | -             | -             | <b>1,257</b>   |
| Schools basic need              | -             | 634           | 666           | -             | -             | <b>1,300</b>   |
| Brookfield improvements         | -             | 200           | 300           | -             | -             | <b>500</b>     |
| Colwall primary school          | -             | -             | 4,800         | 1,700         | -             | <b>6,500</b>   |
| Peterchurch primary school      | -             | -             | 1,000         | -             | -             | <b>1,000</b>   |
| Purchase of gritters            | -             | -             | 375           | 125           | -             | <b>500</b>     |
| <b>TOTAL</b>                    | <b>44,889</b> | <b>71,409</b> | <b>56,614</b> | <b>35,693</b> | <b>43,723</b> | <b>252,328</b> |

## 4.14 Treasury Management Strategy

4.14.1 The council is required to approve an annual treasury management strategy each year as part of the budget setting process. Herefordshire's Treasury Management Strategy for 2015/16 complies with the detailed regulations that have to be followed and sets out the council's strategy for making borrowing and investment decisions during the year in the light of its view of future interest rates. It identifies the types of investment the council will use. On the borrowing side, it deals with the balance of fixed to variable rate loan instruments, debt maturity profiles and rescheduling opportunities. The strategy also includes the Minimum Revenue Provision (MRP) policy. This will be updated following approval of additions to the capital programme by Council in December.

### Investments

4.14.2 During 2015/16 interest rates have remained low. In the year to date the average daily rate achieved on the council's investments has ranged from 0.5% to 1.0% and averaged 0.7%. The first increase in the Bank Base Rate is not expected until later in 2016. The budget for 2016/17 has been set on a prudent basis assuming low investment balances and low interest rates.

4.14.3 The council's primary objective in relation to the investment of public funds remains the security of capital. As a result of new banking regulations which, in the absence of government support, put the council's deposits at risk when banks get into difficulty, the council will maintain lower investment balances during the year (a policy only possible with short-term loans which can be matched to the council's cash-flow profile) and invest these mainly in Money Market Funds.

### Borrowing

4.14.4 Total gross outstanding debt was £165m as at 31 March 2015 of which £19m were short term loans and £146m fixed rate long term loans which are being repaid at approximately £10m per annum.

4.14.5 The strategy for borrowing, based on the capital programme, includes an estimated additional requirement of £15m for 2015/16 (increasing from a total of £145m at 31.03.15 to £160m at 31.03.16) however this need has not been secured to date. This is the net figure after taking account of estimated capital spend, the refinancing of existing loans, MRP and available reserves.

4.14.6 The borrowing requirement is calculated by reference to the capital financing requirement which is set according to capital spend and other long term liabilities including PFIs. Projections will be updated following the approval of new capital investment by Council in December.

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4.14.7 The forecast is for interest rates to stay low for the foreseeable future.

## 5. Medium-Term Financial Resource Model (FRM)

### 5.1. Background

5.1.1 The FRM shown takes into account the corporate financial objectives and approach set out in this document. The FRM is designed to provide an assessment of the overall resource availability for the revenue account over the medium term. It sets the financial context for corporate and service planning so that the two planning processes are fully integrated. It will be published following the CSR and will cover the period from 2016/17 to 2019/20, although it will be refreshed annually.

### 5.2 Assumptions

5.2.1 The FRM includes a number of key assumptions on which the financial strategy is based. Current planning includes the following:

- a) Council Tax - a 1.9% increase per annum
- b) Government funding – the FRM reflects a 12% reduction per annum
- c) New Homes Bonus – is assumed to continue based on 500 new homes per annum
- d) Inflation - 2% uplift per annum on income and contract inflation indices on non-pay expenditure.
- e) Pay – increased at 1% per annum
- f) Employers' National Insurance – increases in employers' contributions following the ending of contracting out in 2016/17
- g) Interest Rates – investment income and borrowing costs in line with the Treasury Management Strategy

### 5.3 Pensions

5.3.1 The pension fund's Actuaries will undertake a their triennial review of the pension fund assets and liabilities and the estimated revised the contribution rates required to bring the fund into balance over a period of 21 years are reflected.

5.3.2 The current pension deficit on the fund for Herefordshire is £211.4m, split between assets and liabilities as shown below:

| <b>Pension fund</b>          | <b>31.03.15<br/>£m</b> |
|------------------------------|------------------------|
| Present value of obligations | 500.0                  |
| Fair value of assets         | (288.6)                |
| <b>Deficit</b>               | <b>211.4</b>           |
| <b>Deficit %</b>             | <b>42%</b>             |

5.3.3 The council are repaying this deficit over 21 years, £7m in 2016/17 (£2m of this relates to schools which is financed from school funds). This proportion of deficit, 42%, is normal for Local Authority pension funds and relates to falling returns on investments

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and employees living significantly longer than anticipated when the scheme was initially set-up. The fund is due to be revalued at the end of 2015/16 with the deficit expected to fall.

## 5.4 Funding assumptions included in the FRM

5.4.1 The following funding assumptions are included in the FRM.

|   | 2016/17<br>£000 | 2017/18<br>£000 | 2018/19<br>£000 | 2019/20<br>£000 |
|---|-----------------|-----------------|-----------------|-----------------|
| Council tax                               | 87,611          | 88,833          | 91,264          | 93,578          |
| Retained business rates                   | 22,338          | 24,009          | 24,489          | 24,979          |
| Business rates top-up                     | 6,950           | 7,089           | 7,231           | 7,375           |
| Revenue support grant                     | 19,242          | 12,773          | 6,993           | 1,852           |
| Reserves                                  | 619             | (66)            | -               | -               |
| <b>Funding for net budget requirement</b> | <b>136,760</b>  | <b>132,638</b>  | <b>129,977</b>  | <b>127,784</b>  |

5.4.2 The settlement also set out the specific grants for Herefordshire, as detailed in Section 4.7. These grants are used to fund specific functions within Directorates.

## 5.5 Directorate pressures

5.5.1 The total of Directorate pressures which are included in the FRM are:

|                              | 2016-17<br>£000's | 2017-18<br>£000's | 2018-19<br>£000's | 2019-20<br>£000's | Total<br>£000's |
|------------------------------|-------------------|-------------------|-------------------|-------------------|-----------------|
| Living wage                  | 686               | 618               | 491               | 539               | 2,334           |
| Adults demographic pressures | 888               | 874               | 926               | 945               | 3,633           |
| Other pressures              | 396               | (24)              |                   |                   | 372             |
| <b>TOTAL</b>                 | <b>1,970</b>      | <b>1,468</b>      | <b>1,417</b>      | <b>1,484</b>      | <b>6,339</b>    |

5.5.2 Any new pressures will have to be self-funded through savings within directorates.

## 5.6 Savings Targets

5.6.1 The council delivered £49m of savings in the financial years 2010/11 - 2014/15, with an additional £10m required in the current financial year, 2015/16. Looking forward an additional £32m of savings in the financial period 2016/17 - 2019/20 is needed. This gives total savings for the financial period 2010/11- 2019/20 of £91m.

5.6.2 Savings have been reviewed as part of the budget process and revisions made, these are summarised in the table below. The review has highlighted an overall gap of £4m shortfall against the target in 2019/20. Some savings have now been removed from the plan and some savings having been replaced with new ones. Work continues on targeting the remaining gap.



## Savings Proposals Summary 2016/17 to 2019/20

| Directorate                           | 2016-17<br>£'000 | 2017-18<br>£'000 | 2018-19<br>£'000 | 2019-20<br>£'000 | Total<br>16-20<br>£'000 |
|---------------------------------------|------------------|------------------|------------------|------------------|-------------------------|
| Adults and wellbeing                  | 4.0              | 2.3              | 1.8              | 1.7              | 9.8                     |
| Children's wellbeing                  | 1.0              | 1.3              | 1.4              | 1.1              | 4.7                     |
| Economy, communities<br>and corporate | 4.9              | 3.1              | 3.2              | 1.1              | 12.3                    |
| Organisational redesign<br>savings    | 0.6              | 0.3              | 0.1              | 0.2              | 1.2                     |
| <b>Total</b>                          | 10.5             | 7.0              | 6.5              | 4.0              | 28.0                    |

- 5.6.3 For Children's Wellbeing the savings plans cover the following areas;
- Care Placement Strategy – reduction in residential placement costs
  - Recruitment and retention of permanent staff
  - Adoptions initiatives
  - Service re-design in safeguarding
- 5.6.4 For Adults Wellbeing the savings plans cover the following areas;
- Remove funding people who are not eligible for adult social care
  - Maximising income through charging for services
  - Shifting to providing enablement focused and time limited support
  - Re-commissioning and reductions in care packages
  - Contract Changes, improved value for money
  - Reductions in accommodation based support
  - Service redesign
  - Maximisation of Continuing Health Care
  - Population wellbeing interventions
- 5.6.5 For ECC the savings plans cover the following areas;
- Waste & Sustainability
  - Public transport
  - Back-office
  - Asset Review
  - Withdrawal of subsidies to Cultural Services partners
  - Co-location of customer and library services
  - Car Parking
  - Council tax reduction scheme
  - Removal of discretionary rate relief to some voluntary organisations

## 5.7 Budget proposal 2016/17

5.7.1 The draft budget for 2016/17 is as follows:

| <b>Directorate</b>                          | <b>Base budget<br/>2015/16<br/>£000</b> | <b>Net changes<br/>£000</b> | <b>Draft budget<br/>2016/17<br/>£000</b> |
|---|---|-----------------------------|--|
| Adults and wellbeing                        | 53,243                                  | (1,466)                     | 51,777                                   |
| Children's wellbeing                        | 22,137                                  | 244                         | 22,381                                   |
| Economies, communities and corporate (ECC)  | 50,635                                  | (1,135)                     | 49,500                                   |
| <b>Total Directorates</b>                   | <b>126,015</b>                          | <b>(2,356)</b>              | <b>123,659</b>                           |
| Capital financing - debt repayments         |   |                             | 10,323                                   |
| Capital financing - interest                |   |                             | 6,773                                    |
| Change management                           |   |                             | 728                                      |
| Government grants                           |   |                             | (6,741)                                  |
| Other central budgets                       |   |                             | 2,019                                    |
| <b>Total net spend (budget requirement)</b> |   |                             | <b>136,760</b>                           |

## 5.8 Budget risks

- 5.8.1 This MTFS will be updated when the comprehensive spending review is published in November. The most substantial risks have been assessed in the budget process and reasonable mitigation has been made. Risks will be monitored through the year and reported to cabinet as part of the budget monitoring process. The proposed budget includes contingency and reserves that, if required, can be used to manage realised risks in addition to the normal budget virement risk management process.
- 5.8.2 Demand management in social care continues to be a key issue, against a backdrop of a demographic of older people that is rising faster than the national average, and some specific areas of inequalities amongst families and young people. Focusing public health commissioning and strategy on growth management through disease prevention and behaviour change in communities is critical for medium term change.
- 5.8.3 Key areas of focus include, sustaining the current focus on a new relationship with citizens and communities, changing the models of care to more family based provision, managing the price paid where the council is the commissioner and/or where this is taking place with partners with a specific reference to health, improvements in commercial interface including contract management, using technology to enable new ways of working including significant channel shift around self-service and automated business process improvement and a subsequent headcount reduction

## Savings Proposals Summary 2016/17 to 2019/20

| Directorate                        | 2016-17<br>£'000 | 2017-18<br>£'000 | 2018-19<br>£'000 | 2019-20<br>£'000 | Total<br>16-20<br>£'000 |
|------------------------------------|------------------|------------------|------------------|------------------|-------------------------|
| Adults and wellbeing               | 4.0              | 2.3              | 1.8              | 1.7              | 9.8                     |
| Children's wellbeing               | 1.0              | 1.3              | 1.4              | 1.1              | 4.7                     |
| Economy, communities and corporate | 4.9              | 3.1              | 3.2              | 1.1              | 12.3                    |
| Organisational redesign savings    | 0.6              | 0.3              | 0.1              | 0.2              | 1.2                     |
| <b>Total</b>                       | <b>10.5</b>      | <b>7.0</b>       | <b>6.5</b>       | <b>4.0</b>       | <b>28.0</b>             |

## Adults Wellbeing Directorate

| Savings Proposal   | Impact   | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total<br>£000 |
|--|--|-----------------|-----------------|-----------------|-----------------|---------------|
| Re-commissioning care contracts and supported living agreements, implementation of policy and pricing changes for nursing placements, carers respite and transport services.   | Removal or reduction in transport funding to individuals and the carers respite provision, whilst still meeting all eligible needs   | 1,650           | 1,045           | 800             | 750             | 4,245         |
| Introduction of outcomes based assessments and reviews, focussing on high cost care packages and reductions in domiciliary care hours.   | Will lead to more equitable service provision that still meets all eligible needs but is provided at a reduced average cost. Care packages will be removed from non-eligible carers  | 1,850           | 500             | 400             | 350             | 3,100         |
| Increased income from applying the new guidance in the Care Act, including joint assessments and minimum earnings guarantees. In addition, a small flat rate charge will be applied to service users who are in receipt of telecare. | The impact of these changes will be affordable as all services will only be charged following individual financial assessment in line with Care Act requirements. Telecare users, subject to financial affordability will be charged £2.85 per week, £148 pa | 380             | 150             | 100             | 100             | 730           |
| Reduction in staffing will be delivered through a review of the commissioning and contracts team and minor changes to the staffing structures within operational locality teams.   | There will be no direct impact on service users.   | 150             | 600             | 450             | 500             | 1,700         |
| <b>Total</b>   |  | <b>4,030</b>    | <b>2,295</b>    | <b>1,750</b>    | <b>1,700</b>    | <b>9,775</b>  |

## Children's Wellbeing Directorate

| Savings Proposal  | Impact  | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total<br>£000 |
|---|---|-----------------|-----------------|-----------------|-----------------|---------------|
| Manage contract inflation and secure contract efficiencies.   | No impact - efficiency savings from service providers   | 200             | 250             | 250             | 250             | 950           |
| Re-unifying children with their families or an alternative family based permanent home including adoption where appropriate. 2016/17 increase reflects spending in 2015/16 as well as reductions in spending. | Will provide better long term outcomes for children who are in care which are more cost effective.  | (500)           | 316             | 572             | 200             | 588           |
| Developing appropriate housing arrangements and options for 17 year olds to promote independent living which removes the need for young people to be in the care of the local authority.                      | Providing young people better access to housing tenancies and other options to support them to become independent adults.   | 300             | 250             | 250             | 250             | 1,050         |
| Review of allowances paid to families providing homes for other peoples children on a permanent basis, including special guardianship, adoption and child arrangements.                                       | The revised policy will provide a fairer and more transparent approach. This will result in some families receiving less and others receiving more, however service users will still have their eligible needs met. | 200             |                 |                 |                 | 200           |
| Accessing government grant to focus early help on the most vulnerable families to reduce the need for higher cost services.   | Improved school attendance, educational achievement, reduced anti-social behaviour and youth offending and increased employment.  | 270             | 100             | 150             | 150             | 670           |

| <b>Savings Proposal</b>  | <b>Impact</b>   | <b>2016-17<br/>£000</b> | <b>2017-18<br/>£000</b> | <b>2018-19<br/>£000</b> | <b>2019-20<br/>£000</b> | <b>Total<br/>£000</b> |
|--|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| Continuing the social worker recruitment and retention strategy (grow our own, cap agency rates, specific recruitment, overseas recruitment and alternative contracts) to increase the number of permanent social workers and reduce agency staff. | Ensuring families benefit from a consistent and established service through a stable and capable social worker workforce. | 300                     | 250                     | 100                     | 100                     | 750                   |
| Reduce numbers of managers, overheads and a reduction in contribution to the Youth Offending Service (YOS) contract.   | No impact - efficiency saving.  | 230                     | 100                     | 100                     | 100                     | 530                   |
|  |   | <b>1,000</b>            | <b>1,266</b>            | <b>1,422</b>            | <b>1,050</b>            | <b>4,738</b>          |

## Economy, Communities & Corporate

| Savings Proposal  | Impact   | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total<br>£000 |
|---|--|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Efficiency savings</b><br><b>Initiatives include:</b> Management savings, Staff restructures, capitalisation of staff costs, reduction of grants to third party organisations, saving on printing cost, Elections service design review, increased income from the translation service, reduction in storage costs at the Modern Records Unit and Planning fee income. | No impact - efficiency savings   | 565             | 295             | 100             | 180             | 1,140         |
| <b>Back Office Services and Corporate Accommodation efficiencies</b>  | No impact - efficiency saving  | 550             | 500             | 450             | 250             | 1,750         |
| <b>Increase Crematorium Fees</b>  | Benchmarking and aligning fees against neighbouring authorities  | 150             |                 |                 |                 | 150           |
| <b>Car Parking charges increase</b>   | Increase in fees to support the Council's sustainable transport policies and manage available spaces to support local economy. Potential adverse impact on trade if charges deter visitors. Structure of charges will aim to address local circumstances and encourage visitors and shoppers to visit Hereford and the market towns. Income will be targeted to support transport services in accordance with the Council's Local Transport Plan.<br>Increase income by 20% in 2016/17<br>5% Increase 2017/18<br>5% increase 2018/19 | 750             | 225             | 235             |                 | 1,210         |

| Savings Proposal  | Impact   | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total<br>£000 |
|---|--|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>On-Street Car parking Project</b>  | Introduction of on street charges in central Hereford and potential extension of residents parking in surrounding areas which will provide ongoing revenue to support transport services. Proposals will improve traffic circulation, increase turnover and availability of short term parking for shoppers, ensure provision for loading and unloading and improve parking for residents living close to the city centre.   | 58              | 172             |                 |                 | 230           |
| <b>Reduced cost of Public and School / College Transport and moving public transport information to online only</b> | Reduction in public transport services, increased income from parental contributions and Post 16 SEN transport users. Further savings from contract efficiencies.<br>A transport funding review is underway which will explore a range of opportunities to reduce costs across all local passenger transport services and alternative sources of funding to support such service, including Public Health funding. Savings are likely to be achievable through the integration of passenger transport contracts, service efficiencies, moving more users onto commercial and supported bus services and review of eligibility for services. If this approach does not achieve the full savings target, it may be necessary to further reduce public transport subsidy. | 150             | 250             | 180             | 150             | 730           |

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| <b>Savings Proposal</b>   | <b>Impact</b>   | <b>2016-17<br/>£000</b> | <b>2017-18<br/>£000</b> | <b>2018-19<br/>£000</b> | <b>2019-20<br/>£000</b> | <b>Total<br/>£000</b> |
|---|---|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| <b>Phased removal of subsidy for Community Transport organisations</b>  | The phased reduction in the support to Community Transport providers commenced in 2015/16 and the exploration of alternative funding sources to support such services, including from Public Health funding. To continue this to full reduction by 2019/20 will have provided a five year transition period for providers to seek opportunities to increase their independent financial viability. Support has been made available for providers to take on more contracted work and also to assist them to increase their capacity. Grants have been available for new fleet and could be made available in future subject to funding being available. |                         |                         | 60                      | 75                      | 135                   |
| <b>Change the Highway Maintenance Plan to allow higher quality planned repairs to be undertaken for significant safety related pothole defects rather than the current temporary fixes required to meet reactive timescales. This will reduce the overall cost and reduce the need for repeat treatments.</b> | There are approximately 50 potholes a month that are currently filled temporarily in this way and this change will allow them to form part of a programme of works on the basis of a risk assessment based on location, road type and traffic flow, as occurs with other defects. The new method will be more cost effective.   | 150                     | 150                     |                         |                         | 300                   |
| <b>Phased removal of subsidies to parish councils for the Lengthsman and Parish Paths .</b>   | The condition of minor roads in Parish areas will be dependent upon whether Parish Councils choose to replace the subsidy form their own resources.   |                         | 100                     | 100                     | 100                     | 300                   |
| <b>Community asset transfer of parks and open spaces</b>  | Sports pitch and parks maintenance cost saving through a programme to transfer responsibility for assets to community groups, town and parish councils and others. Impact of this proposal could see communities taking greater care and ownership of their local environment.  | 60                      | 100                     | 90                      |                         | 250                   |

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| Savings Proposal  | Impact  | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total<br>£000 |
|---|---|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Increased income and efficiency within Public Realm Services</b>   | Increase income from increased enforcement in relation to works carried out by Utility companies on the highway (NRSWA) - reduction in Highway defects.<br>Investment in fleet and plant to reduce ongoing revenue cost and maintenance. No adverse impact upon service.<br>Environmental service redesign<br>Review of service to streamline and reduce cost of cleansing and monitoring of waste/litter related issues. Improved environment through better coordination. | 250             | 230             | 25              | 25              | 530           |
| <b>Waste &amp; Sustainability</b> Full year effect of introducing alternate weekly collection of waste and limited collection to the contents of a refuse wheelie bin, implemented in November 2014. Plus additional Waste Management savings.<br>Proposals include increased income from commercial waste collections, as well as waste treatment savings. | No further impact - non-recyclable waste is now collected every fortnight rather than weekly, the saving is the full-year effect of the changes   | 755             | 30              | 30              | 30              | 845           |
| <b>Income from Solar Panels and Street Lighting Energy Efficiency Savings</b><br>Capital investment in solar panels to reduce energy costs and attract Government renewable energy subsidies<br>Expiry of repayments for energy efficiency loan supporting Street Lighting investment   | No impact - energy efficiency saving  | 60              | 145             |                 |                 | 205           |

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| <b>Savings Proposal</b>   | <b>Impact</b>  | <b>2016-17<br/>£000</b> | <b>2017-18<br/>£000</b> | <b>2018-19<br/>£000</b> | <b>2019-20<br/>£000</b> | <b>Total<br/>£000</b> |
|---|--|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|
| <b>Council Tax reduction Scheme</b> - in 2016/17 reducing the level of subsidy from 84% to 80% but also increase restrictions and protect certain claimants at 84% for certain claimants or reduce the level of CTR from 84% to 80% with no other scheme changes. Further changes would need to be made to the scheme in 2017/18 to deliver additional savings. | The lowest earners in Herefordshire, approximately 4,500 individuals, currently pay 16% of their total Council Tax bill. By reducing the level of discount available, the Council is able to limit the impact upon services which benefit the wider community. There is a risk that some claimants may not be able to pay the increased level of and place their household into financial hardship. This is to be mitigated through revisions to the hardship scheme. Pensioners will continue to receive additional discounts and the vulnerable will continue to have access to welfare support to mitigate these changes. | 200                     | 150                     |                         |                         | 350                   |
| <b>Removal of the Council Tax Reduction subsidy to parishes</b>   | This saving has no impact on parish percept requirements. Removal of the grant will be phased, limiting the effect on the tax payers bill to 0.4% in any one year. The average overall increase will be 0.3%.  | 247                     | 42                      |                         |                         | 289                   |
| <b>Asset Review</b> Capital receipts from sale of assets will be used to offset debt costs or increased revenue opportunities.  | This may effect some tenants of council owned property   |                         | 250                     | 1,400                   |                         | 1,650                 |
| <b>Facilities Management Service</b>  | Shire Hall and Town Hall to become appointment based centres e.g. custodians not permanently onsite. Increased income from charging for Council Civic Buildings.   | 90                      | 30                      |                         |                         | 120                   |
| <b>Withdrawal of Subsidies to Cultural Services partners</b><br>Phased withdrawal of subsidies to: HALO; Courtyard; Visit Herefordshire; Brightstripe   | Cultural partners to innovate and create sustainable self-financing delivery models  | 863                     |                         |                         |                         | 863                   |

Further information on the subject of this report is available from  
Peter Robinson, director of resources on tel (01432) 383519

| Savings Proposal  | Impact   | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total<br>£000 |
|---|--|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Withdrawal of Museum and Heritage Services subsidy</b> | Phased withdrawal of subsidies to Museum and Heritage Services, and create sustainable self-financing delivery models  |                 | 100             | 150             | 250             | 500           |
| <b>Savings in Customer and Library Services</b>           | That a new way of operating libraries and customer services is explored. This involves retaining the services important to residents and acknowledges the health, well being and economic value of libraries. Any future approach will reflect the value placed upon customer services and libraries by ensuring greater community involvement in the service. This will encompass looking at different options for funding the service including fundraising, joint funding by partners and income generation as well as looking at cost savings. |                 | 380             | 380             |                 | 760           |
|   |  | <b>4,898</b>    | <b>3,149</b>    | <b>3,200</b>    | <b>1,060</b>    | <b>12,307</b> |

## Corporate

| Savings Proposal                       | Impact             | 2016-17<br>£000 | 2017-18<br>£000 | 2018-19<br>£000 | 2019-20<br>£000 | Total<br>£000 |
|--|--------------------|-----------------|-----------------|-----------------|-----------------|---------------|
| <b>Organisational redesign savings</b> | Efficiency savings | 550             | 300             | 100             | 200             | 1,150         |
|  |                    |                 |                 |                 |                 |               |

Further information on the subject of this report is available from  
Peter Robinson, director of resources on tel (01432) 383519

**DRAFT REVENUE BUDGET 2016/17**
**APPENDIX 3**

| <b>Service</b>                                     | <b>Base Budget 2015/16</b> | <b>Pensions, pay and Inflation</b> | <b>Pressures</b> | <b>Savings</b>  | <b>Other Adjusts</b> | <b>2016/17 Draft Budget</b> |
|--|----------------------------|------------------------------------|------------------|-----------------|----------------------|-----------------------------|
|  | <b>£000</b>                | <b>£000</b>                        | <b>£000</b>      | <b>£000</b>     | <b>£000</b>          | <b>£000</b>                 |
| <b>Adults Wellbeing</b>                            |                            |                                    |                  |                 |                      |                             |
| Adults Commissioned Care                           | 43,896                     | 14                                 | 1,788            | (3,080)         | 477                  | <b>43,095</b>               |
| Adult Social Care Staffing                         | 8,176                      | 421                                | 0                | (720)           | (141)                | <b>7,735</b>                |
| Adult Social Care Contracts                        | 4,306                      | 0                                  | 0                | (100)           | 477                  | <b>4,683</b>                |
| Housing Services                                   | 680                        | 45                                 | 0                | 0               | 0                    | <b>725</b>                  |
| Public Health                                      | 119                        | 8                                  | 0                | 0               | 1                    | <b>128</b>                  |
| Directorate Management and Grant Income            | (3,933)                    | 235                                | 0                | (130)           | (761)                | <b>(4,589)</b>              |
| <b>Total Adults Wellbeing</b>                      | <b>53,243</b>              | <b>723</b>                         | <b>1,788</b>     | <b>(4,030)</b>  | <b>53</b>            | <b>51,777</b>               |
| <b>Children's Wellbeing</b>                        |                            |                                    |                  |                 |                      |                             |
| Children's Safeguarding & Early Help               | 17,139                     | 557                                | 76               | (620)           | 144                  | <b>17,296</b>               |
| Statutory Education Services                       | 5,582                      | 158                                | 0                | (50)            | 0                    | <b>5,690</b>                |
| Directorate Management and Grant Income            | (584)                      | 309                                | 0                | (330)           | 0                    | <b>(605)</b>                |
| <b>Total Children's Wellbeing</b>                  | <b>22,137</b>              | <b>1,024</b>                       | <b>76</b>        | <b>(1,000)</b>  | <b>144</b>           | <b>22,381</b>               |
| <b>Economy, Communities &amp; Corporate</b>        |                            |                                    |                  |                 |                      |                             |
| Highways, Planning, Waste, and Parking             | 27,907                     | 1,221                              | 30               | (2,178)         | 134                  | <b>27,114</b>               |
| Customer, Cultural and Legal Services              | 7,026                      | 408                                | 0                | (883)           | 334                  | <b>6,885</b>                |
| Economic Development and Housing Growth            | 1,999                      | 69                                 | 0                | 0               | 119                  | <b>2,187</b>                |
| Directorate Management                             | 2,103                      | 233                                | 0                | (700)           | (729)                | <b>907</b>                  |
| Corporate Resources (Finance, IT, Property and HR) | 11,600                     | 74                                 | 76               | (690)           | 1,347                | <b>12,407</b>               |
| <b>Total Economy, Community and Culture</b>        | <b>50,635</b>              | <b>2,005</b>                       | <b>106</b>       | <b>(4,451)</b>  | <b>1,205</b>         | <b>49,500</b>               |
| Consolidated Revenue Account                       | 15,758                     | 354                                | 0                | (997)           | (2,012)              | <b>13,103</b>               |
| <b>Total Herefordshire Council</b>                 | <b>141,773</b>             | <b>4,106</b>                       | <b>1,970</b>     | <b>(10,478)</b> | <b>(610)</b>         | <b>136,760</b>              |

Further information on the subject of this report is available from  
Peter Robinson, director of resources on tel (01432) 383519



# Priorities and Budget Consultation 2016-2020

Version 1.0  
Strategic intelligence team

October 2015

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If you need help to understand this document, or would like it in another format or language, please call the Research Team on 01432 261944 or e-mail [researchteam@herefordshire.gov.uk](mailto:researchteam@herefordshire.gov.uk).



## Executive summary

- The consultation on Herefordshire Council's priorities and budget for 2016 to 2020 ran from late July to early October 2015. A questionnaire was available online and hard copies were distributed at promotion events in the city and market towns.
- There were 1,979 responses to the questionnaire; 60 per cent of which were completed on paper.
- Of the three council priorities that respondents were asked to rank (question 1), the general pattern of responses suggested that 'enable residents to live safe, healthy and independent lives' was most important, followed by 'keep children and young people safe and give them a great start in life' then 'support the growth of our economy and the number of people in work'.
- However, almost three quarters of respondents thought that the council should identify other priority areas (Q2). Most popular among these were keeping the libraries and customer services open; public transport and infrastructure were other highly preferred areas of priority.
- With regard to income and savings proposals (Q3), there was a general preference for those that would generate income and less preference for the savings options. In particular 'sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments' was the most preferred option of almost a third of respondents. By far the least preferred proposal was the savings that would be generated by 'reducing customer services and libraries across the county' (least preferred option of more than half of respondents).
- Almost two thirds (63 per cent) of respondents thought that the council should continue to fund town and parish councils (Q4).
- Over half (58 per cent) of respondents thought that town and parish councils, community groups or voluntary organisations could do more to help deliver services if Herefordshire Council reduces or stops delivering a particular service (Q5). Suggestions for which services included grass cutting and the general maintenance of public spaces such as parks, streets, roads and footpaths; community transport services; and libraries and museums.
- The majority (61 per cent) of respondents would support an increase in council tax above two per cent to support services and defer savings for a year (Q6). Of these, half supported a three per cent increase and the other half supported a five per cent increase in council tax.
- An even larger majority (71 per cent) of respondents thought that the council should increase service charges to protect other services across the county (Q7).
- Just over half (52 per cent) of respondents would support an increase in council tax above two per cent and also thought the council should increase service charges.

## Introduction

The consultation on Herefordshire Council's priorities and budget for 2016-2020 began on Friday 24 July 2015 and ended on Friday 9 October 2015. This report presents the key points from the analysis of responses received by 14 October. The consultation was publicised on the council's website with the following background documents:

- [Income and savings proposals](#)
- [Council's budget report 6 February 2015](#)

## Methodology

The consultation questionnaire was published on the Herefordshire Council website and people were invited to complete it online. A printable version of the questionnaire was made available for the people who would like to download, print and complete. Paper questionnaires were also distributed at the events organised in all market towns to promote the consultation. The consultation was also promoted on social media via the council's Twitter and Facebook.

This report presents the results of the combined online and paper responses to the questionnaire. The sample base is the number of respondents to the question and is the base from which percentages are calculated. The sample base used is specified for each question. Percentages are presented rounded to the nearest whole number in the tables; however the charts are based on unrounded percentages.

Note that if respondents could select more than one answer to a particular question, the percentages may add up to more than 100 per cent.

Where comments have been provided these are listed in full but have been anonymised and corrected for spelling where appropriate.

There were a total of 1,979 responses to the questionnaire, of which 784 were submitted online and 1,195 were completed paper copies.

The consultation also received 30 other responses in the form of 16 letters and 14 emails. Because they didn't answer the standard questions it is not possible to include them in the analysis presented here.

# Results

## The council's priorities

### Q1. How would you choose to rate these priorities in terms of most important and least important? (1 = most important and 3 = least important)

The three priorities that this question asked respondents to rank in order of importance were:

- Enable residents to live safe, healthy and independent lives
- Keep children and young people safe and give them a great start in life
- Support the growth of our economy and the number of people in work

In the final version of the online survey it was only possible for respondents to assign each rank to one option only, but in an earlier version and for people who responded on paper it was possible to assign ranks more than once. 615 respondents – 32 per cent of the total number who responded to this question – assigned at least one rank to more than one option. These responses have an impact on the overall result, because there was a tendency amongst them to say that all three priorities were equally (most) important. Details of how these responses varied from the rest, are given in Appendix A-Q1, but for simplicity and to ensure that all responses are taken into account the analysis below includes all responses to the question.

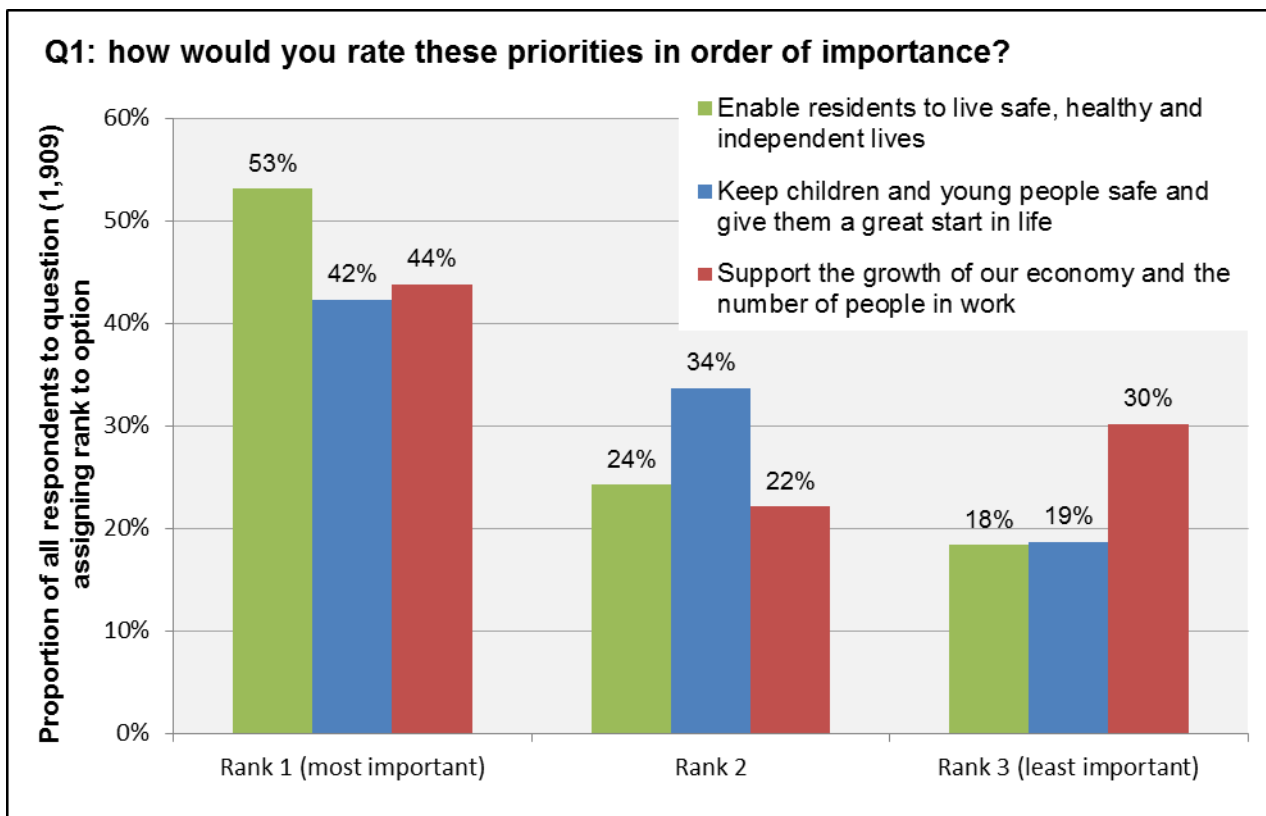
Because of the number of people who said that all priorities were equally important, when combining all 1,909 responses to the question the most common response for each option was 'most important' (see chart 1). However, it is possible to identify a general pattern of order of importance:

- **'Enable residents to live safe, healthy and independent lives' was most important** to more people than either of the other priorities (53 per cent of respondents compared to 44 per cent for the economic priority and 42 for children and young people)
- **'Keep children and young people safe and give them a great start in life' was second most important** to a higher proportion of people than any other (34 per cent), and was given first or second by a similar proportion to enabling residents to live safe, healthy and independent lives (76 per cent compared to 77 per cent)
- **'Support the growth of our economy and the number of people in work' was least important** to more respondents than either of the other priorities (30 per cent compared to 19 per cent for children and young people and 18 per cent for safe, healthy and independent lives)

**Table 1: responses to question 1**

| Priority  | Rank | All responses combined (1,909) |     |     |
|---|------|--------------------------------|-----|-----|
|   |      | 1                              | 2   | 3   |
| Enable residents to live safe, healthy and independent lives            |      | 53%                            | 24% | 18% |
| Keep children and young people safe and give them a great start in life |      | 42%                            | 34% | 19% |
| Support the growth of our economy and the number of people in work      |      | 44%                            | 22% | 30% |

**Chart 1: proportion of respondents to question 1 who assigned each rank to each priority**



**Q2. Are there any other areas which you think the council should identify as a priority?**

**If yes, please specify the priorities you believe we should focus on.**

Just under three quarters of respondents (72 per cent) thought that there were other areas that the council should identify as a priority, and 1,300 people made a suggestion as to what the other priorities should be. Please note that some respondents who answered 'No' to this question and people who did not answer Q2 also made suggestions.



The word cloud in figure 1 identifies the words that featured in the 1,300 suggestions. From a more detailed analysis of the comments made to this question, the most frequently quoted priorities were:

1. Libraries, customer services and public toilets

*“ Public library services, which under the 1964 Public Libraries Act are a statutory requirement, and provide education, entertainment & improve health, particularly for the young & disadvantaged. ”*

2. Public transport including transport subsidies/grants, sustainable transport

*“ Retaining public transport - if we don't want more problems associated with isolation in the rural communities in which we live then access to services is key. ”*

3. Infrastructure including roads and broadband

*“ Maintain the infrastructure of the county such as existing roads, bus travel and public rights of way. They have been neglected by the council yet all provide the services that support the above 3 objectives. ”*

The next most common other priorities suggested were:

- support elderly to live an independent & healthy lives including adult social care
- children's wellbeing including education, provision of local school places, school transport
- cutting down council's internal costs e.g. high paid staff; interim consultants; short term funded projects
- focus on climate change / green energy / protect the environment

## The council's budget

### **Q3. How would you choose to prioritise the following areas (see table 3 for full list) in terms of which you would implement first compared to last in order to reduce spending?**

This question asked respondents to rank eleven options in order of preference (1 = first and 11 = last). Three of the options related to ways in which the council could generate income and the other eight related to areas of potential savings.

In the final version of the online survey it was only possible to assign each rank to one option only, but in an earlier version and for people who responded on paper it was possible to assign ranks more than once. 664 respondents – 34 per cent of the total number who responded to this question – assigned at least one rank to more than one option. These responses had the potential to skew the overall result, so they were looked at separately to the 'correct' responses. Respondents who used ranks more than once tended to favour either rank 11, i.e. to say that two or more options were their least preferred, or rank 1, i.e. to have joint favourite options: rank 11 was the most popular rank for all options except 'introduce on street car parking charges in Hereford' and 'sell our smallholdings estate' amongst these 664 respondents. For the latter, rank 1 was the most popular.

Details of how these 664 responses varied from the rest are given in Appendix A-Q3, but they did not significantly affect the overall findings. So for simplicity and to ensure that all responses are taken into account the analysis below includes all responses to the question.

To give an overall indication of relative preference between the options, the ranks assigned to each option by each respondent were given a weight (from -5 for least preferred to +5 for most preferred) which were then converted into an overall score out of 100 for each option – see chart 3 on the next page.

There were some clear messages from these scores and the distribution of the ranks (see table 3):

- There was a general preference for those that would generate income:
  - 37 per cent of respondents ranked 'selling our smallholdings estate' as their first or second preference
  - 'Increase car parking charges across the county' received the next highest number of first choices (22 per cent) and was the second choice of a further 10 per cent; but 'introduce on street car parking charges in Hereford' received more first and second choices combined (35 per cent)

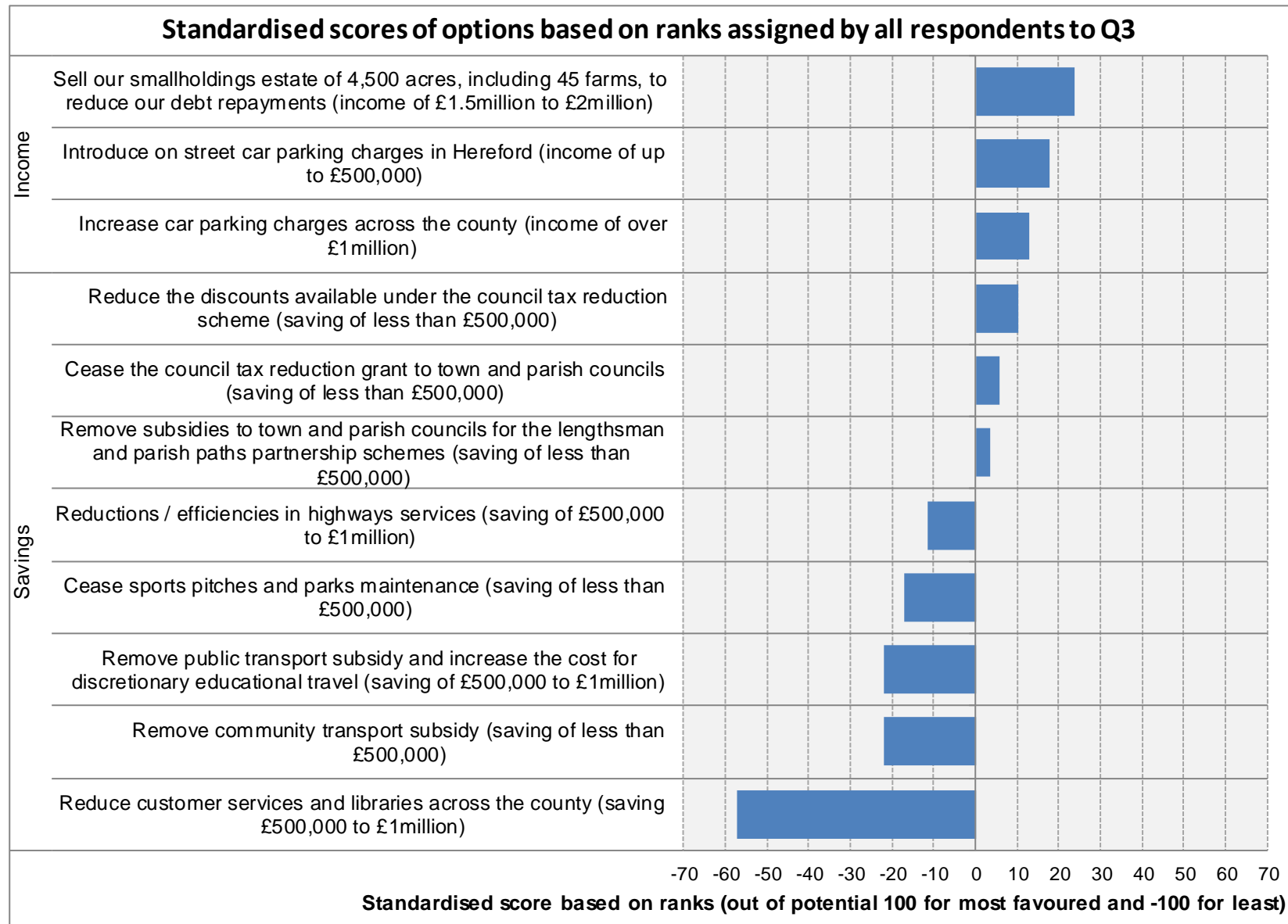
- Altogether, these three options were ranked as most preferred by 70 per cent of respondents - and no other option received more first choices than any of them individually.
- There was less preference for the savings options, although a few were preferred over others:
  - 30 per cent of respondents ranked 'reduce the discounts available under the council tax reduction scheme' as either first, second or third preference
  - 'Cease the council tax reduction grant to town and parish councils' was first, second or third preference for 26 per cent; as was 'remove subsidies to town and parish councils for the lengthsman and parish paths partnership scheme' for 23 per cent.
- At the other end of the scale,
  - 'Reductions / efficiencies in highways services' and 'cease sports pitches and parks maintenance' were both the least preferred option of 13 per cent of respondents. In total, just under a third of respondents indicated that each of these options were amongst their three least preferred (ranks 9, 10 or 11).
  - 'Remove public transport subsidy and increase the cost for discretionary educational travel' was the least preferred option for 21 per cent of respondents and was amongst the bottom three options for almost 40 per cent. 'Remove community transport subsidy' was the least preferred for 16 per cent and was amongst the bottom three choices for 36 per cent.
- 'Reduce customer services and libraries across the county' was by far the least preferred option, being ranked as least preferred by over half (52 per cent) of respondents – and second least by a further 10 per cent.



**Table 3: percentages of all respondents to question 3 that assigned each rank to each option**  
 (most common ranks for each option highlighted and notably large proportions in bold)

| Proposal |  | Rank (1=first and 11=last) |            |            |     |            |            |     |     |     |     |            |
|----------|--|----------------------------|------------|------------|-----|------------|------------|-----|-----|-----|-----|------------|
|          |  | 1                          | 2          | 3          | 4   | 5          | 6          | 7   | 8   | 9   | 10  | 11         |
| Income   | Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments (income of £1.5million to £2million) | <b>31%</b>                 | 7%         | 10%        | 5%  | 6%         | 6%         | 4%  | 4%  | 5%  | 4%  | 13%        |
|          | Introduce on street car parking charges in Hereford (income of up to £500,000)   | 17%                        | <b>18%</b> | 9%         | 6%  | 6%         | 5%         | 6%  | 5%  | 6%  | 5%  | 11%        |
|          | Increase car parking charges across the county (income of over £1million)  | <b>22%</b>                 | 10%        | 7%         | 6%  | 7%         | 7%         | 4%  | 6%  | 5%  | 7%  | 13%        |
| Savings  | Reduce the discounts available under the council tax reduction scheme (saving of less than £500,000)                                 | 11%                        | 8%         | <b>12%</b> | 9%  | 11%        | 9%         | 7%  | 6%  | 6%  | 4%  | 9%         |
|          | Cease the council tax reduction grant to town and parish councils (saving of less than £500,000)                                     | 8%                         | 8%         | 10%        | 10% | <b>11%</b> | <b>11%</b> | 7%  | 7%  | 6%  | 6%  | 9%         |
|          | Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes (saving of less than £500,000)  | 9%                         | 7%         | 8%         | 10% | <b>11%</b> | <b>11%</b> | 8%  | 8%  | 7%  | 5%  | 9%         |
|          | Reductions / efficiencies in highways services (saving of £500,000 to £1million)   | 5%                         | 5%         | 7%         | 9%  | 9%         | 11%        | 8%  | 9%  | 10% | 7%  | <b>13%</b> |
|          | Cease sports pitches and parks maintenance (saving of less than £500,000)  | 4%                         | 3%         | 5%         | 8%  | 10%        | 10%        | 10% | 10% | 9%  | 10% | <b>13%</b> |
|          | Remove public transport subsidy and increase the cost for discretionary educational travel (saving of £500,000 to £1million)         | 5%                         | 5%         | 6%         | 8%  | 8%         | 8%         | 6%  | 9%  | 9%  | 10% | <b>21%</b> |
|          | Remove community transport subsidy (saving of less than £500,000)  | 4%                         | 3%         | 5%         | 7%  | 10%        | 9%         | 8%  | 10% | 10% | 10% | <b>16%</b> |
|          | Reduce customer services and libraries across the county (saving £500,000 to £1million)  | 4%                         | 2%         | 2%         | 3%  | 4%         | 5%         | 4%  | 4%  | 7%  | 10% | <b>52%</b> |

**Chart 3: scores of options based on ranks assigned by all respondents to Q3**



## Town and parish councils, community groups and voluntary organisations

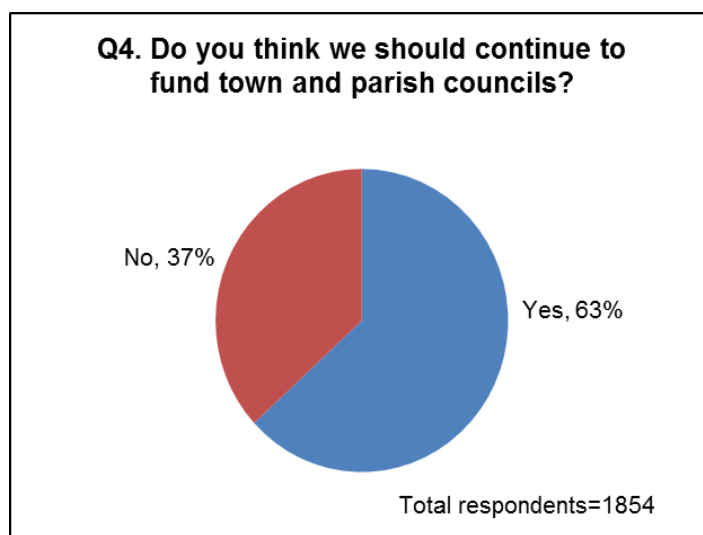
### Q4. Do you think we should continue to fund town and parish councils?

Nearly two thirds of respondents (63 per cent) thought that the town and parish councils should continue to be funded by Herefordshire Council.

**Table 4: responses to whether council should continue to fund town and parish councils**

|                   | Number of respondents | Per cent of respondents |
|-------------------|-----------------------|-------------------------|
| Yes               | 1,171                 | 63%                     |
| No                | 683                   | 37%                     |
| Total respondents | 1,854                 | 100%                    |
| Not answered      | 125                   |                         |

**Chart 4: should the council continue to fund town and parish councils?**



**Q5. If Herefordshire Council reduces or stops delivering a particular service, do you think that town and parish councils, community groups or voluntary organisations can do more to help deliver services in your local community? If yes, please specify what services (this could include cutting the grass, maintaining parks or running a community bus service)**

Nearly three fifths of respondents (58 per cent) thought that town and parish councils, community groups or voluntary organisations could do more to help deliver services in their local community if Herefordshire Council reduces or stops delivering a particular service.



This question will be fully analysed in a later version of this report, but initial analysis indicated that the most common suggestions were:

- grass cutting
- maintaining parks and open spaces / communal areas / sport pitches,
- running a community bus service / car sharing
- helping in the community libraries and museums
- litter collection/street cleaning
- maintaining minor roads and footpaths

Some respondents expressed concerns about delegating the services to parish or town councils, community groups or voluntary organisations:

*“ Possibly, but they would need support, which may negate any savings. Many services are already supported by an ageing group of voluntary workers and there is a limit to what local organisations and voluntary groups can do with very little funding. ”*

*“ There is a safety issue to consider but I believe all rural roads need to be adopted by the parish. I also feel that we could do a better job of filling in potholes! This would save one person marking the pothole and a second gang filling. The marked potholes often do not get filled and 'the marker' has to repeat the process. Otherwise summed up above - grass cutting, maintaining parks, sports grounds, community bus, litter picking, cleaning road signs. ”*

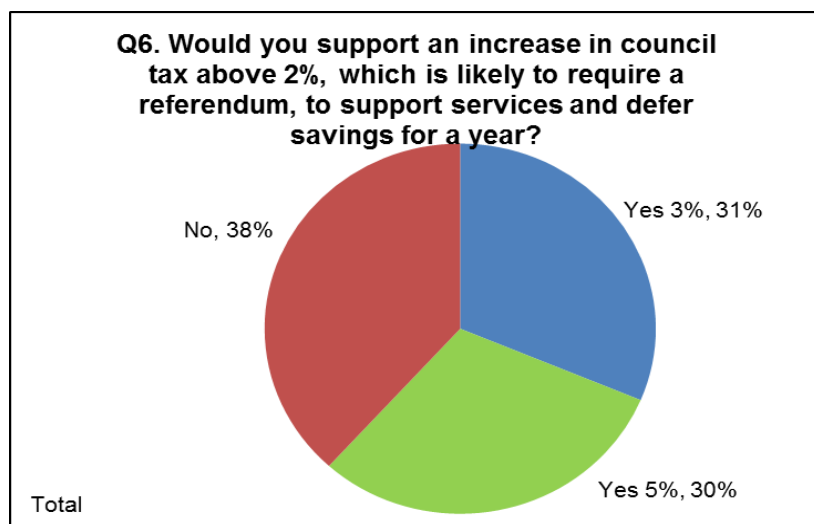
**Q6. Would you support an increase in council tax above 2 per cent, which is likely to require a referendum, to support services and defer savings for a year?**

Just over three fifths of respondents (62 per cent) would support an increase in council tax above 2 per cent (31 per cent by 3 per cent and 30 per cent by 5 per cent).

**Table 6: responses to whether council tax should be increased by more than 2 per cent**

|                   | Number of respondents | Per cent of respondents |
|-------------------|-----------------------|-------------------------|
| Yes, by 5%        | 574                   | 30%                     |
| Yes, by 3%        | 591                   | 31%                     |
| No                | 723                   | 38%                     |
| Total respondents | 1888                  | 100%                    |
| Not answered      | 91                    |                         |

**Chart 6: would you support an increase in council tax?**



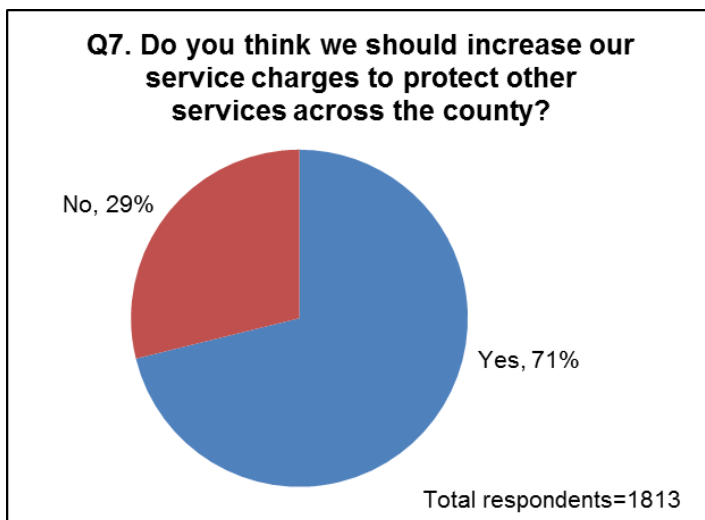
**Q7. Do you think we should increase our service charges to protect other services across the county?**

Just over seven in ten respondents (71 per cent) thought that Herefordshire Council should increase service charges to protect other services across the county.

**Table 7: responses to whether service charges should be increased to protect other services**

|                   | Number of respondents | Per cent of respondents |
|-------------------|-----------------------|-------------------------|
| Yes               | 1,290                 | 71%                     |
| No                | 523                   | 29%                     |
| Total respondents | 1,813                 | 100%                    |
| Not answered      | 166                   |                         |

**Chart 7: increase service charges to protect other services?**



**Council tax and service charges (Q6 and Q7)**

Of the 1,787 respondents who answered both questions (Q6 and Q7), nearly a fifth (19 per cent) would not support an increase in either council tax or service charges.

Just over half of these respondents (52 per cent) would support both an increase in council tax (either by 3 per cent or 5 per cent) and increases in service charges.

Ten per cent of respondents would support an increase in council tax either by 3 per cent or 5 per cent but did not think the council should increase service charges. Twice as many (19 per cent) would not support an increase in council tax but did think the council should increase service charges.

**Table 8: comparison of responses to questions 6 and 7**

|  |       | Q6. Would you support an increase in council tax above 2%, which is likely to require a referendum, to support services and defer savings for a year? |            |            |
|--|-------|---|------------|------------|
| Total respondents  | 1,787 | No  | Yes, by 3% | Yes, by 5% |
| Q7. Do you think we should increase our service charges to protect other services across the county? | No    | 334 (19%)   | 108 (6%)   | 74 (4%)    |
|  | Yes   | 345 (19%)   | 460 (26%)  | 466 (26%)  |



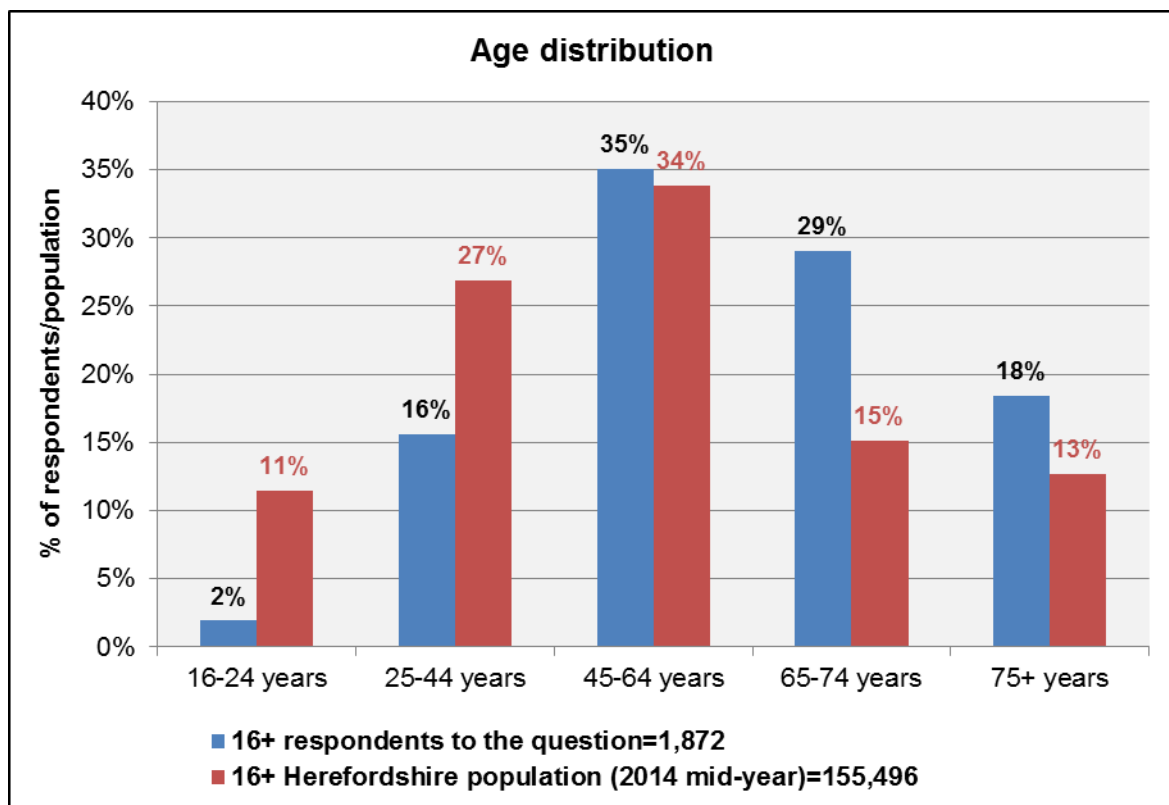




## About the respondents

- One per cent of respondents represented an organisation or a group while 99 per cent were individuals.
- 54 per cent of respondents to the survey were males and 46 per cent were females.
- 47 per cent were aged 65 years or over, 35 per cent were aged 45-64 years and 18 per cent were 24 years or younger. It is clear from chart 8 that people aged 45 years and over are over represented in the consultation.

**Chart 8: age distribution of survey respondents and Herefordshire population**



- Nearly a fifth of respondents' day-to-day activities were limited a little or limited a lot because of a health problem or disability which has lasted, or is expected to last, at least 12 month.
- The large majority (97 per cent) of respondents identified themselves as English, Scottish, Welsh or British; three per cent identified themselves as Irish or another national identity.
- All of the 93 per cent of respondents who answered the question about their ethnicity identified themselves as 'White' (97 per cent) or 'other White' (three per cent). This is quite different to the adult population of the county according to the 2011 Census: five per cent were 'other white' and two per cent were 'non-white'.
- One in ten respondents felt that they had been treated differently (positively or negatively) because of who they are.

## Appendix A-Q1: Detailed analysis of responses to question 1

This section compares the responses of those who assigned ranks to more than one priority in question 1 to those who didn't. It is necessary to do this because different versions of the questionnaire allowed for different interpretations of the question. As mentioned on page 5, amongst the 615 **respondents who assigned tied ranks**, there was a tendency to say that all three options were equally (most) important: 80 per cent of respondents assigned rank 1 to the first option (enable residents to live safe, healthy and independent lives); 73 did to the second (keep children and young people safe and give them a great start in life) and a further 73 to the third option (support the growth of our economy and the number of people in work). Only five to seven per cent of these respondents assigned rank 3 (least important) to any of the options.

There was a clearer order of priorities from the 1,295 **respondents who assigned only one option to each rank**:

- 40 per cent felt that 'enable residents to live safe, healthy and independent lives' was most important
- 41 per cent felt that 'keep children and young people safe and give them a great start in life' was second most important
- 42 per cent felt that 'support the growth of our economy and the number of people in work' was least important

**Table 9: responses to question 1 as a proportion of the 615 respondents who assigned at least one rank to more than one option and as a proportion of the 1,295 respondents who assigned one rank for each option**

| Priority  | Rank | Respondents who assigned tied ranks (615) |     |    | Respondents who assigned one option to one rank (1,295) |     |     |
|---|------|---|-----|----|---|-----|-----|
|   |      | 1   | 2   | 3  | 1   | 2   | 3   |
| Enable residents to live safe, healthy and independent lives            |      | 80%                                       | 14% | 5% | 40%   | 29% | 25% |
| Keep children and young people safe and give them a great start in life |      | 73%                                       | 18% | 7% | 28%   | 41% | 24% |
| Support the growth of our economy and the number of people in work      |      | 73%                                       | 21% | 5% | 30%   | 22% | 42% |

## Appendix A-Q3: Detailed analysis of responses to question 3

This section compares the responses of those who assigned ranks to more than one proposal in question 3 to those who didn't. It is necessary to do this because different versions of the questionnaire allowed for different interpretations of the question. As described on page 10, a third of respondents to question 3 assigned at least one rank to more than one option. These respondents tended to favour either rank 11, i.e. to say that two or more options were their least preferred, or rank 1, i.e. to have joint favourite options. As the highlighted cells in table 9 show, rank 11 was the most popular for all options except 'introduce on street car parking charges in Hereford' and 'sell our smallholdings estate' amongst these 664 respondents. For the latter, rank 1 was the most popular by a small minority.

**Table 10: responses to question 3 as a proportion of the 664 respondents who assigned at least one rank to more than one option**  
(most common ranks for each option highlighted and notable proportion in bold)

| Per cent of respondents assigning each rank to each proposal |  | Rank (1=first and 11=last) |    |    |    |     |     |    |    |    |    |            |
|--|--|----------------------------|----|----|----|-----|-----|----|----|----|----|------------|
|  |  | 1                          | 2  | 3  | 4  | 5   | 6   | 7  | 8  | 9  | 10 | 11         |
| Income   | Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments      | <b>28%</b>                 | 5% | 7% | 6% | 6%  | 5%  | 2% | 3% | 6% | 3% | 27%        |
|  | Increase car parking charges across the county   | 24%                        | 4% | 4% | 5% | 10% | 7%  | 3% | 6% | 4% | 3% | 26%        |
|  | Introduce on street car parking charges in Hereford  | <b>25%</b>                 | 6% | 7% | 4% | 9%  | 8%  | 3% | 4% | 3% | 3% | 24%        |
| Savings  | Reduce the discounts available under the council tax reduction scheme                                | 18%                        | 4% | 9% | 5% | 9%  | 10% | 4% | 3% | 5% | 5% | 21%        |
|  | Cease the council tax reduction grant to town and parish councils                                    | 14%                        | 4% | 6% | 8% | 10% | 11% | 5% | 5% | 5% | 5% | 20%        |
|  | Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes | 16%                        | 4% | 7% | 6% | 9%  | 10% | 6% | 7% | 6% | 5% | 22%        |
|  | Reductions / efficiencies in highways services   | 9%                         | 4% | 5% | 7% | 12% | 11% | 6% | 6% | 6% | 5% | 23%        |
|  | Cease sports pitches and parks maintenance   | 9%                         | 4% | 5% | 7% | 9%  | 9%  | 5% | 6% | 7% | 8% | 29%        |
|  | Remove public transport subsidy and increase the cost for discretionary educational travel           | 9%                         | 3% | 5% | 5% | 9%  | 8%  | 3% | 6% | 7% | 6% | 36%        |
|  | Remove community transport subsidy   | 8%                         | 3% | 3% | 6% | 9%  | 8%  | 4% | 6% | 6% | 7% | 36%        |
|  | Reduce customer services and libraries across the county   | 6%                         | 2% | 1% | 2% | 5%  | 3%  | 1% | 2% | 5% | 5% | <b>66%</b> |

There were 1,204 respondents who assigned one rank for each option. According to them, there was a clear order of preference for ‘selling our smallholdings estates’, ‘introduce on street car parking charges in Hereford’ and ‘increase car parking charges across the county’ as rank 1, 2 and 3 respectively. ‘Reduce customer services and libraries across the county’ was the least preferred choice (rank 11) for a large majority.

**Table 11: responses to question 3 as a proportion of the 1204 respondents who assigned one rank for each option**  
(most common ranks for each option highlighted and notable proportion in bold)

| Per cent of respondents assigning tied ranks to each proposal |  | Rank (1=first and 11=last) |            |            |     |            |     |            |            |            |            |            |
|---|--|----------------------------|------------|------------|-----|------------|-----|------------|------------|------------|------------|------------|
|   |  | 1                          | 2          | 3          | 4   | 5          | 6   | 7          | 8          | 9          | 10         | 11         |
| Income  | Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments (income of £1.5million to £2million) | <b>32%</b>                 | 8%         | 12%        | 5%  | 5%         | 6%  | 5%         | 5%         | 4%         | 4%         | 6%         |
|   | Introduce on street car parking charges in Hereford (income of up to £500,000)   | 12%                        | <b>24%</b> | 9%         | 7%  | 5%         | 4%  | 7%         | 6%         | 8%         | 7%         | 3%         |
|   | Increase car parking charges across the county (income of over £1million)  | <b>21%</b>                 | 13%        | 8%         | 6%  | 6%         | 7%  | 5%         | 5%         | 5%         | 10%        | 6%         |
| Savings   | Reduce the discounts available under the council tax reduction scheme (saving of less than £500,000)                                 | 7%                         | 10%        | <b>13%</b> | 12% | 12%        | 8%  | 9%         | 7%         | 7%         | 4%         | 2%         |
|   | Cease the council tax reduction grant to town and parish councils (saving of less than £500,000)                                     | 5%                         | 10%        | 12%        | 12% | 11%        | 11% | 8%         | 8%         | 7%         | 6%         | 2%         |
|   | Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes (saving of less than £500,000)  | 5%                         | 8%         | 9%         | 12% | <b>13%</b> | 12% | 10%        | 9%         | 8%         | 4%         | 1%         |
|   | Reductions / efficiencies in highways services (saving of £500,000 to £1million)   | 3%                         | 5%         | 8%         | 10% | 7%         | 10% | 9%         | 10%        | <b>12%</b> | 8%         | 8%         |
|   | Cease sports pitches and parks maintenance (saving of less than £500,000)  | 1%                         | 3%         | 5%         | 9%  | 11%        | 11% | <b>13%</b> | 12%        | 10%        | 11%        | 4%         |
|   | Remove community transport subsidy (saving of less than £500,000)  | 1%                         | 3%         | 6%         | 7%  | 12%        | 10% | 11%        | <b>12%</b> | 12%        | 12%        | 5%         |
|   | Remove public transport subsidy and increase the cost for discretionary educational travel (saving of £500,000 to £1million)         | 2%                         | 5%         | 7%         | 9%  | 7%         | 8%  | 7%         | 11%        | 10%        | <b>12%</b> | 12%        |
|   | Reduce customer services and libraries across the county (saving £500,000 to £1million)  | 4%                         | 2%         | 2%         | 3%  | 4%         | 5%  | 6%         | 5%         | 8%         | 13%        | <b>44%</b> |

## **Appendix B: The questionnaire**

# Priorities and budget consultation 2016-2020

## Consultation questions

### The council's priorities

The council, as with any other organisation, works towards an agreed set of priorities which have been identified through in depth research, including public consultation, to ensure we are providing the services required to the residents who need them.

Despite the financial challenges we face, we remain committed to efficiently maximising the use of scarce resources in order to secure better services, quality of life and value for money whilst complying with our legal duties and corporate priorities.

The council needs to refresh its priorities for 2016 - 2020, to form the basis for our corporate plan, and after listening to what you've told us and analysing the available research in the 2014 [Understanding Herefordshire report \(https://factsandfigures.herefordshire.gov.uk/Understanding-Herefordshire\)](https://factsandfigures.herefordshire.gov.uk/Understanding-Herefordshire), we propose to focus our resources so we enable residents to live safe, healthy and independent lives; keep children and young people safe and give them a great start in life and support the growth of our economy and the number of people in work.

**1. How would you choose to rate these priorities in terms of most important and least important? (1 = most important and 3 = least important)**

|   | <b>1</b>                         | <b>2</b>                         | <b>3</b>                         |
|---|----------------------------------|----------------------------------|----------------------------------|
| Enable residents to live safe, healthy and independent lives            | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            |
| Keep children and young people safe and give them a great start in life | <input checked="" type="radio"/> | <input checked="" type="radio"/> | <input checked="" type="radio"/> |
| Support the growth of our economy and the number of people in work      | <input type="radio"/>            | <input type="radio"/>            | <input type="radio"/>            |

**2. Are there any other areas which you think the council should identify as a priority?**

Yes  No

**If yes, please specify the priorities you believe we should focus on:**

### The council's budget

In order to meet our priorities, we allocate our annual budget accordingly and consult on it every year.

The council's budget for 2015/16 is just under £142million and we have had to take challenging decisions to make savings of £10million to remain within budget. For 2016/17 our budget will be £138million and a combination of reduced funding from central government (£7million) and increased demand on priority services (£4million), means that after taking into account any increased income from council tax and business rates, we will need to find further savings of £11million. From now until 2020, the council will need to have saved a total of £42million.

## Increasing efficiency

The majority of our planned savings will be made from improving the efficiency of the organisation, including reducing management and staffing numbers and the reliance on agency staff; reducing our spend on external contracts; implementing better IT systems and reducing the number of buildings we occupy. We will also be investing in preventative strategies and working with public health to improve people's health and wellbeing, which in turn will reduce the demand for services and save money.

The efficiencies alone will not deliver all of the savings required, so we will need to consider increasing income or reducing service levels.

## Where can we increase income or make savings?

We have identified a range of areas where we may be able to increase income or make savings. These proposals are needed in order to balance our budget and allow more funding to be available to spend on priority areas, especially those which are experiencing a significant increase in demand from residents such as adult social care.

### 3. How would you choose to prioritise the following areas\* in terms of which you would implement first compared to last in order to reduce spending? (1 = first and 11 = last)

\* Please note that there is additional information available for each area; simply read our [income and savings proposals \(www.herefordshire.gov.uk/budgetconsultation2016\)](http://www.herefordshire.gov.uk/budgetconsultation2016) for further details.

#### Income and savings

|  | 1                     | 2                     | 3                     | 4                     | 5                     | 6                     | 7                     | 8                     | 9                     | 10                    | 11                    |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Increase car parking charges across the county (income of over £1million)  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Introduce on street car parking charges in Hereford (income of up to £500,000)   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Sell our smallholdings estate of 4,500 acres, including 45 farms, to reduce our debt repayments (income of £1.5million to £2million) | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Remove public transport subsidy and increase the cost for discretionary educational travel (saving of £500,000 to £1million)         | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Remove community transport subsidy (saving of less than £500,000)  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Reductions / efficiencies in highways services (saving of £500,000 to £1million)   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Cease sports pitches and parks maintenance (saving of less than £500,000)  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Remove subsidies to town and parish councils for the lengthsman and parish paths partnership schemes (saving of less than £500,000)  | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Reduce the discounts available under the council tax reduction scheme (saving of less than £500,000)                                 | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Cease the council tax reduction grant to town and parish councils (saving of less than £500,000)                                     | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Reduce customer services and libraries across the county (saving of £500,000 to £1million)   | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |

## Town and parish councils, community groups and voluntary organisations

Herefordshire Council is looking to town and parish councils, community groups and voluntary organisations to, where possible, help deliver services in their local communities.

We currently provide funding to the 133 town and parish councils across Herefordshire through the council tax reduction grant. If we removed this funding, we'd save £289,000 a year.

### 4. Do you think we should continue to fund town and parish councils?

Yes

No

### 5. If Herefordshire Council reduces or stops delivering a particular service, do you think that town and parish councils, community groups or voluntary organisations can do more to help deliver services in your local community?

Yes

No

If yes, please specify what services (this could include cutting the grass, maintaining parks or running a community bus service):

## How can we generate income?

The council could generate income from a number of areas to help balance the budget and protect services. It is therefore incredibly important that you give us your views on this section, so we can best decide how to proceed in future years.

### Council tax

We could generate additional funding, which could be used to protect services, if we raised council tax above the current level. In 2016/17, it is proposed to raise council tax by 1.9%, however if we wanted to raise it above the 2% level, it is likely that we would be required to hold a countywide referendum (which would cost approximately £300,000), where we ask residents to say if they're for or against the proposal.

### What this would mean for you

If the proposed 1.9% council tax increase is agreed by full Council in February 2016, this would mean an average increase to each household of 50p a week, which would generate additional income of approximately £1.5million.

Alternatively, we could raise council tax by 3% or 5%, which would mean...

|    | Additional weekly increase | Additional income generated |
|----|----------------------------|-----------------------------|
| 3% | 25p                        | £1million*                  |
| 5% | 70p                        | £2.5 million                |

\*This would provide sufficient funding to allow us to defer the savings proposals identified in question three for a year.



6. **Would you support an increase in council tax above 2%, which is likely to require a referendum, to support services and defer savings for a year?**

Yes 3%

Yes 5%

No

### **Increase charges**

There are a number of council services which are chargeable and provide an income, such as car parking, planning, licensing and burial services, which could be increased to protect other services. For example, if we increased charges it could help to protect transport or library services.

7. **Do you think we should increase our service charges to protect other services across the county?**

Yes

No

8. **Do you have any other comments you would like to make on our priorities, budget or income and savings proposals? Please state below:**

**Are you responding on behalf of an organisation or group, or as an individual?**

*Organisation or group*

*Individual*

If you are responding on behalf of an organisation or group please tell us the name of the organisation/group:

If you are responding as an individual please answer the following questions about yourself. This will help us to better understand how views may differ between different people across the county.

## About you

This information helps us to ensure that our services are accessible to all. It will only be used for the purpose of statistical monitoring, treated as confidential and not used to identify you.

### What is your gender?

Male

Female

### What is your age band:

0-15 years

25-44 years

65-74 years

16-24 years

45-64 years

75+ years

### Are your day-to-day activities limited because of a health problem or disability which has lasted, or is expected to last, at least 12 months?

Yes - limited a little

Yes - limited a lot

No

If yes, please specify any particular requirements when using this service:

### How would you describe your national identity? (Tick as many as apply)

English

Welsh

Other (please specify)

Scottish

Northern Irish

British

Irish

Other (please specify):

### How would you describe your ethnic group? (Please tick one box only)

White British/English/Welsh/Scottish/Northern Irish

Other White (please specify)

Any other ethnic group (please specify)

Other White (please specify)

Any other ethnic group (please specify)

### Do you feel that you were treated differently (positively or negatively) because of who you are? (e.g. your age, gender, disability or ethnicity)

Yes

No

If yes, please specify:

**Thank you for completing the questionnaire**

Please send your completed questionnaire to:  
Herefordshire Council Research Team, Freepost SWC4816, PO Box 4,  
Hereford, HR4 0BR