

Herefordshire council's draft efficiency statement: 2016/17 to 2019/20

Herefordshire council provides public services costing approximately £328m per annum alongside capital investment in the county of approximately £75m per annum. Since 2010 Herefordshire council has delivered £59m savings whilst protecting and enhancing the services it provides to the county's citizens. Herefordshire have been developing a platform to deliver further efficient working.

- Fastershire <https://www.herefordshire.gov.uk/broadband>
- Waste Treatment <https://www.herefordshire.gov.uk/environmental-protection/waste-management/refuse-area-waste-strategy/waste-treatment>
- Joint management of public health with Shropshire Council
- Non-constituent member of the West Midlands combined authority
- Lowest highways cost of road per head
- Ofsted rating was moved out of intervention
- Improvements in educational achievements
- Rationalisation assets

Herefordshire is unique in its sparse rural population, making delivering services to the public challenging. Herefordshire has a large proportion of small businesses, which funded the delivery of services through business rates.

The council is focussing on becoming self-reliant, being funded wholly through local resources, from 2019-20. It has set its plans in line with this and how this will be achieved whilst ensuring essential services continue to be provided in recognition of increasing budget pressures. To achieve this will require the delivery of savings over the intervening period to ensure the budget available is enough to fund local demand.

Focussing on the longer term enables different service delivery modules to be considered and implemented providing longer term sustainability.

Following consultation the council has reconfirmed its priorities, which are to:

- 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
- Secure better services, quality of life and value for money

These objectives set out our priorities to focus on to make sure we make the best use of resources and deliver services that make a difference to people in Herefordshire.

Herefordshire council has approved its medium term financial strategy (MTFS) and corporate plan both to 2019-20.

https://www.herefordshire.gov.uk/media/8060372/corporate_plan_2016-20.pdf

<https://www.herefordshire.gov.uk/media/4506617/medium-term-financial-strategy-2016-20.pdf>

The MTFs specifically addresses the financial challenges being faced over the period. The council has already delivered savings of £59m and is targeting a further £28m ahead of 2020, a total of £87m between 2010 and 2020. Herefordshire intends to deliver these savings through growing its local economy, reducing costs, managing current and future demand. Details can be reviewed here:

<http://councillors.herefordshire.gov.uk/documents/s50031032/App%204%20Directorate%20Savings%20plan%20to%2019-20.pdf>

The Corporate Delivery Plan identifies the key projects planned for the year to achieve progress towards the council's priorities in the Corporate Plan.

https://www.herefordshire.gov.uk/media/4763825/2016-17_corporate_delivery_plan.pdf

Directorates within the council produce a business plan which sets out how they will progress the achievement of the corporate objectives, the objectives specifically for the directorate, the changes it will go through to achieve them and the performance targets it will monitor to check its progress.

<https://www.herefordshire.gov.uk/government-citizens-and-rights/performance-and-risk/performance-reports>

Both plans will be continuously reflected upon as more of the anticipated changes and their effects become known. For example, the implications of leaving the European Union, localising business rates, additional responsibilities, the future of new homes bonus and pension fund reviews. These changes are largely outside the council's control however the council will play an active role in consultations and reflect on the implications on a regular basis in tandem with the delivery of local savings already targeted.

The council recognises it can't successfully navigate the journey alone and understands the importance of working effectively with its partners. Herefordshire has in place a Better Care Fund with Herefordshire clinical commissioning group; it is an active member of the Marches Local Enterprise Partnership; it is working on a devolution deal and its Sustainability Transformation Plans. In addition to this Herefordshire has recently become a non-constitution member of the west midlands combined authority. This ensures collaborative working delivers the best outcomes.

Herefordshire council is currently in the process of consulting on the 2017/18 budget and has a number of specific consultations live to ensure we consider the full views of residents of the county when changing the delivery of the services we provide.

<https://www.herefordshire.gov.uk/government-citizens-and-rights/democracy/council-finances/budget-consultation-2017>

Herefordshire council reported its 2015/16 outturn on 16 June delivering a small under-spend which has been added to reserves. This means that Herefordshire's prudential general reserve balance at 31 March 2016 was £7.3m, representing 5% of the 2016/17 net budget.

<http://councillors.herefordshire.gov.uk/documents/s50035709/End%20of%20year%20corporate%20performance%20and%20budget%20report.pdf>

The general reserve balance is expected to increase by £4.5m in 2016/17 to give an estimated total general fund reserve of £11.8m as at 31 March 2017. The increase is due to the additional rural and transitional grant funding received in the final 2016/17 funding settlement from

government confirmed after the budget for 2016/17 was approved by Council in February 2016. This one off grant funding will be used to provide increased resilience in the MTFS supporting rural service delivery.

The audit of the 2015/16 statement of accounts is almost complete, the draft statements and annual governance statement are available to view here:

<https://www.herefordshire.gov.uk/media/4740382/unaudited-accounts-201516-and-draft-ags.pdf>

The previous year's audit reviewed the financial resilience, value for money and statement of accounts of the council 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. The overall conclusion was rated as green in all of these areas, meaning adequate arrangements are in place.

Monthly reviews of the budget position, performance to targets and challenge are held in tandem with public reporting. The budget setting timetable and monitoring reporting is shown below.

	Health and wellbeing overview scrutiny committee	General overview and scrutiny committee	Cabinet	Audit and governance committee	Council
2015/16 financial and performance outturn			16.06.16		
2016/17 Q1 finance and performance			21.07.16	22.09.16	
Draft 2017/18 budget and medium term financial strategy (MTFS)	14.11.16	14.11.16			
2016/17 Q2 finance and performance			01.12.16		
2017/18 capital programme			01.12.16		16.12.16
Detailed 2017/18 budget, MTFS and treasury management strategy			19.01.17		03.02.17
2016/17 Q3 finance and performance			09.02.17	20.03.17	
Council tax for 2017/18					03.03.17

This efficiency plan demonstrates how Herefordshire council is using its vision, policies, opportunities and challenges in its journey to local financial sustainability. The key to this success will be delivering the councils priorities and plans which will ensure Herefordshire council moves to:

- self-reliant, vibrant communities;
- growing the economy;
- supporting the most vulnerable through ensuring their families, friends and communities can support them;
- people helping themselves through the choices they make.

Approved for publication on by:

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Leader of the council

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Chief executive of the council

I confirm that the above efficiency statement is likely to achieve and sustain a balanced budget position, subject to the delivery of targeted savings, over the four years to 2019-20.

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S151 of the council

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