

**Appendix D: Saving proposals approved by Full Council on 12 February 2021**

**Project Nova Savings**  
**Status at 31 July 2021 (Period 4)**

The £11.205 million Nova Savings in the 2021/2022 Medium Term Financial Strategy were approved by Full Council on 12 February 2021.

The status of those savings at 31 July 2021 (period 4) are shown below:

| <b>£000</b>                                 | <b>Appendix B<br/>Savings<br/>2021/2022</b> | <b>Savings achieved at<br/>Period 4<br/>31/7/2021</b> | <b>Forecast Savings<br/>for the year<br/>12m to 31/3/2022</b> | <b>Variance/ Shortfall<br/>for the year<br/>at Period 4</b> |
|---|---|---|---|---|
| <b>Adults and Communities</b><br>(S1 to S3) | <b>3,270</b>                                | <b>2,130</b>  | <b>3,270</b>  | <b>0</b>  |
| <b>Children and Families</b><br>(S4 to S9)  | <b>2,390</b>                                | <b>970</b>  | <b>1,081</b>  | <b>1,309</b>  |
| <b>Economy and Place</b><br>(S10 to S26)    | <b>4,348</b>                                | <b>1,533</b>  | <b>2,626</b>  | <b>1,722</b>  |
| <b>Corporate</b><br>(S27 to S28)            | <b>1,197</b>                                | <b>936</b>  | <b>1,086</b>  | <b>111</b>  |

|              |               |              |              |              |
|--------------|---------------|--------------|--------------|--------------|
| <b>Total</b> | <b>11,205</b> | <b>5,569</b> | <b>8,063</b> | <b>3,142</b> |
|--------------|---------------|--------------|--------------|--------------|

## Overview

At the end of period 4 £ 5.569 million around half (49.70%) of the £11.205 million savings for the year in Appendix B have been achieved.

Adults and Communities are forecasting to achieve their full £3.270 million savings for the year, however, there is currently a total forecast shortfall of £ 3.142 million for the year relating to Children and Families £1.309 million, Economy and Place £1.722 million and Corporate Services £0.111 million.

Supporting narrative by directorate is shown below.

Detailed savings by directorate as shown in Appendix B of the February 2021 Full Council Report are shown in Annex 1.

The Executive, Management Board, has reviewed the forecast shortfall of £3.142 million and tasked the relevant Directors to address the shortfall.

## Adults and Communities

Learning disability and complex needs services redesign' (S1) and 'Targeted review of complex cases' (S2) are inextricably linked due to the complexity of the client base concerned. As a result, the savings delivered against S2 are likely to exceed the proposed target with a possible crossover to the planned savings in S1. The current position of both of these savings proposals should be considered jointly as we progress through the financial year. Maximisation of social care income (S3) is on course to deliver the full year's savings target.

## Children and Families

Against a savings target of £2.390 million, Children and Families are currently forecasting a shortfall of £ 1.309 million, rated red, as follows:

| Ref | Savings scheme                      | 2021/2022 Saving | 2021/2022 Forecast | 2021/2022 Shortfall at period 4 | Narrative  |
|-----|-------------------------------------|------------------|--------------------|---------------------------------|--|
| S4  | 16+ Accommodation, Widemarsh Street | 320              | 34                 | 286                             | Savings are from young people moving to Widemarsh Street. Bath Street is costing £178k more than previous accommodation, waiting for confirmation of who |

|       |   |       |       |       |  |
|-------|---|-------|-------|-------|--|
|       |   |       |       |       | is now in flats to see if position has changed. Service is being reviewed and updated. Information about our saving plan will be available by September, ie. could be 18+ year olds moving onto independent living and so reducing the cost of semi-independent provisions procurement; or a service redesign  |
| S5    | Step down from residential care   | 1,000 | 443   | 557   | 2 children have stepped down up to end March 2021. Up to 2 further children expected to step down by end of Q1 - waiting for confirmation of savings. Forecast of x5 children in total has now been revised down to x4 by end of year 2021/22  |
| S6    | Prevention of children becoming looked after and reunification of looked after children with families | 567   | 604   | (37)  | We had achieved 267 savings from last year that are carried forward to this year as these children were budgeted for as being in care. However 1 child has recently returned to care so this figure will be slightly lower for 2021/2022<br>Savings from Q1 – these are the savings for children that have returned home during Q1 until the end of the financial year.<br>Q2 – these are savings from children that have already returned home during Q2, so their savings from when they returned home until the end of the financial year. So providing none of the children return back to care, by the end of Q2 we will have already achieved a saving of 604 for the financial year, so already exceeding the target. |
| S7    | Recruit 30 new foster carers per annum for 5 years  | 200   | 0     | 200   | The Fostering Sufficiency project to commission an externally provided marketing and engagement campaign was unsuccessful at tender so options are now being reviewed to look at what we can do in-house by recruiting more capacity to the fostering team   |
| S8    | Full cost recovery of traded services   | 20    | 0     | 20    | Not achievable as majority of services are provided by Hoople  |
| S9    | Manage inflation/contract efficiencies  | 200   | 0     | 200   | The CareCubed IT tool has been purchased and training has been given to the Placements team, however recruitment to fixed term additional post to support the review work has been unsuccessful so to date no savings have been achieved. Post is being advertised permanently to attract more candidates (budget allocated to fund it is recurrent)   |
|       | Reduce agency spend   | 83    | 0     | 83    | Not achievable - was originally based on reducing support for NQSW as they became more experienced but the support wasn't in place as planned so there is no expenditure to reduce   |
| Total |   | 2,390 | 1,081 | 1,309 |  |

## Economy and Place

Against a savings target of £4.348 million, Economy and Place are currently forecasting a shortfall of £ 1.722 million, rated red, as follows:

| Ref | Savings scheme  | 2021/2022 Saving | 2021/2022 Forecast | 2021/2022 Shortfall at period 4 | Narrative   |
|-----|---|------------------|--------------------|---------------------------------|---|
| S11 | Streetworks & enforcement function efficiency improvements  | 50               | 119                | (69)                            | Forecast to exceed savings target   |
| S12 | Hereford Markets  | 15               | 7                  | 8                               | Equipment budget adjusted but vacant post budget was removed as part of the £650k vacancy removal so not available for this   |
| S14 | Directorate transformation and redesign                     | 650              | 455                | 195                             | £650k was taken in vacant posts but some had to be reversed   |
| S15 | Parking Review  | 900              | 439                | 461                             | New charges didn't come into force until period 2, lockdown easing was delayed and car parking has not reached pre COVID levels with income 23% lower (£334k) in the first four months of the year than the same period in 2019. On the enforcement side fewer cars mean less to enforce and the team is also depleted through sickness which has reduced enforcement. On street has also lost some spaces due to COVID adaptations |
| S17 | Review of Property Estate                                   | 1,000            | 30                 | 970                             | Work ongoing to achieve in future years – review of property estate, reduction in reactive maintenance through actioning of condition surveys and partnership with Hoople, internal review of property services and increase in rental income   |
| S19 | Review weekend vehicle rental of council fleet vehicles     | 10               | 0                  | 10                              | Moved to S22 – cancels out  |
| S22 | Review of Regulatory, Environment and Waste division income | 115              | 125                | (10)                            | Moved from S19 – cancels out  |
| S23 | Pre-planning application advice full cost recovery          | 100              | 23                 | 77                              | Alternative proposals required for shortfall (existing pre-app budget not being achieved)   |
| S26 |   | 80               | 0                  | 80                              | Proposing to increase charges again in S20 (Bereavement & Registrars income) but as year progresses increase will become unreasonable   |

|       |  |       |       |       |  |
|-------|--|-------|-------|-------|--|
|       | Introduction of natural burials and pet burials & cremations |       |       |       |  |
| Total |  | 2,920 | 1,198 | 1,722 |  |

## Corporate

Against a savings target of £1.197 million, Corporate and Central Services are currently forecasting a shortfall of £ 0.111 million, rated amber, as follows:

| Ref   | Savings scheme                                 | 2021/2022 Saving | 2021/2022 Forecast | 2021/2022 Shortfall at period 4 | Narrative |
|-------|--|------------------|--------------------|---------------------------------|-----------|
| S27   | Back office initiatives and efficiency savings | 497              | 386                | 111                             |           |
| Total |  | 497              | 386                | 111                             |           |

**Project Nova Savings**  
**Status at 31 July 2021 (Period 4)**

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**Appendix B: Saving proposals approved by Full Council on 12 February 2021**

| Directorate            | Ref | Name of proposal  | a<br>Appx B<br>Feb 21<br>Savings<br>£000 | b<br>Updated<br>Appx B<br>Savings<br>31/7/21 | c<br>Savings<br>delivered to<br>31/7/21 | d<br>Variance<br>3 months to<br>31/7/21<br>(b-c) | e<br>Full Year<br>Forecast<br>Savings at<br>31/7/21 | f<br>Full Year<br>Forecast<br>Variance at<br>31/6/21<br>(b-e) | g<br>RAG<br>Rating* |
|------------------------|-----|---|--|--|---|--|---|---|---------------------|
| Adults and Communities | S1  | Learning disability and complex needs services redesign   | 1,500                                    | 1,500  | 907                                     | 593  | 1500  | 0   | GREEN               |
| Adults and Communities | S2  | Targeted review of complex cases  | 1,250                                    | 1,250  | 973                                     | 277  | 1250  | 0   | GREEN               |
| Adults and Communities | S3  | Maximisation of social care income  | 520                                      | 520  | 250                                     | 270  | 520   | 0   | GREEN               |
| Children and Families  | S4  | 16+ Accommodation - Widemarsh Street  | 320                                      | 320  | 34                                      | 286  | 34  | 286   | RED                 |
| Children and Families  | S5  | Step down from residential care   | 1,000                                    | 1,000  | 443                                     | 557  | 443   | 557   | RED                 |
| Children and Families  | S6  | Prevention of children becoming looked after and reunification of looked after children with families | 400                                      | 567  | 493                                     | 74   | 604   | (37)  | GREEN               |

|                       |     |  |              |       |     |      |     |      |       |
|-----------------------|-----|--|--------------|-------|-----|------|-----|------|-------|
| Children and Families | S7  | Recruit 30 new foster carers per annum for 5 years         | <b>200</b>   | 200   | 0   | 200  | 0   | 200  | RED   |
| Children and Families | S8  | Full cost recovery of traded services                      | <b>20</b>    | 20    | 0   | 20   | 0   | 20   | RED   |
| Children and Families | S9  | Manage inflation and secure contract efficiencies          | <b>450</b>   | 200   | 0   | 200  | 0   | 200  | RED   |
|                       |     | Reduce agency spend  |              | 83    | 0   | 83   | 0   | 83   | RED   |
| Economy and Place     | S10 | Public Realm efficiency savings                            | <b>300</b>   | 300   | 200 | 100  | 300 | 0    | GREEN |
| Economy and Place     | S11 | Streetworks & enforcement function efficiency improvements | <b>50</b>    | 50    | 119 | (69) | 119 | (69) | GREEN |
| Economy and Place     | S12 | Hereford Markets   | <b>15</b>    | 15    | 7   | 8    | 7   | 8    | RED   |
| Economy and Place     | S13 | Encourage waste minimisation                               | <b>200</b>   | 200   | 0   | 200  | 200 | 0    | GREEN |
| Economy and Place     | S14 | Directorate transformation and redesign                    | <b>650</b>   | 650   | 455 | 195  | 455 | 195  | RED   |
| Economy and Place     | S15 | Parking Review   | <b>900</b>   | 900   | 96  | 804  | 439 | 461  | RED   |
| Economy and Place     | S16 | Technology and Lighting                                    | <b>90</b>    | 90    | 50  | 40   | 90  | 0    | GREEN |
| Economy and Place     | S17 | Review of Property Estate                                  | <b>1,000</b> | 1,000 | 30  | 970  | 30  | 970  | RED   |
| Economy and Place     | S18 | Review efficiency and utilisation of transport fleet       | <b>150</b>   | 150   | 150 | 0    | 150 | 0    | GREEN |

|                   |     |  |               |               |              |              |              |              |                              |
|-------------------|-----|--|---------------|---------------|--------------|--------------|--------------|--------------|------------------------------|
| Economy and Place | S19 | Review weekend vehicle rental of council fleet vehicles                            | <b>10</b>     | 10            | 0            | 10           | 0            | 10           | Moved to S22                 |
| Economy and Place | S20 | Review of Bereavement & Registrars income  | <b>270</b>    | 270           | 76           | 194          | 270          | 0            | GREEN                        |
| Economy and Place | S21 | Review Building Control services   | <b>115</b>    | 115           | 28           | 87           | 115          | 0            | GREEN                        |
| Economy and Place | S22 | Review of Regulatory, Environment and Waste division income                        | <b>115</b>    | 115           | 42           | 73           | 125          | (10)         | GREEN<br>£10k moved from S19 |
| Economy and Place | S23 | Pre-planning application advice full cost recovery                                 | <b>100</b>    | 100           | 7            | 93           | 23           | 77           | RED                          |
| Economy and Place | S24 | Efficiency Savings (already identified in Medium Term Financial Strategy)          | <b>273</b>    | 273           | 273          | 0            | 273          | 0            | BLUE                         |
| Economy and Place | S25 | Use s106 Funding to cover full costs of delivering identified highway improvements | <b>30</b>     | 30            | 0            | 30           | 30           | 0            | GREEN                        |
| Economy and Place | S26 | Introduction of natural burials and pet burials & cremations                       | <b>80</b>     | 80            | 0            | 80           | 0            | 80           | RED                          |
| Corporate         | S27 | Back office initiatives and efficiency savings                                     | <b>497</b>    | 497           | 236          | 261          | 386          | 111          | AMBER                        |
| Corporate         | S28 | Removal of contingency   | <b>700</b>    | 700           | 700          | 0            | 700          | 0            | BLUE                         |
|                   |     |  | <b>11,205</b> | <b>11,205</b> | <b>5,569</b> | <b>5,636</b> | <b>8,063</b> | <b>3,142</b> |                              |

\*RAG Rating – to show confidence in delivery of savings

|        |  |
|--------|--|
| Blue   | Full savings have already been achieved(complete)                          |
| Red    | Forecasts more than 10% away from their target for the year                |
| Yellow | Forecasts within 10% of their target for the year                          |
| Green  | Forecast variance for the year is zero (or negative), but not yet achieved |